REVENUE BUDGET AND CAPITAL PROGRAMME 2026/27
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 7.00% for 2026/27.

1.3. Approve the transfer from reserves of £67,078 to support the budget for 2026/27.

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 4th November 2025 the Finance Working Group met to consider the Medium-Term Financial Plan 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 has provided additional funding of £50,000 with a further £80,000 due to be received for 2025/26, however this is expected to be one off. Therefore, the budget has been prepared on the basis that the funding will be withdrawn from 2026/27 onwards. 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. Officers intend to identify specific projects that support the delivery of Defra's three workstreams in the 2026/27 Annual Plan. These projects would be undertaken if additional funding from Defra is forthcoming. In previous years, Defra has only confirmed additional funding late in the financial year. If the project work needs to be undertaken throughout the year and is directly relevant to the District, Officers may ask Members to consider underwriting the costs by approving the allocation of reserves when the Annual Plan is discussed at the March 2026 meeting.

2.4. The proposed net revenue budget for 2026/27 is £896,722, an increase of £58,664 or 7% from 2025/26 as shown in Table 1. This increase in the levy is based on the recommendation of the Chief Officer and Treasurer in the Medium-Term Financial Plan – a proposed annual increase of 7% in the levy for years 2026/27 to 2028/29 and a lower increase in 2029/30 of 3%. This helps to ensure we achieve a balanced budget through levy contributions, to meet the planned expenditure without the need for significant use of reserves by 2029/30.

2.5. 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 its statutory duties.

3. Revenue Budget Summary

3.1. Table 1 shows adjustments to the 2025/26 budget, inflation, and the resulting 2026/27 revenue budget.

Table 1:

	2025/26 Base Budget £	Base Budget Adjustments £	Inflation £	2026/27 Budget £
Employees	780,300	(26,700)	22,600	776,200
Premises	40,800	(2,200)	1,200	39,800
Transport	14,200	1,000	400	15,600
Supplies & Services	69,800	8,500	1,600	79,900
Boat Costs	34,900	(500)	1,100	35,500
Environmental Research	12,500	(400)	400	12,500
Support Services	46,700	(600)	1,400	47,500
Fees, charges, and interest	(43,100)	0	(100)	(43,200)
Revenue Budget	**956,100**	**(20,900)**	**28,600**	**963,800**
Budgeted use of Reserves	(118,042)	50,964	0	(67,078)
Funding from Levies	**838,058**	**30,064**	**28,600**	**896,722**

Base Budget Adjustments (items over £1,000):

3.2. The employee budget has decreased by £26,700. This reduction is primarily due to changes in employer pension contribution rates following the latest actuarial valuation, which more than offset the impact of pay increments. The primary rate has reduced from 17.3% to 15.2% and secondary rate has reduced from £29,900 to £10,600.

3.3. Expenditure on premises is reduced by £2,200. This is to bring the budget for rent in line with the actual charges. However, this has been partially offset by an increase in hire of rooms for the Authority meetings.

3.4. Supplies and Services have increased by £8,500. This is mostly due to the expected replacement of the server, as well as an increase to the enforcement budget to continue the support of REM projects. This has been partially offset by a reduction in advertising for the byelaws.

3.5. A detailed breakdown of the 2026/27 budget adjustments is provided in Appendix A

3.6. Table 2 shows the inflation assumptions applied for 2026/27.

Table 2:

Inflation Rates	2026/27 %
Pay inflation	3.00
General	3.00
Fuel	3.00
Travel & Transport	2.50

4. Staffing

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

Table 3:

Role	**25/26 FTE**	**26/27 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
Environment 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 2026/27

Table 4:

	2025/26 Charge £	**2026/27 Proposed Charge £**	**% increase**
Waddeton Fishery Licences (per plot)	283.00	283.00	0.0%
Charter (per hour including staff)	317.00	332.85	5.0%
RIB Charter (per hour excluding staff)	108.00	113.40	5.0%

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 2026/27 and compares it to the New Burdens Funding received by each Local Authority.

Local Authority	2025/26 Levy £	Increase in Levy £	2026/27 Proposed Levy £	New Burdens Funding £	Variance to New Burdens £
Bristol City Council	47,350	3,314	50,664	50,851	(187)
Gloucestershire County Council	121,267	8,489	129,756	122,428	7,328
North Somerset Council	38,802	2,716	41,518	42,574	(1,056)
Somerset County Council	133,167	9,322	142,489	133,952	8,537
South Gloucestershire Council	34,193	2,394	36,587	38,110	(1,523)
Sub Total Severn Authorities	**374,779**	**26,235**	**401,014**	**387,915**	**13,099**
Devon County Council	394,642	27,625	422,267	21,382	400,885
Plymouth City Council	39,389	2,757	42,146	-	42,146
Torbay Council	29,248	2,047	31,295	-	31,295
Sub Total Devon Authorities	**463,279**	**32,429**	**495,708**	**21,382**	**474,326**
Total Funding	**838,058**	**58,664**	**896,722**	**409,297**	**487,425**

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 2025/26 there is a forecast transfer to General Reserves of £12,758.

