

Navigation Committee

02 September 2021

Agenda item number 10

Navigation income and expenditure 1 April to 30 June 2021 actual and 2021/22 forecast outturn

Report by Chief Financial Officer

Purpose

To present the actual Navigation income and expenditure for the three-month period to 30 June 2021, and provide a forecast of the projected expenditure at the end of the financial year (31 March 2022).

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1. Introduction

- 1.1. This report gives a summary of the income and expenditure for the Navigation budget up until 30 June, 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 30 June 2021

Directorate	Profiled Latest Available Budget £	Actual income and expenditure £	Actual variance £
Income	(2,732,458)	(2,904,766)	+ 172,308
Operations	923,187	832,072	+ 91,115
Strategic Services	82,439	81,250	+ 1,189
Chief Executive	232,246	206,693	+ 25,553
Projects, Corporate Items and Contributions from Earmarked Reserves	(102,658)	(40,386)	-62,272
Net (Surplus) / Deficit	(1,597,244)	(1,825,137)	+ 227,893

- 2.1. Core Navigation income is above the profiled budget at the end of month three. The overall position as at 30 June 2021 is a favourable variance of £227,893 or a 14.3% difference from the profiled LAB. This is principally due to:

- An overall favourable variance of £173,497 within toll income:
 - Hire craft tolls is £136,090 above the profiled budget.
 - Private craft tolls is £38,407 above the profiled budget.
- An underspend within Operations relating to:
 - Equipment, Vehicle and Vessels is under the profiled budget by £38,002 due to delays in the equipment replacements.
 - Practical Maintenance is under the profiled budget by £20,658 due to delays in the St Benet's mooring refurbishment billing.
 - Ranger Services is under the profiled budget by £14,111 due to timing differences on the launch repairs and maintenance.

- An underspend within Chief Executive relating to a number of small variances across all budgets.
 - An adverse variance within reserves relating to timing difference in equipment replacements from the Plant, Vessels and Equipment reserve.
- 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 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 in Appendix 2.

Table 2

Adjustments to Navigation LAB

Item	Authorisation reference	Amount £
Original navigation budget 2020/21 (deficit)	Broads Authority 29/01/21 Agenda item number 8	221,915
Approved carry-forwards	Broads Authority 30/04/21 Agenda item number 9	77,972
Transfer from Finance to HR payroll budget	CEO approved 15/06/21	(421)
LAB as at 30 June 2021	n/a	299,466

- 3.2. The LAB therefore provides for a navigation deficit of £299,466 in 2021/22 as at 30 June 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 June 2021, the forecast indicates there has been no change compared to the LAB:
- The total forecast income is £3,503,650.
 - Total expenditure is forecast to be £3,803,116.
 - The resulting deficit for the year is forecast to be £299,466.

- 4.3. Initial indications show that toll income is performing above expectations. Management Team are looking at options where this additional income could be spent on and will report back to members in due course.

5. Reserves

Table 3

Navigation Earmarked Reserves

Reserve name	Balance at 1 April 2021 £	In-year movements £	Current reserve balance £
Property	(397,658)	(25,629)	(423,287)
Plant, Vessels and Equipment	(259,014)	(86,599)	(345,613)
Premises	(89,781)	(35,686)	(125,467)
CANAPE	(195,661)	103,197	(92,464)
Computer Software	(10,232)	(3,300)	(13,532)
Total	(952,346)	(48,017)	(1,000,363)

- 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 the reserves showing increased balances at the end of June. This will reduce as planned purchases take place throughout the year.
- 5.2. The CANAPE reserve contains the expenditure relating to claims five and six. Reimbursement for claim five is expected to be received shortly.

