

Navigation Committee

05 September 2019

Agenda item number 8

Navigation income and expenditure 1 April to 30

June 2019 actual and 2019/20 forecast outturn

Report by Chief Financial Officer

Purpose

To inform the Committee of the actual Navigation Income and Expenditure for the three month period to 30 June 2019, and provide a forecast of the projected expenditure at the end of the financial year (31 March 2020).

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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 income and expenditure by directorate to 30 June 2019

| Directorate | Profiled Latest Available Budget £ | Actual income and expenditure £ | Actual variance £ |
|---|------------------------------------|---------------------------------|-------------------|
| Income | (2,628,576) | (2,659,228) | +30,652 |
| Operations | 732,244 | 668,348 | +63,896 |
| Strategic Services | 80,417 | 78,108 | +2,309 |
| Chief Executive | 198,558 | 185,351 | +13,207 |
| Projects, Corporate Items and Contributions from Earmarked Reserves | 8,300 | 31,341 | -23,041 |
| Net (Surplus) / Deficit | (1,609,057) | (1,696,080) | +87,023 |

2.1. Core navigation income is above the profiled budget at the end of month three. The overall position as at 30 June 2019 is a favourable variance of £87,023 or a 5.41% difference from the profiled LAB. This is principally due to:

- An overall favourable variance of £30,652 within toll income:
 - Hire Craft Tolls is £30,267 above the profiled budget.
- An underspend within Operations relating to:
 - Equipment, Vehicles and Vessels is under profiled budget by £18,539 due to a one month delay on equipment funded from the earmarked reserves.
 - Practical Maintenance is under profiled budget by £14,386 due to timing differences.
 - Ranger Services is under profiled budget by £14,981 due to timing differences on launch repairs and maintenance.
- An underspend within Chief Executive relating to small variances within the legal budget and asset management.
- An adverse variance within reserves relating to timing differences around the replacement of equipment.

2.2. The charts at Appendix 1 provide a visual overview of actual income and expenditure compare 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 2019/20. 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

| Item | Authorisation Reference | Amount £ |
|--|--|---------------|
| Original navigation budget 2019/20 (deficit) | Broads Authority 1/02/19 Agenda item number 12 | 16,830 |
| Approved carry-forwards from 2018/19 | Broads Authority 17/05/19 Agenda item number 12 | 6,189 |
| LAB at 30 June 2019 | n/a | 23,019 |

- 3.2. The LAB therefore provides for a navigation deficit of £23,019 in 2019/20 as at 30 June 2019.

4. Overview of forecast outturn 2019/20

- 4.1. Budget holders have been asked to comment on the expected income and expenditure at the end of the financial year in respect of all budget lines for which they are responsible.
- 4.2. As at the end of June 2019, the forecast indicates there has been no change compared to the LAB:
- The total forecast income is £3,440,000.
 - Total expenditure is forecast to be £3,463,019.
 - The resulting deficit for the year is forecast to be £23,019.

5. Reserves

- 5.1. As in previous years, 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. The reserve balances at the end of June are set out in Table 3. The CANAPE reserve contains the expenditure relating to claims two and three. Reimbursement for claim two is expected to be received shortly.

Table 3

Navigation Earmarked Reserves

| Reserve Name | Balance at 1 April 2019 £ | In-year movements £ | Current reserve balance £ |
|------------------------------|----------------------------------|----------------------------|----------------------------------|
| Property | (361,259) | (25,962) | (387,221) |
| Plant, Vessels and Equipment | (252,182) | (111,258) | (363,440) |
| Premises | (76,149) | (33,950) | (110,099) |
| CANAPE | (39,655) | 7,414 | (32,240) |
| Computer Software | (3,789) | (3,300) | (7,089) |
| Total | (733,033) | (167,056) | (900,089) |

6. Conclusion

- 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 £403,000 at the end of 2019/20 (before any year-end adjustments). This would mean the Navigation Reserve would be above the recommended 10% at 11.6%. Year-end transfers of interest to the earmarked reserves will mean that it will fall to approximately 11.4%. This will be highly dependent on the level of interest received.

