

**Navigation Income and Expenditure:
1 April to 30 June 2018 Actual and 2018/19 Forecast Outturn**
Report by Chief Financial Officer

Purpose: This report provides the Committee with details of the actual navigation income and expenditure for the three month period to 30 June 2018, and provides a forecast of the projected expenditure at the end of the financial year (31 March 2019).

1 Introduction

- 1.1 This report provides a summary of the Income and Expenditure for the Navigation Budget up until 30 June, any amendments to the Latest Available Budget (LAB), Forecast Outturn (predicted year end position) and the movements on the earmarked reserves.

2 Overview of Actual Income and Expenditure

Table 1 – Actual Navigation I&E by Directorate to 30 June 2018

	Profiled Latest Available Budget	Actual Income and Expenditure	Actual Variance
Income	(2,751,893)	(2,569,669)	- 182,224
Operations	760,465	695,640	+ 64,825
Strategic Services	181,632	171,047	+ 10,585
Chief Executive	156,538	163,990	- 7,452
Projects, Corporate Items and Contributions from Earmarked Reserves	(17,140)	17,901	- 35,041
Net (Surplus) / Deficit	(1,670,398)	(1,521,091)	- 149,307

- 2.1 Core navigation income is below the profiled budget at the end of month three. The overall position as at 30 June 2018 is an adverse variance of £149,307 or 8.94% difference from the profiled LAB. This is principally due to:
- An overall adverse variance (all of which are timing differences, see forecast adjustments) of £182,224 within toll income:
 - Hire Craft Tolls is £167,414 below the profiled budget.
 - Private Craft Tolls is £6,432 below the profiled budget.
 - An underspend within Operations budgets relating to:

- Equipment, Vehicles and Vessels is under profile by £12,145 due to replacement vehicles and equipment being profiled ahead of actual expenditure.
 - Practical Maintenance is under profile by £30,074 due to timing differences on the profile originally set. This is due to the tree shears not being purchased until October.
 - An underspend within Strategic Services budgets relating to a number of small variances within various budgets.
 - An overspend within Chief Executive budgets relating to a number of small variances within various budgets.
 - An adverse variance within Reserves relating to the timing differences around the replacement of vehicles and equipment.
- 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 2018/19. 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

	Ref	£
Original navigation budget 2018/19 (deficit)	Item 1 26/01/18	2,798
Approved carry-forwards from 2017/18	Item 12 18/05/18	639
Virement from RIV to EAD for holiday cover	Director approved	(384)
LAB at 30 June 2018		3,053

- 3.2 The LAB therefore provides for a navigation deficit of £3,053 in 2018/19 as at 30 June 2018.

4 Overview of Forecast Outturn 2018/19

- 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 2018, the forecast outturn indicates:
- The total forecast income is £3,343,899, or £5,599 more than the LAB.
 - Total expenditure is forecast to be £3,337,151.

- The resulting surplus for the year is forecast to be £6,748.

4.3 The forecast outturn expenditure reflects the following changes from the LAB as shown in Table 3. The forecast surplus represents a favourable variance of £9,801 against the LAB.

Table 3 – Adjustments to Forecast Outturn

	£
Forecast outturn deficit per LAB	3,053
Increase to Hire Craft Toll income	(5,599)
Increase to Construction & Maintenance Salaries Income following insurance claim reimbursement for Horace	(2,050)
Increase to Staff Training Income following employee reimbursement	(2,152)
Forecast outturn surplus as at 30 June 2018	(6,748)

4.4 The main reason for the difference between the forecast outturn and the LAB is the increase in hire craft toll income and additional income within other budgets.

5 Reserves

Table 4 – Navigation Earmarked Reserves

	Balance at 1 April 2018	In-year movements	Current reserve balance
	£	£	£
Property	(334,135)	(25,992)	(360,127)
Plant, Vessels and Equipment	(193,430)	(106,720)	(300,150)
Premises	(64,990)	(25,069)	(90,059)
CANAPE	(36,129)	(14,721)	(50,850)
Computer Software	(13,302)	0	(13,302)
Total	(641,986)	(172,502)	(814,488)

5.1 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 June. This will reduce as planned purchases take place throughout the year.

