

Navigation Committee

11 April 2024

Agenda item number 10

Income and expenditure

Report by Director of Finance

Purpose

To present the actual Navigation income and expenditure for the eleven-month period to 29 February 2024, and provide a forecast of the projected expenditure at the end of the financial year (31 March 2024).

Contents

1.	Introduction	2
2.	Overview of actual income and expenditure	2
3.	Latest Available Budget	3
4.	Overview of forecast outturn 2023/24	4
5.	Reserves	5
6.	Conclusion	5
	Appendix 1 – Navigation actual income and expenditure charts to 29 February 2024	7
	Appendix 2 – Financial monitor: Navigation income and expenditure 2023/24	9

1. Introduction

1.1. This report gives a summary of the navigation income and expenditure up until 29 February, 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 income and expenditure by Directorate to 29 February 2024

Directorate	Profiled Latest Available Budget £	Actual income and expenditure £	Actual variance £
Income	(4,315,558)	(4,308,503)	- 7,055
Operations	3,028,532	2,727,825	+ 300,707
Strategic Services	364,243	408,903	- 44,660
Finance & Support Services	930,812	953,450	- 22,638
Projects, Corporate Items and Contributions from Earmarked Reserves	(313,202)	(177,163)	- 136,039
Net (Surplus) / Deficit	(305,173)	(395,488)	+ 90,315

2.1. Core Navigation income is below the profiled budget at the end of month eleven. The overall position as at 29 February 2024 is a favourable variance of £90,315 or a 29.59% difference from the profiled LAB. This is principally due to:

- An overall adverse variance of £7,055 within income:
 - Hire craft is £8,307 below the profiled budget.
 - Private craft is £71,541 below the profiled budget.
 - Short visit and other toll income is £6,485 above the profiled budget.
 - Investment income is £66,308 above the profiled budget.
- An underspend within Operations relating to:
 - Equipment, Vehicle and Vessels is under the profiled budget by £19,024 due to additional income being received following sale of the vehicle replacements.

- Practical Maintenance is under the profiled budget by £197,557 due to high water levels at moorings and is likely to remain unspent at year end. This will either result in a carry forward request or the balance being transferred to the earmarked reserves as previously agreed by the Broads Authority.
- Ranger Services is under the profiled budget by £22,451 due to an underspend in the salaries budget.
- Premises is under the profiled budget by £60,369 due to delays in expenditure at the Dockyard. There have been delays in the structural engineering report required for the installation of solar panels on the workshop and this is likely to result in a carry forward request at year end.
- An overspend within Strategic Services relating to:
 - Visitor Centres and Yacht stations is above the profiled budget by £54,043 due to a decrease in mooring income being less than budgeted and the lease at Reedham Quay not being finalised so charging this season could not commence.
- An overspend within Finance and Support Services relating to:
 - Legal is over the profiled budget by £35,018 due to increased costs for Reedham Quay, Monitoring Officer recharges and increased prosecution costs.
 - ICT is under the profiled budget by £20,774 due to delays in the tolls system. This has been transferred to 2024/25 when the preferred supplier will carry out the initial upgrade to the cloud.
 - Premises Head Office is over the profiled budget by £20,481 due to the delays in the new lease being agreed.
- An adverse variance within reserves relating to:
 - Premises is under the profiled budget due to transferring the repiling work at the Dockyard to 2025/26.
 - Plant, Vessels and Equipment is under the profiled budget due to the vehicle replacements and sale income from the old vehicles coming in under budget.
 - Computer software is under the profiled budget due to delays in the toll system replacement project. This has been transferred to 2024/25 now a preferred supplier has been selected for the initial upgrade to the cloud.

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 2023/24. 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 in Appendix 2.

Table 2

Adjustments to Navigation LAB

Item	Authorisation reference	Amount £
Original navigation budget 2023/24 – deficit	Broads Authority 20/01/23 Agenda item number 11	55,320
Virement for health surveillance	Director approval	579
LAB as at 29 February 2024	n/a	55,899

3.2. The LAB therefore provides for a navigation deficit of £55,899 in 2023/24 as at 29 February 2024.

4. Overview of forecast outturn 2023/24

4.1. Budget holders have been asked to comment on the expected income and expenditure at the end of the financial year in respect of all budget lines for which they are responsible.

4.2. As at the end of February 2024, the forecast that:

- The total forecast income is £4,329,859.
- Total expenditure is forecast to be £4,446,603.
- The resulting deficit for the year is forecast to be £116,744.