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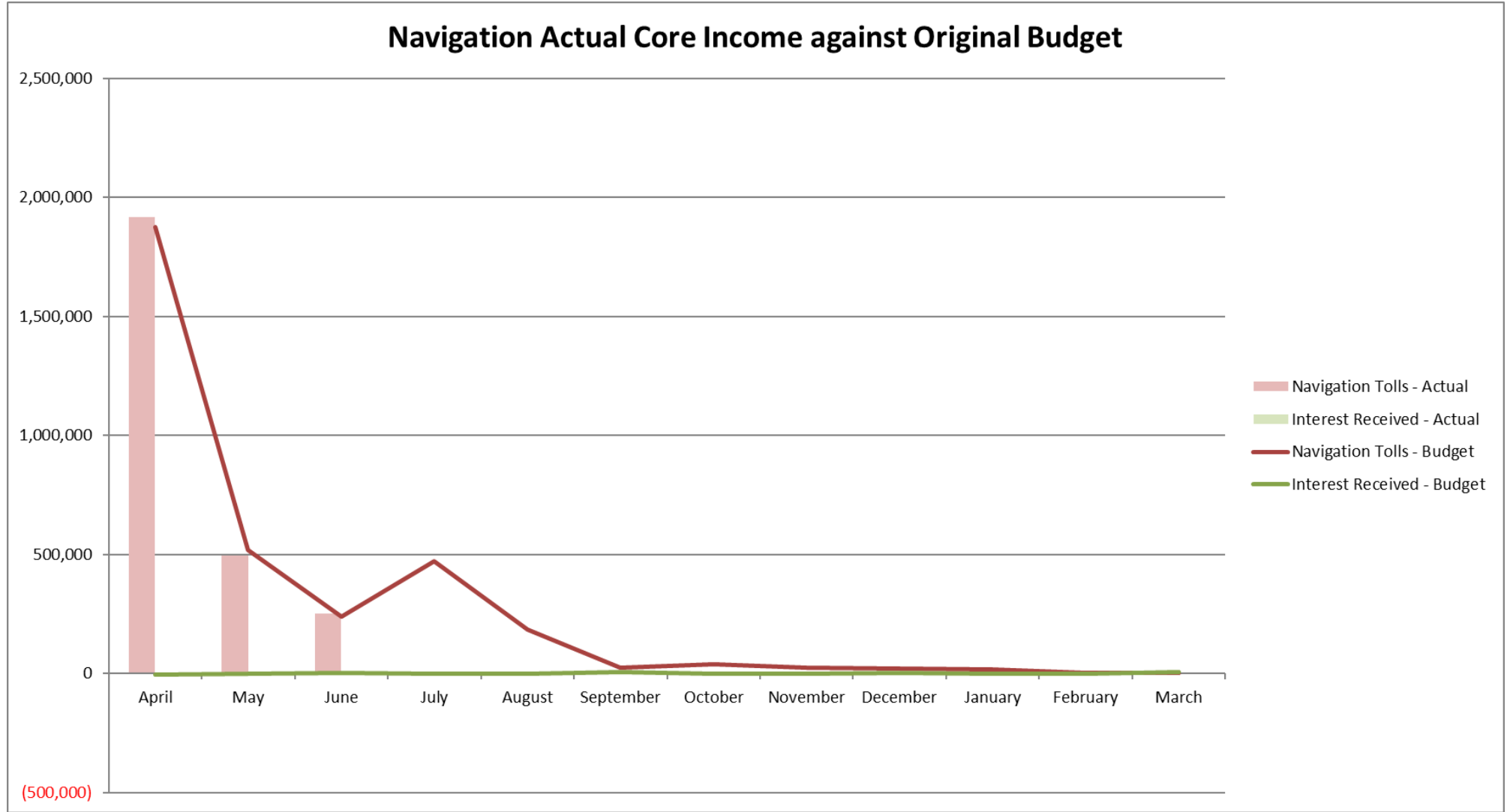
Date of report: 7 August 2019

