

## **D&S IFCA Funding Meeting 30th September 2022**

### Attendees:

**D&S IFCA:** Mike Williams (Chair), Pam Buchan (Vice-Chair), Mat Mander (CO), Sarah Clark (DCO), Olga Pepper (F&AM)

**Devon County Council:** Cllr Phil Twiss, Cllr Stuart Hughes, Cllr Alistair Dewhurst, Jess Maunder (Officer)

**Gloucestershire County Council:** Cllr Alan Preest, Simon Excell (Officer)

**North Somerset Council:** Cllr Bridget Petty, John Flannigan (Officer)

**South Gloucestershire Council:** Brian Glasson (Officer)

**Somerset County Council:** Cllr Mike Murphy

**Richard Harris Facilitator** 3QK,

**Defra:** Anne Harkness-Moore and Eleanor Pettitt-Fergusson (on zoom).

### Absent:

Torbay Council, Plymouth City Council, Bristol City Council

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Mike Williams opened the meeting and explained that Defra officials had joined as observers and that no questions could be put forward to the observers by attendees from D&S IFCA Local Authorities.

Mike Williams stated that Defra had set aside parliamentary time to amend the funding formula of the 2010 Statutory Instrument for D&S IFCA. Mike explained that the meeting had been called by Defra for the Local Authorities to investigate coming to an agreement on the funding formula. The purpose was not to reach agreement with D&S IFCA. It was for the Local Authorities to reach an agreement themselves. If agreement cannot be reached the understanding is that Defra will consult with the Local Authorities and amend the funding formula themselves. D&S IFCA has prepared a paper on some potential amendment options to the formula. Defra has had sight of the paper and made comments. Mike Williams suggested that other solutions may also be put forward by the Local Authorities.

Richard Harris introduced himself and explained that the meeting was to get structural clarity on the position of the Local Authorities. Richard explained that written communication had been received from Torbay Council's Director of Place, Kevin Mowat, which he proceeded to read out. Richard asked if there were any initial questions for general clarification.

Councillor Twiss felt that the papers were pretty clear. He suggested there were a couple of options that were feasible although he had slight observations/reservations on the other options. He explained that the IFCA as constructed is artificially unwieldy and does not work. He expressed the view that he would prefer that Devon was spurred off as its own IFCA. He explained that Devon County Council might consider Option 2 but favours a separation and total restructuring of the IFCA.

Simon Excell explained that there was unanimous stance for four out of the five Severn Local Authorities, not including Bristol City Council (who were absent from the meeting). He said that one of the four options in the paper was feasible. He also expressed the view that he did not want to talk about the Principles of Change and that the funding formula is the key issue. New Burdens Funding is the other key issue to focus on. He said that the attendees needed to talk about the percentage contributions and the Severn Local Authorities would support Option 3.

Richard Harris explained that D&S IFCA is constrained by the existing model and the existing funding available, and he felt it was not the role of D&S IFCA to suggest a break off of Devon and Severn areas. He explained that Mat Mander made the paper within the bounds of what exists and no option outside of this.

Mat Mander stated that if potential solutions outside the paper exist it would be valuable to discuss them so an option could be considered outside the options that D&S IFCA has suggested. Richard Harris suggested that there was the potential to list alternative options so that Defra can consider the paper and any other alternative options.

Brian Glasson explained that he thought creating two organisations would not be cost effective. He pointed out that D&S IFCA only provides a minority proportion of work in the Severn area so wants to reduce the percentage but not to create two separate IFCA's which would not be cost effective.

Richard Harris then proceeded to ask for consideration of the **Principles of Change**:

**Principle 1: *Local Authorities accept, that D&S IFCA is a significant outlier compared to other IFCA's when it comes to funding and workloads and requires a significant increase in its Revenue Budget.***

Cllr Twiss expressed the view that this was not contentious. Brian Glasson felt that this was not relevant to compare D&S IFCA to other IFCA's. He felt this was immaterial and needed to be based on available resources. Therefore, South Gloucestershire Council could not agree with this principle. North Somerset Council also could not agree with this principle. It was also pointed out that having heard the e-mail from Kevin Mowat of Torbay Council, they too could not agree with this principle.

