



Financial and Operational Assessment of Devon and Severn Inshore Fisheries and Conservation Authority

March 2021

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1. Overview

This report details the history and current financial position of Devon and Severn Inshore Fisheries and Conservation Authority (D&S IFCA), and is a supporting document to the letter from Professor Michael Williams, Chair of D&S IFCA, to the Secretary of State for the Environment, Food and Rural Affairs, the Rt Hon George Eustice dated 19th March 2021

Many of the metrics used in this report relate to FY 2017/2018. These are the same data used in the separate [D&S IFCA Benchmarking Report](#)¹ provided and used in the unpublished Evaluation of IFCAs - Defra commissioned report. If Defra or other Government departments require more up to date information, this can be provided by D&S IFCA.

2. Origins of Financial Difficulties and New Burdens Funding

The origins of D&S IFCA's funding difficulties can be traced back to the transition from Sea Fisheries Committees into IFCAs. Unlike other IFCAs, D&S IFCA's District was increased significantly and expanded to include Somerset, Bristol and Gloucestershire (Severn Estuary), as well as the Taw and Torridge Estuaries in North Devon. In spite of this increase in District, those Local Authorities based along the Severn Estuary, who would for the first time become part of an IFCA, have reported that they were not effectively consulted on the changes brought in under the Marine and Coastal Access Act 2009 and they found the funding formula set out in 'The Devon and Severn Inshore and Fisheries and Conservation Order 2010'² completely unacceptable.

a. D&S IFCA Budget Setting

Defra had calculated that D&S IFCA required a Revenue Budget of £957,807 for FY 2011/12³. The Somerset and Severn Local Authorities vetoed the first Revenue Budget in FY 2011/12⁴ of £940,100 and proposed an alternative budget of £591,000. Devon Sea Fisheries Committee's (DSFC) last Revenue Budget for 2010/11 was £582,599. In effect, these Local Authorities implied that the introduction of fisheries and conservation management along the Somerset coast and the Severn Estuary, as well as the significant increase in workload for the Devon areas, could be delivered for £8,401. In order to set a Revenue Budget in FY 2011/12, an arbitrary figure of £736,500 was agreed by all the funding Local Authorities.⁵

Throughout the last 10 years, D&S IFCA's Revenue Budget has been significantly less than other mainland IFCAs. The Devon Local Authorities have reported that they are unable to increase their funding to previous levels provided to DSFC or increase their contributions for the FY2021/2022 and beyond. The Somerset and the Severn Local Authorities report that they remain reluctant to pay any of their own taxpayers' money towards D&S IFCA. This is reflected in the fact that the Revenue Budget for FY 2021/22 is now only £3,500 more than the Revenue Budget set in 2011/12 (Table 1), an overall increase of 0.48% but in real terms this is a significant decrease (Figure 2).

¹ IFCAs Reporting and Benchmarking – D&S IFCA Report April 2019

² The Devon and Severn Inshore Fisheries and Conservation Order 2010

³ Option 2 of Allocating New Burdens Funding to Inshore Fisheries and Conservation Authorities and their Funding Local Authorities - Defra Report 2nd December 2010.

⁴ Minutes of the D&S IFCA Main Authority Meeting held on 16th November 2010

⁵ Minutes of the D&S IFCA meeting held on 20th January 2011

Table 1 D&S IFCA's Revenue Budget over the past 10 years.

Year	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
Revenue Budget	736500	764500	736000	701600	701600	693200	716900	733600	724000	740000	740000
%age annual change		+3.80%	-3.80%	-4.67%	0%	-1.2%	+3.42%	+2.33%	--1.31%	+2.21%	0%

b. New Burdens Funding

Defra allocates a total of £409,297 of New Burdens Funding for D&S IFCA. Somerset and the Severn Local Authorities receive approximately 95% (£387,915) of the total amount. Table 2 and Figure 1 detail the Local Authorities' levy amounts for the FY 2021/2022, the New Burdens Funding received by the Local Authorities and the variance between the New Burdens Funding and the Levy received by D&S IFCA for the Revenue Budget.

