

Navigation Committee

13 April 2023

Agenda item number 14

Navigation income and expenditure 1 April to 28 February 2023

Report by Director of Finance

Purpose

To present the actual Navigation income and expenditure for the eleven-month period to 28 February 2023, and provide a forecast of the projected expenditure at the end of the financial year (31 March 2023).

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1. Introduction

- 1.1. This report gives a summary of the income and expenditure for the Navigation budget up until 28 February, any amendments to the Latest Available Budget (LAB), Forecast Outturn (predicted year end position) and the movements on the earmarked reserves.

2. Overview of Navigation actual income and expenditure

Table 1

Actual Navigation income and expenditure by Directorate to 28 February 2023

Directorate	Profiled Latest Available Budget £	Actual income and expenditure £	Actual variance £
Income	(3,752,008)	(3,847,659)	+ 95,651
Operations	2,851,505	2,556,528	+ 294,977
Strategic Services	303,805	318,418	- 14,613
Finance & Support Services	704,827	683,201	+ 21,626
Projects, Corporate Items and Contributions from Earmarked Reserves	(208,898)	23,926	- 232,824
Net (Surplus) / Deficit	(100,769)	(265,586)	+ 164,817

- 2.1. Core Navigation income is above the profiled budget at the end of month eleven. The overall position as at 28 February 2023 is a favourable variance of £164,817 or an 163.6% difference from the profiled LAB. This is principally due to:

- An overall favourable variance of £95,651 within income:
 - Hire Craft is £16,584 above the profiled budget.
 - Private Craft is £28,889 above the profiled budget.
 - Short Visit and Other Toll income is £9,561 above the profiled budget.
 - Investment income is £40,617 above the profiled budget.
- An underspend within Operations relating to:
 - Construction, Maintenance and Ecology salaries is over the profiled budget by £14,684 due to the implemented pay rise being above the 2% budgeted.

- Equipment, Vehicles and Vessels is under the profiled budget by £143,563 due to delays in expenditure from the earmarked reserves.
 - Water Management is over the profiled budget by £10,562 due to the hydrographic survey being ahead of profile.
 - Practical Maintenance is under the profiled budget by £109,826 due to timing differences on Neatishead mooring repairs.
 - Ranger Services is under the profiled budget by £39,586 due to timing differences on salaries and expenditure. The salaries variance is due to the implemented pay rise being above the 2% budgeted. This is offset by the timing differences on launch repairs and maintenance and expenditure from the earmarked reserves.
 - Premises is under the profiled budget by £33,932 due to delays in Dockyard expenditure from the earmarked reserves.
 - An underspend within Strategic Services relating to a number of small underspends within most areas.
 - An underspend within Finance and Support Services relating to:
 - Asset Management is under the profiled budget by £24,194 due to timing differences on lease payments and expenditure from the earmarked reserves being delayed.
 - An adverse variance within reserves relating to:
 - Premises reserve is under the profiled budget due to delays in Dockyard expenditure being transferred to 2023/24.
 - Plant, Vessels and Equipment reserve is under the profiled budget due to delays in equipment and vehicle replacements being transferred to 2023/24.
- 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 2022/23. 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 budget 2022/23 – deficit	Broads Authority 28/01/22 Agenda item number 9	137,119
Approved budget carry-forwards	Broads Authority 13/05/22 Agenda item number 9	75,000
Virement between Vessels & Equipment and Practical Maintenance	Director & CEO Approved 01/03/23	(6,000)
LAB as at 28 February 2023	n/a	206,119

3.2. The LAB therefore provides for a navigation deficit of £206,119 in 2022/23 as at 28 February 2023. This will be balanced through the use of reserves.

4. Overview of forecast outturn 2022/23

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 August 2022, the forecast indicates there has been no change compared to the LAB:

- The total forecast income is £3,849,872.
- Total expenditure is forecast to be £4,021,937.
- The resulting deficit for the year is forecast to be £172,065.

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 £34,054 against the LAB.

