

Dear Simon,

Happy New Year. I hope that you had a good break over Xmas and that 2020 is a healthy and prosperous one for you and your family.

Thank you for your reply of the 27<sup>th</sup> December. I do not propose to delve into every point raised as they have been discussed on a number of occasions since April 2011 and we are in danger of perpetuating a circular exchange. I shall therefore restrict myself to a few of the more salient points.

1. It is entirely accepted that the statement that D&SIFCA's budget is the lowest of the nine mainland IFCA's is, by itself, just a statement. That is why it was accompanied by a detailed set of metrics evidencing fully the statement.

It is entirely accepted that GCC's retention of New Burdens monies beyond the percentage requested is completely lawful and D&SIFCA has never, to my knowledge, asserted otherwise. It is also accepted that GCC is fully entitled to deduct reasonable administrative costs, since they are a 'new burden'. What is contested is that a retention of £142,957 is a reasonable administrative cost for GCC over the lifetime of the IFCA. It does not comply with the £5k allowable retention per annum, and an average administrative cost of £4,000 for preparation and attendance at each quarterly meeting (especially as F&GP is held on the same day) would appear excessive.

2. Additionally, because a course of action is legal does not make it a constructive administrative policy that is in the public interest.
3. It is acknowledged that GCC has regularly attended D&SIFCA meetings and contributed. I should also state that I do genuinely welcome the account to which D&SIFCA has been held by GCC. Public bodies, like any other organisation, can become too 'comfortable' and complacent. A questioning mindset prevents 'group think' and adds value to deliberations. I do hope that, while there will always be differing views around the D&SIFCA's table, GCC never feels that its presence is less than welcome and that its participation is not valuable. That is my approach as Chair and it will remain so as long as I am Chair.
4. I was not aware that DEFRA had stated that in the first instance that a variation in the levies should be progressed through D&SIFCA. Indeed, this is the first time I had heard of such a suggestion and I am grateful to you for informing me. I suspect that, as you say, the assumption was made by D&SIFCA because there is, to my mind, no realistic possibility whatsoever of agreement to vary the levies being reached by D&SIFCA's constituent Local Authorities (LAs).
5. DEFRA has now informed me by email that discussions are taking place on reviewing the funding model, but I have no further details at present. Thus, it appears that DEFRA has now accepted that no agreement between the LAs on a variation of the funding for D&SIFCA is possible and is working on a solution. We have been promised another telecon with DEFRA officials, hopefully before the Authority's meeting on the 23<sup>rd</sup> January and we may have more information that we can share with the meeting. It may be the case that the IFCA funding model may be reviewed generically or that just D&SIFCA's funding model is reviewed. Either way it does not matter as long as D&SIFCA's funding crisis is resolved.

6. I shall table at D&SIFCA's meeting on the 23<sup>rd</sup> January all our correspondence, including this reply, arising from GCC's Statement of March 2019 on D&SIFCA finances. I think it is important that there is full transparency and that all Authority members are kept fully informed. However, I should also like to give DEFRA sight of your reply of the 27<sup>th</sup> December, since I believe that it is also important they are fully informed as to the nature and extent of GCC's concerns, which I believe are also shared to a greater or lesser extent by the other Severn LAs.

I look forward to seeing you on the 23<sup>rd</sup> and in the meantime if I can be of any further assistance or if any further relevant information comes your way please do not hesitate to contact me.

Best wishes,

Michael

Prof. M. V. Williams

Chair

Devon & Severn IFCA