Table 2: D&S IFCA's Local Authorities' Levies and for FY 2021/2022 New Burdens Funding

	2020/21 Indicative Levy	Reduction in Levy	2021/22 Indicative Levy	2021/22 New Burdens Funding	Variance
	£	£	£	£	£
Bristol City Council	41,810	0	41,810	50,851	(9,041)
Gloucestershire County Council	107,078	0	107,078	122,428	(15,350)
North Somerset Council	34,262	0	34,262	42,574	(8,312)
Somerset County Council	117,586	0	117,586	133,952	(16,366)
South Gloucestershire Council	30,192	0	30,192	38,110	(7,918)
Total New Authorities	330,928	0	330,928	387,915	(56,987)
Devon County Council	348,466	0	348,466	21,382	327,084
Plymouth City Council	34,780	0	34,780	0	34,780
Torbay Council	25,826	0	25,826	0	25,826
Total Devon Authorities	740,000	0	740,000	409,297	330,703

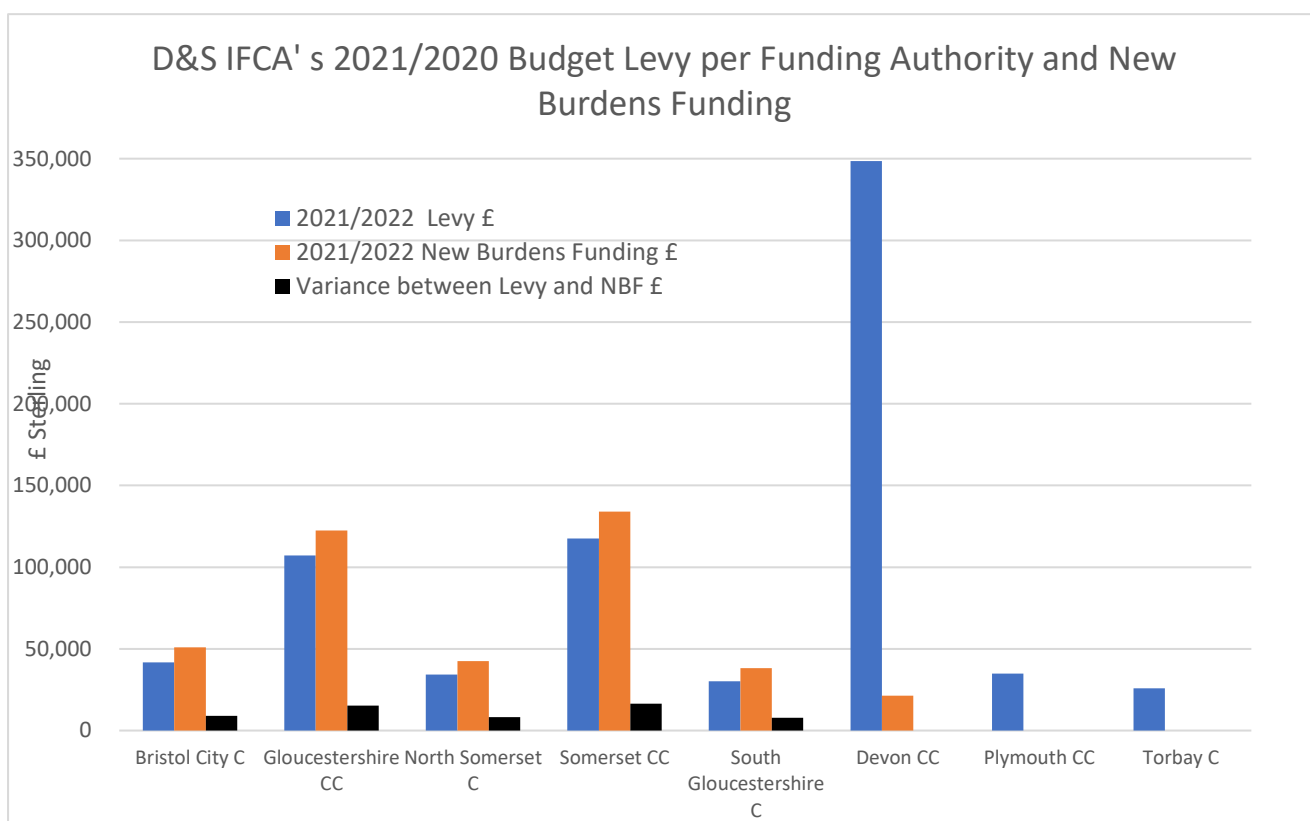


Figure 1 D&S IFCA Local Authorities' Levies for FY 2021/2022, New Burdens Funding, and the Variance between them

3. Inadequacies in the D&S IFCA's Funding Structure and Administration

The flaws in the development of the funding structure of D&S IFCA can be demonstrated as follows:

- i. The Devon Local Authorities' (Torbay Council, Plymouth City Council and Devon County Council) contribution to the 2021/22 Revenue Budget of £740,000 is £173,528 (30%) less than these Councils paid towards the last DSFC's budget in FY2010/11, when Devon County Council paid £397,321, Plymouth City Council paid £123,519 and Torbay Council paid £61,759. This reduction in funding by the Devon Local Authorities does not correspond with the increased duties, responsibilities, and workload of D&S IFCA in the Devon part of the District.

