

**Navigation Income and Expenditure:
1 April to 31 October 2015 Actual and 2015/16 Forecast Outturn
Report by Head of Finance**

Summary: This report provides the Committee with details of the actual navigation income and expenditure for the seven month period to 31 October 2015, and provides a forecast of the projected expenditure at the end of the financial year (31 March 2016).

1 Introduction

- 1.1 This report provides a summary of the Income and Expenditure for the Navigation Budget up until 31 October. It includes 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 I&E by Directorate to 31 October 2015

	Profiled Latest Available Budget	Actual Income and Expenditure	Actual Variance
Income	(2,970,801)	(2,941,599)	- 29,202
Operations	1,593,031	1,475,949	+ 117,082
Planning and Resources	477,159	449,167	+ 27,993
Chief Executive	89,388	93,839	- 4,451
Projects, Corporate Items and Contributions from Earmarked Reserves	(308,396)	(176,958)	- 131,438
Net (Surplus) / Deficit	(1,119,619)	(1,099,603)	- 20,016

- 2.1 Core navigation income is behind of the profiled budget at the end of month seven. The overall position as at 31 October 2015 is an adverse variance of £20,016 or 1.79% difference from the profiled LAB. This is principally due to:
- An overall adverse variance of £26,668 within toll income:
 - Hire Craft Tolls £21,836 below the profiled budget.
 - Private Craft Tolls £1,849 above the profiled budget.
 - An underspend within Operations budgets relating to:

- Construction and Maintenance salaries are under profiled budget by £11,563 following a long term vacancy which has been used to fund the apprentices. This will decrease over the coming months.
- Equipment, Vehicles and Vessels is under profiled budget by £32,597 due to delayed billing on the 3rd Wherry
- Water Management is above the profiled budget by £17,316 due to the Hydrographic survey being completed ahead of profile.
- Practical Maintenance is under profile by £10,192 due to timing differences.
- Ranger Services is under profiled budget by £62,242 due to the delayed letting of the launch tender following changes in procurement legislation. This is partially offset by the salary overspend.
- An underspend within Planning and Resources budgets relating to:
 - A number of small variances within all budgets but mainly relating to Yacht Stations on income and expenditure (£10,130).
- An adverse variance within Reserves relating to:
 - The delayed completion on the land purchase (£17,351) at Acle (sale completed 3/11/15).
 - The delayed Wherry billing and the delayed letting of the launch contract (£114,087).

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 2015/16. 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 set out in Appendix 2.

Table 2 – Adjustments to Navigation LAB

	Ref	£
LAB previously reported	Nav 22/10/15 Item 12	(22,209)
Virement from DRD to VES to cover cost of screener purchase	Director approved	(3,500)
LAB at 31 October 2015		(25,709)

3.2 The LAB therefore provides for a reduced navigation surplus of £25,709 in 2015/16 as at 31 October 2015.

4 Overview of Forecast Outturn 2015/16

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

responsible. It must be emphasised that these forecast outturn figures should be seen as estimates and it is anticipated that they will continue to be refined and clarified through the financial year.

4.2 As at the end of October 2015, the forecast outturn indicates:

- The total forecast income is £3,007,086, or £27,094 less than the LAB
- Total expenditure is forecast to be £3,018,604
- The resulting deficit for the year is forecast to be £11,518

4.3 The forecast outturn expenditure reflects the following changes from the LAB as shown in Table 3. The forecast surplus represents an adverse variance of £37,227 against the LAB.

Table 3 – Adjustments to Forecast Outturn

	£
Forecast outturn surplus per LAB	(25,709)
Adjustments reported 22/10/15	26,873
Decrease forecast Private Craft Toll income	5,825
Increase forecast Hire Craft Toll income	(471)
Increase in Legal Costs for High Court Appeal	5,000
Forecast outturn deficit as at 31 October 2015	11,518

4.4 The main reason for the difference between the forecast outturn and the LAB is the approval of the Hickling project and the change in predictions for navigation toll income, which are based on the latest actual income figures. There is an overall decrease of £27,094 in forecast toll income for the year.

