

Broads Authority

19 November 2021

Agenda item number 10

Financial performance and direction

Report by Chief Financial Officer

Purpose

This report provides a strategic overview of current key financial issues and items for decision.

Recommended decision

To note the income and expenditure figures.

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1. Introduction

- 1.1. This report covers the Consolidated Income and Expenditure from 1 April – 30 September 2021.

2. Overview of actual income and expenditure

Table 1

Actual consolidated income and expenditure by directorate to 30 September 2021

Directorate	Profiled latest available budget £	Actual income and expenditure £	Actual variance £
Income	(5,944,389)	(6,123,837)	+179,448
Operations	2,467,248	2,243,977	+223,271
Strategic Services	694,878	683,266	+11,612
Chief Executive	984,847	850,148	+134,699
Projects, Corporate Items and Contributions from Earmarked Reserves	(47,337)	(18,671)	-28,666
Net (Surplus) / Deficit	(1,844,753)	(2,365,117)	+520,364

2.1. Core navigation income is above the profiled budget at the end of month six. The overall position as at 30 September 2021 is a favourable variance of £520,364 or a 28.21% difference from the profiled LAB. This is principally due to:

- An overall favourable variance of £179,448 within income:
 - Hire Craft Tolls is £62,070 is above the profiled budget.
 - Private Craft Tolls is £126,164 is above the profiled budget.
 - Short Visit Tolls is £4,928 behind the profiled budget.
 - Other Toll Income is £207 above the profiled budget.
 - Investment income is £4,065 behind the profiled budget.
- An underspend within Operations relating to:
 - Construction and Maintenance salaries is £21,293 behind the profiled budget due to 2% pay rise that was budgeted not being agreed by the National Joint Council (NJC) and the Unions, as well as some vacancies within the team.
 - Equipment, Vehicles and Vessels is £91,098 behind the profiled budget due to delays in the equipment and vehicle replacements and the availability of equipment on the second-hand market.
 - Land Management is £22,110 above the profiled budget due to delays in receiving income from the Rural Payments Agency.
 - Practical Maintenance is £17,373 behind the profiled budget due to the Breydon replacement piles not being completed in-house and some timing differences on billing.

- Ranger Service is £41,172 behind the profiled budget due to the 2% pay rise that was budgeted not being agreed by the National Joint Council (NJC) and the Unions to timing differences on the launch repairs and maintenance
- Safety is £39,992 behind the profiled budget due to delays to vehicle replacements. This is where there is a shortage of electronic chips for new vehicles.
- Premises is £15,512 behind the profile budget due to delays on expenditure from the earmarked reserves on the slipway and wash down area at the Dockyard.
- Project Funding is £16,957 behind the profile budget due to timing differences.
- An underspend within Strategic Services relating to:
 - Strategy and Projects (including salaries) is £114,645 behind the profiled budget mainly due to the receipt of the first instalment of the Farming in Protected Landscapes grant of £93,460. This will reduce as the grants are paid out. The majority of the grant pot has already been committed to projects.
 - Biodiversity Strategy is £11,063 behind the profiled budget due to timing differences.
 - Human Resources is £19,061 above the profiled budget due to staff cover.
 - Communications is £55,345 above the profiled budget mainly due to timing differences on the National Park recharges for the UK team and additional work being commissioned.
 - Visitor Centres and Yacht Stations is £52,988 above the profiled budget due to reduced income as an impact of COVID-19 and timing differences on the salary costs.
- An underspend within Chief Executive relating to:
 - Legal is £11,778 behind the profiled budget due to timing differences.
 - Governance is £14,225 behind the profiled budget due to a drop-in expenditure on postage and stationery due to COVID-19 and some timing differences.
 - Asset Management is £9,419 above the profiled budget due to the purchase of Berney Mill moorings 2 (£20,120) which has been funded from the Property earmarked reserve. This was not originally budgeted for but dealt with under the Chief Executive's delegated powers. This has been offset by other timing differences.

