

## **Proposal to set up a Charitable Incorporated Organisation (CIO)**

### **Background**

Since the Devon and Severn IFCA was formed we have talked about and indeed addressed the challenges of managing the work we aspire to do within the financial framework established under the Marine and Coastal Access Act 2009. This IFCA has worked hard to operate within its means and has sought opportunities to secure additional funding from a range of sources but this is constrained by operating within a local authority funded framework, which restricts our opportunities.

Additionally, with Brexit looming a number of these important sources (notably access to EU funds) will cease to be available and therefore opportunities to undertake projects will be constrained even further.

### **Proposal**

I am therefore proposing that this IFCA should set up a Charitable Incorporated Organisation (CIO) as a vehicle to enable us to continue to seek funding and to allow us to access funds that are currently not available to us.

So what is a CIO? It is a modern structure for a charitable organisation enabling it to work under the direction of the Charity Commission but outside the limited company framework while still retaining the protection of limited liability. . A CIO produces accounts under charity rather than company law and smaller CIO's (income of less than £250,000) can produce simpler receipts and payment accounts thus reducing the administrative burden still further. It is Charities Commission policy for smaller charities to become CIO's. What would the CIO do? The role of the CIO would be to source income for specific projects and initiatives that embrace the wider remit of the IFCA, which would be mainly for research and education purposes, as these are charitable purposes, whereas the operational duties of the IFCA would not be. Any funds secured would be geared towards deepening and broadening our understanding of the marine and coastal environment of our district, and beyond to the greater South West, thus helping to inform our regulatory and MPA management work. Funds generated in this way would be restricted to the CIO's charitable objectives and could not be used to substitute for core funds from local authorities.

Could we get the same result by working better in partnership? In short no. We work very effectively with our neighbours and on partnership working but we need to carry out work that is very targeted to our geography and therefore this remit does not naturally align with those of other bodies.

How would such a body be constituted? The Charity Commission has various 'template' model Constitutions. Given the nature of the IFCA and its operation the best fit option would be the Association model whereby the Authority would appoint a small number of trustees from its membership to run the body but the IFCA members would retain voting rights. Trustees would have agreed delegated powers.

## **Recommendation**

**That members consider whether a CIO would be beneficial to this IFCA and if agreeable, agree to setting up a small working group to bring a full set of proposals to the Authority.**

**It is proposed that the working group consists of the Chair, the Vice Chairs and the Chief Officer or Deputy Chief Officer plus two other members of the Authority.**