

**Navigation Income and Expenditure:  
1 April to 30 June 2017 Actual and 2017/18 Forecast Outturn**  
Report by Chief Financial Officer

**Summary:** This report provides the Committee with details of the actual navigation income and expenditure for the three month period to 30 June 2017, and provides a forecast of the projected expenditure at the end of the financial year (31 March 2018).

**1 Introduction**

1.1 This report provides a summary of the Income and Expenditure for the Navigation Budget up until 30 June and reflects the movement of the monitor lines within the Directorates. These movements are as a result of the changes in line management, the original budget remains the same. It also 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 30 June 2017

	<b>Profiled Latest Available Budget</b>	<b>Actual Income and Expenditure</b>	<b>Actual Variance</b>
Income	(2,633,390)	(2,680,104)	+ 46,714
Operations	727,265	665,889	+ 61,375
Planning and Resources	184,393	167,852	+ 16,541
Chief Executive	137,283	132,436	+ 4,847
Projects, Corporate Items and Contributions from Earmarked Reserves	(93,122)	(74,539)	- 18,583
<b>Net (Surplus) / Deficit</b>	<b>(1,677,571)</b>	<b>(1,788,466)</b>	<b>+ 110,895</b>

2.1 Core navigation income is above the profiled budget at the end of month three. The overall position as at 30 June 2017 is a favourable variance of £110,895 or 6.61% difference from the profiled LAB. This is principally due to:

- An overall favourable variance of £48,813 within toll income:
  - Hire Craft Tolls £18,221 above the profiled budget.
  - Private Craft Tolls £28,043 above the profiled budget.

- An underspend within Operations budgets relating to:
  - Construction and Maintenance salaries is under profile by £10,379 due to vacancies at the start of the financial year.
  - Water Management is under profile by £21,916 due to outstanding Natural England consent.
  - Practical Maintenance is under profile by £24,152 due to timing differences on various projects.
  - Premises is under profile by £12,925 due timing differences around the Dockyard Wet Shed repairs.
- An underspend within Planning and Resources budgets relating to:
  - Visitor Centres and Yacht Stations is under profile by £11,566 due to timing differences.
- An adverse variance within Reserves relating to the timing differences around the Dockyard Wet Shed repairs.

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 2017/18. 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

	<b>Ref</b>	<b>£</b>
Original navigation budget 2017/18 (surplus)	Item 12 27/01/17	(766)
Approved carry-forwards from 2016/17	Item 11 19/05/17	8,995
Virement from ASS to OMA to reflect actual admin support	CEO approved	(474)
<b>LAB at 30 June 2017</b>		<b>7,755</b>

3.2 The LAB therefore provides for a navigation deficit of £7,755 in 2017/18 as at 30 June 2017.

### 4 Overview of Forecast Outturn 2017/18

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 June 2017, the forecast outturn indicates:

- The total forecast income is £3,218,923, or £39,423 more than the LAB.
- Total expenditure is forecast to be £3,187,249.
- The resulting surplus for the year is forecast to be £31,674.

4.3 The forecast outturn expenditure reflects the following changes from the LAB as shown in Table 3. The forecast surplus represents a favourable variance of £39,429 against the LAB.

Table 3 – Adjustments to Forecast Outturn

	<b>£</b>
Forecast outturn deficit per LAB	7,755
Increase to Hire Craft Toll income	(39,423)
Decrease to Boat Safety income	7,000
Decrease to ICT expenditure to reflect savings on telephone contract	(1,006)
Decrease to Apprenticeship Levy to reflect employer allowance	(6,000)
<b>Forecast outturn surplus as at 30 June 2017</b>	<b>(31,674)</b>

4.4 The main reason for the difference between the forecast outturn and the LAB is the increase in hire craft toll income.

## 5 Reserves

Table 4 – Navigation Earmarked Reserves

	<b>Balance at 1 April 2017</b>	<b>In-year movements</b>	<b>Current reserve balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Property	(305,051)	(30,500)	(335,551)
Plant, Vessels and Equipment	(199,010)	(29,804)	(228,814)
Premises	(85,753)	(18,167)	(103,920)
<b>Total</b>	<b>(589,815)</b>	<b>(78,471)</b>	<b>(668,286)</b>

5.1 As with last year 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 Items funded from the Property reserve at the end of June include the repairs to Irsead Billet whilst the items funded from the Plant, Vessel and Equipment reserve include the linkflotes.

