

REVENUE BUDGET AND CAPITAL PROGRAMME 2024/25

Joint Report of Chief Officer and Treasurer

1. Recommendations

That members:

- 1.1. Approve the Revenue Budget outlined in Table 1.
- 1.2. Approve the increase to the levy of 3% for 2024/25.
- 1.3. Approve the transfer from reserves of £2,434 to support the budget for 2024/25.
- 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.
- 1.6. Note the risk that DEFRA funding for 2024/25 does not continue at the current level of £150,000 and approve that any shortfall is met from the general fund reserve.

2. Summary

- 2.1. The proposed net revenue budget for 2024/25 is £785,066, an increase of £22,866 or 3% from 2023/24 as shown in Table 1.
- 2.2. Pay inflation accounts for most of the overall budget increase.
- 2.3. The budget assumes continuation of additional funding from DEFRA of £150,000. In 2022/23 the Authority received £150,000 and a further £150,000 is expected in 2023/24. Indications are that some additional funding may be available in 2024/25, but it is not clear how much. There has also been no clear indication of what additional work or assurances are required by DEFRA.
- 2.4. There is a risk that the additional £150,000 funding from DEFRA will not be received, if this happens the shortfall will be funded from reserves.

3. Revenue Budget Summary

- 3.1. Table 1 shows adjustments to the 2023/24 budget, inflation, and the resulting 2024/25 revenue budget.

	2023/24 Base Budget	Base Budget Adjustments	Inflation	2024/25 Budget
	£	£	£	£
Employees	727,300	(13,200)	32,000	746,100
Premises	37,100	(1,000)	100	36,200
Transport	14,500	(500)	400	14,400
Supplies & Services	71,100	4,500	1,300	76,900
Boat Costs	32,300	1,800	1,500	35,600
Environmental Research	17,200	0	200	17,400
Support Services	55,100	0	900	56,000
Fees, charges, and interest	(40,000)	(5,100)	0	(45,100)
Gross Revenue Budget	914,600	(13,500)	36,400	937,500
Budgeted use of Reserves	(2,400)	(34)	0	(2,434)
Continuation of additional DEFRA Funding (at risk)	(150,000)	0	0	(150,000)
Net Revenue Budget / Total Funding from Levies	762,200	(13,534)	36,400	785,066

- 3.2. Pay inflation is estimated to be £32,000 or 4.5%.
- 3.3. Employee budget is adjusted by £13,200. This is a net effect of 1.5 Full Time Equivalent reduction of £65,700 and the revised grading of the remaining posts following the job evaluation agreed at the Authority meeting 21st September 2023 of £52,500.
- 3.4. Expenditure on premises is reduced by £1,000, reflecting a recent rent review. Transport budgets are reduced by £500 which represents a reduction to insurance and tax following the disposal of one vehicle.
- 3.5. Supplies and Services have increased by £4,500. There is an increase to subscriptions for the Clue project and a rebasing the budget for enforcement costs.
- 3.6. Boat Costs are increased by £1,800 reflecting higher boat insurance premium.
- 3.7. Fees, Charges, and Interest income is increased by £5,100. Following increased base rates the estimated interest income has increased by £11,000, plus a small increase in licence income. This has been offset by a rebasing of fee income and permit income budgets by £6,000.
- 3.8. A detailed breakdown of the 2024/25 budget adjustments is provided in Appendix A
- 3.9. Table 2 shows the inflation assumptions applied for 2024/25.

Inflation Rates	2024/25 %
Pay inflation	4.50
General	3.50
Fuel	3.50
Travel & Transport	3.00

4. Staffing

- 4.1. Table 3 shows the full time equivalent (FTEs) posts following the recruitment freeze agreed at the September Authority meeting.

Role	23/24 FTE	24/25 FTE	Change 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	5.00	4.00	-1.00
Environmental Officer	2.11	1.61	-0.50
Marine Development Officer	1.00	1.00	
Total FTEs	14.11	12.61	-1.50

5. Fees & Charges

5.1. Table 4 sets out the proposed increase to fees and charges for 2024/25.

	2023/24 Charge £	2024/25 Proposed Charge £	% increase
Waddeton Fishery Licences (per plot) <i>(under review)</i>	260.00	275.00	5.7%
Charter (per hour including staff)	280.00	308.00	10.0%
RIB Charter (per hour excluding staff)	95.00	104.50	10.0%

6. Risk Assessment of Volatile Budgets

6.1. The key financial risk is the uncertainty around the continuation of additional DEFRA funding in 2024/25 and future years. Any shortfall in funding will be met from reserves.

6.2. 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 2024/25 and compares it to the New Burdens Funding received by each Local Authority.

Local Authority	2023/24 Levy £	Increase in Levy £	2024/25 Proposed Levy £	New Burdens Funding £	Variance to New Burdens £
Bristol City Council	43,064	1,292	44,356	50,851	(6,495)
Gloucestershire County Council	110,290	3,309	113,599	122,428	(8,829)
North Somerset Council	35,290	1,058	36,348	42,574	(6,226)
Somerset County Council	121,114	3,633	124,747	133,952	(9,205)
South Gloucestershire Council	31,098	933	32,031	38,110	(6,079)
Sub Total Severn Authorities	340,856	10,225	351,081	387,915	(36,834)
Devon County Council	358,920	10,768	369,688	21,382	348,306
Plymouth City Council	35,823	1,075	36,898	-	36,898
Torbay Council	26,601	798	27,399	-	27,399
Sub Total Devon Authorities	421,344	12,641	433,985	21,382	412,603
Total Funding	762,200	22,866	785,066	409,297	375,769

8. Usable Reserves

8.1. The Authority is expected to have two usable reserves in 2024/25. The general reserves and the capital receipts. A separate 'ringfenced' reserve is maintained for Financial Administrative Penalty (FAP) notices.

