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Our Ref: SE/GK/MW

Your Ref: Letter 22/10/2019

Date: 27th December 2019

Dear Michael,

Re: D&S IFCA response to 'Senior Officer Statement' by GCC (March 2019)

Thank you for your letter and an attached Annex which is the long awaited response to our statement presented to the D&S IFCA earlier this year. It is most useful to have a more complete record of the opinions held by the Authority on the matters our statement raised.

It is unfortunate that there are still many points of detail we are unable to agree with. However, given the welcome news that DEFRA will be undertaking a review of the current funding model, I think it is prudent if I just summarise our main grievances:

- The information that the D&S IFCA's budget is the lowest of the nine mainland IFCAs is just a statement. The annual budget required should be one that meets actual reasonable needs to ensure that statutory duties are met. Across the District from the upper Severn in Gloucestershire to the South Devon coast, expenditure varies enormously. The waters within the county of Gloucestershire do not receive much attention from the D&S IFCA (and we would not expect them to on an evidential basis). There have been no new marine designations nor fisheries activities nor significant new scientific findings within the county that might necessitate significant additional costs beyond any inflationary ones. The costs connected with the actual sea fishery resource present that needs managing in Gloucestershire are not consistent with the actual levy imposed upon Gloucestershire County Council (Thomson Ecology Report to GCC June 2014).
- We are pleased that you agree with us that the funding model for the D&S IFCA is not working. However you do not state whether you believe the levy imposed upon Gloucestershire to be excessive. I assume this to be the case from the conversations we have had. The main problems with the model, in our view, are a consequence of an ill-fitting, dated, default formula that was used without amendments by DEFRA in 2009/2010. This default formula does not work at all well for the unique geographical circumstances of the upper Severn within the county of Gloucestershire (only about 1% of the total D&S IFCA area). In the flawed formula used by DEFRA, both banks of the River Severn in Gloucestershire are counted. The banks are not coastline in the normal common sense use of the word. In a very long section of the Severn we are talking about riverbanks (not shoreline) which are only a short distance apart. This gives us the misleading statistic quoted in your Annex A, i.e. that the D&S IFCA of all mainland IFCAs has the second

largest length of coastline in England.

- Gloucestershire County Council has never and would never withhold monies that the D&S IFCA is entitled to receive. The County Council has significant additional costs associated with being a member of the D&S IFCA. Unlike some other Severn Authorities, we have continued to regularly attend meetings and we also incur not inconsiderable staff time in monitoring D&S IFCA's activities including its annual budget and expenditure. Nothing we have or haven't done in respect of the (non ringfenced) New Burdens Funding we receive from the Government is unlawful. We have always, without question, paid our percentage of the agreed annual IFCA budget.
- It is not entirely correct to state in your response that '*deficiencies in this funding model does not lie with the IFCA, nor with its constituent Local Authorities*' and that '*only the Secretary of State can amend the Statutory Instrument*'. On more than one occasion DEFRA has told us that agreement of alternative levies should in the first instance be progressed through the D&S IFCA. In a letter dated 4th June 2013 from DEFRA Minister Richard Benyon to Gloucestershire County Council (and similarly sent to the other Severn Authorities) we were reminded that if member councils could agree a more equitable alternative share of costs then the D&S IFC Order 2010 could be amended. Again, in August 2015, Minister George Eustice made the offer of a DEFRA official to Chair a meeting with a view to negotiating a restructure of the sharing of the D&S IFCA costs. Unfortunately, given that an alternative arrangement would mean increased levies for some members, this approach was investigated but not progressed. This may be why the D&S IFCA has perhaps made the assumption that resolution remains entirely in the hands of DEFRA? I can assure you, from this Ministerial correspondence, it does not.

We are aware and extremely pleased that DEFRA will be reviewing the current unfair funding model for the D&S IFCA and we will certainly actively engage in this process. I look forward to continuing to work with you, the IFCA, the relevant stakeholders and the other funding local authorities throughout 2020 and beyond to secure a fairer solution to the difficulties we continue to find ourselves in.

Yours sincerely,



Simon Excell
Lead Commissioner – Strategic Infrastructure