

REVENUE BUDGET AND CAPITAL PROGRAMME 2024/25**Joint Report of Chief Officer and Treasurer****1. Recommendations**

- 1.1. **Approve the Revenue Budget outlined in Table 1.**
- 1.2. **Approve the increase to the levy of 6.75% for 2025/26.**
- 1.3. **Approve the transfer from reserves of £118,042 to support the budget for 2025/26.**
- 1.4. **Approve the Fees and Charges set out section 5 of the report.**
- 1.5. **Review the Assessment of Volatile Budgets at Appendix B and note the risks, impacts and mitigations.**

2. Summary

- 2.1. On 19th November the Finance Working Group met to consider the Medium Term Financial Plan (agenda item 7) and how the Authority would close the current funding gap over the next four years, while ensuring that general reserves did not reduce below 25% of annual revenue expenditure.
- 2.2. DEFRA had provided additional funding of £140,000 (budgeted at £150,000) in 2023/24 and in 2024/25 but indicated that this funding was time limited. The budget has been prepared on the basis that this additional funding will not continue after 2024/25. DEFRA has set out its position that any additional funding provision, in addition to New Burdens Funding, should be used to support the delivery of additional national workstreams and should not be used to replace levy contributions or use of reserves to meet the agreed Revenue Budget.
- 2.3. The proposed net revenue budget for 2025/26 is £838,058, an increase of £52,992 or 6.75% from 2024/25 as shown in Table 1. This increase in the levy is based on the recommendation of the Chief Officer and Treasurer for Scenario 1 in the Medium Term Financial Plan – an evenly phased increase in the levy so that the levy contributions will meet the planned expenditure without the need for significant use of reserves by 2028/29.
- 2.4. It should be noted that the Medium Term Financial Plan does not provide D&S IFCA with additional staff or other resources and is based on not filling the two vacant positions over the next four year period. The Chief Officer does not believe that with the current resources the IFCA is able to fulfil all of its statutory duties.

3. Revenue Budget Summary

- 3.1. Pay inflation is estimated to be £22,600 or 3.0%.
- 3.2. Employee budget is adjusted by £11,600. This the effect of employees pay increments and the national insurance rate increase for employers to 15%.
- 3.3. Expenditure on premises is increased by £3,700, reflecting a recent rent review. Transport budgets are reduced by £500 which represents a general reduction in travel.

3.4. Table 1 shows adjustments to the 2024/25 budget, inflation, and the resulting 2025/26 revenue budget.

Table 1

	2024/25 Base Budget £	Base Budget Adjustments £	Inflation £	2025/26 Budget £
Employees	746,100	11,600	22,600	780,300
Premises	36,200	3,700	900	40,800
Transport	14,400	(500)	300	14,200
Supplies & Services	76,900	(8,200)	1,100	69,800
Boat Costs	35,600	(1,700)	1,000	34,900
Environmental Research	17,400	(5,200)	300	12,500
Support Services	56,000	(10,000)	700	46,700
Fees, charges, and interest	(45,100)	2,000	0	(43,100)
Revenue Budget	937,500	(8,300)	26,900	956,100
Budgeted use of Reserves	(2,434)	(115,608)	0	(118,042)
Continuation of additional DEFRA Funding (at risk)	(150,000)	150,000	0	0
Funding from Levies	785,066	26,092	26,900	838,058

- 3.5. Supplies and Services have decreased by £8,200. This is mostly due to the expected cancellation of £6,000 data storage and processing service that will be unnecessary once the national IVMS is formally introduced in 2025 and the reduction of protective clothing due to no new starters and homeworking.
- 3.6. Boat Costs have decreased by £1,700. This is due to the sale of Enforcer offset by insurance of drones.
- 3.7. Environmental Research has decreased by £5,200. This is to bring the budget in line with previous years and in recognition that the environment team is smaller following the recruitment freeze and unable to utilise the funding previously allocated.
- 3.8. Support Services has decreased by £10,000. This is due to the reduction of the legal fees budget to bring it in line with previous years.
- 3.9. Fees, Charges, and Interest income is decreased by £2,000. There is a decrease to permit income based on permits expiring in 2025/26. Permit applications are mainly made online which also incurs a 3% card fee.
- 3.10. A detailed breakdown of the 2025/26 budget adjustments is provided in Appendix A
- 3.11. Table 2 shows the inflation assumptions applied for 2025/26.