Table 3

Adjustments to Forecast Outturn

Item	Amount £
Forecast outturn deficit per LAB	206,119
Amounts previously reported 12/01/23	(5,433)
Increase to Hire Craft Tolls	(1,982)
Increase to Investment Income	(7,500)
Increase to Electric Card Income	(5,250)

Item	Amount £
Decrease to expenditure	(13,889)
Forecast outturn deficit as at 28 February 2023	172,065

5. Reserves

Table 4

Navigation Earmarked Reserves

Reserve name	Balance at 1 April 2022 £	In-year movements £	Current reserve balance £
Property	(476,457)	(26,955)	(503,412)
Plant, Vessels and Equipment	(362,576)	(103,501)	(466,077)
Premises	(125,777)	(35,000)	(160,777)
CANAPE	(238,136)	38,655	(199,481)
Computer Software	(101,638)	(6,600)	(108,238)
Total	(1,304,584)	(133,401)	(1,437,985)

- 5.1. Both the Property and the Plant, Vessels and Equipment reserve contain income from land rental at Oulton Broad and the proceeds from vehicle and equipment disposals. The Plant, Vessels and Equipment reserve has funded the purchase of two new vehicles.

6. Conclusion

- 6.1. The forecast outturn position for the year suggests a deficit within the Navigation budget, which would result in a Navigation Reserve balance of approximately £675,000 at the end of 2022/23 (before any year-end adjustments). This would mean the Navigation Reserve would be above the recommended 10% at 16.7%. Year-end transfers of interest to the earmarked reserves and the first instalment to repay the National Park loan, will mean it will fall to approximately 14.8%. This will be highly dependent on the level of interest received.