Devon County Council receives only £21,382 New Burdens Funding, which it provides to D&S IFCA, to undertake all the new burdens emerging in the former DSFC's District. In FY 2021/2022 Devon County Council will contribute £348,466 inclusive of New Burdens Funding to the Revenue Budget. In FY 2010/2011 Devon County Council contributed £397,321, which means that despite New Burdens Funding to this Local Authority, there is less funding of D&S IFCA than there was to DSFC.

Table 2 and Figure 1 show that under the current funding structure, Bristol City Council are required to contribute more towards the Revenue Budget than either Torbay Council or Plymouth City Council. This does not reflect where D&S IFCA has to prioritise the use of its resources.

The New Burdens Funding was designed to build on the existing Sea Fisheries Committee's budget, but Defra did not consider the amount the Somerset and Severn Local Authorities would have contributed to a 'Severn' Sea Fisheries Committee, had one been in existence prior to the formation of D&S IFCA.

- ii. D&S IFCA would have had an operational annual Revenue Budget of £991,896 for each of the last ten years based on the following assumptions:
 - a. If Somerset and the Severn Local Authorities had paid nothing toward D&S IFCA's Revenue Budget (taxpayers' money or New Burdens Funding), and
 - b. if the Devon Local Authorities had continued to contribute the same level of funds that they did to the last Devon Sea Fisheries Committee's Revenue Budget and
 - c. if Defra had provided the New Burdens Funding to the Devon Local Authorities.

Instead, D&S IFCA has received an average Revenue Budget of only £726,172 over this same period, which equates to a total lost potential revenue of £2,657,240 (see Figure 2).