5 Reserves

Table 4 – Navigation Earmarked Reserves

	Balance at 1 April 2015	In-year movements	Current reserve balance
	£	£	£
Property	(510,132)	93,769	(416,363)
Plant, Vessels and Equipment	(202,403)	53,229	(149,174)
Premises	(78,552)	(9,750)	(88,302)
PRISMA	(171,869)	14,905	(156,964)
Total	(962,956)	152,153	(810,802)

5.1 Items funded from the Property reserve include the repairs to Mutford Lock, the Wherry deposit, Turntide Jetty and the Land purchase at Potter Heigham.

6 Summary

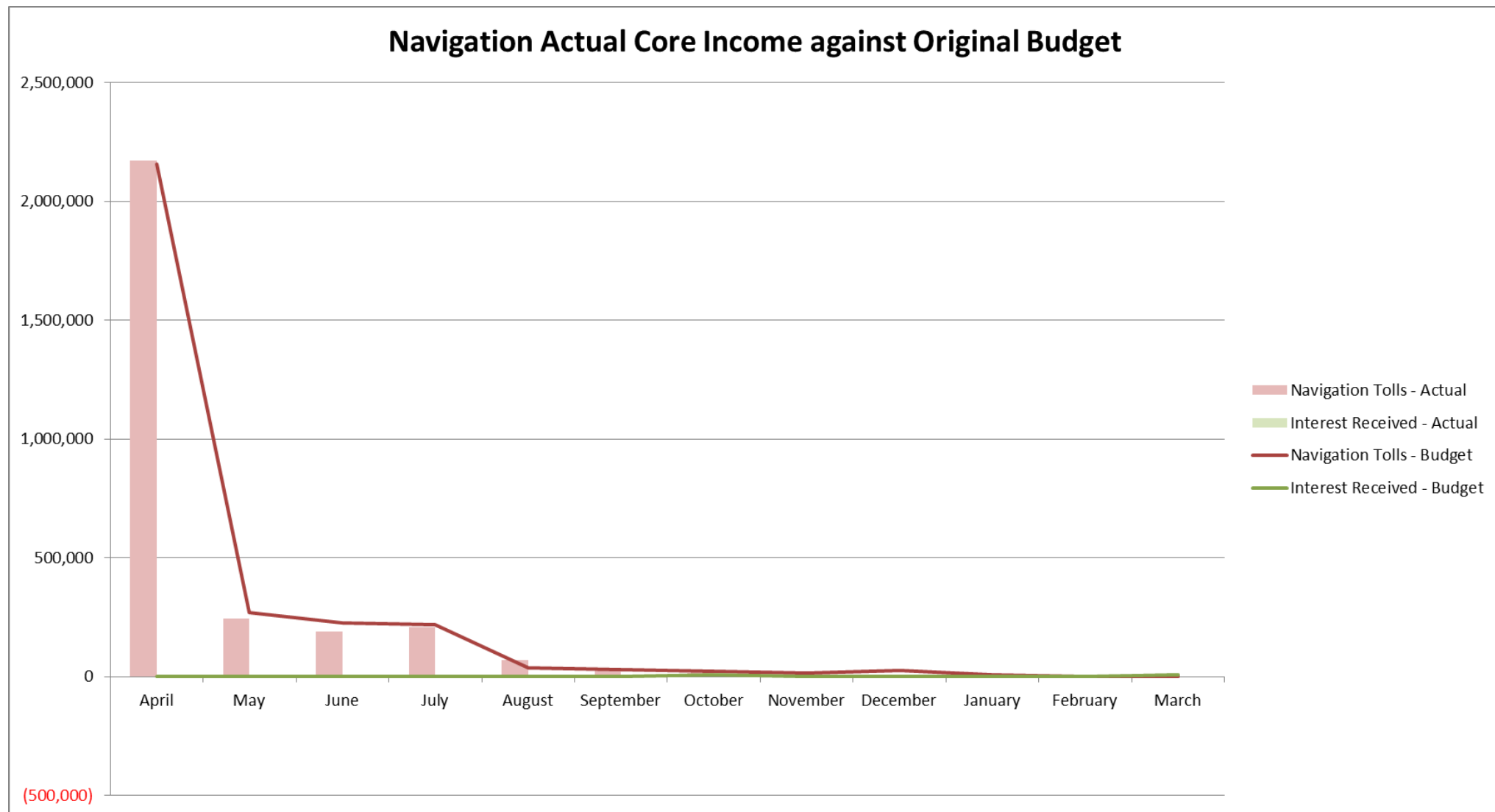
- 6.1 The current forecast outturn position for the year suggests a deficit within the navigation budget which would result in a navigation reserve balance of approximately £268,620 at the end of 2015/16 (before any year-end adjustments). This would mean the Navigation Reserve would be below the recommended 10% at 8.9%. This will need to be taken into account when reviewing the future financial strategy to try and restore this.