- Finance and Insurance is £91,253 behind the profiled budget due to vacancies and timing differences on audit and insurance billing
- ICT is £22,110 behind the profiled budget due to timing differences.
- An adverse variance within reserves relating to:
 - Premises reserve is under the profiled budget due to the delays in the Dockyard expenditure.
 - Property reserve is above the profiled budget due to the purchase of Berney Mill moorings 2.
 - Plant, Vessels and Equipment reserve is under the profiled budget due to the delays in equipment and vehicle replacements.
 - Section 106 reserve is over the profiled budget due to the unpredictable nature of when section 106 monies will require payment.
 - UK Communications reserve is over the profiled due to the National Park recharges for the UK team and additional work being commissioned.
 - Match Funding reserve is over the profiled budget due to the payment for the EXPERIENCE project which was not in the original budget but created at the end of the last financial year.

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 2021/22. 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 consolidated LAB

Item	Authorisation reference	Amount £
Original budget 2021/22 – deficit (balanced via reserves)	Broads Authority 29/01/21 Agenda item number 8	329,840
Approved budget carry-forwards	Broads Authority 30/04/21 Agenda item number 9	93,392
LAB as at 30 September 2021	n/a	423,232

4. Overview of forecast outturn 2021/22

- 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. A summary of these adjustments are given in the table below:

Table 3

Adjustments to Forecast Outturn

Item	Amount £
LAB	423,232
Adjustments reported 24/09/21	(91,200)
Increase in Hire and Private Craft Income	(35,300)
Potential contribution to earmarked reserve to help fund new tolls system (as recommended by Navigation Committee 21/10/21)	88,000
Forecast outturn deficit as at 30 September 2021	384,732

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 some reserves showing increased balances at the end of July. This will reduce as planned purchases take place throughout the year.

Table 4

Consolidated earmarked reserves

Reserve name	Balance at 1 April 2021 £	In-year movements £	Current reserve balance £
Property	(731,379)	(52,009)	(783,388)
Plant, Vessels and Equipment	(345,886)	(95,245)	(441,131)
Premises	(212,245)	(80,980)	(293,225)
Planning Delivery Grant	(227,643)	0	(227,643)
Upper Thurne Enhancement	(164,637)	(21,000)	(185,637)
Section 106	(33,741)	33,620	(121)
HLF	(32,258)	61,278	29,020

Reserve name	Balance at 1 April 2021 £	In-year movements £	Current reserve balance £
Catchment Partnership	(74,677)	(22,149)	(96,826)
CANAPE	(391,323)	42,362	(348,961)
Computer Software	(31,006)	(10,000)	(41,006)
UK Communications Team	(47,659)	(25,959)	(73,618)
Match Funding	(46,016)	29,038	(16,978)
Total	(2,338,470)	(141,044)	(2,479,514)

6. Conclusion

- 6.1. The forecast outturn position suggests a deficit within both the National Park and Navigation budgets, which will be balanced through the use of reserves. This would result in a National Park Reserve balance of approximately £727,000 and a Navigation Reserve balance of approximately £675,000 at the end of 2021/22 (before any year-end adjustments). This would mean that both reserves would be above the recommended levels, with National Park at 20.2% and Navigation at 17.2%. Year-end transfers of interest to the earmarked reserves mean it will remain the same due to the very low rates of interest. This will be highly dependent on the level of interest received.

