

Association of IFCAs Annual Report 2015/16

Overview

Following the results of the 2015 election, UK government initiated a Comprehensive Spending review and commenced a number of far reaching reviews of Arms Length Bodies (ALBs). Of particular relevance to the IFCAs, Defra initiated a review of Defra Marine Function including all relevant ALBs with IFCAs in scope.

In line with current Government policy of reducing central spending, our delivery partners including the Marine Management Organisation (MMO), Natural England (NE), and the Environment Agency (EA) have all agreed to significant cuts in their budgets going forward to at least 2020. In recognition of the increased responsibilities and work load required of the IFCAs, the Minister confirmed that the current “new burdens” central funding for the IFCAs of £3m per annum is committed until 2020.

However, included in the Secretary of States four yearly report to Parliament on the Conduct and Operations of the IFCAs, was the recommendation that enhancement of joint working between the IFCAs and our delivery partners, and in particular the MMO should be enhanced. A joint collaboration board between the IFCAs and the MMO was set up and provided an interim report to Defra in August 2015 and a final report in June 2016. The findings of this report will be incorporated into the Defra review of Marine Function.

Alongside the initiatives instigated by the UK Governments wish to drive better regulation; the IFCAs have had a challenging year. In particular Defra have asked the IFCAs to put management in place for current Marine Protected Areas (MPAs) by the end of 2016 and to include management for new and proposed MPAs by the end of 2020. Included in this is the implementation of a revised approach to management of fisheries in European Marine Sites. Delivering the revised approach was not envisaged in the Marine Act and has resulted in a significant increased work load for the IFCAs and the Association in addition to carrying out our “day job” of enforcement and fisheries management. This has been recognised in Defra’s commitment to continuing central funding at current levels until 2020.

Role and Achievements of the Association to date:

The Association produced a report entitled “The Inshore Fisheries and Conservation Authorities 2011 to 2015 – Achievements and success in delivering fisheries and conservation management at the end of 2015. This report has been widely circulated to stakeholders including Ministers. The report can be found on the Association website: www.association-ifca.gov.uk.

The first five years of the Association has culminated in the achievement of our primary target – namely the continuation of the Defra component of the IFCAs funding until 2020. This has been achieved by:

- Raising the profile of the IFCAs and the Association:
 - Engaging regularly with the Minister
 - Engaging on a daily basis with Defra and Defra family
 - Creating, publishing and launching the IFCA 2011-2015 Achievements and Success in Delivering Fisheries and Conservation Management booklet
 - Engaging with a wide range of stakeholders
 - Ensuring that IFCAs are fully represented at a policy making level including regular and consistent attendance at project boards etc.
 - Moving the IFCAs from being “just another stakeholder” to being equal at the table with other Defra marine bodies.

Facts and figures – 2011-2015:

Income:

10 core members - £13k to each IFCA from Defra – membership fee £12k (£7k in first part year). Costs fully covered by New Burdens funding. No increase in membership fees in first five years.

2 associate members – Guernsey from 2012, Isle of Man from 2015 £750 each per year

Total income to Association 2011-2015: £554k (£111K per year)

Total income to IFCAs to fund AIFCA from new burdens: £650k (£130k per year)

New Burdens extension to 2016	£3,000k
New Burdens extension to 2020	£12,000k
Capital contribution to IFCAs: 2012/13.	£307k
Capital contribution to IFCAs 2013/14:	£337k
iVMS funding from Defra	£60k
Capital contribution to IFCAs 2014/15:	£70k
Revenue contribution to IFCAs 2015/16:	£300k
Total:	£16,074k

Summary of Outcomes for the Association.

