

**Navigation Income and Expenditure:
 1 April 2017 to 28 February 2018 Actual and 2017/18 Forecast Outturn
 Report by Chief Financial Officer**

Summary: This report provides the Committee with details of the actual navigation income and expenditure for the eleven month period to 28 February 2018, and provides a forecast of the projected expenditure at the end of the financial year (31 March 2018).

1 Introduction

1.1 This report provides a summary of the Income and Expenditure for the Navigation Budget up until 28 February 2018, 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 2018

	Profiled Latest Available Budget	Actual Income and Expenditure	Actual Variance
Income	(3,171,020)	(3,247,706)	+ 76,686
Operations	2,079,410	2,003,901	+ 75,510
Strategic Services	533,519	515,823	+ 17,696
Chief Executive	397,661	391,654	+ 6,008
Projects, Corporate Items and Contributions from Earmarked Reserves	(106,608)	(67,912)	- 38,696
Net (Surplus) / Deficit	(267,037)	(404,241)	+ 137,203

2.1 Core navigation income is above the profiled budget at the end of month eleven. The overall position as at 28 February 2018 is a favourable variance of £137,203 or 51.38% difference from the profiled LAB. This is principally due to:

- An overall favourable variance of £75,867 within toll income:
 - Hire Craft Tolls £42,732 above the profiled budget.
 - Private Craft Tolls £29,301 above the profiled budget.
- An underspend within Operations budgets relating to:

- Construction and Maintenance Salaries is under profiled budget by £19,597 due to a number of vacancies throughout the year.
- Water Management is under profile by £45,909 due to two contracts being delayed, both are scheduled for delivery by 31 March 2018.
- Practical Maintenance is over profile by £48,294 due to timing differences on the profile originally set. This is due to Acle Bridge being purchased.
- Ranger Services is under profile by £16,452 due to additional income and small underspends within salaries and expenditure.
- Premises is under profile by £36,478 due to timing differences around the Dockyard Wet Shed repairs.
- An underspend within Strategic Services budgets relating to:
 - Visitor Centres and Yacht Stations is under profile by £11,254 due salary savings and increased income.
 - Collection of Tolls is over profiled budget by £13,310 due to timing differences.
- An underspend within Chief Executive budgets relating to:
 - Legal is over profile by £14,383 due to the higher proportion of outsourced work relating to Navigation.
 - Asset Management is under profile by £16,290 due to savings on the property contract and additional income.
- An adverse variance within Reserves relating to the timing differences around the Dockyard Wet Shed repairs and Mutford Lock.

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

Table 2 – Adjustments to Navigation LAB

	Ref	£
Original navigation budget 2017/18 (surplus)	Item 12 27/01/17	(766)
Approved carry-forwards from 2016/17	Item 11 19/05/17	8,995
Virement from ASS to OMA to reflect actual admin support	CEO approved	(474)
Virement from STR to VEH to use apprenticeship grant to purchase apprentice vehicle	Director approved	1,160
LAB at 28 February 2018		8,915

3.2 The LAB therefore provides for a navigation deficit of £8,915 in 2017/18 as at 28 February 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 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 2018, the forecast outturn indicates:
- The total forecast income is £3,255,232, or £75,732 more than the LAB.
 - Total expenditure is forecast to be £3,173,919.
 - The resulting surplus for the year is forecast to be £81,313.
- 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 £90,228 against the LAB.

Table 3 – Adjustments to Forecast Outturn

	£
Forecast outturn deficit per LAB	8,915
Adjustments reported 22/02/18	(46,878)
Decrease to Construction and Maintenance salaries following vacancies throughout the year	(25,600)
Increase to Visitor Services & Yacht Station Income to reflect actuals	(9,000)
Decrease to Asset Management expenditure to reflect savings on Property Services Contract and additional income	(8,750)
Forecast outturn surplus as at 28 February 2018	(81,313)

- 4.4 The main reason for the difference between the forecast outturn and the LAB is the increase in hire and private craft toll income and a number of other savings within a variety of budgets.