Appendix 1 – Navigation actual income and expenditure charts to 30 June 2019

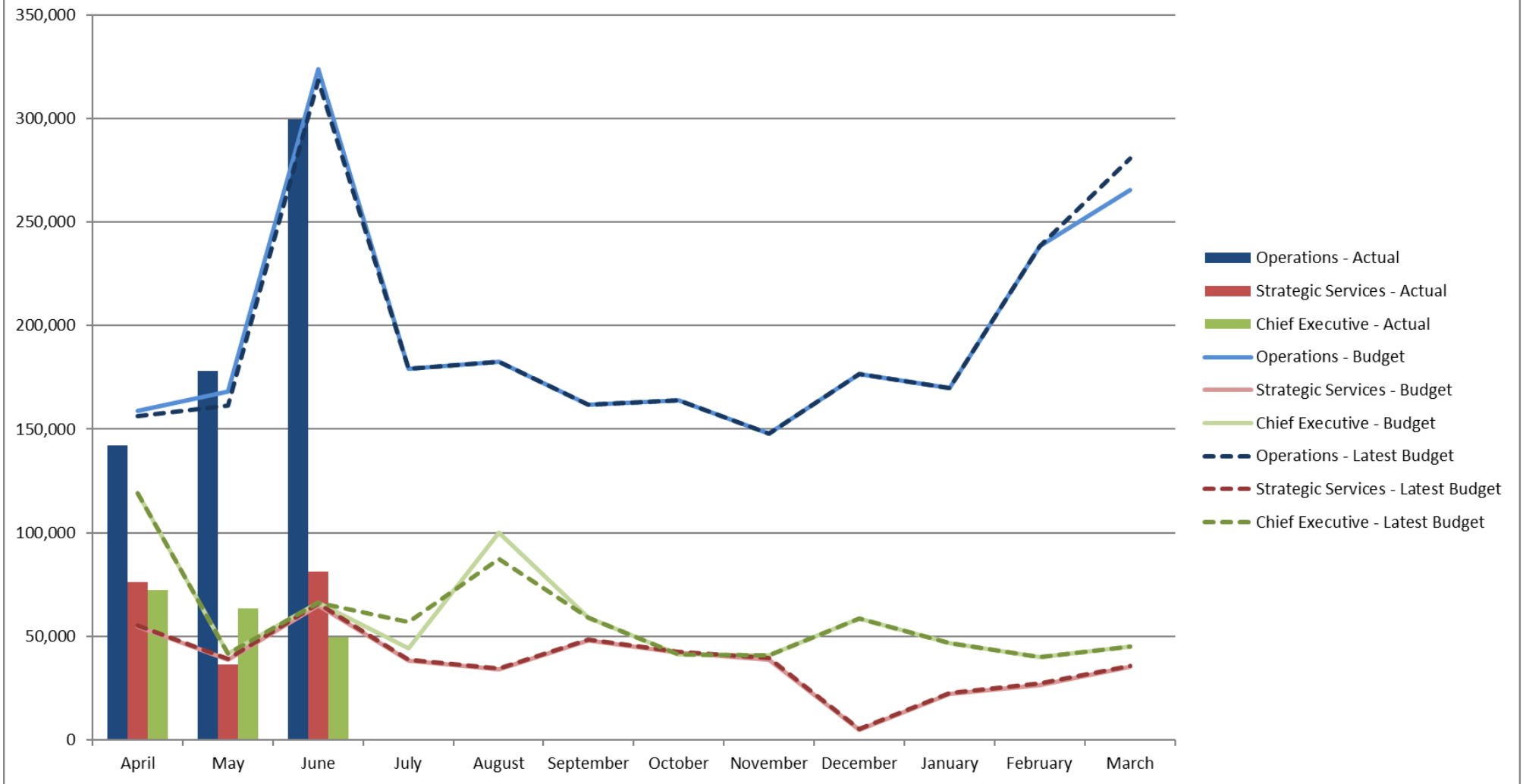
Appendix 2 – Financial monitor: navigation income and expenditure 2019/20

Appendix 1

Navigation actual income and expenditure charts to 30 June 2019



Navigation Net Actual Expenditure against Original and Latest Budget



Appendix 2

Financial monitor: navigation income and expenditure 2019/20

Table 1

Income

| Row Labels | Original Budget (Navigation) £ | Budget Adjustments (Navigation) £ | Latest Available Budget (Navigation) £ | Forecast Outturn (Navigation) £ | Forecast Outturn Variance (Navigation) £ |
|---------------------|-----------------------------------|--------------------------------------|--|------------------------------------|--|
| Total Income | (3,440,000) | 0 | (3,440,000) | (3,440,000) | + 0 |
| National Park Grant | 0 | 0 | 0 | 0 | + 0 |
| Hire Craft Tolls | (1,189,000) | 0 | (1,189,000) | (1,189,000) | + 0 |
| Private Craft Tolls | (2,175,000) | 0 | (2,175,000) | (2,175,000) | + 0 |
| Short Visit Tolls | (42,000) | 0 | (42,000) | (42,000) | + 0 |
| Other Toll Income | (19,000) | 0 | (19,000) | (19,000) | + 0 |
| Interest | (15,000) | 0 | (15,000) | (15,000) | + 0 |

