

## **REVENUE BUDGET AND CAPITAL PROGRAMME 2019/20**

### **Joint Report of Chief Officer and Treasurer**

#### **1. Recommendations:**

That members:

- 1.1 Consider the Revenue Budget outlined below and recommend its approval to the Authority;
- 1.2 Recommend to the Authority the approval of the Fees and Charges set out in Table 4;
- 1.3 Review the Assessment of Volatile Budgets at Appendix B and recommend to Authority that the risks, impacts and mitigations be noted and
- 1.4 Recommend to Authority that the projected balances on the General Reserve and Capital Receipts Reserve are noted.
- 1.5 Note legal cost & income breakdown on Appendix C

#### **2. Revenue Budget Summary**

	<b>2018/19 Base Budget</b>	<b>Base Budget Adjustments</b>	<b>Inflation</b>	<b>2019/20 Budget</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Employees	544,400	15,700	10,600	570,700
Premises	35,300	2,600	0	37,900
Transport	32,500	(2,300)	800	31,000
Supplies & Services	101,100	2,900	1,400	105,400
Boat Costs	29,700	5,000	700	35,400
Environmental Research	13,800	3,000	0	16,800
Support	29,400	8,000	0	37,400
Fees & Charges	(21,200)	(5,000)	0	(26,200)
	<b>765,000</b>	<b>29,900</b>	<b>13,500</b>	<b>808,400</b>
DEFRA Refund	0	(73,600)	0	(73,600)
Transfer from General Fund	(31,400)	11,600	0	(19,800)
<b>Total</b>	<b>733,600</b>	<b>(32,100)</b>	<b>13,500</b>	<b>715,000</b>

- 2.1 Base Budget Adjustments (items over £1,000):
  - 2.1.1 Employees - Staff costs £ 16,000, pay inflation;
  - 2.1.2 Premises – Reflect actual cost of byelaw meeting room hire £2,000;
  - 2.1.3 Transport – public transport £ (1,300) and officers expenses £ (1,200);
  - 2.1.4 Supplies & Services – Insurances - external £ (2,000), subsistence £ (1,100), PHD student £ (1,000), IT hardware £3,000, Other communication costs £3,000 and Telephones £2,000;
  - 2.1.5 Support costs – Legal fees £8,000;
  - 2.1.6 Boat Costs – Boat Charter £3,000, Boat and RIB Fuel £2,800, Boat repairs and maintenance £1,400 and Boat technical equipment £ (1,300);
  - 2.1.7 Research – Boat Charter £3,000;
  - 2.1.8 Fees & Charges – Permit fees £ (5,000);
  - 2.1.9 Defra refund - £ (73,600) for chief officer salary.

Detailed explanations are provided in Appendix A

**The proposed budget and Levy for 19/20 represent decrease of 2.54%.**

The detailed budget is included as Appendix A

**Staffing:**

	<b>2018/19 Full Time Equivalent Numbers</b>	<b>2019/20 Full Time Equivalent Numbers</b>
Officers:		
Full-time	11.00	9.00
Part-time	0.00	0.61
Secondments	0.25	0.00
Administrative Staff:		
Part-time	0.68	0.68
Fixed Term:		
Comms. Officer	0.34	0.00
Permit Officer	0.50	0.61
Environment Officer	0.00	0.61
<b>Total</b>	<b>12.77</b>	<b>11.51</b>

If previous staffing structure were applied as prior year, this would have added an additional £47,700 or 6.50% increase to previous year's budget.

