

Financial Performance and Direction
Report by Head of Finance

Summary: This report provides a strategic overview of current key financial issues and items for decision.

Recommendation: That the summary of the Statement of Accounts 2015/16 and the revenue account outturn figures be noted.

1 Introduction

1.1 This report provides a summary of the key issues arising out of the Authority's Statement of Accounts for the financial year ended 31 March 2016 and also summarises outturn figures for general and navigation income and expenditure for the year.

2 Summary of Statement of Accounts 2015/16

2.1 The timetable for the preparation of the Authority's Statement of Accounts is dictated by the requirements of The Accounts and Audit (England) Regulations 2015. This year the Authority has trialled an early shut down in preparation of the new timetable for 2016/17. This has meant a slight change to the timetable for the adoption of the 2015/16 accounts which is as follows:

- Treasurer and Financial Adviser to sign off the completed accounts by the 9 June 2016
- External Audit (Ernst and Young) to undertake the audit by 1 July 2016 (a verbal update on progress will be made during the meeting)
- Financial Scrutiny and Audit Committee to scrutinise the accounts on 5 July 2016, and to recommend them for approval to the Full Authority, subject to any suggested amendments
- Broads Authority to consider and formally adopt the audited accounts at its meeting on 30 September 2016.

2.2 As members will be aware, the Authority's accounts are required to be prepared in accordance International Financial Reporting Standards (IFRSs), and the *Code of Practice on Local Authority Accounting* (the Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The production of the Statement of Accounts represents a sizeable technical exercise for the Authority's limited staff resources working to a very tight timetable.

2.3 This report summarises the draft (unaudited) Statement of Accounts for 2015/16 which were approved for issue by the Treasurer and Financial

Adviser on 9 June. The consolidated income and expenditure outturn figures for 2015/16 are also appended.

3 Revenue Account Outturn Figures

- 3.1 The Statement of Accounts provides summaries of general and navigation fund income and expenditure for the year.
- 3.2 The original general fund budget provided for a surplus contribution of £83,617 to reserves. The final Latest Available Budget (LAB) for the year allowed for a surplus of £34,875, while the final Forecast Outturn was a surplus of £60,448. The year-end saw a net underspend of £33,380 against the final forecast (although it was agreed to carry forward £25,850 as additional expenditure into 2016/17 at the Broads Authority meeting on 13 May 2016). The outcome was therefore a contribution of £93,828 to the general reserve. After accounting for the transfer of £2,878 interest to earmarked reserves, the general reserve increased to £1,044,406 as at 31 March 2016.
- 2.3 The original navigation fund budget provided for a surplus contribution of £55,804 to reserves. The final Latest Available Budget (LAB) for the year allowed for a surplus of £29,209, while the final Forecast Outturn was a surplus of £31,172. The year-end saw a net overspend of £30,535 against the final forecast (although it was agreed to carry forward £181 as additional expenditure into 2016/17 at the Broads Authority meeting on 13 May 2016). The outcome was therefore a contribution of £61,707 to the navigation reserve. After accounting for the transfer of £8,756 interest to earmarked reserves, the navigation reserve reduced to £333,090 as at 31 March 2016.
- 2.4 The consolidated surplus for the year is £155,535, which reduces to £143,901 after taking account of £11,634 interest transferred to earmarked reserves. An additional £26,031 has been carried forward into the 2015/16 budget following its approval in May. There are a number of reasons for the 2015/16 underspend but in particular it arises from:
- delays in progressing expenditure on projects such as The Broads Plan due to the span of the project, this is in addition to: staff vacancies, savings on Head Office expenditure, savings on consultancy fees for asset management, savings on office equipment leases and expenditure
 - major success in obtaining additional external funding, particularly within Strategy and Projects budgets for the Catchment Partnership, and higher than forecast income from the Visitor Centres / Yacht Stations

3 Balance Sheet

- 3.1 The Broads Authority has the following earmarked reserves shown on the Balance Sheet, which contain funds in addition to the General and Navigation Funds for specific purposes. The Authority uses these earmarked reserve

accounts to make provision for known future liabilities which are unlikely to be affordable from revenue expenditure.

- 3.2 The closing balance of the earmarked reserves in 2015/16 is shown in the table below.

