

**Navigation Income and Expenditure:
1 April to 30 June 2016 Actual and 2016/17 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 2016, and provides a forecast of the projected expenditure at the end of the financial year (31 March 2017).

1 Introduction

1.1 This report provides a summary of the Income and Expenditure for the Navigation Budget up until 30 June. 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 30 June 2016

	Profiled Latest Available Budget	Actual Income and Expenditure	Actual Variance
Income	(2,703,346)	(2,683,625)	- 19,721
Operations	665,186	608,168	+ 57,018
Planning and Resources	229,383	237,630	- 8,246
Chief Executive	40,072	32,491	+ 7,581
Projects, Corporate Items and Contributions from Earmarked Reserves	(34,488)	(27,204)	- 7,285
Net (Surplus) / Deficit	(1,803,194)	(1,832,541)	+ 29,348

2.1 Core navigation income is behind the profiled budget at the end of month three. The overall position as at 30 June 2016 is a favourable variance of £29,348 or 1.63% difference from the profiled LAB. This is principally due to:

- An overall adverse variance of £19,984 within toll income:
 - Hire Craft Tolls £36,838 below the profiled budget.
 - Private Craft Tolls £17,366 above the profiled budget.
- An underspend within Operations budgets relating to:
 - Equipment, Vehicles and Vessels is under profiled budget by £15,177 due to delays in repairs, in particular relating to the

linkflotes and grab 7 barge that have both been deemed beyond economical repair (for further details see agenda item no. 9).

- Practical Maintenance is under profile by £28,097 due to timing differences on various projects.
 - A small overspend within Planning and Resources budgets relating to the collection of tolls budget and the outstanding credit for the faulty toll plaques (received in July).
 - A small underspend within Chief Executive following the vacancy of the Solicitor and Monitoring Officer at the start of the financial year.
 - An adverse variance within Reserves relating to the delayed invoicing on the old workshop 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 2016/17. 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 2016/17 (surplus)	Item 12 18/03/16	(16,160)
Approved carry-forwards from 2015/16	Item 13 13/05/16	181
Virement from OMA/SPS to ASS/DVM to cover admin restructure	CEO approved	(2,129)
LAB at 30 June 2016		(18,108)

- 3.2 The LAB therefore provides for an increased navigation surplus of £18,108 in 2016/17 as at 30 June 2016.

4 Overview of Forecast Outturn 2016/17

- 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 2016, the forecast outturn indicates:

- The total forecast income is £3,089,667, or £30,172 less than the LAB.
- Total expenditure is forecast to be £3,099,919.
- The resulting deficit for the year is forecast to be £10,252.

- 4.3 The forecast outturn expenditure reflects the following changes from the LAB as shown in Table 3. The forecast surplus represents an adverse variance of £28,360 against the LAB.

Table 3 – Adjustments to Forecast Outturn

	£
Forecast outturn surplus per LAB	(18,108)
Decrease to Hire Craft Toll income	35,513
Increase to Private Craft Toll income	(5,341)
Decrease to Boat Safety income & expenditure to reflect actuals	3,000
Decrease to Health & Safety expenditure to reflect actuals	(2,245)
Decrease to Pool car expenditure to reflect actuals	(1,320)
Increase to Asset Management staff costs	1,629
Increase to Finance staff costs	875
Increase to HR staff costs	562
Decrease to Legal staff costs due to vacancy	(4,313)
Forecast outturn surplus as at 30 June 2016	10,252

- 4.4 The main reason for the difference between the forecast outturn and the LAB is the reduction in toll income.

5 Reserves

Table 4 – Navigation Earmarked Reserves

	Balance at 1 April 2016	In-year movements	Current reserve balance
	£	£	£
Property	(283,309)	(30,518)	(313,827)
Plant, Vessels and Equipment	(283,108)	(74,498)	(357,605)
Premises	(98,908)	(21,000)	(119,908)
Total	(665,324)	(126,016)	(791,340)

- 5.1 At the end of 2015/16 the PRISMA reserve was closed and the balance transferred to the Plant, Vessels and Equipment reserve which initially help set it up.
- 5.2 This year the Authority's contributions to the reserves have all been made in full at the end of quarter 1 instead of quarterly. This has resulted in the reserves showing increased balances at the end of June. This will reduce as planned purchases take place throughout the year.

