

**Consolidated Income and Expenditure:
1 April to 30 November 2013 Actual and 2013/14 Forecast Outturn**
Report by Head of Finance

Summary: This report provides the Committee with details of the actual income and expenditure for the eight month period to 30 November 2013, and provides a forecast of the projected expenditure at the end of the financial year (31 March 2014).

Recommendations:

- (i) That the report be noted.
- (ii) That the transfer of income to the earmarked premises reserve to fund Dockyard developments in 2014/15 set out in paragraph 5.3 be approved.
- (iii) That the transfer of any closing surplus within the STEP reserve be returned to the general National Park reserve as set out in paragraph 5.4.

1 Introduction

- 1.1 This financial monitoring report summarises details of the forecast outturn for the year, which provides members with a picture of expected activity for the full financial year as well as supporting proactive budget management by budget holders. This report provides details of consolidated expenditure for the whole Authority (National Park and Navigation).
- 1.2 Section 2 of this report and Appendix 1 provide details of actual income and expenditure to 30 November 2013.
- 1.3 Section 4 and Appendix 2 provide details of the forecast 2013/14 outturn (the expected actual expenditure position at the end of the financial year), compared to the latest available budget (LAB). The LAB represents the original budget for the year agreed by the Authority in January 2013, adjusted for known and approved budget changes. Further details of the LAB are set out in Section 3 below.

2 Overview of Actual Income and Expenditure

- 2.1 Within this report, actual income and expenditure is reported at summary / Directorate level, providing members with an overview of the Authority's position as set out in Table 1 below.

Table 1 – Actual Consolidated I&E by Directorate to 30 November 2013

	Profiled Latest Available Budget	Actual Income and Expenditure	Actual Variance
Income	(5,556,898)	(5,532,414)	(24,484)
Operations	1,786,025	1,918,634	(132,609)
Planning and Resources	2,132,121	2,193,775	(61,654)
Chief Executive	264,431	287,881	(23,450)
Projects, Corporate Items and Contributions from Earmarked Reserves	21,627	(182,333)	203,960
Net (Surplus) / Deficit	(1,352,694)	(1,314,457)	(38,237)

- 2.2 Core income remains slightly below the profiled budget as at the end of month eight, due to Private and Hire Tolls being slightly behind the profile. A number of these variances will persist through to the end of the financial year and have been reflected in forecast outturn figures. The overall position as at 30 November 2013 is an adverse variance of £38,237 or -2.83% difference from the profiled LAB.
- 2.3 Members may wish to note that the variances within the individual Directorate lines are in part offset by contributions from reserves (within the Projects, Corporate Items and Contributions from Earmarked Reserves line in Table 1).
- 2.4 The actual overspend against LAB within the Operations Directorate principally results from:
- costs of dredging at Heigham Sound for which no carry forward provision was made, which are offset by savings achieved on works on Breydon Water;
 - costs of £63,488 and £29,100 relating to the construction of the Authority's new launch and the laying up of a second hull and superstructure, and a second replacement mud wherry respectively (both offset by the use of earmarked reserves); and
 - the £60,000 contribution to reserves from the moorings budget approved at the last Authority meeting (which is a timing issue when compared to profiled budget).
- 2.5 The actual overspend within the Planning and Resources directorate arises from a number of smaller variances across different budget lines, but principally relates to:
- Sustainable Development Fund activity (offset by the use of earmarked reserves);
 - Lower than budgeted development management income (income is demand-driven);
 - Higher than budgeted specialist listed building and arboricultural advice demands within the Cultural Heritage budget;

- Lower than budgeted Yacht Station and Visitor Centre income; and
- Additional costs relating to the 2012/13 NPAPA assessment.

2.6 These adverse variances are partly offset by:

- unbudgeted income for the Land and Water rental for office space at the Dockyard;
- additional income within Strategy and Projects budgets;
- underspend variances against profiled budgets within Project Funding and Premises budgets; and
- additional income within Communications budgets relating to hosting the National Park Education Officers' conference.

2.7 It should be noted that a number of the variances relate to timing differences which will be resolved over the remainder of the year.

2.8 The adverse variance within the Chief Executive's directorate mainly relates to HR and training costs which were not included within the budget at the start of the year.

2.9 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 being monitored against a latest available budget (LAB) in 2013/14. 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. Details of the movements from the original budget are set out in Appendix 2.

