

**Navigation Income and Expenditure:
1 April to 30 June 2014 Actual and 2014/15 Forecast Outturn**
Report by Head of Finance

Summary: This report provides the Committee with details of the actual navigation income and expenditure for the three month period to 30 June 2014, and provides a forecast of the projected expenditure at the end of the financial year (31 March 2015).

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 navigation expenditure only.
- 1.2 Section 2 of this report and Appendix 1 provide details of actual navigation expenditure to 30 June 2014.
- 1.3 Section 4 and Appendix 2 provide details of the forecast 2014/15 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 March 2014, 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 are 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 Navigation I&E by Directorate to 30 June 2014

	Profiled Latest Available Budget	Actual Income and Expenditure	Actual Variance
Income	(2,566,787)	(2,576,878)	10,090
Operations	438,408	456,229	(17,821)
Planning and Resources	259,558	216,067	43,492
Chief Executive	37,663	35,023	2,640
Projects, Corporate Items and Contributions from Earmarked Reserves	0	(5,593)	5,593
Net (Surplus) / Deficit	(1,831,158)	(1,875,151)	43,994

2.2 Core navigation income is slightly ahead of the profiled budget at the end of month three. The overall position as at 30 June 2014 is a favourable variance of £43,994 or 2.40% difference from the profiled LAB. This is principally due to:

- An overall favourable variance of £9,911 within toll income:
 - Hire Craft Tolls £58,825 below the profiled budget.
 - Private Craft Tolls £68,736 above the profiled budget.
- An underspend within Planning and Resources budgets relating to:
 - various small underspends including underspends within the Legal (£8,682) and Finance insurance and audit (£6,801) budgets, which are mainly due to timing differences; and
 - Yacht Station and Visitor Centre income £4,407 over the profiled budget.

2.3 These are partially offset by an overspend within Practical Maintenance when compared with the profiled budget due to works at Mutford Lock, which are funded from Earmarked Reserves.

2.4 Expenditure within the individual directorate lines is partly offset by contributions from reserves (within the *Projects, Corporate Items and Contributions from Earmarked Reserves* line in Table 1).

2.5 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 2014/15. 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.

- 3.2 The use of the LAB format ensures that there is better visibility of budgets, providing information about approved changes to the original budget and removing distortions from approved in-year changes to the budget. The LAB facilitates scrutiny of budgets by distinguishing between planned budget changes and unplanned outturn variances.
- 3.3 Changes in the navigation LAB are set out in Table 2 below.

Table 2 – Adjustments to Navigation LAB

	Ref	£
Original navigation budget 2014/15 (surplus)	Item 12 24/04/14	(39,558)
Approved carry-forwards from 2013/14		16,154
Additional budget allocated for stakeholder surveys		16,970
LAB at 30 June 2014		(6,434)

- 3.4 The LAB therefore provides for a reduced navigation surplus of £6,434 in 2014/15 as at 30 June 2014.

4 Overview of Forecast Outturn 2014/15

- 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 June 2014, the forecast outturn indicates:
- The total forecast income is £3,003,450, or £21,579 more than the LAB.
 - Total expenditure is forecast to be £2,972,479.
 - The resulting surplus for the year is forecast to be £30,971.
- 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 £24,537 against the LAB.

Table 3 – Adjustments to Forecast Outturn

	£
Forecast outturn deficit per LAB	(6,434)
Increase forecast Private Craft Toll income	(72,005)
Decrease forecast Hire Craft Toll income	50,426
Reduce salary forecast for period of vacancy (Waterways Strategy and Strategy and Projects)	(2,381)
Reduce Practical Maintenance for accrued Breydon Water costs lower than budgeted	(578)
Forecast outturn deficit as at 30 June 2014	(30,971)

- 4.4 The main reason for the difference between the forecast outturn and the LAB is the change in predictions for navigation toll income, which are based on the latest actual income figures and show a net overall increase of £21,579 in forecast toll income for the year.