**Principle 2: *The Local Authorities' contributions reflect where D&S IFCA resources have to be directed.***

Simon Excell explained that Gloucestershire County Council does not agree with this principle. He explained that the percentage contributions do not reflect where the resources should be allocated. Mat Mander explained that this principle was not written the way he intended it to be. This principle was forward looking and not intended to summarise the current situation. He explained that the Local Authorities' contributions 'should' reflect where the resources are allocated. Therefore, it was agreed that the insertion of 'should' be put in the principle. Simon Excell then suggested that all the Severn Local Authorities bar Bristol City Council (again, due to their absence) agree with Principle 2.

**Principle 3: *Somerset and Severn Local Authorities accept that the amount of NBF they receive will change to reflect any change in the percentage contributions to the Levy.***

All the Local Authorities accept this principle.

**Principle 4: *Somerset and Severn Local Authorities agree to waive the £5,000 of NBF for their D&S IFCA related administration costs.***

South Gloucestershire Council would concede this principle if an agreement were reached. North Somerset Council agreed with this principle. Gloucestershire County Council would potentially accept Principle 4 if there was an agreement to Option 3. Cllr Twiss of Devon County Council agreed with this principle as he felt it was of least concern.

**Principle 5: *In future years, all Local Authorities agree to use their taxpayers' money to support any shortfall between NBF and Levy contributions, as is the case in all other IFCA's***

Simon Excell explained that if Option 3 was chosen then he would disagree with Principle 5. North Somerset and South Gloucestershire Councils also agreed with this position. Cllr Twiss of Devon County Council agreed with Principle 5 as almost 70% of the total funding for D&S IFCA comes from Devon County Council. However, he expressed the view that he was not happy that other Local Authorities would contribute smaller amounts. Again, he reiterated he would prefer restructuring of the IFCA.

Mat Mander explained that Devon County Council's current contribution is 47.09%. Cllr Twiss said that Devon County Council would prefer to be the masters of their own destiny. Mat Mander explained that under Devon Sea Fisheries Committee, Devon County Council contributed 68.2% but currently contributes 47.09%. Simon Excell suggested that an option could be to change the Local Authorities' percentages as set out in the paper and that the money is paid for in the exact amount by New Burdens Funding and therefore there would be no need for the Severn Local Authorities' taxpayers to contribute monies to the IFCA. In this scenario Gloucestershire County Council would not retain any 'excess' New Burdens Funding and therefore it would be all passed on to the IFCA.

Mat Mander explained Option 3. He explained that New Burdens Funding from Defra had stayed the same, so in effect, year on year, it had shrunk and therefore if the Severn Local Authorities did not contribute taxpayers' money the paper indicates that the Devon Local Authorities would have to pay the additional shortfall. If the Local Authorities chose to do nothing and D&S IFCA's Revenue Budget continued to increase to reflect inflation, then New Burden Funding would not be sufficient to cover the entire contribution of the Severn Local Authorities in the short term.

Cllr Petty of North Somerset Council expressed the view that there were flaws in the national payment mechanism and that there were significant challenges in financial models. She suggested that the Local Authorities were discussing a broken system over financial modelling and that perhaps other areas inland of the coast should all contribute and that there should be national funding.

Pam Buchan suggested that Torbay Council also thought it should be nationally funded, but that D&S IFCA is structured in a way that relates to the coastal communities and that is important to have the democratic link to coastal communities. Mike Williams recalled that Plymouth City Council had made a point in a previous meeting suggesting IFCA's should be funded nationally.

Brian Glasson expressed the view that there was little direct benefit to the local communities in the Severn from the IFCA. He was also concerned, that the Severn Local Authorities have no effective control over the setting of the Revenue Budget (due to voting patterns).

Pam Buchan explained that the fire service has democratic responsibility and draws on taxpayers like the IFCA. She added that there are comparisons, but the fire service gets all its funding from taxpayers.

Richard Harris asked the questions: How do we fund D&S IFCA? How do we deliver on democratic fisheries management?

