

Financial Scrutiny and Audit Committee

6 March 2018

Agenda Item No 7

**Consolidated Income and Expenditure:
1 April to 31 January 2018 Actual and 2017/18 Forecast Outturn**

Report by Chief Financial Officer

Summary:	This report provides the Committee with details of the actual income and expenditure for the ten month period to 31 January 2018, and provides a forecast of the projected expenditure at the end of the financial year (31 March 2018).
Recommendation:	That the report be noted.

1. Introduction

1.1. This financial monitoring report summarises details of the forecast outturn and actual expenditure for both National Park and Navigation.

2. Overview of Actual Income and Expenditure

Table 1 – Actual Consolidated I&E by Directorate to 31 January 2018

	Profiled Latest Available Budget	Actual Income and Expenditure	Actual Variance
Income	(6,467,665)	(6,547,970)	+ 80,305
Operations	2,803,367	2,760,792	+ 42,575
Strategic Services	1,820,427	1,712,107	+ 108,319
Chief Executive	982,133	933,781	+ 48,352
Projects, Corporate Items and Contributions from Earmarked Reserves	(65,129)	(52,125)	- 13,004
Net (Surplus) / Deficit	(926,867)	(1,193,414)	+ 266,547

2. Core navigation income is above of the profiled budget at the end of month ten. The overall position as at 31 January 2018 is a favourable variance of £266,547 or 28.76% difference from the profiled LAB. This is principally due to:

- An overall favourable variance of £78,975 within toll income:
 - Hire Craft Tolls £42,732 above the profiled budget.
 - Private Craft Tolls £29,259 above the profiled budget.

- A favourable variance within Operations budgets relating to:
 - Construction and Maintenance Salaries is under profiled budget by £40,074 due to a number of vacancies this year.
 - Water Management is under profiled budget by £52,918 due to two contracts being delayed, both are scheduled for delivery by 31 March 2018.
 - Land Management is under profiled budget by £10,569 due to income being received ahead of profile.
 - Practical Maintenance is over the profiled budget by £138,859 due to timing differences on the profile originally set. This is due to Acle Bridge being purchased.
 - Ranger Services is under profiled budget by £20,669 due to additional income and underspends within salaries and expenditure.
 - Premises is under profiled budget by £60,579 due to timing differences around the Dockyard Wet Shed repairs.
- A favourable variance within Strategic Services budgets relating to:
 - Strategy and Projects is over profiled budget by £17,425 due to a number of small variances within all budgets.
 - Human Resources is under profiled budget by £15,341 due to vacancies and timing differences on staff training.
 - Project Funding is under profiled budget by £47,531 due to timing differences.
 - Communications is under profiled budget by £17,184 due to staff to timing differences.
 - Visitor Centres and Yacht stations is under profiled budget by £18,744 due to salary savings and increased income
 - Collection of Tolls is over profiled budget by £13,990 due to timing differences.
 - ICT is under profiled budget by £12,568 due to timing differences.
 - Strategic Services Management and Administration is under profiled budget by £11,805 due to a previous vacancy.
- A favourable variance within Chief Executive budgets relating to:
 - Governance is under budget by £12,810 due to timing differences around the invoicing for the Peer Review and Members workshop.
 - Asset Management is under budget by £30,022 due to timing differences.
- An adverse variance within Reserves relating to timing differences around the Dockyard Wet Shed repairs.

2.1. 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 being monitored against a latest available budget (LAB) in 2017/18. 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	Item 17 24/03/17 (BA)	25,000
Approved budget carry-forwards	Item 11 19/05/17 (BA)	31,245
LAB at 31 January 2018 – deficit		97,423

3.2. Taking account of the budget adjustments, the LAB therefore provides for a consolidated deficit of £97,423 in 2017/18 as at 31 January 2018.

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. These forecast outturn figures should be seen as estimates and they will be refined and clarified through the financial year.

4.2. As at the end of December 2017, the forecast outturn indicates:

- The total forecast income is £6,564,827, or £78,232 above the LAB.
- Total expenditure is forecast to be £6,581,448.
- The resulting deficit for the year is forecast to be £16,621.

4.3. A verbal update will be provided at the meeting on any January adjustments reported by budget holders.

4.4. The forecast outturn expenditure takes account of adjustments to the LAB and in addition reflects the changes shown in Table 3. The forecast surplus represents a favourable variance of £80,802 against the LAB.