5 Reserves

- 5.1 The Authority's earmarked reserves were rationalised in 2013/14 into a smaller number of reserves. Navigation reserve balances continue to be maintained separately from national park reserves. The balance of navigation earmarked reserves at the end of June 2014 is shown in Table 4 below.

Table 4 – Navigation Earmarked Reserves

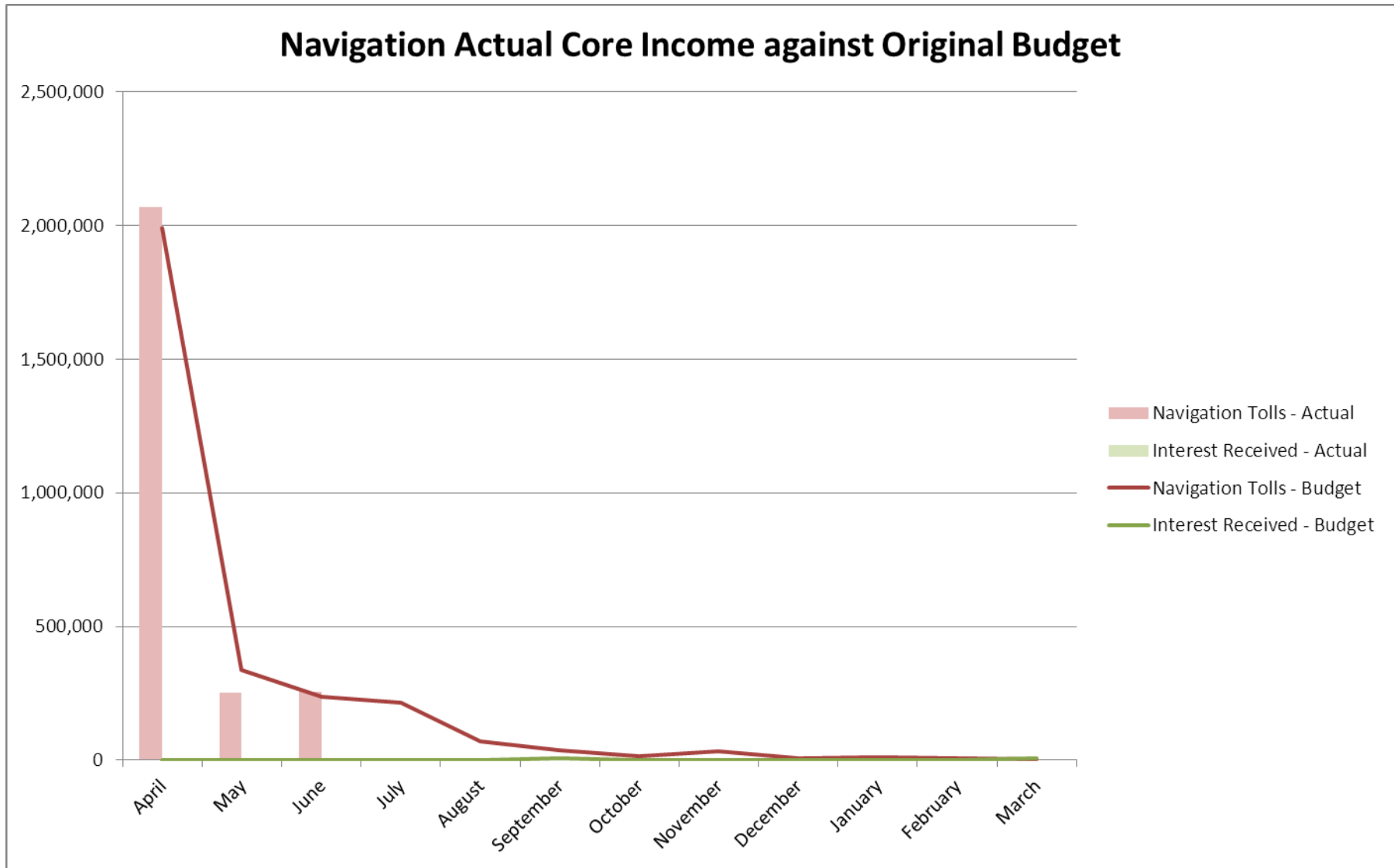
	Balance at 1 April 2014	In-year movements	Current reserve balance
	£	£	£
Property	(492,020)	(1,817)	(493,837)
Plant, Vessels and Equipment	(139,857)	(29,593)	(169,449)
Premises	(59,994)	(4,500)	(64,494)
PRISMA	(244,954)	243,525	(1,429)
Total	(936,824)	207,615	(729,208)