6. Conclusion

- 6.1. The forecast outturn position for the year suggests a deficit within the Navigation budget, which would be balanced through the use of reserves. This would result in a Navigation Reserve balance of approximately £614,000 at the end of 2021/22 (before any year-end adjustments). This would mean the Navigation Reserve would be above the recommended 10% at 16.1%. 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.
- 6.2. It is important to remember the Navigation reserve is showing a higher balance due to the transfer between National Park and Navigation to fund the cost of the safety package in 2021/22 and 2022/23. If the 2022/23 cost is deducted from the closing balance for 2021/22 then the reserve level would be 12.9%, just above the 10% minimum.

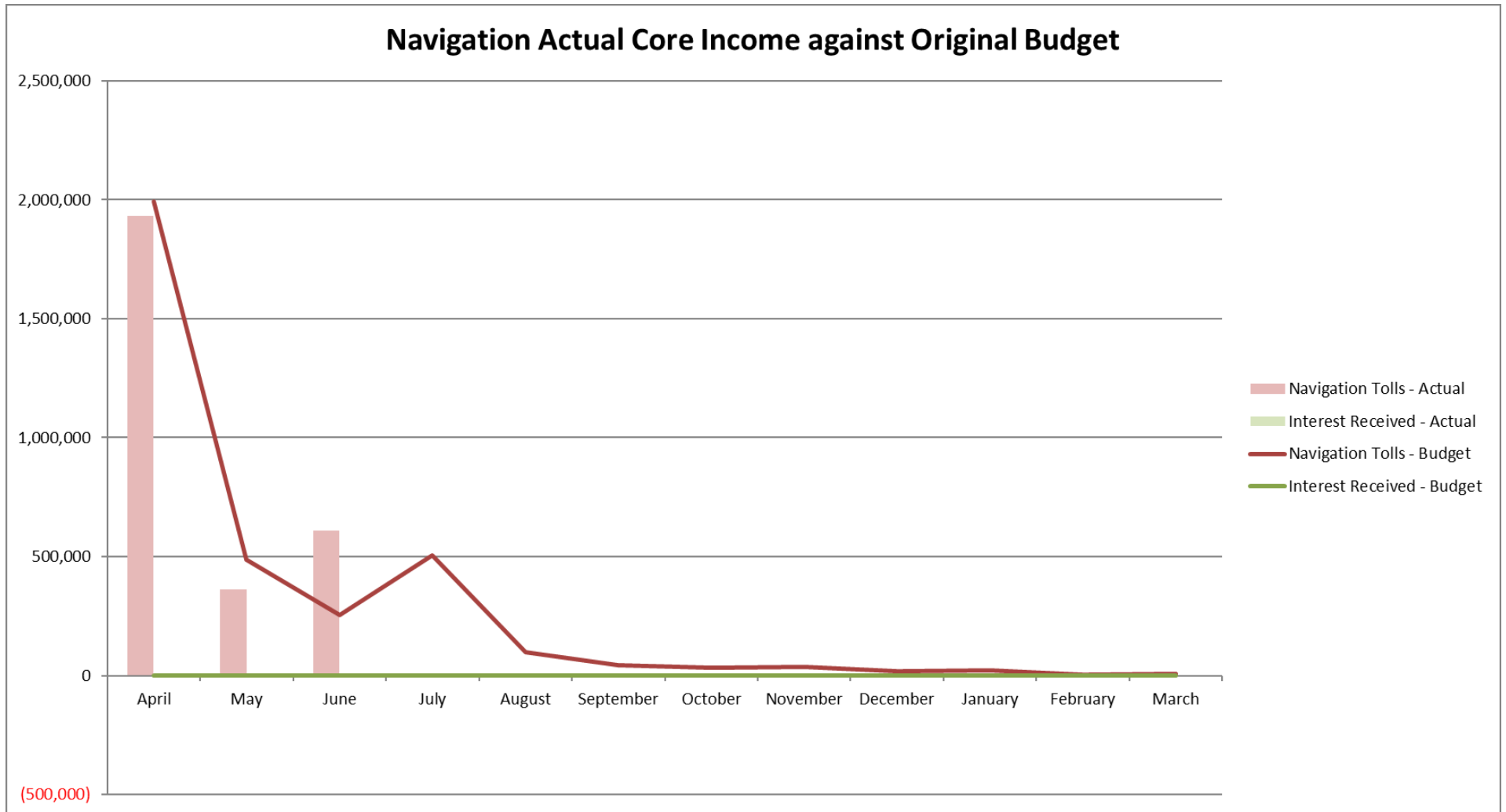
Author: Emma Krelle

Date of report: 16 August 2021

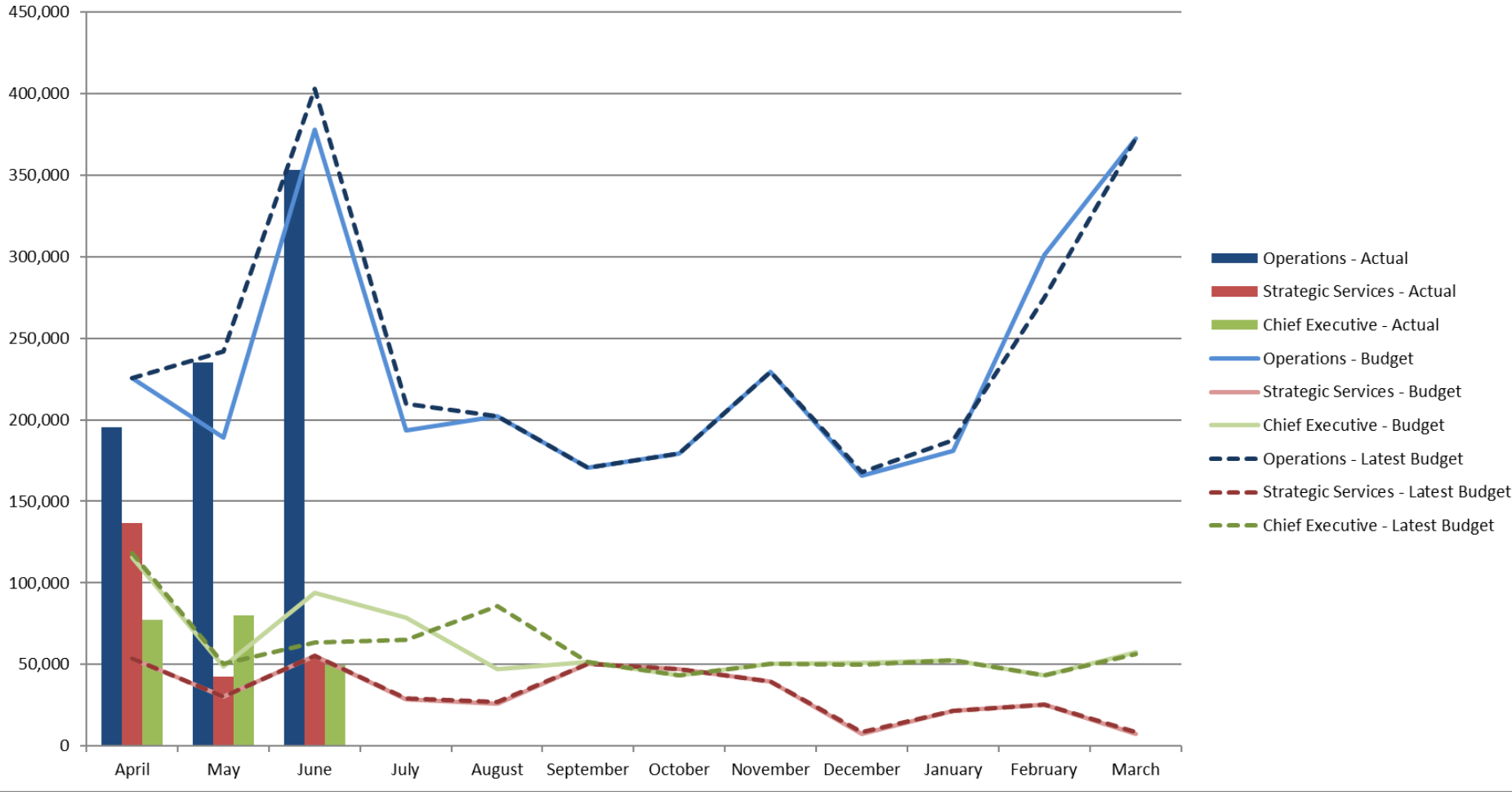
Appendix 1 – Navigation actual income and expenditure charts to 30 June 2021