4.3. The forecast outturn reflects the following changes from the LAB as shown in Table 3. The forecast deficit represents an adverse variance of £60,845 against the LAB.

Table 3

Adjustments to Forecast Outturn

Item	Amount £
Forecast outturn deficit per LAB	55,899
Previously reported 11/01/24	57,465
Increase to Hire craft tolls	(1,912)
Increase to Private craft tolls	(3,051)
Increase to Other Toll Income (Mutford Lock)	(4,862)
Increase to Investment income	(5,000)

Item	Amount £
Increase to staff recharges for external funded grants	(1,795)
Increase to Legal expenditure	20,000
Forecast outturn deficit as at 29 February 2024	116,744

5. Reserves

Table 4

Navigation Earmarked Reserves

Reserve name	Balance at 1 April 2023 £	In-year movements £	Current reserve balance £
Property	(514,394)	(26,962)	(541,356)
Plant, Vessels and Equipment	(482,307)	38,908	(443,399)
Premises	(164,294)	(19,996)	(184,290)
CANAPE	(231,693)	9,764	(221,929)
Computer Software	(110,605)	(9,600)	(120,205)
Total	(1,503,293)	(7,886)	(1,511,179)

- 5.1. As in previous years, the Authority's contributions to the reserves have all been made in full at the end of quarter one. This has resulted in some of the reserves showing increased balances.
- 5.2. The Property Reserve contains the income from the land rental at Oulton Broad. Items funded from the Plant, Vessels and Equipment reserve includes three replacement vehicles, a new crane and the sale proceeds from the vehicle replacements. The Premises reserve has funded the deposit for solar panels at the Dockyard, planning fee, design work on the Dockyard piling project, deposit for the replacement hut at Reedham Quay and the electric works. The CANAPE reserve contains the income and expenditure relating to those projects.

6. Conclusion

- 6.1. The forecast outturn position for the year suggests a deficit within the Navigation budget, which would result in a Navigation Reserve balance of approximately £467,000 at the end of 2023/24 (before any year-end adjustments). This would mean the Navigation Reserve would be marginally above the recommended 10% at 10.5%. Year-end transfers of interest to the earmarked reserves and the closure of the CANAPE reserve mean it will rise to approximately 11.5%. This will be highly dependent on the level of interest received.