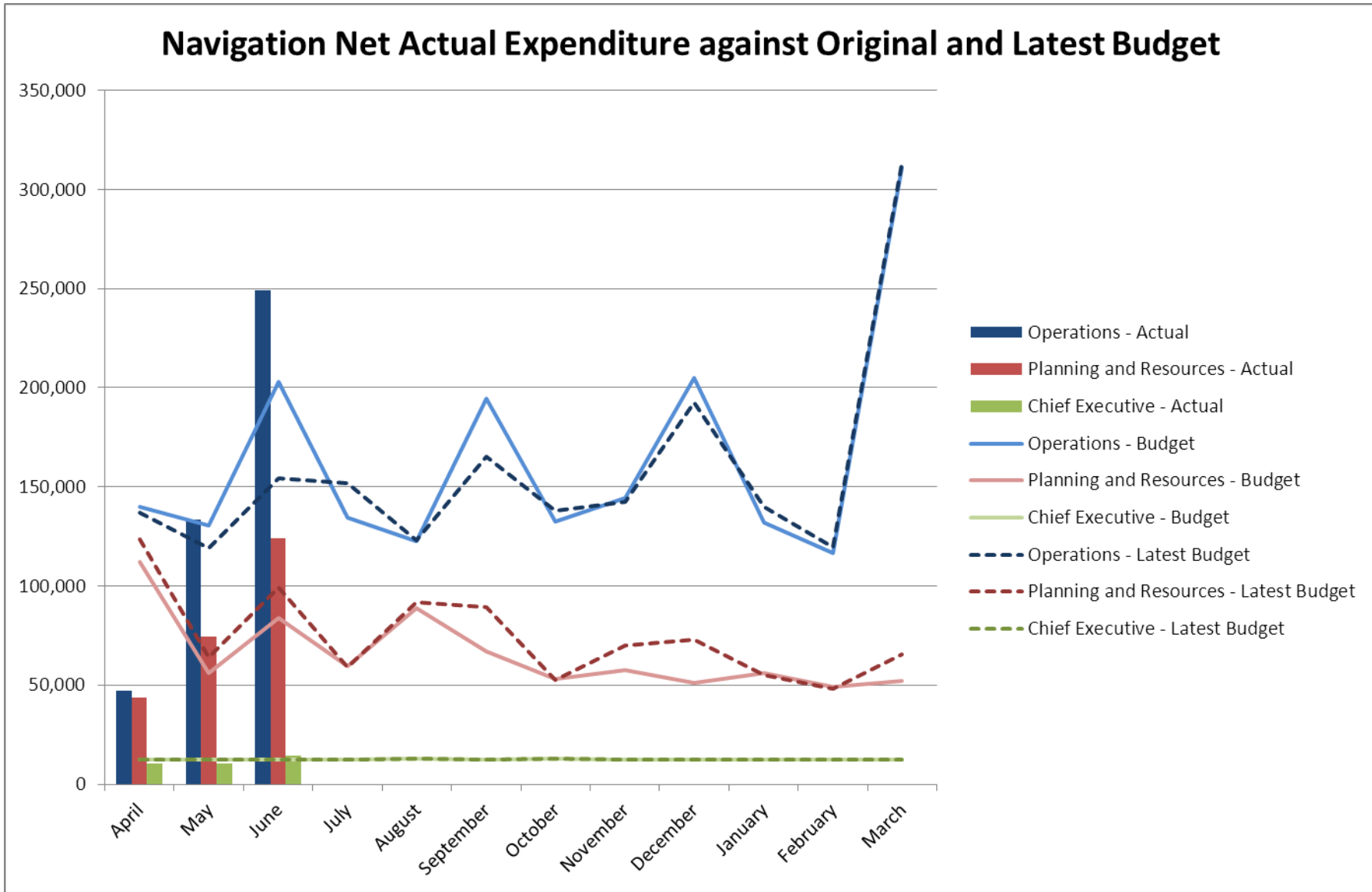
- 5.2 Repairs to Mutford Lock have been undertaken by LEC Marine (Klyne). This activity has initially been funded from the Property reserve but costs have been offset by the grant of £80,000 from DEFRA which has also been credited to this reserve.

