
From: Preston, Chris (ERG-MAR) [mailto:chris.preston@DEFRA.gsi.gov.uk]
Sent: 21 October 2010 16:57
To: undisclosed-recipients
Subject: New Burdens Funding for Inshore Fisheries and Conservation Authorities (IFCAs)
Importance: High

Dear Colleague

As you'll no doubt be aware, the Chancellor, George Osborne, presented to Parliament the Government's Spending Review, which fixes spending budgets for each Government department up to 2014-15.

At the IFCA working Group yesterday, I promised to let you know what money had been allocated in the Review to support IFCAs over SR period as soon as I was able.

Outcome of the Spending Review in Defra

For Defra, the Spending Review settlement for the period 2011 – 2015 equates to an overall cut of 30% to the Department's budget. This is a reasonable settlement, allowing us to balance the need for Defra to play its part in tackling the economic deficit against our commitment to protect frontline services, preserve the effectiveness of the Department's key priority programmes and handle emergencies effectively.

How much New Burdens money will IFCAs get?

I am very pleased to be able to tell you that, in what was a very tight spending round, **£3 million** has been allocated from central Government to IFCAs each year, starting in April 2011, for the next 4 years. This is really good news and highlights the Government's support for implementing IFCAs during this very difficult financial climate.

We have agreed with the Department for Communities and Local Government that this new burdens money can be targeted at specific local authorities according to the new burdens being part of an IFCA will bring.

Although the money will be targeted it will not be ringfenced, however, we will still be able to reassure local authorities, especially those who were not part of a former SFC, that central Government is providing support to help to fund new burdens incurred by being part of an IFCA. This is good news.

The settlement we have is final and we now need to concentrate on working together to look at how best this can be allocated.

How will the new burdens money be allocated?

Some of you will already be aware that Kerry Oldfield has recently joined the IFCA implementation team to replace Sarah Steeds. One of her top priorities will be to work with Chief Officers, IFCA committees (in particular your IFCA's local authority members) over the coming months to identify a fair and equitable way to distribute the new burdens money to each of the IFCAs (and in turn to its constituent local authorities). We are

looking at a number of options for allocating the money, but possible elements could include:

- As far as possible, aiming to ensure that no local authority pays more (using 2010 allocations to SFCs as a baseline for the total funding to each IFCA, topped up by new burdens funding).
- Allocation according to the formula used to calculate funding levies (this was set out in the consultation document);
- An element to reflect the increase in seashore requiring management (which will include estuaries);
- Numbers of Marine Protected areas (including those of 'at risk' status); and
- A minimum level for new burdens funding so that all IFCAs receive some of the new burdens money.

This is not an exhaustive or final set of criteria: I simply wanted to give an early indication of our thinking so that you can start to develop your own thoughts to input into Kerry's work.

Next steps

It will be very important for Kerry to work with the new committees over the coming months, in particular working with the local government members of the IFCAs. **I would therefore be grateful if Chief Officers could pass this note on to your new committee members and anyone else you think might have an interest.**

As I understand it, CLG will be consulting local government on the allocation of central government funding in due course. At the same time, working with the IFCAs we hope to have an agreed methodology for distributing new burdens money in place by **December**. This will allow IFCAs sufficient time to develop their business plans in accordance with the resources they have available, set their budgets and for us to arrange for the relevant sums of money to be 'sent' to each local authority.

Chris

2C
Nobel House
17 SMITH SQUARE
LONDON
SW1P 3JR
E-mail: chris.preston@defra.gsi.gov.uk