

**Navigation Income and Expenditure:  
1 April to 30 June 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 three month period to 30 June 2015, and provides a forecast of the projected expenditure at the end of the financial year (31 March 2016).

Members are asked to note the position in respect of Hickling and Mutford Lock in regards to 2015/16 and consider whether to support the additional budget request for referral to the Authority as set out in paragraph 6.2 and 7.1.

## 1 Introduction

- 1.1 Following on from member feedback there has been a slight change in presentation to the figures within this report. Colours have been removed and all figures are now in black. Where variances are reported brackets have been removed and replaced with a –/+. Where a variance has a – this means an adverse variance, and a + means a favourable variance. Budgeted and Actual Income still remain in brackets to be consistent with the presentation of the Financial Statement of Accounts.
- 1.2 In addition reserve expenditure has now been reflected within the Latest Available Budget (LAB) to help budget holders with the monitoring of their budgets. This expenditure is then offset within the Projects, Corporate Items and Contributions from Earmarked Reserves line.

## 2 Overview of Actual Income and Expenditure

Table 1 – Actual Navigation I&E by Directorate to 30 June 2015

	<b>Profiled Latest Available Budget</b>	<b>Actual Income and Expenditure</b>	<b>Actual Variance</b>
Income	(2,651,433)	(2,609,571)	- 41,862
Operations	742,022	699,481	+ 42,541
Planning and Resources	226,693	239,719	-13,026
Chief Executive	31,269	27,614	+ 3,655
Projects, Corporate Items and Contributions from			

Earmarked Reserves	(143,079)	(165,714)	+ 22,635
<b>Net (Surplus) / Deficit</b>	<b>(1,794,528)</b>	<b>(1,808,471)</b>	<b>+13,943</b>

- 2.1 Core navigation income is behind of the profiled budget at the end of month three. The overall position as at 30 June 2015 is a adverse variance of £41,862 or 1.58% difference from the profiled LAB. This is principally due to:
- An overall adverse variance of £41,862 within toll income:
    - Hire Craft Tolls £51,521 below the profiled budget.
    - Private Craft Tolls £10,377 above the profiled budget.
  - An underspend within Operations budgets relating to:
    - Water Management is under the profiled budget by £19,352 due to timing differences between the profiled budget and actual receipt of invoices.
    - Practical Maintenance is under the profiled budget by £29,307 due to timing differences between the profiled budget and actual receipt of invoices.
  - An overspend within Planning and Resources budgets relating to:
    - Finance and Insurance is over the profiled budget by £20,277 due to Insurance billing being earlier than expected.
    - This is offset by small underspends within Yacht Stations and Planning and Resources Management and Administration.

- 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

	<b>Ref</b>	<b>£</b>
Original navigation budget 2015/16 (surplus)	Item 12 23/01/15	(55,803)
Approved carry-forwards from 2014/15		10,669
Virement between VES and DRD for equipment hire relating to Dredging jobs	Director approved	2,695
<b>LAB at 30 June 2015</b>		<b>(42,439)</b>

- 3.2 The LAB therefore provides for a reduced navigation surplus of £42,439 in 2015/16 as at 30 June 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 June 2015, the forecast outturn indicates:
- The total forecast income is £3,011,680, or £22,500 less than the LAB.
  - Total expenditure is forecast to be £2,996,873.
  - The resulting surplus for the year is forecast to be £14,807.
- 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 £27,633 against the LAB.

Table 3 – Adjustments to Forecast Outturn

	£
Forecast outturn surplus per LAB	(42,439)
Increase forecast Private Craft Toll income	(4,000)
Decrease forecast Hire Craft Toll income	26,500
Increase Waterways Strategy expenditure	5,132
<b>Forecast outturn surplus as at 30 June 2015</b>	<b>(14,807)</b>

- 4.4. The main reason for the difference between the forecast outturn and the LAB is the change in predictions for navigation toll income, which are based on the latest actual income figures and show a net overall decrease of £22,500 in forecast toll income for the year.

## 5 Reserves

Table 4 – Navigation Earmarked Reserves

	<b>Balance at 1 April 2015</b>	<b>In-year movements</b>	<b>Current reserve balance</b>
	£	£	£
Property	(510,132)	76,732	(433,400)
Plant, Vessels and Equipment	(202,403)	46,727	(155,676)
Premises	(78,552)	0	(78,552)
PRISMA	(171,869)	14,899	(156,970)
<b>Total</b>	<b>(962,956)</b>	<b>138,358</b>	<b>(824,597)</b>

- 5.1 Repairs to Mutford Lock have been undertaken by USL Diving Contractors which has been funded from the Property reserve. For further details please refer to agenda item number 10 regarding the ongoing works and section 6 below.