6 Summary

- 6.1 The forecast outturn position for the year suggests a surplus within the navigation budget which would result in a navigation reserve balance of approximately £321,000 at the end of 2014/15 (before any year-end adjustments). This would restore the Navigation Reserve to above the recommended level of 10% of net expenditure.

Background Papers:	Nil
Author:	Titus Adam
Date of Report:	15 August 2014
Broads Plan Objectives:	None
Appendices:	APPENDIX 1 – Navigation Actual Income and Expenditure Charts to 30 June 2014 APPENDIX 2 – Financial Monitor: Navigation Income and Expenditure 2014/15





To 30 June 2014

Budget Holder (All)

Row Labels	Values				
	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Income	(2,981,871)		(2,981,871)	(3,003,450)	21,579
National Park Grant	0		0	0	0
Income	0		0	0	0
Hire Craft Tolls	(1,118,300)		(1,118,300)	(1,067,874)	(50,426)
Income	(1,118,300)		(1,118,300)	(1,067,874)	(50,426)
Private Craft Tolls	(1,792,100)		(1,792,100)	(1,864,105)	72,005
Income	(1,792,100)		(1,792,100)	(1,864,105)	72,005
Short Visit Tolls	(37,721)		(37,721)	(37,721)	0
Income	(37,721)		(37,721)	(37,721)	0
Other Toll Income	(18,750)		(18,750)	(18,750)	0
Income	(18,750)		(18,750)	(18,750)	0
Interest	(15,000)		(15,000)	(15,000)	0
Income	(15,000)		(15,000)	(15,000)	0
Operations	1,966,843	13,886	1,980,729	1,980,151	578
Construction and Maintenance Salaries	575,734		575,734	575,734	0
Salaries	575,734		575,734	575,734	0
Expenditure			0		0
Equipment, Vehicles & Vessels	296,109		296,109	296,109	0
Income			0		0
Expenditure	296,109		296,109	296,109	0
Water Management	62,500		62,500	62,500	0
Income	0		0	0	0
Expenditure	62,500		62,500	62,500	0
Land Management	0		0	0	0
Income	0		0	0	0
Expenditure	0		0	0	0
Practical Maintenance	310,035	7,170	317,205	316,627	578
Income	(7,000)		(7,000)	(7,000)	0
Expenditure	317,035	7,170	324,205	323,627	578
Ranger Services	435,606		435,606	435,606	0
Income	(10,000)		(10,000)	(10,000)	0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Salaries	348,006		348,006	348,006	0
Expenditure	97,600		97,600	97,600	0
Pension Payments			0		0
Safety	54,328		54,328	54,328	0
Income	(9,000)		(9,000)	(9,000)	0
Salaries	34,773		34,773	34,773	0
Expenditure	28,555		28,555	28,555	0
Asset Management	64,980		64,980	64,980	0
Income	(450)		(450)	(450)	0
Salaries	17,055		17,055	17,055	0
Expenditure	48,375		48,375	48,375	0
Volunteers	18,402		18,402	18,402	0
Income	(300)		(300)	(300)	0
Salaries	12,702		12,702	12,702	0
Expenditure	6,000		6,000	6,000	0
Premises	77,727	6,716	84,442	84,442	0
Income	(896)		(896)	(896)	0
Expenditure	78,623	6,716	85,338	85,338	0
Operations Management and Administration	71,422		71,422	71,422	0
Salaries	64,422		64,422	64,422	0