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

Appendix 1 – Navigation actual income and expenditure charts to 30 June 2021



Navigation Net Actual Expenditure against Original and Latest Budget



Appendix 2 – Financial monitor: Navigation 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) £
Total Income	(3,503,650)	0	(3,503,650)	(3,503,650)	+ 0
National Park Grant	0	0	0	0	+ 0
Income	0	0	0	0	+ 0
Hire Craft Tolls	(1,131,000)	0	(1,131,000)	(1,131,000)	+ 0
Income	(1,131,000)	0	(1,131,000)	(1,131,000)	+ 0
Private Craft Tolls	(2,303,000)	0	(2,303,000)	(2,303,000)	+ 0
Income	(2,303,000)	0	(2,303,000)	(2,303,000)	+ 0
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	(6,750)	0	(6,750)	(6,750)	+ 0
Income	(6,750)	0	(6,750)	(6,750)	+ 0

Table 2
Operations

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Total Operations	2,900,656	77,500	2,978,156	2,869,081	+ 109,075
Construction and Maintenance Salaries	834,956	0	834,956	834,956	+ 0
Salaries	834,956	0	834,956	834,956	+ 0
Expenditure	0	0	0	0	+ 0
Equipment, Vehicles & Vessels	369,880	0	369,880	369,880	+ 0
Income	(6,090)	0	(6,090)	(6,090)	+ 0
Expenditure	375,970	0	375,970	375,970	+ 0
Water Management	95,135	0	95,135	95,135	+ 0
Expenditure	95,135	0	95,135	95,135	+ 0
Land Management	0	0	0	0	+ 0
Income	0	0	0	0	+ 0
Expenditure	0	0	0	0	+ 0
Practical Maintenance	394,836	77,500	472,336	472,336	+ 0
Income	(11,000)	0	(11,000)	(11,000)	+ 0
Expenditure	405,836	77,500	483,336	483,336	+ 0
Waterways and Recreation Strategy	28,290	0	28,290	28,290	+ 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	19,290	0	19,290	19,290	+ 0
Expenditure	9,000	0	9,000	9,000	+ 0
Project Funding	1,089	0	1,089	1,089	+ 0
Expenditure	0	0	0	0	+ 0
Pension Payments	1,089	0	1,089	1,089	+ 0
Ranger Services	837,448	0	837,448	737,448	+ 100,000
Income	(7,000)	0	(7,000)	(7,000)	+ 0
Salaries	588,028	0	588,028	588,028	+ 0
Expenditure	256,245	0	256,245	156,245	+ 100,000
Pension Payments	175	0	175	175	+ 0
Safety	92,113	0	92,113	83,038	+ 9,075
Income	(1,000)	0	(1,000)	(1,000)	+ 0
Salaries	43,735	0	43,735	43,735	+ 0
Expenditure	49,378	0	49,378	40,303	+ 9,075
Premises	126,462	0	126,462	126,462	+ 0
Income	(2,450)	0	(2,450)	(2,450)	+ 0
Expenditure	128,912	0	128,912	128,912	+ 0

