

Navigation Committee

10 June 2021

Agenda item number 12

Annual income and expenditure 2020/21

Report by Chief Financial Officer

Purpose

To inform the Committee of the summary of the Authority's income and expenditure for the 2020/21 financial year, analysed between General (National Park) and Navigation funds.

Original and Latest Available Budget information is provided for comparison.

1. Introduction

- 1.1. The Broads Act 2009 requires the Authority to prepare a report as soon as reasonable possible after the end of each financial year describing the navigation income received by it and the navigation expenditure incurred by it in that year.

2. Actual income and expenditure 2020/21

- 2.1. The tables in Appendix 1 sets out the Authority's income and expenditure attributed to General (National Park Grant) and Navigation funds for the financial year ended 31 March 2021. To the extent that they are included within the Authority's Statement of Accounts, these figures are subject to audit and formal approval by the Authority's external auditors. For comparative purposes, the Original and Latest Available Budget (LAB) figures are also shown. This information is published on the Authority's website.
- 2.2. The actual outturn for 2020/21 was a surplus of £128,515 for Navigation compared with a budgeted LAB deficit for the year of £209,969. The original budget was for a deficit of £121,478. The final forecast outturn was a deficit of £102,677.
- 2.3. Total core income for the year was £3,396,351, which was £129,249 below budget, principally due to the adverse variance of £94,323 within the Hire Craft following the outbreak of COVID-19. There continued to be smaller adverse variances within Private, Short Visit and Other Toll income budget lines. The economic impact of the pandemic also affected the interest budget line, with interest rates falling.
- 2.4. Other income remained broadly in line with budget predictions.
- 2.5. Total net navigation expenditure in 2020/21 was £3,267,836, which was £467,733 below the budget. This was achieved by making savings during the year, including cancelling some of the contributions to the earmarked reserves and some work being postponed until 2021/22, in order to bring the forecast back into balance. The

lockdown after Christmas further impacted the workplan and as a result a number of carry forward requests were received at the end of the financial year.

3. Earmarked reserves

3.1. The earmarked reserves have funded the following expenditure:

- Property Reserve includes rental income from land at Oulton Broad (£2,000).
- Plant, Vessels and Equipment Reserve includes replacement cost of two vehicles (£39,243), a second hand JCB, mini excavator and five NATO floats (£47,565). It also includes the insurance proceeds from the written off vehicle (£5,905). The annual contributions for replacement electric vehicles that were reinstated at the end of the financial year following the overall Navigation surplus exceeding the deficit forecast. It also includes the adjustment to correct the split between General and Navigation as highlighted in budget report on 14 January 2021, paragraph 12.2.
- Premises Reserve includes the topographical survey and the river edge piling design at the Dockyard (£686).
- CANAPE Reserve has funded the project expenditure less the grant reimbursement.
- Computer Software has funded some of the costs for the implementation of the new HR software called iTrent that was installed at the beginning of 2021 (£309). The annual contribution was reinstated at the end of the financial year.

3.2. After the year end transfer of interest, the closing position on the earmarked reserves is as follows:

Table 1

Navigation earmarked reserves

Reserve Name	Balance at 1 April 2020 £	In-year movements £	Balance at 31 March 2021 £
Property	(393,440)	(4,218)	(397,658)
Plant, Vessels and Equipment	(310,245)	51,231	(259,014)
Premises	(89,966)	185	(89,781)
CANAPE	(155,922)	(39,739)	(195,661)
Computer Software	(7,184)	(3,048)	(10,232)
Total	(956,757)	4,411	(952,346)

4. Summary

- 4.1. The total Navigation surplus for 2020/21 was higher than the budgeted and forecast deficit. The main reason for the considerable variance between the forecast and actual position was due to COVID-19 and the latest lockdown that ran from Christmas that further delayed some practical works. As a consequence, there were some high value carry forwards agreed so the work could be completed in 2021/22. These were considered and approved by the Broads Authority on 30 April 2021, totalling £77,972.
- 4.2. The impact of COVID-19 has seen increased numbers of visitors to the Broads due to the increased popularity of a “staycation”. In order to increase the safety of the visitors it was agreed with DEFRA that a transfer would be made at the end of the financial year to cover the costs of these additional safety measures over the next two years. After the transfer of this £250,000 the balance on the navigation reserve at the end of 2020/21 was £913,595. This is above the recommended minimum reserve balance of 10% at 28%. However, it should be noted that once the £250,000 is spent during 2021/22 and 2022/23 this reduces the reserve balance to 13% at the end of 2022/23 based on the Financial Strategy. This will be refined later on this year when the level of tolls for 2022/23 is considered.

