

Financial Performance and Direction
Report by Chief Financial Officer

Summary: This report provides a strategic overview of current key financial issues.

Recommendation:

- (i) That the income and expenditure figures be noted.
- (ii) That the additional expenditure from reserves in 5.3 and 5.4 be noted.

1 Introduction

- 1.1 This report covers the Consolidated Income and Expenditure from 1 April – 31 July 2017 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.

2 Overview of Actual Income and Expenditure

Table 1 – Actual Consolidated I&E by Directorate to 31 July 2017

	Profiled Latest Available Budget	Actual Income and Expenditure	Actual Variance
Income	(4,656,658)	(4,722,044)	+ 65,386
Operations	1,365,982	1,277,475	+ 88,507
Planning and Resources	817,319	760,215	+ 57,104
Chief Executive	540,675	476,500	+ 64,175
Projects, Corporate Items and Contributions from Earmarked Reserves	(68,113)	(72,008)	+ 3,895
Net (Surplus) / Deficit	(2,000,794)	(2,279,861)	+ 279,067

- 2.1 Core navigation income is above the profiled budget at the end of month four. The overall position as at 31 July 2017 is a favourable variance of £279,067 or 13.95% difference from the profiled LAB. This is principally due to:

- An overall favourable variance of £70,835 within toll income:
 - Hire Craft Tolls £37,145 above the profiled budget.
 - Private Craft Tolls £32,958 above the profiled budget.
- A favourable variance within Operations budgets relating to:

- Construction and Maintenance Salaries is under the profiled budget by £23,048 due to vacancies at the start of the financial year.
- Equipment, Vehicle and Vessels is above the profiled budget by £11,665 due to expected repair costs on the wherries and the weed harvester.
- Water Management is under the profiled budget by £20,267 due to outstanding Natural England consent.
- Ranger Services is under profiled budget by £16,122 mainly due to additional income and small underspends within salaries and expenditure.
- Premises is under profiled budget by £32,358 due to timing differences around the Dockyard Wet Shed repairs and the lease costs for Buttles Barn being invoiced quarterly instead of annually.
- A favourable variance within Planning and Resources budgets relating to:
 - Human Resources is under profiled budget by £15,281 due to vacancies and timing differences on staff training.
 - Project Funding is under profiled budget by £14,164 due to timing differences.
 - Visitor Centres and Yacht Stations is under profiled budget by £16,844 due to additional income and salary savings.
- A favourable variance within Chief Executive budgets relating to:
 - Legal is under profiled budget by £10,662 due to timing differences.
 - Asset Management is under profiled budget by £13,053 due to timing differences.
 - Finance and Insurance is under profiled budget by £38,332 due to an outstanding insurance invoice which has been received in August.

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 was being monitored against the latest available budget (LAB) in 2016/17. 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. Details of the movements from the original budget are set out in Appendix 2.

Table 2 – Adjustments to Consolidated LAB

	Ref	£
Original budget 2017/18 – deficit	Item 12 27/01/17 (BA)	41,178
Peer review budget	Item 17 24/03/17 (BA)	25,000
Approved budget carry-forwards	Item 11 19/05/17 (BA)	31,245
LAB at 31 July 2017 – deficit		97,423

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 the budget lines for which they are responsible. A summary of these adjustments are given in the table below.

Table 3 – Adjustments to Forecast Outturn

Item	£
Forecast outturn deficit per LAB	97,423
Increase in Hire Craft Income	(41,993)
Decrease in Boat Safety Income	7,000
Increase in Moorings Expenditure for Acle Bridge purchase	30,000
Decrease in Visitor Centre Salary costs	(10,500)
Decrease in Telephone expenditure	(3,050)
Decrease in Apprenticeship Levy for government allowance	(15,000)
Forecast outturn deficit as at 31 July 2017	63,880

- 4.2 The main reason for the difference between the forecast outturn and the LAB is the change in predictions for hire craft toll income and moorings expenditure. However if the sale of the Field base is completed prior to the end of the financial year the adjustment for moorings will be removed.