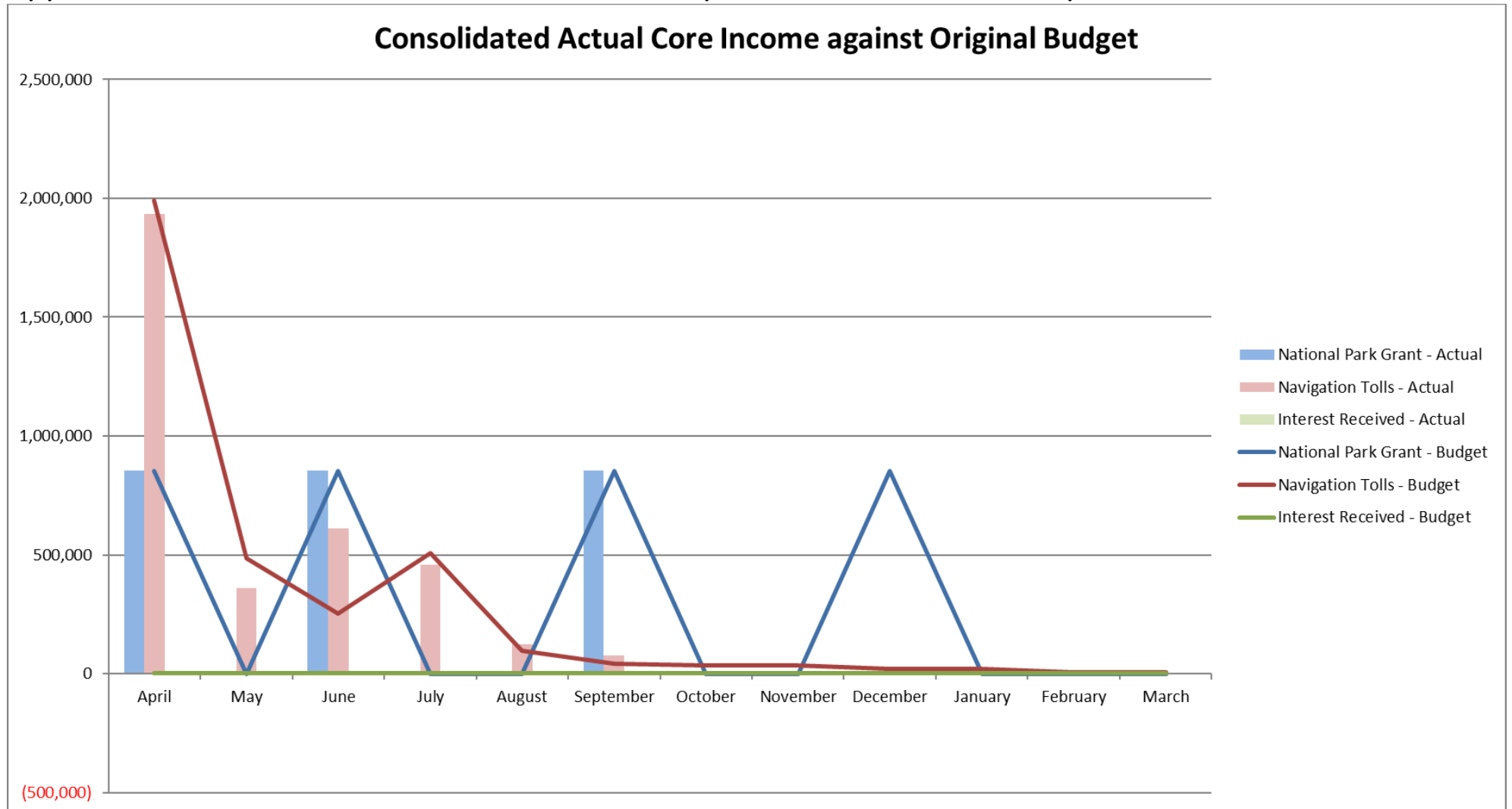
Author: Emma Krelle

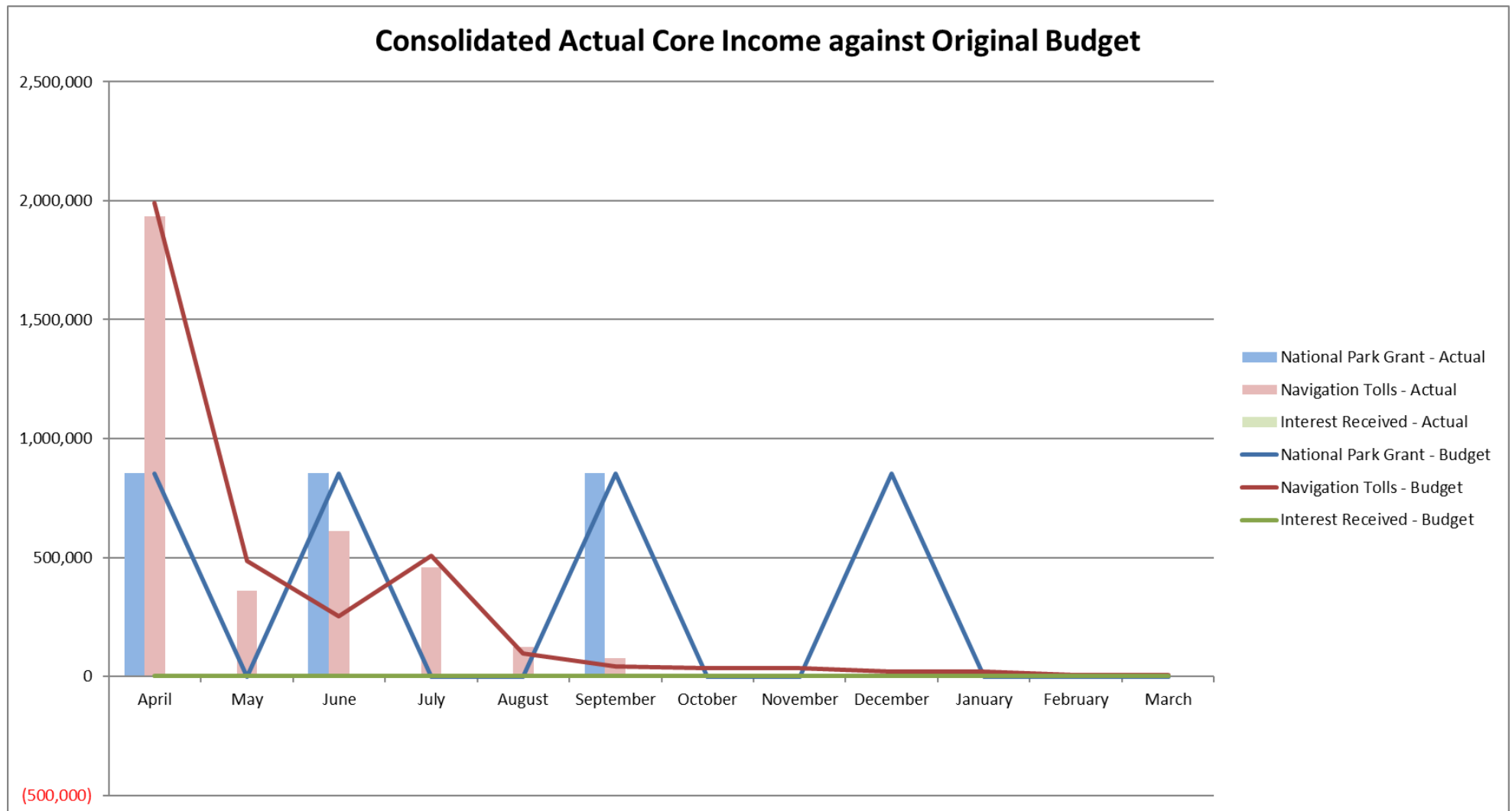
Date of report: 04 November 2021

Appendix 1 – Consolidated actual income and expenditure charts to 30 September 2021

Appendix 2 – Financial monitor: Consolidated income and expenditure 2021/22

Appendix 1 – Consolidated actual income and expenditure charts to 30 September 2021





