

**Priorities for Future Expenditure**  
Report by Chief Executive

**Summary:** The views of the Broads Forum are sought on a potential range of projects for expenditure in 2013/14 and 2014/15.

**1 Introduction**

1.1 Officers will be developing a Financial Strategy and Business Plan for the period up to 2015/16 for consideration by the Authority in the autumn. A workshop is being held for Members of the Authority seeking their views on a range of priorities for one-off additional expenditure to help guide the development of the Strategy. A copy of a briefing note for that workshop is attached in Appendix 1. The views of the Forum are similarly sought to feed into the developing Business Plan.

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Appendices: Appendix 1 – Member Briefing Note

## Member Briefing

### Priorities for Future Expenditure – Workshop Thursday 12 July 2012

#### 1 Introduction

- 1.1 A number of favourable financial factors provide the Authority with the opportunity to identify additional expenditure for 2013/14 and 2014/15. Officers will be developing a Financial Strategy and Business Plan for the period up to 2015/16 for consideration by the Authority in the autumn. The intention of this month's workshop is to seek early involvement of members in identifying priorities for one-off additional expenditure to help guide the development of that report. It is not clear as yet what scope, if any, there is for additional on-going expenditure. This will be dealt with in a report to the Authority in September.

#### 2 Background

- 2.1 Implementation of the Authority's Premises Strategy, as agreed by the Broads Authority at its meeting on 18 May, will involve some one off costs in the short term, and it is anticipated that the Authority will be able to meet these costs from the 2011/12 surplus, monies available in reserve accounts and from savings which will be achieved during 2012/13, without having a significant detrimental impact on the overall position of its reserves or revenue expenditure.
- 2.2 When comparing the position with the Strategy in the current Business Plan, there are a number of other sources of additional income and reduction in costs which will also help the financial situation in both the short and medium term.
- Salary costs are lower than predicted as a result of a further year of pay freezes. This provides a saving of approximately £40,000 per annum when compared to the Business Plan assumptions.
  - The Adjacent Waters provisions have increased income from boats paying tolls by approximately £20,000 per annum.
  - Additional income will be accrued from boats moored in Breydon Water and the Lower Bure, although the likely amount is not known at this stage.
  - The Great Yarmouth Port Company has made a one off payment of £50,000 to the Authority for Breydon Water and the Lower Bure.

Against this additional costs will need to be incurred in the management of Breydon Water and the Lower Bure, as reported to the Broads Authority in January.

- 2.3 The Business Plan was predicated on the basis of a 4% per annum increase in tolls for 2013/14 and 2014/15. The current level of reserves and projected income and expenditure figures suggest that a lower toll increase in one or both of these years may be more consistent with these projections, and, depending on the level of toll increase, there is likely to be potential for additional expenditure of approximately £500,000 (£325,000 National Park/ £175,000 Navigation on the assumption that the Authority proceeds with the development of the new workshop at the Dockyard) during this period.
- 2.4 The outlook for the rest of this Spending Review term, and indeed the next ten years, is for Departmental budgets to continue to fall and there must therefore be the potential for Defra to make further reductions in National Park Grant.
- 2.5 From a purely financial point of view it would be preferable to identify one off or time limited expenditure which does not have any ongoing revenue implications, and so much of this expenditure is likely to be of a capital nature. Many of the potential projects identified will have a long lead in time before they can be implemented, but given a relatively early decision in 2012, preliminary work could be undertaken with a view to the projects being delivered during 2013/14 or 2014/15.

### **3 Suggested Criteria for Identifying Additional Expenditure**

- 3.1 The following five criteria are suggested for consideration to provide the means for identifying/prioritising additional expenditure options:

- (i) Implementation of the Adopted Broads Plan
- (ii) Implementation of Existing and Emerging Strategies
- (iii) Taking Account of the Wider Economic, Social and Environmental Environment
- (iv) Investing to Save in the Future
- (v) Capacity of the Organisation.