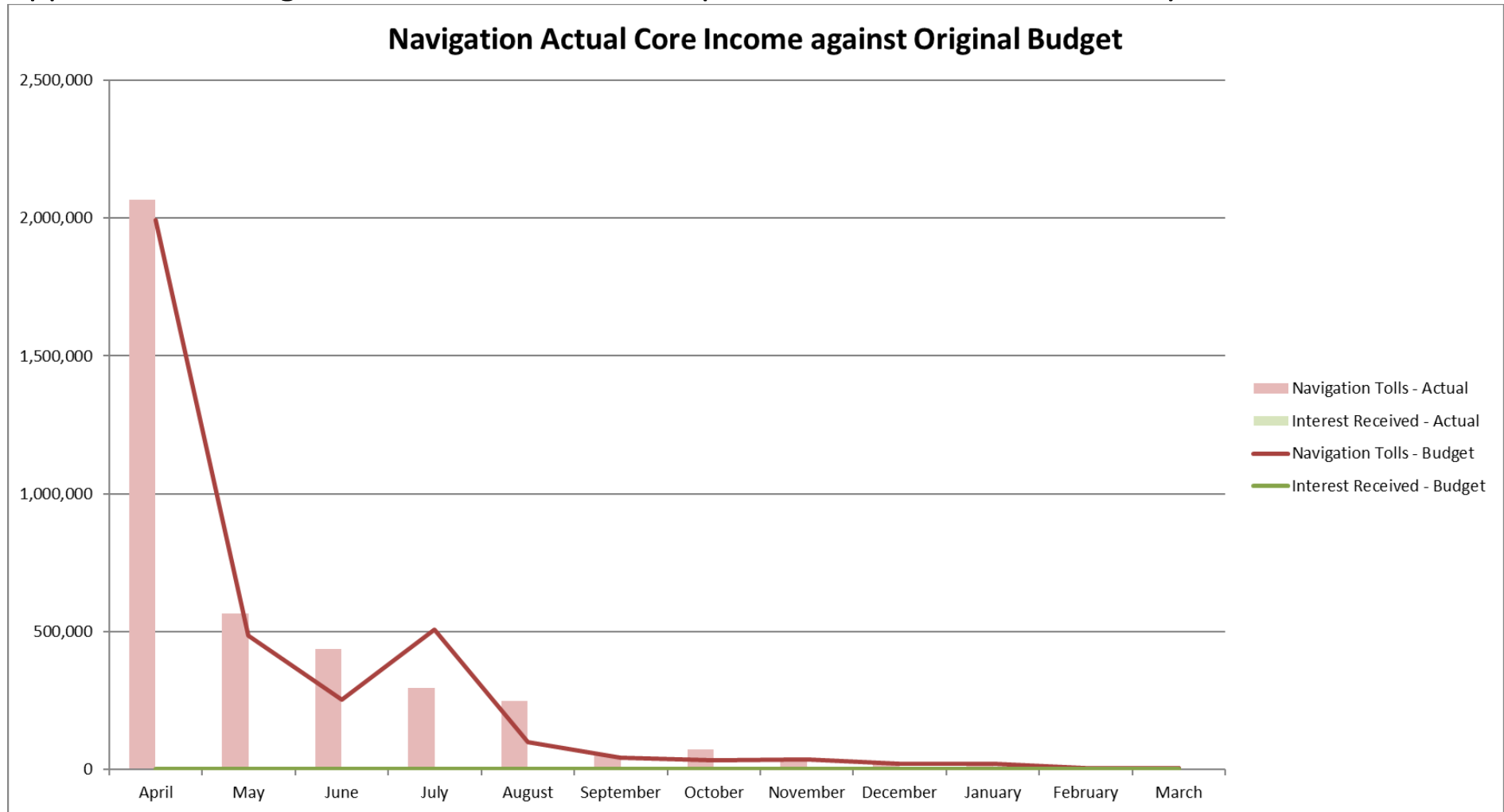
Author: Emma Krelle

Date of report: 28 March 2023

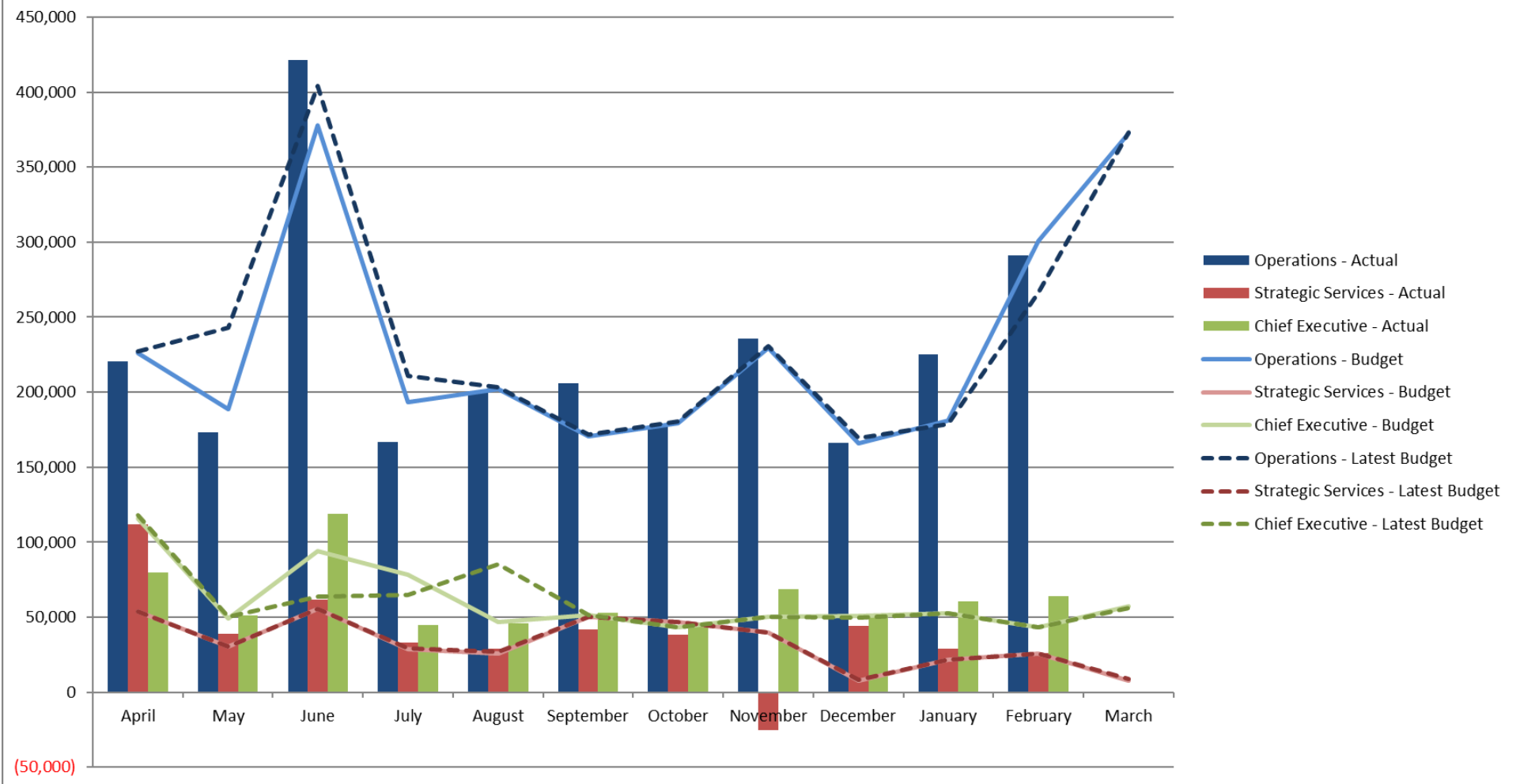
Appendix 1 – Navigation actual income and expenditure charts to 28 February 2023