Table 3 – Adjustments to Forecast Outturn

Item	£
Forecast outturn deficit per LAB	97,423
Adjustments reported 14/11/17	(57,631)
Increase to Hire Craft Income	(271)
Increase to Private Craft Income	(10,500)
Decrease in Strategic Services Management and Admin following a vacancy	(12,400)
Forecast outturn deficit as at 31 January 2018	16,621

4.5. The main reason for the difference between the forecast outturn and the LAB is the increase in hire and private craft income. There is also additional savings within other budgets.

5. Reserves

Table 4 – Consolidated Earmarked Reserves

	Balance at 1 April 2017	In-year movements	Current reserve balance
	£	£	£
Property	(429,005)	(51,500)	(480,505)
Plant, Vessels and Equipment	(214,671)	10,500	(204,170)
Premises	(178,942)	14,809	(164,133)
Planning Delivery Grant	(194,908)	11,075	(183,833)
Upper Thurne Enhancement	(77,752)	(21,057)	(98,808)
Section 106	(109,020)	7,550	(101,470)
Heritage Lottery Fund	(92,936)	25,444	(67,493)
CANAPE	-	(84,752)	(84,752)
Catchment Partnership	(94,833)	7,335	(87,497)
Total	(1,392,066)	(80,595)	(1,472,661)

5.1. £649,654 of the current reserve balance relates to navigation reserves.

6. Summary

6.1. The current forecast outturn position for the year suggests a deficit of £54,584 for the national park side and a surplus of £37,963 on navigation resulting in an overall deficit of £16,621 within the consolidated budget, which would indicate a general fund reserve balance of approximately £987,000 and a navigation reserve balance of approximately £364,000 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

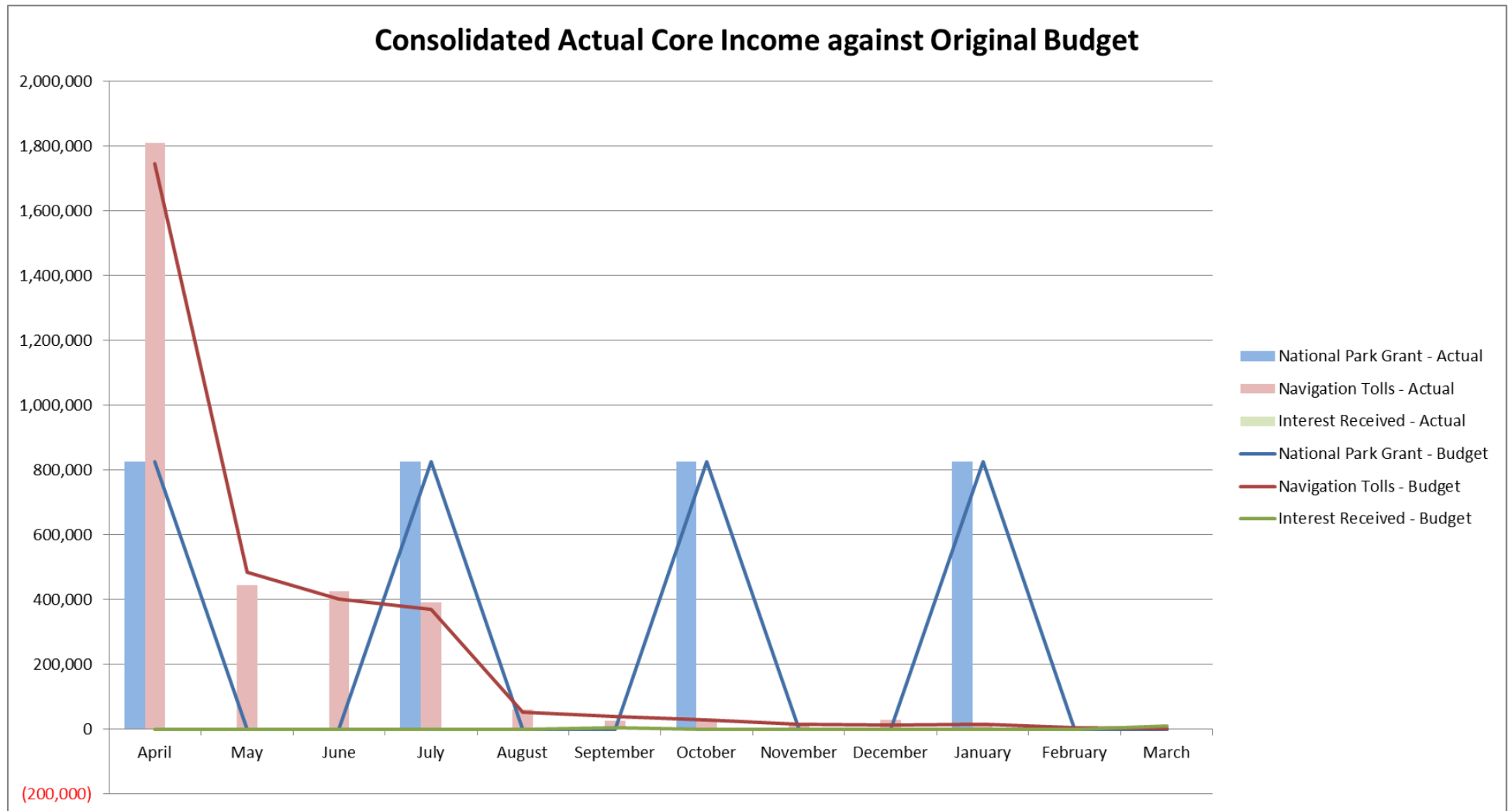
Author: Emma Krelle
Date of report: 19 February 2018

