

Navigation Committee

09 June 2022

Agenda item number 9

Annual income and expenditure 2021/22

Report by Director of Finance

Purpose

To inform the Committee of the summary of the Authority's income and expenditure for the 2021/22 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 2021/22

- 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 2022. 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 2021/22 was a deficit of £41,077 for Navigation compared with a budgeted LAB deficit for the year of £299,466. The original budget was for a deficit of £221,915. The final forecast outturn was a deficit of £174,708.

- 2.3. Total core income for the year was £3,708,458, which was £204,808 above budget, principally due to the favourable variances of £66,763 and £130,865 within Hire and Private Craft, where hire boat numbers did not decrease as much as predicted. There continued to be smaller favourable variances within Short Visit and Other Toll income budget lines. The impact of the economy also affected the interest budget line, with interest rates falling, but then rising towards the end of the financial year.
- 2.4. Other income performed better than budget predictions. This was predominantly due to reimbursement for hosting Kick-starters and increased recovery of legal fees following prosecutions.
- 2.5. Total net navigation expenditure in 2021/22 was £3,749,536, which was £53,580 below the budget. This was partly achieved by the pay increase implemented in March being 1.75% instead of the 2% budgeted and the delay in works at Commissioners Cut.

3. Earmarked reserves

3.1. The earmarked reserves have funded the following expenditure:

- Property Reserve includes the purchase of Berney Mill moorings 2 (£20,120), the Mutford Lock 3D inspection survey (£4,258), the expenditure has been offset by the annual contributions to the reserves (£25,000), half of the underspend in the Moorings budget (£75,000) and the rental income from land at Oulton Broad (£2,000).
- Plant, Vessels and Equipment Reserve includes replacement cost of two vehicles (£28,000), a towed boat trailer and aquatic habitat echosounder system (£26,429). It also includes the proceeds from the sale of the smart cars and the disposal of old dockyard equipment (£9,132). The expenditure has been offset by the annual contributions to the reserves (£135,050) and the underspend in the launch budget (£12,913).
- Premises Reserve includes the annual contributions to the reserves (£35,000).
- CANAPE Reserve has funded the project expenditure less the grant reimbursement.

- Computer Software includes the annual contribution (£3,300) and the contribution towards the new tolls system (£88,000).

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 2021 £	In-year movements £	Current reserve balance £
Property	(397,658)	(78,799)	(476,457)
Plant, Vessels and Equipment	(259,014)	(103,562)	(362,576)
Premises	(89,781)	(35,996)	(125,777)
CANAPE	(195,661)	(42,706)	(238,367)
Computer Software	(10,232)	(91,551)	(101,783)
Total	(952,346)	(352,614)	(1,304,960)

4. Summary

- 4.1. The total Navigation deficit for 2021/22 was lower than the budgeted and the forecast deficit. The main reason for the variance between the forecast and actual position was the increased income set out in paragraph 2.3 and a reduction in expenditure, as set out in paragraph 2.5. As a consequence of the delayed works at Commissioners Cut this resulted in a carry forward request being agreed by the Authority on 13 May 2022 for £75,000 of expenditure to be added to the 2022/23 budget.
- 4.2. The increased popularity of a “staycation” during 2021/22 has seen the Authority’s income exceed expectations. This has enabled the Authority to make a contribution towards the new tolls systems and reduce the overall deficit that has been balanced through the use of reserves. The transfer of £250,000 between the National Park and Navigation reserve in 2020/21 means the balance on the navigation reserve at the end of 2021/22 is £849,911, this is above the minimum 10% at 21.8%. However, it should be noted that once the £50,000 per annum transfer back to National Park, starts in

2022/23, alongside the planned expenditure in the Financial Strategy, this will reduce the reserve down to 14.8%. This will be refined later on this year when the level of tolls for 2023/24 is considered.

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Date of report: 18 May 2022

Appendix 1 – General and Navigation income and expenditure 2021/22

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Appendix 1 – General and Navigation income and expenditure 2021/22

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 2022. 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 Director of Finance, 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 2021/22 are due to be audited 17 October to 11 November 2022 with the Final Statement of Accounts due to be considered by the Authority on 18 November 2022.

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	(1,131,000)	(1,131,000)	0	(1,131,000)	(1,131,000)	0	(1,197,763)	(1,197,763)
Private Craft Tolls	0	(2,303,000)	(2,303,000)	0	(2,303,000)	(2,303,000)	0	(2,433,865)	(2,433,865)
Short Visit Tolls	0	(45,000)	(45,000)	0	(45,000)	(45,000)	0	(48,348)	(48,348)
Other Toll income	0	(17,900)	(17,900)	0	(17,900)	(17,900)	0	(22,721)	(22,721)
Interest received	(6,750)	(6,750)	(13,500)	(6,750)	(6,750)	(13,500)	(5,761)	(5,761)	(11,522)
Total Income	(3,420,828)	(3,503,650)	(6,924,478)	(3,420,828)	(3,503,650)	(6,924,478)	(3,419,839)	(3,708,458)	(7,128,297)

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	496,414	834,956	1,331,370	496,414	834,956	1,331,370	491,225	822,859	1,314,084
Equipment, Vehicles & Vessels	161,130	375,970	537,100	161,130	375,970	537,100	129,736	302,718	432,454
Water Management	3,500	95,135	98,635	3,500	95,135	98,635	3,098	91,205	94,303
Land Management	57,750	0	57,750	65,635	0	65,635	73,917	0	73,917