Table 2

Inflation Rates	2025/26 %
Pay inflation	3.00
General	2.50
Fuel	2.50
Travel & Transport	2.00

4. Staffing

4.1. Table 3 shows the full time equivalent (FTEs) posts

Table 3

Role	24/25 FTE	25/26 FTE
Chief Officer	1.00	1.00
Deputy Chief Officer	1.00	1.00
Principal Policy Officer	1.00	1.00
Finance	1.00	1.00
Senior Enforcement/Environmental Officer	2.00	2.00
Enforcement Officer	4.00	4.00
Environmental Officer	1.61	1.61
Marine Development Officer	1.00	1.00
Total FTEs	12.61	12.61

5. Fees & Charges

5.1. Table 4 sets out the proposed fees and charges for 2025/26.

Table 4

	2024/25 Charge £	2025/26 Proposed Charge £	% increase
Waddeton Fishery Licences (per plot)	275.00	275.00	00.0%
Charter (per hour including staff)	308.00	308.00	00.0%
RIB Charter (per hour excluding staff)	104.50	104.50	00.0%

6. Risk Assessment of Volatile Budgets

6.1. A risk assessment of volatile budgets is included in Appendix B.

7. Comparison of Levy with New Burdens Funding

7.1. Table 5 demonstrates the increase in the levy for 2025/26 and compares it to the New Burdens Funding received by each Local Authority.

Table 5

Local Authority	2024/25 Levy £	Increase in Levy £	2025/26 Proposed Levy £	New Burdens Funding £	Variance to New Burdens £
Bristol City Council	44,356	2,994	47,350	50,851	(3,501)
Gloucestershire County Council	113,599	7,668	121,267	122,428	(1,161)
North Somerset Council	36,348	2,454	38,802	42,574	(3,772)
Somerset County Council	124,747	8,420	133,167	133,952	(785)
South Gloucestershire Council	32,031	2,162	34,193	38,110	(3,917)
Sub Total Severn Authorities	351,081	23,698	374,779	387,915	(13,136)
Devon County Council	369,688	24,954	394,642	21,382	373,260
Plymouth City Council	36,898	2,491	39,389	-	39,389
Torbay Council	27,399	1,849	29,248	-	29,248
Sub Total Devon Authorities	433,985	29,294	463,279	21,382	441,897
Total Funding	785,066	52,992	838,058	409,297	428,761

8. Usable Reserves

- 8.1. The Authority is expected to have two usable reserves in 2025/26. The general reserves and the capital receipts. A separate ‘ringfenced’ reserve is maintained for Financial Administrative Penalty (FAP) notices.
- 8.2. As at month 6 outturn for 2024/25 there is a forecast transfer to general reserves of £5,166.
- 8.3. For 2025/26 there is a budgeted use of reserves of £118,042.

	2024/25 Projection £	2025/26 Projection £
Balance 1 st April	592,466	597,632
Contributions to/(from) Reserves	7,600	0
Budgeted Transfer from Reserves	(2,434)	(118,042)
Balance 31st March	597,632	479,590

- 8.4. There are no expected changes to the Capital Receipts Reserve.

	2024/25 Projection £	2025/26 Projection £
Balance 1 st April	85,232	85,232
Contributions to/(from) Reserves	0	0
Balance 31st March	85,232	85,232

9. Medium Term Financial Plan

- 9.1. A separate paper (agenda item 7) was presented to the Finance Working Group setting out:

- The Medium Term Financial Plan
- Increase to levy scenario modelling
- Use of general reserve scenario modelling

The Medium Term Financial Plan has been included in the papers for this meeting of the Authority.

Mat Mander
Chief Officer

Angie Sinclair
Treasurer

		2024/25 Adj. Base Budget £	Budget Adjustments £	Inflation £	2025/26 Budget £	Reason for Budget Adjustment Items Over £1,000
1	Staff costs (includes National Insurance and Pension Contributions)	735,300	11,600	22,400	769,300	Employees pay increments and the national insurance rate increase for employers to 15%
2	Training (including travel costs)	10,800	0	200	11,000	
3	EMPLOYEES	746,100	11,600	22,600	780,300	
4	Rents and Service Charges	33,100	3,700	800	37,600	Rent review
5	Hire of rooms	3,100	0	100	3,200	
6	PREMISES	36,200	3,700	900	40,800	
7	Vehicle fuel repair and maintenance	8,800	0	200	9,000	
8	Public Transport (bus and rail)	1,000	0	0	1,000	
9	Vehicle insurance, road tax	3,600	0	100	3,700	
10	Officers Travel Expenses, incl car parking	1,000	(500)	0	500	
11	TRANSPORT	14,400	(500)	300	14,200	
12	Admin Equipment	2,100	(600)	100	1,600	
13	Protective Clothing	3,100	(2,100)	100	1,100	No new starters, homeworking – less use for uniform
14	Printing & Design	1,000	0	0	1,000	
15	Advertising (Statutory Notices)	6,000	0	0	6,000	
16	Stationery	600	0	0	600	
17	Insurances - external	6,000	0	200	6,200	
18	Other memberships (AIFCA & ASERA)	14,000	0	0	14,000	
19	Internal Audit	1,400	0	0	1,400	
20	Postages	600	0	0	600	
21	Telephones	5,500	0	100	5,600	
22	IT hardware, software and support	8,500	0	200	8,700	
23	Officers Subsistence	1,100	0	0	1,100	

