

**Navigation Income and Expenditure:
1 April to 31 August 2017 Actual and 2017/18 Forecast Outturn
Report by Chief Financial Officer**

Summary: This report provides the Committee with details of the actual navigation income and expenditure for the five month period to 31 August 2017, and provides a forecast of the projected expenditure at the end of the financial year (31 March 2018).

1 Introduction

- 1.1 This report provides a summary of the Income and Expenditure for the Navigation Budget up until 31 August, 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 31 August 2017

	Profiled Latest Available Budget	Actual Income and Expenditure	Actual Variance
Income	(3,056,490)	(3,131,915)	+ 75,425
Operations	1,031,946	1,137,324	- 105,378
Planning and Resources	273,592	245,693	+ 27,899
Chief Executive	235,040	229,896	+ 5,143
Projects, Corporate Items and Contributions from Earmarked Reserves	(75,637)	(50,832)	- 24,805
Net (Surplus) / Deficit	(1,591,550)	(1,569,833)	- 21,716

- 2.1 Core navigation income is above the profiled budget at the end of month five. The overall position as at 31 August 2017 is an adverse variance of £21,716 or 1.36% difference from the profiled LAB. This is principally due to:
- An overall favourable variance of £78,774 within toll income:
 - Hire Craft Tolls £48,393 above the profiled budget.
 - Private Craft Tolls £28,351 above the profiled budget.
 - An overspend within Operations budgets relating to:

- Water Management is under profile by £22,080 due to outstanding Natural England consent.
- Practical Maintenance is over profile by £168,902 due to timing differences on the profile originally set. This due to Acle Bridge being purchased.
- Rangers is under profile by £15,174 due additional income and timing differences on expenditure.
- Premises is under profile by £19,965 due timing differences around the Dockyard Wet Shed repairs.
- An underspend within Planning and Resources budgets relating to:
 - Visitor Centres and Yacht Stations is under profile by £13,384 due to higher than predicted income and salary savings.
- An adverse variance within Reserves relating to the timing differences around the Dockyard Wet Shed repairs.

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 2017/18. 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	£
Original navigation budget 2017/18 (surplus)	Item 12 27/01/17	(766)
Approved carry-forwards from 2016/17	Item 11 19/05/17	8,995
Virement from ASS to OMA to reflect actual admin support	CEO approved	(474)
LAB at 31 August 2017		7,755

3.2 The LAB therefore provides for a navigation deficit of £7,755 in 2017/18 as at 31 August 2017.

4 Overview of Forecast Outturn 2017/18

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 August 2017, the forecast outturn indicates:

- The total forecast income is £3,236,961, or £57,461 more than the LAB.
- Total expenditure is forecast to be £3,219,829.
- The resulting surplus for the year is forecast to be £17,132.

- 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 £24,887 against the LAB.

Table 3 – Adjustments to Forecast Outturn

	£
Forecast outturn deficit per LAB	7,755
Adjustments reported 07/09/17	(39,429)
Increase to Hire Craft Toll income	(3,038)
Increase to Private Craft Toll income	(15,000)
Increase to Moorings for Purchase of Acle Bridge	30,000
Decrease to Volunteers due to Celebration day being held every other year	(800)
Increase to Collection of Tolls salaries following minor change in structure	3,380
Forecast outturn surplus as at 31 August 2017	(17,132)

- 4.4 The main reason for the difference between the forecast outturn and the LAB is the increase in hire and private craft toll income and the increase in moorings expenditure.

