

**Consolidated Income and Expenditure:  
1 April to 30 November 2014 Actual and 2014/15 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 2014, and provides a forecast of the projected expenditure at the end of the financial year (31 March 2015).

**Recommendation:** That the report be noted.

## **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 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 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 2014

	<b>Profiled Latest Available Budget</b>	<b>Actual Income and Expenditure</b>	<b>Actual Variance</b>
Income	(5,385,861)	(5,370,732)	(15,129)
Operations	1,905,174	2,044,582	(139,408)
Planning and Resources	2,030,326	1,813,722	216,604
Chief Executive	271,026	269,047	1,979
Projects, Corporate Items and Contributions from Earmarked Reserves	0	(98,247)	98,247
<b>Net (Surplus) / Deficit</b>	<b>(1,179,335)</b>	<b>(1,341,628)</b>	<b>162,293</b>

- 2.2 Core income is slightly behind the profiled budget as at the end of month eight, due to Private Tolls being significantly ahead of profile, but offset by Hire Tolls which are behind profile. At the end of the financial year it is currently anticipated that the net position on Tolls will be broadly in line with the total budget (with Private Tolls up and Hire Tolls down), and this position has been reflected in forecast outturn figures.
- 2.3 A net £98,247 of expenditure has been funded from reserves at the end of November, including the Authority's new Fen Harvester, the second replacement wherry, the Planning Inspectorate Site Specific Policy inspection activity, works to Mutford Lock, 2013/14 SDF grant payments, PRISMA works and the proceeds from the sale of the Thurne launch. Once this expenditure has been accounted for, the Operations revenue budget has moved into an overspend position when compared to the profiled budget. There is in particular now an overspend of approximately £48,000 in the Equipment, Vehicles and Vessels budget due mainly to timing differences in repairs and maintenance expenditure. A replacement pool vehicle for Construction and Maintenance, budgeted for in July, has been received in September. Excluding the use of reserves for the purchase of the Fen Harvester, there is an overspend of approximately £7,000 in Land Management at this point which is also due to timing differences.
- 2.4 However the underspend within Planning and Resources persist due to:
- Project expenditure behind profile, including within the main project budget and also Biodiversity Strategy. Some of these will relate to timing differences;
  - The cancellation of the Whitlingham development project;
  - An underspend within Finance budgets in respect of reduced insurance billing and the £10,000 contribution to joint National Park sponsorship work which has not yet been made;
  - Outstanding insurance and legal billing; and

- Significant success in securing additional income including planning fee income, strategy and projects grant and partnership income, and additional Visitor Centre / Yacht Station income.

2.5 Some of these variances will persist to the end of the year and have been reflected in forecast outturns as set out in Table 3. As a result of the above variances, the overall position as at 30 November 2014 is a favourable variance of £162,293 or 13.76% difference from the profiled LAB.

2.6 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 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. 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 Changes to the original consolidated budget for the year are set out in Table 2 below.

Table 2 – Adjustments to Consolidated LAB

	<b>Ref</b>	<b>£</b>
Original budget 2014/15 – deficit	21/03/14 Item 17 (BA)	15,495
Approved budget carry-forwards	11/07/14 Item 14 (BA)	94,237
Additional budget approved in-year for Stakeholder surveys	11/07/14 Item 13 (BA)	37,355
Additional budget approved in-year for National Park sponsorship work	11/07/14 Item 18 (BA)	10,000
<b>LAB at 30 November 2014 – deficit</b>		<b>157,087</b>

3.4 Taking account of the budget adjustments, the LAB therefore provides for a consolidated deficit of £157,087 in 2014/15 as at 30 November 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 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 2014, the forecast outturn indicates:
- Income is expected to be broadly in line with budget, with total forecast income of £6,230,307.
  - Total expenditure is forecast to be £6,341,290.
  - The resulting deficit for the year is forecast to be £110,984.
- 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 changes shown in Table 3. The forecast outturn anticipates a lower deficit than the £157,087 allowed for in the LAB.