3.2 The use of the LAB format ensures that there is better visibility of budgets, providing members with clearer information about approved changes to the original budget and minimising the risk of distortions arising from approved in-year changes to the budget. The LAB facilitates scrutiny of budget management in that members are able to distinguish between planned budget changes and unplanned outturn variances.

3.3 There has been one change to the consolidated LAB since the last report to this Committee as set out in Table 2 below.

Table 2 – Adjustments to Consolidated LAB

	Ref	£
LAB as at 31 July 2013	Item 8 19/09/2013	74,853
Adjustment for activity funded from Prisma reserve	Item 6 11/02/2014	(1,101)
LAB at 30 November 2013 (deficit)		73,752

3.4 Taking account of the budget adjustments, the LAB therefore provides for a consolidated deficit of £73,752 in 2013/14 as at 30 November 2013.

4 Overview of Forecast Outturn 2013/14

4.1 As in 2012/13, budget holders have been asked to comment on the expected expenditure at the end of the financial year in respect of all the budget lines for which they are responsible. These forecast outturn figures should be seen as estimates and they will be refined and clarified through the financial year.

4.2 As at the end of November 2013, the forecast outturn indicates:

- Income is expected to be approximately £42,000 lower than originally budgeted with total forecast income of £6,457,107.
- Total expenditure is forecast to be £6,489,522.
- The resulting deficit for the year is forecast to be £32,416.

4.3 Full details of the forecast outturn are set out in Appendix 2.

4.4 The forecast outturn expenditure takes account of adjustments to the LAB and in addition reflects the key changes from the previously reported forecast outturn as shown in Table 3. The forecast outturn deficit has decreased by £30,540 since the last report to this Committee, and anticipates a lower deficit than the £73,752 allowed for in the LAB.

Table 3 – Adjustments to Forecast Outturn

Item	£
Forecast outturn deficit reported to Financial Scrutiny and Audit Committee 19 September 2013	62,956
Adjustments reported to Broads Authority 22 November 2013	(60,935)
Adjustments reported to Broads Authority 17 January 2014	34,179
Additional project income for NCC contribution to Hardley Weir	(21,200)
Increase Communications income forecast for advertising income and recharged costs	(6,000)
Increase income forecast for Education Conference recharges	(6,000)
Increase income forecast for water donations	(5,000)
Decrease expenditure forecast for FM management at Yare House	(3,684)
Increase forecast for Tolls consumables purchases (toll plaques etc)	1,100
Increased expenditure for AINA fees (Waterways Strategy)	2,600
Increase expenditure for advertising costs and NPS charges relating to Development Management	5,500

Increase expenditure forecast for Legal costs based on actual billing / activity	10,000
Increase forecast for additional insurance costs	18,900
Forecast outturn deficit as at 30 November 2013	32,416

4.5 The overall impact of these adjustments is a small net decrease in the forecast outturn deficit when compared to the most recent figures reported to the Authority (17 January 2014).

5 Reserves

5.1 The Authority's earmarked reserves have been rationalised as at 1 April 2013 into a smaller number of reserves holding larger balances. Navigation reserve balances continue to be maintained separately from national park reserves. The balance of earmarked reserves at the end of November 2013 is shown in Table 4 below.

Table 4 – Consolidated Earmarked Reserves

	Balance at 1 April 2013	In-year movements	Current reserve balance
	£	£	£
Property	(502,174)	(61,000)	(563,174)
Plant, Vessels and Equipment	(288,696)	82,544	(206,152)
Premises	(108,556)	(14,060)	(122,616)
Planning Delivery Grant	(504,241)	14,660	(489,581)
Sustainable Development Fund	(64,644)	10,105	(54,539)
Mobile Phone Upgrade	(14,919)	628	(14,291)
Upper Thurne Enhancement	(81,116)	0	(81,116)
Section 106	(8,426)	0	(8,426)
STEP	(65,720)	91,946	26,227
PRISMA	(210,246)	112,535	(97,712)
Total	(1,848,739)	237,359	(1,611,380)

5.2 £761,301 of the current reserve balance relates to navigation reserves.