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Date of report: 24 May 2021

Appendix 1 – General and Navigation income and expenditure 2020/21

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The Broads Authority Act 2009 requires the Authority to prepare a report as soon as reasonably possible after the end of each financial year describing the navigation income received by it and the navigation expenditure incurred by it in that year. The table below sets out the Authority's income and expenditure attributed to general (National Park Grant) and navigation funds for the financial year ended 31 March 2021. These figures are derived from the annual Statement of Accounts which is subject to audit and formal approval by the Authority's external auditors, Ernst & Young. For comparative purposes, the final approved budget figures are also shown.

Further details are available on request from the Chief Financial Officer, Yare House, 62-64 Thorpe Road, Norwich NR1 1RY or by email from emma.krelle@broads-authority.gov.uk.

The Draft Statement of Accounts for 2020/21 are due to be audited 19 July to 13 August 2021 with the Final Statement of Accounts due to be considered by the Authority on 24 September 2021.

Table 1

Income

Income Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Income General £	Actual Income Navigation £	Actual Income Consolidated £
National Park Grant	(3,414,078)	0	(3,414,078)	(3,414,078)	0	(3,414,078)	(3,414,078)	0	(3,414,078)
Hire Craft Tolls	0	(1,199,000)	(1,199,000)	0	(1,199,000)	(1,199,000)	-	(1,104,677)	(1,104,677)
Private Craft Tolls	0	(2,244,000)	(2,244,000)	0	(2,244,000)	(2,244,000)	-	(2,228,404)	(2,228,404)
Short Visit Tolls	0	(43,000)	(43,000)	0	(43,000)	(43,000)	-	(36,392)	(36,392)
Other Toll income	0	(19,100)	(19,100)	0	(19,100)	(19,100)	-	(15,711)	(15,711)
Interest received	(20,500)	(20,500)	(41,000)	(20,500)	(20,500)	(41,000)	(11,167)	(11,167)	(22,334)
Income Total	(3,434,578)	(3,525,600)	(6,960,178)	(3,434,578)	(3,525,600)	(6,960,178)	(3,425,245)	(3,396,351)	(6,821,597)

Table 2

Operations

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Construction & Maintenance Salaries	479,392	812,328	1,291,720	479,392	812,328	1,291,720	473,263	796,032	1,269,295
Equipment, Vehicles & Vessels	161,040	375,760	536,800	161,040	375,760	536,800	131,280	306,319	437,599
Water Management	5,000	98,670	103,670	5,000	111,670	116,670	5,156	78,683	83,839
Land Management	58,710	0	58,710	58,710	0	58,710	50,781	0	50,781

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Practical Maintenance	89,300	430,260	519,560	89,300	500,198	589,498	94,324	273,646	367,970
Waterways & Recreation Strategy	18,180	27,180	45,360	18,180	27,180	45,360	18,303	23,103	41,406
Rangers Salaries	215,823	503,587	719,410	215,823	503,587	719,410	213,898	499,095	712,993
Ranger Services	12,405	133,145	145,550	12,405	133,145	145,550	14,306	132,148	146,454
Safety	60,651	89,819	150,470	60,651	89,819	150,470	34,756	75,870	110,626
Project Funding	60,793	1,067	61,860	60,793	1,067	61,860	61,002	1,087	62,089
Operational Premises	98,973	132,937	231,910	98,973	132,937	231,910	72,829	66,859	139,688
Premises Head Office	183,805	75,075	258,880	183,805	75,075	258,880	182,172	74,408	256,581
Management & Admin	88,916	43,794	132,710	88,916	43,794	132,710	91,794	45,212	137,006
Operations Income	(104,096)	(11,200)	(115,296)	(104,096)	(11,200)	(115,296)	(118,973)	(37,048)	(156,021)
Operations Total	1,428,891	2,712,423	4,141,314	1,428,891	2,795,361	4,224,252	1,324,890	2,335,416	3,660,305

Table 3

Strategic Services

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Development Management	466,427	4,244	470,670	466,427	4,244	470,670	445,003	4,270	449,273
Strategy & Projects Salaries	140,051	8,719	148,770	140,051	8,719	148,770	135,644	8,378	144,023
Biodiversity Strategy	55,693	0	55,693	11,870	0	11,870	55,365	0	55,365
Strategy & Projects	117,925	90	118,015	122,459	90	122,549	91,549	24	91,573
Human Resources	82,146	57,084	139,230	82,146	57,084	139,230	79,855	55,492	135,347