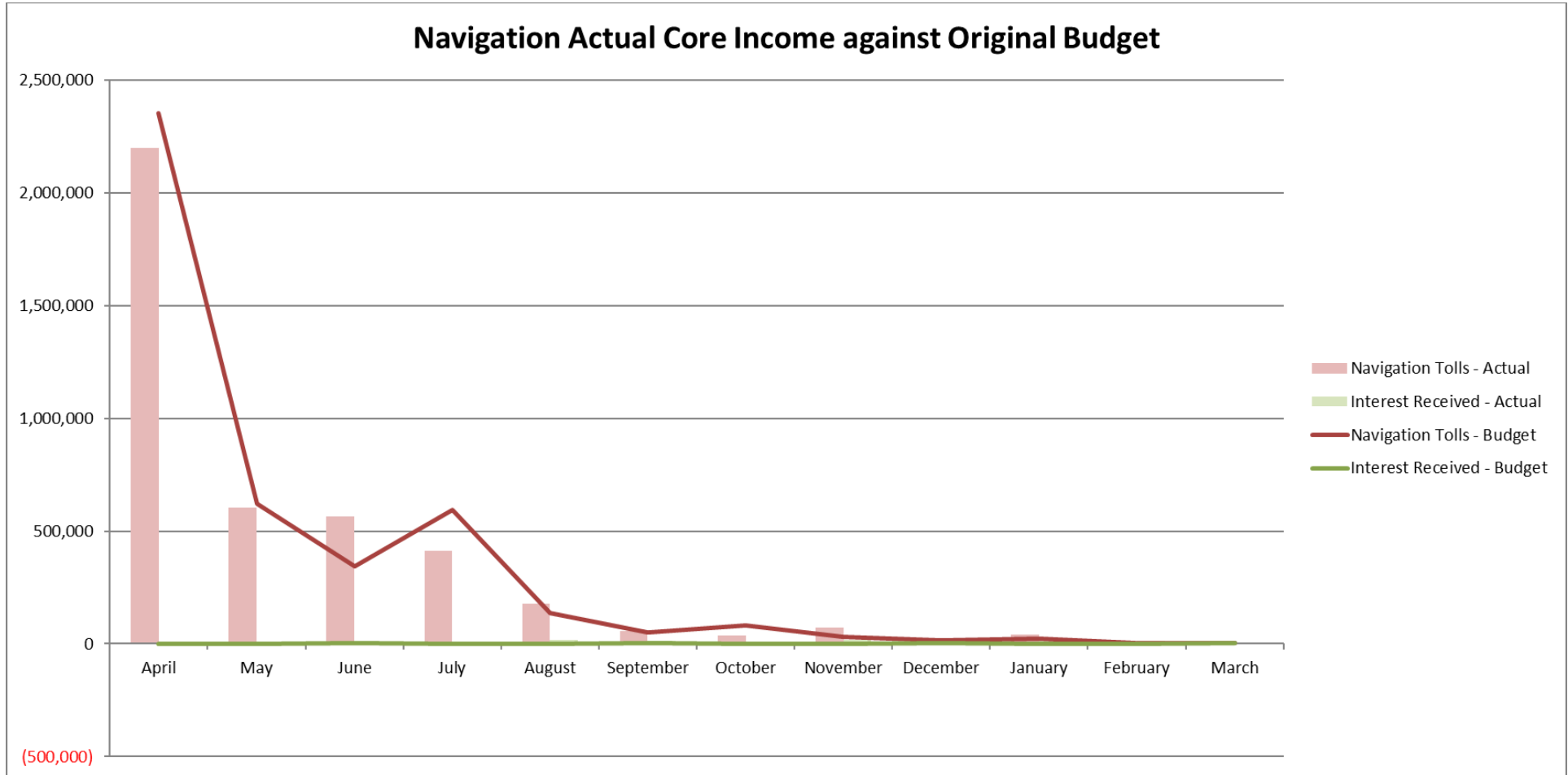
Author: Emma Krelle

Date of report: 21 March 2024

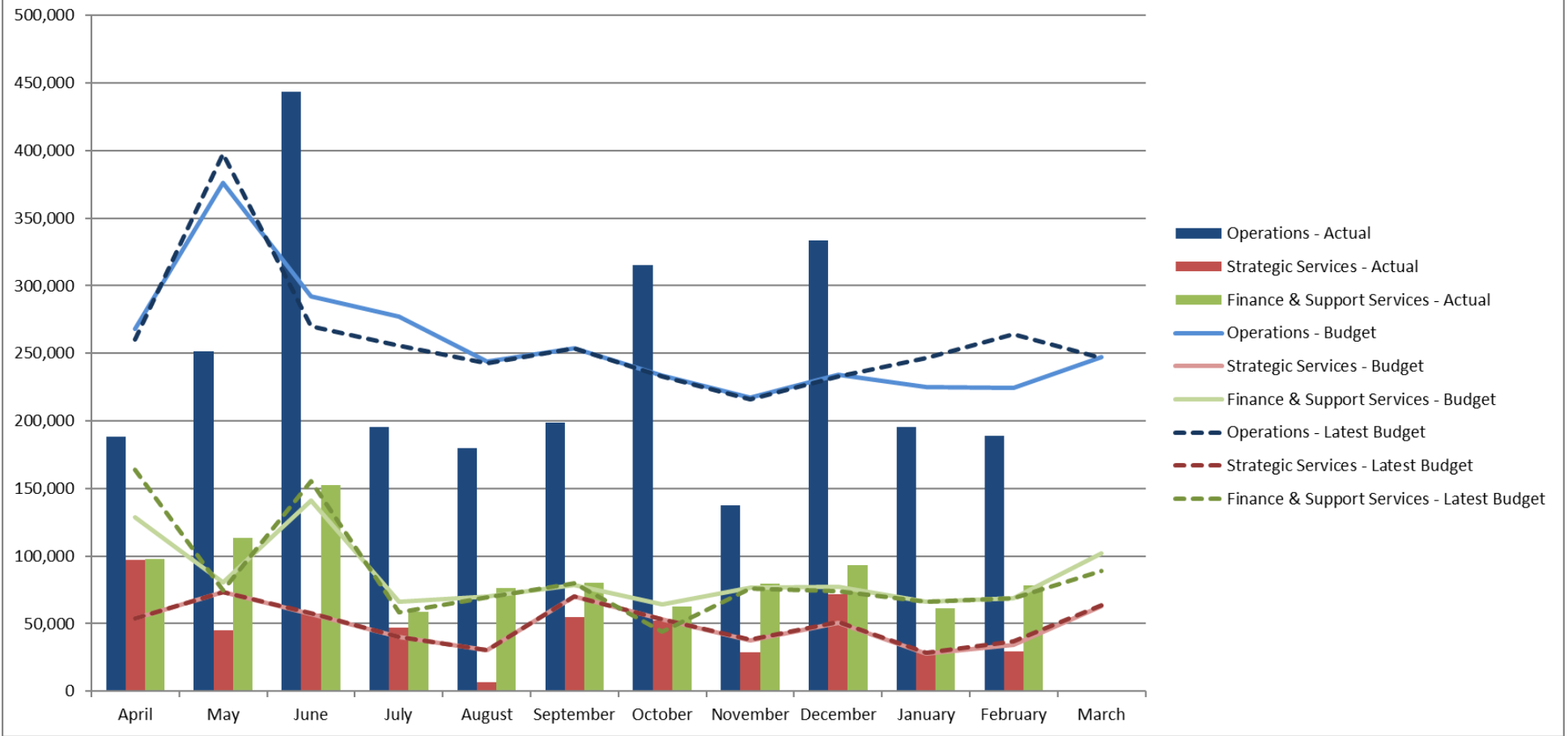
Appendix 1 – Navigation actual income and expenditure charts to 29 February 2024