Table 3 – Adjustments to Forecast Outturn

Item	£
<b>Forecast outturn deficit reported to Financial Scrutiny and Audit Committee 23 September 2014</b>	<b>91,350</b>
Adjustments reported to Broads Authority 21 November 2014	44,462
Adjustments reported to Broads Authority 23 January 2015	(12,484)
Increase forecast Hire Craft Toll income	(559)
Decrease forecast Private Craft Toll income	4,213
Increase forecast expenditure for NPS asset management costs	7,000
Decrease forecast expenditure to reflect actual Insurance costs	(15,000)
Decrease forecast expenditure to reflect new photocopying contract	(8,000)
<b>Forecast outturn deficit as at 30 November 2014</b>	<b>110,984</b>

## 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 earmarked reserves at the end of November 2014 is shown in Table 4 below.

**Table 4 – Consolidated Earmarked Reserves**

	<b>Balance at 1 April 2014</b>	<b>In-year movements</b>	<b>Current reserve balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Property	(568,100)	(8,567)	(576,667)
Plant, Vessels and Equipment	(217,282)	6,035	(211,247)
Premises	(138,723)	(15,000)	(153,723)
Planning Delivery Grant	(454,172)	87,673	(366,499)
Sustainable Development Fund	(65,664)	28,040	(37,624)
