

**Consolidated Income and Expenditure:
1 April to 31 July 2016 Actual and 2016/17 Forecast Outturn**
Report by Head of Finance

Summary: This report provides the Committee with details of the actual income and expenditure for the four month period to 31 July 2016, and provides a forecast of the projected expenditure at the end of the financial year (31 March 2017).

Recommendation: That the report be noted.

1 Introduction

1.1 This financial monitoring report summarises details of the forecast outturn and actual expenditure for both National Park and Navigation.

2 Overview of Actual Income and Expenditure

Table 1 – Actual Consolidated I&E by Directorate to 31 July 2016

	Profiled Latest Available Budget	Actual Income and Expenditure	Actual Variance
Income	(4,544,855)	(4,491,204)	- 53,651
Operations	1,271,793	1,150,790	+ 121,003
Planning and Resources	1,139,842	1,114,260	+ 25,582
Chief Executive	148,551	143,096	+ 5,455
Projects, Corporate Items and Contributions from Earmarked Reserves	(132,684)	(134,316)	+ 1,632
Net (Surplus) / Deficit	(2,117,353)	(2,217,374)	+ 100,021

2.1 Core navigation income is behind of the profiled budget at the end of month four. The overall position as at 31 July 2016 is a favourable variance of £100,021 or 4.72% difference from the profiled LAB. This is principally due to:

- An overall adverse variance of £54,178 within toll income:
 - Hire Craft Tolls £57,430 below the profiled budget.
 - Private Craft Tolls £2,824 above the profiled budget.
- A favourable variance within Operations budgets relating to:

- Equipment, Vehicle and Vessels is under the profiled budget by £29,039 due to delays in repairs, in particular relating to the linkflotes and grab 7 barge that have both been deemed beyond economical repair. A report will be made to the Authority to request to spend additional funds from the Plant, Vessels and Equipment Reserve to replace these items at a cost of £166,000. This approach was supported by Navigation committee on 8 September 2016 (item 9)
- Practical Maintenance is under the profiled budget by £27,488 due to timing differences on various projects
- Ranger Services is under profiled budget by £13,827 mainly due to the trial of the revised Ranger structure
- Asset Management is under profiled budget by £11,743 due to the change in property consultancy contractor at the beginning of the financial year and the delay in the new contractor starting
- Premises is under profiled budget by £22,947 due to delayed invoicing on Buttles Barn and Dockyard invoicing
- A favourable variance within Planning and Resources budgets relating to:
 - Development Management is under profiled budget by £12,822 due to additional income being received for Section 106 agreements
 - Strategy and Projects is under profiled budget by £29,804 due to timing differences
 - Heritage Lottery Fund (Landscape Partnership) is above profiled budget by £31,705 due to the delayed quarterly grant receipt
 - Planning and Resources Management and Administration is under profiled budget by £13,759 due to the delayed franking machine contract which has delayed the top ups to the machine on postage

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 being monitored against a latest available budget (LAB) in 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. Details of the movements from the original budget are set out in Appendix 2.

Table 2 – Adjustments to Consolidated LAB

	Ref	£
Original budget 2016/17 – deficit	Item 12 18/03/16 (BA)	10,347
Approved budget carry-forwards	Item 13 13/05/16 (BA)	26,031
LAB at 31 July 2016 – deficit		36,378

3.2 Taking account of the budget adjustments, the LAB therefore provides for a consolidated deficit of £36,378 in 2016/17 as at 31 July 2016.

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 the budget lines for which they are responsible. These forecast outturn figures should be seen as estimates and they will be refined and clarified through the financial year.

4.2 As at the end of July 2016, the forecast outturn indicates:

- The total forecast income is £6,348,644, or £24,997 behind the LAB
- Total expenditure is forecast to be £6,360,739
- The resulting deficit for the year is forecast to be £12,095

4.3 The forecast outturn expenditure takes account of adjustments to the LAB and in addition reflects the changes shown in Table 3. The forecast surplus represents an favourable variance of £24,283 against the LAB.