Appendix 2 – Financial monitor: Navigation income and expenditure 2023/24

Appendix 1 – Navigation actual income and expenditure charts to 29 February 2024



Navigation Net Actual Expenditure against Original and Latest Budget



Appendix 2 – Financial monitor: Navigation income and expenditure 2023/24

Table 1

Income

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Total Income	(4,327,110)	0	(4,327,110)	(4,329,859)	+ 2,749
National Park Grant	0	0	0	0	+ 0
Hire Craft Tolls	(1,333,000)	0	(1,333,000)	(1,324,693)	- 8,307
Private Craft Tolls	(2,844,000)	0	(2,844,000)	(2,772,694)	- 71,306
Short Visit Tolls	(55,000)	0	(55,000)	(55,000)	+ 0
Other Toll Income	(32,610)	0	(32,610)	(37,472)	+ 4,862
Interest	(62,500)	0	(62,500)	(140,000)	+ 77,500

Table 2
Operations

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Total Operations	3,272,853	24,479	3,297,332	3,239,006	+ 58,326
Construction and Maintenance Salaries	974,116	0	974,116	988,334	- 14,218
Salaries	974,116	0	974,116	989,431	- 15,315
Expenditure	0	0	0	(1,097)	+ 1,097
Equipment, Vehicles & Vessels	538,769	0	538,769	510,420	+ 28,349
Income	(700)	0	(700)	(700)	+ 0
Expenditure	539,469	0	539,469	511,120	+ 28,349
Water Management	84,000	0	84,000	84,000	+ 0
Expenditure	84,000	0	84,000	84,000	+ 0
Land Management	0	0	0	0	+ 0
Income	0	0	0	0	+ 0
Expenditure	0	0	0	0	+ 0
Practical Maintenance	351,575	0	351,575	351,575	+ 0
Income	(56,185)	0	(56,185)	(56,185)	+ 0
Expenditure	407,760	0	407,760	407,760	+ 0
Waterways and Recreation Strategy	31,960	0	31,960	31,190	+ 770

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Income	0	0	0	0	+ 0
Salaries	23,960	0	23,960	23,190	+ 770
Expenditure	8,000	0	8,000	8,000	+ 0
Project Funding	1,125	0	1,125	1,125	+ 0
Expenditure	0	0	0	0	+ 0
Pension Payments	1,125	0	1,125	1,125	+ 0
Ranger Services	912,122	22,435	934,557	947,205	- 12,648
Income	0	0	0	0	+ 0
Salaries	789,592	0	789,592	802,240	- 12,648
Expenditure	122,330	22,435	144,765	144,765	+ 0
Pension Payments	200	0	200	200	+ 0
Safety	96,953	2,044	98,996	99,109	- 113
Income	(500)	0	(500)	(500)	+ 0
Salaries	68,643	0	68,643	68,756	- 113
Expenditure	28,810	2,044	30,853	30,853	+ 0
Premises	192,156	0	192,156	136,156	+ 56,000
Income	(1,820)	0	(1,820)	(1,820)	+ 0
Expenditure	193,976	0	193,976	137,976	+ 56,000

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Operations Management and Administration	90,078	0	90,078	89,892	+ 186
Salaries	86,418	0	86,418	86,232	+ 186
Expenditure	3,660	0	3,660	3,660	+ 0