Earmarked Reserves 2015/16

Reserve	Balance as at 01/04/2016 £
Planning Delivery Grant	(290,865)
Heritage Lottery Fund	(55,956)
Upper Thurne Enhancement Scheme	(56,552)
Section 106 Agreements	(76,469)
Property	(360,603)
Plant, Vessels and Equipment	(302,223)
Premises	(201,675)
Total	(1,344,343)

- 3.3 The balance of Navigation earmarked reserves within this total is £665,324.

4 Other Significant Issues

- 4.1 There are no other significant issues arising from the preparation of the accounts which it is considered need to be drawn to the attention of the Authority at this stage.

5 Summary

- 5.1 The draft Statement of Accounts for 2015/16 shows revenue reserves of £1,377,496 (general reserves £1,044,406, navigation reserves £333,090) that are considered to be adequate. The navigation reserve at the end of 2015/16 stands at 11.3% of net expenditure. This is slightly higher than the Financial Strategy prediction but will help cushion the fall in Hire Boat income as experienced at the end of month 2 in 2016/17. With these taken alongside the significant earmarked reserve balances, the Authority's reserves are therefore considered to be sound. The outturn figures for 2015/16, and their implication for the overall level of reserves, will be taken into account in future budgeting proposals, and when making decisions about income and expenditure in 2016/17.