The Association has delivered against the 2015/16 Annual Plan (see below). Some key deliverables are summarized as follows:

- Worked with Defra and the IFCAs to secure an additional £300k of revenue for 2015/16 to assist the IFCAs in achieving the 2016 deadline to achieve a well-managed network of Marine Protected Areas.
- Ensured IFCAs were consulted on marine policy issues and in particular MPA designation and the delivery programme at an early stage as appropriate.
- Raised the profile of the IFCAs and in particular represented the IFCAs at the following
 - Defra review of Marine function project board
 - Defra review of Marine function, Communications working group
 - Defra project Board for MPAs
 - Defra project Board for EMS

- Defra project Board for MCZ
 - Standing member of the MPA Implementation group
 - NE advisory group for MPA conservation advice delivery
 - Cetacean by-catch and strandings committees
- Delivered legal advice on Defra’s “revised approach” to delivering Habitats Directive in European Marine Sites
 - Regular updates for Directors and wider IFCAs on forthcoming issues and legislation changes.
 - The Association now employs an Administrative Assistant two days per week which greatly increases the capacity to deliver against its vision. In particular allowing a significant improvement in the Website facility and update
 - The Association project managed £417k Defra EMS capital funding project and produced an end of project report.
 - Including and additional £70k to purchase a sonar camera system on behalf of the IFCAs
 - Developed a communication plan including:
 - Regular updates of the website – providing a shop front for the IFCAs
 - Production and dissemination of the guide to IFCAs leaflet – over 300 distributed at the Coastal Future conference
 - Outperformed a stand still budget.

The AIFCA:

- Is actively engaged with Defra and the Minister to seek to ensure sustainable funding for the IFCAs
 - Ministers have attended four Association meetings
 - CEO and chair have had face to face meetings with the Minister and Defra Director of Marine to ensure IFCAs maintain a high profile
 - Working closely with Defra and MMO to secure future improved joint working
 - CEO and Chair have secured 3 face to face meetings with the new MMO CEO to take forward MMO/IFCA joint working.
- Represents the 10 IFCAs at national level including to ensure IFCA engagement at the highest level:
 - Marine Protected Area (MPA) Project Board and Network Board
 - MPA national steering group
 - EMFF Programme Monitoring Committee
 - Cetacean bycatch and strandings committee
 - NE Conservation Advice Project Board
 - Local Government Association (LGA) Marine Special Interest Group
 - CFP stakeholders group
 - MSFD stakeholders group
- Engage with the wider stakeholder communities
- Prepare documentation and website to enhance IFCAs profile
 - Website development and update
 - A brief guide to The IFCAs leaflet
 - Association annual plans and reports
 - A four yearly report on the combined IFCA successes (in preparation)
 - Frequent presentations at conferences and to delivery partner organisations

The Associations high priorities for 2015/16 were:

- To secure sustainable funding for the IFCA's beyond April 2016
- Engage with Defra and delivery partners to secure delivery of:
 - Review of Joint working
 - Well managed MPA network by end of 2016
 - Clarify the role of the IFCA's in enforcement of the CFP discard ban
 - Support Defra and the IFCA's to clarify the IFCA role in the EU and National bass management plans
 - Deliver the IFCA contribution to the Marine Strategy Framework Directive (eg achieve Maximum Sustainable Yield on all commercial stocks including shellfish by 2020)

Budget performance 2013/14

The Association of IFCA's is entirely funded indirectly from the Defra New Burdens support for the IFCA's, and the Directors of the Association considered that in order to ensure transparency of public funds it would be appropriate for the Association to be submitted to a formal audit for the financial year 2015/16. Knights Lowe were appointed to carry out the audit which took place after the Association accountants had prepared the unaudited accounts in the usual way at the end of the 2015/16 financial year. The Summary of the audit by Knights Lowe is set out below:

Dear Sirs

Audit of 31 March 2016 Accounts

The following letter sets out some of the detail as to how and why we performed an audit for The Association of Inshore Fisheries and Conservation Authorities Ltd for the year ended 31 March 2016.

Scope of the Audit

We were asked to prepare the accounts and also audit them for the year ended 31 March 2016. The audit performed was a full statutory audit as required by the Companies Act 2006. The audit had been requested by Dr S Bolt and it is proposed that this be a periodic exercise to ensure that the company is complying with its statutory obligations and to perform a more thorough assessment than is conducted with just a standard Accountants Report, as has been previously prepared by us in other years.