5.3 Following the closure of the Ludham Field Base, officers have been disposing of obsolete plant and equipment previously held at this site and at the Dockyard. This amounts to approximately £3,700 of previously unbudgeted income within the Vessels and Equipment budget line, with some further sums for the sale of scrap metal due before the end of the financial year. It is proposed that these amounts be transferred into the Premises reserve to fund compound creation, aggregate bays and timber storage in 2014/15. Member approval for this reserve transfer is sought.

5.4 Members will note that there is currently a debit balance within the STEP reserve. This has arisen as a result of the ending of the STEP project and relates to the outstanding final claim amount. Once all final adjustments have been made, it is projected that the reserve will close with a credit balance of between £6-9,000 depending on the Euro exchange rate at the time of receipt. It is proposed that the balance of this reserve should be transferred back to the general National Park reserve at year-end.

6 Summary

6.1 The current forecast outturn position for the year suggests a surplus of £75,868 for the national park side and a deficit of £108,284 on navigation resulting in an overall deficit of £32,416 within the consolidated budget, which would indicate a general fund reserve balance of approximately £681,000 and a navigation reserve balance of approximately £246,000 at the end of 2013/14. Although this is slightly below the recommended level of 10% of net expenditure for the navigation reserve balance, when taken alongside the significant earmarked reserve balances it is considered to be adequate in the short to medium term. The impact of both the national park and navigation reserve balances are being taken into account when preparing the budget and medium term financial strategy.

Background papers: None

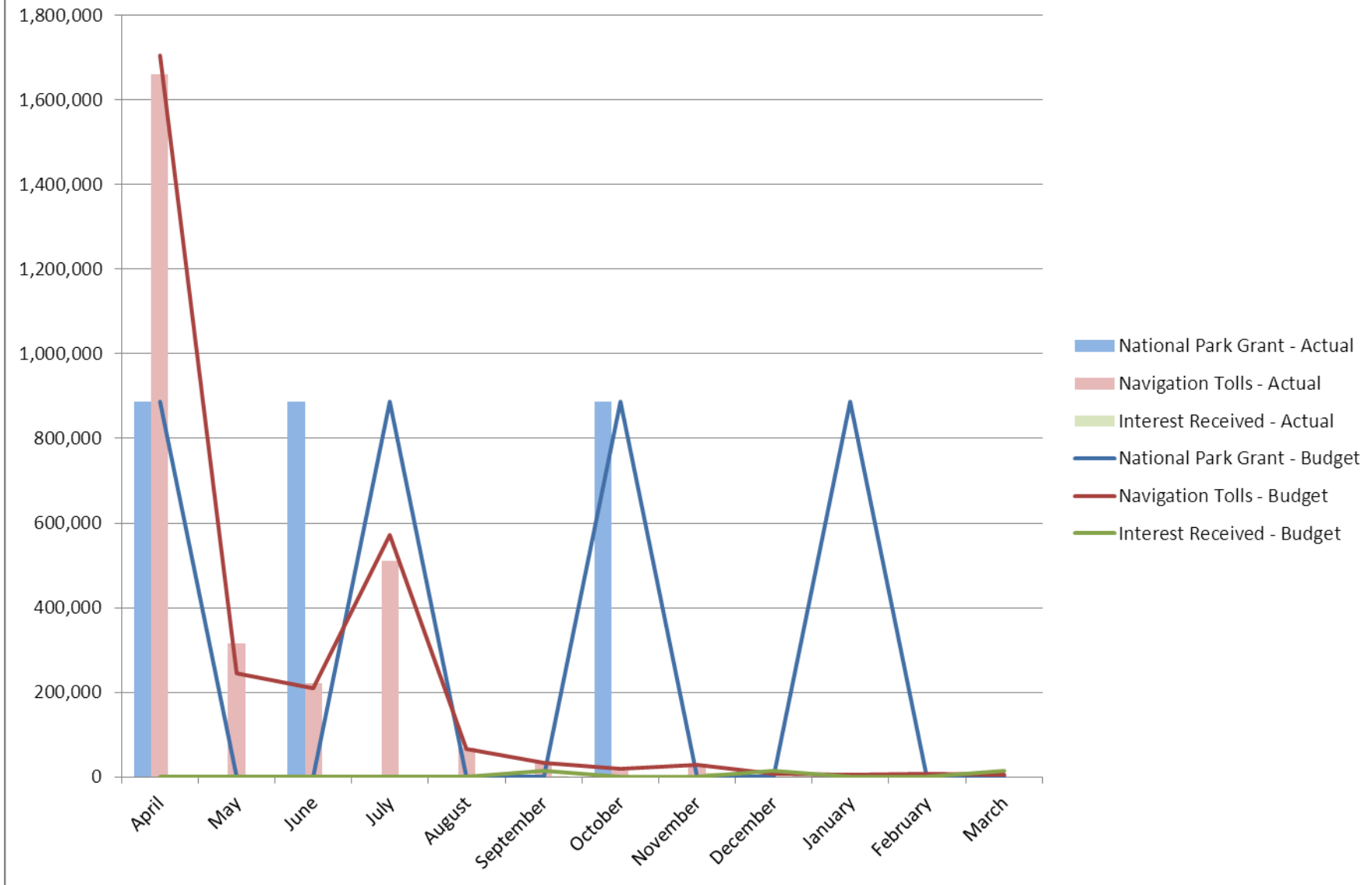
Author: Titus Adam
Date of report: 23 January 2014