8.3. For 2026/27 there is a budgeted use of Reserves of £67,078.

	2025/26 Projection £	2026/27 Projection £
Balance 1st April	618,850	631,608
Contributions to/(from) Reserves	12,758	0
Budgeted Transfer from Reserves	0	(67,078)
Balance 31st March	**631,608**	**564,530**

8.4. There is an expected transfer to the Capital Receipts Reserve of £13,500 in 2025/26 for the sale of Enforcer. There are no expected changes to the Capital Receipts Reserve in 2026/27.

	2025/26 Projection £	2026/27 Projection £
Balance 1st April	64,320	77,820
Contributions to/(from) Reserves	13,500	0
Balance 31st March	**77,820**	**77,820**

9. Medium Term Financial Plan

9.1. 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 2026/27 **Appendix A**

		2025/26 Adj. Base Budget £	Budget Adjustments £	Inflation £	2026/27 Budget £	Reason for Budget Adjustment Items Over £1,000
1	Staff costs (includes National Insurance and Pension Contributions)	769,300	(26,700)	22,300	764,900	Employees pay increments offset by decrease in employer pension contribution rates (Primary rate from 17.3% to 15.2% and Secondary rate from £29.9k to £10.6k).
2	Training (including travel costs)	11,000	0	300	11,300	
3	**EMPLOYEES**	**780,300**	**(26,700)**	**22,600**	**776,200**	
4	Rents and Service Charges	37,600	(3,400)	1,100	35,300	Bring budget in line with rent charges
5	Hire of rooms	3,200	1,200	100	4,500	Increase in charge for authority meeting room hire at the racecourse
6	**PREMISES**	**40,800**	**(2,200)**	**1,200**	**39,800**	
7	Vehicle fuel repair and maintenance	9,000	0	300	9,300	
8	Public Transport (bus and rail)	1,000	500	0	1,500	
9	Vehicle insurance, road tax	3,700	0	100	3,800	
10	Officers Travel Expenses, incl car parking	500	500	0	1,000	
11	**TRANSPORT**	**14,200**	**1,000**	**400**	**15,600**	
12	Admin Equipment	1,600	400	0	2,000	
13	Protective Clothing	1,100	0	0	1,100	
14	Printing & Design	1,000	0	0	1,000	
15	Advertising (Statutory Notices)	6,000	(3,000)	0	3,000	Reduce for one byelaw
16	Stationery	600	(100)	0	500	
17	Insurances - external	6,200	(200)	200	6,200	
18	Other memberships (AIFCA & ASERA)	14,000	200	400	14,600	
19	Internal Audit	1,400	400	0	1,800	
20	Postages	600	0	0	600	

		2025/26 Adj. Base Budget £	Budget Adjustments £	Inflation £	2026/27 Budget £	Reason for Budget Adjustment Items Over £1,000
21	Telephones	5,600	(200)	200	5,600	
22	IT hardware, software and support	8,700	5,000	300	14,000	Server replacement
23	Officers Subsistence	1,100	200	0	1,300	
24	Other Supplies (including hospitality & members allowances)	12,300	400	400	13,100	
25	Subscriptions	4,100	(100)	100	4,100	
26	Enforcement	5,500	5,500	0	11,000	Continue to support REM projects
27	**SUPPLIES**	**69,800**	**8,500**	**1,600**	**79,900**	
28	Boat Moorings / Berths	5,300	0	200	5,500	
29	Boat and R.I.B. Fuel	6,500	0	200	6,700	
30	Boat Repairs & Maintenance	6,200	500	100	6,800	
31	Boat Insurance	15,000	(500)	300	15,000	
32	Boat technical equipment	1,900	(500)	100	1,500	
33	**BOAT COSTS**	**34,900**	**(400)**	**400**	**35,500**	
34	**ENVIRONMENTAL RESEARCH**	**12,500**	**(400)**	**400**	**12,500**	
35	Support Services – Finance/HR	26,700	0	800	27,500	
36	Legal fees	20,000	(600)	600	20,000	
37	**SUPPORT**	**46,700**	**(600)**	**1,400**	**47,500**	
38	Fees Court cases	(12,000)	0	0	(12,000)	
39	Fuel Duty Rebates	(2,000)	0	0	(2,000)	
40	Permit fees	(13,000)	(1,000)	0	(14,000)	Budget adjustment between lines due to prior years – reduction in number of permits
41	Licence fees	(2,100)	1,000	(100)	(1,200)	Budget adjustment between lines due to prior years
42	Bank Interest	(14,000)	0	0	(14,000)	

		2025/26 Adj. Base Budget £	Budget Adjustments £	Inflation £	2026/27 Budget £	Reason for Budget Adjustment Items Over £1,000
43	FEES, CHARGES AND INTREST (INCOME)	(43,100)	0	0	(43,200)	
44	TOTAL	956,100	(20,900)	28,600	963,800	
45	Use of Reserves	(118,042)	50,964		(67,078)	
46	Total Levy Funding	838,058	30,064	28,600	896,722	

Appendix B

Risk Assessment of Volatile Budgets

Budget Amount	Budget Description	Risk	Mitigating Actions
£764,900	Staff Costs	Pay award An additional 1% in pay or superannuation rates would have a £7,600 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.
£9,300	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.
£6,700	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.
£6,800	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.
(£29,200)	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. Treasury deposits placed dependent on surplus cash	If higher, use income to offset budget pressures elsewhere or add to General Reserve.