

Audit and Risk Committee

08 February 2022

Agenda item number 7

Consolidated income and expenditure 1 April to 31 December 2021 actual and 2021/22 forecast outturn

Report by Director of Finance

Summary

This report provides details of actual income and expenditure for the nine-month period to 31 December 2021, and a forecast of the projected expenditure at the end of the financial year (31 March 2022).

Recommendation

To note the income and expenditure figures.

Contents

1.	Introduction	1
2.	Overview of Actual Income and Expenditure	2
3.	Latest available budget	4
4.	Overview of forecast outturn 2021/22	5
5.	Earmarked Reserves	6
6.	Summary	6
	Appendix 1 – Consolidated actual income and expenditure charts to 31 December 2021	7
	Appendix 2 – Financial monitor: Consolidated income and expenditure 2021/22	9

1. Introduction

- 1.1. This financial monitoring report summarises details of the forecast outturn and actual expenditure for both National Park and Navigation.

2. Overview of Actual Income and Expenditure

Table 1

Actual Consolidated Income and Expenditure by Directorate to 31 December 2021

Source	Profiled latest Available Budget £	Actual Income and Expenditure £	Actual Variance £
Income	(6,889,673)	(7,089,442)	+ 199,769
Operations	3,384,142	3,080,402	+ 303,740
Strategic Services	1,150,950	1,017,629	+ 133,321
Finance and Support Services	1,304,229	1,160,730	+ 143,499
Projects, Corporate items and Contributions from earmarked reserves	(114,453)	6,562	- 121,015
Net (Surplus) / Deficit	(1,164,805)	(1,824,119)	+ 659,314

2.1. Core navigation income is above the profiled budget at the end of month nine. The overall position as at 31 December is a favourable variance of £659,314 or a 56.6% difference from the profiled LAB. This is principally due to:

- An overall favourable variance of £199,769 within income:
 - Hire craft is £63,226 above the profiled budget.
 - Private Craft is £133,182 above the profiled budget.
 - Short Visit Tolls is £3,448 above the profiled budget.
 - Other Toll income is £5,568 above the profiled budget.
 - Investment income is £5,655 behind the profiled budget.
- An underspend within Operations relating to:
 - Construction and Maintenance Salaries is £32,507 behind the profiled budget due to 2% pay rise that was budgeted not being agreed by the National Joint Council (NJC) and the Unions, as well as some vacancies within the team.
 - Equipment, Vehicle and Vessels is £89,685 behind the profiled budget due to the availability of purchasing new equipment and vehicle replacements. With order times being so long this is likely to be deferred to 2022/23.

- Water Management is £16,560 behind the profiled budget due to timing differences.
- Land Management is £21,772 behind the profiled budget due to timing differences in receipt of income from the Rural Payments Agency (RPA).
- Practical Maintenance is £30,345 behind the profiled budget due to costs exceeding the available budget for Commissioners Cut and Dilham Mooring. Alternative options including Neatishead moorings and timescales are being investigated.
- Ranger Services is £72,264 behind the profiled budget due to the 2% pay rise that was budgeted not being agreed by the National Joint Council (NJC) and the Unions, to timing differences on the launch repairs and maintenance.
- Safety is £22,525 behind the profiled budget due to the delays to vehicle replacements. This is where there is a shortage of electronic chips for new vehicles.
- Premises is £21,186 behind the profiled budget due to reprioritising reserve expenditure plans which has meant some works have been deferred to 2022/23. This is so that solar panels for the Dockyard can be investigated.
- An underspend within Strategic Services relating to:
 - Strategy and Projects (including salaries) is £167,910 behind the profiled budget mainly due to the receipt of the first two instalments of the Farming in Protected Landscapes grant of £187,061 and staff vacancies. The grant variance will reduce as grants are paid out before the end of this financial year.
 - Biodiversity Strategy is £14,495 behind the profiled budget due to timing differences.
 - Human Resources is £40,484 above the profiled budget due to staff cover.
 - Volunteers is £11,261 behind the profiled budget due to savings in volunteer training, room hire and advertising.
 - Visitor Centres and Yacht Station is £22,313 above the profiled budget due to reduced income as an impact of COVID-19.
- An underspend within Finance and Support Services relating to:
 - Governance is £19,176 behind the profiled budget due to vacancies and timing differences.
 - Asset Management is £26,672 behind the profiled budget due to delays on contracting works for How Hill Boatshed (this has been transferred to 2022/23) and timing differences on consultancy billing.