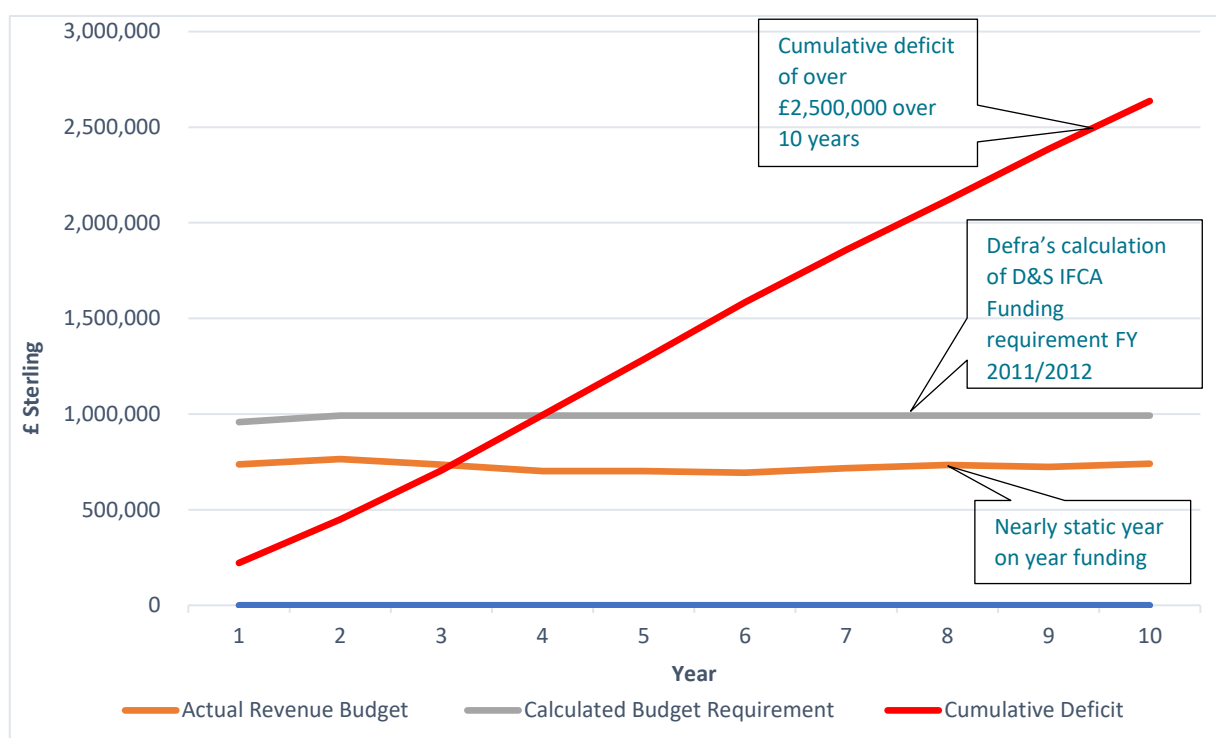


Figure 2 D&S IFCA Budget History

- iii. Defra's current administration of the New Burdens Funding to the Local Authorities has compounded the problem. The amount of New Burdens money that the individual Local Authorities receive does not match their levy contributions to D&S IFCA as set out in the 2010 Order, nor does it reflect the amount paid by Somerset and the Severn Local Authorities towards the D&S IFCA Revenue Budget each year. This has led to Somerset and the Severn Local Authorities receiving around £60,000 each year for the last ten years in New Burdens Funding that has been surplus to their combined contributions to the Revenue Budget (Table 1). This has resulted in D&S IFCA not having received

approximately £600,000 of central funding intended for it to carry out its Statutory functions and operations during that period.

- iv. Defra officials have been unable to explain why each of the Severn Local Authorities receive the amounts of New Burden Funding that they do. To date Defra officials have confirmed that Defra has not been prepared to change the amount provided in the Section 31 grants to the Local Authorities to reflect the agreed Revenue Budget each year.

4. Correspondence with Defra relating to D&S IFCA's Funding

Since the vetoing of the first D&S IFCA's Revenue Budget in 2011/2012 by the D&S IFCA's Funding Authorities, Defra and wider Government have been aware of the lack of funding available to D&S IFCA. This has been raised in numerous discussions and evidenced in correspondence with Defra Officials over the intervening 10 years, which include those instances listed below. The funding difficulties that D&S IFCA faces are as a result of the funding formula set out by Defra in the 2010 Order⁶, and the repeated failure of Defra to intervene subsequently, despite numerous requests to do so.

The above assertions are evidenced by:

- Evidence submitted to the Environmental Audit Committee - Marine Protected Areas Revisited⁷ and Government's Response 2017 to points raised by the Audit Committee⁸:
 - *Under Section 3, Paragraph 24 of the Environment Audit Committee's report⁷ D&S IFCA is specifically highlighted as having problems with funding and the fact that D&S IFCA does not receive all its New Burdens Funding allocation. The report states that: "The five northern local authorities in the Devon & Severn IFCA have withheld a total of £455,200, including the proposed budgets for 2017. This equates to an average of 9.3% of the IFCA's total budget being withheld annually" and that this: Represents a significant challenge to the IFCA. For instance, £65k would fund two additional FTEs [full time equivalent staff], which would significantly increase the capability of the IFCA to both implement and enforce the coherent network of MPAs within their region". The Environment Audit Committee recommended, in response to the report on funding of IFCAs, that "The Government should also ensure all IFCAs receive the full funding they are entitled to"*
 - *Government's full response⁸ to the Environment Audit Committee's recommendation's relating funding for the MMO and IFCAs was "The Government expects the UK's MPAs to be effectively managed and for existing and future protections to be enforced by regulators. Future resourcing for marine regulators will take this expectation into account. Funding is a decision for Ministers and various options for supporting this enforcement work after the UK leaves the EU are under consideration.*

Evidence submitted to the Environment Audit Committee – Sustainable Seas 2019:⁹

- *Under Section 5, paragraph 77 D&S IFCA funding is raised "The Devon and Severn Inshore Fisheries and Conservation Authority, whose role is to seek to ensure that the exploitation of sea fisheries resources is carried out in a sustainable way, told us that its funding has been withheld by local authorities and it would not be able to fulfil its statutory duties if funding to the Authority was further reduced." The written evidence*

⁶ The Devon and Severn Inshore Fisheries and Conservation Order 2010

⁷ https://publications.parliament.uk/pa/cm201617/cmselect/cmenvaud/597/59706.htm#_idTextAnchor015

⁸ <https://publications.parliament.uk/pa/cm201719/cmselect/cmenvaud/314/31402.htm>

⁹ <https://publications.parliament.uk/pa/cm201719/cmselect/cmenvaud/980/98008.htm#footnote-082>