Table 3
Strategic Services

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Total Strategic Services	400,106	5,463	405,569	395,766	+ 9,803
Development Management	4,921	0	4,921	4,912	+ 9
Income	0	0	0	0	+ 0
Salaries	4,921	0	4,921	4,912	+ 9
Expenditure	0	0	0	0	+ 0
Pension Payments	0	0	0	0	+ 0
Strategy and Projects Salaries	28,181	0	28,181	24,732	+ 3,449
Income	0	0	0	0	+ 0
Salaries	28,181	0	28,181	28,097	+ 84
Expenditure	0	0	0	(3,364)	+ 3,364
Biodiversity Strategy	0	0	0	0	+ 0
Expenditure	0	0	0	0	+ 0
Human Resources	77,669	(1,464)	76,205	76,272	- 67
Income	0	0	0	0	+ 0
Salaries	49,013	0	49,013	49,080	- 67
Expenditure	28,656	(1,464)	27,192	27,192	+ 0

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Volunteers	20,347	0	20,347	20,507	- 159
Salaries	16,702	0	16,702	16,862	- 159
Expenditure	3,645	0	3,645	3,645	+ 0
Communications	90,148	0	90,148	90,636	- 488
Income	0	0	0	0	+ 0
Salaries	81,388	0	81,388	81,876	- 488
Expenditure	8,760	0	8,760	8,760	+ 0
Visitor Centres and Yacht Stations	139,012	6,927	145,939	140,535	+ 5,404
Income	(197,010)	0	(197,010)	(197,010)	+ 0
Salaries	267,442	0	267,442	262,038	+ 5,404
Expenditure	68,580	6,927	75,507	75,507	+ 0
Strategic Services Management and Administration	39,828	0	39,828	38,172	+ 1,656
Salaries	39,078	0	39,078	38,988	+ 90
Expenditure	750	0	750	(816)	+ 1,566
Strategy and Projects	0	0	0	0	+ 0
Expenditure	0	0	0	0	+ 0

Table 4

Finance & Support Services

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Total Finance & Support Services	1,019,937	0	1,019,937	1,047,311	- 27,374
National Park Grant	0	0	0	0	+ 0
Expenditure	0	0	0	0	+ 0
Legal	24,000	0	24,000	54,000	- 30,000
Income	(6,000)	0	(6,000)	(6,000)	+ 0
Expenditure	30,000	0	30,000	60,000	- 30,000
Governance	124,718	0	124,718	122,774	+ 1,944
Salaries	93,318	0	93,318	93,502	- 184
Expenditure	31,400	0	31,400	29,272	+ 2,128
Chief Executive	52,652	0	52,652	51,753	+ 899
Salaries	52,256	0	52,256	51,679	+ 577
Expenditure	396	0	396	74	+ 322
Asset Management	78,394	0	78,394	78,493	- 99
Income	(3,135)	0	(3,135)	(3,135)	+ 0
Salaries	23,994	0	23,994	24,183	- 189

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Expenditure	57,535	0	57,535	57,445	+ 90
Finance and Insurance	271,886	0	271,886	284,396	- 12,510
Income	0	0	0	0	+ 0
Salaries	150,086	0	150,086	150,192	- 106
Expenditure	121,800	0	121,800	134,204	- 12,404
Collection of Tolls	208,680	0	208,680	210,930	- 2,250
Salaries	198,080	0	198,080	200,330	- 2,250
Expenditure	10,600	0	10,600	10,600	+ 0
ICT	214,748	0	214,748	200,106	+ 14,642
Salaries	107,520	0	107,520	113,050	- 5,530
Expenditure	107,228	0	107,228	87,056	+ 20,172
Premises – Head Office	44,860	0	44,860	44,860	+ 0
Income	0	0	0	0	+ 0
Expenditure	44,860	0	44,860	44,860	+ 0

Table 5

Projects and Corporate items

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Total Projects and Corporate Items	11,783	0	11,783	11,783	+ 0
Partnerships / HLF	8,500	0	8,500	8,500	+ 0
Income	0	0	0	0	+ 0
Salaries	0	0	0	0	+ 0
Expenditure	8,500	0	8,500	8,500	+ 0
Corporate Items	3,283	0	3,283	3,283	+ 0
Expenditure	3,283	0	3,283	3,283	+ 0

Table 6

Contributions from earmarked reserves

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Total contributions from Earmarked Reserves	(322,250)	(29,362)	(351,612)	(247,263)	- 104,349
Earmarked Reserves	(322,250)	(29,362)	(351,612)	(247,263)	- 104,349
Expenditure	(322,250)	(29,362)	(351,612)	(247,263)	- 104,349

Table 7

Net (Surplus) / Deficit

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Grand Total	55,320	580	55,899	116,744	- 60,844