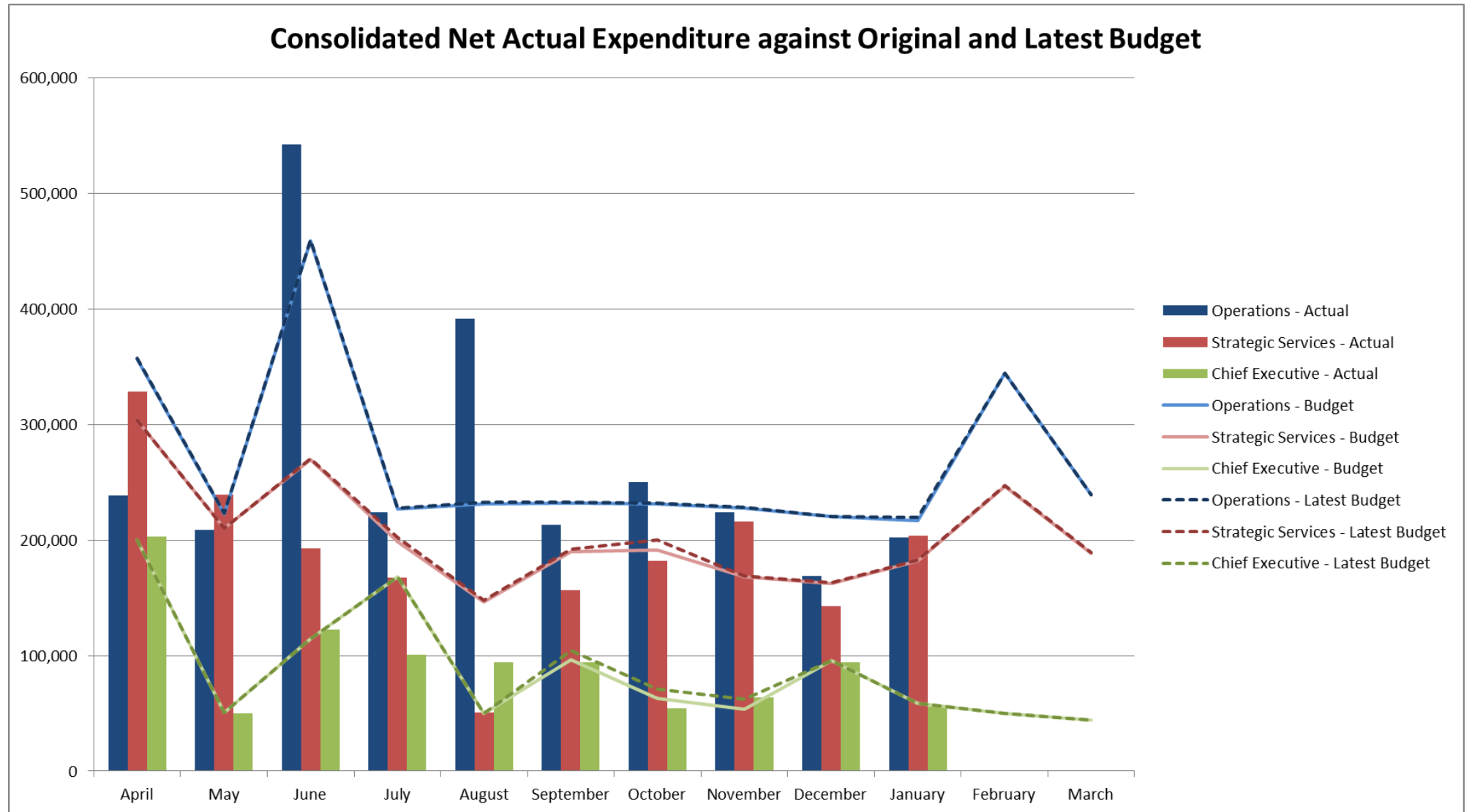
Broads Plan Objectives: None

Appendices:

APPENDIX 1 – Consolidated Actual Income and Expenditure
Charts to 31 January 2018

APPENDIX 2: Financial Monitor: Consolidated Income and
Expenditure 2017/18





To 31 January 2018

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)	(6,564,827)	78,232
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)	(1,116,132)	42,732
Income	(1,073,400)		(1,073,400)	(1,116,132)	42,732
Private Craft Tolls	(2,040,000)		(2,040,000)	(2,070,500)	30,500
Income	(2,040,000)		(2,040,000)	(2,070,500)	30,500
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)	(20,000)	5,000
Income	(15,000)		(15,000)	(20,000)	5,000
Operations	3,410,265	9,160	3,419,425	3,454,425	-35,000
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	4,000	501,500	501,500	0
Income			0		0
Expenditure	497,500	4,000	501,500	501,500	0
Water Management	147,500		147,500	147,500	0
Income			0		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

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Expenditure	54,000		54,000	54,000	0
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	66,800	2,000
Income	(1,000)		(1,000)	(1,000)	0
Salaries	49,800		49,800	49,800	0
Expenditure	20,000		20,000	18,000	2,000
Premises	198,170	(8,650)	189,520	189,520	0
Income	(20,000)		(20,000)	(20,000)	0
Expenditure	218,170	(8,650)	209,520	209,520	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
Strategic Services	2,206,055	17,380	2,223,435	2,211,455	11,980
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	437,745	-10,590

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Income	(3,500)		(3,500)	(14,090)	10,590
