

**Consolidated Income and Expenditure:
1 April to 31 July 2014 Actual and 2014/15 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 2014, and provides a forecast of the projected expenditure at the end of the financial year (31 March 2015).

Recommendation: That the report be noted.

1 Introduction

- 1.1 This financial monitoring report summarises details of the forecast outturn for the year, which provides members with a picture of expected activity for the full financial year as well as supporting proactive budget management by budget holders. This report provides details of consolidated expenditure for the whole Authority (National Park and Navigation).
- 1.2 Section 2 of this report and Appendix 1 provide details of actual income and expenditure to 31 July 2014.
- 1.3 Section 4 and Appendix 2 provide details of the forecast 2014/15 outturn (the expected actual expenditure position at the end of the financial year), compared to the latest available budget (LAB). The LAB represents the original budget for the year agreed by the Authority in March 2014, adjusted for known and approved budget changes. Further details of the LAB are set out in Section 3 below.

2 Overview of Actual Income and Expenditure

- 2.1 Within this report, actual income and expenditure is reported at summary / Directorate level, providing members with an overview of the Authority's position as set out in Table 1 below.

Table 1 – Actual Consolidated I&E by Directorate to 31 July 2014

	Profiled Latest Available Budget	Actual Income and Expenditure	Actual Variance
Income	(4,404,860)	(4,434,754)	29,893
Operations	960,883	1,062,950	(102,067)
Planning and Resources	1,167,142	1,073,741	93,402
Chief Executive	134,680	127,376	7,304
Projects, Corporate Items and Contributions from Earmarked Reserves	0	(191,181)	191,181
Net (Surplus) / Deficit	(2,142,155)	(2,361,868)	219,713

- 2.2 Core income is slightly ahead of the profiled budget as at the end of month four, due to Private Tolls being significantly ahead of profile, but offset by Hire Tolls which are behind profile. At the end of the financial year it is currently anticipated that the net position on Tolls will be broadly in line with the total budget (with Private Tolls up and Hire Tolls down), and this position has been reflected in forecast outturn figures.
- 2.3 £191,181 of expenditure has been funded from reserves at the end of July, including the Authority's new Fen Harvester, the second replacement wherry, the Planning Inspectorate Site Specific Policy inspection activity, works to Mutford Lock, 2013/14 SDF grant payments, and PRISMA works. Once this expenditure has been accounted for, the Operations revenue budget is within £5k of profile. However there is an underspend of approximately £180k against profile within Planning and Resources directorate budgets due to:
- Project expenditure behind profile;
 - The cancellation of the Whitlingham development project;
 - Outstanding insurance and legal billing; and
 - Significant success in securing additional income including planning fee income, strategy and projects grant and partnership income, and additional Visitor Centre / Yacht Station income.
- 2.4 Some of these variances will persist to the end of the year and have been reflected in forecast outturns as set out in Table 3. As a result of the above variances, the overall position as at 31 July 2014 is a favourable variance of £219,713 or 10.26% difference from the profiled LAB.
- 2.5 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 2014/15. 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.
- 3.2 The use of the LAB format ensures that there is better visibility of budgets, providing members with clearer information about approved changes to the original budget and minimising the risk of distortions arising from approved in-year changes to the budget. The LAB facilitates scrutiny of budget management in that members are able to distinguish between planned budget changes and unplanned outturn variances.
- 3.3 Changes to the original consolidated budget for the year are set out in Table 2 below.

Table 2 – Adjustments to Consolidated LAB

	Ref	£
Original budget 2014/15 – deficit	21/03/14 Item 17 (BA)	15,495
Approved budget carry-forwards	11/07/14 Item 14 (BA)	94,237
Additional budget approved in-year for Stakeholder surveys	11/07/14 Item 13 (BA)	37,355
Additional budget approved in-year for National Park sponsorship work	11/07/14 Item 18 (BA)	10,000
LAB at 31 July 2014 – deficit		157,087

- 3.4 Taking account of the budget adjustments, the LAB therefore provides for a consolidated deficit of £157,087 in 2014/15 as at 31 July 2014.

4 Overview of Forecast Outturn 2014/15

- 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 2014, the forecast outturn indicates:
- Income is expected to be broadly in line with budget, with total forecast income of £6,244,556.
 - Total expenditure is forecast to be £6,335,906.
 - The resulting deficit for the year is forecast to be £91,350.
- 4.3 Full details of the forecast outturn are set out in Appendix 2.

