



The Rt Hon George Eustice MP
Secretary of State for Environment, Food and Rural Affairs
House of Commons
London
SW1A 0AA

19th March 2021

Dear Mr Eustice

Devon and Severn Inshore Fisheries and Conservation Authority.

The Devon and Severn Inshore Fisheries and Conservation Authority (D&S IFCA) has asked that I, in my capacity as the Chair of the Authority, write to you as a matter of urgency.

The purpose of this letter is to inform you that the necessary funding for D&S IFCA to fulfil its Statutory functions beyond the Financial Year 2021/22 (FY 2021/22) is not available. The IFCA's funding Local Authorities are unable to commit to any further increase in the Revenue Budget, including those relating to staff pay awards and inflation. All members of the Authority agree that intervention by Defra and the Ministry of Housing, Communities and Local Government (MHC&LG) is now essential to resolve this critical situation.

I have enclosed a supporting document, which is intended to provide evidence of the financial issues faced by D&S IFCA. The document sets out how D&S IFCA is a significant resource outlier compared to other IFCAs, the problems with the New Burdens Funding allocation, and the deficiencies in the funding model devised by Defra.

The *Devon and Severn Inshore and Fisheries and Conservation Order 2010* ('the 2010 Order') created the largest IFCA by combining the former Devon Sea Fisheries Committee District with a new district area of the Somerset coast, the Severn Estuary, and Taw and Torridge Estuaries. The 2010 Order clearly sets out that the Authority's expenses must be defrayed by the relevant councils. Defra's funding formula has resulted in the Devon Local Authorities' contributions being 30% less than these Councils paid towards the last Devon Sea Fisheries Committee Revenue Budget in 2010. It is incomprehensible that D&S IFCA receives a much-reduced contribution from the Devon Local Authorities to achieve a significantly increased workload of Statutory duties and responsibilities in the Devon area.

Defra's funding formula for D&S IFCA did not consider the baseline level of funding that a Severn Sea Fisheries Committee, encompassing the coastlines of Somerset and the Severn Estuary, would have required if it had been in existence. This led to the consideration of a baseline Revenue Budget for D&S IFCA based only on Devon Sea Fisheries Committee contributions. All other IFCA's Districts were covered by Sea Fisheries Committees and therefore no other IFCA's budget started from a position where there was such a disparity between the Sea Fisheries Committee contributions and IFCA contributions to the Revenue Budgets.

The Somerset and Severn Local Authorities have reported that Defra did not effectively consult with them in 2010, and they subsequently found the funding formula for D&S IFCA completely unacceptable, a matter they have frequently raised with Defra. Defra has been fully aware of the lack of appropriate funding available to D&S IFCA since the vetoing of the first Revenue Budget for FY 2011/12 by the Somerset and Severn Local Authorities.. This

has been raised in numerous discussions and evidenced in correspondence with Defra Officials in the intervening ten years. Moreover, despite requests made by me and the Chief Officer, in email correspondence and meetings with Defra officials since 2019, Defra has declined to address the funding problem.

After a decade of underfunding, D&S IFCA is at the point of collapse and additional funding is required for it to function effectively beyond March 2022. Setting an annual Revenue Budget below operational need, which D&S IFCA has been forced to do, has inevitably had significant consequences for D&S IFCA such as:

- Reducing its operational budget from £150,913 FY 2011/12 to £39,100 in FY2020/21, a reduction of 74%
- Failing to resource an asset replacement programme.
- Selling its 22 metre patrol vessel in 2014 on the basis of lack of financial and staffing resources rather than operational considerations.
- Being forced to sell its research vessel in 2021 on the basis of lack of financial and staffing resources rather than operational considerations.
- Closing its office in Somerset in 2020.
- High turnover of staff resulting in lower operational resilience and increased risk of a failure of duty of care.
- Suspending the job evaluation process in 2020 as there is no money available to recognise any potential salary awards.

Defra's administration of the New Burdens Funding (NBF) has compounded the problem. The amount of NBF that the Local Authorities receive is not in line with their contributions set out in the 2010 Order. This has led to the Somerset and Severn Local Authorities receiving approximately £60,000 NBF per year which is above the amounts that they are required to contribute to the D&S IFCA's Revenue Budget. Since 2011, D&S IFCA has not received approximately £600,000 in NBF intended for it. Defra is unable to explain why each of the Severn Local Authorities receive the amounts of NBF that they do. This is indicative of the administrative dysfunctionality of the present funding model.

The Local Authorities have indicated that they will not commit to increasing the D&S IFCA Revenue Budget beyond 2021/22 levels. D&S IFCA has reserves which it intends to use to support the delivery of some workstreams in its Annual Plans in the next two to three years, but its reserves cannot be used to offset costs set out in its Revenue Budget.

Given the financial concerns raised in this letter and the supporting document, I on behalf of D&S IFCA, request that you direct Defra officials to enter into discussion with the MHC&LG and D&S IFCA's Local Authorities to find a solution to D&S IFCA's funding difficulties.

Yours sincerely,



Prof. Michael V. Williams
Chair,
Devon & Severn IFCA