

**Navigation Income and Expenditure:
1 April to 28 February 2017 Actual and 2016/17 Forecast Outturn
Report by Head of Finance**

Summary: This report provides the Committee with details of the actual navigation income and expenditure for the eleven month period to 28 February 2017, and provides a forecast of the projected expenditure at the end of the financial year (31 March 2017).

1 Introduction

1.1 This report provides a summary of the Income and Expenditure for the Navigation Budget up until 28 February. It includes 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 28 February 2017

	Profiled Latest Available Budget	Actual Income and Expenditure	Actual Variance
Income	(3,113,043)	(3,098,033)	- 15,010
Operations	2,222,531	2,082,216	+ 140,315
Planning and Resources	684,721	657,661	+ 27,060
Chief Executive	143,300	148,678	- 5,379
Projects, Corporate Items and Contributions from Earmarked Reserves	(163,148)	(131,566)	- 31,582
Net (Surplus) / Deficit	(225,639)	(341,043)	+ 115,404

2.1 Core navigation income is behind the profiled budget at the end of month eleven. The overall position as at 28 February 2017 is a favourable variance of £115,404 or 51.15% difference from the profiled LAB. This is principally due to:

- An overall adverse variance of £16,220 within toll income:
 - Hire Craft Tolls £25,158 below the profiled budget.
 - Private Craft Tolls £3,557 above the profiled budget.
 - Short Visit and Other Toll Income £5,382 above the profiled budget.
- An underspend within Operations budgets relating to:

- Practical Maintenance is under profile by £88,467 due to timing differences on the Cockshoot re-piling.
- Asset Management is under profile by £17,834 due to additional income being received and timing differences on the Property Consultancy invoicing.
- An underspend within Planning and Resources budgets relating to small variances within a number of budgets.

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 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. Full details of movements from the original budget are set out in Appendix 2.

Table 2 – Adjustments to Navigation LAB

	Ref	£
Original navigation budget 2016/17 (surplus)	Item 12 18/03/16	(16,160)
Approved carry-forwards from 2015/16	Item 13 13/05/16	181
Virement from OMA/SPS to ASS/DVM to cover admin restructure	CEO approved	(2,129)
Correct allocation of Rivers Engineer	-	20,502
LAB at 28 February 2017		2,394

3.2 The LAB therefore provides for a navigation deficit of £2,394 in 2016/17 as at 28 February 2017.

4 Overview of Forecast Outturn 2016/17

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 February 2017, the forecast outturn indicates:

- The total forecast income is £3,101,483, or £18,356 less than the LAB.
- Total expenditure is forecast to be £3,102,365.
- The resulting deficit for the year is forecast to be £882.

4.3 The forecast outturn expenditure reflects the following changes from the LAB as shown in Table 3. The forecast deficit represents an adverse variance of £1,512 against the LAB.

Table 3 – Adjustments to Forecast Outturn

	£
Forecast outturn deficit per LAB	2,394
Adjustments previously reported 23/02/17	12,407
Increase to Private Craft Toll income	(1,383)
Increase to Short Visit Toll Income	(3,696)
Increase to Other Toll Income	(1,599)
Increase to Vessel and Equipment Income	(119)
Decrease to Collection of Tolls Salaries	(4,500)
Decrease to Telephone Expenditure	(1,122)
Increase to Planning Management & Admin Income	(1,500)
Forecast outturn deficit as at 28 February 2017	882

4.4 The main reason for the difference between the forecast outturn and the LAB is the reduction in toll income which has been offset by savings in other budgets.