- Finance and Insurance is £45,775 behind the profiled budget due to vacancies and savings on the insurance tender.
- ICT is £47,004 behind the profiled budget due to vacancies and timing differences.
- An adverse variance within corporate items and reserves relating to:
 - Corporate items are under the profiled budget due to timing differences,
 - Premises reserve is under the profiled budget due to the delays in the Dockyard expenditure which has been deferred to 2022/23.
 - Property reserve is above the profiled budget due to the purchase of Berney Mill moorings 2.
 - Plant, Vessels and Equipment reserve is under the profiled budget due to the delays in equipment and vehicle replacements.
 - Section 106 reserve is over the profiled budget due to the unpredictable nature of when section 106 monies will require payment.
 - UK Communications reserve is under the profiled budget due to the National Park recharges for the UK team and additional work being commissioned.
 - Catchment Partnership reserve is under the profiled budget due to savings from when the post was vacant.

2.2. The charts at Appendix 1 give 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 2021/22. 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 shown in Appendix 2.

Table 2

Adjustments to Consolidated LAB

Item	Authorisation reference	Amount £
Original consolidated budget 2021/22 (deficit)	Broads Authority 29/01/21 Agenda item number 8	329,840
Approved carry-forwards	Broads Authority 30/04/21 Agenda item number 9	93,392
LAB as at 31 December 2021	n/a	423,232

- 3.2. The LAB therefore provides for a consolidated deficit of £423,232 in 2021/22 as at 31 December 2021.

4. Overview of forecast outturn 2021/22

- 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 December 2021, the forecast indicates that:
- The total forecast income is £7,105,978.
 - Total expenditure is forecast to be £7,447,190.
 - The resulting deficit for the year is forecast to be £341,212.
- 4.3. The forecast outturn reflects the following changes from the LAB as shown in Table 3. The forecast deficit represents a favourable variance of £82,020 against the LAB.

Table 3

Adjustments to Forecast Outturn

Item	Amount £
Forecast outturn deficit per LAB	423,232
Increase in Hire and Private Craft income	(189,000)
Decrease to investment income to reflect rates	7,500
Increase to salary costs (vacancies offsetting staff cover for Human Resources)	22,920
Increase to Visitor Services expenditure for stock	13,500
Contribution to earmarked reserve to help fund new tolls system (agreed by BA 19/11/21)	88,000
Decrease to Insurance costs following tender savings	(20,530)
Decrease to Volunteer services following savings	(4,410)
Forecast outturn deficit as at 31 December 2021	341,212

5. Earmarked Reserves

Table 4

Consolidated earmarked reserves

Reserve name	Balance at 1 April 2021 £	In-year movements £	Current reserve balance £
Property	(731,379)	(52,509)	(783,888)
Plan, Vessels and Equipment	(345,886)	(120,980)	(466,866)
Premises	(212,245)	(80,980)	(293,225)
Planning Delivery Grant	(227,643)	0	(227,643)
Upper Thurne Enhancement	(164,637)	(21,000)	(185,637)
Section 106	(33,741)	33,620	(121)
HLF	(32,258)	76,983	44,725
Catchment Partnership	(74,677)	(16,285)	(90,962)
CANAPE	(391,323)	118,334	(272,989)
Computer Software	(31,006)	(10,000)	(41,006)
UK Communications	(47,659)	(15,839)	(63,498)
Match Funding (EXPERIENCE)	(46,016)	0	(46,016)
Total	(2,338,470)	(88,656)	(2,427,126)

5.1. £1,026,810 of the current reserve balance above relates to Navigation reserves.