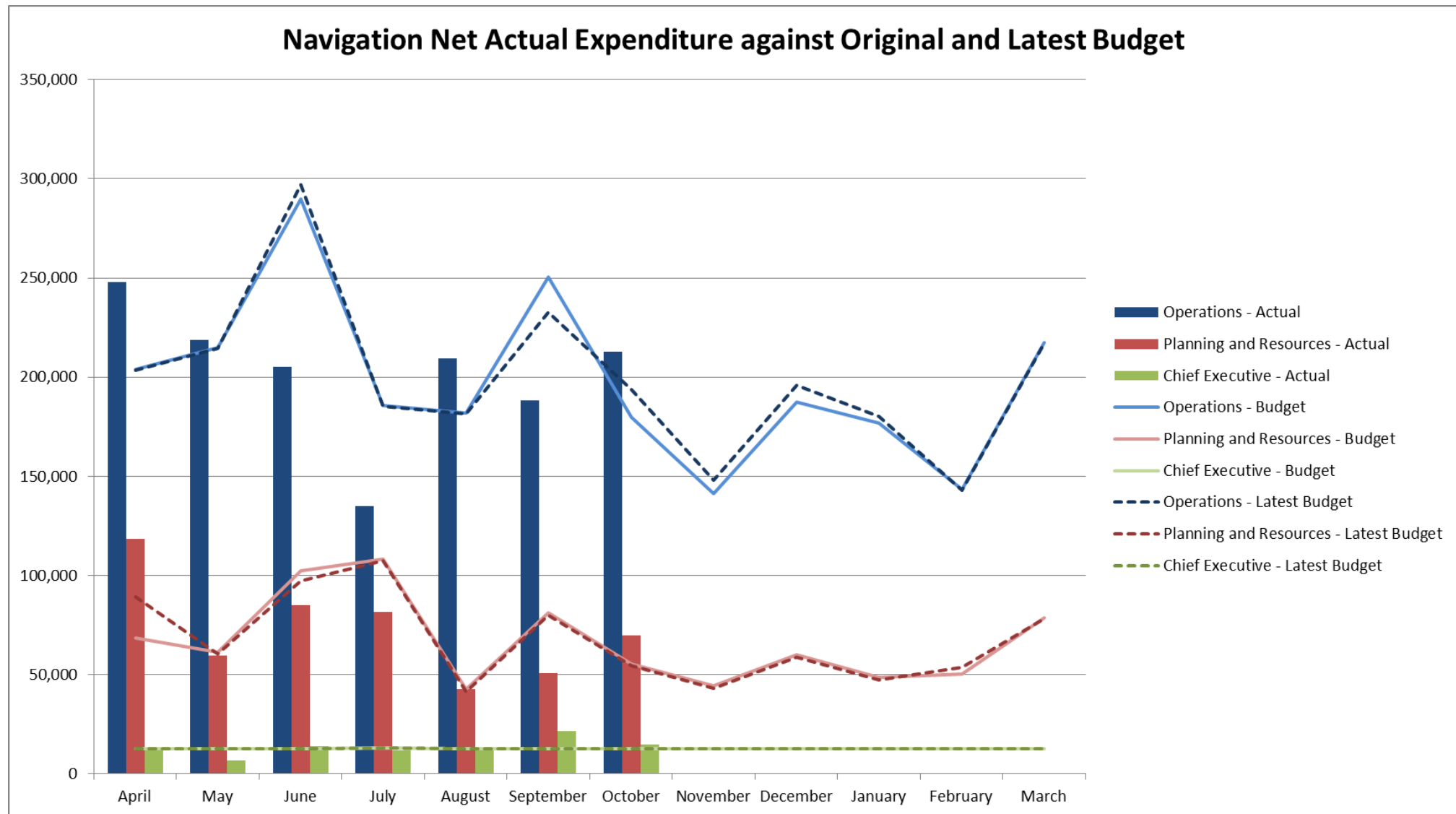
Background Papers: Nil

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Broads Plan Objectives: None