Appendix 2 – Financial monitor: Consolidated income and expenditure 2021/22

Table 1

Income

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast outturn variance (Consolidated) £
Total Income	(6,924,478)	0	(6,924,478)	(7,105,978)	181,500
National Park Grant	(3,414,078)	0	(3,414,078)	(3,414,078)	0
Hire Craft Tolls	(1,131,000)	0	(1,131,000)	(1,193,100)	62,100
Private Craft Tolls	(2,303,000)	0	(2,303,000)	(2,429,900)	126,900
Short Visit Tolls	(45,000)	0	(45,000)	(45,000)	0
Other Toll Income	(17,900)	0	(17,900)	(17,900)	0
Interest	(13,500)	0	(13,500)	(6,000)	-7,500

Table 2
Operations

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast outturn variance (Consolidated) £
Total Operations	4,399,095	85,385	4,484,480	4,356,980	127,500
Construction and Maintenance Salaries	1,331,370	0	1,331,370	1,331,370	0
Salaries	1,331,370	0	1,331,370	1,331,370	0
Expenditure	0	0	0	0	0
Equipment, Vehicles & Vessels	528,400	0	528,400	528,400	0
Income	(8,700)	0	(8,700)	(8,700)	0
Expenditure	537,100	0	537,100	537,100	0
Water Management	98,635	0	98,635	98,635	0
Expenditure	98,635	0	98,635	98,635	0
Land Management	(29,856)	7,885	(21,971)	(21,971)	0
Income	(87,606)	0	(87,606)	(87,606)	0
Expenditure	57,750	7,885	65,635	65,635	0
Practical Maintenance	480,386	77,500	557,886	557,886	0
Income	(11,000)	0	(11,000)	(11,000)	0
Expenditure	491,386	77,500	568,886	568,886	0
Waterways and Recreation Strategy	47,580	0	47,580	47,580	0

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast outturn variance (Consolidated) £
Income	0	0	0	0	0
Salaries	38,580	0	38,580	38,580	0
Expenditure	9,000	0	9,000	9,000	0
Ranger Services	1,113,430	0	1,113,430	1,013,430	100,000
Income	(7,000)	0	(7,000)	(7,000)	0
Salaries	840,040	0	840,040	840,040	0
Expenditure	280,140	0	280,140	180,140	100,000
Pension Payments	250	0	250	250	0
Safety	147,520	0	147,520	120,020	27,500
Income	(1,000)	0	(1,000)	(1,000)	0
Salaries	62,070	0	62,070	62,070	0
Expenditure	86,450	0	86,450	58,950	27,500
Premises	223,160	0	223,160	223,160	0
Income	(3,500)	0	(3,500)	(3,500)	0
Expenditure	226,660	0	226,660	226,660	0
Premises - Head Office	258,880	0	258,880	258,880	0
Income	0	0	0	0	0
Expenditure	258,880	0	258,880	258,880	0

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast outturn variance (Consolidated) £
Project Funding	62,100	0	62,100	62,100	0
Expenditure	50,000	0	50,000	50,000	0
Pension Payments	12,100	0	12,100	12,100	0
Operations Management and Administration	137,490	0	137,490	137,490	0
Salaries	128,990	0	128,990	128,990	0
Expenditure	8,500	0	8,500	8,500	0

Table 3

Strategic Services

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Total Strategic Services	1,507,714	15,007	1,522,721	1,577,721	-55,000
Development Management	382,900	0	382,900	382,900	0
Income	(90,000)	0	(90,000)	(90,000)	0
Salaries	415,750	0	415,750	415,750	0
Expenditure	52,600	0	52,600	52,600	0
Pension Payments	4,550	0	4,550	4,550	0
Strategy and Projects Salaries	218,295	0	218,295	218,295	0
Income	0	0	0	0	0
Salaries	151,120	0	151,120	151,120	0
Expenditure	67,175	0	67,175	67,175	0
Biodiversity Strategy	11,270	0	11,270	11,270	0
Income	(11,653)	0	(11,653)	(11,653)	0
Expenditure	22,923	0	22,923	22,923	0
Human Resources	139,714	8,150	147,864	189,364	-41,500
Income	0	0	0	0	0
Salaries	80,940	0	80,940	122,440	-41,500