6. Summary

6.1. The forecast outturn position suggests a deficit within both the National Park and Navigation budgets, which will be balanced through the use of reserves. This would result in a National Park Reserve balance of approximately £753,000 and a Navigation Reserve balance of approximately £689,000 at the end of 2021/22 (before any year-end adjustments). This would mean that both reserves would be above the recommended levels, with National Park at 21.2% and Navigation at 17.7%. Year-end transfers of interest to the earmarked reserves mean it will remain the same due to the very low rates of interest. This will be highly dependent on the level of interest received.

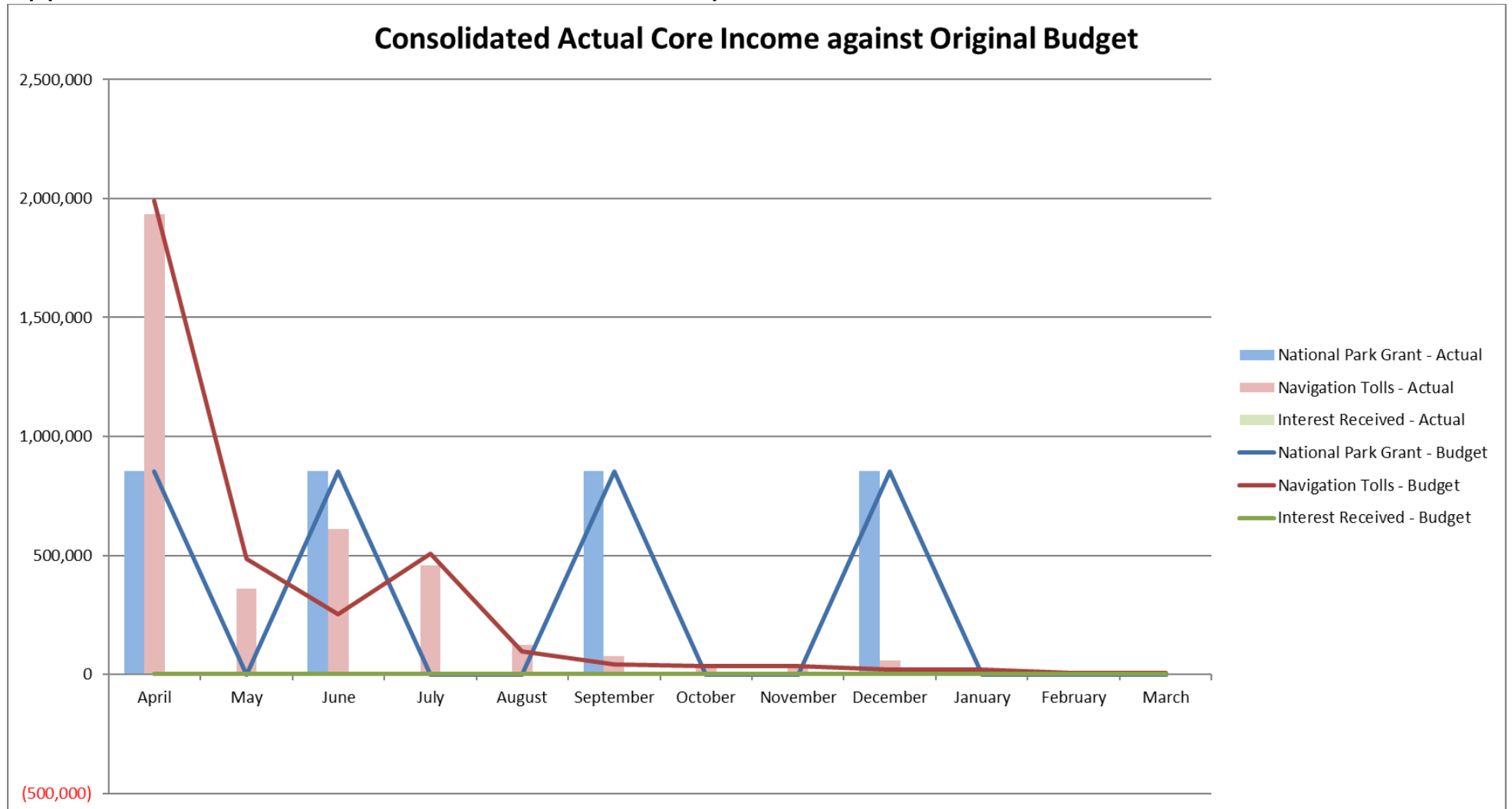
Author: Emma Krelle

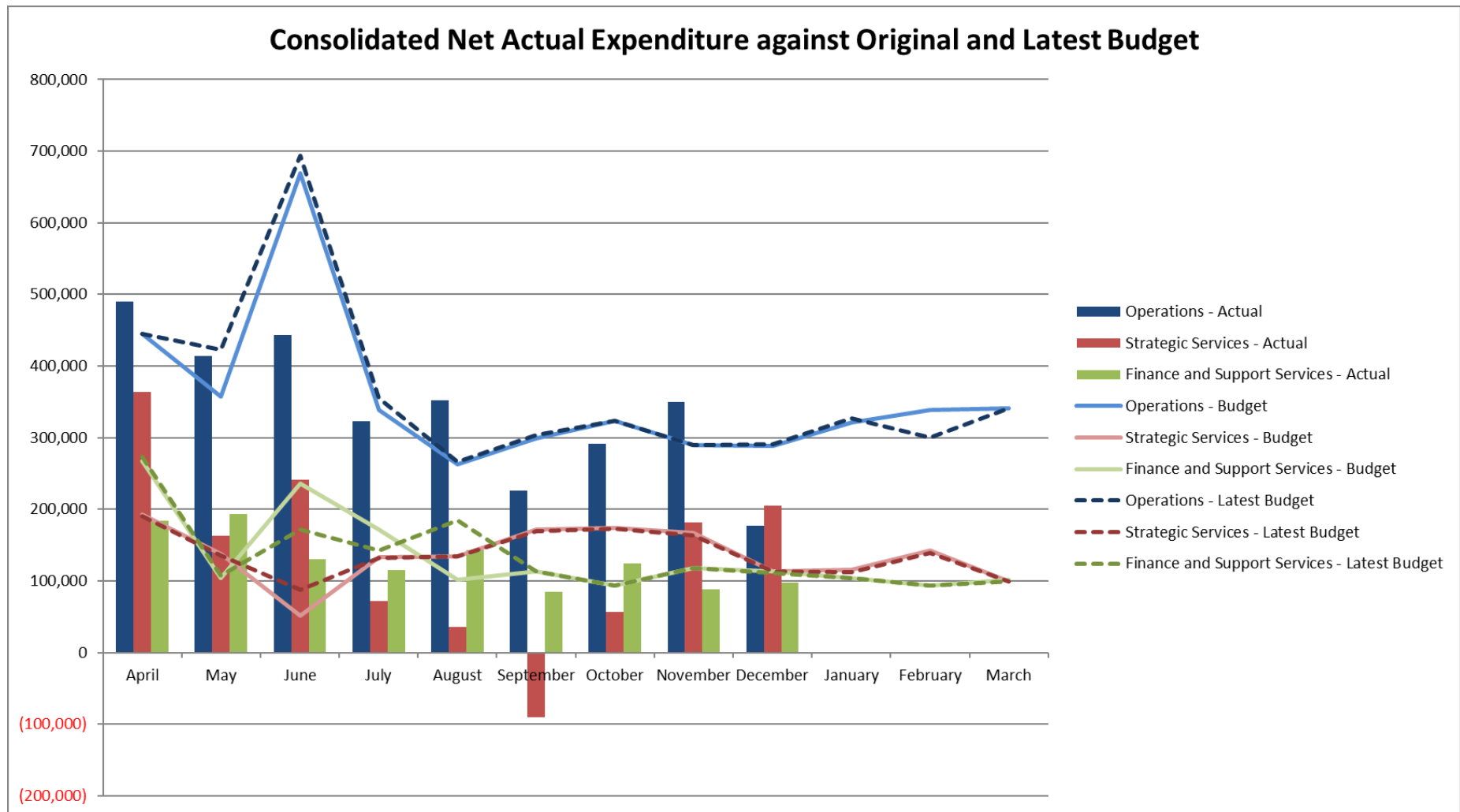
Date of report: 26 January 2022

Appendix 1 – Consolidated actual income and expenditure charts to 31 December 2021