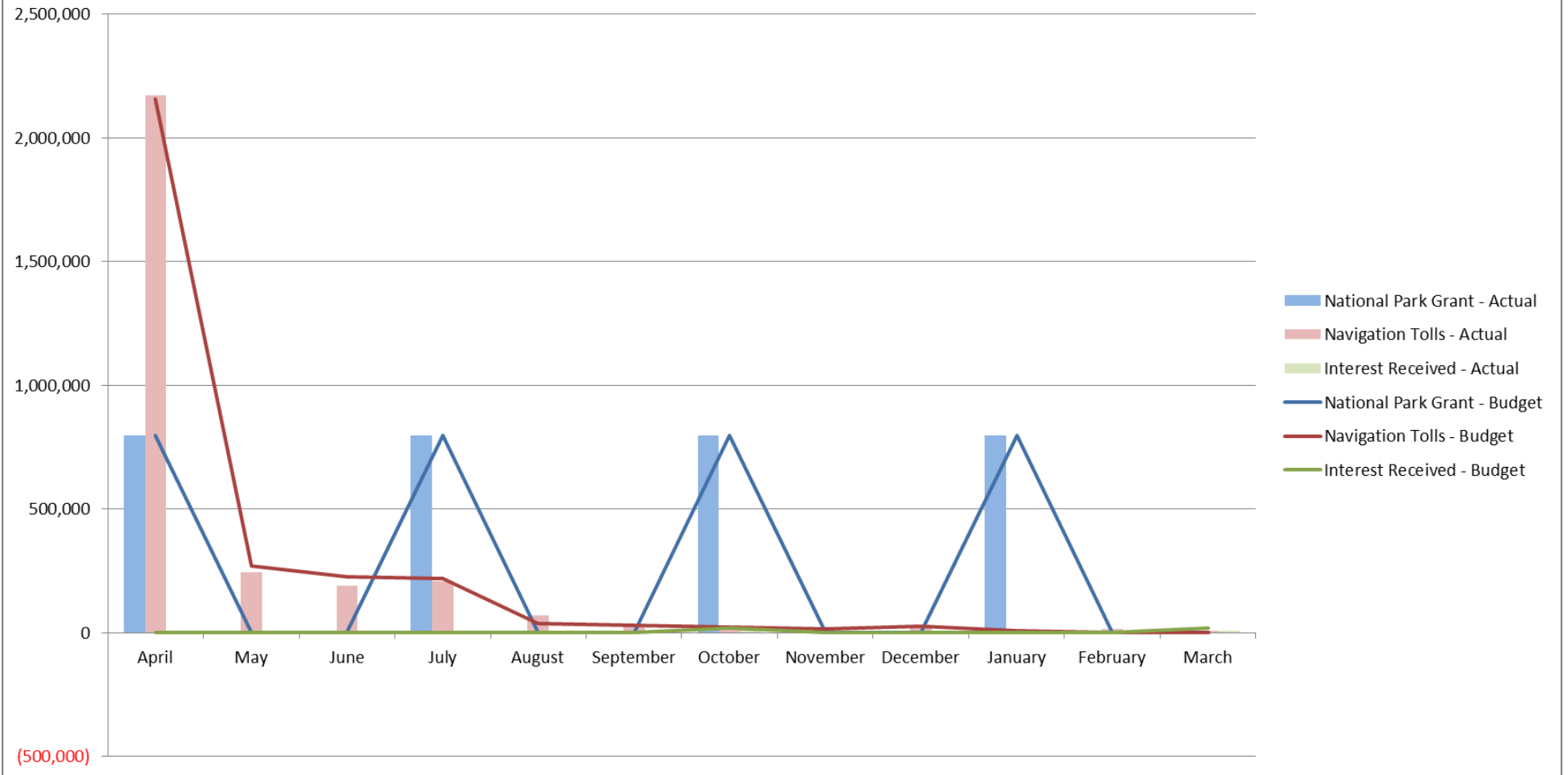
Background Papers: Nil

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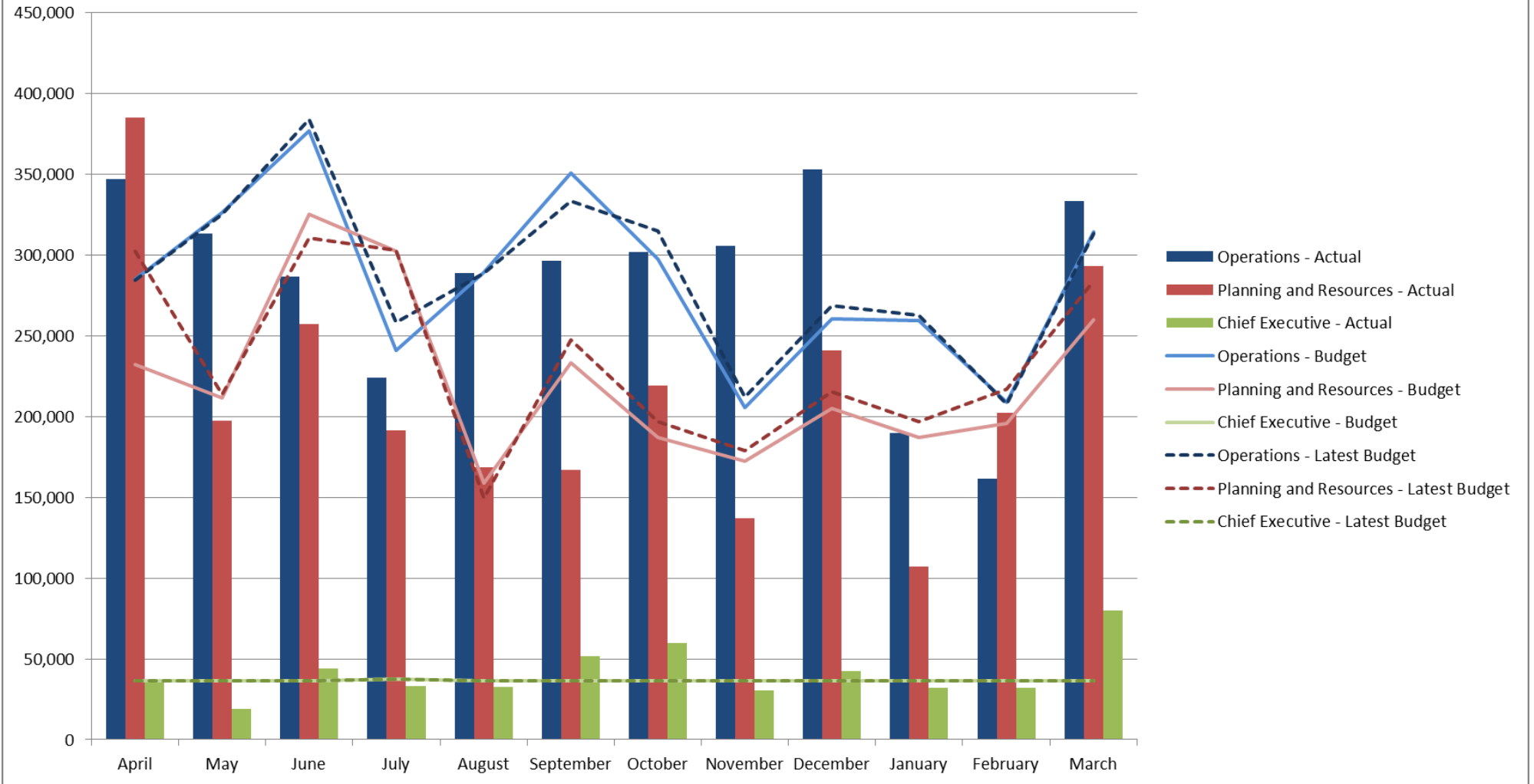
Broads Plan Objectives: None

