

**Navigation Income and Expenditure:
1 April to 29 February 2016 Actual and 2015/16 Forecast Outturn
Report by Head of Finance**

Summary: This report provides the Committee with details of the actual navigation income and expenditure for the eleven month period to 29 February 2016, and provides a forecast of the projected expenditure at the end of the financial year (31 March 2016).

1 Introduction

- 1.1 This report provides a summary of the Income and Expenditure for the Navigation Budget up until 29 February. It includes any amendments to the Latest Available Budget (LAB), Forecast Outturn (predicted year end position) and the movements on the earmarked reserves.

2 Overview of Actual Income and Expenditure

Table 1 – Actual Navigation I&E by Directorate to 29 February 2016

	Profiled Latest Available Budget	Actual Income and Expenditure	Actual Variance
Income	(3,023,673)	(3,001,301)	- 22,372
Operations	2,376,911	2,218,047	+ 158,864
Planning and Resources	678,845	675,726	+ 3,119
Chief Executive	140,278	148,909	- 8,630
Projects, Corporate Items and Contributions from Earmarked Reserves	(449,338)	(371,807)	- 77,531
Net (Surplus) / Deficit	(276,975)	(330,425)	+ 53,450

- 2.1 Core navigation income is behind the profiled budget at the end of month eleven. The overall position as at 29 February 2015 is a favourable variance of £53,450 or 19.3% difference from the profiled LAB. This is principally due to:

- An overall adverse variance of £19,887 within toll income:
 - Hire Craft Tolls £21,723 below the profiled budget
 - Private Craft Tolls £3,209 above the profiled budget

- An underspend within Operations budgets relating to:
 - Equipment, Vehicles and Vessels is under profiled budget by £14,013 due to savings on vehicle leases
 - Water Management is under profiled budget by £12,637 due to timing differences on Hickling invoices
 - Practical Maintenance is under profile by £68,114 due to timing differences. Invoices are due to be submitted in March
 - Ranger Services is under profiled budget by £30,041 due to the delayed letting of the launch tender following changes in procurement legislation. This is partially offset by the salary overspend relating to unbudgeted unsocial hour payments
 - Asset Management is under profiled budget by £11,516 due to timing differences
- A small underspend within Planning and Resources budgets relating to underspends within all budgets
- An adverse variance within Reserves relating to:
 - The delayed expenditure on Mutford Lock repairs (£34,014)
 - The delayed Wherry billing and the delayed letting of the launch contract. This variance will continue due to the Wherry contract coming in under the original budget. This has resulted in an overall variance of £48,810. The variance on these is due to continue to the end of the year as the launch contract will now cross two financial years. The balance will be transferred to 2016/17 contribution from reserves

2.2 The charts at Appendix 1 provide a visual overview of actual income and expenditure compared with both the original budget and the LAB.

3 Latest Available Budget

3.1 The Authority's income and expenditure is monitored against the latest available budget (LAB) for 2015/16. The LAB is based on the original budget for the year, with adjustments for known and approved budget changes such as carry-forwards and budget virements. Full details of movements from the original budget are set out in Appendix 2.

Table 2 – Adjustments to Navigation LAB

	Ref	£
LAB previously reported	Nav 10/12/15 Item 15	(25,709)
Virement from ONW to VES to cover cost of necessary equipment	Director approved	(3,500)
LAB at 29 February 2016		(29,209)

3.2 The LAB therefore provides for a reduced navigation surplus of £29,209 in 2015/16 as at 29 February 2016.

4 Overview of Forecast Outturn 2015/16

- 4.1 Budget holders have been asked to comment on the expected expenditure at the end of the financial year in respect of all budget lines for which they are responsible. It must be emphasised that these forecast outturn figures should be seen as estimates and it is anticipated that they will continue to be refined and clarified through the financial year.
- 4.2 As at the end of February 2016, the forecast outturn indicates:
- The total forecast income is £3,012,824, or £21,356 less than the LAB
 - Total expenditure is forecast to be £2,981,652
 - The resulting surplus for the year is forecast to be £31,172
- 4.3 The forecast outturn expenditure reflects the following changes from the LAB as shown in Table 3. The forecast surplus represents a favourable variance of £1,963 against the LAB.