Appendix 2 – Financial Monitor: consolidated income and expenditure 2021/22

Appendix 1 – Consolidated actual income and expenditure charts to 31 December 2021





Appendix 2 – Financial monitor: Consolidated income and expenditure 2021/22

Table 1

Income

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Income Total	(6,924,478)	0	(6,924,478)	(7,105,978)	181,500
National Park Grant	(3,414,078)	0	(3,414,078)	(3,414,078)	0
Income	(3,414,078)	0	(3,414,078)	(3,414,078)	0
Hire Craft Tolls	(1,131,000)	0	(1,131,000)	(1,193,100)	62,100
Income	(1,131,000)	0	(1,131,000)	(1,193,100)	62,100
Private Craft Tolls	(2,303,000)	0	(2,303,000)	(2,429,900)	126,900
Income	(2,303,000)	0	(2,303,000)	(2,429,900)	126,900
Short Visit Tolls	(45,000)	0	(45,000)	(45,000)	0
Income	(45,000)	0	(45,000)	(45,000)	0
Other Toll Income	(17,900)	0	(17,900)	(17,900)	0
Income	(17,900)	0	(17,900)	(17,900)	0
Interest	(13,500)	0	(13,500)	(6,000)	-7,500
Income	(13,500)	0	(13,500)	(6,000)	-7,500

Table 2
Operations

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Operations Total	4,399,095	85,385	4,484,480	4,360,670	123,810
Construction and Maintenance Salaries	1,331,370	0	1,331,370	1,331,370	0
Salaries	1,331,370	0	1,331,370	1,331,370	0
Expenditure	0	0	0	0	0
Equipment, Vehicles & Vessels	528,400	0	528,400	528,400	0
Income	(8,700)	0	(8,700)	(8,700)	0
Expenditure	537,100	0	537,100	537,100	0
Water Management	98,635	0	98,635	98,635	0
Expenditure	98,635	0	98,635	98,635	0
Land Management	(29,856)	7,885	(21,971)	(21,971)	0
Income	(87,606)	0	(87,606)	(87,606)	0
Expenditure	57,750	7,885	65,635	65,635	0
Practical Maintenance	480,386	77,500	557,886	557,886	0
Income	(11,000)	0	(11,000)	(11,000)	0
Expenditure	491,386	77,500	568,886	568,886	0
Waterways and Recreation Strategy	47,580	0	47,580	47,580	0

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	38,580	0	38,580	38,580	0
Expenditure	9,000	0	9,000	9,000	0
Ranger Services	1,113,430	0	1,113,430	1,013,430	100,000
Income	(7,000)	0	(7,000)	(7,000)	0
Salaries	840,040	0	840,040	840,040	0
Expenditure	280,140	0	280,140	180,140	100,000
Pension Payments	250	0	250	250	0
Safety	147,520	0	147,520	123,710	23,810
Income	(1,000)	0	(1,000)	(1,000)	0
Salaries	62,070	0	62,070	65,760	-3,690
Expenditure	86,450	0	86,450	58,950	27,500
Premises	223,160	0	223,160	223,160	0
Income	(3,500)	0	(3,500)	(3,500)	0
Expenditure	226,660	0	226,660	226,660	0
Premises - Head Office	258,880	0	258,880	258,880	0
Income	0	0	0	0	0
Expenditure	258,880	0	258,880	258,880	0

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Project Funding	62,100	0	62,100	62,100	0
Expenditure	50,000	0	50,000	50,000	0
Pension Payments	12,100	0	12,100	12,100	0
Operations Management and Administration	137,490	0	137,490	137,490	0
Salaries	128,990	0	128,990	128,990	0
Expenditure	8,500	0	8,500	8,500	0

Table 3
Strategic Services

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Strategic Services Total	1,507,714	15,007	1,522,721	1,575,521	-52,800
Development Management	382,900	0	382,900	382,900	0
Income	(90,000)	0	(90,000)	(90,000)	0
Salaries	415,750	0	415,750	415,750	0
Expenditure	52,600	0	52,600	52,600	0
Pension Payments	4,550	0	4,550	4,550	0