Cllr Twiss said he did not disagree with Pam Buchan, but he believed that the funding of the IFCA was broken. If the IFCA follows the democratic representation line and that Devon County Council contributes up to 70% of the funding, then Devon County Council would want 70% of the votes. Mat Mander explained that this would be consistent with the current D&S IFCA Order in that Devon County Council has five votes out of 12 to reflect its current contribution to the Budget. Simon Excell pointed out that the Severn Local Authorities always

get outvoted at budget meetings (due to voting patterns) Cllr Petty expressed the view that she was leaning in support of option 3. Richard Harris then summarised that Options 2 and 3 warranted further discussion.

### **Options:**

Richard Harris recapped the current views of the Local Authorities. Devon County Council prefer Option 2 and the four Severn Local Authorities prefer Option 3. It was agreed that Simon Excell would talk to Option 3, and Cllr Twiss would talk to Option 2. Torbay Council, as expressed in the e-mail from Kevin Mowat, preferred Option 1.

**Simon Excell spoke to Option 3: *Reduce the levy percentage of Somerset and Severn Local Authorities and maximise NBF but continue with no local taxpayers' money from Somerset and Severn in 2024/25 and beyond.***

Simon Excell explained that he would talk on behalf of the Severn Local Authorities but on the proviso this had not been discussed with Bristol City Council. Simon thanked the Chair and the Chief Officer of D&S IFCA as he understands the hard work that was put in to try and get a resolution and that it was welcomed. He also thanked Defra for organising the meeting. He explained that he has been waiting for the meeting for over 10 years and knew at the start that the funding formula was flawed. He added the criteria used to set the percentage contributions for the Local Authorities were not appropriate. He asserted that the percentage contributions must change. He welcomed the changes under Option 3 and also the Parliament time that has been discussed and he expressed the view that he was fully aware that if they cannot come to an agreement on the percentage contributions then Defra may decide for them. He felt that the ball is still in the Local Authorities' court but that an agreement is unlikely. He added that there has been so much wasted time to date discussing the budget and that it has reached a stage that the budget is unsustainable especially in using reserves to fulfil D&S IFCA's Statutory duties, and he is aware that the reserves will disappear in three to five years. The Severn Local Authorities agree that Option 1 is not an option to them, and they agree, although they cannot speak for Bristol City Council, that Option 3 is the way forward.

Mike Williams thanked Simon Excell for his considerations and explained that parliamentary time is available before the end of the financial year and therefore there is very little more time for discussions.

**Cllr Twiss of Devon County Council spoke to Option 2: *Change the levy percentages in the Order, maximise NBF to D&S IFCA, fix NBF allocations to Local Authorities at 2023/24 levels.***

Cllr Twiss spoke on behalf of Devon County Council. He is supportive of the principles of D&S IFCA but also expressed the frustration on how the IFCA operates. Devon County Council's preferred option is actually to split off Devon from D&S IFCA to make a Devon IFCA and with this in mind Devon County Council's preferred option in the paper is Option 2. He was concerned that with Option 3 how could the IFCA ensure that the Severn Local Authorities would contribute their own funds to the IFCA. He thought it was unlikely that New Burdens Funding could be changed every year, as this have not happened over the past 10 years, and that it would require a change to the Statutory Instrument. Therefore, in DCC's opinion, Option 3 would not work.

Simon Excell responded to the views on Option 3. He pointed out that if New Burdens Funding changed on an annual basis, then Option 3 would work. He added that the Severn Local Authorities are seen as keeping some New Burdens Funding, but they actually contribute the required percentage to the Revenue Budget. He explained that as the New Burdens Funding

is more than is required for the percentage allocation then the Severn Local Authorities do retain the extra monies from New Burdens Funding. Therefore, he could not agree with Option 2. Cllr Twiss felt that the Authority needs more clarity from Defra on whether new burdens could change on an annual basis.

Mat Mander explained that this would lead to the Local Authorities talking directly to Defra. Defra had noted that administratively changing the New Burdens Funding annually might be difficult but that they could reflect on this. It would require changes by Defra on the allocation of New Burdens Funding, which may be possible but difficult.