- 4.4 The forecast outturn expenditure takes account of adjustments to the LAB and in addition reflects the changes shown in Table 3. The forecast outturn anticipates a lower deficit than the £157,087 allowed for in the LAB.

Table 3 – Adjustments to Forecast Outturn

Item	£
Latest Available Budget – deficit	157,087
Remove forecast expenditure for Whitlingham project	(50,000)
Increase forecast Private Craft Toll income	(49,935)
Decrease forecast Hire Craft Toll income	47,643
Reduce salary forecast for period of vacancy (Waterways and Recreation Strategy and Strategy and Projects)	(12,552)
Increase forecast expenditure for NPS asset management costs	12,500
Increase forecast grant income for Strategy and Project partnerships work	(11,500)
Unbudgeted Restoration and Management income	(1,315)
Reduce Practical Maintenance for accrued Breydon Water costs lower than budgeted	(578)
Forecast outturn deficit as at 31 July 2014	91,350

5 Reserves

- 5.1 The Authority's earmarked reserves were rationalised in 2013/14 into a smaller number of reserves. Navigation reserve balances continue to be maintained separately from national park reserves. The balance of earmarked reserves at the end of July 2014 is shown in Table 4 below.

Table 4 – Consolidated Earmarked Reserves

	Balance at 1 April 2014	In-year movements	Current reserve balance
	£	£	£
Property	(568,100)	(1,817)	(569,917)
Plant, Vessels and Equipment	(217,282)	57,309	(159,974)
Premises	(138,723)	(7,500)	(146,223)
Planning Delivery Grant	(454,172)	59,895	(394,278)
Sustainable Development Fund	(65,664)	19,940	(45,724)
Mobile Phone Upgrade	(7,567)	7,705	138
Upper Thurne Enhancement	(81,768)	0	(81,768)

Section 106	(12,069)	0	(12,069)
PRISMA	(244,954)	252,063	7,109
Total	(1,790,299)	387,594	(1,402,706)

5.2 £695,886 of the current reserve balance relates to navigation reserves.

5.3 The STEP reserve has been closed following the end of the project. Members will note that there is currently a debit balance within the PRISMA reserve. This relates to an outstanding claim amount.

6 Summary

6.1 The current forecast outturn position for the year suggests a deficit of £97,409 for the national park side and a surplus of £6,059 on navigation resulting in an overall deficit of £91,350 within the consolidated budget, which would indicate a general fund reserve balance of approximately £702,000 and a navigation reserve balance of approximately £296,000 at the end of 2014/15. This will mean that the navigation reserve balance is restored to the recommended level of 10% of net expenditure during 2014/15. The impact of both the national park and navigation reserve balances are taken into account when preparing the budget and medium term financial strategy.