5 Reserves

Table 4 – Consolidated Earmarked Reserves

	Balance at 1 April 2017	In-year movements	Current reserve balance
	£	£	£
Property	(429,005)	(76,500)	(505,505)
Plant, Vessels and Equipment	(214,671)	(48,747)	(263,417)
Premises	(178,942)	(22,927)	(201,869)
Planning Delivery Grant	(194,908)	8,500	(186,408)
Upper Thurne Enhancement	(77,752)	(21,057)	(98,808)
Section 106	(109,020)	7,550	(101,470)
Heritage Lottery Fund	(92,936)	4,562	(88,374)
Catchment Partnership	(94,833)	0	(94,833)
Total	(1,392,066)	(148,618)	(1,540,685)

- 5.1 £668,224 of the current reserve balance relates to navigation reserves.
- 5.2 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 July. This will reduce as planned purchases take place throughout the year.
- 5.3 Additional expenditure from the Plant, Vessel and Equipment reserve that was due to occur in 2018/19 to cover the replacement of a pool vehicle has been brought forward to 2017/18. This is due to an accident that resulted in a pool vehicle being written off by the Authority's insurers. This means that £11,323 (net of the insurance settlement) will be used to purchase the Authority's first electric vehicle, a Renault Zoe.
- 5.4 Members will recall at the end of 2016/17 a new reserve was set up for the Catchment Partnership that holds ring-fenced income from partners. This included monies received from Tesco. Part of the Tesco project was to employ an officer who started with the Authority in September. This means that this reserve will start to decrease over the remainder of this financial year to cover their employment costs.

6 Summary

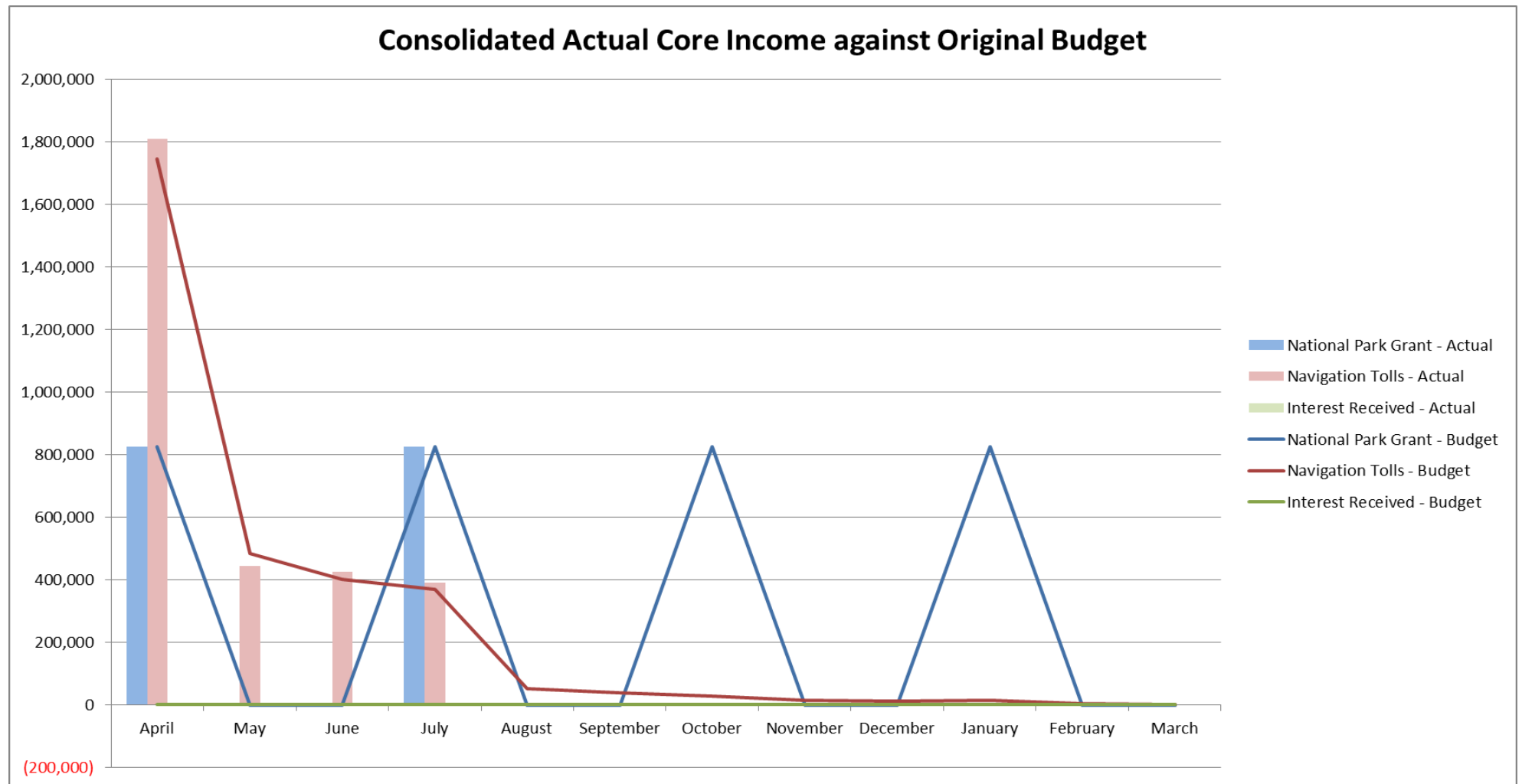
- 6.1 The current forecast outturn position for the year suggests a deficit of £68,124 for the national park side and a surplus of £4,244 on navigation resulting in an overall deficit of £63,880 within the consolidated budget, which would indicate a general fund reserve balance of approximately £974,000 and a navigation reserve balance of approximately £330,000 at the end of 2017/18 before any transfers for interest. This will mean that the navigation reserve will be slightly above the recommended level of 10% of net expenditure during 2017/18.