(i) **Implementation of the Adopted Broads Plan**

The Authority adopted a new 'national park' management plan – The Broads Plan – for the area last year after extensive consultation with partners and stakeholders and this should provide the focus for the Authority's delivery. Therefore any additional expenditure should fit into the priorities identified under the three key themes:

- Planning for the long-term future of the Broads in response to climate change and sea level rise
- Working in partnership on the sustainable management of the Broads
- Encouraging the sustainable use and enjoyment of the Broads

**National Park Status**

An important objective in the Broads Plan is the commitment to seek national park status and following the NPAPA Review the Authority has resolved to make a start on this process later in the year – once this

year's reviews of tolls and community engagement and consultative arrangements are out of the way. Key to taking it forward will be a programme of engagement with key stakeholders and interested parties and finance, the amount of which is currently unknown, to engage an external facilitator to devise and facilitate the process. In addition it may prove useful to carry out some market research to establish the views of the general public.

(ii). **Implementation of Existing and Emerging Strategies**

The Broads Plan is supported by a range of other specific strategies which the Authority is in the course of implementing – on areas such as Biodiversity, Sediment Management, Education, Communications etc.

*Sustainable Tourism Strategy*

In recent years the Authority has worked closely with the local tourism industry pushing the bounds to promote the Broads and what it has to offer. It has recently been reaccredited under the European Charter for Sustainable Tourism and praised in the National Park Authorities Performance Assessment. The STEP (Sustainable Tourism in Estuarine Parks) funding has given a further fillip to this activity. However, because of the scale of reduction in national park funding (this activity has been funded from that side of the Authority's expenditure) a second minor round of cuts in expenditure and staff to take place in April 2013 has been agreed by members. One of those elements was tourism activity. This involves on-going revenue expenditure (£60,000 per annum).

*Communications Strategy*

The visibility of the Broads and an awareness of where it starts and stops has been raised by members in the past. Most of the national parks have boundary signs and it is a live issue in the South Downs. It may be worth investigating – even with the rather strange boundary in the Broads, whether it is something we should be pursuing. A recent letter from a member of the public suggested that signs at either end of the Acle Straight highlighting the entry to the Broads could be a used to deliver a safety message for drivers (£20,000).

*Mills Strategy*

Working with owners the Authority has made good progress in the restoration of listed buildings and reducing the number on the Buildings at Risk Register. Many of those left are the mills which form such a key part of the Broadland landscape. Norfolk County Council has reduced its funding for the Norfolk Mills and Pumps Trust and progress in the maintenance and restoration of these structures has faltered. The Authority is developing a Mills Strategy and Action Plan and one option for the use of the funding is a grant scheme to support their restoration or matching funding for a bid to the Heritage Lottery for resources, (£50/100,000).

### *Sediment Management Strategy*

- a) Dredging and Modelling of Breydon Water - In the recent reports on the transfer of Breydon Water the need to model sediment transport in the area to understand the system and the role of the Turntide Jetty has been identified (£60,000).
- b) The Authority's existing Sediment Management Strategy identifies that 80,000 m<sup>3</sup> of mud needs to be removed from Breydon Water and the Lower Bure for it to conform with the Authority's Waterways Specifications, although a hydrographic survey is planned for this year to reassess the current situation. Approximately 50% of this material will need to be removed by an external contractor and the Authority has been exploring with the Great Yarmouth Port Company the scope for timing the work to fit in with dredging in the Port and thereby jointly saving on mobilisation costs. Early 2013 may be a possible option for this cooperation, (£200,000).
- c) Quay Heading for Offloading Point in the Upper Thurne - £30,000. As a result of the incremental changes around the system from boatyard redevelopments, changes to flood defences and changes in land owners there are fewer opportunities to load heavy equipment. This has been a particular issue in the Upper Thurne when mobilising to carry out the Duck Broad project, and where the low bridge at Potter Heigham creates an obstruction to equipment being brought in by river. A strategically positioned, suitably engineered quay heading with road access would provide a secure location from which loading and unloading could be achieved to ensure works can be completed efficiently in future. The Navigation Committee suggested that this could also be used as a mooring, although it would be subject to agreement of the landowner.