Table 3 – Adjustments to Forecast Outturn

Item	£
Forecast outturn deficit per LAB	36,378
Increase in Private Craft Income	(8,743)
Decrease in Hire Craft Income	28,740
Decrease in Interest Income to reflect current rates	5,000
Decrease in Vehicle expenditure for decrease lease & fuel costs	(9,000)
Increase in Electric card income	(1,500)
Decrease to Boat Safety Income	8,000
Increase to Safety Staff costs for Standby	2,400
Decrease to Boat Safety Expenditure	(5,000)
Decrease to Health & Safety Expenditure	(3,350)
Decrease to Pool Vehicle Expenditure for decreased repairs & fuel costs	(4,000)
Increase to Asset Management Staff costs	3,620
Increase to Planning Income	(20,000)
Increase to Finance Staff costs	1,750
Decrease to ICT expenditure for new photocopier lease	(8,200)
Increase to HR Staff costs	1,370
Decrease to Legal Staff costs following a vacancy	(13,070)
Decrease to Governance costs due electronic papers	(2,300)
Forecast outturn deficit as at 31 July 2016	12,095

- 4.4 The main reason for the difference between the forecast outturn and the LAB is the change in predictions for navigation toll income and interest. There is also additional income predicted for planning income and a number of smaller savings within other budgets.

5 Reserves

Table 4 – Consolidated Earmarked Reserves

	Balance at 1 April 2016	In-year movements	Current reserve balance
	£	£	£
Property	(360,603)	(76,518)	(437,121)
Plant, Vessels and Equipment	(302,225)	(119,888)	(422,113)
Premises	(201,675)	(29,974)	(231,649)
Planning Delivery Grant	(290,865)	89,072	(201,792)
Upper Thurne Enhancement	(56,552)	(18,930)	(75,481)
Section 106	(76,469)	(31,972)	(108,440)
Heritage Lottery Fund	(55,956)	(3,474)	(59,430)
Total	(1,344,343)	(191,684)	(1,536,027)

- 5.1 £791,322 of the current reserve balance relates to navigation reserves.
- 5.2 At the end of 2015/16 the PRISMA reserve was closed and the balance transferred to the Plant, Vessels and Equipment reserve which initially helped set it up.
- 5.3 This year the Authority's contributions to the reserves have all been made in full at the end of quarter 1 instead of quarterly. This has resulted in the reserves showing increased balances at the end of July. This will reduce as planned purchases take place throughout the year.

6 Summary

- 6.1 The current forecast outturn position for the year suggests a deficit of £19,175 for the national park side and a surplus of £7,080 on navigation resulting in an overall deficit of £12,095 within the consolidated budget, which would indicate a general fund reserve balance of approximately £1,025,000 and a navigation reserve balance of approximately £340,000 at the end of 2016/17 before any transfers for interest. This will mean that the navigation reserve will be slightly above the recommended level of 10% of net expenditure during 2016/17.