5 Reserves

Table 4 – Navigation Earmarked Reserves

	Balance at 1 April 2017	In-year movements	Current reserve balance
	£	£	£
Property	(305,051)	(30,500)	(335,551)
Plant, Vessels and Equipment	(199,010)	(31,888)	(230,899)
Premises	(85,753)	(15,626)	(101,379)
Total	(589,815)	(78,014)	(667,829)

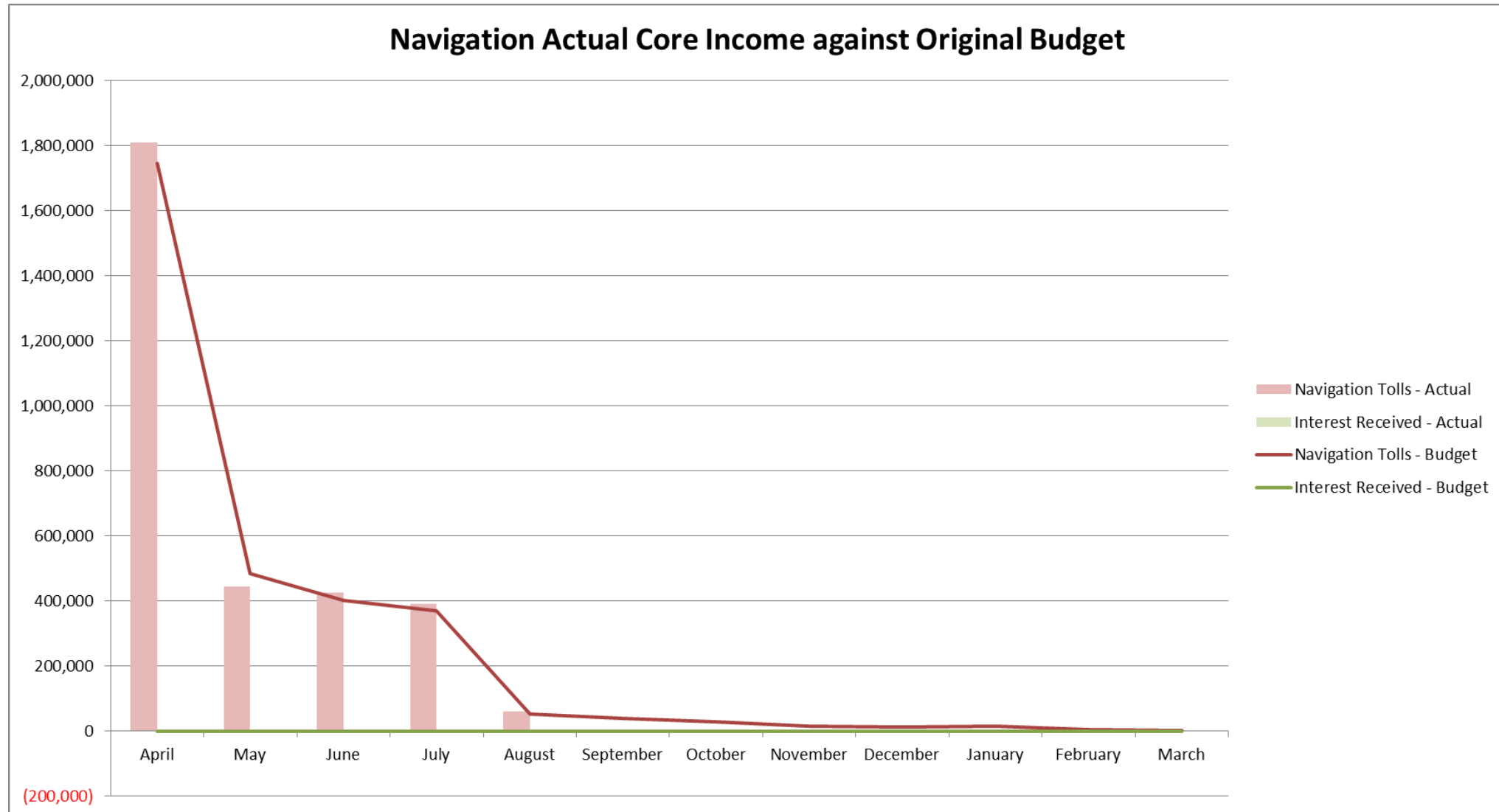
- 5.1 Items funded from the Property reserve at the end of August include the repairs to Irsead Billet whilst the items funded from the Plant, Vessel and Equipment reserve include the linkflotes.