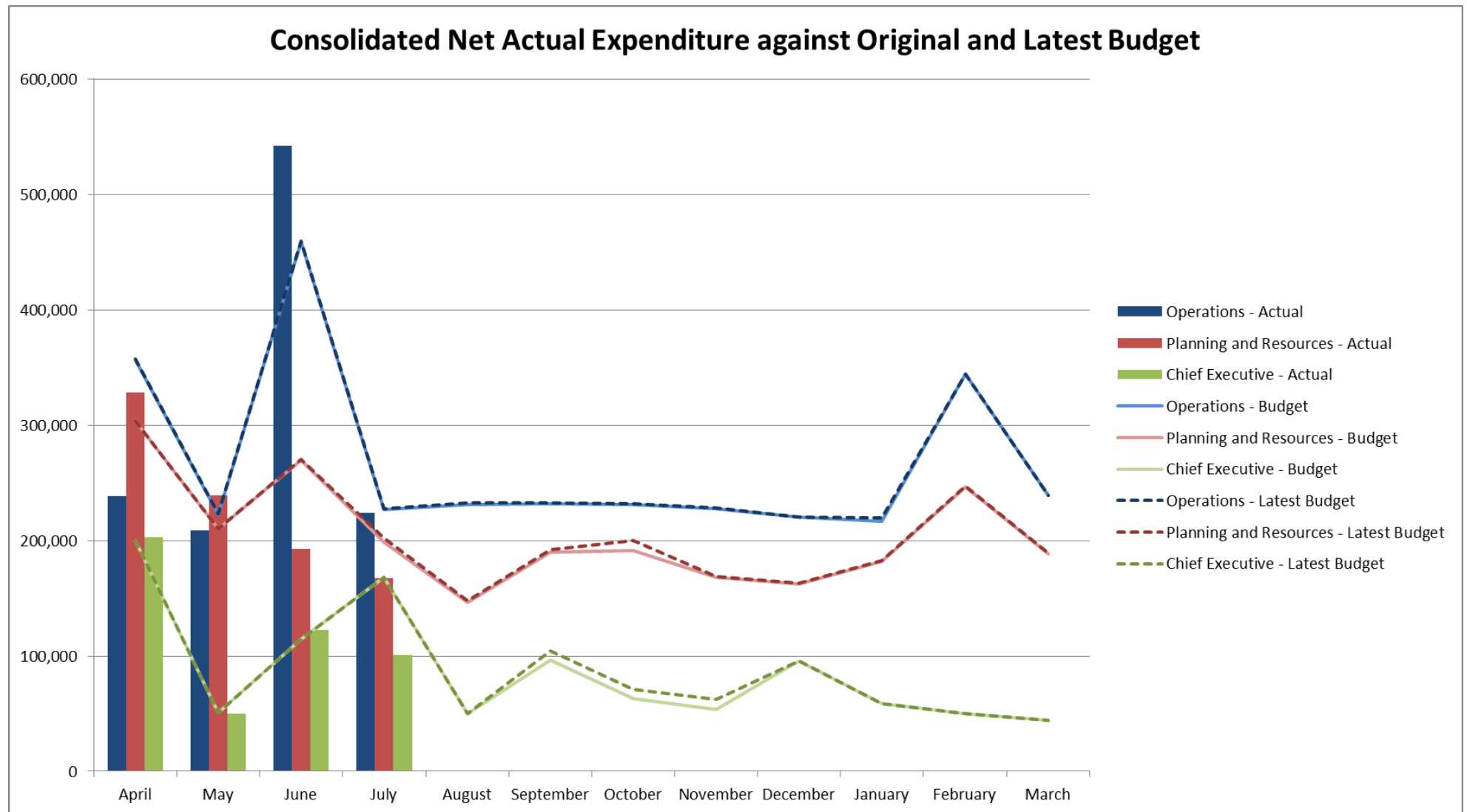
Background papers: None

Author: Emma Krelle
Date of report: 12 September 2017

Broads Plan Objectives: None

Appendices: APPENDIX 1 – Consolidated Actual Income and Expenditure Charts to 31 July 2017
APPENDIX 2: Financial Monitor: Consolidated Income and Expenditure 2017/18





To 31 July 2017

Budget Holder

(All)

Row Labels	Values				
	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Income	(6,486,595)		(6,486,595)	(6,528,588)	41,993
National Park Grant	(3,299,595)		(3,299,595)	(3,299,595)	0
Income	(3,299,595)		(3,299,595)	(3,299,595)	0
Hire Craft Tolls	(1,073,400)		(1,073,400)	(1,115,393)	41,993
Income	(1,073,400)		(1,073,400)	(1,115,393)	41,993
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	(15,000)		(15,000)	(15,000)	0
Income	(15,000)		(15,000)	(15,000)	0
Operations	3,410,265	5,810	3,416,075	3,453,075	-37,000
Construction and Maintenance Salaries	1,168,140		1,168,140	1,168,140	0
Income	(4,420)		(4,420)	(4,420)	0
Salaries	1,172,560		1,172,560	1,172,560	0
Expenditure			0		0
Equipment, Vehicles & Vessels	497,500		497,500	497,500	0
Income			0		0
Expenditure	497,500		497,500	497,500	0
Water Management	147,500		147,500	147,500	0
Expenditure	147,500		147,500	147,500	0
Land Management	(36,000)		(36,000)	(36,000)	0
Income	(90,000)		(90,000)	(90,000)	0