5.2 Items funded from the Plant, Vessel and Equipment reserve include the deposit for the Dockyard crane. The Premises reserve has continued to fund the works at the Dockyard Wet Shed. The CANAPE reserve contains the expenditure relating to the first claim. A claim for 50% has been submitted and is expected to be reimbursed in December 2018.

6 Summary

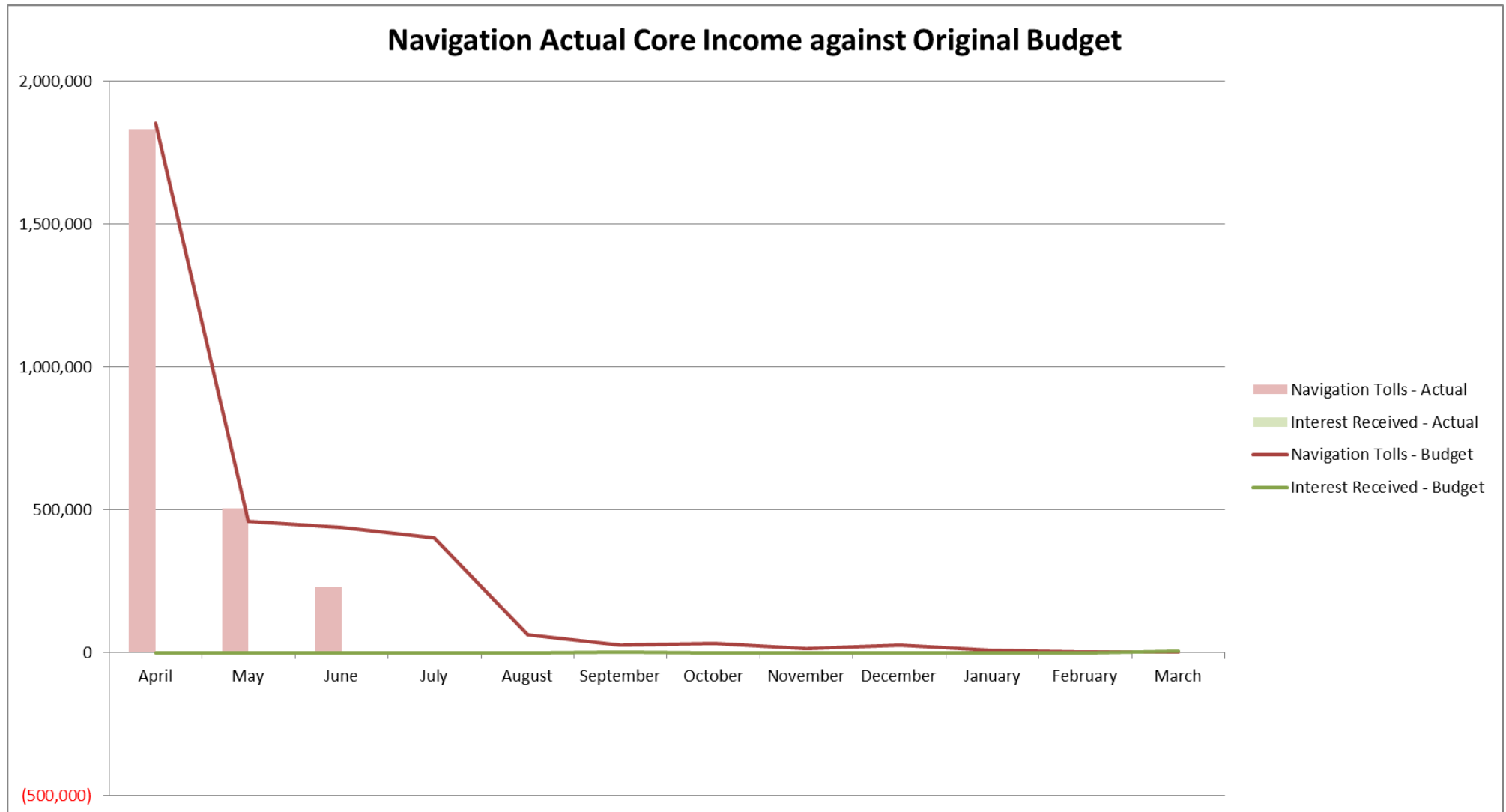
- 6.1 The current forecast outturn position for the year suggests a surplus within the navigation budget which would result in a navigation reserve balance of approximately £374,000 at the end of 2018/19 (before any year-end adjustments). This would mean the Navigation Reserve would be above the recommended 10% at 11.2%. Year-end transfers of interest to the earmarked reserves will mean that it will fall to approximately 11.1%. This will be highly dependent on the actual level of interest received.