Appendices: APPENDIX 1 – Navigation Actual Income and Expenditure
Charts to 31 October 2015
APPENDIX 2 – Financial Monitor: Navigation Income and
Expenditure 2015/16





To 31 October 2015

Budget Holder

(All)

Row Labels	Values				
	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Income	(3,034,180)		(3,034,180)	(3,007,086)	- 27,094
National Park Grant	0		0	0	+ 0
Income	0		0	0	+ 0
Hire Craft Tolls	(1,090,525)		(1,090,525)	(1,068,689)	- 21,836
Income	(1,090,525)		(1,090,525)	(1,068,689)	- 21,836
Private Craft Tolls	(1,869,042)		(1,869,042)	(1,871,284)	+ 2,242
Income	(1,869,042)		(1,869,042)	(1,871,284)	+ 2,242
Short Visit Tolls	(38,363)		(38,363)	(38,363)	+ 0
Income	(38,363)		(38,363)	(38,363)	+ 0
Other Toll Income	(18,750)		(18,750)	(18,750)	+ 0
Income	(18,750)		(18,750)	(18,750)	+ 0
Interest	(17,500)		(17,500)	(10,000)	- 7,500
Income	(17,500)		(17,500)	(10,000)	- 7,500
Operations	2,459,058	107,415	2,566,473	2,542,638	+ 23,836
Construction and Maintenance Salaries	628,981		628,981	628,981	+ 0
Salaries	628,981		628,981	628,981	+ 0
Expenditure			0		+ 0
Equipment, Vehicles & Vessels	455,975	1,495	457,470	433,635	+ 23,836
Income			0		+ 0
Expenditure	455,975	1,495	457,470	433,635	+ 23,836
Water Management	167,500	18,700	186,200	186,200	+ 0
Income			0		+ 0
Expenditure	167,500	18,700	186,200	186,200	+ 0
Land Management	0		0	0	+ 0
Income	0		0	0	+ 0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Expenditure	0		0	0	+ 0
Practical Maintenance	395,200	87,220	482,420	482,420	+ 0
Income	(7,000)		(7,000)	(7,000)	+ 0
Expenditure	402,200	87,220	489,420	489,420	+ 0
Ranger Services	498,946		498,946	498,946	+ 0
Income	(21,000)		(21,000)	(21,000)	+ 0
Salaries	347,346		347,346	347,346	+ 0
Expenditure	172,600		172,600	172,600	+ 0
Pension Payments			0		+ 0
Safety	60,326		60,326	60,326	+ 0
Income	(9,000)		(9,000)	(9,000)	+ 0
Salaries	40,771		40,771	40,771	+ 0
Expenditure	28,555		28,555	28,555	+ 0
Asset Management	68,489		68,489	68,489	+ 0
Income	(450)		(450)	(450)	+ 0
Salaries	17,564		17,564	17,564	+ 0
Expenditure	51,375		51,375	51,375	+ 0
Volunteers	25,868		25,868	25,868	+ 0
Income	(400)		(400)	(400)	+ 0
Salaries	17,468		17,468	17,468	+ 0
Expenditure	8,800		8,800	8,800	+ 0
Premises	86,357		86,357	86,357	+ 0
Income	(853)		(853)	(853)	+ 0
Expenditure	87,211		87,211	87,211	+ 0
Operations Management and Administration	71,417		71,417	71,417	+ 0
Income			0		+ 0
Salaries	64,417		64,417	64,417	+ 0
Expenditure	7,000		7,000	7,000	+ 0
Planning and Resources	715,417	9,900	725,317	730,450	- 5,133

