

ANNEX B

Local Government Reorganisation: Implications for IFCA Funding, Membership and Governance

1. Purpose

The government is progressing a programme of local government reorganisation in England. The stated ambition is to simplify local government by ending the two-tier system and establishing new single-tier unitary councils. GOV.UK describes this as a “once in a generation reform” intended to create stronger local councils with clearer accountability and responsibility for local services.

This reform has direct implications for several IFCAs because IFCAs are committees or joint committees of local government. They are funded primarily through levies charged to their constituent local authorities, and their membership includes local authority representatives.

IFCA districts, constituent authorities, membership arrangements and levy proportions are set out in statutory instruments. Where local authorities are abolished, merged or replaced by new unitary councils, the relevant IFCA statutory instruments will need to be reviewed and, where necessary, amended to reflect the new local government structures.

Affected IFCAs should prepare early, engage with their current and successor local authorities, and work collaboratively through AIFCA to identify shared risks, common procedures and examples of good practice. AIFCA is engaging with Defra on the process and will report developments to Members’ Forum.

B. Recommendation(s)

Members’ Forum is asked to:

1. note the government’s local government reorganisation programme and its potential implications for IFCA funding, levy arrangements, membership and statutory instruments;
2. note that several IFCAs are likely to be directly affected by current reorganisation areas;
3. agree that affected IFCAs should collaborate through AIFCA to share procedures, practice and emerging risks;
4. support the development of a consistent approach where appropriate, while recognising that each IFCA Order and local authority context is different;
5. encourage affected IFCAs to engage early with their current local authorities, transition arrangements and proposed successor councils;
6. note that AIFCA is engaging with Defra on the process and will report developments to Members’ Forum;
7. agree that the GOV.UK local government reorganisation collection should be monitored as the primary public source for policy and programme updates

2. Background: local government reorganisation

The GOV.UK collection on Local government reorganisation: policy and programme updates provides the central source of policy documents, area updates, correspondence and

implementation guidance. The collection records that the government’s ambition is to end two-tier local government and establish new single-tier unitary councils.

The programme has developed through a series of statutory invitations, interim plans, final proposals, consultations and ministerial decisions. Councils in all 21 invited areas submitted interim plans by March 2025, and subsequent final proposals and consultations have followed for multiple areas.

The collection also records that the Surrey (Structural Changes) Order 2026 has been signed, creating East Surrey Council and West Surrey Council from 1 April 2027. While Surrey is not directly relevant to IFCA funding, it provides an example of the type of structural change that may follow in affected coastal areas.

Members are encouraged to use the GOV.UK collection as the live reference point for updates, area-specific consultations, implementation guidance and ministerial decisions.

3. Why this matters to IFCAs

There are 10 IFCAs around the English coast. The AIFCA describes IFCAs as committees or joint committees of local government, with the AIFCA providing representation and support for those authorities.

IFCAs are funded by levies charged to their member councils. Defra’s IFCA conduct and operation review states that IFCA funding originates in local taxation and that IFCAs are accountable for their use of public resources.

The reform therefore matters because it may change:

- the identity of constituent funding authorities;
- the number of local authorities represented on each IFCA;
- the appointment of councillor members;
- the distribution of levy contributions;
- the financial planning assumptions of affected IFCAs;
- the statutory instruments that establish IFCA districts and governance arrangements.

This is not simply an administrative issue. If the transition is not handled carefully, there is a risk of uncertainty around representation, levy allocation, budget-setting and accountability.

4. IFCAs likely to be affected

Based on the current GOV.UK list of local government reorganisation areas, the IFCAs most likely to be affected are those whose constituent local authorities fall within reorganisation areas. The following should be treated as a working list, to be tested by each IFCA against its own statutory instrument and current constituent authority list.

IFCA	Relevant re-organisation areas currently identified on GOV.UK
Eastern	Lincolnshire; Norfolk; Suffolk
Kent & Essex	Essex, Southend-on-Sea and Thurrock; Kent and Medway
Sussex	East Sussex and Brighton and Hove; West Sussex
Southern	Hampshire, Isle of Wight, Portsmouth and Southampton
Devon & Severn	Devon, Plymouth and Torbay; Gloucestershire

North Western	Lancashire, Blackburn with Darwen and Blackpool; potentially other inland or adjoining constituent authority considerations depending on the IFCA Order and local authority boundaries
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The GOV.UK collection also lists other reorganisation areas, including Cambridgeshire and Peterborough, Derbyshire and Derby, Hertfordshire, Leicestershire, Nottinghamshire, Oxfordshire, Staffordshire, Warwickshire and Worcestershire. These may be less directly relevant to IFCA funding unless they interact with a specific IFCA's statutory arrangements.

Some IFCAs may be unaffected or only indirectly affected, including those whose constituent authorities are already unitary or are not currently within the programme. However, all IFCAs should monitor the position because changes to neighbouring councils, combined authorities, administrative support arrangements or national policy may still have practical consequences.

5. Statutory instrument implications

Each IFCA is established through an individual statutory instrument. For example, the Eastern Inshore Fisheries and Conservation Order 2010 establishes the Eastern IFCA district and authority, and the North Western IFCA constitution identifies the North Western Order as setting out the authority's membership and proceedings.

These statutory instruments commonly set out:

the IFCA district;
the relevant councils;
membership arrangements;
local authority appointments;
levy and funding arrangements;
proceedings and governance provisions.