Background Papers: Nil

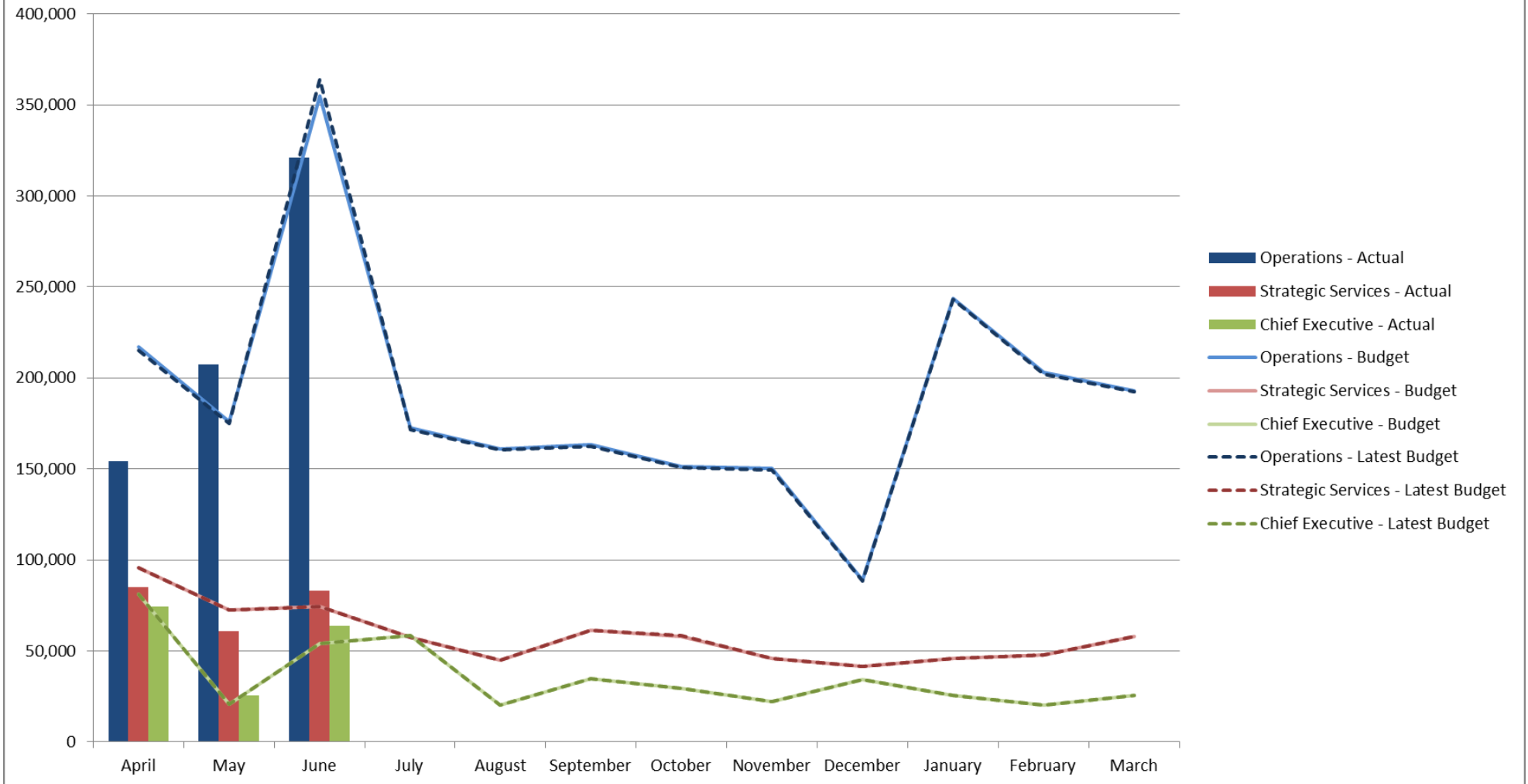
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Date of Report: 10 August 2018