Expenditure	54,000		54,000	54,000	0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Practical Maintenance	433,200	2,565	435,765	465,765	-30,000
Income	(10,500)		(10,500)	(10,500)	0
Expenditure	443,700	2,565	446,265	476,265	-30,000
Ranger Services	698,790	7,300	706,090	706,090	0
Income	(127,130)		(127,130)	(127,130)	0
Salaries	623,420	7,300	630,720	630,720	0
Expenditure	202,500		202,500	202,500	0
Pension Payments			0		0
Safety	119,590		119,590	126,590	-7,000
Income	(9,000)		(9,000)	(2,000)	-7,000
Salaries	64,090		64,090	64,090	0
Expenditure	64,500		64,500	64,500	0
Volunteers	68,800		68,800	68,800	0
Income	(1,000)		(1,000)	(1,000)	0
Salaries	49,800		49,800	49,800	0
Expenditure	20,000		20,000	20,000	0
Premises	198,170	(8,000)	190,170	190,170	0
Income	(20,000)		(20,000)	(20,000)	0
Expenditure	218,170	(8,000)	210,170	210,170	0
Operations Management and Administration	114,575	3,945	118,520	118,520	0
Income	(3,465)		(3,465)	(3,465)	0
Salaries	105,540	3,945	109,485	109,485	0
Expenditure	12,500		12,500	12,500	0
Planning and Resources	2,206,055	21,380	2,227,435	2,224,365	3,070
Development Management	255,270	2,850	258,120	258,120	0
Income	(80,000)		(80,000)	(80,000)	0
Salaries	308,770		308,770	308,770	0
Expenditure	26,500	2,850	29,350	29,350	0
Pension Payments			0		0
Strategy and Projects Salaries	427,155		427,155	437,635	-10,480
Income	(3,500)		(3,500)	(13,980)	10,480

