

Navigation Committee

11 June 2020

Agenda item number 11

Annual income and expenditure 2019/2020

Report by Chief Financial Officer

Purpose

To inform the Committee of the summary of the Authority's income and expenditure for the 2019/20 financial year, analysed between National Park and Navigation funds. Original and Latest Available Budget information is provided for comparison.

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1. Introduction

- 1.1. 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.

2. Actual Income and Expenditure 2019/20

- 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 2020. 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 2019/20 was a surplus of £136,028 for Navigation compared with a budgeted LAB deficit for the year of £32,289. The original budget was for a deficit of £16,830. The final forecast outturn was a surplus of £25,252.
- 2.3. Total core income for the year was £3,459,691, which was £19,691 above budget, principally due to favourable variances within the Private Craft and the interest budget lines.
- 2.4. There has been some considerable success in bringing in additional, unbudgeted income during the year, and this has had an impact on the overall Directorate figures (additional income above budget of £24,343 for Operations and £9,217 for Chief Executive).
- 2.5. Total net navigation expenditure in 2019/20 was £3,323,662.

3. Earmarked reserves

- 3.1. The earmarked reserves have funded the following expenditure:
- Property Reserve includes rental income from land at Oulton Broad (£2,000).
 - Plant, Vessels & Equipment Reserve includes the replacement cost of two vehicles (£41,461), fuel barge, mini digger and NATO floats (£57,410). It also includes income from the sale of surplus assets (£9,243).
 - Premises Reserve includes the site development costs for the Dockyard (£31,958).
 - CANAPE Reserve has funded the project expenditure less the grant reimbursement.
- 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 2019 £	In-year movements £	Balance at 31 March 2020 £
Property	(361,126)	(32,314)	(393,440)
Plant, Vessels and Equipment	(252,089)	(58,156)	(310,245)
Premises	(76,121)	(13,845)	(89,966)
CANAPE	(40,238)	(115,684)	(155,922)
Computer Software	(3,787)	(3,397)	(7,184)
Total	(733,361)	(223,396)	(956,757)

4. Summary

- 4.1. The total Navigation surplus for 2019/20 was higher than budgeted and forecast. The main reason for the considerable variance between the forecast and actual position was due to a number of projects being delayed due to the COVID-19 outbreak. As a consequence there were a higher number of carry forward requests than in previous years. These were considered and approved by the Broads Authority on 22 May 2020, totalling £88,491. These will be added to the 2020/21 budget.
- 4.2. There were also a number of savings that had been reported throughout the year which increased the surplus. As a result, the balance of the navigation reserve at the end of 2019/20 was £543,200. This is above the recommended minimum reserve balance of 10% at 16.3%. The higher than predicted balance will fund the carry forwards resulting in a predicted year-end balance of 10.9% if income and expenditure are in line with the latest available budget. This is highly sensitive to the relaxation of COVID-19 measures to enable the hire industry to recommence in 2020/21.

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Appendix 1 – General and Navigation income and expenditure 2019/20

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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 2020. 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 Chief Financial Officer, 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 2019/20 are due to be audited 18 May to 12 June 2020 with the Final Statement of Accounts due to be considered by the Authority during the Autumn of 2020.

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	(1,189,000)	(1,189,000)	0	(1,189,000)	(1,189,000)	0	(1,179,951)	(1,179,951)
Private Craft Tolls	0	(2,175,000)	(2,175,000)	0	(2,175,000)	(2,175,000)	0	(2,195,215)	(2,195,215)
Short Visit Tolls	0	(42,000)	(42,000)	0	(42,000)	(42,000)	0	(39,790)	(39,790)
Other Toll income	0	(19,000)	(19,000)	0	(19,000)	(19,000)	0	(20,227)	(20,227)
Interest received	(15,000)	(15,000)	(30,000)	(15,000)	(15,000)	(30,000)	(24,507)	(24,507)	(49,014)
Income Total	(3,429,078)	(3,440,000)	(6,869,078)	(3,429,078)	(3,440,000)	(6,869,078)	(3,438,585)	(3,459,691)	(6,898,276)

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	442,678	782,842	1,225,520	465,212	788,475	1,253,687	454,190	780,939	1,235,129
Equipment, Vehicles & Vessels	136,200	317,800	454,000	137,865	321,685	459,550	139,886	326,401	466,288
Water Management	6,500	119,470	125,970	6,500	114,470	120,970	4,939	103,819	108,759
Land Management	54,160	0	54,160	54,160	0	54,160	44,308	0	44,308