Broads Plan Objectives: None

Appendices: APPENDIX 1 – Navigation Actual Income and Expenditure Charts to 30 June 2018
APPENDIX 2 – Financial Monitor: Navigation Income and Expenditure 2018/19



Navigation Net Actual Expenditure against Original and Latest Budget



To 30 June 2018

Budget Holder

(All)

Row Labels	Values				
	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Income	(3,338,300)		(3,338,300)	(3,343,899)	+ 5,599
National Park Grant	0		0	0	+ 0
Income	0		0	0	+ 0
Hire Craft Tolls	(1,149,300)		(1,149,300)	(1,154,899)	+ 5,599
Income	(1,149,300)		(1,149,300)	(1,154,899)	+ 5,599
Private Craft Tolls	(2,121,800)		(2,121,800)	(2,121,800)	+ 0
Income	(2,121,800)		(2,121,800)	(2,121,800)	+ 0
Short Visit Tolls	(40,900)		(40,900)	(40,900)	+ 0
Income	(40,900)		(40,900)	(40,900)	+ 0
Other Toll Income	(18,800)		(18,800)	(18,800)	+ 0
Income	(18,800)		(18,800)	(18,800)	+ 0
Interest	(7,500)		(7,500)	(7,500)	+ 0
Income	(7,500)		(7,500)	(7,500)	+ 0
Operations	2,347,147	16,556	2,363,703	2,361,653	+ 2,050
Construction and Maintenance Salaries	755,238	(384)	754,854	752,804	+ 2,050
Income	(2,836)		(2,836)	(4,886)	+ 2,050
Salaries	758,074	(384)	757,690	757,690	+ 0
Expenditure			0		+ 0
Equipment, Vehicles & Vessels	316,050		316,050	316,050	+ 0
Income			0		+ 0
Expenditure	316,050		316,050	316,050	+ 0
Water Management	98,000		98,000	98,000	+ 0
Income			0		+ 0
Expenditure	98,000		98,000	98,000	+ 0
Land Management	0		0	0	+ 0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Income	0		0	0	+ 0
Expenditure	0		0	0	+ 0
Practical Maintenance	418,700		418,700	418,700	+ 0
Income	(10,500)		(10,500)	(10,500)	+ 0
Expenditure	429,200		429,200	429,200	+ 0
Ranger Services	470,996		470,996	470,996	+ 0
Income	(78,612)		(78,612)	(78,612)	+ 0
Salaries	404,508		404,508	404,508	+ 0
Expenditure	145,100		145,100	145,100	+ 0
Pension Payments			0		+ 0
Safety	101,358		101,358	101,358	+ 0
Income	(2,000)		(2,000)	(2,000)	+ 0
Salaries	43,213		43,213	43,213	+ 0
Expenditure	60,145		60,145	60,145	+ 0
Volunteers	30,140		30,140	30,140	+ 0
Income	(400)		(400)	(400)	+ 0
Salaries	20,180		20,180	20,180	+ 0
Expenditure	10,360		10,360	10,360	+ 0
Premises	116,319	16,940	133,259	133,259	+ 0
Income			0		+ 0
Expenditure	116,319	16,940	133,259	133,259	+ 0
Operations Management and Administration	40,346		40,346	40,346	+ 0
Income	(779)		(779)	(779)	+ 0
Salaries	37,000		37,000	37,000	+ 0
Expenditure	4,125		4,125	4,125	+ 0
Strategic Services	585,393	639	586,032	583,879	+ 2,153
Development Management	4,091		4,091	4,091	+ 0
Income	0		0	0	+ 0
Salaries	4,091		4,091	4,091	+ 0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Expenditure	0		0	0	+ 0
Pension Payments			0		+ 0
Strategy and Projects Salaries	21,069		21,069	21,069	+ 0