Mobile Phone Upgrade	(7,567)	3,190	(4,377)
Upper Thurne Enhancement	(81,768)	9,847	(71,921)
Section 106	(12,069)	(24,464)	(36,533)
PRISMA	(244,954)	167,147	(77,807)
<b>Total</b>	<b>(1,790,299)</b>	<b>253,901</b>	<b>(1,536,398)</b>

5.2 £828,549 of the current reserve balance relates to navigation reserves.

5.3 The STEP reserve has been closed following the end of the project. Members will note that there is currently a debit balance within the PRISMA reserve. This relates to an outstanding claim amount.

## **6 Summary**

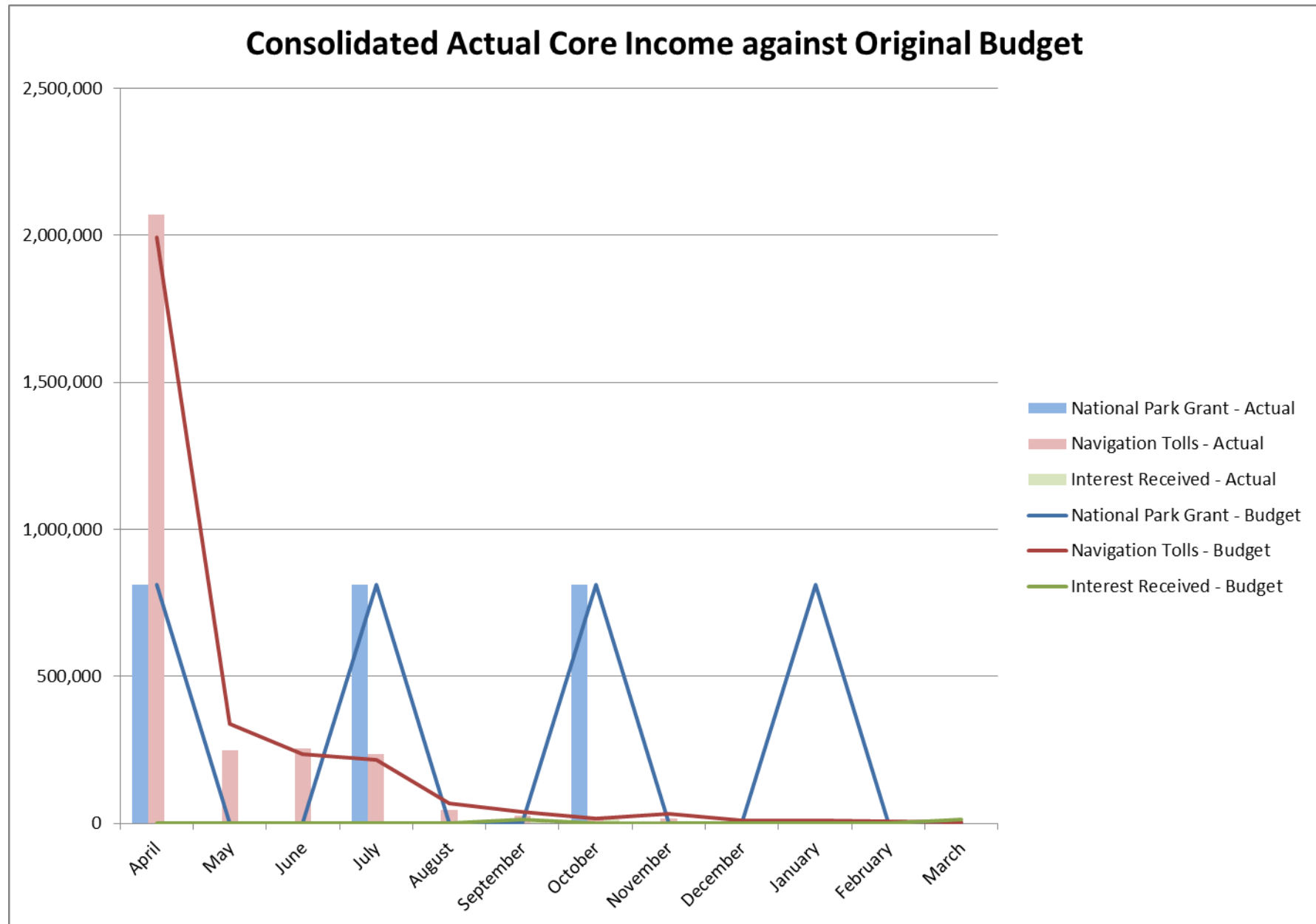
6.1 The current forecast outturn position for the year suggests a deficit of £91,977 for the national park side and a deficit of £19,006 on navigation resulting in an overall deficit of £110,984 within the consolidated budget, which would indicate a general fund reserve balance of approximately £707,000 and a navigation reserve balance of approximately £271,000 at the end of 2014/15. This will mean that the navigation reserve will fall slightly below the recommended level of 10% of net expenditure during 2014/15. The impact of both the national park and navigation reserve balances have been taken into account when preparing the budget and medium term financial strategy.