Overview of an Audit

An audit is a financial review of the company's affairs. It is designed as a risk based review where the year end figures and also transactions up to the date of signing the audit report are reviewed and considered in detail to ensure that they are backed up by correct accounting records and systems.

Details of income and expense is also agreed to third party documentation and consideration is given to the presentation of these transactions to ensure that they comply with accounting standards.

An audit also looks at the systems and procedures that a business or company adheres to and reviews these to ensure that there are no potential weaknesses or issues within the administration of the business. This also helps to give an opinion as to the potential for misstatements in the accounts and therefore any modifications that may be required to our Audit Report

Findings From the 31 March 2016 Audit

We have reviewed the 31 March 2016 accounts and have issued a standard Audit Report with no modifications.

No material errors or any items considered necessary to report have been found during the course of our audit. We have also reviewed the systems and procedures and have found no significant weaknesses or areas that need any significant improvement based on the size and type of transactions that the company undertakes.

Items to consider that were identified during the audit but were discussed and advised with Dr S Bolt, mainly revolved around the presentation of the grant income received. This has been modified in the 2016 accounts to recognise the income from the grant in line with the usage of the funds. An example of this is to defer grant income used to fund capital purchases and release it to the profit and loss account in line with the depreciation policy of those assets purchased.

Should there be any queries with the detail of the accounts or any specific questions regarding the audit or our audit approach I would be happy to answer these. Please contact me at james@knightslowe.co.uk.

**The Association of Inshore
Fisheries And Conservation
Authorities Ltd**

**Income and Expenditure Account
for the Year Ended 31 March 2016**

		2016		2015 as restated	
	Notes	£	£	£	£
TURNOVER			186,122		314,476
Cost of sales			<u>4,067</u>		<u>151,429</u>
GROSS SURPLUS			182,055		163,047
Administrative expenses			<u>170,719</u>		<u>167,365</u>
OPERATING SURPLUS/(DEFICIT)	2		11,336		(4,318)
Interest receivable and similar income			<u>112</u>		<u>502</u>
			11,448		(3,816)
Interest payable and similar charges			<u>164</u>		<u>162</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION			11,284		(3,978)
Tax on surplus/(deficit) on ordinary activities	3		<u>(50)</u>		<u>100</u>
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR			11,334		(4,078)
Retained surplus brought forward:					
As previously reported		300,237		100,209	
Prior year adjustment	4	<u>(204,106)</u>		<u>-</u>	
As restated			<u>96,131</u>		<u>100,209</u>
RETAINED SURPLUS CARRIED FORWARD			107,465		96,131

End of year accounts:

The full financial end of year statement is and formal audit report are available on the Association website members' area and was circulated to Members prior to the Members Forum meeting 9thth June 2015.

Performance against 2015/16 annual plan

Success Criterion 1: IFCA's have sound governance and staff are motivated and respected.

Action	Intention	Performance indicator	Out turn
(1.1) Consolidate Association Governance:	Written Association Governance (Articles of the Association) agreed with Board	Articles of the Association are reviewed annually. Revised articles published May 2013.	Annual review due in 2016/17
(1.2) Detailed Association budget agreed by Directors.	2015/16 budget agreed Autumn 2015. Quarterly progress reports using standard accounting format to be presented to Quarterly members forum and agreed at follow-on Directors meeting	Quarterly report shows budget on track.	Quarterly and end of year reports.
(1.3) Prepare 2016/17 budget	Prepare budget proposals for autumn 2015 /spring 2016. depending on the outcome of the CSR	Budget approved by Directors	Budget approved for 2015/16
(1.4) Carry out staff appraisal	Staff appraisal system introduced to measure standard of behaviour toward and interaction with stakeholders, general public	Staff appraisals will have been undertaken with Chair/vice chair and Association working group for the CEO and by the CEO for	Annual appraisal carried out