Appendices: APPENDIX 1: Consolidated Actual Income and Expenditure
Charts to 31 March 2016
APPENDIX 2: Financial Monitor: Consolidated Income and
Expenditure 2015/16

Consolidated Actual Core Income against Original Budget



Consolidated Net Actual Expenditure against Original and Latest Budget



To 31 March 2016

Budget Holder (All)

Row Labels	Values				
	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Income	(6,240,632)		(6,240,632)	(6,211,776)	-28,856
National Park Grant	(3,188,952)		(3,188,952)	(3,188,952)	0
Income	(3,188,952)		(3,188,952)	(3,188,952)	0
Hire Craft Tolls	(1,090,525)		(1,090,525)	(1,068,802)	-21,723
Income	(1,090,525)		(1,090,525)	(1,068,802)	-21,723
Private Craft Tolls	(1,869,042)		(1,869,042)	(1,873,422)	4,380
Income	(1,869,042)		(1,869,042)	(1,873,422)	4,380
Short Visit Tolls	(38,363)		(38,363)	(43,617)	5,254
Income	(38,363)		(38,363)	(43,617)	5,254
Other Toll Income	(18,750)		(18,750)	(16,983)	-1,767
Income	(18,750)		(18,750)	(16,983)	-1,767
Interest	(35,000)		(35,000)	(20,000)	-15,000
Income	(35,000)		(35,000)	(20,000)	-15,000
Operations	3,538,581	146,470	3,685,051	3,567,572	117,479
Construction and Maintenance Salaries	1,088,740		1,088,740	1,097,740	-9,000
Salaries	1,088,740		1,088,740	1,097,740	-9,000
Expenditure			0		0
Equipment, Vehicles & Vessels	631,500	12,300	643,800	590,628	53,172
Income			0		0
Expenditure	631,500	12,300	643,800	590,628	53,172
Water Management	172,500	56,950	229,450	230,950	-1,500
Income			0		0
Expenditure	172,500	56,950	229,450	230,950	-1,500
Land Management	(36,000)		(36,000)	(43,600)	7,600
Income	(90,000)		(90,000)	(102,500)	12,500
Expenditure	54,000		54,000	58,900	-4,900