### *Moorings Strategy*

Demasting Moorings - The results from the survey of boat owners and other anecdotal evidence indicates that the availability of moorings is becoming a significant issue for the enjoyment of boating on the Broads by both visitors and private owners. Providing new 24 hour moorings takes time, requiring a willing landowner and resources to provide the necessary facilities. The Moorings Strategy is being updated but in the meantime it would be possible to provide demasting moorings at Acle Bridge (£15,000) and Breydon (£40,000 for approx 50 metres), the latter supported in the responses to the Boat Owners Survey.

### *Port Marine Safety Code*

Replacement channel markers at Barton Broad (£10,000).

#### *New Integrated Access Strategy*

Good progress is being made on developing a comprehensive access strategy and this is likely to throw up new opportunities to improve slipway, moorings and footpath provision as well as opportunities to improve recreational access for anglers and canoeists, such as the Geldeston Shipmeadow project (60,000).

#### (iii). **Taking Account of the Wider Economic, Social and Environmental Environment**

Although a small player the Broads Authority should take account of the bigger changes that are happening around, concerns about the impact of the current recession and crisis in the Euro area, worries about growing obesity in the population and rising employment among young people.

#### *Training Programme for Young People*

The Authority has had significant success and experience in the delivery of programmes to help young people gain experience to help them into work. From being a contractor for Government programmes to the more recent HLF Bursary Project and the SDF funded assistance for persistent offenders the nature of the Authority's activities and the skills of its staff are well suited to this sort of activity.

#### *Re-Alignment of Tolls*

The economic environment for both commercial and private boat owners is difficult and rather than using the surplus on the navigation expenditure to fund additional work or the purchase of equipment some, or all of it, could be employed to reduce the level of navigation charges. If a see saw effect is to be avoided this would reduce the overall income base and future income. At the recent workshop the principle of reducing the charges for smaller boats was supported and officers will be working up proposals over the next few weeks for the working group to consider. Again some of, or the entire surplus, could be used to help make the adjustments agreed.

#### *Sustainable Development Fund*

The funding allocation for the Sustainable Development Fund was reduced from £200,000 to £150,000. The previous amount could be reinstated for the next two years.

#### (iv). **Investing to Save in the Future**

With the prospect of further reductions in National Park Grant in the future purchasing equipment or investing in new technology to either increase efficiency or decrease costs is a sensible strategy.

#### *Purchase of Vehicles*

The Authority has changed its policy with respect to vehicles and has been purchasing them rather than leasing. Over the lifetime of each vehicle the savings are significant (over £7,000 per vehicle). One option

is to purchase three more new vehicles (lease replacements) for the Construction and Maintenance and Ranger Teams (£50,000).

#### *Repayment of Loan from Public Works Loan Board*

One option is to repay the outstanding loan of £224,750 borrowed to purchase the Dockyard site from May Gurney and the two modern mud wherries. A premium of around £52,500 would be payable for early repayment which may make this uneconomic. On the other hand it would reduce the ongoing revenue charge on navigation expenditure by approximately £30,000 per year. This option is likely to become more attractive once the capital has reduced further.

(v). **Capacity of the Organisation**

In the face of the very significant reductions in National Park Grant announced as part of the SR the Authority reduced its staff resource from approximately 170 to 130. This has reduced its capacity in some areas and members need to be aware of the limitations of the resource at our disposal. So there will be some projects which, if members wish to pursue them, will need to involve the recruitment of temporary staff to allow them to be delivered.

#### *Staff Capacity*

A second smaller round of staff cuts has been identified for April 2013 which includes the reduction in the sustainable tourism post (mentioned in Section (ii) above), the loss of a further post from the Communications Team, a reduction in the IT staff of one and a reduction in hours in the HR Team. Much of the Authority's work is delivered through its staff and increases across the organisation would help in the delivery of key projects. With the savings anticipated in rent and facilities management for the new office there is the option not to pursue this further round of cuts for the next two years.