- submitted by D&S IFCA to the Environment Audit Committee describes in detail the funding issues of D&S IFCA and includes the background to the situation.¹⁰*
- *Government's response¹¹ to the Environment Audit Committee's recommendations did not mention the written evidence submitted by D&S IFCA on its funding issues nor gave any response to it.*
 - The Chair of D&S IFCA letter to Minister Dr Thérèse Coffey¹² in 2019 following a discussion with Minister George Eustice MP:
 - *seeking changes to the future funding of D&S IFCA and,*
 - *warning of the realistic prospect of D&S IFCA being unable to discharge its statutory duties*
 - The Letter¹³ from Plymouth City Council dated 28th January 2020 to Minister Theresa Villiers, Secretary of State for Environment, Food and Rural Affairs:
 - *seeking reassessment of the way D&S IFCA funding was formulated.*
 - Response from Minister Victoria Prentis to Plymouth City Council¹⁴ on 5th March 2020:
 - *outlining that decisions about funding should be resolved locally by the IFCA and its constituent Local Authorities.*
 - *detailing Defra's assessment of New Burdens Funding used the notional allocation of FTEs Enforcement Officers for calculation purposes only.*
 - *recognising that Plymouth City Council due to the funding formula contributes much less than it previously paid to Devon Sea Fisheries Committee.*
 - Correspondence from Gloucestershire County Council and North Somerset County Council regarding their membership of the IFCA and contributions to the Revenue Budget.
 - E-mail correspondence from D&S IFCA to Defra, requesting changes in the administration of New Burdens Funding.

¹⁰ SS10147 Written Evidence submitted by D&S IFCA to the EAC Sustainable Sea 2019

¹¹ <https://publications.parliament.uk/pa/cm201719/cmselect/cmenvaud/2118/211802.htm>

¹² Letter to Dr Thérèse Coffey MP from Chair of D&S IFCA 28th February 2019

¹³ Letter from Cllr Tudor Evan OBE Leader Plymouth CC, to RT Hon Theresa Villiers 28th January 2020

¹⁴ Defra Response from Victoria Prentis MP to Cllr Tudor Evans OBE, Leader Plymouth CC

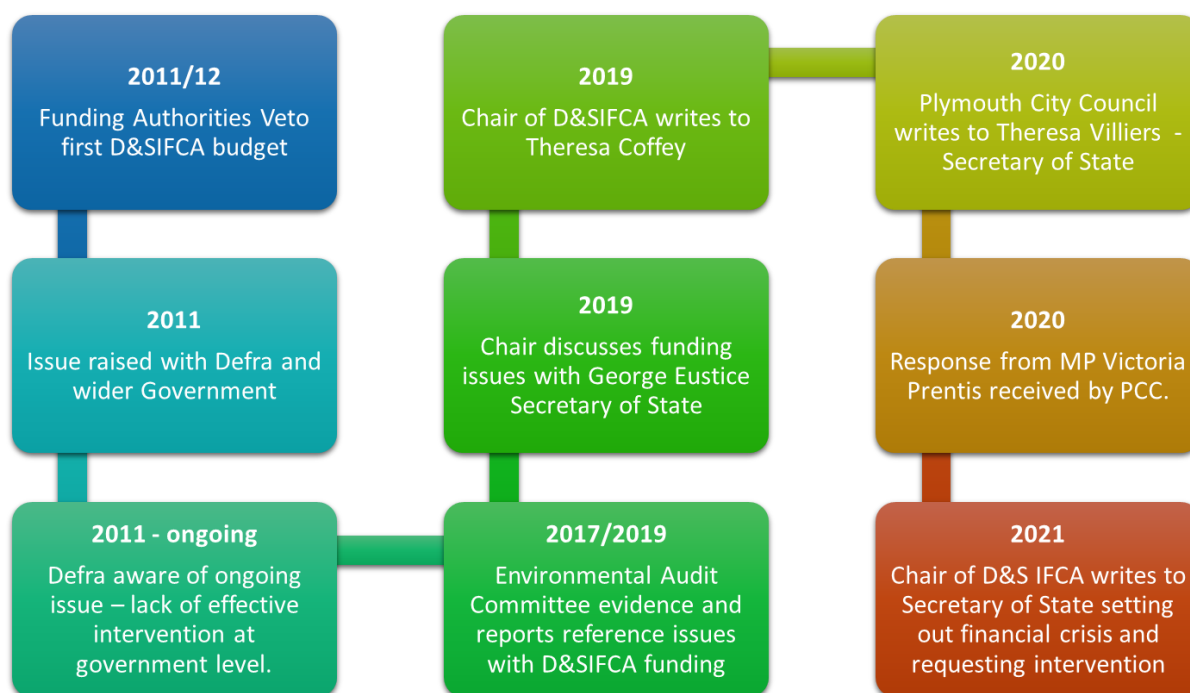


Figure 3 Timeline of Discussions with Defra

Defra's Report on IFCAs' Conduct and Operation 2010-2014¹⁵, which was presented to Parliament pursuant to Section 183 (1) Marine & Coastal Access Act 2009 (MaCAA 2009), summarises stakeholders' comments. Sections 81 to 83 of that report clearly detail the concerns of Somerset and the Severn Local Authorities in relation to their funding of the D&S IFCA and lists the suggestions by these Local Authorities to reduce their proportionate levy contributions or be totally removed from inclusion within the IFCA. Nothing has changed since the writing of this Defra report, and this is further evidence of Defra's knowledge of the issues faced by D&S IFCA, and the lack of action taken by Defra to resolve this matter.