Broads Plan Objectives: None

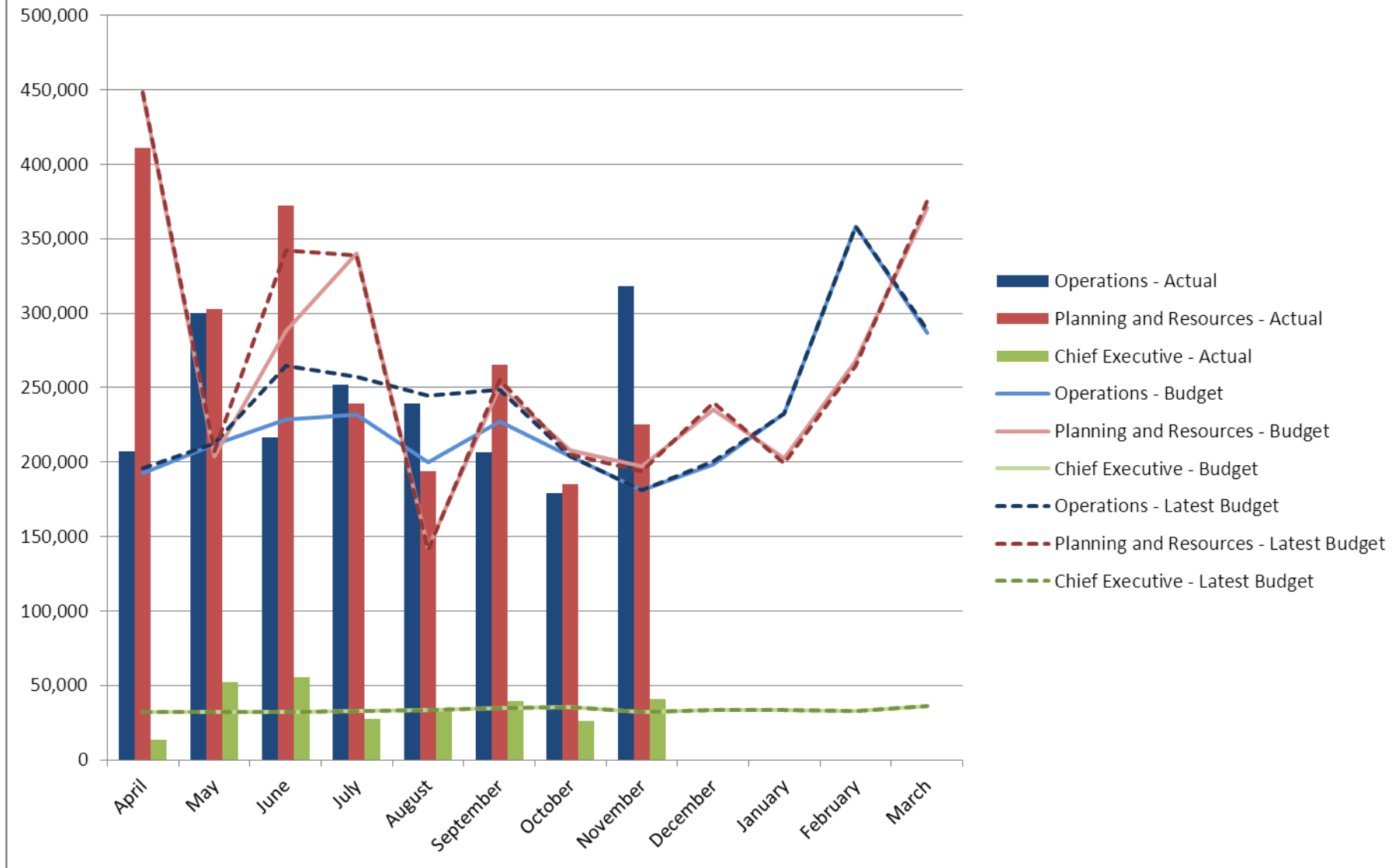
Appendices: APPENDIX 1 – Consolidated Actual Income and Expenditure Charts to 30 November 2013