5 Reserves

Table 4 – Navigation Earmarked Reserves

	Balance at 1 April 2017	In-year movements	Current reserve balance
	£	£	£
Property	(305,051)	(31,500)	(336,551)
Plant, Vessels and Equipment	(199,010)	3,696	(195,314)
Premises	(85,753)	12,621	(73,132)

CANAPE	-	(41,625)	(41,625)
Total	(589,815)	(56,808)	(646,623)

5.1 Items funded from the Property reserve at the end of February include the income from Mutford Lock land rental. Items funded from the Plant, Vessel and Equipment reserve include the linkflotes, a replacement vehicle for the Construction and Maintenance team and an electric replacement pool vehicle. The Premises reserve has funded the initial works at the Dockyard Wet Shed and Irstead Billet.

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 £407,000 at the end of 2017/18 (before any year-end adjustments). This would mean the Navigation Reserve would be above the recommended 10% at 12.7%. Year-end transfers of interest to the earmarked reserves will mean that it will fall to approximately 12.5%. This will be highly dependent on the actual level of interest received.

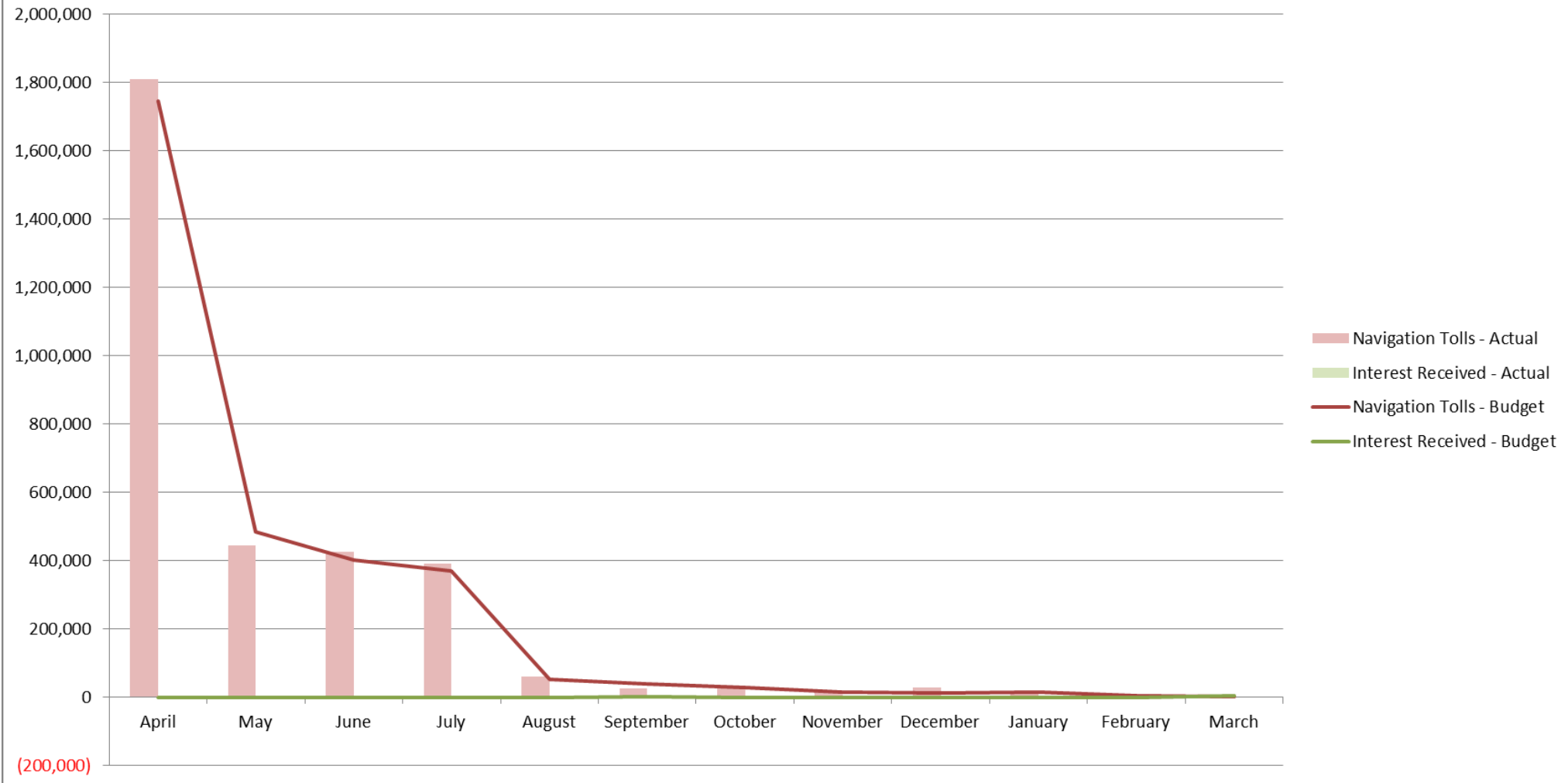
Background Papers: Nil

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Date of Report: 4 April 2018