Where constituent councils are abolished or replaced by new unitary authorities, the existing IFCA Orders may no longer accurately reflect the local government landscape. Amendments may therefore be required to ensure that:

new councils are correctly named;
representation is properly allocated;
levy proportions remain lawful and fair;
the IFCA can continue to operate without governance ambiguity;
budget-setting and levy collection remain robust.

This will require engagement with Defra, affected local authorities and transition bodies. AIFCA is engaging with Defra on the process and will report developments to Members' Forum.

6. Funding and levy implications

The most significant operational issue is likely to be the levy. IFCAs rely on levy income from their constituent local authorities. The IFCA Orders define levy shares which are set by formula or by fixed proportions. Local government reorganisation may affect levy arrangements in several ways:

- existing councils may cease to exist;
- new unitary councils may inherit responsibility for levy contributions;

- historic levy proportions may no longer reflect population, coastline, council tax base, service area or benefit;
- new councils may seek to review inherited liabilities;
- IFCA may need to explain their statutory duties, budget pressures and public value to successor councils;
- there may be timing risks if reorganisation coincides with IFCA budget-setting cycles.

Affected IFCA may seek to ensure that any revised levy arrangements are fair, transparent, legally robust and sufficient to maintain statutory IFCA functions.

7. Representation and governance implications

Local authority members are an important part of IFCA governance. Reorganisation may affect:

- which councils appoint members;
- how many members each new council appoints;
- the balance of representation across the district;
- continuity of member knowledge during transition;
- committee or joint committee arrangements;
- standing orders, constitutions and schemes of delegation.

Affected IFCA may engage early with transition teams and successor councils to ensure that new structures are properly represented on the IFCA from the point of vesting or implementation.

The transition should avoid gaps in local authority representation, uncertainty over voting or membership rights, or delays in appointing councillor members.

8. Risks

The principal risks for affected IFCA are:

- uncertainty over levy liability during transition;
- unfair or outdated levy proportions being carried forward;
- loss of local authority understanding of IFCA duties;
- delayed appointments to IFCA committees;
- insufficient recognition of IFCA statutory responsibilities in local government transition planning;
- inconsistent approaches between IFCA districts;
- late engagement with Defra or successor councils;
- failure to amend relevant statutory instruments in time.

These risks are manageable if IFCA prepare early and work together.

9. Opportunities

The reform also presents opportunities to:

- refresh local authority understanding of IFCA statutory duties;
- review whether levy arrangements remain fair and proportionate;
- improve consistency in IFCA engagement with constituent councils;
- share templates for briefings, reports and transition submissions;
- align IFCA representation with new local government structures;

- secure better recognition of IFCA's in council budget and governance processes;
- strengthen AIFCA's national engagement with Defra.

10. Proposed collaborative approach

Members' Forum is invited to support collaboration between affected IFCA's to identify a consistent approach where appropriate. This should not prevent local flexibility, because each IFCA Order and local authority structure is different. However, there would be value in sharing procedures and practice on common issues.

Suggested areas for collaboration include:

- developing a shared briefing note for local authority transition teams;
- identifying the statutory provisions in each affected IFCA Order that may require amendment;
- sharing legal advice themes where appropriate;
- comparing levy mechanisms and identifying fairness issues;
- developing common principles for revised levy allocations;
- sharing templates for reports to IFCA Authorities;
- coordinating messages to Defra;
- tracking local government reorganisation milestones;
- identifying risks to budget-setting and member appointments.

AIFCA could support this by convening a short-life working group of affected Chief Officers and Chairs, with updates reported back to Members' Forum.

11. Recommended actions for affected IFCA's

Affected IFCA's are recommended to:

1. review their establishing statutory instrument and identify provisions affected by local government reorganisation;
2. map current constituent authorities against proposed successor councils;
3. identify any required amendments to membership, levy and governance provisions;
4. engage with current councils, transition boards and proposed successor councils;
5. ensure IFCA levy requirements are understood in local authority financial transition planning;
6. brief local authority officers and elected members on IFCA statutory duties and funding requirements;
7. identify risks to the IFCA budget cycle and medium-term financial planning;
8. prepare a local transition plan for member appointments and governance continuity;
9. share procedures, reports and lessons learned with other affected IFCA's through AIFCA;
10. report emerging issues to AIFCA so that national engagement with Defra is informed by local experience.

12. Recommendations to Members' Forum

Members' Forum is asked to:

1. note the government's local government reorganisation programme and its potential implications for IFCA funding, levy arrangements, membership and statutory instruments;

2. note that several IFCA's are likely to be directly affected by current reorganisation areas;
3. agree that affected IFCA's should collaborate through AIFCA to share procedures, practice and emerging risks;
4. support the development of a consistent approach where appropriate, while recognising that each IFCA Order and local authority context is different;
5. encourage affected IFCA's to engage early with their current local authorities, transition arrangements and proposed successor councils;
6. note that AIFCA is engaging with Defra on the process and will report developments to Members' Forum;
7. agree that the GOV.UK local government reorganisation collection should be monitored as the primary public source for policy and programme updates.

13. Conclusion

Local government reorganisation has significant implications for affected IFCA's because their governance and funding are linked directly to constituent local authorities. The creation of new unitary councils will require careful handling of statutory instruments, levy arrangements, representation and transition planning.

Affected IFCA's should not wait until new councils are formally established. Early engagement with current councils, transition teams and successor authorities will be essential to ensure continuity of funding, fair levy arrangements and proper representation on IFCA committees.

AIFCA will continue to engage with Defra and report developments to Members' Forum.