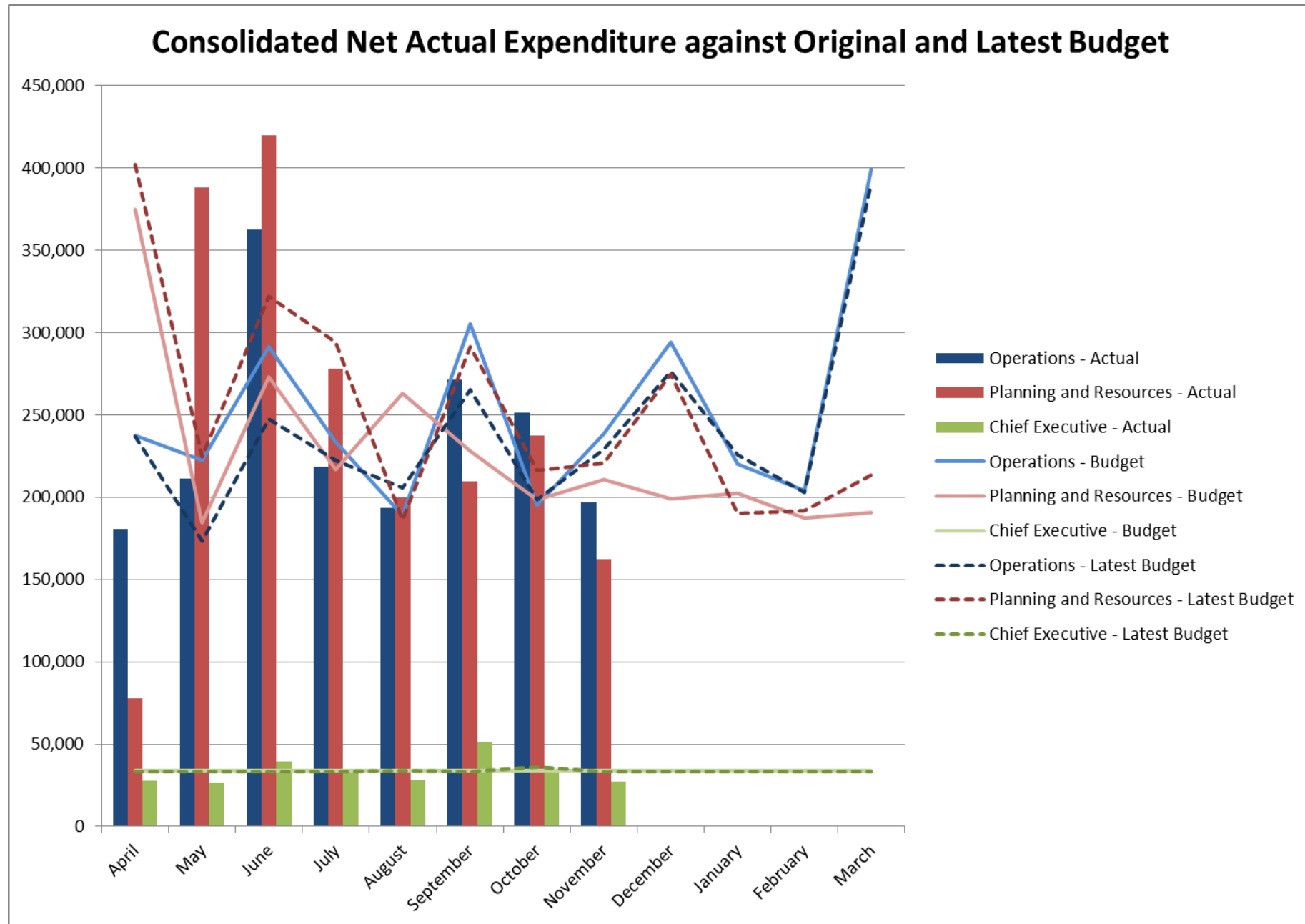
Background papers: None

Author: Emma Krelle  
Date of report: 27 January 2015  
Broads Plan Objectives: None

Appendices: APPENDIX 1 – Consolidated Actual Income and Expenditure Charts to 30 November 2014

APPENDIX 2: Financial Monitor: Consolidated Income and Expenditure 2014/15





To 30 November 2014

Budget Holder

(All)

Values					
Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Income	(6,242,264)		(6,242,264)	(6,230,307)	(11,958)
National Park Grant	(3,245,393)		(3,245,393)	(3,245,393)	0
Income	(3,245,393)		(3,245,393)	(3,245,393)	0
Hire Craft Tolls	(1,118,300)		(1,118,300)	(1,072,855)	(45,445)
Income	(1,118,300)		(1,118,300)	(1,072,855)	(45,445)
Private Craft Tolls	(1,792,100)		(1,792,100)	(1,833,587)	41,487
Income	(1,792,100)		(1,792,100)	(1,833,587)	41,487
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	(30,000)		(30,000)	(22,000)	(8,000)
Income	(30,000)		(30,000)	(22,000)	(8,000)
Operations	3,030,715	30,113	3,060,828	3,099,418	(38,590)
Construction and Maintenance Salaries	1,074,770		1,074,770	1,065,359	9,411
Salaries	1,074,770		1,074,770	1,065,359	9,411
Expenditure			0		0
Equipment, Vehicles & Vessels	405,000	(17,450)	387,550	387,550	0
Income			0		0
Expenditure	405,000	(17,450)	387,550	387,550	0
Water Management	67,500	14,350	81,850	80,535	1,315
Income	0		0	(1,315)	1,315
Expenditure	67,500	14,350	81,850	81,850	0
Land Management	(41,000)	14,850	(26,150)	(36,650)	10,500



Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Income	(90,000)		(90,000)	(100,500)	10,500
Expenditure	49,000	14,850	63,850	63,850	0
Practical Maintenance	339,035	7,170	346,205	346,527	(322)
Income	(7,000)		(7,000)	(8,700)	1,700
Expenditure	346,035	7,170	353,205	355,227	(2,022)
Ranger Services	663,010		663,010	696,340	(33,330)
Income	(35,000)		(35,000)	(35,000)	0
Salaries	580,010		580,010	613,340	(33,330)
Expenditure	118,000		118,000	118,000	0
Pension Payments			0		0
Safety	76,900		76,900	76,542	358
Income	(9,000)		(9,000)	(9,000)	0
Salaries	51,900		51,900	51,542	358
Expenditure	34,000		34,000	34,000	0
Asset Management	104,650		104,650	123,912	(19,262)
Income	(1,000)		(1,000)	(1,000)	0
Salaries	37,900		37,900	37,662	238
Expenditure	67,750		67,750	87,250	(19,500)
Volunteers	61,340		61,340	61,373	(33)
Income	(1,000)		(1,000)	(1,000)	0
Salaries	42,340		42,340	42,373	(33)
Expenditure	20,000		20,000	20,000	0
Premises	151,970	11,193	163,163	171,030	(7,867)
Income	(11,200)		(11,200)	(3,333)	(7,867)
Expenditure	163,170	11,193	174,363	174,363	0
Operations Management and Administration	127,540		127,540	126,900	640
Income			0		0
Salaries	115,040		115,040	114,400	640
Expenditure	12,500		12,500	12,500	0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Planning and Resources	2,729,004	111,479	2,840,484	2,715,550	124,934
Development Management	224,910		224,910	221,499	3,411
Income	(60,000)		(60,000)	(60,000)	0
Salaries	259,910		259,910	255,699	4,211
Expenditure	25,000		25,000	25,800	(800)
Pension Payments			0		0
Strategy and Projects Salaries	231,575	8,546	240,121	209,837	30,284
Income	(27,500)		(27,500)	(39,000)	11,500
Salaries	249,075	8,546	257,621	238,837	18,784
Expenditure	10,000		10,000	10,000	0
Biodiversity Strategy	35,000	42,298	77,298	77,298	0
Income			0		0
Expenditure	35,000	42,298	77,298	77,298	0
Strategy and Projects	84,900	2,020	86,920	86,453	467
Income			0		0
Salaries	44,900		44,900	44,433	467
Expenditure	40,000	2,020	42,020	42,020	0
Waterways and Recreation Strategy	84,920		84,920	78,618	6,302
Salaries	69,920		69,920	63,618	6,302
Expenditure	15,000		15,000	15,000	0
Project Funding	101,780	46,615	148,395	148,023	372
Income	(19,000)		(19,000)	(19,000)	0
Salaries	41,780		41,780	41,408	372
Expenditure	79,000	46,615	125,615	125,615	0
Pension Payments			0		0
Partnerships / HLF	50,000		50,000	0	50,000
Expenditure	50,000		50,000	0	50,000
SDF	12,000		12,000	12,000	0
Expenditure	12,000		12,000	12,000	0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Finance and Insurance	336,569	10,000	346,569	327,632	18,937
Income			0		0
Salaries	133,970		133,970	130,033	3,937
Expenditure	202,599	10,000	212,599	197,599	15,000
Communications	316,260		316,260	318,598	(2,338)
Income			0		0
Salaries	241,260		241,260	243,598	(2,338)
Expenditure	75,000		75,000	75,000	0
Visitor Centres and Yacht Stations	235,660	2,000	237,660	222,236	15,424
Income	(213,000)		(213,000)	(213,000)	0
Salaries	317,660		317,660	302,236	15,424
Expenditure	131,000	2,000	133,000	133,000	0
Collection of Tolls	113,660		113,660	113,192	468
Salaries	100,960		100,960	100,492	468
Expenditure	12,700		12,700	12,700	0
ICT	267,820		267,820	272,142	(4,322)
Income			0		0
Salaries	127,120		127,120	131,442	(4,322)
Expenditure	140,700		140,700	140,700	0
Legal	120,000		120,000	120,000	0
Income			0		0
Expenditure	120,000		120,000	120,000	0
Premises - Head Office	240,000		240,000	240,000	0
Expenditure	240,000		240,000	240,000	0
Planning and Resources Management and Administration	273,950		273,950	268,021	5,929
Income			0		0
Salaries	146,750		146,750	148,821	(2,071)
Expenditure	127,200		127,200	119,200	8,000
Chief Executive	405,040		405,040	433,210	(28,170)

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Human Resources	133,140		133,140	158,206	(25,066)
Salaries	73,140		73,140	98,206	(25,066)
Expenditure	60,000		60,000	60,000	0
Governance	170,410		170,410	165,659	4,751
Income			0		0
Salaries	109,210		109,210	104,459	4,751
Expenditure	61,200		61,200	61,200	0
Chief Executive	101,490		101,490	102,233	(743)
Salaries	101,490		101,490	102,233	(743)
Expenditure			0		0
Legal	0		0	7,112	(7,112)
Salaries	0		0	7,112	(7,112)
Projects and Corporate Items	93,000		93,000	93,113	(113)
PRISMA	0		0	113	(113)
Income			0		0
Salaries	10,410		10,410	10,523	(113)
Expenditure	(10,410)		(10,410)	(10,410)	0
STEP			0		0
Expenditure			0		0
Corporate Items	93,000		93,000	93,000	0
Pension Payments	93,000		93,000	93,000	0
Contributions from Earmarked Reserves			0		0
Earmarked Reserves			0		0
Expenditure			0		0
<b>Grand Total</b>	<b>15,495</b>	<b>141,592</b>	<b>157,087</b>	<b>110,984</b>	<b>46,103</b>