5. Funding and D&S IFCA's Metrics

The dis-connect between available funding and D&S IFCA's Statutory functions has been well documented. Defra's own evaluation of the funding of IFCAs¹⁶ undertaken in 2010 and the Defra's sponsored evaluation of IFCAs report¹⁷, consistently show that D&S IFCA's operational Revenue Budget for the last 10 years falls well below all other mainland IFCAs. This lack of funding is despite documented recognition that D&S IFCA has some of the highest comparable metrics of other IFCAs.

A benchmarking report¹ that considered comparable metrics across all nine mainland IFCAs prepared by D&S IFCA was presented to Defra at a meeting on 2nd April 2019. Here are some of the metrics included in the report, together with additional information:

- D&S IFCA has the largest District with 4,522 km² of sea area.

¹⁵ Defra Report on IFCAs' Conduct and Operation 2010-2014. March 2015

¹⁶ Allocating new burdens funding to Inshore Fisheries and Conservation Authorities and their funding local authorities Defra report 2nd December 2010

¹⁷ Evaluation of the Inshore Fisheries and Conservation Authorities RPA/ABPmer report unpublished

- D&S IFCA has the smallest number of staff members.
- D&S IFCA has the second highest number of commercially licensed vessels, at 507, operating in its District (2021), with the highest value of fisheries
- D&S IFCA has two of the three largest landing ports in England - Brixham and Plymouth.
- D&S IFCA has the largest mobile fishing fleet (demersal and pelagic trawlers, and scallop dredgers) operating in its waters. In 2021 D&S IFCA has issued Mobile Fishing Permits to 140 commercial vessels.
- D&S IFCA has other significant commercial fisheries and has issued 149 commercial Netting Permits, 194 commercial Potting Permits, and 24 commercial Diving Permits in 2021.
- D&S IFCA has important recreational fishing interests, having issued recreational permits to 244 divers, 437 potters and 73 netters.
- Sea Angling is undertaken extensively within the District, makes a significant contribution to the regional economy and is a focus of D&S IFCA's work, which includes the development of three Sea Angling Zones.
- D&S IFCA has significant molluscan shellfisheries, including those of the Taw and Torridge Estuaries and has identified the need for developing management of molluscan fisheries in this part of the District.
- Mariculture activity has increased significantly in the District, including the largest offshore rope grown mussel farm in Europe.
- D&S IFCA has 22 Marine Protected Areas (MPAs) designations (European Marine Sites and Marine Conservation Zones) within its District, covering over 42% (1914.35 km²) of its sea area. When D&S IFCA was created it had only five EMS covering 12.33% of its District.
- 1100 km² of the designated MPA area (1914.35km²) is currently closed to demersal fishing gear to protect the sensitive features, which equates 57.37%. 1302.26 km² (68%) of the designated MPA area are subject to MPA management measures for the protection of sensitive habitats and species e.g. spiny lobster.
- D&S IFCA has introduced 58 management measures¹⁸ to protect these MPAs and these require high levels of monitoring and enforcement, mainly due to the presence of the 140 trawlers and scallop dredgers operating in the District.
- D&S IFCA has undertaken 39 investigations into bottom towed gear vessel incursions into MPA since 2014 resulting in 12 Prosecutions, one Simple Caution, seven Financial Administrative Penalties, five on-going and 14 No Further Action.
- The Benchmarking Report¹ clearly demonstrates D&S IFCA as an outlier in terms of its budget, number of staff, budgetary costs per km² of sea area, and budgetary costs per length of coastline. Table 4 below details the figures used in the report.