		2024/25 Adj. Base Budget £	Budget Adjustments £	Inflation £	2025/26 Budget £	Reason for Budget Adjustment Items Over £1,000
24	Other Supplies (including hospitality & members allowances)	12,000	0	300	12,300	
25	Subscriptions	3,500	500	100	4,100	
26	Enforcement	11,500	(6,000)	0	5,500	Cancellation of £500 pcm data storage and processing service from MMO
27	SUPPLIES	76,900	(8,200)	1,100	69,800	
28	Boat Moorings / Berths	5,200	0	100	5,300	
29	Boat and R.I.B. Fuel	8,000	(1,700)	200	6,500	Sale of enforcer
30	Boat Repairs & Maintenance	6,900	(1,000)	300	6,200	Sale of enforcer
31	Boat Insurance	13,700	1,000	300	15,000	Decrease due to sale of enforcer offset by drone insurance
32	Boat technical equipment	1,800	0	100	1,900	
33	BOAT COSTS	35,600	(1,700)	1,000	34,900	
34	ENVIRONMENTAL RESEARCH	17,400	(5,200)	300	12,500	Research vessel charter, bring budget in line with previous years. Opportunities to charter covered by use of reserves
35	Support Services – Finance/HR	26,000	0	700	26,700	
36	Legal fees	30,000	(10,000)	0	20,000	Based on prior year averages
37	SUPPORT	56,000	(10,000)	700	46,700	
38	Fees Court cases	(12,000)	0	0	(12,000)	
39	Fuel Duty Rebates	(2,000)	0	0	(2,000)	
40	Permit fees	(15,000)	2,000	0	(13,000)	Estimated based on permits expiring in 25/26
41	Licence fees	(2,100)	0	0	(2,100)	
42	Bank Interest	(14,000)	0	0	(14,000)	
43	FEES, CHARGES AND INTREST (INCOME)	(45,100)	2,000	0	(43,100)	
44	TOTAL	937,500	(8,300)	26,900	956,100	

		2024/25 Adj. Base Budget £	Budget Adjustments £	Inflation £	2025/26 Budget £	Reason for Budget Adjustment Items Over £1,000
45	Use of Reserves	(2,434)	(115,608)		(118,042)	
46	DEFRA Funding	(150,000)	150,000		0	Assumed no further DEFRA funding
47	Total Levy Funding	785,066	26,092	26,900	838,058	

Risk Assessment of Volatile Budgets

Budget Amount	Budget Description	Risk	Mitigating Actions
£780,300	Staff Costs	Pay award An additional 1% in pay or superannuation rates would have a £7,800 effect	National negotiation will be followed closely. The outcome of the award is outside of the control of the authority. Use active budget management to reduce spending on other lines. If lower, use a saving to offset budget pressures elsewhere or add to General Reserve.
£9,000	Vehicle fuel, repair and maintenance	Fuel price increases Unexpected maintenance on current vehicles	Try to meet from any underspend, otherwise fund from General Reserve with authority approval.
£500	Officers travel expenses	Increase in mileage. Increase in parking charges	Try to meet from any underspend, otherwise fund from General Reserve with authority approval.
£6,500	Boat Fuel	Fuel price increases RIBS +/- 10p/litre	Fuel prices will be monitored closely. Try to meet from any underspend, otherwise fund from General Reserve with authority approval.
£6,200	Boat Repairs & Maintenance	Unexpected maintenance on boat repairs	Significant repair costs can be funded from the General Reserve, with the Authorities' approval
£20,000	Legal fees	Increase in fees Delay in court cases	If higher, fund from General Reserve with authority approval. If lower, use saving to offset budget pressures elsewhere or add to General Reserve.
(£29,100)	Fees & Charges (Excl. Bank Interest)	Income lower than expected	If income received not as high as budgeted, offset budget pressure from General Reserve with authority approval.
(£14,000)	Bank Interest	Increase/decrease in bank interest rates	If higher, use income to offset budget pressures elsewhere or add to General Reserve.