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
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
Premises - Head Office	75,075	0	75,075	75,075	+ 0
Expenditure	75,075	0	75,075	75,075	+ 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	304,821	3,342	308,162	308,162	+ 0
Development Management	4,361	0	4,361	4,361	+ 0
Income	0	0	0	0	+ 0
Salaries	4,361	0	4,361	4,361	+ 0
Expenditure	0	0	0	0	+ 0
Pension Payments	0	0	0	0	+ 0
Strategy and Projects Salaries	8,845	0	8,845	8,845	+ 0
Income	0	0	0	0	+ 0
Salaries	8,800	0	8,800	8,800	+ 0
Expenditure	45	0	45	45	+ 0
Biodiversity Strategy	0	0	0	0	+ 0
Income	0	0	0	0	+ 0
Expenditure	0	0	0	0	+ 0
Human Resources	57,283	3,342	60,624	60,624	+ 0
Salaries	33,185	0	33,185	33,185	+ 0
Expenditure	24,097	3,342	27,439	27,439	+ 0

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Volunteers	29,676	0	29,676	29,676	+ 0
Salaries	20,428	0	20,428	20,428	+ 0
Expenditure	9,248	0	9,248	9,248	+ 0
Communications	80,430	0	80,430	80,430	+ 0
Income	0	0	0	0	+ 0
Salaries	70,455	0	70,455	70,455	+ 0
Expenditure	9,975	0	9,975	9,975	+ 0
Visitor Centres and Yacht Stations	90,263	0	90,263	90,263	+ 0
Income	(69,450)	0	(69,450)	(69,450)	+ 0
Salaries	134,025	0	134,025	134,025	+ 0
Expenditure	25,688	0	25,688	25,688	+ 0
Strategic Services Management and Administration	33,963	0	33,963	33,963	+ 0
Salaries	32,958	0	32,958	32,958	Salaries
Expenditure	1,005	0	1,005	1,005	Expenditure

Table 4

Chief Executive

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Total Chief Executive	733,553	(3,290)	730,263	730,263	+ 0
Legal	32,500	0	32,500	32,500	+ 0
Income	(2,500)	0	(2,500)	(2,500)	+ 0
Expenditure	35,000	0	35,000	35,000	+ 0
Governance	95,405	0	95,405	95,405	+ 0
Salaries	56,021	0	56,021	56,021	+ 0
Expenditure	39,384	0	39,384	39,384	+ 0
Chief Executive	48,705	0	48,705	48,705	+ 0
Salaries	47,773	0	47,773	47,773	+ 0
Expenditure	932	0	932	932	+ 0
Asset Management	81,302	0	81,302	81,302	+ 0
Income	(2,000)	0	(2,000)	(2,000)	+ 0
Salaries	21,020	0	21,020	21,020	+ 0
Expenditure	62,283	0	62,283	62,283	+ 0
Finance and Insurance	191,521	(3,290)	188,231	188,231	+ 0
Salaries	85,230	0	85,230	85,230	+ 0

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Expenditure	106,291	(3,290)	103,001	103,001	+ 0
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	131,591	0	131,591	131,591	+ 0
Salaries	66,482	0	66,482	66,482	+ 0
Expenditure	65,109	0	65,109	65,109	+ 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	27,277	0	27,277	27,277	+ 0
Partnerships / HLF	(23,684)	0	(23,684)	(23,684)	+ 0
Income	(64,524)	0	(64,524)	(64,524)	+ 0
Salaries	14,540	0	14,540	14,540	+ 0
Expenditure	26,300	0	26,300	26,300	+ 0
Corporate Items	50,960	0	50,960	50,960	+ 0
Expenditure	1,760	0	1,760	1,760	+ 0
Pension Payments	49,200	0	49,200	49,200	+ 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	(240,742)	0	(240,742)	(131,667)	- 109,075
Earmarked Reserves	(240,742)	0	(240,742)	(131,667)	- 109,075

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Expenditure	(240,742)	0	(240,742)	(131,667)	- 109,075

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	221,915	77,552	299,466	299,466	+ 0