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Volunteers	44,088	29,392	73,480	44,088	29,392	73,480	31,342	20,894	52,236
Communications	362,057	78,473	440,530	268,133	84,026	352,159	372,481	77,670	450,151
Visitor Centres & Yacht Stations	300,128	158,753	458,880	300,128	158,753	458,880	266,311	148,140	414,451
Management & Admin	75,817	32,493	108,310	75,817	32,493	108,310	76,541	32,803	109,344
Strategic Services Income	(336,603)	(68,700)	(405,303)	(179,900)	(68,700)	(248,600)	(399,505)	(43,562)	(443,067)
Strategic Services Total	1,307,727	300,548	1,608,275	1,331,217	306,101	1,637,318	1,154,585	304,111	1,458,696

Table 4

Chief Executive

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Legal	70,000	30,000	100,000	70,000	30,000	100,000	76,853	31,977	108,830
Governance	201,214	96,670	297,884	201,214	96,670	297,884	175,204	84,954	260,158
Finance & Insurance	206,740	183,810	390,550	206,740	183,810	390,550	202,316	179,954	382,270
Collection of Tolls	0	146,440	146,440	0	146,440	146,440	0	142,955	142,955
ICT	220,001	108,359	328,360	220,001	108,359	328,360	222,390	109,535	331,926
Asset Management	91,009	85,284	176,293	91,009	85,284	176,293	77,677	70,363	148,040
Chief Executive	73,870	48,370	122,240	73,870	48,370	122,240	71,624	46,900	118,525
Chief Executive Income	(21,000)	(4,500)	(25,500)	(21,000)	(4,500)	(25,500)	(22,106)	(8,159)	(30,264)
Chief Executive Total	841,835	694,432	1,536,267	841,835	694,432	1,536,267	803,959	658,479	1,462,437

Table 5

Projects and Corporate Items

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Heritage Lottery Fund	0	0	0	0	0	0	179,876	0	179,876
CANAPE	38,494	38,494	76,987	38,494	38,494	76,987	(38,648)	(38,648)	(77,297)
Pension Lump Sum Payments	72,000	48,000	120,000	72,000	48,000	120,000	72,000	48,000	120,000
Apprenticeship Levy	2,100	1,400	3,500	2,100	1,400	3,500	2,069	1,379	3,448
WRE	0	0	0	0	0	0	7,500	0	7,500
Projects and Corporate Items Total	112,594	87,894	200,487	112,594	87,894	200,487	222,797	10,731	233,528

Table 6

Contributions from reserves

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Property	0	2,000	2,000	0	2,000	2,000	0	2,000	2,000
Plant, Vessels & Equipment	(76,775)	(110,225)	(187,000)	(76,775)	(110,225)	(187,000)	(25,783)	(80,553)	(106,336)
Premises	(13,500)	(31,500)	(45,000)	(13,500)	(31,500)	(45,000)	(34,953)	(686)	(35,639)
Planning Delivery Grant	(34,220)	0	(34,220)	(34,220)	0	(34,220)	(4,159)	0	(4,159)
Section 106 Agreements	0	0	0	0	0	0	(10,008)	0	(10,008)
Heritage Lottery Fund	0	0	0	0	0	0	(79,876)	0	(79,876)
Upper Thurne	(8,000)	0	(8,000)	(8,000)	0	(8,000)	(3,597)	0	(3,597)
Catchment Partnership	(83,440)	0	(83,440)	(83,440)	0	(83,440)	(33,934)	0	(33,934)
CANAPE	(8,494)	(8,494)	(16,987)	(8,494)	(8,494)	(16,987)	38,648	38,648	77,297

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Computer Software	0	0	0	0	0	0	(628)	(309)	(937)
UK National Park Communications Team	0	0	0	0	0	0	19,254	0	19,254
Contributions from reserves Total	(111,835)	(60,325)	(172,160)	(111,835)	(60,325)	(172,160)	87,759	(30,169)	57,589

Table 7

Net (Surplus)/Deficit

(Surplus)/Deficit	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Surplus General £	Actual Surplus Navigation £	Actual Surplus Consolidated £
Grand Total	32,040	121,478	153,518	55,530	209,969	265,499	(54,053)	(128,515)	(182,569)