Appendix 2 – Financial monitor: Navigation income and expenditure 2022/23

Appendix 1 – Navigation actual income and expenditure charts to 28 February 2023



Navigation Net Actual Expenditure against Original and Latest Budget



Appendix 2 – Financial monitor: Navigation income and expenditure 2022/23

Table 1

Income

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Total Income	(3,758,390)	0	(3,758,390)	(3,849,872)	+ 91,482
National Park Grant	0	0	0	0	+ 0
Hire Craft Tolls	(1,186,000)	0	(1,186,000)	(1,200,782)	+ 14,782
Private Craft Tolls	(2,489,000)	0	(2,489,000)	(2,516,200)	+ 27,200
Short Visit Tolls	(48,000)	0	(48,000)	(48,000)	+ 0
Other Toll Income	(32,390)	0	(32,390)	(32,390)	+ 0
Interest	(3,000)	0	(3,000)	(52,500)	+ 49,500

Table 2
Operations

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Total Operations	3,027,532	69,000	3,096,532	2,900,424	+ 196,109
Construction and Maintenance Salaries	865,960	0	865,960	897,584	- 31,624
Salaries	867,190	0	867,190	897,639	- 30,449
Expenditure	(1,230)	0	(1,230)	(55)	- 1,175
Equipment, Vehicles & Vessels	511,452	13,999	525,451	382,731	+ 142,720
Income	(9,590)	0	(9,590)	(9,800)	+ 210
Expenditure	521,042	13,999	535,041	392,531	+ 142,510
Water Management	76,840	0	76,840	76,840	+ 0
Expenditure	76,840	0	76,840	76,840	+ 0
Land Management	0	0	0	0	+ 0
Income	0	0	0	0	+ 0
Expenditure	0	0	0	0	+ 0
Practical Maintenance	413,865	55,001	468,866	448,191	+ 20,675
Income	(11,000)	0	(11,000)	(16,675)	+ 5,675
Expenditure	424,865	55,001	479,866	464,866	+ 15,000
Waterways and Recreation Strategy	30,050	0	30,050	31,210	- 1,160

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	21,050	0	21,050	22,210	- 1,160
Expenditure	9,000	0	9,000	9,000	+ 0
Project Funding	1,089	0	1,089	1,089	+ 0
Income	0	0	0	0	+ 0
Expenditure	0	0	0	0	+ 0
Pension Payments	1,089	0	1,089	1,089	+ 0
Ranger Services	786,212	0	786,212	746,743	+ 39,469
Income	0	0	0	0	+ 0
Salaries	606,599	0	606,599	615,179	- 8,580
Expenditure	179,438	0	179,438	131,389	+ 48,049
Pension Payments	175	0	175	175	+ 0
Safety	84,035	0	84,035	91,035	- 7,000
Income	(1,000)	0	(1,000)	(1,000)	+ 0
Salaries	59,303	0	59,303	61,918	- 2,615
Expenditure	25,732	0	25,732	30,117	- 4,385
Premises	133,133	0	133,133	99,827	+ 33,306
Income	(2,450)	0	(2,450)	(3,570)	+ 1,120