Table 3 – Adjustments to Forecast Outturn

	£
Forecast outturn surplus per LAB	(29,209)
Adjustments reported 10/12/15	37,227
Adjustments reported 25/02/16	(1,039)
Increase to Toll income	(3,137)
Decrease to Vehicle expenditure due to lease savings	(6,500)
Increase to Electric card income	(1,000)
Increase to Dredging expenditure for additional hire costs	1,500
Decrease to Premises expenditure	(8,169)
Decrease to Operations Management Administration	(3,459)
Decrease to Other Projects Salaries due to vacancy being covered by a contractor	(1,527)
Increase to Yacht Station Income	(11,663)
Increase to Planning Management Administration Income	(3,000)
Decrease to ICT expenditure due to savings on photocopier lease	(2,805)
Decrease Resources Management Administration expenditure	(1,500)
Decrease to Governance expenditure due to savings on printing costs	(792)
Increase to Legal costs	3,900
Forecast outturn surplus as at 29 February 2016	(31,172)

- 4.4 The main reason for the difference between the forecast outturn and the LAB is the additional income and savings secured in year.

5 Reserves

Table 4 – Navigation Earmarked Reserves

	Balance at 1 April 2015	In-year movements	Current reserve balance
	£	£	£
Property	(510,132)	201,249	(308,883)
Plant, Vessels and Equipment	(202,403)	103,218	(99,185)
Premises	(78,552)	(14,625)	(93,177)
PRISMA	(171,869)	10,027	(161,842)
Total	(962,956)	299,869	(663,087)

- 5.1 Items funded from the Property reserve include the repairs to Mutford Lock, Turntide Jetty and the Land purchases at Potter Heigham and Acle Marsh. The Plant, Vessels and Equipment reserve has funded a vehicle, the Launch fit out, the 3rd Wherry and the Linkflotes.

6 Summary

- 6.1 The current forecast outturn position for the year suggests a surplus within the navigation budget which would result in a navigation reserve balance of approximately £313,310 at the end of 2015/16 (before any year-end adjustments). This would mean the Navigation Reserve would be slightly above the recommended 10% at 10.4%. Year-end transfers of interest to the earmarked reserves will mean that it will fall to approximately 10.2%. This will be highly dependent on the actual level of interest received.