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Salaries	307,155		307,155	317,635	-10,480
Expenditure	123,500		123,500	133,980	-10,480
Biodiversity Strategy	10,000	400	10,400	10,400	0
Income			0		0
Expenditure	10,000	400	10,400	10,400	0
Strategy and Projects			0		0
Expenditure			0		0
Human Resources	130,590	5,000	135,590	135,590	0
Salaries	71,090		71,090	71,090	0
Expenditure	59,500	5,000	64,500	64,500	0
Waterways and Recreation Strategy	85,920		85,920	85,920	0
Salaries	76,420		76,420	76,420	0
Expenditure	9,500		9,500	9,500	0
Project Funding	105,500		105,500	105,500	0
Expenditure	105,500		105,500	105,500	0
Pension Payments			0		0
Communications	328,330	13,130	341,460	341,460	0
Income	(4,120)		(4,120)	(4,120)	0
Salaries	257,950		257,950	257,950	0
Expenditure	74,500	13,130	87,630	87,630	0
Pension Payments			0		0
Visitor Centres and Yacht Stations	214,070		214,070	203,570	10,500
Income	(237,500)		(237,500)	(237,500)	0
Salaries	319,570		319,570	309,070	10,500
Expenditure	132,000		132,000	132,000	0
Collection of Tolls	128,550		128,550	128,550	0
Salaries	115,850		115,850	115,850	0
Expenditure	12,700		12,700	12,700	0
ICT	304,860		304,860	301,810	3,050
Salaries	181,360		181,360	181,360	0
Expenditure	123,500		123,500	120,450	3,050

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Planning and Resources Management and Administration	215,810		215,810	215,810	0
Income	(1,525)		(1,525)	(1,525)	0
Salaries	142,470		142,470	142,470	0
Expenditure	74,865		74,865	74,865	0
Chief Executive	1,045,653	29,055	1,074,708	1,074,708	0
Legal	106,980		106,980	106,980	0
Income			0		0
Salaries	46,980		46,980	46,980	0
Expenditure	60,000		60,000	60,000	0
Governance	124,440	25,000	149,440	149,440	0
Salaries	72,540		72,540	72,540	0
Expenditure	51,900	25,000	76,900	76,900	0
Chief Executive	110,970		110,970	110,970	0
Salaries	110,970		110,970	110,970	0
Expenditure			0		0
Asset Management	119,890	4,055	123,945	123,945	0
Income	(22,220)		(22,220)	(22,220)	0
Salaries	52,360	(3,945)	48,415	48,415	0
Expenditure	89,750	8,000	97,750	97,750	0
Finance and Insurance	341,680		341,680	341,680	0
Income	(6,490)		(6,490)	(6,490)	0
Salaries	148,170		148,170	148,170	0
Expenditure	200,000		200,000	200,000	0
Premises - Head Office	241,693		241,693	241,693	0
Expenditure	241,693		241,693	241,693	0
Projects and Corporate Items	126,800		126,800	111,800	15,000
Partnerships / HLF	50,000		50,000	50,000	0
Income	(45,736)		(45,736)	(45,736)	0
Salaries	23,945		23,945	23,945	0
Expenditure	71,791		71,791	71,791	0
Corporate Items	76,800		76,800	61,800	15,000

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Expenditure	16,800		16,800	1,800	15,000
Pension Payments	60,000		60,000	60,000	0
Contributions from Earmarked Reserves	(261,000)	0	(261,000)	(271,480)	10,480
Earmarked Reserves	(261,000)	0	(261,000)	(271,480)	10,480
Expenditure	(261,000)	0	(261,000)	(271,480)	10,480
Grand Total	41,178	56,245	97,423	63,880	33,543