5.3 Items funded from the Plant, Vessel and Equipment include; the final instalments on the Launch fit out and the 3rd Wherry. Income from the sale of the Chet launch has also been credited to the reserve.

6 Summary

6.1 The current forecast outturn position for the year suggests a deficit within the navigation budget which would result in a navigation reserve balance of approximately £322,837 at the end of 2016/17 (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 10.3%. This will be highly dependent on the actual level of interest received.

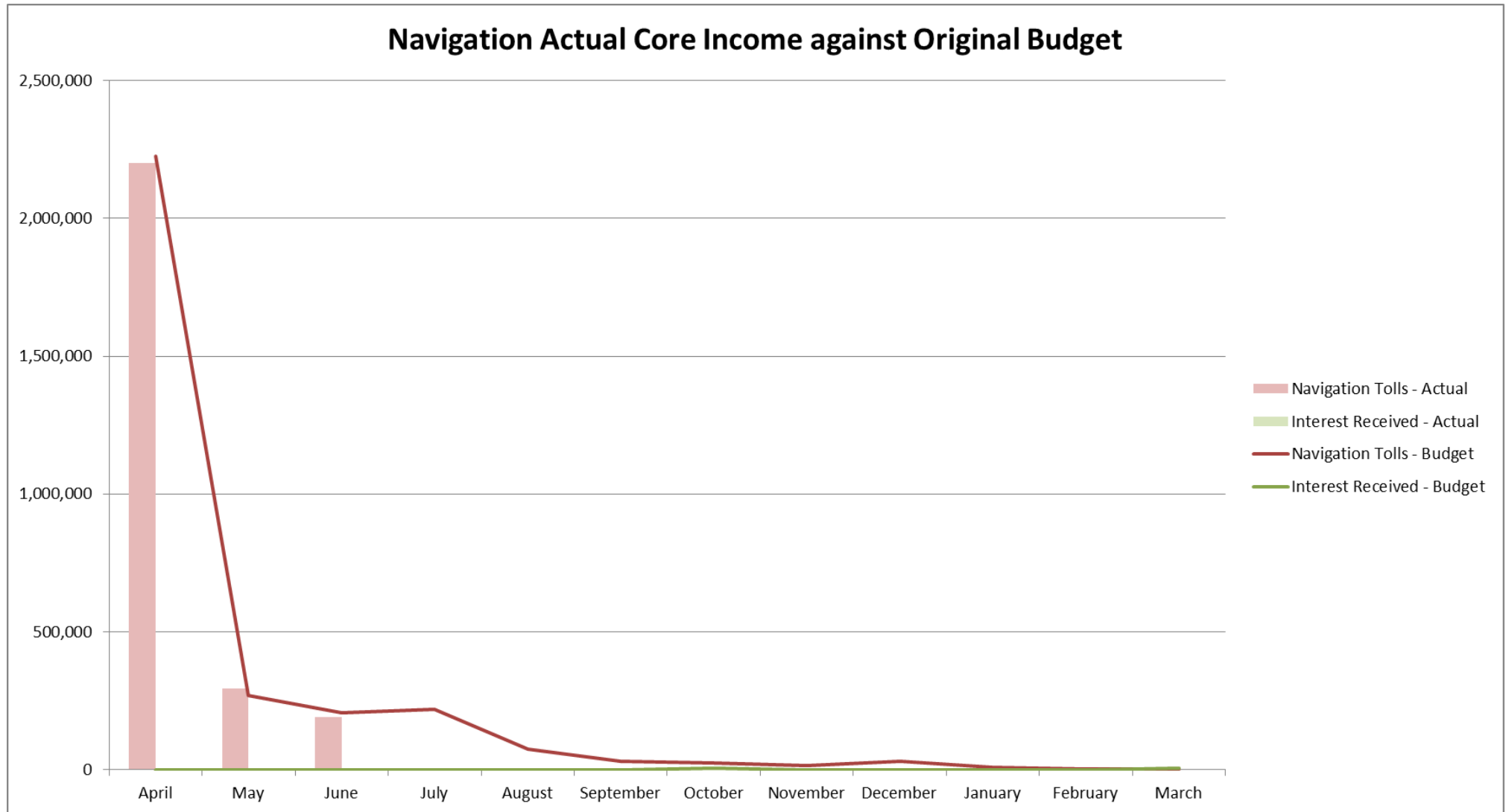
6.2 Members will recall that it had been agreed to undertake a benchmarking activity with the other National Parks to look at administration costs. This activity has subsequently been identified by the internal auditors of Pembrokeshire Coast and Brecon Beacons National Park who are looking to survey all of the National Parks. Rather than commission our own separate piece of work we will use this instead. Areas they are looking at include Governance, Finance, HR, IT, Procurement, Estates, Communications and Legal..