¹⁸ Defra Report on IFCA's Conduct and Operation 2014-2018 – December 2018

Table 4: Funding Metrics

IFCA District	2017/2018 Budget £	Marine Area km ²	Cost per km ²	Cost per 100km ²	coastline km	Cost per km
NIFCA	£868,000	1300	£667.69	£66,769.23	110	£7,890.91
SusIFCA	£1,066,665	1728	£617.28	£61,728.30	140	£7,619.04
NWIFCA	£1,338,459	3353	£399.18	£39,918.25	1280	£1,045.67
NEIFCA	£1,092,450	2884	£378.80	£37,879.68	479	£2,280.69
EIFCA	£1,346,688	3765	£357.69	£35,768.61	1683	£800.31
SIFCA	£905,686	2884	£314.04	£31,403.81	479	£1,890.78
IOSIFCA	£123,185	406	£303.41	£30,341.13	226	£545.07
CIFCA	£1,108,623	4077	£271.92	£27,192.13	1100	£1,007.84
K&EIFCA	£889,600	3412	£260.73	£26,072.68	800	£1,112.00
D&S IFCA	£716,900	4522	£158.54	£15,853.60	1314	£545.59
<i>Mean costs</i>	<i>£945,626</i>		<i>£372.93</i>	<i>£37,292.74</i>		<i>£2,473.79</i>

Based on figures available to Defra for 2017/18:

- D&S IFCA had £546 to spend per kilometre of coastline (equivalent to the spend per kilometre for Isles of Scilly IFCA), compared with the highest IFCA figure of £7,891 per kilometre.
- D&S IFCA had a Revenue Budget of £716,900 to manage the largest District whereas the IFCA with the third largest District had a Revenue Budget of £1,346,688, which is nearly double the D&S IFCA's Revenue Budget.
- The average budget for all IFCAs in 2017/2018 was £945,626 (including the Isles of Scilly IFCA), which was significantly more than D&S IFCA's Revenue Budget.
- The cost per 100m² of sea area for D&S IFCA was half the mean cost of all IFCAs and is the lowest of all IFCAs. Northumberland IFCA has a third of the size of D&S IFCA's district and is operating at four times the cost per 100km² than D&S IFCA.

The evidence shows clearly how D&S IFCA is extensively underfunded compared to other IFCAs.

6. Cost Savings and Efficiencies

D&S IFCA has made significant changes to the way in which it has operated in the last 10 years to accommodate this lack of resourcing for the organisation during that period. In order to meet a standstill Revenue Budget of £740,000 in FY 2021/22, D&S IFCA has taken the decision to withdraw from its office lease in Somerset and sell its only research vessel. This follows the organisation selling its 22m fisheries patrol vessel in 2014. The decisions to reduce its at-sea capability is primarily based on the fact that D&S IFCA does not have the financial or staffing resources to operate and maintain these vessels, regardless of their potential value for D&S IFCA to undertake its statutory functions. D&S IFCA's operational budget has been reduced from £150,913 in FY 2011/12 to £39,100 in FY 2020/2021 – a reduction of 74%.

Staffing levels, together with the accompanying duty of care to staff, is a major concern for D&S IFCA. Defra's own assessment of the staffing needs of D&S IFCA in 2010³ was that it

required a total of 25.67 FTE Enforcement Officers. Currently D&S IFCA can only afford to employ four full-time enforcement officers and a total of 12.83 FTE posts, the lowest staffing level among the nine mainland IFCAs. Eastern IFCA, as the second largest IFCA, had a total number of staff of 24 FTEs in 2017/2018 (see Figure 4).