Background papers: None

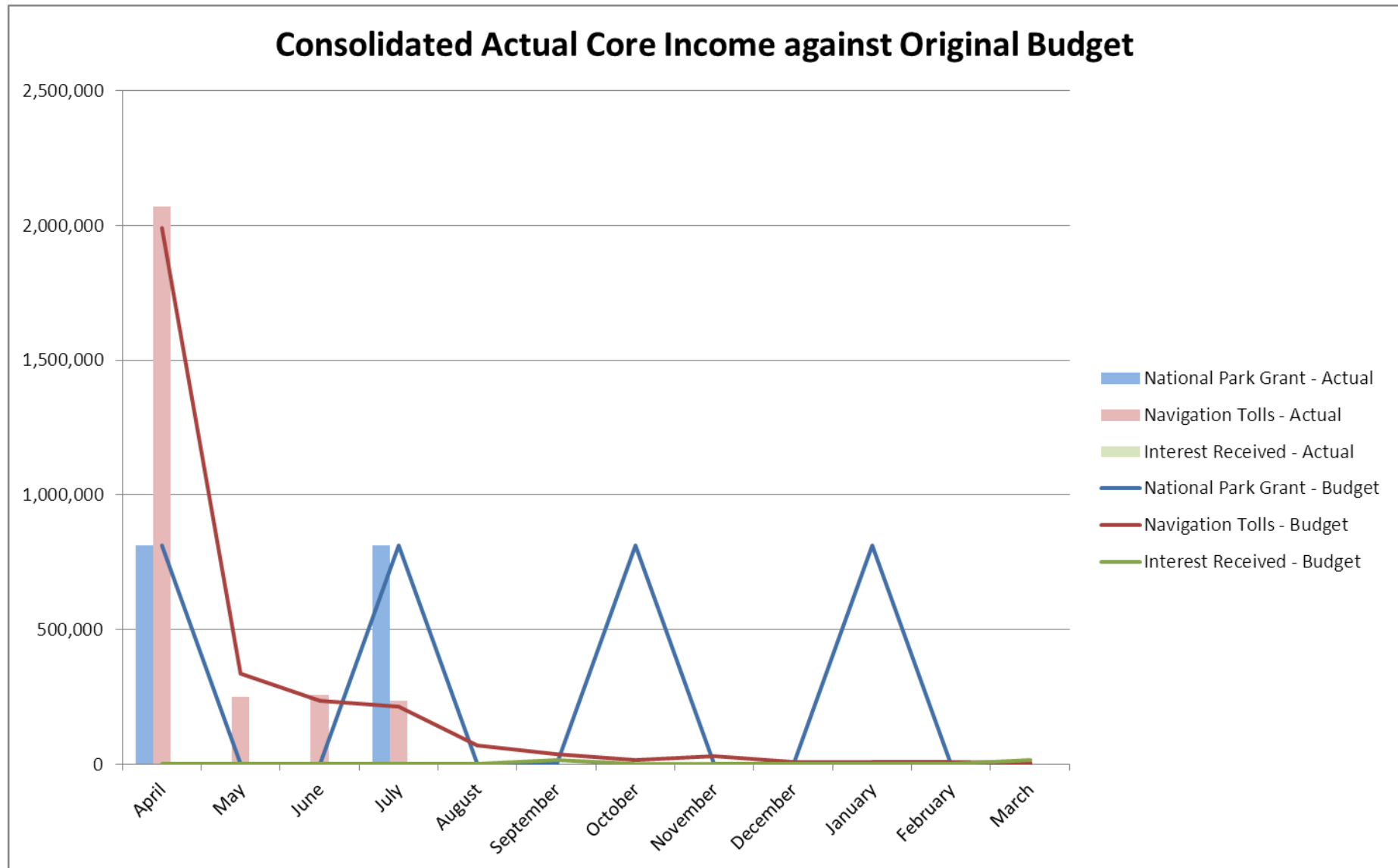
Author: Titus Adam

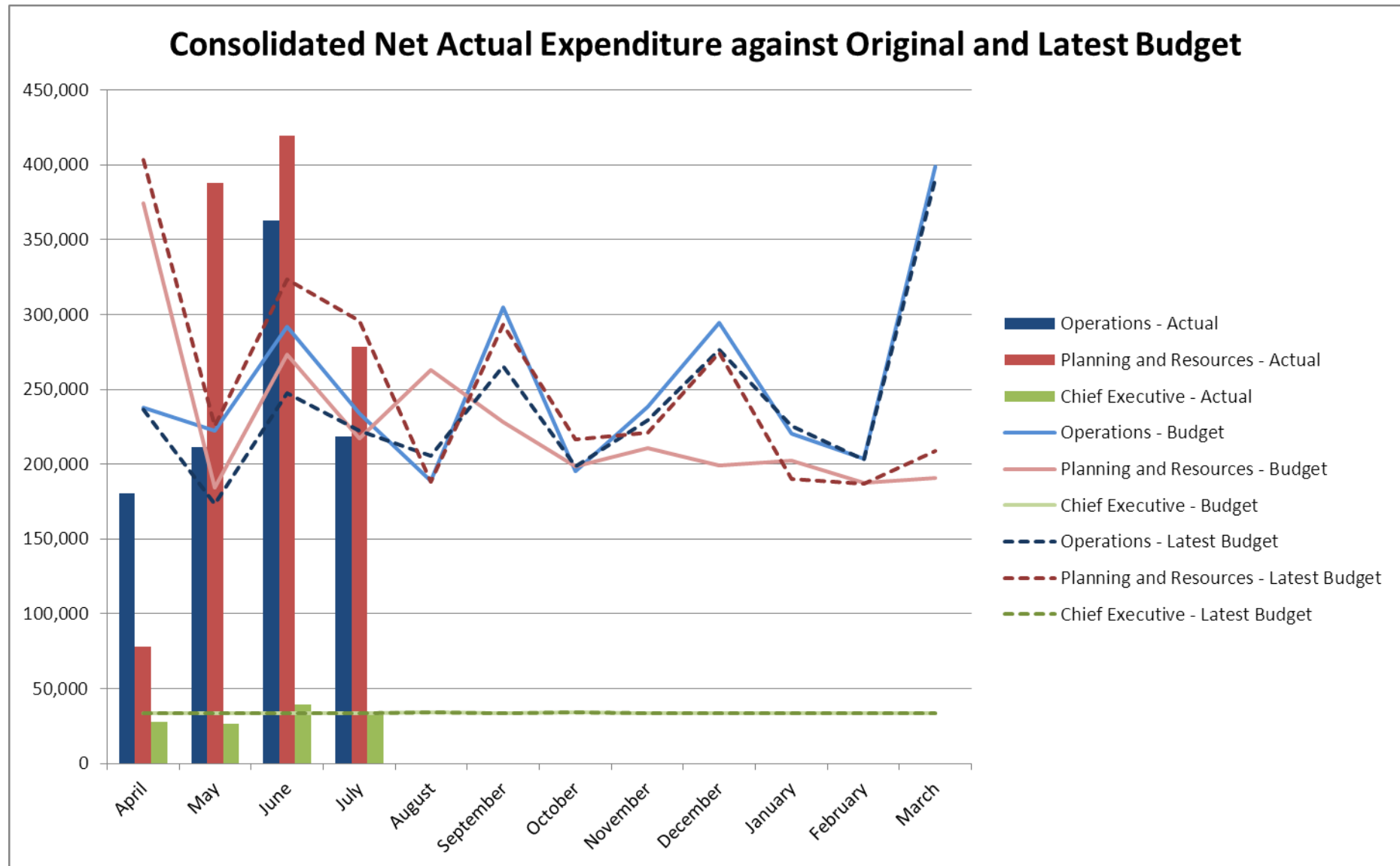
Date of report: 08 September 2014

Broads Plan Objectives: None

Appendices: APPENDIX 1 – Consolidated Actual Income and Expenditure Charts to 31 July 2014

APPENDIX 2: Financial Monitor: Consolidated Income and Expenditure 2014/15





To 31 July 2014

Budget Holder	(All)
A/C	(All)