	and officers/staff of partner organisations.	the Administrative and Finance Officer on an on-going basis and reported quarterly	
(1.5) Development and production of an Association Annual Plan	To produce an Annual Plan	Publish Annual Plan (paper copy and on website) by end May 2015	Annual plan agreed and published on website
(1.6) Development and production of an Association Annual Report including financial statement.	To produce an Annual Report of high quality using external support as appropriate	Publish Annual Report on website by end of June 2015	Annual Report draft produced by end of June.
(1.7) Produce quarterly CEO reports	Report progress against work plan including more standard financial reporting to the Association Members	Produce papers 5 working days before Board meetings and provide action minutes within 5 working days of Board meeting	All complete

Success Criterion 2: Evidence based, appropriate and timely byelaws are used to manage the sustainable exploitation of sea fisheries resources within the District

Action	Intention	Performance indicator	By when
(2.1) Report on National progress on byelaw review and in particular the Marine Protected Area (MPA)	Provide a national overview of IFCA progress against Success Criteria 2. Increase the awareness of	Publish annual report outlining the National achievements of the IFCAs regarding the UK	Ongoing

byelaws	the IFCA lead role in the delivery of the well managed network of MPAs by 2016	Governments MPA initiative.	
(2.2) Association project manage and complete Defra 2014/15 MPA capital purchase project (£337k) (2.3) Engage with Cefas throughout the process to ensure joined up working with partners	Provide funding for IFCA's following purchase of £337k of capital equipment. Provide audit trail for Defra/IFCA's Track and report back to Defra/IFCA's on effectiveness and value brought by project	Full audit trail completed Report to Defra/IFCA Directors Report of effectiveness to Defra/IFCA's produced	Formal audit carried out on 2015/16 accounts including all the Defra financial spend. Auditors reported no corrective actions required.
(2.4) Seek any additional underspend for 2015/16 from Defra	Seek additional funding	Funding approved	£300k made available for the IFCA's (£30k per IFCA) to assist in delivering well managed network of Marine Protected Areas by the end of 2016.
(2.5) Input to IFCA's on policy issues impacting on byelaw revision working with membership and MMO and Defra guidance.	On-going policy scanning to inform IFCA's of national policy changes and horizon scanning	Up to date information provided to IFCA's – reported quarterly to Association Members and Board of Directors	Ongoing

Success Criterion 3: A fair, effective and proportionate enforcement regime is in place

Action	Intention	Performance indicator	Outcome
(3.1) Engage and improve	Inputs to National	IFCA national issues raised	Chief Officer of Eastern IFCA

effectiveness with National Enforcement Strategy Group	Enforcement Strategy Group any likely or actual changes to policy that might impact on enforcement matters.	at enforcement meetings	now sits on the National Enforcement group
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Success Criterion 4: IFCA work in partnership and are engaged with their stakeholders

Action	Intention	Performance indicator	Outcome
(4.1) Work with partner organisations to review value of MoUs – engage with Defra regards revising IFCA High level objectives (HLOs)	Production of practical and workable national MOUs with partner agencies if agreed	MOUs will have been agreed and adopted and reviewed annually.	MMO MoU review currently underway – action carried forward
(4.2) Engage with stakeholders and feedback to Defra where there are concerns over the current legislative and regulatory framework and the IFCA's ability to “ensure healthy seas, sustainable fisheries and a viable industry”.	To assist the IFCA's in their ability to deliver the vision	Stakeholder feedback	Minister letter to Association complementing work and publication of four year report
(4.3) Engage with NGOs and other interest groups to promote the IFCA role and seek common visions and ways of working together:	Raise awareness of NGOs and other stakeholders regarding the new duties of the IFCA's and the role of the Association	Better relations with stakeholders. Reduced risk of third party challenge	Ongoing