Background papers: None

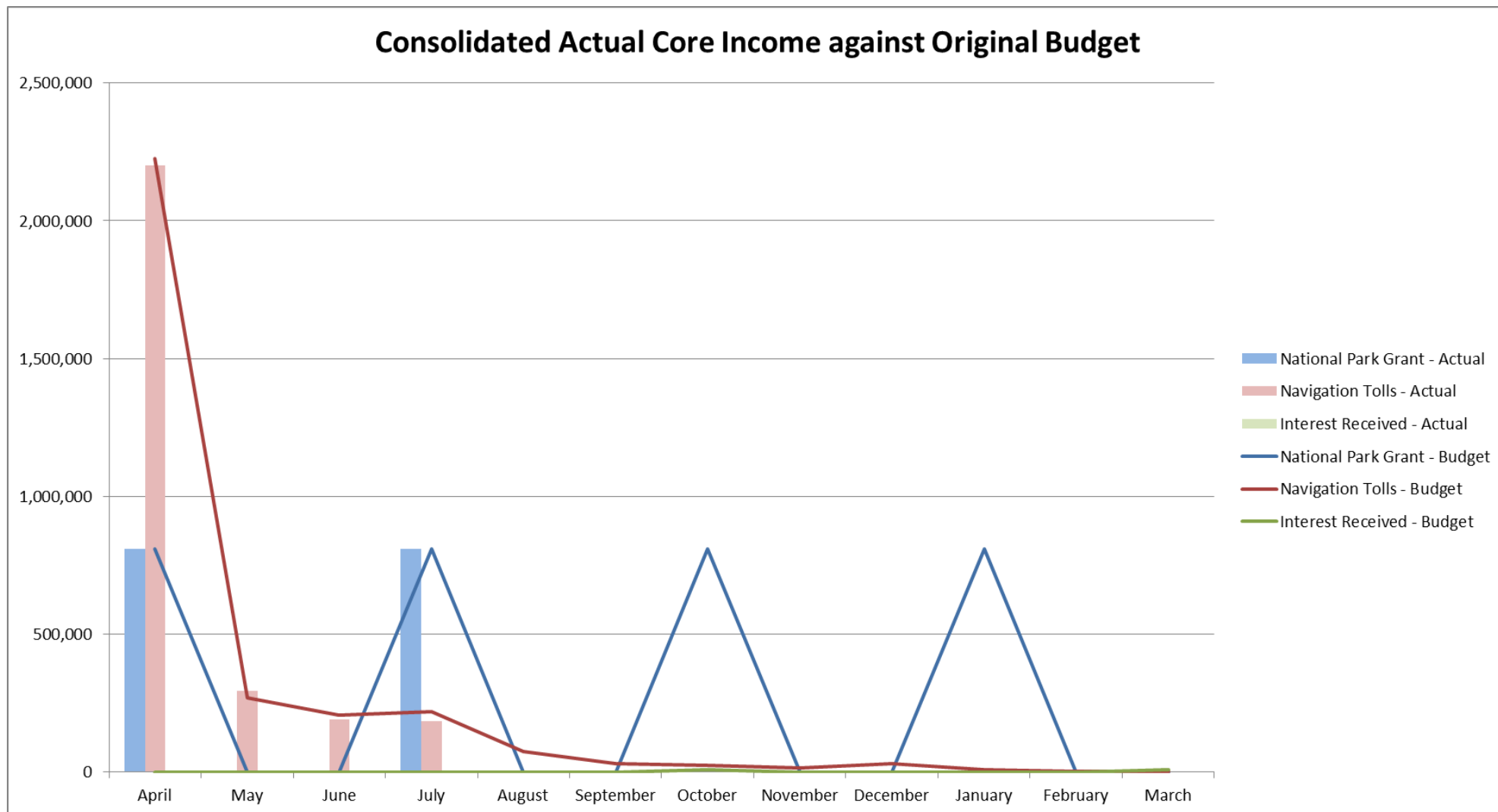
Author: Emma Krelle

Date of report: 10 September 2016

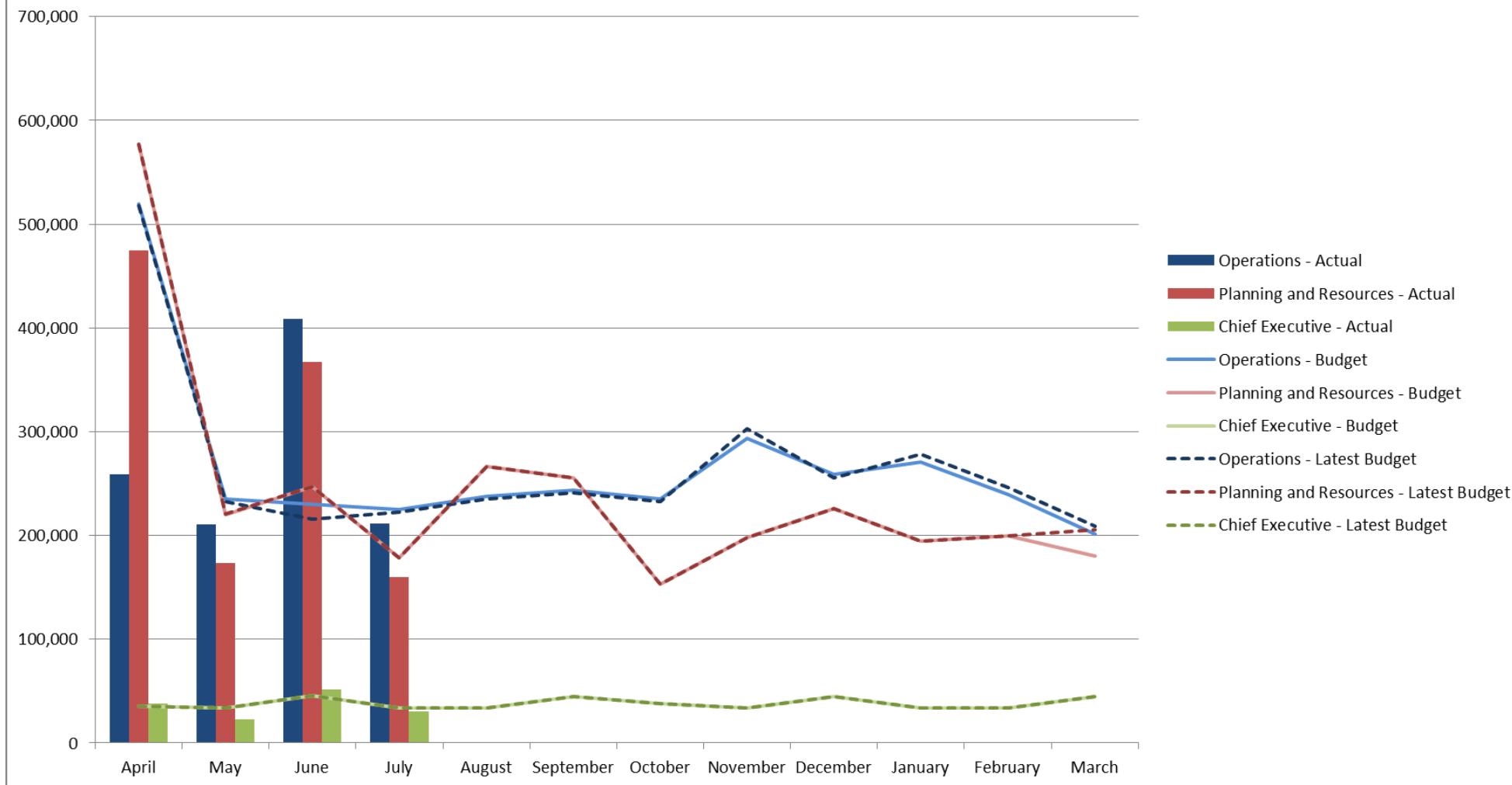
Broads Plan Objectives: None

Appendices: APPENDIX 1 – Consolidated Actual Income and Expenditure
Charts to 31 July 2016

APPENDIX 2: Financial Monitor: Consolidated Income and
Expenditure 2016/17



Consolidated Net Actual Expenditure against Original and Latest Budget



To 31 July 2016

Budget Holder (All)