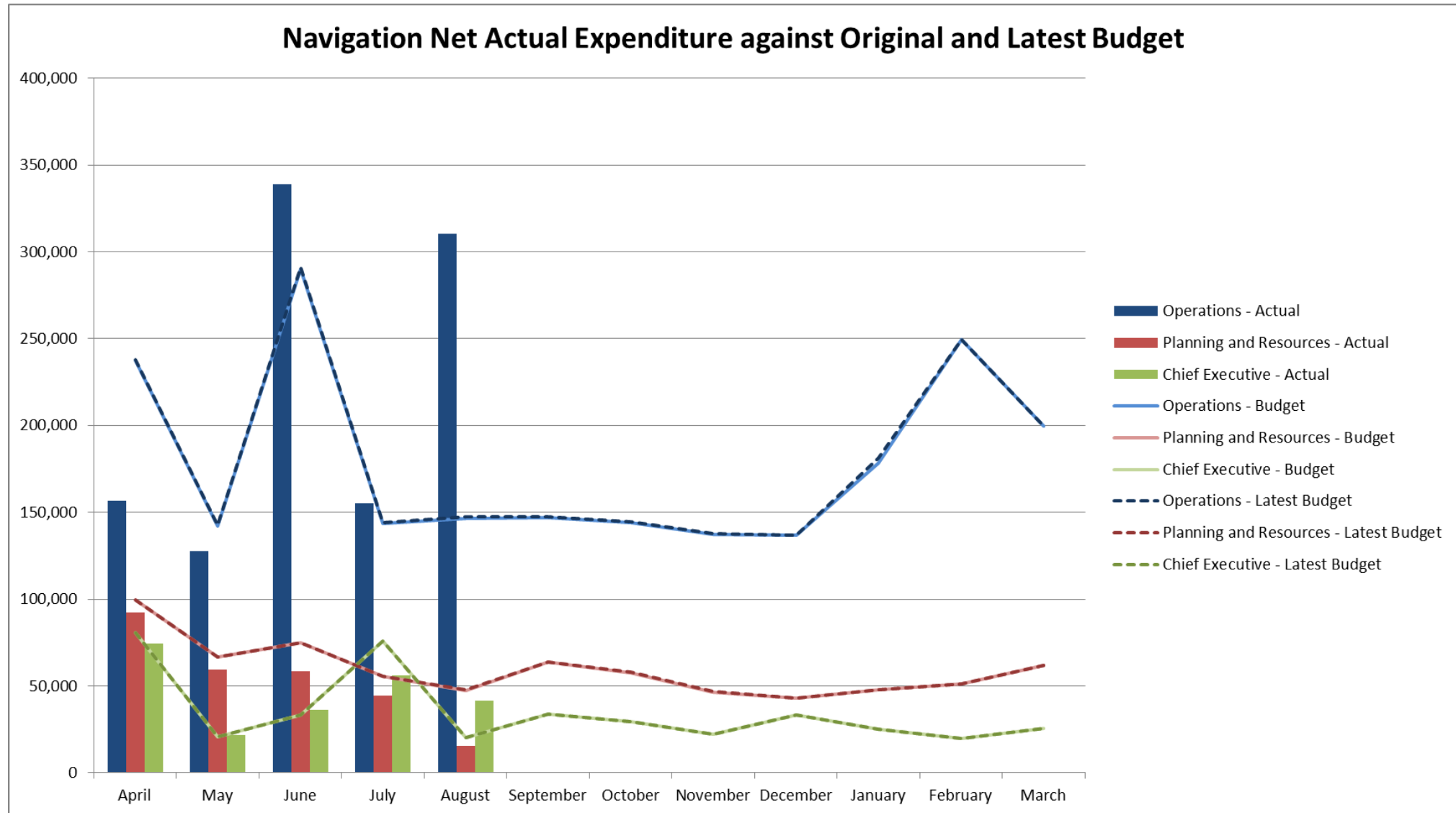
6 Summary

- 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 £343,000 at the end of 2017/18 (before any year-end adjustments). This would mean the Navigation Reserve would be slightly above the recommended 10% at 10.7%. Year-end transfers of interest to the earmarked reserves will mean that it will fall to approximately 10.5%. This will be highly dependent on the actual level of interest received.