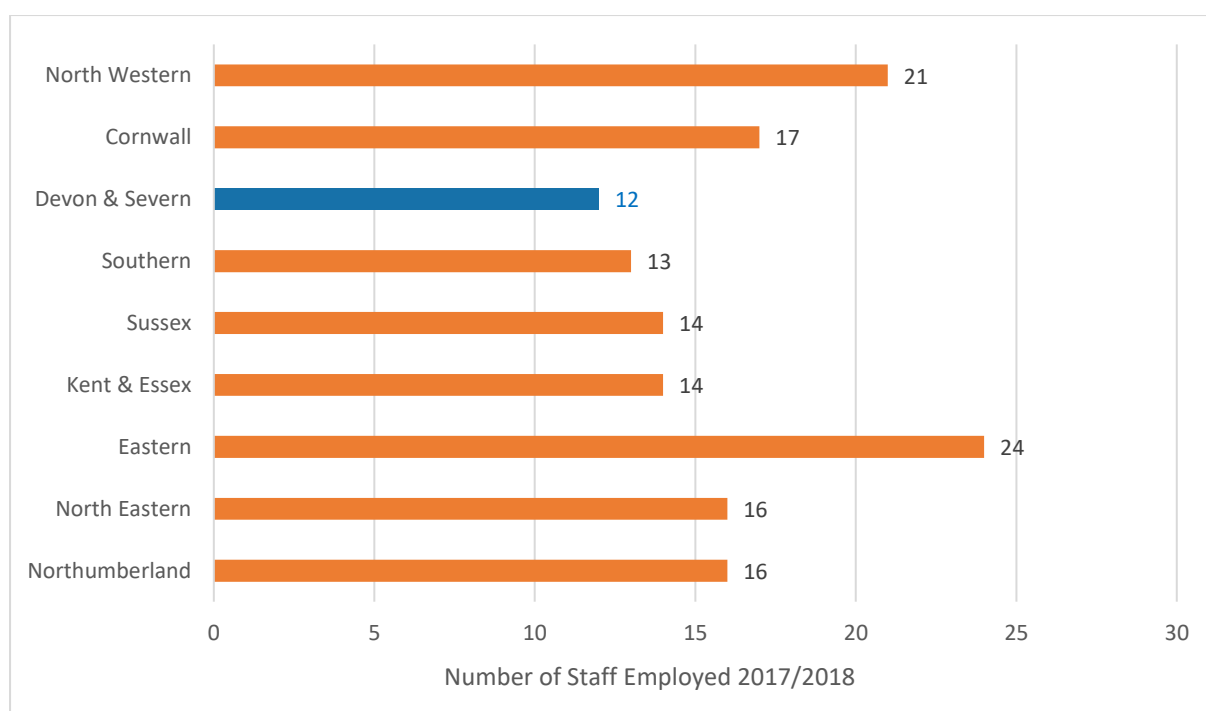


Figure 4 Comparison of the Number of Staff employed by Mainland IFCAs 2017/2018

Retention of staff is increasingly becoming an issue and causes disruption to the organisation due to the time it takes to recruit and train new staff, and the increased pressure on existing staff pending recruitment. In the past 15 months seven members of staff out of the workforce of 13 have resigned. This demonstrates another risk to D&S IFCA's resilience as an organisation. In January 2020¹⁹, the D&S IFCA's Local Authorities were asked to increase the Revenue Budget to £768,000 to maintain 2018 staffing levels. The D&S IFCA's Local Authorities were unable to agree to that increase and this resulted in a Deputy Chief Officer post being made redundant.

The D&S IFCA Revenue Budget has been stripped down to bare operational essentials and demonstrates that there are no more savings to be made. In December 2020, the Local Authorities were asked to commit to increases in the Revenue Budget over the next five years to meet forecasted annual funding pressures on staff pay, and to recognise inflationary impacts on the Revenue Budget²⁰. The Local Authorities could not make such a commitment.

The reluctance of Local Authorities to commit to supporting D&S IFCA beyond the level of the Revenue Budget for FY2021/22, means that the situation is now critical. At this level of funding D&S IFCA cannot meet all its statutory functions and objectives outlined in previous Annual Business Plans and is not able to undertake work that other IFCAs regard as essential. Examples of such work other IFCAs undertake, which D&S IFCA is not able to due to lack of resources, include:

- Extensive interactive, personal engagement with stakeholders

¹⁹ Minutes of the D&S IFCA meeting held on 23rd January 2020

²⁰ Draft Minutes of the D&S IFCA meeting held on 17th December 2020

- Increased levels of quayside and premises inspections
- Increased boarding of fishing vessels at sea
- Allocating staff that are dedicated to specific coastal areas within the district
- Undertaking stock assessments of vulnerable sea fish resources
- Carrying out extensive habitat ground truthing surveys
- The ability to offer vessel and services to collaborate with other IFCA's and agencies attending a wide range of stakeholder forums, conferences and seminars
- Gathering additional data on catches, landings and fishing activity levels and analysing these data, to feed into species stock assessments and the development of Fisheries Management Plans

7. Use of D&S IFCA's Reserves

D&S IFCA has reserves, the majority of which was gifted from DSFC. D&S IFCA inherited General Reserves together with Capital Receipts totalling £584,584 at the transition from DSFC. D&S IFCA's current General Reserves including Capital Receipts are £584,194.

D&S IFCA has no choice but to use these reserves over the next two to three years to support the delivery of some workstreams in its Annual Business Plans, which would not be possible using the operational Revenue Budget alone. D&S IFCA reserves cannot be used to offset costs set out in its Revenue Budget. D&S IFCA is unable to borrow money, and it does not have any means to reduce the operational Revenue Budget without prejudicing its statutory functions by making more posts redundant. D&S IFCA's Members recognise that D&S IFCA will not be able to function if further permanent staff resource is reduced.

End of Report.