Salaries	307,155		307,155	317,745	-10,590
Expenditure	123,500		123,500	134,090	-10,590
Strategy and Projects			0		0
Expenditure			0		0
Biodiversity Strategy	10,000	400	10,400	10,400	0
Income			0		0
Expenditure	10,000	400	10,400	10,400	0
Human Resources	130,590	1,000	131,590	131,590	0
Salaries	71,090		71,090	71,090	0
Expenditure	59,500	1,000	60,500	60,500	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
Income			0		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	131,930	-3,380
Salaries	115,850		115,850	119,230	-3,380
Expenditure	12,700		12,700	12,700	0
ICT	304,860		304,860	301,810	3,050

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Salaries	181,360		181,360	181,360	0
Expenditure	123,500		123,500	120,450	3,050
Strategic Services Management and Administration	215,810		215,810	203,410	12,400
Income	(1,525)		(1,525)	(1,525)	0
Salaries	142,470		142,470	130,070	12,400
Expenditure	74,865		74,865	74,865	0
Chief Executive	1,045,653	29,705	1,075,358	1,075,358	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	4,705	124,595	124,595	0
Income	(22,220)		(22,220)	(22,220)	0
Salaries	52,360	(3,945)	48,415	48,415	0
Expenditure	89,750	8,650	98,400	98,400	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
Income			0		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

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
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
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)	(271,590)	10,590
Earmarked Reserves	(261,000)	0	(261,000)	(271,590)	10,590
Expenditure	(261,000)	0	(261,000)	(271,590)	10,590
Grand Total	41,178	56,245	97,423	16,621	80,802