**Inflation Rates:**

	%
Pay Inflation - Chief Officers (set nationally)	2
Pay Inflation - NJC staff (set nationally)	2
General	2.4
Travel a & Transport (CPI)	3.9

**3. Comparison of Levy with New Burdens Funding:**

	<b>2018/19 Indicative Levy £</b>	<b>Reduction in Levy £</b>	<b>2019/20 Indicative Levy £</b>	<b>2019/20 New Burdens Funding £</b>	<b>Variance £</b>
Bristol City Council	41,448	(1,050)	40,398	50,851	(10,454)
Gloucestershire County Council	106,152	(2,691)	103,461	122,428	(18,968)
North Somerset Council	33,966	(861)	33,105	42,574	(9,470)
Somerset County Council	116,569	(2,956)	113,614	133,952	(20,339)
South Gloucestershire Council	29,931	(759)	29,172	38,110	(8,938)
<b>Total New Authorities</b>	<b>328,065</b>	<b>(8,317)</b>	<b>319,748</b>	<b>387,915</b>	<b>(68,167)</b>
Devon County Council	345,453	(8,760)	336,694	21,382	315,312
Plymouth City Council	34,479	(874)	33,605	0	33,605
Torbay Council	25,603	(649)	24,954	0	24,954
<b>Total Devon Authorities</b>	<b>733,600</b>	<b>(18,600)</b>	<b>715,000</b>	<b>409,297</b>	<b>373,870</b>

**4. Fees & Charges**

	<b>2018/19 Charge £</b>	<b>2019/20 Proposed Charge £</b>
Waddeton Fishery Licences (per plot)	260.00	260.00
Charter (per hour including staff)	280.00	280.00
RIB Charter (per hour excluding staff)	95.00	95.00

## 5. Risk Assessment of Volatile Budgets

- 5.1 As part of the budget setting process, the Authority should consider the risks inherent in the budgets set and the adequacy of the measures put in place to manage those risks.
- 5.2 A risk assessment of volatile budgets is included as Appendix B.

## 6. Usable Reserves

The Authority is expected to have two usable reserves in 2019/20.

### General Reserve

	<b>2018/19</b>	<b>2019/20</b>
	<b>Projection</b>	<b>Projection</b>
	<b>£</b>	<b>£</b>
<b>Balance 1st April</b>	508,634	521,134
<b>Contribution to Reserve</b>	0	0
<b>Transfer from Reserve</b>	#(31,400)	##(19,800)
<b>Transfer to Reserve</b>	43,900	0
<b>Balance 31st March</b>	521,134	501,334

# The cost of the Communications officer and Office assistant as at month 6 budget monitoring

## The cost for Communications and Data Protection.

### Capital Receipt Reserve

	<b>2018/19</b>	<b>2019/20</b>
	<b>Projection</b>	<b>Projection</b>
	<b>£</b>	<b>£</b>
<b>Balance 1st April</b>	154,155	80,833
<b>Transfer from Reserve</b>	(83,473)	0
<b>Capital Receipt</b>	10,151	0
<b>Balance 31st March</b>	<b>80,833</b>	<b>80,833</b>

**Mat Mander**  
**Acting Chief Officer**

**Mary Davis**  
**Treasurer**

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

### List of Background Papers

- 1) The Budget 2018/19
- 2) The Budget Monitoring Reports of 2018/19
- 3) DEFRA Grant notifications

## Appendix A

		<b>2018/19 Adjusted Base Budget</b>	<b>Budget Adjustments</b>	<b>Inflation</b>	<b>2019/20 Budget</b>	<b>Reason for Budget Adjustment</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
1	Staff costs (includes National Insurance and Pension Contributions)	536,100	16,000	10,600	562,700	Increments, pay award, NI and staffing changes.
2	Training (including travel costs)	8,000	0	0	8,000	
3	Advertising for Recruitment	300	(300)	0	0	
	<b>4 EMPLOYEES</b>	<b>544,400</b>	<b>15,700</b>	<b>10,600</b>	<b>570,700</b>	
5	Rents and Service Charges	33,300	600	0	33,900	Reflects actual charges
6	Hire of rooms	2,000	2,000	0	4,000	Byelaw meetings
7	Furniture & fittings	0	0	0	0	
	<b>8 PREMISES</b>	<b>35,300</b>	<b>2,600</b>	<b>0</b>	<b>37,900</b>	
9	Vehicle fuel repair and maintenance	10,000	(200)	200	10,000	
10	Vehicle lease hire	5,500	0	0	5,500	Lease vehicle
11	Public Transport (bus and rail)	7,000	(1,300)	300	6,000	Fewer meetings in London
12	Vehicle insurance, road tax	4,000	400	100	4,500	
13	Officers Travel Expenses, including car parking	6,000	(1,200)	200	5,000	Fewer meetings in London
	<b>14 TRANSPORT</b>	<b>32,500</b>	<b>(2,300)</b>	<b>800</b>	<b>31,000</b>	

