

Navigation Income and Expenditure: 1 April 2011 to 31 December 2011

Report by Senior Finance Assistant

Summary: This report summarises actual navigation income and expenditure for the nine month period to 31 December 2011, compared to the revised budget. The report provides a list of major variances and reasons for these variances.

1 Introduction

- 1.1 Appendix 1 shows the income received and expenditure incurred for the period April to December 2011, against the 2011/12 second revised budget approved by the Broads Authority at its meeting on 20 January 2012.
- 1.2 Income and expenditure is compared to the profiled budget for Month 9. Any variances in excess of £10,000 from the profiled budget are highlighted in Appendix 2, where an explanation for the variance is provided.

2 Overview of Income and Expenditure

- 2.1 Total income for the period is £2,749,589, which is 99.1% of the revised budget and 100.8% of the profiled budget.
- 2.2 Total net expenditure is £1,774,621, which is 61.5% of the revised budget and 83.5% of the profiled budget.

3 Summary

- 3.1 At this stage officers anticipate that the revised budget will be spent, although as always this will be dependant on a number of factors, including staff availability, weather conditions, obtaining the necessary approvals and consents and, in some cases, partnership working. In particular it should be noted from Appendix 2 that much of the Authority's practical work, including that relating to the fitting out and maintenance of vessels and machinery, is carried out during the winter months.

Background Papers: Nil

Author: Emma Krelle/Rob Holman
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Appendices: APPENDIX 1 - Navigation Income and Expenditure to 31 December 2011
APPENDIX 2 – Summary of Major Variances

DIRECTORATE

	Original Annual Budget 2011-12	Second Revised Budget 2011/12	Profiled Budget	Actuals	Variance
INCOME					
Navigation Charges					
Hire Craft Tolls	(1,006,500)	(1,044,000)	(1,044,000)	(1,044,101)	(101)
Private Craft Tolls	(1,612,000)	(1,645,000)	(1,622,000)	(1,641,098)	(19,098)
Short Visit Tolls	(41,300)	(46,200)	(35,200)	(31,541)	3,659
Other Toll Income	(8,145)	(18,750)	(15,350)	(17,334)	(1,984)
Interest Received	(12,500)	(20,000)	(9,374)	(15,515)	(6,141)
	(2,680,445)	(2,773,950)	(2,725,924)	(2,749,589)	(23,666)
OPERATIONS					
Construction & Maintenance					
Construction & Maintenance Salaries	628,027	529,382	469,844	455,791	(14,053)
Equipment, Vehicles & Vessels	374,000	408,140	280,050	116,266	(163,784)
Dredging	140,000	110,000	50,000	81,945	31,945
Fen & Tree Management	-	-	-	50	50
Practical Maintenance	178,000	175,000	133,497	28,838	(104,659)
	1,320,027	1,222,522	933,391	682,889	(250,502)
Ranger Services	445,399	410,472	319,369	273,385	(45,984)
Safety	87,668	67,635	56,154	55,591	(563)
Asset Management	40,725	62,809	39,865	47,222	7,356
Volunteers	7,775	7,972	5,832	5,605	(267)
Management & Admin	79,375	90,802	59,642	59,251	(391)
OPERATIONS TOTAL	1,980,969	1,862,212	1,414,254	1,123,943	(290,311)
PLANNING & STRATEGY					
Strategy & Projects					
Strategy & Projects Salaries	78,553	78,973	57,823	57,920	97
Biodiversity Strategy	-	-	-	1,262	1,262
Strategy & Projects	-	-	-	193	193
Waterways & Recreation Strategy	9,000	9,000	6,750	6,382	(368)
Project Funding	-	-	-	1,990	1,990
Management & Admin	16,949	13,274	12,166	13,252	1,086
PLANNING TOTAL	104,502	101,247	76,739	80,999	4,260
RESOURCES					
Human Resources	69,685	61,424	52,457	34,396	(18,061)
Finance & Insurance	128,518	130,276	112,192	99,275	(12,917)
Governance	56,740	55,600	42,046	41,056	(990)
Communications	60,198	64,699	45,875	47,901	2,026
Visitor Centres & Yacht Stations	(276)	48,155	45,000	26,350	(18,650)
Collection of Tolls	105,884	101,500	76,391	73,001	(3,390)
ICT	85,089	75,840	67,265	57,529	(9,736)
Legal	19,500	19,500	15,001	10,040	(4,962)
Premises	192,450	289,050	126,814	160,863	34,049
Management & Admin	67,553	59,165	50,523	48,819	(1,704)
RESOURCES TOTAL	785,341	905,209	633,564	599,229	(34,335)
Additional Lump Sum Pension Payments	17,693	17,693	0	0	0
Severance/Compensation Costs	7,000	0	0	0	0
PRISMA	-	-	-	67,091	67,091
<u>Contributions from Earmarked Reserves</u>					
Launch Replacement	-	-	-	(1,600)	(1,600)
PRISMA	-	-	-	(67,042)	(67,042)
Mutford Lock	-	-	-	1,500	1,500
Dockyard Site Maintenance	-	-	-	(29,500)	(29,500)
	-	-	-	(96,642)	(96,642)
NET EXPENDITURE	2,895,505	2,886,361	2,124,557	1,774,621	(349,936)
(SURPLUS) / DEFICIT	215,060	112,411	(601,366)	(974,968)	(373,601)