## **6 Hickling**

- 6.1 Last October the committee was asked to consider whether to raise Tolls to generate sufficient income to fund works on Hickling Broad. The project was still in development and the committee recommended a 1.7% increase in Tolls without making any provision for Hickling. This recommendation was accepted by the Broads Authority.
- 6.2 Considerable progress has been made this year in developing the proposed enhancement scheme for Hickling but there is no financial provision in this year's budget (see agenda item 7). To take the project forward £34,500 is required, however savings made elsewhere reduces this figure to £21,000.
- 6.3 If members support this additional expenditure this would mean that the forecast would reduce further to a £6,193 deficit which would result in a year end reserve position of £273,945 before yearend adjustments. This would mean that the Navigation reserve balance would see a reduction and would fall below the 10% recommended minimum to 9.1%.

## **7 Mutford Lock**

- 7.1 When the budget was originally set it was unknown the extent of the repairs that Mutford lock would require without further investigation so the expenditure from the reserve was set as zero. However a clearer idea of works required is now known and it is proposed that an additional £89,220 will be required from the reserve. This covers the £31,220 already spent relating to the gate failure and urgent repairs and the £56,000 required later on in the year for additional non-routine maintenance works. This additional spend will not affect the year end position on the Navigation reserve as it will be fully funded from the Property reserve which contains provision for Mutford lock. It is predicted that the proportion relating specifically to Mutford would stand at £262,327 at the end of March 2016.

## **8 Summary**

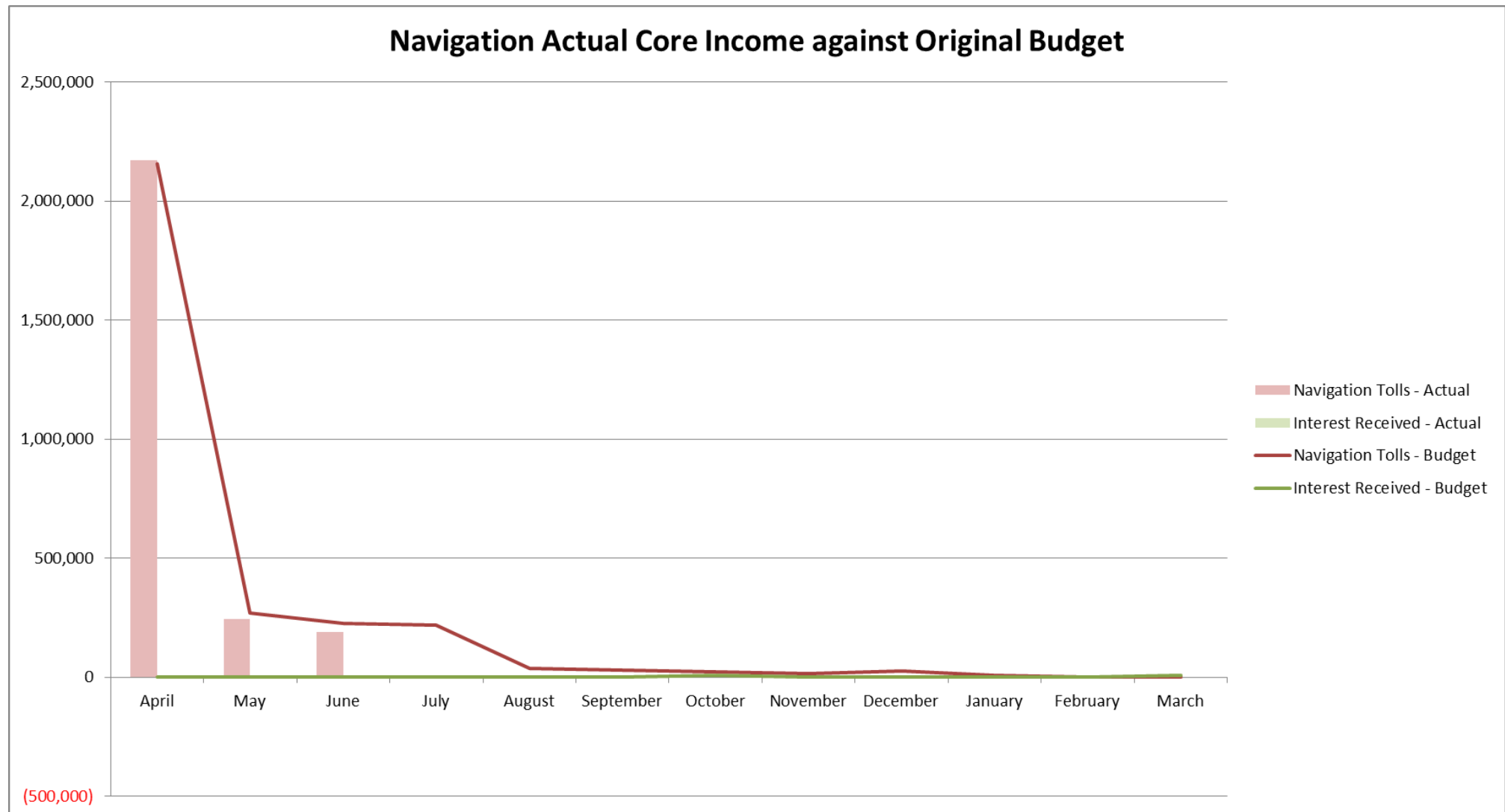
- 8.1 The current forecast outturn position for the year suggests a surplus within the navigation budget which would result in a navigation reserve balance of approximately £294,945 at the end of 2015/16 (before any year-end adjustments). This would mean the Navigation Reserve be slightly below the recommended 10% at 9.8%. However if the additional budget above is agreed it will reduce further to 9.1%. This would need to be taken into account when setting the 2016/17 to try and restore this.