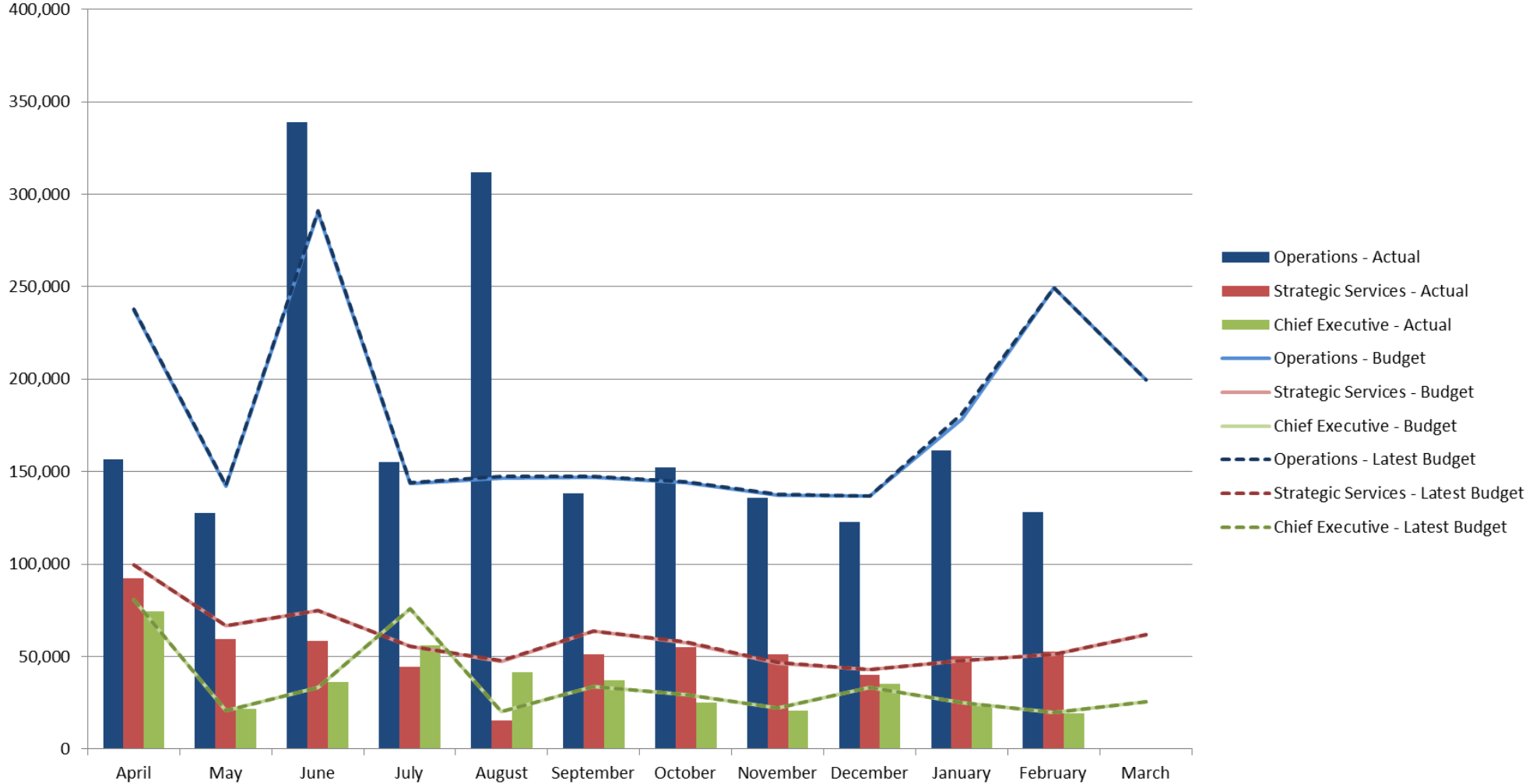
Broads Plan Objectives: None

Appendices: APPENDIX 1 – Navigation Actual Income and Expenditure Charts to 28 February 2018
APPENDIX 2 – Financial Monitor: Navigation Income and Expenditure 2017/18

Navigation Actual Core Income against Original Budget



Navigation Net Actual Expenditure against Original and Latest Budget



To 28 February 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	(3,179,500)		(3,179,500)	(3,255,232)	+ 75,732
National Park Grant	0		0	0	+ 0
Income	0		0	0	+ 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	(7,500)		(7,500)	(10,000)	+ 2,500
Income	(7,500)		(7,500)	(10,000)	+ 2,500
Operations	2,288,320	4,992	2,293,312	2,303,912	- 10,600
Construction and Maintenance Salaries	744,102		744,102	718,502	+ 25,600
Income	(3,094)		(3,094)	(3,094)	+ 0
Salaries	747,196		747,196	721,596	+ 25,600
Expenditure			0		+ 0
Equipment, Vehicles & Vessels	348,250	2,800	351,050	351,050	+ 0
Income			0		+ 0
Expenditure	348,250	2,800	351,050	351,050	+ 0
Water Management	112,500		112,500	112,500	+ 0
Income			0		+ 0
Expenditure	112,500		112,500	112,500	+ 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	358,200	2,565	360,765	390,765	- 30,000
Income	(10,500)		(10,500)	(10,500)	+ 0
Expenditure	368,700	2,565	371,265	401,265	- 30,000
Ranger Services	446,274	4,380	450,654	450,654	+ 0
Income	(76,278)		(76,278)	(76,278)	+ 0
Salaries	374,052	4,380	378,432	378,432	+ 0
Expenditure	148,500		148,500	148,500	+ 0
Pension Payments			0		+ 0
Safety	75,671		75,671	82,671	- 7,000
Income	(9,000)		(9,000)	(2,000)	- 7,000
Salaries	45,046		45,046	45,046	+ 0