5 Reserves

Table 4 – Navigation Earmarked Reserves

	Balance at 1 April 2016	In-year movements	Current reserve balance
	£	£	£
Property	(283,309)	(31,500)	(314,809)
Plant, Vessels and Equipment	(283,108)	64,660	(218,448)
Premises	(98,908)	(14)	(98,922)
Total	(665,324)	33,146	(632,178)

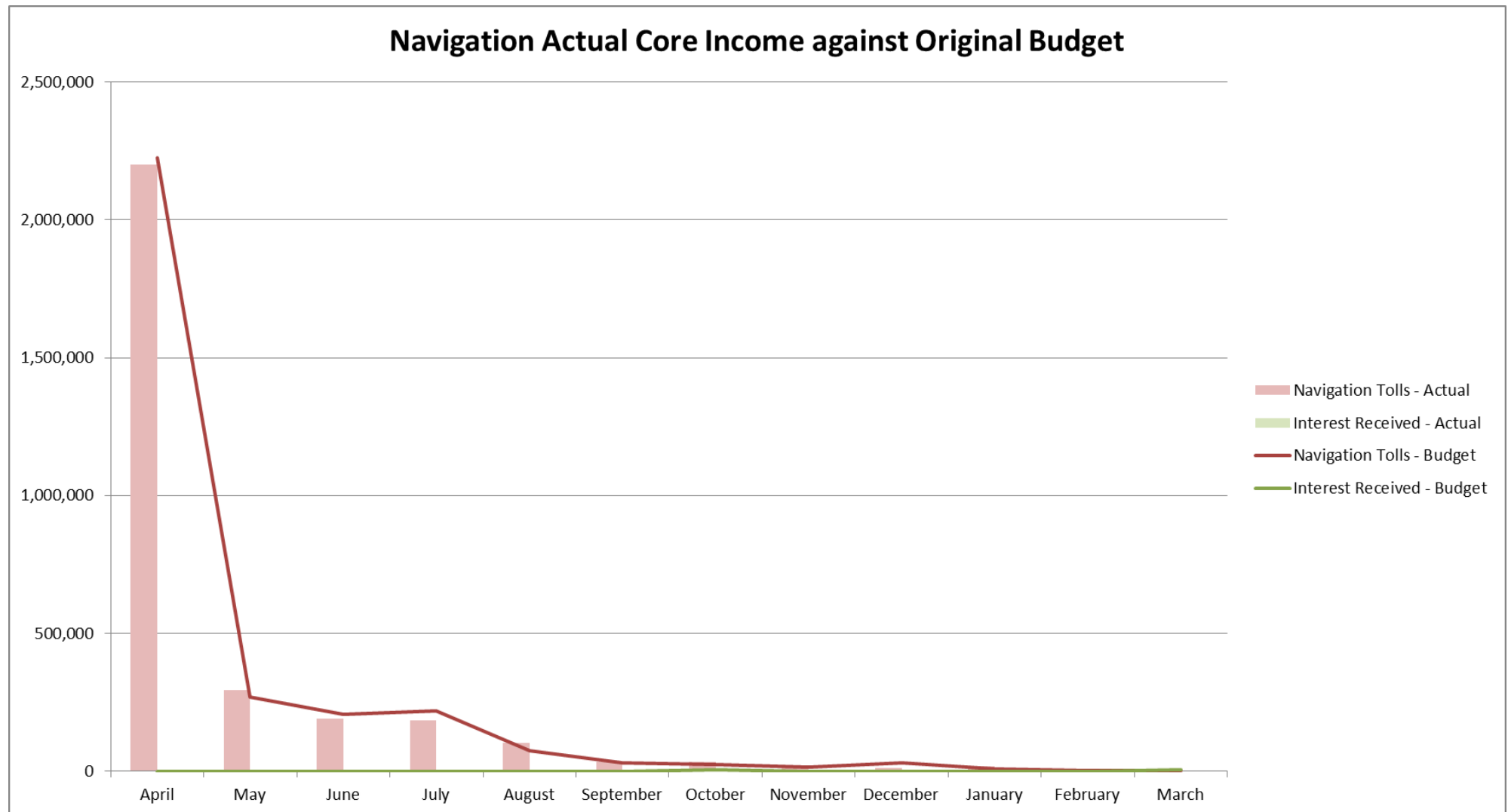
5.1 Items funded from the Plant, Vessel and Equipment include; the final instalments on the launch fit out, the 3rd Wherry, the first set of linkflotes, the second hand weed harvester and a replacement vehicle. Income from the sale of the Chet launch has also been credited to the reserve. The Premises reserve has funded the Dockyard old workshop refurbishment and the repairs to Irstead Boat House.