8.2. As at month 8 outturn for 2023/24 there is a forecast use from general reserves of £4,875.

8.3. For 2024/25 there is a budgeted use of reserves of £2,434.

	2023/24 Projection £	2024/25 Projection £
Balance 1st April	528,134	523,259
Contributions to/(from) Reserves	(2,475)	0
Budgeted Transfer from Reserves	(2,400)	(2,434)
Balance 31st March	523,259	520,825

8.4. Capital Receipts reserve is expected to increase by £8,257, due to proceeds from a sale of a car and equipment.

	2023/24 Projection £	2024/25 Projection £
Balance 1st April	76,774	85,031
Contributions to/(from) Reserves	8,257	0
Balance 31st March	85,031	85,031

9. Medium Term Financial Plan

9.1. DEFRA has indicated to the Authority that recent additional funding is time limited. Departmental resource limits apply only to 2024/25. Without this funding there is a significant shortfall between the Authority’s budgeted expenditure and current levy.

9.2. A separate paper 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

Detailed Budget Adjustments 2024/25

Appendix A

		2023/24 Adj. Base Budget	Budget Adjustments	Inflation	2024/25 Budget	Reason for Budget Adjustment Items Over £1,000
		£	£	£	£	
1	Staff costs (includes National Insurance and Pension Contributions)	716,800	(13,200)	31,700	735,300	1.5 FTE reduction -£65,700 Job evaluation +£52,500
2	Training (including travel costs)	10,500	0	300	10,800	
3	EMPLOYEES	727,300	(13,200)	32,000	746,100	
4	Rents and Service Charges	34,100	(1,000)	0	33,100	Reduced due to rent review
5	Hire of rooms	3,000	0	100	3,100	
6	PREMISES	37,100	(1,000)	100	36,200	
7	Vehicle fuel repair and maintenance	8,500	0	300	8,800	
8	Public Transport (bus and rail)	1,000	0	0	1,000	
9	Vehicle insurance, road tax	4,000	(500)	100	3,600	Reduced by 1 vehicle
10	Officers Travel Expenses, incl car parking	1,000	0	0	1,000	
11	TRANSPORT	14,500	(500)	400	14,400	
12	Admin Equipment	2,000	0	100	2,100	
13	Protective Clothing	3,000	0	100	3,100	
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	5,800	0	200	6,000	
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	5,300	0	200	5,500	
22	IT hardware, software and support	8,200	0	300	8,500	
23	Officers Subsistence	1,100	0	0	1,100	
24	Other Supplies (including hospitality & members allowances)	11,600	0	400	12,000	
		2023/24 Adj. Base Budget	Budget Adjustments	Inflation	2024/25 Budget	Reason for Budget Adjustment Items Over £1,000
		£	£	£	£	
25	Subscriptions	1,000	2,500	0	3,500	Increase due to Clue project.
26	Enforcement	9,500	2,000	0	11,500	Based on prior year averages
27	SUPPLIES	71,100	4,500	1,300	76,900	
28	Boat Moorings / Berths	5,000	0	200	5,200	
29	Boat and R.I.B. Fuel	7,700	0	300	8,000	
30	Boat Repairs & Maintenance	6,500	0	400	6,900	
31	Boat Insurance	11,500	1,800	400	13,700	Annual cost increased
32	Boat technical equipment	1,600	0	200	1,800	
33	BOAT COSTS	32,300	1,800	1,500	35,600	
34	ENVIRONMENTAL RESEARCH	17,200	0	200	17,400	
35	Support Services – Finance/HR	25,100	0	900	26,000	
36	Legal fees	30,000	0	0	30,000	
37	SUPPORT	55,100	0	900	56,000	
38	Fees Court cases	(16,000)	4,000	0	(12,000)	Based on prior year averages
39	Fuel Duty Rebates	(2,000)	0	0	(2,000)	

40	Permit fees	(17,000)	2,000	0	(15,000)	Based on prior year averages
41	Licence fees	(2,000)	(100)	0	(2,100)	
42	Bank Interest	(3,000)	(11,000)	0	(14,000)	Increased interest rates
43	FEES, CHARGES AND INTREST (INCOME)	(40,000)	(5,100)	0	(45,100)	
44	TOTAL	914,600	(13,500)	36,400	937,500	
45	Use of Reserves	(2,400)	(34)		(2,434)	
46	DEFRA Funding (at Risk)	(150,000)			(150,000)	
47	Total Levy Funding	762,200	(13,534)	36,400	785,066	

Appendix B

Risk Assessment of Volatile Budgets

Budget Amount	Budget Description	Risk	Mitigating Actions
£746,100	Staff Costs	Pay award An additional 1% in pay or superannuation rates would have a £7,000 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.
£8,800	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.
£1,000	Officers travel expenses	Increase in mileage. Increase in parking charges	Try to meet from any underspend, otherwise fund from General Reserve with authority approval.
£8,000	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.
£6,900	Boat Repairs & Maintenance	Unexpected maintenance on boat repairs	Significant repair costs can be funded from the General Reserve, with the Authorities' approval
£30,000	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.
(£31,100)	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.
(£150,000)	DEFRA Funding	Funding not received	If funding is not received by DEFRA at the budgeted amount, any shortfall will be met from General Reserves.