APPENDIX 2: Financial Monitor: Consolidated Income and Expenditure 2013/14

Consolidated Actual Core Income against Original Budget



Consolidated Net Actual Expenditure against Original and Latest Budget



To 30 November 2013

Budget Holder (All)

Row Labels	Values				
	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Income	(6,498,931)		(6,498,931)	(6,457,107)	(41,824)
National Park Grant	(3,547,447)		(3,547,447)	(3,547,447)	0
Income	(3,547,447)		(3,547,447)	(3,547,447)	0
Hire Craft Tolls	(1,092,830)		(1,092,830)	(1,084,172)	(8,658)
Income	(1,092,830)		(1,092,830)	(1,084,172)	(8,658)
Private Craft Tolls	(1,758,210)		(1,758,210)	(1,745,043)	(13,167)
Income	(1,758,210)		(1,758,210)	(1,745,043)	(13,167)
Short Visit Tolls	(36,694)		(36,694)	(36,694)	0
Income	(36,694)		(36,694)	(36,694)	0
Other Toll Income	(18,750)		(18,750)	(18,750)	0
Income	(18,750)		(18,750)	(18,750)	0
Interest	(45,000)		(45,000)	(25,000)	(20,000)
Income	(45,000)		(45,000)	(25,000)	(20,000)
Operations	2,721,085	134,145	2,855,230	2,825,825	29,405
Construction and Maintenance Salaries	1,056,460		1,056,460	1,056,460	0
Salaries	1,056,460		1,056,460	1,056,460	0
Expenditure			0		0
Equipment, Vehicles & Vessels	333,000	150	333,150	329,150	4,000
Income	(1,000)		(1,000)	(5,000)	4,000
Expenditure	334,000	150	334,150	334,150	0
Water Management	96,000	3,527	99,527	119,122	(19,595)
Income	0		0	(19,000)	19,000
Expenditure	96,000	3,527	99,527	138,122	(38,595)
Land Management	(44,500)	7,468	(37,032)	(26,032)	(11,000)
Income	(135,000)		(135,000)	(131,000)	(4,000)
Expenditure	90,500	7,468	97,968	104,968	(7,000)
Practical Maintenance	287,200	123,000	410,200	350,200	60,000
Income	(2,000)		(2,000)	(20,000)	18,000
Expenditure	289,200	123,000	412,200	370,200	42,000
Ranger Services	618,620	35,000	653,620	641,620	12,000
Income	(61,500)		(61,500)	(61,500)	0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Salaries	533,120	35,000	568,120	568,120	0
Expenditure	147,000		147,000	135,000	12,000
Pension Payments			0		0
Safety	99,440	(35,000)	64,440	76,440	(12,000)
Income	(5,000)		(5,000)	(5,000)	0
Salaries	70,440	(35,000)	35,440	50,440	(15,000)
Expenditure	34,000		34,000	31,000	3,000
Asset Management	90,940		90,940	96,940	(6,000)
Income	(9,000)		(9,000)	(6,000)	(3,000)
Salaries	32,440		32,440	36,440	(4,000)
Expenditure	67,500		67,500	66,500	1,000
Volunteers	53,440	8,000	61,440	59,440	2,000
Income	(1,000)		(1,000)	(1,000)	0
Salaries	32,440	8,000	40,440	40,440	0
Expenditure	22,000		22,000	20,000	2,000
Operations Management and Administration	130,485	(8,000)	122,485	122,485	0
Income			0		0
Salaries	118,085	(8,000)	110,085	110,085	0
Expenditure	12,400		12,400	12,400	0
Planning and Resources	3,153,616	58,180	3,211,796	3,147,200	64,596
Development Management	194,770		194,770	220,270	(25,500)
Income	(85,000)		(85,000)	(65,000)	(20,000)
Salaries	252,270		252,270	252,270	0
Expenditure	27,500		27,500	33,000	(5,500)
Pension Payments			0		0
Strategy and Projects Salaries	224,410	50,849	275,259	270,559	4,700
Income	(3,500)		(3,500)	(3,500)	0
Salaries	217,910	50,849	268,759	264,059	4,700
Expenditure	10,000		10,000	10,000	0
Biodiversity Strategy	60,000		60,000	27,100	32,900
Income	0		0	(32,900)	32,900
Expenditure	60,000		60,000	60,000	0
Strategy and Projects	75,540		75,540	107,540	(32,000)
Salaries	35,540		35,540	46,540	(11,000)
Expenditure	40,000		40,000	61,000	(21,000)