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Strategy and Projects Salaries	218,295	0	218,295	201,445	16,850
Income	0	0	0	0	0
Salaries	151,120	0	151,120	134,270	16,850
Expenditure	67,175	0	67,175	67,175	0
Strategy and Projects	0	0	0	0	0
Income	0	0	0	(280,661)	280,661
Salaries	0	0	0	0	0
Expenditure	0	0	0	280,661	-280,661
Biodiversity Strategy	11,270	0	11,270	11,270	0
Income	(11,653)	0	(11,653)	(11,653)	0
Expenditure	22,923	0	22,923	22,923	0
Human Resources	139,714	8,150	147,864	208,424	-60,560
Income	0	0	0	0	0
Salaries	80,940	0	80,940	141,500	-60,560
Expenditure	58,774	8,150	66,924	66,924	0
Volunteers	74,190	0	74,190	69,780	4,410
Salaries	51,070	0	51,070	51,070	0
Expenditure	23,120	0	23,120	18,710	4,410

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Communications	328,105	6,857	334,962	334,962	0
Income	(115,022)	0	(115,022)	(115,022)	0
Salaries	347,750	0	347,750	347,750	0
Expenditure	95,377	6,857	102,234	102,234	0
Visitor Centres and Yacht Stations	240,030	0	240,030	253,530	-13,500
Income	(206,100)	0	(206,100)	(206,100)	0
Salaries	357,280	0	357,280	357,280	0
Expenditure	88,850	0	88,850	102,350	-13,500
Strategic Services Management and Administration	113,210	0	113,210	113,210	0
Salaries	109,860	0	109,860	109,860	0
Expenditure	3,350	0	3,350	3,350	0

Table 4

Finance and Support Services

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Finance and Support Services Total	1,604,064	(7,000)	1,597,064	1,643,324	-46,260
Legal	77,500	0	77,500	77,500	0
Income	(2,500)	0	(2,500)	(2,500)	0
Expenditure	80,000	0	80,000	80,000	0
Governance	254,850	0	254,850	242,440	12,410
Salaries	169,760	0	169,760	157,350	12,410
Expenditure	85,090	0	85,090	85,090	0
Chief Executive	123,080	0	123,080	123,080	0
Salaries	120,730	0	120,730	120,730	0
Expenditure	2,350	0	2,350	2,350	0
Asset Management	147,033	0	147,033	167,153	-20,120
Income	(23,000)	0	(23,000)	(23,000)	0
Salaries	46,710	0	46,710	46,710	0
Expenditure	123,323	0	123,323	143,443	-20,120
Finance and Insurance	410,111	(7,000)	403,111	371,621	31,490
Salaries	170,460	0	170,460	159,500	10,960

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Expenditure	239,651	(7,000)	232,651	212,121	20,530
Collection of Tolls	152,530	0	152,530	152,530	0
Salaries	141,330	0	141,330	141,330	0
Expenditure	11,200	0	11,200	11,200	0
ICT	438,960	0	438,960	509,000	-70,040
Income	0	0	0	0	0
Salaries	201,460	0	201,460	183,500	17,960
Expenditure	237,500	0	237,500	325,500	-88,000

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) £
Projects and Corporate Items Total	141,666	0	141,666	141,666	0
Partnerships / HLF	(734)	0	(734)	(734)	0
Income	(609,523)	0	(609,523)	(609,523)	0
Salaries	152,660	0	152,660	152,660	0

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Expenditure	456,129	0	456,129	456,129	0
Corporate Items	142,400	0	142,400	142,400	0
Expenditure	19,400	0	19,400	19,400	0
Pension Payments	123,000	0	123,000	123,000	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	(398,221)	0	(398,221)	(273,991)	-124,230
Earmarked Reserves	(398,221)	0	(398,221)	(273,991)	-124,230
Expenditure	(398,221)	0	(398,221)	(273,991)	-124,230

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	329,840	93,392	423,232	341,212	82,020