

Dear IFCA Member

27<sup>th</sup> October 2021

Mat Mander and I had a further virtual meeting with DEFRA on 28<sup>th</sup> September. Minutes of our previous meeting in August and of this September meeting have yet to be agreed, but as soon as they are they will be placed on the member's area of the Authority's website.

In the meantime I am providing this short summary in order to update members.

In terms of how New Burdens Funding (NBF) is distributed DEFRA confirmed that it was continuing discussions with Dept. of Levelling Up, Housing & Communities (formerly MHCLG) but could give no details beyond that. DEFRA is also speaking with its legal advisers, presumably to explore the legality of possible alternative mechanisms for delivery of NBF.

DEFRA also confirmed that it has been unable to locate any departmental records explaining how it arrived at the New Burden Funding formula for D&SIFCA and in particular why the amount of New Burden Funding did not relate to the proportions that each Local Authority had to contribute under the Devon and Severn IFCA Order 2010. DEFRA asked that we inquire of our funding Local Authorities whether they have any such records. Defra confirmed that they do not allocate funding to Local Authorities to subsidise local Council's taxpayers and they give new burden funding to LAs with the principle that it will all be passed on to D&S IFCA.

The level of projected funding for D&SIFCA from our Local Authorities for FY2022/23 was also discussed. We voiced the possibility / probability that at this level of funding D&SIFCA would be unable to meet its statutory duties in FY 200/23. DEFRA asked Mat to provide more detail, on the basis of this projected funding, as to:

1. what statutory duties D&SIFCA could perform
2. what statutory duties D&SIFCA could only partially perform
3. what statutory duties D&SIFCA could not perform

DEFRA will then assess, on the basis of this projected funding and the resulting reduced level of functionality by D&SIFCA, whether or not D&SIFCA would be meeting its statutory duties in FY2022/23. If the assessment by DEFRA is that D&SIFCA could meet its statutory duties at this reduced level of functionality and Authority members accept this assessment, then D&SIFCA would operate on this projected funding.

However, since this would clearly involve reductions, possibly substantial, in what D&SIFCA had set out as objectives and targets in its annual plan, it is possible that Authority members would not accept DEFRA's assessment and would be unable to set a budget for FY2022/23. This possibility was discussed at the meeting. If no budget could be agreed then D&SIFCA could continue to operate in FY2022/23 for approximately 6 months using its reserves. Beyond that D&SIFCA would cease to function. In that case DEFRA stated it is my responsibility, as Chair, to set out a mechanism for the cessation of activity by D&SIFCA. On a precautionary basis it would be prudent to investigate how this mechanism may operate as soon as possible and I shall discuss this with our financial advisors at Devon County Council.

Defra asserted that it created D&S IFCA to fulfil its statutory duties under MaCAA and that the Local Authorities should fund the IFCA sufficiently to allow us to fulfil our statutory duties. However if Defra's assessment is that D&SIFCA could not meet its statutory duties on the basis of the projected funding by its Local Authorities for FY 2022/23 or if a budget cannot be set then DEFRA have suggested that they would task the Marine Management Organisation (MMO), Natural England (NE) and the Environment Agency (EA) with carrying out those statutory duties D&SIFCA could not. How partial or entire discharge of D&SIFCA's statutory functions by the MMO, NE & EA would actually work is not known at this moment in time and was not set out by DEFRA in the meeting.

The Senior Management Team will now prepare an assessment as to what statutory duties D&SIFCA could, could not and could only partially discharge on the projected funding by our Local Authorities for FY2022/23 and will send this to DEFRA. This assessment will also be shared with members. We shall then await DEFRA's assessment before being able to take the matter further.

The next virtual meeting with DEFRA is scheduled for 5<sup>th</sup> November.

In the meantime if you have any aspect you wish to discuss please do not hesitate to contact Mat and /or myself.

Prof. M. V. Williams

A handwritten signature in black ink, appearing to read 'Mr Williams', with a stylized flourish at the end.

Chair  
Devon & Severn IFCA