Background Papers:	Nil
Author:	Emma Krelle
Date of Report:	2 October 2017
Broads Plan Objectives:	None
Appendices:	APPENDIX 1 – Navigation Actual Income and Expenditure Charts to 31 August 2017 APPENDIX 2 – Financial Monitor: Navigation Income and Expenditure 2017/18





To 31 August 2017

Budget Holder

(All)

Row Labels	Values				
	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Income	(3,179,500)		(3,179,500)	(3,236,961)	+ 57,461
National Park Grant	0		0	0	+ 0
Income	0		0	0	+ 0
Hire Craft Tolls	(1,073,400)		(1,073,400)	(1,115,861)	+ 42,461
Income	(1,073,400)		(1,073,400)	(1,115,861)	+ 42,461
Private Craft Tolls	(2,040,000)		(2,040,000)	(2,055,000)	+ 15,000
Income	(2,040,000)		(2,040,000)	(2,055,000)	+ 15,000
Short Visit Tolls	(39,800)		(39,800)	(39,800)	+ 0
Income	(39,800)		(39,800)	(39,800)	+ 0
Other Toll Income	(18,800)		(18,800)	(18,800)	+ 0
Income	(18,800)		(18,800)	(18,800)	+ 0
Interest	(7,500)		(7,500)	(7,500)	+ 0
Income	(7,500)		(7,500)	(7,500)	+ 0
Operations	2,288,320	2,192	2,290,512	2,326,712	- 36,200
Construction and Maintenance Salaries	744,102		744,102	744,102	+ 0
Income	(3,094)		(3,094)	(3,094)	+ 0
Salaries	747,196		747,196	747,196	+ 0
Expenditure			0		+ 0
Equipment, Vehicles & Vessels	348,250		348,250	348,250	+ 0
Income			0		+ 0
Expenditure	348,250		348,250	348,250	+ 0
Water Management	112,500		112,500	112,500	+ 0
Expenditure	112,500		112,500	112,500	+ 0
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	358,200	2,565	360,765	390,765	- 30,000
Income	(10,500)		(10,500)	(10,500)	+ 0
Expenditure	368,700	2,565	371,265	401,265	- 30,000
Ranger Services	446,274	4,380	450,654	450,654	+ 0
Income	(76,278)		(76,278)	(76,278)	+ 0
Salaries	374,052	4,380	378,432	378,432	+ 0
Expenditure	148,500		148,500	148,500	+ 0
Pension Payments			0		+ 0
Safety	75,671		75,671	82,671	- 7,000
Income	(9,000)		(9,000)	(2,000)	- 7,000
Salaries	45,046		45,046	45,046	+ 0
Expenditure	39,625		39,625	39,625	+ 0
Volunteers	27,520		27,520	26,720	+ 800
Income	(400)		(400)	(400)	+ 0
Salaries	19,920		19,920	19,920	+ 0
Expenditure	8,000		8,000	7,200	+ 800
Premises	135,119	(6,055)	129,064	129,064	+ 0
Income	(1,600)		(1,600)	(1,600)	+ 0
Expenditure	136,719	(6,055)	130,664	130,664	+ 0
Operations Management and Administration	40,685	1,302	41,987	41,987	+ 0
Income	(1,143)		(1,143)	(1,143)	+ 0
Salaries	34,828	1,302	36,130	36,130	+ 0
Expenditure	7,000		7,000	7,000	+ 0
Planning and Resources	580,216	2,050	582,266	584,639	- 2,374
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	26,635		26,635	26,635	+ 0
Income	0		0	0	+ 0
Salaries	24,835		24,835	24,835	+ 0
Expenditure	1,800		1,800	1,800	+ 0
Biodiversity Strategy	0	0	0	0	+ 0
Income			0		+ 0
Expenditure	0	0	0	0	+ 0
Strategy and Projects			0		+ 0
Expenditure			0		+ 0
Human Resources	53,542	2,050	55,592	55,592	+ 0
Salaries	29,147		29,147	29,147	+ 0
Expenditure	24,395	2,050	26,445	26,445	+ 0
Waterways and Recreation Strategy	47,210		47,210	47,210	+ 0
Salaries	38,210		38,210	38,210	+ 0
Expenditure	9,000		9,000	9,000	+ 0
Project Funding	0		0	0	+ 0
Expenditure	0		0	0	+ 0
Pension Payments			0		+ 0
Communications	80,813	0	80,813	80,813	+ 0
Income	(1,360)		(1,360)	(1,360)	+ 0
Salaries	71,673		71,673	71,673	+ 0
Expenditure	10,500	0	10,500	10,500	+ 0
Pension Payments			0		+ 0
Visitor Centres and Yacht Stations	75,765		75,765	75,765	+ 0
Income	(60,000)		(60,000)	(60,000)	+ 0
Salaries	111,765		111,765	111,765	+ 0
Expenditure	24,000		24,000	24,000	+ 0
Collection of Tolls	128,550		128,550	131,930	- 3,380