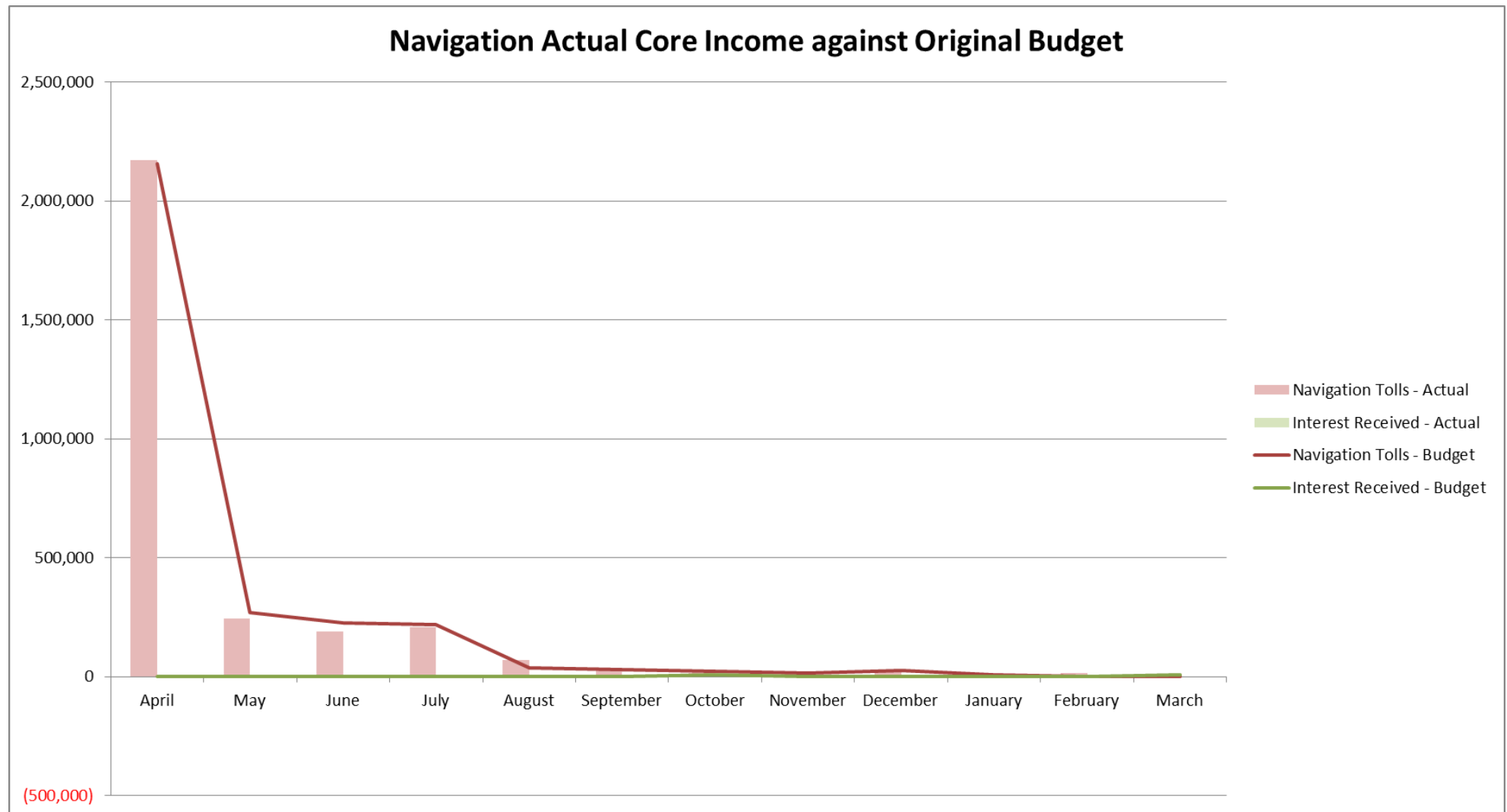
Background Papers: Nil

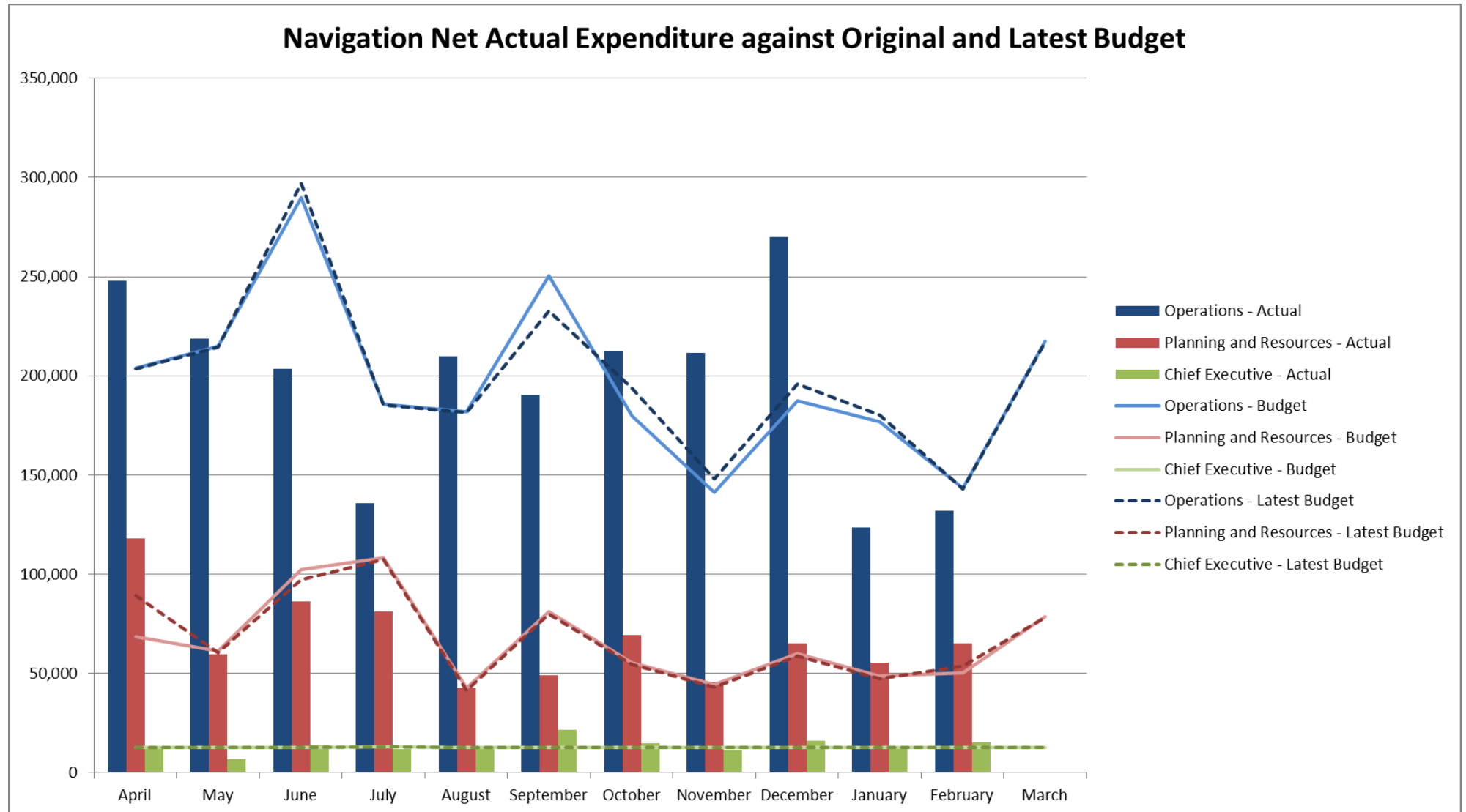
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Date of Report: 6 April 2016