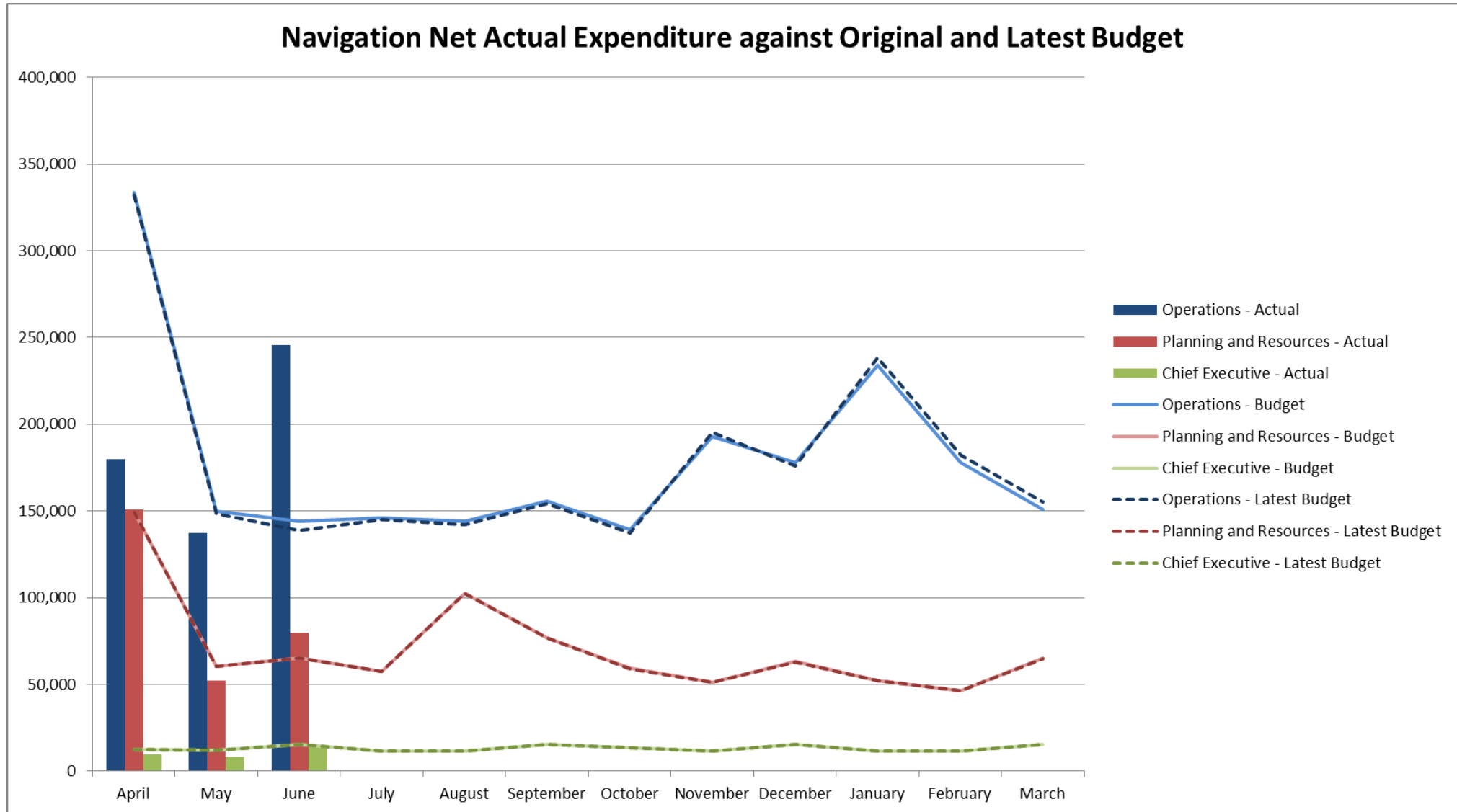
Background Papers: Nil

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Broads Plan Objectives: None

Appendices: APPENDIX 1 – Navigation Actual Income and Expenditure Charts to 30 June 2016
APPENDIX 2 – Financial Monitor: Navigation Income and Expenditure 2015/16