Balances on Reserve Accounts

As at 31/3/11 Current

Dredging Disposal Sites	180,614	180,614
Dockyard Site Maintenance	91,567	62,067
Dockyard Vessels and Equipment	161,961	161,961
Launch Replacement	150,049	148,449
Mutford Lock Endowment	239,922	241,422

DIRECTORATE

	Revised Budget 2011/12	Profiled Budget	Actuals to 30/11/11	Variance	Reason
INCOME					
Navigation Charges					
Hire Craft Tolls	(1,044,000)	(1,044,000)	(1,044,101)	(101)	Income higher than originally budgeted. Hire craft numbers have risen by approximately 30 hire cruisers this year. Short Visit Tolls is expected to be on target once invoiced income is received.
Private Craft Tolls	(1,645,000)	(1,622,000)	(1,641,098)	(19,098)	
Short Visit Tolls	(46,200)	(35,200)	(31,541)	3,659	
Other Toll Income	(18,750)	(15,350)	(17,334)	(1,984)	
Interest Received	(20,000)	(9,374)	(15,515)	(6,141)	
	(2,773,950)	(2,725,924)	(2,749,589)	(23,666)	

OPERATIONS

Construction & Maintenance					
Construction & Maintenance Salaries	529,382	469,844	455,791	(14,053)	Due in part to long term sickness.
Equipment, Vehicles & Vessels	408,140	280,050	116,266	(163,784)	There have been no major mechanical failures so far this year. However most refit work is carried out during the Winter, together with any capital purchases. The budget includes a provision of £60,000 to be transferred to the Dockyard Vessels and Equipment Reserve Account.
Dredging	110,000	50,000	81,945	31,945	The budget includes a provision of £60,000 to be transferred to the Dredging Disposal Sites Reserve Account. Some of the expenditure has been incorrectly attributed to this budget and will be recharged to Equipment, Vehicles and Vessels.
Fen & Tree Management	-	-	50	50	
Practical Maintenance	175,000	133,497	28,838	(104,659)	Expenditure is net of the Network Rail contribution of £67,800 for moorings at Reedham and Somerleyton. There are also underspends in respect of Breydon Water, Mutford Lock, Notice Boards and Other Navigation Works. However significant tree works are planned over the winter.
	1,222,522	933,391	682,889	(250,502)	

Ranger Services	410,472	319,369	273,385	(45,984)	Less maintenance costs on launches and less travel cost than predicted. Launch refits are carried out in the Winter.
Safety	67,635	56,154	55,591	(563)	
Asset Management	62,809	39,865	47,222	7,356	
Volunteers	7,972	5,832	5,605	(227)	
Management & Admin	90,802	59,642	59,251	(391)	
	639,690	480,863	441,054	(39,809)	

OPERATIONS TOTAL	1,862,212	1,414,254	1,123,943	(290,311)	
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PLANNING & STRATEGY

Strategy & Projects					
Strategy & Projects Salaries	78,973	57,823	57,920	97	
Biodiversity Strategy	-	-	1,262	1,262	
Strategy & Projects	-	-	193	193	
Waterways & Recreation Strategy	9,000	6,750	6,382	(368)	
Project Funding	-	-	1,990	1,990	
Management & Admin	13,274	12,166	13,252	1,086	
PLANNING TOTAL	101,247	76,739	80,999	4,260	

RESOURCES

Human Resources	61,424	52,457	34,396	(18,061)	Expenditure on staff training is lower than predicted.
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DIRECTORATE

	Revised Budget 2011/12	Profiled Budget	Actuals to 30/11/11	Variance	Reason
Finance & Insurance	130,276	112,192	99,275	(12,917)	The variance is due to the timing of receipt of invoices from the Audit Commission and a reduction in the Insurance premium following the re-tendering exercise in 2011.
Governance	55,600	42,046	41,056	(990)	
Communications	64,699	45,875	47,901	2,026	
Visitor Centres & Yacht Stations	48,155	45,000	26,350	(18,650)	Due to higher salary expenditure than forecast.
Collection of Tolls	101,500	76,391	73,001	(3,390)	
ICT	75,840	67,265	57,529	(9,736)	
Legal	19,500	15,001	10,040	(4,962)	
Premises	289,050	126,814	160,863	34,049	Rent for Dragonfly House has only been paid up until September 2011 based on 2008 stakeholder rates until the lease is finalised. The budget includes contributions totalling £105,000 to the Dockyard Site Maintenance Reserve Account.
Management & Admin	59,165	50,523	48,819	(1,704)	
RESOURCES TOTAL	905,209	633,564	599,229	-34,335	

Lump Sum Pension Payments 17,693 0 0 0

PRISMA	-	-	67,091	67,091	Expenditure is matched with reserve funds below.
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Contributions from Earmarked Reserves

Launch Replacement	-	-	(1,600)	(1,600)
PRISMA	-	-	(67,042)	(67,042)
Mutford Lock	-	-	1,500	1,500
Dockyard Site Maintenance	-	-	(29,500)	(29,500)
	-	-	(96,642)	(96,642)
NET EXPENDITURE	2,886,361	2,124,557	1,774,621	(349,936)
(SURPLUS) / DEFICIT	112,411	(601,367)	(974,968)	(373,601)