#### *Two Seasonal Rangers*

There is an opportunity to continue to employ an additional two Seasonal Rangers (as is established for the 2012 season) to respond to the priorities identified in the Boat Owners Survey, (£30,500).

#### *Purchase of Equipment*

When the May Gurney dredging operation was brought in-house there was a commitment to invest in new equipment to replace the aging cranes, mud wherries and other equipment. There are a number of other items of equipment that could be purchased to support the practical work of the Authority. These include:

- (i) a replacement weed harvester for the current model which is now over ten years old (£150,000);
- (ii) a second mud wherry (a new design wherry is currently under construction and part funded by PRISMA - £100,000);

- (iii) replacement of unifloat pontoons (£80,000);
- (iv) a new launch suitable for year round patrolling of Breydon (£120,000). £50,000 of the costs for the launch can be covered from the Launch Replacement Fund. Therefore up to £70,000 would be required;
- (v) Truxor amphibious machine for water body restoration projects £30,000;
- (vi) second hand 13 ton excavator to support our land based management activities (£28,000); and
- (vii) replacement outboard engines for the conservation of work boats (£10,000).

#### **4 Flagship Projects**

4.1 Members have previously identified their wish to see the development of a flagship project on the lines of the dredging of Barton Broad. These take time to develop and will often carry a higher level of risk.

##### *4.2 Hoveton Great Broad/Hudsons Bay*

Natural England, supported by the Broads Authority, has commissioned a study investigating the potential benefits and feasibility of dredging Hoveton Great Broad and Hudsons Bay. The findings of the report showed that there appeared to be no significant reasons (other than the cost) why sediment removal could not be carried out. While the report had met its aim of assessing the likely success and practicalities of sediment removal for conservation benefit, a number of other issues would need to be considered before deciding to proceed. The scale of the costs are large, £1.426 million for dredging Hoveton Great Broad and £232,000 for the smaller Hudsons Bay. A considerable amount of additional work is necessary, including engagement with the landowner and a range of stakeholders to develop a management plan and achieve necessary consents as well as resolving technical issues and finding the necessary finance before such a project could proceed. The Authority could use some of its resources to pursue this – perhaps recruiting additional staff or contracting with consultants to develop the plans further.

##### *4.3 Whitlingham Education Centre and Toilets*

The Arminghall Trust (Colman family) has funded an architectural competition to develop a new Master Plan for Whitlingham Country Park. The Whitlingham Trust and the Broads Authority have been supporting this process and on 3 July three shortlisted architects gave presentations to an invited audience. The plans include provision for public toilets and improved facilities for education at the site. The likely costs are in the order of £1.25 million and the Authority could use some of its resources to kick start the project.



#### 4.4 *Upgrading Great Yarmouth Yacht Station*

In line with the concept of visitor hubs the Authority has been working with Great Yarmouth Borough Council to identify potential improvements to the building owned by the Council at the Yarmouth Yacht Station. Plans have been drawn up which if implemented would improve the facilities for visitors and staff at a cost of around £20,000.

#### 4.5 *How Hill Toilets*

While not on the same scale of the above there is an opportunity to work with the How Hill Trust to replace the public toilets which are not only used by visitors to the House and the site generally but also by our staff working at Toad Hole Cottage and on the National Nature Reserve. The total cost is estimated to be in the region of £20,000 and the Authority could make a contribution to the funding.

### **5 Consultation and Timescale**

5.1 The Navigation Committee was consulted on a list of potential navigation expenditure at its meeting on 7 June, and while a case could be made for all the items on the list, there was particular support from the Committee for new demasting moorings, the retention of two additional Seasonal Rangers, a quay heading for an offloading point, and the acquisition of a new launch for Breydon Water.

5.2 A workshop is being held to get a steer from Broads Authority Members on Thursday 12 July and the views of the Broads Forum will be sought at its meeting on Thursday 19 July. Officers will then prepare the business plan and accompanying report for the September meeting of the Authority.