Maintain meetings spreadsheet on website			
(4.4) Actively engage with partner organisations and Defra	Ensure IFCA's are fully involved in inputting to policy decisions -	Maintain membership of relevant Boards and steering groups – provide regular updates to the IFCA's and the Association Board.	Complete and ongoing
(4.5) Review stakeholder and communication strategy/plan – current plan set out in this Annual Plan	Delivery of a proactive Communications and Engagement Strategy.	2015/16 Communication and Engagement Strategy targets met	Complete and ongoing
(4.6) Respond to Consultations as appropriate.	Agree with Directors of the Association relevant consultations and respond.	Consultations responded to by the due date and placed on Association website.	Complete and ongoing
(4.6) Produce National Association Policy statements on a range of issues. E.g. Marine Protected Area management. Bass management	Agree high level national statements regarding key policy areas.	Publish on Association website and use in Communications strategy	Complete and ongoing
(4.7) Work with Partner organisations on joint projects.	Using skills and expertise of individual IFCA's to facilitate partnership arrangement	Association to engage with Partners to deliver joint projects – e.g. Project Inshore.	Ongoing

Success criterion 5: IFCA's make the best use of evidence to deliver their objectives

Action	Intention	Performance indicator	By when
(5.1) Work with Chief Officers Group (COG) and Technical Advisors Group (TAG) to assist IFCA's with their research programme. Involve COG and TAG in implementation of policy revisions.	Continue to use Association funding to provide National training and to support COG and TAG (see budget)	Use the Association as a vehicle for communications of any national funding opportunities.	Published the IFCA achievements and success in delivering fisheries and conservation management – distributed to stakeholders and Ministers
(5.2) Work with partner organisations through working groups. E.g. MPA project board and MSFD steering group	Ensure IFCA interests are fully represented at national level and that relevant information is passed on to the IFCA's.	Updates are included in CEO quarterly reports to the Association. Important information is immediately sent out to Directors.	Quarterly – all complete

Success criterion 6: IFCA's support and promote the sustainable management of the marine Environment.

Action	Intention	Performance indicator	By when
(6.1) Ensure Association and IFCA input to the CSR and funding process for IFCA's beyond April 2016	Engage with Defra to ensure sustainable funding of the IFCA's beyond one year extension of new burdens funding announced by the Minister at the Association Members Forum in January	Full engagement with Defra and appropriate bodies throughout 2015/16 with the aim of securing the future of the IFCA model	Minister announced commitment to ongoing Defra funding of the IFCA's of £3m per annum until 2020.

	2014		
(6.2) Incorporate sustainable management of the marine environment in the Association Communication and Engagement Strategy	To raise awareness of the IFCA role in promoting sustainable management of the marine environment	Enhanced awareness of the IFCAs and their role.	Four year Association report of IFCAs published and distributed

Success criterion 7: IFCA's are recognised and heard

Action	Intention	Performance indicator	By when
(7.1) Effectively engage with national government and partner organisations.	The Association is created, consolidated and well run, to represent the interests on a collective and national basis.	The Association engages with the Members and Directors to ensure continued good governance and direction of the Association of IFCA's.	Review of articles due 2016/17
(7.2) Arrange/attend regular liaison meetings and ad hoc joint or collaborative activities.	Efficient and effective partnership working is embedded into the all IFCA's (and partner organisations).	Regular liaison meetings will be set up and held throughout the year as appropriate.	Ongoing
(7.3) Association website updated on a regular basis.	Website re-launched April 2013. Content has been radically updated. Website is kept up to date with relevant information and all forms are available for stakeholders to	Records kept showing AIFCA website is reviewed and updated quarterly.	Complete including hand over to new Administration and Finance Officer at end of 2015/16

	access. Members' only areas kept updated with meeting papers etc.		
(7.4) Website queries included in website to provide stakeholder engagement	Website queries included in website	89 queries received in 2015/16 and answered with 10 working days	Ongoing – number of queries and their breakdown recorded and reported to Directors quarterly.