Expenditure	7,000		7,000	7,000	0
Planning and Resources	787,289	19,239	806,528	804,147	2,381
Development Management	0		0	0	0
Income	0		0	0	0
Salaries	0		0	0	0
Expenditure	0		0	0	0
Pension Payments			0		0
Strategy and Projects Salaries	22,417	769	23,186	22,331	855
Income	0		0	0	0
Salaries	22,417	769	23,186	22,331	855
Expenditure	0		0	0	0
Biodiversity Strategy	0		0	0	0
Income			0		0
Expenditure	0		0	0	0
Strategy and Projects	4,041		4,041	4,041	0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Salaries	4,041		4,041	4,041	0
Expenditure	0		0	0	0
Waterways and Recreation Strategy	43,960		43,960	42,434	1,526
Salaries	34,960		34,960	33,434	1,526
Expenditure	9,000		9,000	9,000	0
Project Funding	13,760	16,970	30,730	30,730	0
Income	0		0	0	0
Salaries	3,760		3,760	3,760	0
Expenditure	10,000	16,970	26,970	26,970	0
Pension Payments			0		0
Partnerships / HLF	0		0	0	0
Expenditure	0		0	0	0
SDF	0		0	0	0
Expenditure	0		0	0	0
Finance and Insurance	158,187		158,187	158,187	0
Salaries	62,966		62,966	62,966	0
Expenditure	95,222		95,222	95,222	0
Communications	78,048		78,048	78,048	0
Income			0		0
Salaries	67,548		67,548	67,548	0
Expenditure	10,500		10,500	10,500	0
Visitor Centres and Yacht Stations	67,477	1,500	68,977	68,977	0
Income	(56,250)		(56,250)	(56,250)	0
Salaries	100,477		100,477	100,477	0
Expenditure	23,250	1,500	24,750	24,750	0
Collection of Tolls	113,660		113,660	113,660	0
Salaries	100,960		100,960	100,960	0
Expenditure	12,700		12,700	12,700	0
ICT	88,381		88,381	88,381	0
Income			0		0
Salaries	41,950		41,950	41,950	0
Expenditure	46,431		46,431	46,431	0
Legal	42,000		42,000	42,000	0
Income			0		0
Expenditure	42,000		42,000	42,000	0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Premises - Head Office	69,600		69,600	69,600	0
Expenditure	69,600		69,600	69,600	0
Planning and Resources Management and Administration	85,757		85,757	85,757	0
Income			0		0
Salaries	44,882		44,882	44,882	0
Expenditure	40,876		40,876	40,876	0
Chief Executive	150,982		150,982	150,982	0
Human Resources	54,587		54,587	54,587	0
Salaries	29,987		29,987	29,987	0
Expenditure	24,600		24,600	24,600	0
Governance	56,235		56,235	56,235	0
Income			0		0
Salaries	36,039		36,039	36,039	0
Expenditure	20,196		20,196	20,196	0
Chief Executive	40,159		40,159	40,159	0
Salaries	40,159		40,159	40,159	0
Expenditure			0		0
Projects and Corporate Items	37,200		37,200	37,200	0
PRISMA	0		0	0	0
Income			0		0
Salaries	10,410		10,410	10,410	0
Expenditure	(10,410)		(10,410)	(10,410)	0
STEP			0		0
Expenditure			0		0
Corporate Items	37,200		37,200	37,200	0
Pension Payments	37,200		37,200	37,200	0
Contributions from Earmarked Reserves			0		0
Earmarked Reserves			0		0
Expenditure			0		0
Grand Total	(39,558)	33,125	(6,434)	(30,971)	24,538