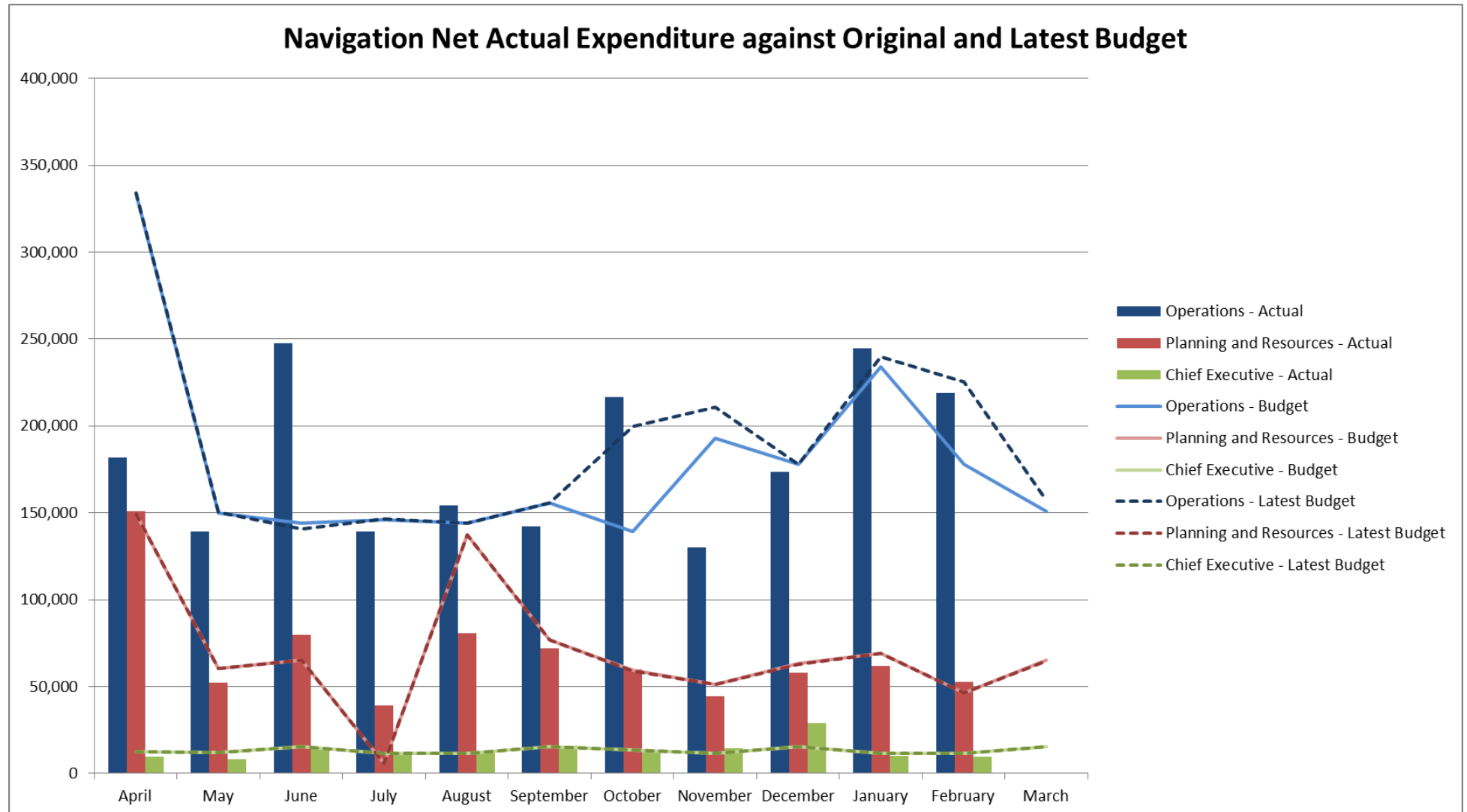
6 Summary

6.1 The current forecast outturn position for the year suggests a deficit within the navigation budget which would result in a navigation reserve balance of approximately £332,000 at the end of 2016/17 (before any year-end adjustments). This would mean the Navigation Reserve would be slightly above

the recommended 10% at 10.7%. Year-end transfers of interest to the earmarked reserves will mean that it will fall to approximately 10.5%. This will be highly dependent on the actual level of interest received.