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Waterways and Recreation Strategy	95,300		95,300	97,900	(2,600)
Salaries	80,300		80,300	80,300	0
Expenditure	15,000		15,000	17,600	(2,600)
Project Funding	255,056	7,331	262,387	241,187	21,200
Income	(19,000)		(19,000)	(40,200)	21,200
Salaries	44,030		44,030	44,030	0
Expenditure	230,026	7,331	237,357	237,357	0
Pension Payments			0		0
SDF	150,000		150,000	150,000	0
Expenditure	150,000		150,000	150,000	0
Finance and Insurance	329,060		329,060	347,960	(18,900)
Income	0		0	(1,100)	1,100
Salaries	129,060		129,060	129,060	0
Expenditure	200,000		200,000	220,000	(20,000)
Communications	335,510		335,510	324,760	10,750
Income	0		0	(12,000)	12,000
Salaries	245,510		245,510	246,760	(1,250)
Expenditure	90,000		90,000	90,000	0
Visitor Centres and Yacht Stations	241,800		241,800	256,478	(14,678)
Income	(207,500)		(207,500)	(178,000)	(29,500)
Salaries	297,350		297,350	303,980	(6,630)
Expenditure	151,950		151,950	130,498	21,452
Collection of Tolls	108,500		108,500	109,600	(1,100)
Salaries	96,100		96,100	96,100	0
Expenditure	12,400		12,400	13,500	(1,100)
ICT	276,890		276,890	266,890	10,000
Salaries	156,290		156,290	146,290	10,000
Expenditure	120,600		120,600	120,600	0
Legal	102,500		102,500	112,500	(10,000)
Income			0		0
Expenditure	102,500		102,500	112,500	(10,000)
Premises	438,769	(4,000)	434,769	339,745	95,024
Income	(5,000)		(5,000)	(83,000)	78,000
Expenditure	443,769	(4,000)	439,769	422,745	17,024
Planning and Resources Management and Administration	265,510	4,000	269,510	274,710	(5,200)

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Income	0		0	(7,800)	7,800
Salaries	143,310		143,310	143,310	0
Expenditure	122,200	4,000	126,200	139,200	(13,000)
Chief Executive	400,217		400,217	411,057	(10,840)
Human Resources	128,560		128,560	139,400	(10,840)
Salaries	63,560		63,560	74,400	(10,840)
Expenditure	65,000		65,000	65,000	0
Governance	171,260		171,260	171,260	0
Income			0		0
Salaries	111,860		111,860	111,860	0
Expenditure	59,400		59,400	59,400	0
Chief Executive	100,397		100,397	100,397	0
Salaries	100,397		100,397	100,397	0
Expenditure			0		0
Projects and Corporate Items	105,440		105,440	105,440	0
PRISMA	32,440		32,440	32,440	0
Income			0		0
Salaries	32,440		32,440	32,440	0
Expenditure			0		0
STEP			0		0
Salaries			0		0
Expenditure			0		0
Corporate Items	73,000		73,000	73,000	0
Expenditure			0		0
Pension Payments	73,000		73,000	73,000	0
Contributions from Earmarked Reserves			0		0
Earmarked Reserves			0		0
Expenditure			0		0
Grand Total	(118,573)	192,325	73,752	32,416	41,336