Income	0		0	0	+ 0
Salaries	19,269		19,269	19,269	+ 0
Expenditure	1,800		1,800	1,800	+ 0
Biodiversity Strategy	0		0	0	+ 0
Expenditure	0		0	0	+ 0
Human Resources	55,231	639	55,870	53,718	+ 2,153
Income	0		0	(2,153)	+ 2,153
Salaries	30,836		30,836	30,836	+ 0
Expenditure	24,395	639	25,034	25,034	+ 0
Waterways and Recreation Strategy	47,990		47,990	47,990	+ 0
Salaries	38,990		38,990	38,990	+ 0
Expenditure	9,000		9,000	9,000	+ 0
Project Funding	0		0	0	+ 0
Expenditure	0		0	0	+ 0
Pension Payments			0		+ 0
Communications	74,362		74,362	74,362	+ 0
Income	(208)		(208)	(208)	+ 0
Salaries	64,070		64,070	64,070	+ 0
Expenditure	10,500		10,500	10,500	+ 0
Visitor Centres and Yacht Stations	79,065		79,065	79,065	+ 0
Income	(60,000)		(60,000)	(60,000)	+ 0
Salaries	115,065		115,065	115,065	+ 0
Expenditure	24,000		24,000	24,000	+ 0
Collection of Tolls	134,180		134,180	134,180	+ 0
Salaries	121,480		121,480	121,480	+ 0
Expenditure	12,700		12,700	12,700	+ 0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
ICT	101,934		101,934	101,934	+ 0
Salaries	62,185		62,185	62,185	+ 0
Expenditure	39,749		39,749	39,749	+ 0
Strategic Services Management and Administration	67,472		67,472	67,472	+ 0
Income	(219)		(219)	(219)	+ 0
Salaries	43,922		43,922	43,922	+ 0
Expenditure	23,769		23,769	23,769	+ 0
Chief Executive	427,128		427,128	427,128	+ 0
Legal	28,127		28,127	28,127	+ 0
Income	(102)		(102)	(102)	+ 0
Salaries	16,229		16,229	16,229	+ 0
Expenditure	12,000		12,000	12,000	+ 0
Governance	41,168		41,168	41,168	+ 0
Salaries	24,041		24,041	24,041	+ 0
Expenditure	17,127		17,127	17,127	+ 0
Chief Executive	44,354		44,354	44,354	+ 0
Salaries	44,354		44,354	44,354	+ 0
Expenditure			0		+ 0
Asset Management	69,949		69,949	69,949	+ 0
Income	(2,725)		(2,725)	(2,725)	+ 0
Salaries	21,299		21,299	21,299	+ 0
Expenditure	51,375		51,375	51,375	+ 0
Finance and Insurance	169,960		169,960	169,960	+ 0
Income	(2,965)		(2,965)	(2,965)	+ 0
Salaries	77,045		77,045	77,045	+ 0
Expenditure	95,880		95,880	95,880	+ 0
Premises - Head Office	73,571		73,571	73,571	+ 0
Income			0		+ 0
Expenditure	73,571		73,571	73,571	+ 0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Projects and Corporate Items	62,304		62,304	62,304	+ 0
Partnerships / HLF	30,904		30,904	30,904	+ 0
Income	(131,546)		(131,546)	(131,546)	+ 0
Salaries	21,980		21,980	21,980	+ 0
Expenditure	140,470		140,470	140,470	+ 0
Corporate Items	31,400		31,400	31,400	+ 0
Expenditure	1,000		1,000	1,000	+ 0
Pension Payments	30,400		30,400	30,400	+ 0
Contributions from Earmarked Reserves	(80,874)	(16,940)	(97,814)	(97,814)	+ 0
Earmarked Reserves	(80,874)	(16,940)	(97,814)	(97,814)	+ 0
Expenditure	(80,874)	(16,940)	(97,814)	(97,814)	+ 0
Grand Total	2,798	255	3,053	(6,748)	+ 9,802