To 30 June 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	(3,119,839)		(3,119,839)	(3,089,667)	- 30,172
National Park Grant	0		0	0	+ 0
Income	0		0	0	+ 0
Hire Craft Tolls	(1,079,000)		(1,079,000)	(1,043,487)	- 35,513
Income	(1,079,000)		(1,079,000)	(1,043,487)	- 35,513
Private Craft Tolls	(1,972,000)		(1,972,000)	(1,977,341)	+ 5,341
Income	(1,972,000)		(1,972,000)	(1,977,341)	+ 5,341
Short Visit Tolls	(40,089)		(40,089)	(40,089)	+ 0
Income	(40,089)		(40,089)	(40,089)	+ 0
Other Toll Income	(18,750)		(18,750)	(18,750)	+ 0
Income	(18,750)		(18,750)	(18,750)	+ 0
Interest	(10,000)		(10,000)	(10,000)	+ 0
Income	(10,000)		(10,000)	(10,000)	+ 0
Operations	2,253,913	(1,756)	2,252,157	2,253,222	- 1,065
Construction and Maintenance Salaries	693,215		693,215	693,215	+ 0
Salaries	693,215		693,215	693,215	+ 0
Expenditure			0		+ 0
Equipment, Vehicles & Vessels	293,883		293,883	293,883	+ 0
Income			0		+ 0
Expenditure	293,883		293,883	293,883	+ 0
Water Management	112,500		112,500	112,500	+ 0
Income			0		+ 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	344,200		344,200	344,200	+ 0
Income	(9,000)		(9,000)	(9,000)	+ 0
Expenditure	353,200		353,200	353,200	+ 0
Ranger Services	465,371		465,371	465,371	+ 0
Income	(33,000)		(33,000)	(33,000)	+ 0
Salaries	358,116		358,116	358,116	+ 0
Expenditure	140,255		140,255	140,255	+ 0
Pension Payments			0		+ 0
Safety	75,043		75,043	74,479	+ 565
Income	(9,000)		(9,000)	(1,000)	- 8,000
Salaries	41,958		41,958	41,958	+ 0
Expenditure	42,085		42,085	33,521	+ 8,565
Asset Management	92,114	1,296	93,410	95,039	- 1,629
Income	(450)		(450)	(450)	+ 0
Salaries	18,689	1,296	19,985	21,614	- 1,629
Expenditure	73,875		73,875	73,875	+ 0
Premises	106,719		106,719	106,719	+ 0
Income	(1,600)		(1,600)	(1,600)	+ 0
Expenditure	108,319		108,319	108,319	+ 0
Operations Management and Administration	70,868	(3,052)	67,816	67,816	+ 0
Income			0		+ 0
Salaries	63,868	(3,052)	60,816	60,816	+ 0
Expenditure	7,000		7,000	7,000	+ 0
Planning and Resources	742,559	(373)	742,186	743,061	- 875
Development Management	0	0	0	0	+ 0
Income	0		0	0	+ 0
Salaries	0	0	0	0	+ 0
Expenditure	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	21,824	(373)	21,452	21,452	+ 0
Income	0		0	0	+ 0
Salaries	18,224	(373)	17,852	17,852	+ 0
Expenditure	3,600		3,600	3,600	+ 0
Biodiversity Strategy	0	0	0	0	+ 0
Expenditure	0	0	0	0	+ 0
Strategy and Projects	4,181	0	4,181	4,181	+ 0
Income			0		+ 0
