

Structural Review of D&S IFCA's funding

Officers' Recommendation

Members note the report

Background

Following the Authority's correspondence with Fisheries Minister Prentis in 2021, the Chair of the Authority and its Chief Officer have been meeting with her Defra officials to discuss and address the funding crisis D&S IFCA faces.

The Authority had identified the two key issues that were causing the funding crisis and it was noted that these issues were unique to D&SIFCA.

1. The funding formula that was applied to D&S IFCA is fundamentally flawed. It resulted in the three Local Authorities that had previously been part of Devon Sea Fisheries Committee (SFC) paying significantly less to the D&S IFCA Revenue Budget than they had to the Devon SFC Revenue Budget and required the new 'Severn' Local Authorities to contribute 44.7% of the levy toward meeting the D&S IFCA Revenue Budget.
2. Defra recognised that IFCAs had new management duties including a significant remit to monitor and manage the nationally designated coastal Marine Protected Area network. Defra provided the IFCAs with additional money (nationally £3M p.a. since 2011) by providing some of the funding Local Authorities with 'New Burdens Funding'. Defra's New Burdens doctrine ensures that central government assess and fund any new power, duty or expectation placed upon Local Authorities. In the case of D&S IFCA this resulted in Defra allocating 94.8% (£387,915) of the available New Burdens Funding to the Severn Local Authorities. This meant that only 5.2% (£21,382) of New Burdens Funding was made available to the 'Devon' Local Authorities.

The funding structure of D&S IFCA has left it with the second lowest budget among the nine mainland IFCAs for 2022/23 and despite having the largest District and two separate coasts, D&S IFCA's Revenue Budget for 2022/23 is less than half that of the IFCA with the third largest District.

Developments

Defra is committed to finding solutions that address the specific funding challenges that D&S IFCA faces. The priority in the short-term is to consider how a new set of levy percentages can be applied across the funding Local Authorities. Defra has the power to make the changes to the levy percentages set out in the Devon and Severn inshore Fisheries and Conservation Order 2010, however Defra expects that all options to resolving this need to be fully explored between the Local Authorities before this can happen.

Officers will shortly convene a meeting of the funding Local Authorities to start considering options to change the levy percentages. The Local Authorities' Finance Directors and assigned D&S IFCA Members and officers will be invited to attend the meeting. The Chief Officer has been asked by Defra to set out his initial suggested changes to the levy contribution in advance of the first meeting.

Defra is still to formally advise IFCAs on the level of New Burdens Funding for 2022/23 and indicative levels for the subsequent two financial years following confirmation of Defra's 2021 Spending Review settlement. It is expected that the total New Burdens Funding available to

IFCAs will remain at £3M and each IFCA will continue to receive the same share of the total. Defra has indicated that it is prepared to consider reallocating the New Burdens Funding across D&S IFCA's Local Authorities whilst remaining aligned to its New Burdens doctrine.

In addition, for 2022-2025, Defra has indicated that further funding will be set aside to support IFCAs' role with a number of key projects, for example Fisheries Management Plans, designed to deliver elements of the Fisheries Act 2020 and Environment Act 2021. The exact amount that each IFCA will receive will be set out in a formal 'handshake' letter that Defra will send out to the individual IFCAs. The handshake letter will likely set out what Defra expects to be delivered for this additional funding, but the money will not be specifically allocated and can be treated as income.

Background Papers/Links

No papers

End.