## 6 Summary

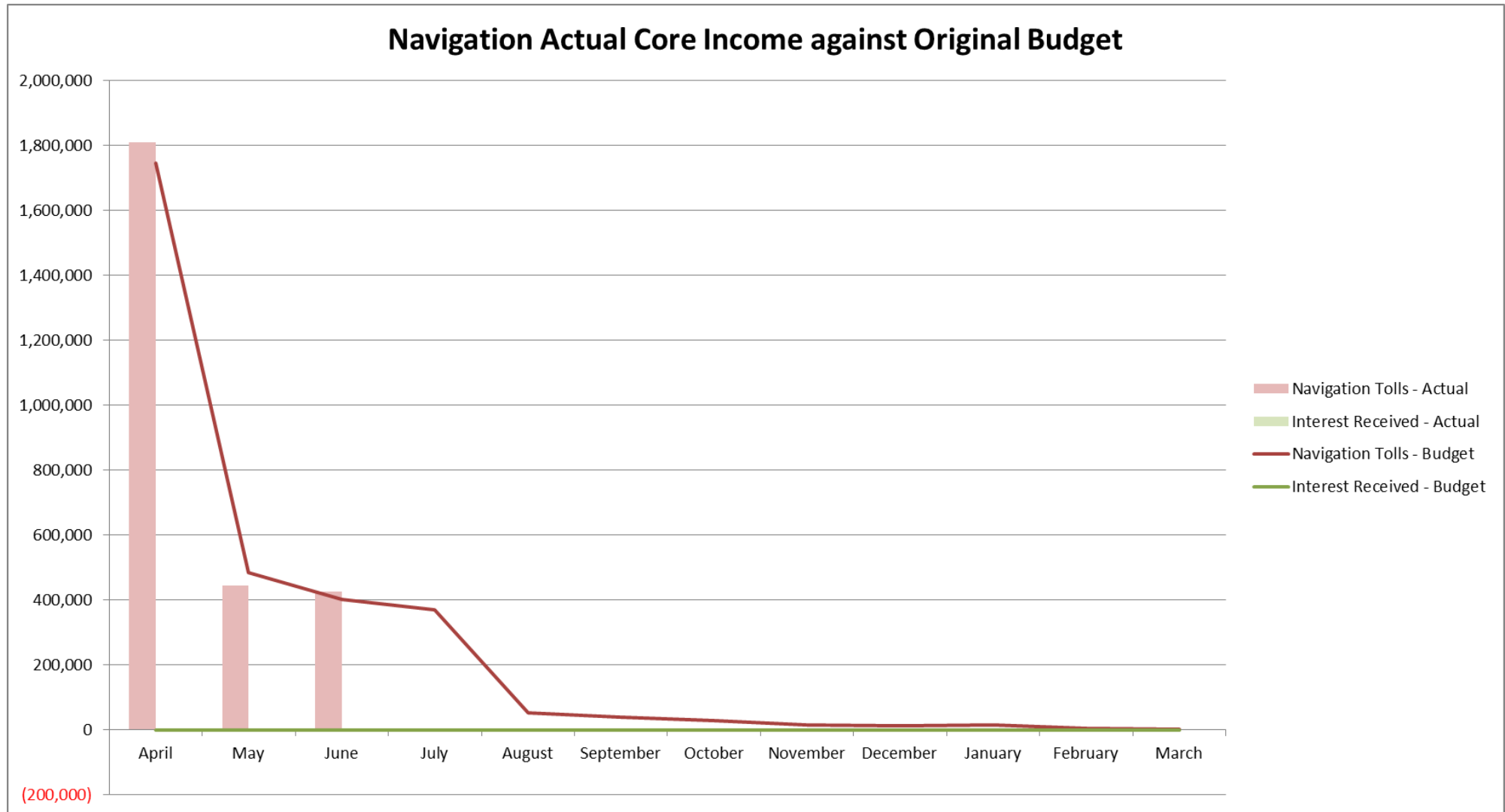
- 6.1 The current forecast outturn position for the year suggests a surplus within the navigation budget which would result in a navigation reserve balance of approximately £357,629 at the end of 2017/18 (before any year-end adjustments). This would mean the Navigation Reserve would be slightly above the recommended 10% at 11.2%. Year-end transfers of interest to the earmarked reserves will mean that it will fall to approximately 11.1%. This will be highly dependent on the actual level of interest received.