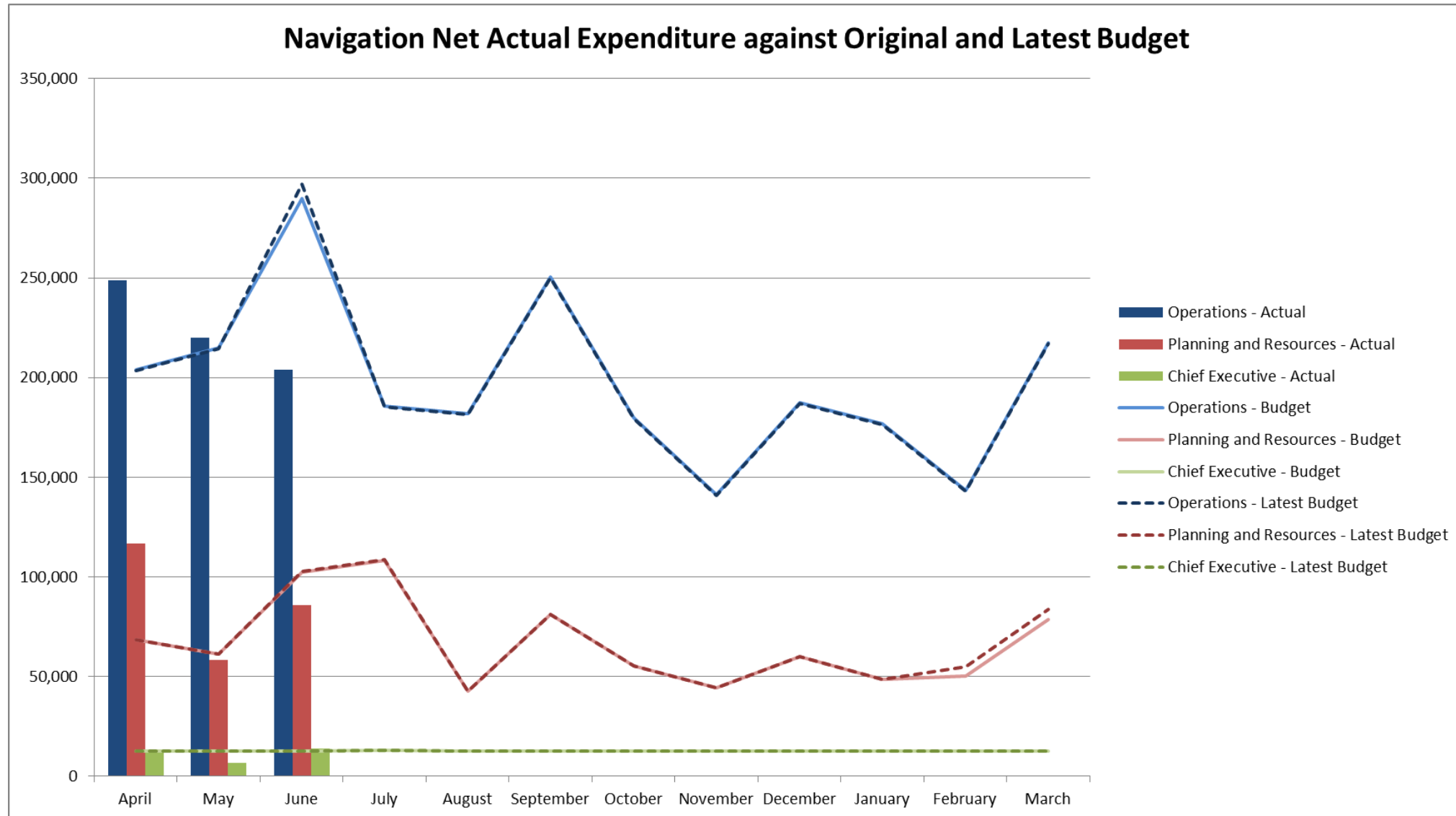
Background Papers: Nil

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Date of Report: 19 August 2014

Broads Plan Objectives: None

Appendices: APPENDIX 1 – Navigation Actual Income and Expenditure  
Charts to 30 June 2015  
APPENDIX 2 – Financial Monitor: Navigation Income and  
Expenditure 2015/16





**To 30 June 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)	(3,011,680)	- 22,500
National Park Grant	0		0	0	+ 0
Income	0		0	0	+ 0
Hire Craft Tolls	(1,090,525)		(1,090,525)	(1,064,025)	- 26,500
Income	(1,090,525)		(1,090,525)	(1,064,025)	- 26,500
Private Craft Tolls	(1,869,042)		(1,869,042)	(1,873,042)	+ 4,000
Income	(1,869,042)		(1,869,042)	(1,873,042)	+ 4,000
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)	(17,500)	+ 0
Income	(17,500)		(17,500)	(17,500)	+ 0
Operations	2,457,058	2,695	2,459,753	2,459,753	+ 0
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	(5,005)	450,970	450,970	+ 0
Income			0		+ 0
Expenditure	455,975	(5,005)	450,970	450,970	+ 0
Water Management	167,500	7,700	175,200	175,200	+ 0
Expenditure	167,500	7,700	175,200	175,200	+ 0
Land Management	0		0	0	+ 0
Income	0		0	0	+ 0
Expenditure	0		0	0	+ 0



Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Practical Maintenance	395,200		395,200	395,200	+ 0
Income	(7,000)		(7,000)	(7,000)	+ 0
Expenditure	402,200		402,200	402,200	+ 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	58,326		58,326	58,326	+ 0
Income	(9,000)		(9,000)	(9,000)	+ 0
Salaries	40,771		40,771	40,771	+ 0