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		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
15	Admin Equipment	2,400	(100)	100	2,400	Includes copier rental
16	Protective Clothing	4,500	(600)	100	4,000	
17	Printing & Design	1,200	500	0	1,700	Byelaw consultation
18	Advertising (Statutory Notices)	6,000	0	0	6,000	Byelaw review statutory publications
19	Stationery	1,000	0	0	1,000	Byelaw consultation
20	Insurances - external	7,400	(2,000)	200	5,600	Reflect true cost
21	AIFCA	12,000	(300)	300	12,000	AIFCA charge
22	Other memberships (ASERA)	800	(500)	0	300	
23	PHD Student - Research	15,000	(1,000)	0	14,000	Reflects true cost
24	External Agency Staff	19,000	800	0	19,800	Comms officer and Data protection officer
25	Internal Audit	1,300	0	0	1,300	Devon Audit Partnership charge
26	Postages	1,000	0	0	1,000	Byelaw consultation
27	Telephones	10,800	0	300	11,100	Includes office phones, calls and broadband, as well as mobiles.
28	IT hardware, software and support	2,000	5,000	0	7,000	Microsoft office 365 licences, 2 new PC.
29	Other Communications costs	0	3,000		3,000	Data gathering re handworking activities in the districts
30	Officers Subsistence	3,000	(1,100)	100	2,000	Reflects true cost
31	Other Supplies (including hospitality & members allowances)	12,000	(300)	300	12,000	

		<b>2018/19 Adjusted Base Budget</b>	<b>Budget Adjustments</b>	<b>Inflation</b>	<b>2019/20 Budget</b>	<b>Reason for Budget Adjustment</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
32	Subscriptions (Fishing News and MCSS access)	1,700	(500)	0	1,200	
<b>33</b>	<b>SUPPLIES</b>	<b>101,100</b>	<b>2,900</b>	<b>1,400</b>	<b>105,400</b>	
34	Boat Moorings / Berths	3,000	900	100	4,000	Reflect projected cost for all boat moorings.
35	Boat and R.I.B. Fuel	7,000	2,800	200	10,000	Increased cost of fuel prices and use of new RIB
36	Boat Repairs & Maintenance	7,000	(200)	200	7,000	Will approach members to use reserves, if required
37	Black Jack	3,000	3,000	0	6,000	dry storage decision
38	Boat Insurance	5,100	(100)	100	5,100	
39	Boat technical equipment	4,600	(1,400)	100	3,300	no longer renting Simrad sonar.
<b>40</b>	<b>BOAT COSTS</b>	<b>29,700</b>	<b>5,000</b>	<b>700</b>	<b>35,400</b>	
<b>41</b>	<b>ENVIRONMENTAL RESEARCH</b>	<b>13,800</b>	<b>3,000</b>	<b>0</b>	<b>16,800</b>	Increased research boat charter
42	Support Services – Finance/HR	17,400	0	0	17,400	
43	Legal fees	12,000	8,000	0	20,000	All legal fees including court cases
<b>44</b>	<b>SUPPORT</b>	<b>29,400</b>	<b>8,000</b>	<b>0</b>	<b>37,400</b>	
45	Fixed Penalty Notices	0	0	0	0	
46	Fees Court cases	(10,000)	0	0	(10,000)	
47	Fuel Duty Rebates	(2,000)	(200)	0	(2,200)	increased rebate due to more fuel usage