Expenditure	39,625		39,625	39,625	+ 0
Volunteers	27,520		27,520	26,720	+ 800
Income	(400)		(400)	(400)	+ 0
Salaries	19,920		19,920	19,920	+ 0
Expenditure	8,000		8,000	7,200	+ 800
Premises	135,119	(6,055)	129,064	129,064	+ 0
Income	(1,600)		(1,600)	(1,600)	+ 0
Expenditure	136,719	(6,055)	130,664	130,664	+ 0
Operations Management and Administration	40,685	1,302	41,987	41,987	+ 0
Income	(1,143)		(1,143)	(1,143)	+ 0
Salaries	34,828	1,302	36,130	36,130	+ 0
Expenditure	7,000		7,000	7,000	+ 0
Strategic Services	580,216	410	580,626	570,279	+ 10,347
Development Management	0	0	0	0	+ 0
Income	0		0	0	+ 0
Salaries	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	+ 0
Pension Payments			0		+ 0
Strategy and Projects Salaries	26,635		26,635	26,635	+ 0
Income	0		0	0	+ 0
Salaries	24,835		24,835	24,835	+ 0
Expenditure	1,800		1,800	1,800	+ 0
Strategy and Projects			0		+ 0
Expenditure			0		+ 0
Biodiversity Strategy	0	0	0	0	+ 0
Income			0		+ 0
Expenditure	0	0	0	0	+ 0
Human Resources	53,542	410	53,952	53,952	+ 0
Income			0		+ 0
Salaries	29,147		29,147	29,147	+ 0
Expenditure	24,395	410	24,805	24,805	+ 0
Waterways and Recreation Strategy	47,210		47,210	47,210	+ 0
Salaries	38,210		38,210	38,210	+ 0
Expenditure	9,000		9,000	9,000	+ 0
Project Funding	0		0	0	+ 0
Income			0		+ 0
Expenditure	0		0	0	+ 0
Pension Payments			0		+ 0
Communications	80,813	0	80,813	80,813	+ 0
Income	(1,360)		(1,360)	(1,360)	+ 0
Salaries	71,673		71,673	71,673	+ 0
Expenditure	10,500	0	10,500	10,500	+ 0
Pension Payments			0		+ 0
Visitor Centres and Yacht Stations	75,765		75,765	66,765	+ 9,000
Income	(60,000)		(60,000)	(69,000)	+ 9,000