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Expenditure	58,774	8,150	66,924	66,924	0
Volunteers	74,190	0	74,190	74,190	0
Salaries	51,070	0	51,070	51,070	0
Expenditure	23,120	0	23,120	23,120	0
Communications	328,105	6,857	334,962	334,962	0
Income	(115,022)	0	(115,022)	(115,022)	0
Salaries	347,750	0	347,750	347,750	0
Expenditure	95,377	6,857	102,234	102,234	0
Visitor Centres and Yacht Stations	240,030	0	240,030	253,530	-13,500
Income	(206,100)	0	(206,100)	(206,100)	0
Salaries	357,280	0	357,280	357,280	0
Expenditure	88,850	0	88,850	102,350	-13,500
Strategic Services Management and Administration	113,210	0	113,210	113,210	0
Salaries	109,860	0	109,860	109,860	0
Expenditure	3,350	0	3,350	3,350	0
Strategy and Projects	0	0	0	0	0

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Expenditure	0	0	0	(280,661)	280,661

Table 4

Chief Executive

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Total Chief Executive	1,604,064	(7,000)	1,597,064	1,705,184	-108,120
Legal	77,500	0	77,500	77,500	0
Income	(2,500)	0	(2,500)	(2,500)	0
Expenditure	80,000	0	80,000	80,000	0
Governance	295,050	0	295,050	295,050	0
Income	0	0	0	0	0
Salaries	169,760	0	169,760	169,760	0
Expenditure	125,290	0	125,290	125,290	0
Chief Executive	123,080	0	123,080	123,080	0
Salaries	120,730	0	120,730	120,730	0
Expenditure	2,350	0	2,350	2,350	0
Asset Management	147,033	0	147,033	167,153	-20,120
Income	(23,000)	0	(23,000)	(23,000)	0
Salaries	46,710	0	46,710	46,710	0
Expenditure	123,323	0	123,323	143,443	-20,120
Finance and Insurance	410,111	(7,000)	403,111	403,111	0

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Salaries	170,460	0	170,460	170,460	0
Expenditure	239,651	(7,000)	232,651	232,651	0
Collection of Tolls	152,530	0	152,530	152,530	0
Salaries	141,330	0	141,330	141,330	0
Expenditure	11,200	0	11,200	11,200	0
ICT	398,760	0	398,760	486,760	-88,000
Salaries	201,460	0	201,460	201,460	0
Expenditure	197,300	0	197,300	285,300	-88,000

Table 5

Projects and Corporate items

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Total Projects and Corporate Items	141,666	0	141,666	141,666	0
Partnerships / HLF	(734)	0	(734)	(734)	0
Income	(609,523)	0	(609,523)	(609,523)	0
Salaries	152,660	0	152,660	152,660	0
Expenditure	456,129	0	456,129	456,129	0
Corporate Items	142,400	0	142,400	142,400	0
Expenditure	19,400	0	19,400	19,400	0
Pension Payments	123,000	0	123,000	123,000	0

Table 6

Contributions from earmarked reserves

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Total Contributions from Earmarked Reserves	(398,221)	0	(398,221)	(290,841)	-107,380
Earmarked Reserves	(398,221)	0	(398,221)	(290,841)	-107,380

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Expenditure	(398,221)	0	(398,221)	(290,841)	-107,380

Table 7

Net (Surplus) / Deficit

Row labels	Original Budget (Consolidated) £	Budget Adjustments (Consolidated) £	Latest Available Budget (Consolidated) £	Forecast Outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Grand Total	329,840	93,392	423,232	384,732	38,500