Table 2

Operations directorate

| Row Labels | Original Budget (Navigation) £ | Budget Adjustments (Navigation) £ | Latest Available Budget (Navigation) £ | Forecast Outturn (Navigation) £ | Forecast Outturn Variance (Navigation) £ |
|-------------------------|-----------------------------------|---|--|------------------------------------|--|
| Total Operations | 2,529,077 | 0 | 2,529,077 | 2,529,077 | + 0 |
| Construction and | 782,842 | 0 | 782,842 | 782,842 | + 0 |

| Row Labels | Original Budget (Navigation) £ | Budget Adjustments (Navigation) £ | Latest Available Budget (Navigation) £ | Forecast Outturn (Navigation) £ | Forecast Outturn Variance (Navigation) £ |
|--|-----------------------------------|---|--|------------------------------------|--|
| Maintenance Salaries | | | | | |
| Salaries | 786,014 | 0 | 786,014 | 786,014 | + 0 |
| Expenditure | (3,172) | 0 | (3,172) | (3,172) | + 0 |
| Equipment, Vehicles & Vessels | 317,800 | 0 | 317,800 | 317,800 | + 0 |
| Income | 0 | 0 | 0 | 0 | + 0 |
| Expenditure | 317,800 | 0 | 317,800 | 317,800 | + 0 |
| Water Management | 119,470 | 0 | 119,470 | 119,470 | + 0 |
| Expenditure | 119,470 | 0 | 119,470 | 119,470 | + 0 |
| Land Management | 0 | 0 | 0 | 0 | + 0 |
| Income | 0 | 0 | 0 | 0 | + 0 |
| Expenditure | 0 | 0 | 0 | 0 | + 0 |
| Practical Maintenance | 400,500 | 0 | 400,500 | 400,500 | + 0 |
| Income | (10,700) | 0 | (10,700) | (10,700) | + 0 |
| Expenditure | 411,200 | 0 | 411,200 | 411,200 | + 0 |
| Waterways and Recreation Strategy | 48,980 | 0 | 48,980 | 48,980 | + 0 |
| Salaries | 39,980 | 0 | 39,980 | 39,980 | + 0 |

| Row Labels | Original Budget (Navigation) £ | Budget Adjustments (Navigation) £ | Latest Available Budget (Navigation) £ | Forecast Outturn (Navigation) £ | Forecast Outturn Variance (Navigation) £ |
|------------------------|-----------------------------------|---|--|------------------------------------|--|
| Expenditure | 9,000 | 0 | 9,000 | 9,000 | + 0 |
| Project Funding | 0 | 0 | 0 | 0 | + 0 |
| Expenditure | 0 | 0 | 0 | 0 | + 0 |
| Ranger Services | 504,724 | 0 | 504,724 | 504,724 | + 0 |
| Income | (60,000) | 0 | (60,000) | (60,000) | + 0 |
| Salaries | 420,756 | 0 | 420,756 | 420,756 | + 0 |
| Expenditure | 143,008 | 0 | 143,008 | 143,008 | + 0 |
| Pension Payments | 960 | 0 | 960 | 960 | + 0 |
| Safety | 77,793 | 0 | 77,793 | 77,793 | + 0 |
| Income | (3,300) | 0 | (3,300) | (3,300) | + 0 |
| Salaries | 44,153 | 0 | 44,153 | 44,153 | + 0 |
| Expenditure | 36,940 | 0 | 36,940 | 36,940 | + 0 |
| Volunteers | 30,936 | 0 | 30,936 | 30,936 | + 0 |
| Salaries | 20,696 | 0 | 20,696 | 20,696 | + 0 |
| Expenditure | 10,240 | 0 | 10,240 | 10,240 | + 0 |
| Premises | 133,637 | 0 | 133,637 | 133,637 | + 0 |
| Income | (700) | 0 | (700) | (700) | + 0 |
| Expenditure | 134,337 | 0 | 134,337 | 134,337 | + 0 |

| Row Labels | Original Budget (Navigation) £ | Budget Adjustments (Navigation) £ | Latest Available Budget (Navigation) £ | Forecast Outturn (Navigation) £ | Forecast Outturn Variance (Navigation) £ |
|---|-----------------------------------|---|--|------------------------------------|--|
| Operations Management and Administration | 39,709 | 0 | 39,709 | 39,709 | + 0 |
| Salaries | 38,155 | 0 | 38,155 | 38,155 | + 0 |
| Expenditure | 1,554 | 0 | 1,554 | 1,554 | + 0 |
| Premises - Head Office | 72,686 | 0 | 72,686 | 72,686 | + 0 |
| Income | (70) | 0 | (70) | (70) | + 0 |
| Expenditure | 72,755 | 0 | 72,755 | 72,755 | + 0 |