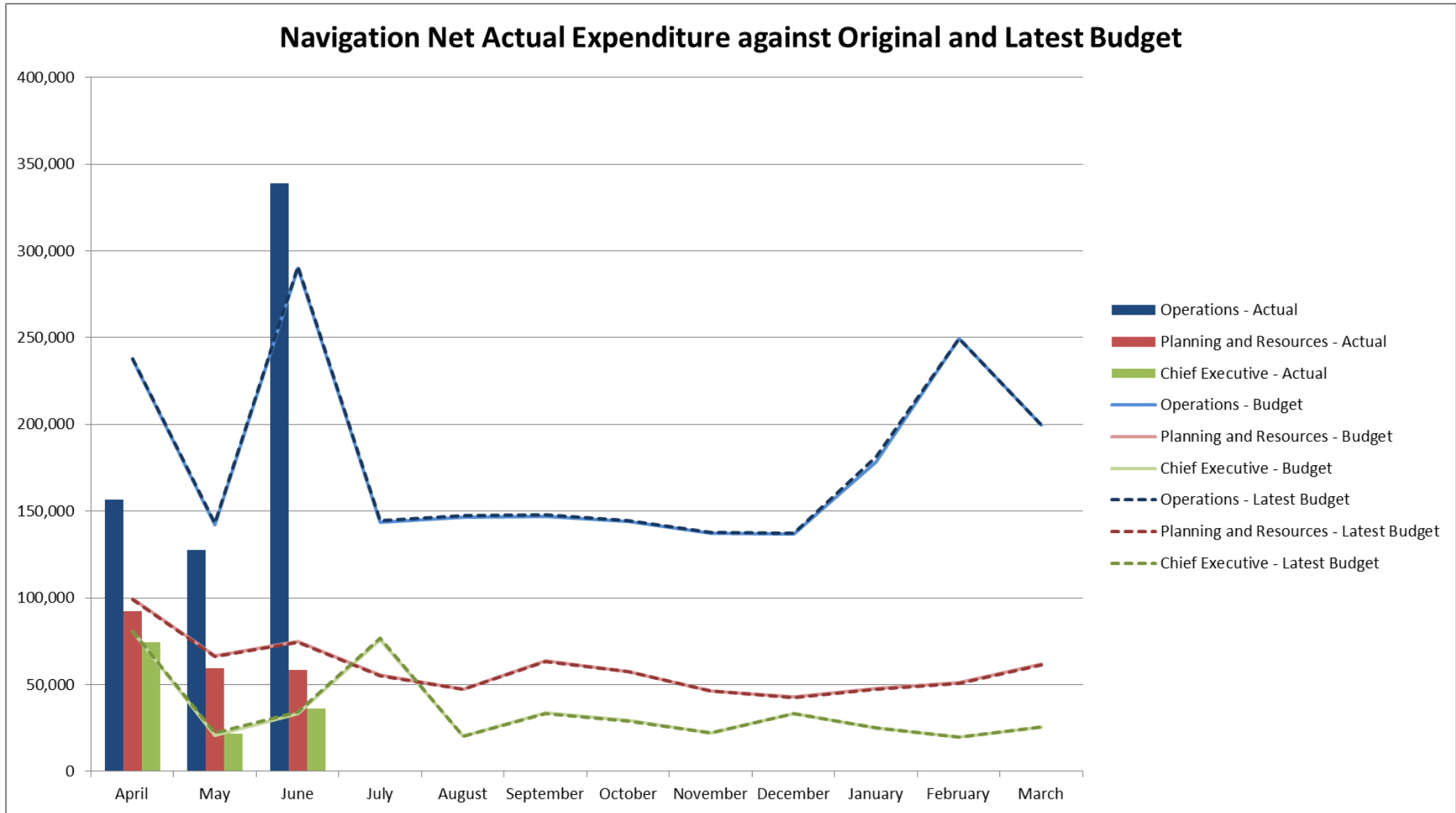
Background Papers: Nil

Author: Emma Krelle  
Date of Report: 09 August 2017

Broads Plan Objectives: None

Appendices: APPENDIX 1 – Navigation Actual Income and Expenditure  
Charts to 30 June 2017  
APPENDIX 2 – Financial Monitor: Navigation Income and  
Expenditure 2017/18





**To 30 June 2017**

Budget Holder

(All)

Row Labels	Values				
	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Income	(3,179,500)		(3,179,500)	(3,218,923)	+ 39,423
National Park Grant	0		0	0	+ 0
Income	0		0	0	+ 0
Hire Craft Tolls	(1,073,400)		(1,073,400)	(1,112,823)	+ 39,423
Income	(1,073,400)		(1,073,400)	(1,112,823)	+ 39,423
Private Craft Tolls	(2,040,000)		(2,040,000)	(2,040,000)	+ 0
Income	(2,040,000)		(2,040,000)	(2,040,000)	+ 0
Short Visit Tolls	(39,800)		(39,800)	(39,800)	+ 0
Income	(39,800)		(39,800)	(39,800)	+ 0
Other Toll Income	(18,800)		(18,800)	(18,800)	+ 0
Income	(18,800)		(18,800)	(18,800)	+ 0
Interest	(7,500)		(7,500)	(7,500)	+ 0
Income	(7,500)		(7,500)	(7,500)	+ 0
Operations	2,288,320	8,247	2,296,567	2,303,567	- 7,000
Construction and Maintenance Salaries	744,102		744,102	744,102	+ 0
Income	(3,094)		(3,094)	(3,094)	+ 0
Salaries	747,196		747,196	747,196	+ 0
Expenditure			0		+ 0
Equipment, Vehicles & Vessels	348,250		348,250	348,250	+ 0