Broads Plan Objectives: None

Appendices: APPENDIX 1 – Navigation Actual Income and Expenditure
Charts to 29 February 2015
APPENDIX 2 – Financial Monitor: Navigation Income and
Expenditure 2015/16





To 29 February 2016

Budget Holder

(All)

Row Labels	Values				
	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Income	(3,034,180)		(3,034,180)	(3,012,824)	- 21,356
National Park Grant	0		0	0	+ 0
Income	0		0	0	+ 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	(17,500)		(17,500)	(10,000)	- 7,500
Income	(17,500)		(17,500)	(10,000)	- 7,500
Operations	2,442,760	142,165	2,584,925	2,519,219	+ 65,706
Construction and Maintenance Salaries	628,981		628,981	630,781	- 1,800
Salaries	628,981		628,981	630,781	- 1,800
Expenditure			0		+ 0
Equipment, Vehicles & Vessels	455,975	7,995	463,970	429,409	+ 34,562
Income			0		+ 0
Expenditure	455,975	7,995	463,970	429,409	+ 34,562
Water Management	167,500	56,950	224,450	225,950	- 1,500
Income			0		+ 0
Expenditure	167,500	56,950	224,450	225,950	- 1,500
Land Management	0		0	0	+ 0
Income	0		0	0	+ 0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Expenditure	0		0	0	+ 0
Practical Maintenance	395,200	77,220	472,420	471,420	+ 1,000
Income	(7,000)		(7,000)	(8,000)	+ 1,000
Expenditure	402,200	77,220	479,420	479,420	+ 0
Ranger Services	498,946		498,946	477,129	+ 21,817
Income	(21,000)		(21,000)	(21,000)	+ 0
Salaries	347,346		347,346	347,346	+ 0
Expenditure	172,600		172,600	150,783	+ 21,817
Pension Payments			0		+ 0
Safety	69,896		69,896	69,896	+ 0
Income	(9,000)		(9,000)	(9,000)	+ 0
Salaries	40,771		40,771	40,771	+ 0
Expenditure	38,125		38,125	38,125	+ 0
Asset Management	68,489		68,489	68,489	+ 0
Income	(450)		(450)	(450)	+ 0
Salaries	17,564		17,564	17,564	+ 0
Expenditure	51,375		51,375	51,375	+ 0
Premises	86,357		86,357	78,188	+ 8,169
Income	(853)		(853)	(853)	+ 0
Expenditure	87,211		87,211	79,042	+ 8,169
Operations Management and Administration	71,417		71,417	67,958	+ 3,459
Income	0		0	(1,219)	+ 1,219
Salaries	64,417		64,417	64,417	+ 0
Expenditure	7,000		7,000	4,760	+ 2,240
Planning and Resources	731,715	9,900	741,615	725,647	+ 15,968
Development Management	0	0	0	0	+ 0
Income	0		0	0	+ 0
Salaries	0		0	0	+ 0
Expenditure	0	0	0	0	+ 0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Pension Payments			0		+ 0
Strategy and Projects Salaries	18,439	0	18,439	19,249	- 810
Income	0	0	0	0	+ 0
Salaries	18,439	0	18,439	18,439	+ 0
Expenditure	0	0	0	810	- 810
Biodiversity Strategy	0	0	0	0	+ 0
Income	0		0	0	+ 0
Expenditure	0	0	0	0	+ 0
Strategy and Projects	3,265	0	3,265	3,265	+ 0
Income	0	0	0	0	+ 0
Salaries	3,265	0	3,265	3,265	+ 0
Expenditure	0	0	0	0	+ 0
Waterways and Recreation Strategy	43,160		43,160	48,293	- 5,133
Salaries	34,160		34,160	34,160	+ 0
Expenditure	9,000		9,000	14,133	- 5,133
Project Funding	3,740		3,740	1,403	+ 2,337
Income	0		0	0	+ 0
Salaries	3,740		3,740	1,403	+ 2,337
Expenditure	0		0	0	+ 0
Pension Payments			0		+ 0
Partnerships / HLF	0		0	0	+ 0
Income			0		+ 0
Salaries			0		+ 0
Expenditure	0		0	0	+ 0
Volunteers	25,868		25,868	25,868	+ 0
Income	(400)		(400)	(400)	+ 0
Salaries	17,468		17,468	17,468	+ 0
Expenditure	8,800		8,800	8,800	+ 0
Finance and Insurance	158,151		158,151	158,151	+ 0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Income			0		+ 0
Salaries	64,151		64,151	64,151	+ 0
Expenditure	94,000		94,000	94,000	+ 0
Communications	62,048	0	62,048	60,548	+ 1,500
Income	0		0	0	+ 0
Salaries	50,048		50,048	50,048	+ 0
Expenditure	12,000	0	12,000	10,500	+ 1,500
Visitor Centres and Yacht Stations	74,220		74,220	62,558	+ 11,663
Income	(56,250)		(56,250)	(67,913)	+ 11,663
Salaries	106,470		106,470	106,470	+ 0
Expenditure	24,000		24,000	24,000	+ 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	87,245	9,900	97,145	95,233	+ 1,912
Salaries	43,784		43,784	44,677	- 893
Expenditure	43,461	9,900	53,361	50,556	+ 2,805
Premises - Head Office	73,819		73,819	73,819	+ 0
Expenditure	73,819		73,819	73,819	+ 0
Planning and Resources Management and Administration	65,019		65,019	60,519	+ 4,500
Income	0		0	(3,000)	+ 3,000
Salaries	39,420		39,420	39,420	+ 0
Expenditure	25,599		25,599	24,099	+ 1,500
Chief Executive	153,001		153,001	161,479	- 8,478
Human Resources	45,727		45,727	46,096	- 369
Income			0		+ 0
Salaries	21,332		21,332	21,701	- 369
Expenditure	24,395		24,395	24,395	+ 0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Legal	27,596		27,596	36,496	- 8,901
Income	0		0	(1,510)	+ 1,510
Salaries	15,596		15,596	12,119	+ 3,477
Expenditure	12,000		12,000	25,887	- 13,887
Governance	39,531		39,531	38,739	+ 792
Salaries	21,645		21,645	21,645	+ 0
Expenditure	17,886		17,886	17,094	+ 792
Chief Executive	40,147		40,147	40,147	+ 0
Salaries	40,147		40,147	40,147	+ 0
Expenditure			0		+ 0
Projects and Corporate Items	44,800		44,800	44,800	+ 0
PRISMA			0		+ 0
Expenditure			0		+ 0
Corporate Items	44,800		44,800	44,800	+ 0
Pension Payments	44,800		44,800	44,800	+ 0
Contributions from Earmarked Reserves	(393,900)	(125,470)	(519,370)	(469,492)	- 49,878
Earmarked Reserves	(393,900)	(125,470)	(519,370)	(469,492)	- 49,878
Expenditure	(393,900)	(125,470)	(519,370)	(469,492)	- 49,878
Grand Total	(55,804)	26,595	(29,209)	(31,172)	+ 1,963