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Salaries	115,850		115,850	119,230	- 3,380
Expenditure	12,700		12,700	12,700	+ 0
ICT	100,604		100,604	99,597	+ 1,007
Salaries	59,849		59,849	59,849	+ 0
Expenditure	40,755		40,755	39,749	+ 1,007
Planning and Resources Management and Administration	67,097		67,097	67,097	+ 0
Income	(458)		(458)	(458)	+ 0
Salaries	43,785		43,785	43,785	+ 0
Expenditure	23,769		23,769	23,769	+ 0
Chief Executive	419,677	3,415	423,092	423,092	+ 0
Legal	27,503		27,503	27,503	+ 0
Income			0		+ 0
Salaries	15,503		15,503	15,503	+ 0
Expenditure	12,000		12,000	12,000	+ 0
Governance	41,065	0	41,065	41,065	+ 0
Salaries	23,938		23,938	23,938	+ 0
Expenditure	17,127	0	17,127	17,127	+ 0
Chief Executive	43,911		43,911	43,911	+ 0
Salaries	43,911		43,911	43,911	+ 0
Expenditure			0		+ 0
Asset Management	72,267	3,415	75,682	75,682	+ 0
Income	(2,670)		(2,670)	(2,670)	+ 0
Salaries	23,562	(1,775)	21,787	21,787	+ 0
Expenditure	51,375	5,190	56,565	56,565	+ 0
Finance and Insurance	164,840		164,840	164,840	+ 0
Income	(3,245)		(3,245)	(3,245)	+ 0
Salaries	74,085		74,085	74,085	+ 0
Expenditure	94,000		94,000	94,000	+ 0
Premises - Head Office	70,091		70,091	70,091	+ 0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Expenditure	70,091		70,091	70,091	+ 0
Projects and Corporate Items	30,720		30,720	24,720	+ 6,000
Partnerships / HLF	0		0	0	+ 0
Income	0		0	0	+ 0
Salaries	0		0	0	+ 0
Expenditure	0		0	0	+ 0
Corporate Items	30,720		30,720	24,720	+ 6,000
Expenditure	6,720		6,720	720	+ 6,000
Pension Payments	24,000		24,000	24,000	+ 0
Contributions from Earmarked Reserves	(140,200)	865	(139,335)	(139,335)	+ 0
Earmarked Reserves	(140,200)	865	(139,335)	(139,335)	+ 0
Expenditure	(140,200)	865	(139,335)	(139,335)	+ 0
Grand Total	(766)	8,522	7,755	(17,132)	+ 24,887