Salaries	4,181		4,181	4,181	+ 0
Expenditure	0	0	0	0	+ 0
Waterways and Recreation Strategy	43,980		43,980	43,980	+ 0
Salaries	34,980		34,980	34,980	+ 0
Expenditure	9,000		9,000	9,000	+ 0
Project Funding	0		0	0	+ 0
Income	0		0	0	+ 0
Expenditure	0		0	0	+ 0
Pension Payments			0		+ 0
Partnerships / HLF	0		0	0	+ 0
Income	0		0	0	+ 0
Salaries	0		0	0	+ 0
Expenditure	0		0	0	+ 0
Volunteers	26,648		26,648	26,648	+ 0
Income	(400)		(400)	(400)	+ 0
Salaries	19,048		19,048	19,048	+ 0
Expenditure	8,000		8,000	8,000	+ 0
Finance and Insurance	162,875		162,875	163,750	- 875
Salaries	68,875		68,875	69,750	- 875
Expenditure	94,000		94,000	94,000	+ 0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Communications	63,605		63,605	63,605	+ 0
Income			0		+ 0
Salaries	51,605		51,605	51,605	+ 0
Expenditure	12,000		12,000	12,000	+ 0
Visitor Centres and Yacht Stations	65,835		65,835	65,835	+ 0
Income	(60,000)		(60,000)	(60,000)	+ 0
Salaries	101,835		101,835	101,835	+ 0
Expenditure	24,000		24,000	24,000	+ 0
Collection of Tolls	122,230		122,230	122,230	+ 0
Salaries	109,530		109,530	109,530	+ 0
Expenditure	12,700		12,700	12,700	+ 0
ICT	90,892		90,892	90,892	+ 0
Salaries	47,431		47,431	47,431	+ 0
Expenditure	43,461		43,461	43,461	+ 0
Premises - Head Office	73,819		73,819	73,819	+ 0
Expenditure	73,819		73,819	73,819	+ 0
Planning and Resources Management and Administration	66,669		66,669	66,669	+ 0
Income			0		+ 0
Salaries	41,070		41,070	41,070	+ 0
Expenditure	25,599		25,599	25,599	+ 0
Chief Executive	158,455	181	158,636	154,885	+ 3,751
Human Resources	48,269	181	48,450	49,012	- 562
Salaries	23,874		23,874	24,436	- 562
Expenditure	24,395	181	24,576	24,576	+ 0
Legal	28,490		28,490	24,177	+ 4,313
Income			0		+ 0
Salaries	16,490		16,490	12,177	+ 4,313
Expenditure	12,000		12,000	12,000	+ 0
Governance	40,686		40,686	40,686	+ 0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Salaries	22,800		22,800	22,800	+ 0
Expenditure	17,886		17,886	17,886	+ 0
Chief Executive	41,010		41,010	41,010	+ 0
Salaries	41,010		41,010	41,010	+ 0
Expenditure			0		+ 0
Projects and Corporate Items	54,800		54,800	54,800	+ 0
Corporate Items	54,800		54,800	54,800	+ 0
Pension Payments	54,800		54,800	54,800	+ 0
Contributions from Earmarked Reserves	(106,048)		(106,048)	(106,048)	+ 0
Earmarked Reserves	(106,048)		(106,048)	(106,048)	+ 0
Expenditure	(106,048)		(106,048)	(106,048)	+ 0
Grand Total	(16,160)	(1,948)	(18,108)	10,252	- 28,360