Table 3

Strategic Services directorate

| Row Labels | Original Budget (Navigation) £ | Budget Adjustments (Navigation) £ | Latest Available Budget (Navigation) £ | Forecast Outturn (Navigation) £ | Forecast Outturn Variance (Navigation) £ |
|-------------------------------------|-----------------------------------|--------------------------------------|---|------------------------------------|--|
| Total Strategic Services | 280,744 | 6,189 | 286,932 | 286,932 | + 0 |
| Development Management | 4,171 | 0 | 4,171 | 4,171 | + 0 |
| Income | 0 | 0 | 0 | 0 | + 0 |
| Salaries | 4,171 | 0 | 4,171 | 4,171 | + 0 |
| Expenditure | 0 | 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 | 0 | 0 | + 0 |
| Strategy and Projects Salaries | 21,848 | 0 | 21,848 | 21,848 | + 0 |
| Income | 0 | 0 | 0 | 0 | + 0 |
| Salaries | 19,756 | 0 | 19,756 | 19,756 | + 0 |
| Expenditure | 2,093 | 0 | 2,093 | 2,093 | + 0 |
| Biodiversity Strategy | 0 | 0 | 0 | 0 | + 0 |
| Expenditure | 0 | 0 | 0 | 0 | + 0 |
| Human Resources | 55,235 | 6,189 | 61,424 | 61,424 | + 0 |
| Salaries | 31,332 | 0 | 31,332 | 31,332 | + 0 |
| Expenditure | 23,903 | 6,189 | 30,092 | 30,092 | + 0 |
| Communications | 79,286 | 0 | 79,286 | 79,286 | + 0 |
| Income | 0 | 0 | 0 | 0 | + 0 |
| Salaries | 66,073 | 0 | 66,073 | 66,073 | + 0 |
| Expenditure | 13,213 | 0 | 13,213 | 13,213 | + 0 |
| Visitor Centres and Yacht Stations | 86,940 | 0 | 86,940 | 86,940 | + 0 |
| Income | (68,700) | 0 | (68,700) | (68,700) | + 0 |

| Row Labels | Original Budget (Navigation) £ | Budget Adjustments (Navigation) £ | Latest Available Budget (Navigation) £ | Forecast Outturn (Navigation) £ | Forecast Outturn Variance (Navigation) £ |
|---|-----------------------------------|--------------------------------------|---|------------------------------------|--|
| Salaries | 130,703 | 0 | 130,703 | 130,703 | + 0 |
| Expenditure | 24,938 | 0 | 24,938 | 24,938 | + 0 |
| Strategic Services Management and Administration | 33,264 | 0 | 33,264 | 33,264 | + 0 |
| Salaries | 32,181 | 0 | 32,181 | 32,181 | + 0 |
| Expenditure | 1,083 | 0 | 1,083 | 1,083 | + 0 |
| Strategy and Projects | 0 | 0 | 0 | 0 | + 0 |
| Expenditure | 0 | 0 | 0 | 0 | + 0 |

Table 4

Chief Executive directorate

| Row Labels | Original Budget (Navigation) £ | Budget Adjustments (Navigation) £ | Latest Available Budget (Navigation) £ | Forecast Outturn (Navigation) £ | Forecast Outturn Variance (Navigation) £ |
|------------------------------|-----------------------------------|--------------------------------------|--|------------------------------------|--|
| Total Chief Executive | 665,420 | 0 | 665,420 | 665,420 | + 0 |
| Legal | 52,722 | 0 | 52,722 | 52,722 | + 0 |
| Income | 0 | 0 | 0 | 0 | + 0 |
| Salaries | 16,972 | 0 | 16,972 | 16,972 | + 0 |