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Practical Maintenance	459,200	77,220	536,420	500,420	36,000
Income	(7,000)		(7,000)	(8,000)	1,000
Expenditure	466,200	77,220	543,420	508,420	35,000
Ranger Services	736,910		736,910	715,093	21,817
Income	(35,000)		(35,000)	(35,000)	0
Salaries	578,910		578,910	578,910	0
Expenditure	193,000		193,000	171,183	21,817
Pension Payments			0		0
Safety	111,918		111,918	111,918	0
Income	(9,000)		(9,000)	(9,000)	0
Salaries	57,918		57,918	57,918	0
Expenditure	63,000		63,000	63,000	0
Asset Management	108,780		108,780	108,780	0
Income	(1,000)		(1,000)	(1,000)	0
Salaries	39,030		39,030	39,030	0
Expenditure	70,750		70,750	70,750	0
Premises	137,503		137,503	134,290	3,213
Income	(10,667)		(10,667)	(10,667)	0
Expenditure	148,170		148,170	144,957	3,213
Operations Management and Administration	127,530		127,530	121,353	6,177
Income	0		0	(2,177)	2,177
Salaries	115,030		115,030	115,030	0
Expenditure	12,500		12,500	8,500	4,000
Planning and Resources	2,547,090	167,337	2,714,427	2,563,797	150,630
Development Management	241,882	20,000	261,882	228,120	33,762
Income	(60,000)		(60,000)	(92,262)	32,262
Salaries	276,882		276,882	267,382	9,500
Expenditure	25,000	20,000	45,000	53,000	-8,000
Pension Payments			0		0
Strategy and Projects Salaries	194,380	76,000	270,380	241,380	29,000
Income	(32,500)	18,000	(14,500)	(14,500)	0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Salaries	204,880	0	204,880	204,880	0
Expenditure	22,000	58,000	80,000	51,000	29,000
Biodiversity Strategy	0	2,300	2,300	12,300	-10,000
Income	(10,000)		(10,000)	0	-10,000
Expenditure	10,000	2,300	12,300	12,300	0
Strategy and Projects	69,780	14,037	83,817	82,313	1,504
Income	0	(18,000)	(18,000)	(23,635)	5,635
Salaries	36,280	22,037	58,317	65,448	-7,131
Expenditure	33,500	10,000	43,500	40,500	3,000
Waterways and Recreation Strategy	77,820		77,820	82,953	-5,133
Salaries	68,320		68,320	68,320	0
Expenditure	9,500		9,500	14,633	-5,133
Project Funding	147,060		147,060	121,094	25,966
Income	(19,000)		(19,000)	(19,000)	0
Salaries	41,560		41,560	15,594	25,966
Expenditure	124,500		124,500	124,500	0
Pension Payments			0		0
Partnerships / HLF	50,000		50,000	50,000	0
Income			0		0
Salaries			0		0
Expenditure	50,000		50,000	50,000	0
Volunteers	64,670		64,670	64,670	0
Income	(1,000)		(1,000)	(1,000)	0
Salaries	43,670		43,670	43,670	0
Expenditure	22,000		22,000	22,000	0
Finance and Insurance	330,920		330,920	330,920	0
Income			0		0
Salaries	130,920		130,920	130,920	0
Expenditure	200,000		200,000	200,000	0
Communications	259,830	25,000	284,830	274,330	10,500
Income	0		0	(5,500)	5,500

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Salaries	187,830		187,830	187,830	0
Expenditure	72,000	25,000	97,000	92,000	5,000
Visitor Centres and Yacht Stations	240,520		240,520	220,970	19,550
Income	(218,000)		(218,000)	(237,550)	19,550
Salaries	326,520		326,520	326,520	0
Expenditure	132,000		132,000	132,000	0
Collection of Tolls	116,740		116,740	116,740	0
Income			0		0
Salaries	104,040		104,040	104,040	0
Expenditure	12,700		12,700	12,700	0
ICT	289,380	30,000	319,380	288,899	30,481
Salaries	132,680		132,680	135,386	-2,706
Expenditure	156,700	30,000	186,700	153,513	33,187
Premises - Head Office	254,548		254,548	254,548	0
Expenditure	254,548		254,548	254,548	0
Planning and Resources Management and Administration	209,560		209,560	194,560	15,000
Income	0		0	(10,000)	10,000
Salaries	128,360		128,360	128,360	0
Expenditure	81,200		81,200	76,200	5,000
Chief Executive	440,040		440,040	486,081	-46,041
Human Resources	111,530		111,530	112,430	-900
Income			0		0
Salaries	52,030		52,030	52,930	-900
Expenditure	59,500		59,500	59,500	0
Legal	107,260		107,260	154,801	-47,541
Income	0		0	(3,360)	3,360
Salaries	47,260		47,260	36,725	10,535
Expenditure	60,000		60,000	121,436	-61,436
Governance	119,790		119,790	117,390	2,400
Salaries	65,590		65,590	65,590	0
Expenditure	54,200		54,200	51,800	2,400

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Chief Executive	101,460		101,460	101,460	0
Salaries	101,460		101,460	101,460	0
Expenditure			0		0
Projects and Corporate Items	112,000		112,000	112,000	0
PRISMA			0		0
Expenditure			0		0
Corporate Items	112,000		112,000	112,000	0
Pension Payments	112,000		112,000	112,000	0
Contributions from Earmarked Reserves	(536,500)	(238,470)	(774,970)	(609,294)	-165,676
Earmarked Reserves	(536,500)	(238,470)	(774,970)	(609,294)	-165,676
Expenditure	(536,500)	(238,470)	(774,970)	(609,294)	-165,676
Grand Total	(139,421)	75,337	(64,084)	(91,620)	27,536