Background Papers:	Nil
Author:	Emma Krelle
Date of Report:	27 March 2017
Broads Plan Objectives:	None
Appendices:	APPENDIX 1 – Navigation Actual Income and Expenditure Charts to 28 February 2017 APPENDIX 2 – Financial Monitor: Navigation Income and Expenditure 2016/17





To 28 February 2017

Budget Holder

(All)

Row Labels	Values				
	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Income	(3,119,839)		(3,119,839)	(3,101,483)	- 18,356
National Park Grant	0		0	0	+ 0
Income	0		0	0	+ 0
Hire Craft Tolls	(1,079,000)		(1,079,000)	(1,053,842)	- 25,158
Income	(1,079,000)		(1,079,000)	(1,053,842)	- 25,158
Private Craft Tolls	(1,972,000)		(1,972,000)	(1,976,006)	+ 4,006
Income	(1,972,000)		(1,972,000)	(1,976,006)	+ 4,006
Short Visit Tolls	(40,089)		(40,089)	(43,786)	+ 3,697
Income	(40,089)		(40,089)	(43,786)	+ 3,697
Other Toll Income	(18,750)		(18,750)	(20,349)	+ 1,599
Income	(18,750)		(18,750)	(20,349)	+ 1,599
Interest	(10,000)		(10,000)	(7,500)	- 2,500
Income	(10,000)		(10,000)	(7,500)	- 2,500
Operations	2,256,313	134,946	2,391,259	2,372,221	+ 19,038
Construction and Maintenance Salaries	693,215	20,502	713,717	713,717	+ 0
Salaries	693,215	20,502	713,717	713,717	+ 0
Expenditure			0		+ 0
Equipment, Vehicles & Vessels	293,883	116,200	410,083	395,093	+ 14,991
Income	0		0	(469)	+ 469
Expenditure	293,883	116,200	410,083	395,562	+ 14,522
Water Management	112,500		112,500	112,500	+ 0
Income	0		0	(5,000)	+ 5,000
Expenditure	112,500		112,500	117,500	- 5,000
Land 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)
Expenditure	0		0	0	+ 0
Practical Maintenance	344,200	0	344,200	342,700	+ 1,500
Income	(9,000)		(9,000)	(10,500)	+ 1,500
Expenditure	353,200	0	353,200	353,200	+ 0
Ranger Services	465,371		465,371	465,371	+ 0
Income	(33,000)		(33,000)	(33,000)	+ 0
Salaries	358,116		358,116	358,116	+ 0
Expenditure	140,255		140,255	140,255	+ 0
Pension Payments			0		+ 0
Safety	75,043		75,043	76,087	- 1,044
Income	(9,000)		(9,000)	(1,000)	- 8,000
Salaries	41,958		41,958	43,566	- 1,608
Expenditure	42,085		42,085	33,521	+ 8,565
Asset Management	92,114	1,296	93,410	90,939	+ 2,471
Income	(450)		(450)	(4,550)	+ 4,100
Salaries	18,689	1,296	19,985	21,614	- 1,629
Expenditure	73,875		73,875	73,875	+ 0
Premises	109,119		109,119	109,119	+ 0
Income	(1,600)		(1,600)	(1,600)	+ 0
Expenditure	110,719		110,719	110,719	+ 0
Operations Management and Administration	70,868	(3,052)	67,816	66,696	+ 1,120
Income	0		0	(1,120)	+ 1,120
Salaries	63,868	(3,052)	60,816	60,816	+ 0
Expenditure	7,000		7,000	7,000	+ 0
Planning and Resources	742,559	(373)	742,186	725,145	+ 17,041
Development Management	0	0	0	0	+ 0
Income	0		0	0	+ 0
Salaries	0	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)
Pension Payments			0		+ 0
Strategy and Projects Salaries	21,824	(373)	21,452	21,452	+ 0