| Row Labels | Original Budget (Navigation) £ | Budget Adjustments (Navigation) £ | Latest Available Budget (Navigation) £ | Forecast Outturn (Navigation) £ | Forecast Outturn Variance (Navigation) £ |
|----------------------------------|-----------------------------------|--------------------------------------|--|------------------------------------|--|
| Expenditure | 35,750 | 0 | 35,750 | 35,750 | + 0 |
| Governance | 76,077 | 0 | 76,077 | 76,077 | + 0 |
| Income | 0 | 0 | 0 | 0 | + 0 |
| Salaries | 37,448 | 0 | 37,448 | 37,448 | + 0 |
| Expenditure | 38,628 | 0 | 38,628 | 38,628 | + 0 |
| Chief Executive | 47,026 | 0 | 47,026 | 47,026 | + 0 |
| Salaries | 45,241 | 0 | 45,241 | 45,241 | + 0 |
| Expenditure | 1,785 | 0 | 1,785 | 1,785 | + 0 |
| Asset Management | 71,535 | 0 | 71,535 | 71,535 | + 0 |
| Income | (4,364) | 0 | (4,364) | (4,364) | + 0 |
| Salaries | 21,101 | 0 | 21,101 | 21,101 | + 0 |
| Expenditure | 54,798 | 0 | 54,798 | 54,798 | + 0 |
| Finance and Insurance | 175,607 | 0 | 175,607 | 175,607 | + 0 |
| Income | 0 | 0 | 0 | 0 | + 0 |
| Salaries | 80,550 | 0 | 80,550 | 80,550 | + 0 |
| Expenditure | 95,057 | 0 | 95,057 | 95,057 | + 0 |
| Collection of Tolls | 135,860 | 0 | 135,860 | 135,860 | + 0 |

| Row Labels | Original Budget (Navigation) £ | Budget Adjustments (Navigation) £ | Latest Available Budget (Navigation) £ | Forecast Outturn (Navigation) £ | Forecast Outturn Variance (Navigation) £ |
|-------------|-----------------------------------|--------------------------------------|--|------------------------------------|--|
| Salaries | 123,360 | 0 | 123,360 | 123,360 | + 0 |
| Expenditure | 12,500 | 0 | 12,500 | 12,500 | + 0 |
| ICT | 106,593 | 0 | 106,593 | 106,593 | + 0 |
| Salaries | 63,578 | 0 | 63,578 | 63,578 | + 0 |
| Expenditure | 43,016 | 0 | 43,016 | 43,016 | + 0 |

Table 5

Projects and Corporate items

| Row Labels | Original Budget (Navigation) £ | Budget Adjustments (Navigation) £ | Latest Available Budget (Navigation) £ | Forecast Outturn (Navigation) £ | Forecast Outturn Variance (Navigation) £ |
|---|-----------------------------------|--------------------------------------|--|------------------------------------|--|
| Total Projects and Corporate Items | 51,067 | 0 | 51,067 | 51,067 | + 0 |
| Partnerships / HLF & CANAPE | 12,587 | 0 | 12,587 | 12,587 | + 0 |
| Income | (67,375) | 0 | (67,375) | (67,375) | + 0 |
| Salaries | 23,170 | 0 | 23,170 | 23,170 | + 0 |
| Expenditure | 56,792 | 0 | 56,792 | 56,792 | + 0 |
| Corporate Items | 38,480 | 0 | 38,480 | 38,480 | + 0 |

| Row Labels | Original Budget (Navigation) £ | Budget Adjustments (Navigation) £ | Latest Available Budget (Navigation) £ | Forecast Outturn (Navigation) £ | Forecast Outturn Variance (Navigation) £ |
|------------------|-----------------------------------|--------------------------------------|--|------------------------------------|--|
| Expenditure | 1,280 | 0 | 1,280 | 1,280 | + 0 |
| Pension Payments | 37,200 | 0 | 37,200 | 37,200 | + 0 |

Table 6

Contributions from earmarked reserves

| Row Labels | Original Budget (Navigation) £ | Budget Adjustments (Navigation) £ | Latest Available Budget (Navigation) £ | Forecast Outturn (Navigation) £ | Forecast Outturn Variance (Navigation) £ |
|--|-----------------------------------|--------------------------------------|--|------------------------------------|--|
| Total Contributions from Earmarked Reserves | (69,477) | 0 | (69,477) | (69,477) | + 0 |
| Earmarked Reserves | (69,477) | 0 | (69,477) | (69,477) | + 0 |
| Expenditure | (69,477) | 0 | (69,477) | (69,477) | + 0 |

Table 7

Net (Surplus) / Deficit

| Row Labels | Original Budget (Navigation) £ | Budget Adjustments (Navigation) £ | Latest Available Budget (Navigation) £ | Forecast Outturn (Navigation) £ | Forecast Outturn Variance (Navigation) £ |
|--------------------|-----------------------------------|--------------------------------------|--|------------------------------------|--|
| Grand Total | 16,830 | 6,189 | 23,019 | 23,019 | - 0 |