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	85,000	411,200	496,200	85,000	416,200	501,200	90,747	352,637	443,384
Waterways & Recreation Strategy	40,480	48,980	89,460	36,980	48,980	85,960	26,662	32,633	59,296
Rangers Salaries	281,144	421,716	702,860	281,144	421,716	702,860	281,469	422,203	703,672
Ranger Services	33,872	143,008	176,880	33,872	143,008	176,880	35,028	153,519	188,547
Safety	52,207	81,093	133,300	70,380	90,045	160,425	52,764	73,932	126,696
Project Funding	100,000	0	100,000	100,000	0	100,000	101,843	1,069	102,912
Operational Premises	99,573	134,337	233,910	99,573	134,337	233,910	99,123	137,402	236,525
Premises Head Office	178,125	72,755	250,880	178,125	72,755	250,880	189,597	77,441	267,038
Management & Admin	80,621	39,709	120,330	80,621	39,709	120,330	84,817	41,775	126,592
Operations Income	(143,070)	(74,770)	(217,840)	(143,070)	(74,770)	(217,840)	(205,015)	(99,113)	(304,128)
Operations Total	1,447,489	2,498,141	3,945,630	1,486,361	2,516,611	4,002,972	1,400,359	2,404,659	3,805,018

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	521,444	4,171	525,615	544,779	4,171	548,950	573,132	4,196	577,328
Strategy & Projects Salaries	227,534	19,756	247,290	172,975	14,014	186,989	169,704	12,774	182,478
Biodiversity Strategy	7,670	0	7,670	7,670	0	7,670	54,860	0	54,860
Strategy & Projects	126,123	2,093	128,215	109,603	113	109,715	83,851	86	83,937
Human Resources	79,485	55,235	134,720	88,390	61,424	149,814	83,893	58,298	142,191
Volunteers	46,404	30,936	77,340	46,404	30,936	77,340	35,598	23,732	59,331

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	244,960	79,286	324,245	244,960	79,286	324,245	333,230	73,597	406,827
Visitor Centres & Yacht Stations	333,720	155,640	489,360	333,720	155,640	489,360	374,728	151,968	526,696
Management & Admin	77,616	33,264	110,880	76,682	32,864	109,545	70,250	30,107	100,357
Strategic Services Income	(296,870)	(68,700)	(365,570)	(296,870)	(68,700)	(365,570)	(441,982)	(65,136)	(507,118)
Strategic Services Total	1,368,085	311,680	1,679,765	1,328,312	309,746	1,638,058	1,337,263	289,624	1,626,887

Table 4
Chief Executive

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	63,708	52,722	116,430	63,708	52,722	116,430	42,316	34,229	76,545
Governance	157,368	76,077	233,445	181,243	87,836	269,079	175,077	84,923	260,000
Finance & Insurance	198,128	175,607	373,735	198,128	175,607	373,735	199,597	169,273	368,870
Collection of Tolls	0	135,860	135,860	0	135,860	135,860	0	138,720	138,720
ICT	216,417	106,593	323,010	216,417	106,593	323,010	205,413	101,173	306,586
Asset Management	63,586	75,899	139,484	63,586	75,899	139,484	69,403	75,402	144,805
Chief Executive	71,804	47,026	118,830	71,804	47,026	118,830	72,586	47,548	120,134
Chief Executive Income	(21,176)	(4,364)	(25,540)	(21,176)	(4,364)	(25,540)	(38,172)	(13,581)	(51,753)
Chief Executive Total	749,834	665,420	1,415,254	773,709	677,179	1,450,888	726,220	637,687	1,363,907

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	3,544	0	3,544	3,544	0	3,544	77,913	0	77,913
CANAPE	12,587	12,587	25,174	12,587	12,587	25,174	(53,578)	(53,578)	(107,155)
Pension Lump Sum Payments	55,800	37,200	93,000	55,800	37,200	93,000	55,800	37,200	93,000
Apprenticeship Levy	1,920	1,280	3,200	1,920	1,280	3,200	1,677	1,118	2,795
Cyber crime	0	0	0	36,000	0	36,000	36,000	0	36,000
WRE	0	0	0	15,000	0	15,000	15,000	0	15,000
Projects and Corporate Items Total	73,851	51,067	124,918	124,851	51,067	175,918	132,812	(15,260)	117,553

Table 6

Contributions from reserves

Reserve Name	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	2,000	2,000	0	2,000	2,000	0	2,000	2,000
Plant, Vessels & Equipment	(34,110)	(57,390)	(91,500)	(53,949)	(70,226)	(124,175)	(33,373)	(56,255)	(89,628)
Premises	(13,500)	(31,500)	(45,000)	(13,500)	(31,500)	(45,000)	(9,587)	(22,370)	(31,958)
Planning Delivery Grant	(102,425)	0	(102,425)	(102,425)	0	(102,425)	(77,811)	0	(77,811)
Section 106 Agreements	0	0	0	0	0	0	(60,419)	0	(60,419)
Heritage Lottery Fund	(3,544)	0	(3,544)	(3,544)	0	(3,544)	(77,913)	0	(77,913)
Upper Thurne	0	0	0	0	0	0	2,932	0	2,932
Catchment Partnership	(46,465)	0	(46,465)	(49,965)	0	(49,965)	(46,099)	0	(46,099)
CANAPE	17,413	17,413	34,826	17,413	17,413	34,826	83,578	83,578	167,155
Contribution from reserves Total	(182,631)	(69,477)	(252,108)	(205,970)	(82,313)	(288,283)	(218,692)	6,952	(211,741)

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 Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Grand Total	27,551	16,830	44,381	78,186	32,289	110,475	(60,624)	(136,028)	(196,652)