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Development Management	0	0	0	0	+ 0
Income	0		0	0	+ 0
Salaries	0		0	0	+ 0
Expenditure	0	0	0	0	+ 0
Pension Payments			0		+ 0
Strategy and Projects Salaries	18,439	0	18,439	18,439	+ 0
Income	0	0	0	0	+ 0
Salaries	18,439	0	18,439	18,439	+ 0
Expenditure	0	0	0	0	+ 0
Biodiversity Strategy	0	0	0	0	+ 0
Income	0		0	0	+ 0
Expenditure	0	0	0	0	+ 0
Strategy and Projects	3,265	0	3,265	3,265	+ 0
Income	0	0	0	0	+ 0
Salaries	3,265	0	3,265	3,265	+ 0
Expenditure	0	0	0	0	+ 0
Waterways and Recreation Strategy	43,160		43,160	48,293	- 5,133
Salaries	34,160		34,160	34,160	+ 0
Expenditure	9,000		9,000	14,133	- 5,133
Project Funding	3,740		3,740	3,740	+ 0
Income	0		0	0	+ 0
Salaries	3,740		3,740	3,740	+ 0
Expenditure	0		0	0	+ 0
Pension Payments			0		+ 0
Partnerships / HLF	0		0	0	+ 0
Expenditure	0		0	0	+ 0
Finance and Insurance	158,151		158,151	158,151	+ 0
Income			0		+ 0
Salaries	64,151		64,151	64,151	+ 0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Expenditure	94,000		94,000	94,000	+ 0
Communications	62,048	0	62,048	62,048	+ 0
Income			0		+ 0
Salaries	50,048		50,048	50,048	+ 0
Expenditure	12,000	0	12,000	12,000	+ 0
Visitor Centres and Yacht Stations	74,220		74,220	74,220	+ 0
Income	(56,250)		(56,250)	(56,250)	+ 0
Salaries	106,470		106,470	106,470	+ 0
Expenditure	24,000		24,000	24,000	+ 0
Collection of Tolls	116,740		116,740	116,740	+ 0
Salaries	104,040		104,040	104,040	+ 0
Expenditure	12,700		12,700	12,700	+ 0
ICT	87,245	9,900	97,145	97,145	+ 0
Salaries	43,784		43,784	43,784	+ 0
Expenditure	43,461	9,900	53,361	53,361	+ 0
Premises - Head Office	73,819		73,819	73,819	+ 0
Expenditure	73,819		73,819	73,819	+ 0
Planning and Resources Management and Administration	74,589		74,589	74,589	+ 0
Income			0		+ 0
Salaries	39,420		39,420	39,420	+ 0
Expenditure	35,169		35,169	35,169	+ 0
Chief Executive	153,001		153,001	158,001	- 5,000
Human Resources	45,727		45,727	45,727	+ 0
Income			0		+ 0
Salaries	21,332		21,332	21,332	+ 0
Expenditure	24,395		24,395	24,395	+ 0
Legal	27,596		27,596	32,596	- 5,000
Income			0		+ 0
Salaries	15,596		15,596	15,596	+ 0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Expenditure	12,000		12,000	17,000	- 5,000
Governance	39,531		39,531	39,531	+ 0
Salaries	21,645		21,645	21,645	+ 0
Expenditure	17,886		17,886	17,886	+ 0
Chief Executive	40,147		40,147	40,147	+ 0
Salaries	40,147		40,147	40,147	+ 0
Expenditure			0		+ 0
Projects and Corporate Items	44,800		44,800	44,800	+ 0
PRISMA			0		+ 0
Expenditure			0		+ 0
Corporate Items	44,800		44,800	44,800	+ 0
Pension Payments	44,800		44,800	44,800	+ 0
Contributions from Earmarked Reserves	(393,900)	(87,220)	(481,120)	(457,285)	- 23,836
Earmarked Reserves	(393,900)	(87,220)	(481,120)	(457,285)	- 23,836
Expenditure	(393,900)	(87,220)	(481,120)	(457,285)	- 23,836
Grand Total	(55,804)	30,095	(25,709)	11,518	- 37,227