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	85,550	405,836	491,386	85,550	483,336	568,886	87,598	394,511	482,109
Waterways & Recreation Strategy	19,290	28,290	47,580	19,290	28,290	47,580	19,832	25,776	45,608
Rangers Salaries	252,087	588,203	840,290	252,087	588,203	840,290	242,513	565,863	808,376
Ranger Services	23,895	256,245	280,140	23,895	256,245	280,140	22,978	148,489	171,467
Safety	55,407	93,113	148,520	55,407	93,113	148,520	46,259	94,260	140,519
Project Funding	61,011	1,089	62,100	61,011	1,089	62,100	61,650	1,092	62,742
Operational Premises	97,748	128,912	226,660	97,748	128,912	226,660	92,500	117,814	210,314
Premises Head Office	183,805	75,075	258,880	183,805	75,075	258,880	193,504	79,037	272,541
Management & Admin	92,118	45,372	137,490	92,118	45,372	137,490	96,638	47,598	144,236
Operations Income	(91,266)	(27,540)	(118,806)	(91,266)	(27,540)	(118,806)	(122,155)	(33,805)	(155,960)
Total Operations	1,498,439	2,900,656	4,399,095	1,506,324	2,978,156	4,484,480	1,439,293	2,657,417	4,096,710

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	468,539	4,361	472,900	468,539	4,361	472,900	484,126	4,358	488,484
Strategy & Projects Salaries	142,320	8,800	151,120	142,320	8,800	151,120	138,125	9,225	147,350
Biodiversity Strategy	22,923	0	22,923	11,270	0	11,270	27,029	0	27,029
Strategy & Projects	70,130	45	70,175	70,130	45	70,175	372,981	(517)	372,464
Human Resources	82,431	57,283	139,714	87,240	60,624	147,864	126,884	103,709	230,593
Volunteers	44,514	29,676	74,190	44,514	29,676	74,190	37,378	24,919	62,297

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 £
Communications	362,697	80,430	443,127	254,532	80,430	334,962	449,964	78,816	528,780
Visitor Centres & Yacht Stations	286,418	159,713	446,131	286,418	159,713	446,131	286,349	154,621	440,970
Management & Admin	79,247	33,963	113,210	79,247	33,963	113,210	80,282	34,406	114,688
Strategic Services Income	(353,325)	(69,450)	(422,775)	(226,650)	(69,450)	(296,100)	(801,567)	(92,742)	(894,309)
Total Strategic Services	1,205,894	304,821	1,510,714	1,217,560	308,162	1,525,722	1,201,551	316,795	1,518,346

Table 4
Finance and Support 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 £
Legal	45,000	35,000	80,000	45,000	35,000	80,000	67,629	38,107	105,736
Governance	169,711	82,139	251,850	169,711	82,139	251,850	155,677	75,326	231,003
Finance & Insurance	218,590	191,521	410,111	214,880	188,231	403,111	207,900	185,891	393,791
Collection of Tolls	0	152,530	152,530	0	152,530	152,530	0	239,033	239,033
ICT	294,103	144,857	438,960	294,103	144,857	438,960	266,890	131,453	398,343
Asset Management	86,731	83,302	170,033	86,731	83,302	170,033	79,061	87,657	166,718
Chief Executive	74,375	48,705	123,080	74,375	48,705	123,080	73,204	47,936	121,140
Finance & Support Services Income	(21,000)	(4,500)	(25,500)	(21,000)	(4,500)	(25,500)	(22,336)	(14,067)	(36,403)
Total Finance and Support Services	867,510	733,554	1,601,064	863,800	730,264	1,594,064	828,025	791,336	1,619,361

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	46,633	0	46,633	46,633	0	46,633	23,015	0	23,015
CANAPE	(23,684)	(23,684)	(47,368)	(23,684)	(23,684)	(47,368)	(42,117)	(42,117)	(84,234)
Pension Lump Sum Payments	73,800	49,200	123,000	73,800	49,200	123,000	73,800	49,200	123,000
Apprenticeship Levy	17,640	1,760	19,400	17,640	1,760	19,400	10,165	1,776	11,941
WRE	0	0	0	0	0	0	7,500	0	7,500
Total Projects and Corporate Items	114,389	27,276	141,665	114,389	27,276	141,665	72,363	8,859	81,222

Table 6

Contributions from earmarked 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	(8,000)	(8,000)	0	(8,000)	(8,000)	0	(22,377)	(22,377)
Plant, Vessels & Equipment	(72,575)	(228,425)	(301,000)	(72,575)	(228,425)	(301,000)	(17,563)	(45,297)	(62,860)
Premises	(27,000)	(28,000)	(55,000)	(27,000)	(28,000)	(55,000)	294	686	980
Planning Delivery Grant	0	0	0	0	0	0	10,047	0	10,047
Section 106 Agreements	0	0	0	0	0	0	(33,741)	0	(33,741)
Heritage Lottery Fund	(46,633)	0	(46,633)	(46,633)	0	(46,633)	(23,015)	0	(23,015)
Upper Thurne	0	0	0	0	0	0	932	0	932
Catchment Partnership	(38,950)	0	(38,950)	(38,950)	0	(38,950)	(7,420)	0	(7,420)
CANAPE	23,684	23,684	47,368	23,684	23,684	47,368	42,117	42,117	84,234

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		0	0
UK NP Communications Team	3,995	0	3,995	3,995	0	3,995	(9,408)	0	(9,408)
Total Contributions from reserves	(157,479)	(240,741)	(398,220)	(157,479)	(240,741)	(398,220)	(37,757)	(24,871)	(62,628)

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 Deficit General £	Actual Deficit Navigation £	Actual Deficit Consolidated £
Grand Total	107,925	221,915	329,840	123,766	299,466	423,232	83,635	41,077	124,713