Income			0		+ 0
Expenditure	348,250		348,250	348,250	+ 0
Water Management	112,500		112,500	112,500	+ 0
Expenditure	112,500		112,500	112,500	+ 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	358,200	2,565	360,765	360,765	+ 0
Income	(10,500)		(10,500)	(10,500)	+ 0
Expenditure	368,700	2,565	371,265	371,265	+ 0
Ranger Services	446,274	4,380	450,654	450,654	+ 0
Income	(76,278)		(76,278)	(76,278)	+ 0
Salaries	374,052	4,380	378,432	378,432	+ 0
Expenditure	148,500		148,500	148,500	+ 0
Pension Payments			0		+ 0
Safety	75,671		75,671	82,671	- 7,000
Income	(9,000)		(9,000)	(2,000)	- 7,000
Salaries	45,046		45,046	45,046	+ 0
Expenditure	39,625		39,625	39,625	+ 0
Volunteers	27,520		27,520	27,520	+ 0
Income	(400)		(400)	(400)	+ 0
Salaries	19,920		19,920	19,920	+ 0
Expenditure	8,000		8,000	8,000	+ 0
Premises	135,119		135,119	135,119	+ 0
Income	(1,600)		(1,600)	(1,600)	+ 0
Expenditure	136,719		136,719	136,719	+ 0
Operations Management and Administration	40,685	1,302	41,987	41,987	+ 0
Income	(1,143)		(1,143)	(1,143)	+ 0
Salaries	34,828	1,302	36,130	36,130	+ 0
Expenditure	7,000		7,000	7,000	+ 0
Planning and Resources	580,216	2,050	582,266	581,259	+ 1,006
Development Management	0	0	0	0	+ 0
Income	0		0	0	+ 0
Salaries	0		0	0	+ 0
Expenditure	0	0	0	0	+ 0



Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Pension Payments			0		+ 0
Strategy and Projects Salaries	26,635		26,635	26,635	+ 0
Income	0		0	0	+ 0
Salaries	24,835		24,835	24,835	+ 0
Expenditure	1,800		1,800	1,800	+ 0
Biodiversity Strategy	0	0	0	0	+ 0
Income			0		+ 0
Expenditure	0	0	0	0	+ 0
Strategy and Projects			0		+ 0
Expenditure			0		+ 0
Human Resources	53,542	2,050	55,592	55,592	+ 0
Salaries	29,147		29,147	29,147	+ 0
Expenditure	24,395	2,050	26,445	26,445	+ 0
Waterways and Recreation Strategy	47,210		47,210	47,210	+ 0
Salaries	38,210		38,210	38,210	+ 0
Expenditure	9,000		9,000	9,000	+ 0
Project Funding	0		0	0	+ 0
Expenditure	0		0	0	+ 0
Pension Payments			0		+ 0
Communications	80,813	0	80,813	80,813	+ 0
Income	(1,360)		(1,360)	(1,360)	+ 0
Salaries	71,673		71,673	71,673	+ 0
Expenditure	10,500	0	10,500	10,500	+ 0
Pension Payments			0		+ 0
Visitor Centres and Yacht Stations	75,765		75,765	75,765	+ 0
Income	(60,000)		(60,000)	(60,000)	+ 0
Salaries	111,765		111,765	111,765	+ 0
Expenditure	24,000		24,000	24,000	+ 0
Collection of Tolls	128,550		128,550	128,550	+ 0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Salaries	115,850		115,850	115,850	+ 0
Expenditure	12,700		12,700	12,700	+ 0
ICT	100,604		100,604	99,597	+ 1,007
Salaries	59,849		59,849	59,849	+ 0
Expenditure	40,755		40,755	39,749	+ 1,007
Planning and Resources Management and Administration	67,097		67,097	67,097	+ 0
Income	(458)		(458)	(458)	+ 0
Salaries	43,785		43,785	43,785	+ 0
Expenditure	23,769		23,769	23,769	+ 0
Chief Executive	419,677	(1,775)	417,902	417,902	+ 0
Legal	27,503		27,503	27,503	+ 0
Income			0		+ 0
Salaries	15,503		15,503	15,503	+ 0
Expenditure	12,000		12,000	12,000	+ 0
Governance	41,065	0	41,065	41,065	+ 0
Salaries	23,938		23,938	23,938	+ 0
Expenditure	17,127	0	17,127	17,127	+ 0
Chief Executive	43,911		43,911	43,911	+ 0
Salaries	43,911		43,911	43,911	+ 0
Expenditure			0		+ 0
Asset Management	72,267	(1,775)	70,492	70,492	+ 0
Income	(2,670)		(2,670)	(2,670)	+ 0
Salaries	23,562	(1,775)	21,787	21,787	+ 0
Expenditure	51,375		51,375	51,375	+ 0
Finance and Insurance	164,840		164,840	164,840	+ 0
Income	(3,245)		(3,245)	(3,245)	+ 0
Salaries	74,085		74,085	74,085	+ 0
Expenditure	94,000		94,000	94,000	+ 0
Premises - Head Office	70,091		70,091	70,091	+ 0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Expenditure	70,091		70,091	70,091	+ 0
Projects and Corporate Items	30,720		30,720	24,720	+ 6,000
Partnerships / HLF	0		0	0	+ 0
Income	0		0	0	+ 0
Salaries	0		0	0	+ 0
Expenditure	0		0	0	+ 0
Corporate Items	30,720		30,720	24,720	+ 6,000
Expenditure	6,720		6,720	720	+ 6,000
Pension Payments	24,000		24,000	24,000	+ 0
Contributions from Earmarked Reserves	(140,200)		(140,200)	(140,200)	+ 0
Earmarked Reserves	(140,200)		(140,200)	(140,200)	+ 0
Expenditure	(140,200)		(140,200)	(140,200)	+ 0
<b>Grand Total</b>	<b>(766)</b>	<b>8,522</b>	<b>7,755</b>	<b>(31,674)</b>	<b>+ 39,429</b>