Values					
Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Income	(6,242,264)		(6,242,264)	(6,244,556)	2,292
National Park Grant	(3,245,393)		(3,245,393)	(3,245,393)	0
Income	(3,245,393)		(3,245,393)	(3,245,393)	0
Hire Craft Tolls	(1,118,300)		(1,118,300)	(1,070,657)	(47,643)
Income	(1,118,300)		(1,118,300)	(1,070,657)	(47,643)
Private Craft Tolls	(1,792,100)		(1,792,100)	(1,842,035)	49,935
Income	(1,792,100)		(1,792,100)	(1,842,035)	49,935
Short Visit Tolls	(37,721)		(37,721)	(37,721)	0
Income	(37,721)		(37,721)	(37,721)	0
Other Toll Income	(18,750)		(18,750)	(18,750)	0
Income	(18,750)		(18,750)	(18,750)	0
Interest	(30,000)		(30,000)	(30,000)	0
Income	(30,000)		(30,000)	(30,000)	0
Operations	3,030,715	30,113	3,060,828	3,071,435	(10,607)
Construction and Maintenance Salaries	1,074,770		1,074,770	1,074,770	0
Salaries	1,074,770		1,074,770	1,074,770	0
Expenditure			0		0
Equipment, Vehicles & Vessels	405,000		405,000	405,000	0
Income			0		0
Expenditure	405,000		405,000	405,000	0
Water Management	67,500		67,500	66,185	1,315
Income	0		0	(1,315)	1,315
Expenditure	67,500		67,500	67,500	0
Land Management	(41,000)	11,750	(29,250)	(29,250)	0
Income	(90,000)		(90,000)	(90,000)	0
Expenditure	49,000	11,750	60,750	60,750	0
Practical Maintenance	339,035	7,170	346,205	345,627	578
Income	(7,000)		(7,000)	(7,000)	0
Expenditure	346,035	7,170	353,205	352,627	578
Ranger Services	663,010		663,010	663,010	0
Income	(35,000)		(35,000)	(35,000)	0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Salaries	580,010		580,010	580,010	0
Expenditure	118,000		118,000	118,000	0
Pension Payments			0		0
Safety	76,900		76,900	76,900	0
Income	(9,000)		(9,000)	(9,000)	0
Salaries	51,900		51,900	51,900	0
Expenditure	34,000		34,000	34,000	0
Asset Management	104,650		104,650	117,150	(12,500)
Income	(1,000)		(1,000)	(1,000)	0
Salaries	37,900		37,900	37,900	0
Expenditure	67,750		67,750	80,250	(12,500)
Volunteers	61,340		61,340	61,340	0
Income	(1,000)		(1,000)	(1,000)	0
Salaries	42,340		42,340	42,340	0
Expenditure	20,000		20,000	20,000	0
Premises	151,970	11,193	163,163	163,163	0
Income	(11,200)		(11,200)	(11,200)	0
Expenditure	163,170	11,193	174,363	174,363	0
Operations Management and Administration	127,540		127,540	127,540	0
Salaries	115,040		115,040	115,040	0
Expenditure	12,500		12,500	12,500	0
Planning and Resources	2,729,004	111,479	2,840,484	2,766,432	74,052
Development Management	224,910		224,910	224,910	0
Income	(60,000)		(60,000)	(60,000)	0
Salaries	259,910		259,910	259,910	0
Expenditure	25,000		25,000	25,000	0
Pension Payments			0		0
Strategy and Projects Salaries	231,575	8,546	240,121	219,121	21,000
Income	(27,500)		(27,500)	(39,000)	11,500
Salaries	249,075	8,546	257,621	248,121	9,500
Expenditure	10,000		10,000	10,000	0
Biodiversity Strategy	35,000	42,298	77,298	77,298	0
Income			0		0
Expenditure	35,000	42,298	77,298	77,298	0
Strategy and Projects	84,900	2,020	86,920	86,920	0
Salaries	44,900		44,900	44,900	0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Expenditure	40,000	2,020	42,020	42,020	0
Waterways and Recreation Strategy	84,920		84,920	81,868	3,052
Salaries	69,920		69,920	66,868	3,052
Expenditure	15,000		15,000	15,000	0
Project Funding	101,780	46,615	148,395	148,395	0
Income	(19,000)		(19,000)	(19,000)	0
Salaries	41,780		41,780	41,780	0
Expenditure	79,000	46,615	125,615	125,615	0
Pension Payments			0		0
Partnerships / HLF	50,000		50,000	0	50,000
Expenditure	50,000		50,000	0	50,000
SDF	12,000		12,000	12,000	0
Expenditure	12,000		12,000	12,000	0
Finance and Insurance	336,569	10,000	346,569	346,569	0
Salaries	133,970		133,970	133,970	0
Expenditure	202,599	10,000	212,599	212,599	0
Communications	316,260		316,260	316,260	0
Income			0		0
Salaries	241,260		241,260	241,260	0
Expenditure	75,000		75,000	75,000	0
Visitor Centres and Yacht Stations	235,660	2,000	237,660	237,660	0
Income	(213,000)		(213,000)	(213,000)	0
Salaries	317,660		317,660	317,660	0
Expenditure	131,000	2,000	133,000	133,000	0
Collection of Tolls	113,660		113,660	113,660	0
Salaries	100,960		100,960	100,960	0
Expenditure	12,700		12,700	12,700	0
ICT	267,820		267,820	267,820	0
Income			0		0
Salaries	127,120		127,120	127,120	0
Expenditure	140,700		140,700	140,700	0
Legal	120,000		120,000	120,000	0
Income			0		0
Expenditure	120,000		120,000	120,000	0
Premises - Head Office	240,000		240,000	240,000	0
Expenditure	240,000		240,000	240,000	0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Planning and Resources Management and Administration	273,950		273,950	273,950	0
Income			0		0
Salaries	146,750		146,750	146,750	0
Expenditure	127,200		127,200	127,200	0
Chief Executive	405,040		405,040	405,040	0
Human Resources	133,140		133,140	133,140	0
Salaries	73,140		73,140	73,140	0
Expenditure	60,000		60,000	60,000	0
Governance	170,410		170,410	170,410	0
Income			0		0
Salaries	109,210		109,210	109,210	0
Expenditure	61,200		61,200	61,200	0
Chief Executive	101,490		101,490	101,490	0
Salaries	101,490		101,490	101,490	0
Expenditure			0		0
Projects and Corporate Items	93,000		93,000	93,000	0
PRISMA	0		0	0	0
Income			0		0
Salaries	10,410		10,410	10,410	0
Expenditure	(10,410)		(10,410)	(10,410)	0
STEP			0		0
Expenditure			0		0
Corporate Items	93,000		93,000	93,000	0
Pension Payments	93,000		93,000	93,000	0
Contributions from Earmarked Reserves			0		0
Earmarked Reserves			0		0
Expenditure			0		0
Grand Total	15,495	141,592	157,087	91,350	65,737