Cllr Dewhirst supported the preferred position that D&S IFCA go back to the boundaries of the Devon Sea Fisheries Committee but appreciated that there are new Statutory duties for D&S IFCA. He questioned whether the Severn Local Authorities could fulfil those Statutory duties if there was a split into their own IFCA. Mat Mander recognised that Devon Sea Fisheries Committee was focused on fisheries management, but the D&S IFCA has huge conservation duties under various pieces of legislation including MaCAA, the Environment Act, the Fisheries Act and the Habitats Regulations so the IFCA has staff and experience to deliver these Statutory duties. If there was a break-up of the IFCA that it would be more expensive to set up a separate IFCA. Councillor Dewhirst questioned that if there was a split in the IFCA, would the Severn IFCA be happy with the funding they receive. Brian Glasson expressed the view that if splitting the D&S IFCA does not actually lead to efficiencies and a reduction in costs then it is unlikely that Defra would agree to this. He stated that South Gloucestershire Council make a significant contribution but with little benefit from D&S IFCA. However, he was concerned that if there was a split, that it would not be cost or administratively efficient.

The Severn Local Authorities expressed a view that they are always out voted and therefore a structural split may have more democratic representation, but the cost efficiency would be detrimental. Pam Buchan explained that this tends to be the case in many organisations where those that contribute more have greater voting rights. However, she continued that in an ecological context, it would be important to keep the IFCA as one organisation to protect the marine environment. Simon Excell explained that the Severn Local Authorities had discussed a potential split but overall, there would be more disadvantages than benefits. They have considered this option but cannot support a split. Richard Harris asked the meeting what would happen if the voting rights were flattened. Mat Mander explained that the Authority has 30 Members and therefore in the majority of work undertaken there is a full democracy. In terms of finance this comes down to the Funding Local Authorities only and how they operate is reflected in the D&S IFCA's Order 2010.

Cllr Twiss pointed out that in so many of the meetings, funding is always discussed so if these issues can be resolved then there would be more time spent on other important workstreams. Cllr Dewhirst questioned whether it comes down to the fact that the Severn Local Authorities think they are paying a large contribution but are not getting their money's worth. Therefore, if there was a split in the IFCA then this would allow each IFCA to follow its own direction.

Mat Mander explained that D&S IFCA currently directs the funding to the areas of the District where its resources can have the greatest impact. D&S IFCA's officers can deliver work when it needs to in the Severn Local Authorities' areas, for example, in the work undertaken on Hinkley C power station and dredging proposals. Pam Buchan pointed out that Councils across the country do not spread their funding equally across areas that they manage. She was concerned that some Local Authorities have never come to IFCA meetings and therefore if Local Authorities do not believe that the IFCA is delivering what they want they should come and discuss it at the meetings. She also explained as demographic organisations, Local Authorities represent the geography within the IFCA. North Somerset Council stated that they

do not look to Devon County Council for their interests and have more in common with West of England Councils. North Somerset Council do not feel they get their voice heard equally across all the Local Authorities that sit on D&S IFCA.

Richard Harris brought the meeting back to the fundamental question of what happens next. Mike Williams expressed the view that it is important that Defra has seen the funding paper and accepts that the funding formula is not working. He was pleased that the meeting had taken place and explained that meeting notes will be sent out to all attendees for comments. The finalised meeting notes will be sent to Defra and then D&S IFCA will call for a meeting with Defra. Mike Williams reiterated that this is an on-going process with Defra as no unified decision has been reached by all Funding Local Authorities. Mat Mander explained that he and Mike Williams will be putting forward a proposal that the Local Authorities and Defra now converse directly on this matter. He pointed out that in two months the annual Revenue Budget will be set. Devon County Council said D&S IFCA cannot afford more time on the discussions, so it is expected that the Local Authorities and Defra use this meeting as a springboard for further discussions. Mike Williams thanked all for attending the meeting and thanked Somerset County Council for hosting the meeting. He also thanked Richard Harris for facilitating. Mike Williams also acknowledged that the meeting had been carried out in a professional and good-humoured way. He summarised that the understanding is that Defra will now consult directly with the Local Authorities. Mike Williams gave final thanks to Simon Excell for consulting with the Severn Local Authorities prior to the meeting. The meeting was closed.

End.