Expenditure	26,555		26,555	26,555	+ 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
Salaries	64,417		64,417	64,417	+ 0
Expenditure	7,000		7,000	7,000	+ 0
Planning and Resources	745,013	10,669	755,682	760,815	- 5,133
Development 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)
Salaries	0		0	0	+ 0
Expenditure	0		0	0	+ 0
Pension Payments			0		+ 0
Strategy and Projects Salaries	18,439	769	19,208	19,208	+ 0
Income	0		0	0	+ 0
Salaries	18,439	769	19,208	19,208	+ 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
Salaries	3,265		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
Salaries	64,151		64,151	64,151	+ 0
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

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
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
Legal	29,596		29,596	29,596	+ 0
Income			0		+ 0
Salaries	15,596		15,596	15,596	+ 0
Expenditure	14,000		14,000	14,000	+ 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	125,405		125,405	125,405	+ 0
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
Governance	39,531		39,531	39,531	+ 0
Salaries	21,645		21,645	21,645	+ 0
Expenditure	17,886		17,886	17,886	+ 0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
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)	0	(393,900)	(393,900)	+ 0
Earmarked Reserves	(393,900)	0	(393,900)	(393,900)	+ 0
Expenditure	(393,900)	0	(393,900)	(393,900)	+ 0
<b>Grand Total</b>	<b>(55,804)</b>	<b>13,364</b>	<b>(42,440)</b>	<b>(14,807)</b>	<b>- 27,633</b>