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Expenditure	135,583	0	135,583	103,397	+ 32,186
Operations Management and Administration	48,371	0	48,371	48,648	- 277
Salaries	45,566	0	45,566	45,843	- 277
Expenditure	2,805	0	2,805	2,805	+ 0
Premises - Head Office	76,525	0	76,525	76,525	+ 0
Income	0	0	0	0	+ 0
Expenditure	76,525	0	76,525	76,525	+ 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	332,861	0	332,861	342,682	- 9,822
Development Management	4,484	0	4,484	4,576	- 92
Income	0	0	0	0	+ 0
Salaries	4,484	0	4,484	4,576	- 92
Expenditure	0	0	0	0	+ 0
Pension Payments	0	0	0	0	+ 0
Strategy and Projects Salaries	10,231	0	10,231	9,988	+ 243
Income	0	0	0	0	+ 0
Salaries	10,231	0	10,231	9,988	+ 243
Expenditure	0	0	0	0	+ 0
Biodiversity Strategy	0	0	0	0	+ 0
Income	0	0	0	0	+ 0
Expenditure	0	0	0	0	+ 0
Human Resources	61,750	0	61,750	70,475	- 8,725
Income	0	0	0	(259)	+ 259
Salaries	37,704	0	37,704	46,687	- 8,984

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Expenditure	24,047	0	24,047	24,047	+ 0
Volunteers	29,320	0	29,320	30,132	- 812
Salaries	21,560	0	21,560	22,372	- 812
Expenditure	7,760	0	7,760	7,760	+ 0
Communications	83,710	0	83,710	85,944	- 2,234
Income	0	0	0	0	+ 0
Salaries	73,435	0	73,435	75,669	- 2,234
Expenditure	10,275	0	10,275	10,275	+ 0
Visitor Centres and Yacht Stations	110,343	0	110,343	106,088	+ 4,255
Income	(69,450)	0	(69,450)	(69,450)	+ 0
Salaries	146,955	0	146,955	142,700	+ 4,255
Expenditure	32,838	0	32,838	32,838	+ 0
Strategic Services Management and Administration	33,023	0	33,023	35,480	- 2,457
Salaries	33,885	0	33,885	36,342	- 2,457
Expenditure	(862)	0	(862)	(862)	+ 0
Strategy and Projects	0	0	0	0	+ 0
Expenditure	0	0	0	0	+ 0

Table 4

Finance & Support Services

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Total Finance & Support Services	766,562	0	766,562	757,837	+ 8,725
National Park Grant	0	0	0	0	+ 0
Expenditure	0	0	0	0	+ 0
Legal	26,000	0	26,000	24,000	+ 2,000
Income	(4,000)	0	(4,000)	(6,000)	+ 2,000
Expenditure	30,000	0	30,000	30,000	+ 0
Governance	82,487	0	82,487	76,114	+ 6,373
Salaries	57,110	0	57,110	56,215	+ 895
Expenditure	25,377	0	25,377	19,899	+ 5,478
Chief Executive	49,558	0	49,558	49,043	+ 515
Salaries	49,162	0	49,162	48,648	+ 515
Expenditure	396	0	396	396	+ 0
Asset Management	72,886	0	72,886	66,602	+ 6,285
Income	(3,000)	0	(3,000)	(3,000)	+ 0
Salaries	21,587	0	21,587	22,302	- 716
Expenditure	54,300	0	54,300	47,300	+ 7,000

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Finance and Insurance	211,369	0	211,369	218,939	- 7,570
Salaries	117,310	0	117,310	118,770	- 1,460
Expenditure	94,059	0	94,059	100,169	- 6,110
Collection of Tolls	193,760	0	193,760	195,220	- 1,460
Salaries	182,760	0	182,760	184,220	- 1,460
Expenditure	11,000	0	11,000	11,000	+ 0
ICT	130,502	0	130,502	127,918	+ 2,584
Salaries	0	0	0	0	+ 0
Expenditure	66,845	0	66,845	68,073	- 1,228

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	25,622	0	25,622	26,421	- 799
Partnerships / HLF	(27,341)	0	(27,341)	(27,341)	+ 0
Income	(46,891)	0	(46,891)	(46,891)	+ 0
Salaries	14,945	0	14,945	15,250	- 305

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Expenditure	4,605	0	4,605	4,300	+ 305
Corporate Items	52,962	0	52,962	53,761	- 799
Expenditure	2,162	0	2,162	2,961	- 799
Pension Payments	50,800	0	50,800	50,800	+ 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	(257,067)	0	(257,067)	(5,426)	- 251,641
Earmarked Reserves	(257,067)	0	(257,067)	(5,426)	- 251,641
Expenditure	(257,067)	0	(257,067)	(5,426)	- 251,641

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	137,119	69,000	206,119	172,065	+ 34,055