		<b>2018/19 Adjusted Base Budget</b>	<b>Budget Adjustments</b>	<b>Inflation</b>	<b>2019/20 Budget</b>	<b>Reason for Budget Adjustment</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	
48	Permit fees	(5,000)	(5,000)	0	(10,000)	Permits charged biennially
49	Licence fees	(2,200)	200	0	(2,000)	Waddeton Licences
50	Bank Interest	(2,000)	0	0	(2,000)	
<b>51</b>	<b>FEES AND CHARGES (INCOME)</b>	<b>(21,200)</b>	<b>(5,000)</b>	<b>0</b>	<b>(26,200)</b>	
<b>52</b>	<b>TOTAL</b>	<b>765,000</b>	<b>29,900</b>	<b>13,500</b>	<b>808,400</b>	
53	Transfer from general fund	<b>(31,400)</b>	<b>11,600</b>	<b>0</b>	<b>(19,800)</b>	Funding for Communications Officer and Permits Officer
54	DEFRA reimbursement chief officer secondment	<b>0</b>	<b>(73,600)</b>	<b>0</b>	<b>(73,600)</b>	
<b>55</b>	<b>TOTAL LEVY FUNDING</b>	<b>733,600</b>	<b>(32,100)</b>	<b>13,500</b>	<b>715,000</b>	



## Appendix B

### Risk Assessment of Volatile Budgets

<b>Budget Amount</b>	<b>Budget Description</b>	<b>Risk</b>	<b>Mitigating Actions</b>
£ 562,700	Officer's pay and on costs	<p>Pay award.</p> <p>An additional 1% in pay or superannuation rates would have has a £5,627 effect</p> <p>Chief Officer secondment at DEFRA confirm for next 12 months but contract can be terminated at any time.</p>	National negotiation will be followed closely. The outcome of the award is outside of the control of the authority. If pay award higher than the 2% budgeted, 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.
£5,000	Officers travel mileage	Increased or reduced mileage of 1,000 miles +/- £450	Try to meet from any underspend, otherwise fund from General Reserve with the Authorities' approval
£2,000	Officers subsistence	Increased or reduced subsistence	Try to meet from any underspend, otherwise fund from General Reserve with the Authorities' approval
£10,000	Vehicle fuel, maintenance and repairs	Price changes. A 10p change in price / litre has a £600 effect	Try to meet from any underspend, otherwise fund from General Reserve with the Authorities' approval
£6,000	Advertising of Statutory Notices (Bye-Laws)	Change in number of bye-laws required. Each costs approx. £6,000	Try to meet from any underspend, otherwise fund from General Reserve with the Authorities' approval
£ (26,200)	Other Fees and Charges	Change in value of devolved powers work undertaken	Active involvement of the Chief Officer. Risk that the reduction requested is not accepted.
£10,000	Boat Fuel	Change in price / litre. Black Jack +/- 5p/litre has £400 effect net of recoverable excise duty, RIBS +/- 10p/litre has £200 effect.	Fuel prices will be monitored closely. The difference in price/litre relates to the respective fuels used (5p/litre diesel and 10p/litre petrol)
	As above	Change in quantity used. 10% change in mileage has £500 effect, RIBS £300 effect.	Use of Black Jack to be monitored closely
£8,600	Boat Repair & Maintenance	Unforeseen repair costs as the boats age	Significant repair costs can be funded from the General Reserve, with the Authorities' approval
£6,000	Boat Charter Costs	Activities in Severn area require a different volume of charters	Active involvement of the Chief Officer

£ (2,000)	Bank Interest	Increase in interest rates +/- 0.25% £2,000	Use greater income to offset budget pressures elsewhere or add to General Reserve.
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## Appendix C

	11/2 Actual	12/3 Actual	13/4 Actual	14/15 Actual	15/16 Actual	16/17 Actual	17/18 Actual	18/19 Forecast
Legal Costs	297	6,877	3,589	8,006	18,159	32,048	50,368	50,000
Fines and Fees	0	0	(4,930)	(2,290)	(15,790)	(9,193)	(14,024)	(10,000)
	297	6,877	(1,341)	5,716	2,369	22,855	36,344	40,000
FAP		(3,000)	(750)	(1,000)	(1,000)	(6,250)	(6,250)	(2,250)
Net	297	3,877	(2,091)	4,716	1,369	16,605	30,094	37,750