Income	0		0	0	+ 0
Salaries	18,224	(373)	17,852	17,852	+ 0
Expenditure	3,600		3,600	3,600	+ 0
Biodiversity Strategy	0	0	0	0	+ 0
Income			0		+ 0
Expenditure	0	0	0	0	+ 0
Strategy and Projects	4,181	0	4,181	4,181	+ 0
Income	0		0	0	+ 0
Salaries	4,181		4,181	4,181	+ 0
Expenditure	0	0	0	0	+ 0
Waterways and Recreation Strategy	43,980		43,980	43,980	+ 0
Salaries	34,980		34,980	34,980	+ 0
Expenditure	9,000		9,000	9,000	+ 0
Project Funding	0		0	0	+ 0
Income	0		0	0	+ 0
Expenditure	0		0	0	+ 0
Pension Payments			0		+ 0
Partnerships / HLF	0		0	0	+ 0
Income	0		0	0	+ 0
Salaries	0		0	0	+ 0
Expenditure	0		0	0	+ 0
Volunteers	26,648		26,648	26,648	+ 0
Income	(400)		(400)	(400)	+ 0
Salaries	19,048		19,048	19,048	+ 0
Expenditure	8,000		8,000	8,000	+ 0
Finance and Insurance	162,875		162,875	167,980	- 5,105
Income			0		+ 0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Salaries	68,875		68,875	69,750	- 875
Expenditure	94,000		94,000	98,230	- 4,230
Communications	63,605	0	63,605	63,605	+ 0
Income			0		+ 0
Salaries	51,605		51,605	51,605	+ 0
Expenditure	12,000	0	12,000	12,000	+ 0
Visitor Centres and Yacht Stations	65,835		65,835	65,835	+ 0
Income	(60,000)		(60,000)	(60,000)	+ 0
Salaries	101,835		101,835	101,835	+ 0
Expenditure	24,000		24,000	24,000	+ 0
Collection of Tolls	122,230		122,230	113,730	+ 8,500
Salaries	109,530		109,530	105,030	+ 4,500
Expenditure	12,700		12,700	8,700	+ 4,000
ICT	90,892	0	90,892	87,064	+ 3,828
Salaries	47,431		47,431	47,431	+ 0
Expenditure	43,461	0	43,461	39,633	+ 3,828
Premises - Head Office	73,819		73,819	70,091	+ 3,728
Expenditure	73,819		73,819	70,091	+ 3,728
Planning and Resources Management and Administration	66,669		66,669	60,579	+ 6,090
Income	0		0	(3,600)	+ 3,600
Salaries	41,070		41,070	41,070	+ 0
Expenditure	25,599		25,599	23,109	+ 2,490
Chief Executive	158,455	181	158,636	166,626	- 7,990
Human Resources	48,269	181	48,450	49,012	- 562
Income			0		+ 0
Salaries	23,874		23,874	24,436	- 562
Expenditure	24,395	181	24,576	24,576	+ 0
Legal	28,490		28,490	36,677	- 8,187
Income	0		0	(2,500)	+ 2,500

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Salaries	16,490		16,490	12,177	+ 4,313
Expenditure	12,000		12,000	27,000	- 15,000
Governance	40,686		40,686	39,927	+ 759
Salaries	22,800		22,800	22,800	+ 0
Expenditure	17,886		17,886	17,127	+ 759
Chief Executive	41,010		41,010	41,010	+ 0
Salaries	41,010		41,010	41,010	+ 0
Expenditure			0		+ 0
Projects and Corporate Items	54,800		54,800	54,800	+ 0
Corporate Items	54,800		54,800	54,800	+ 0
Pension Payments	54,800		54,800	54,800	+ 0
Contributions from Earmarked Reserves	(108,448)	(116,200)	(224,648)	(216,427)	- 8,222
Earmarked Reserves	(108,448)	(116,200)	(224,648)	(216,427)	- 8,222
Expenditure	(108,448)	(116,200)	(224,648)	(216,427)	- 8,222
Grand Total	(16,160)	18,554	2,394	882	+ 1,512