Row Labels	Values				
	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Income	(6,373,641)		(6,373,641)	(6,348,644)	-24,997
National Park Grant	(3,243,802)		(3,243,802)	(3,243,802)	0
Income	(3,243,802)		(3,243,802)	(3,243,802)	0
Hire Craft Tolls	(1,079,000)		(1,079,000)	(1,050,260)	-28,740
Income	(1,079,000)		(1,079,000)	(1,050,260)	-28,740
Private Craft Tolls	(1,972,000)		(1,972,000)	(1,980,743)	8,743
Income	(1,972,000)		(1,972,000)	(1,980,743)	8,743
Short Visit Tolls	(40,089)		(40,089)	(40,089)	0
Income	(40,089)		(40,089)	(40,089)	0
Other Toll Income	(18,750)		(18,750)	(18,750)	0
Income	(18,750)		(18,750)	(18,750)	0
Interest	(20,000)		(20,000)	(15,000)	-5,000
Income	(20,000)		(20,000)	(15,000)	-5,000
Operations	3,347,498	(2,570)	3,344,928	3,336,098	8,830
Construction and Maintenance Salaries	1,122,050		1,122,050	1,122,050	0
Salaries	1,122,050		1,122,050	1,122,050	0
Expenditure			0		0
Equipment, Vehicles & Vessels	419,833		419,833	410,833	9,000
Income			0		0
Expenditure	419,833		419,833	410,833	9,000
Water Management	147,500		147,500	147,500	0
Income			0		0
Expenditure	147,500		147,500	147,500	0
Land Management	(38,000)		(38,000)	(38,000)	0
Income	(95,000)		(95,000)	(95,000)	0
Expenditure	57,000		57,000	57,000	0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Practical Maintenance	419,200		419,200	417,700	1,500
Income	(9,000)		(9,000)	(10,500)	1,500
Expenditure	428,200		428,200	428,200	0
Ranger Services	721,315		721,315	721,315	0
Income	(47,000)		(47,000)	(47,000)	0
Salaries	596,860		596,860	596,860	0
Expenditure	171,455		171,455	171,455	0
Pension Payments			0		0
Safety	125,600		125,600	123,650	1,950
Income	(9,000)		(9,000)	(1,000)	-8,000
Salaries	59,600		59,600	62,000	-2,400
Expenditure	75,000		75,000	62,650	12,350
Asset Management	151,280	2,880	154,160	157,780	-3,620
Income	(1,000)		(1,000)	(1,000)	0
Salaries	41,530	2,880	44,410	48,030	-3,620
Expenditure	110,750		110,750	110,750	0
Premises	152,170		152,170	152,170	0
Income	(20,000)		(20,000)	(20,000)	0
Expenditure	172,170		172,170	172,170	0
Operations Management and Administration	126,550	(5,450)	121,100	121,100	0
Income			0		0
Salaries	114,050	(5,450)	108,600	108,600	0
Expenditure	12,500		12,500	12,500	0
Planning and Resources	2,738,835	28,159	2,766,995	2,763,895	3,100
Development Management	249,550	6,710	256,260	259,610	-3,350
Income	(60,000)		(60,000)	(80,000)	20,000
Salaries	284,550	6,710	291,260	291,260	0
Expenditure	25,000		25,000	48,350	-23,350
Pension Payments			0		0
Strategy and Projects Salaries	286,990	(4,140)	282,850	282,850	0
Income	(3,500)		(3,500)	(3,500)	0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Salaries	202,490	(4,140)	198,350	198,350	0
Expenditure	88,000		88,000	88,000	0
Biodiversity Strategy	10,000	600	10,600	10,600	0
Income			0		0
Expenditure	10,000	600	10,600	10,600	0
Strategy and Projects	113,030	24,989	138,019	138,019	0
Income			0		0
Salaries	76,530		76,530	76,530	0
Expenditure	36,500	24,989	61,489	61,489	0
Waterways and Recreation Strategy	144,460		144,460	144,460	0
Salaries	69,960		69,960	69,960	0
Expenditure	74,500		74,500	74,500	0
Project Funding	105,500		105,500	105,500	0
Income	(19,000)		(19,000)	(19,000)	0
Expenditure	124,500		124,500	124,500	0
Pension Payments			0		0
Partnerships / HLF	50,000		50,000	50,000	0
Income	(231,846)		(231,846)	(231,846)	0
Salaries	48,960		48,960	48,960	0
Expenditure	232,886		232,886	232,886	0
Volunteers	66,620		66,620	66,620	0
Income	(1,000)		(1,000)	(1,000)	0
Salaries	47,620		47,620	47,620	0
Expenditure	20,000		20,000	20,000	0
Finance and Insurance	337,750		337,750	339,500	-1,750
Salaries	137,750		137,750	139,500	-1,750
Expenditure	200,000		200,000	200,000	0
Communications	268,250		268,250	268,250	0
Income			0		0
Salaries	188,750		188,750	188,750	0
Expenditure	79,500		79,500	79,500	0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Visitor Centres and Yacht Stations	214,930		214,930	214,930	0
Income	(232,500)		(232,500)	(232,500)	0
Salaries	315,430		315,430	315,430	0
Expenditure	132,000		132,000	132,000	0
Collection of Tolls	122,230		122,230	122,230	0
Salaries	109,530		109,530	109,530	0
Expenditure	12,700		12,700	12,700	0
ICT	300,117		300,117	291,917	8,200
Salaries	143,730		143,730	143,730	0
Expenditure	156,387		156,387	148,187	8,200
Premises - Head Office	254,548		254,548	254,548	0
Expenditure	254,548		254,548	254,548	0
Planning and Resources Management and Administration	214,860		214,860	214,860	0
Income			0		0
Salaries	133,660		133,660	133,660	0
Expenditure	81,200		81,200	81,200	0
Chief Executive	454,630	442	455,072	441,072	14,000
Human Resources	117,730	442	118,172	119,542	-1,370
Salaries	58,230		58,230	59,600	-1,370
Expenditure	59,500	442	59,942	59,942	0
Legal	109,970		109,970	96,900	13,070
Income			0		0
Salaries	49,970		49,970	36,900	13,070
Expenditure	60,000		60,000	60,000	0
Governance	123,290		123,290	120,990	2,300
Salaries	69,090		69,090	69,090	0
Expenditure	54,200		54,200	51,900	2,300
Chief Executive	103,640		103,640	103,640	0
Salaries	103,640		103,640	103,640	0
Expenditure			0		0
Projects and Corporate Items	137,000		137,000	137,000	0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Corporate Items	137,000		137,000	137,000	0
Pension Payments	137,000		137,000	137,000	0
Contributions from Earmarked Reserves	(293,975)		(293,975)	(317,325)	23,350
Earmarked Reserves	(293,975)		(293,975)	(317,325)	23,350
Expenditure	(293,975)		(293,975)	(317,325)	23,350
Grand Total	10,347	26,031	36,378	12,095	24,283