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Salaries	111,765		111,765	111,765	+ 0
Expenditure	24,000		24,000	24,000	+ 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	100,604		100,604	99,597	+ 1,007
Salaries	59,849		59,849	59,849	+ 0
Expenditure	40,755		40,755	39,749	+ 1,007
Strategic Services Management and Administration	67,097		67,097	63,377	+ 3,720
Income	(458)		(458)	(458)	+ 0
Salaries	43,785		43,785	40,065	+ 3,720
Expenditure	23,769		23,769	23,769	+ 0
Chief Executive	419,677	3,415	423,092	414,342	+ 8,750
Legal	27,503		27,503	27,503	+ 0
Income			0		+ 0
Salaries	15,503		15,503	15,503	+ 0
Expenditure	12,000		12,000	12,000	+ 0
Governance	41,065	0	41,065	41,065	+ 0
Salaries	23,938		23,938	23,938	+ 0
Expenditure	17,127	0	17,127	17,127	+ 0
Chief Executive	43,911		43,911	43,911	+ 0
Salaries	43,911		43,911	43,911	+ 0
Expenditure			0		+ 0
Asset Management	72,267	3,415	75,682	66,932	+ 8,750
Income	(2,670)		(2,670)	(4,670)	+ 2,000
Salaries	23,562	(1,775)	21,787	21,787	+ 0
Expenditure	51,375	5,190	56,565	49,815	+ 6,750
Finance and Insurance	164,840		164,840	164,840	+ 0
Income	(3,245)		(3,245)	(3,245)	+ 0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Salaries	74,085		74,085	74,085	+ 0
Expenditure	94,000		94,000	94,000	+ 0
Premises - Head Office	70,091		70,091	70,091	+ 0
Income			0		+ 0
Expenditure	70,091		70,091	70,091	+ 0
Projects and Corporate Items	30,720		30,720	48,565	- 17,845
Partnerships / HLF	0		0	23,845	- 23,845
Income	0		0	(5,180)	+ 5,180
Salaries	0		0	5,180	- 5,180
Expenditure	0		0	23,845	- 23,845
Corporate Items	30,720		30,720	24,720	+ 6,000
Expenditure	6,720		6,720	720	+ 6,000
Pension Payments	24,000		24,000	24,000	+ 0
Contributions from Earmarked Reserves	(140,200)	865	(139,335)	(163,180)	+ 23,845
Earmarked Reserves	(140,200)	865	(139,335)	(163,180)	+ 23,845
Expenditure	(140,200)	865	(139,335)	(163,180)	+ 23,845
Grand Total	(766)	9,682	8,915	(81,313)	+ 90,228