

Financial Performance and Direction
Report by Head of Finance

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

Recommendation: That the income and expenditure figures be noted.

1 Introduction

1.1 This report covers the Consolidated Income and Expenditure from 1 April – 30 September 2016.

2 Overview of Actual Income and Expenditure

Table 1 – Actual Consolidated I&E by Directorate to 30 September 2016

	Profiled Latest Available Budget	Actual Income and Expenditure	Actual Variance
Income	(4,649,397)	(4,629,399)	- 19,998
Operations	1,780,659	1,668,279	+ 112,380
Planning and Resources	1,627,422	1,476,164	+ 151,259
Chief Executive	226,808	227,323	- 515
Projects, Corporate Items and Contributions from Earmarked Reserves	(29,275)	(31,933)	+ 2,657
Net (Surplus) / Deficit	(1,043,783)	(1,289,566)	+ 245,783

2.1 Core navigation income is behind of the profiled budget at the end of month six. The overall position as at 30 September 2016 is a favourable variance of £245,783 or 23.55% difference from the profiled LAB. This is principally due to:

- An overall adverse variance of £20,877 within toll income:
 - Hire Craft Tolls £26,542 below the profiled budget.
 - Private Craft Tolls £10,056 above the profiled budget.
- A favourable variance within Operations budgets relating to:
 - Water Management is under profiled budget by £42,377 due to timing differences on the Hickling project.
 - Practical Maintenance is under the profiled budget by £20,609 due to timing differences on various projects.

- Ranger Services is under profiled budget by £17,684 mainly due to the trial of the revised Ranger structure.
- Premises is under profiled budget by £18,007 due to delayed invoicing on the Dockyard old workshop repairs.
- A favourable variance within Planning and Resources budgets relating to:
 - Strategy and Projects is under profiled budget by £60,303 due to timing differences on the Local Plan and the Landscape Architect. Additional Catchment income has also been received.
 - Project Funding is under profiled budget by £37,475 due to the difficulties of profiling the project pot budget because of the uncertain nature of when projects will be submitted and spent.
 - Heritage Lottery Fund (Landscape Partnership) is behind profiled budget by £13,473 due to expenditure being slightly behind following the mill survey savings.
 - ICT is behind profiled budget by £13,041 due to savings on the photocopier leases and timing differences.
 - Planning and Resources Management and Administration is under profiled budget by £17,620 due to the delayed franking machine contract which has delayed the top ups to the machine on postage. Additional income has also been received for staff recharges.

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 was being monitored against the 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 30 September 2016 – deficit		36,378

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

Table 3 – Adjustments to Forecast Outturn

Item	£
Forecast outturn deficit per LAB	36,378
Previously reported adjustments 30/09/16	(24,283)
Increase to Hire Craft Income	(3,224)
Decrease to Private Craft Income	4,196
Increase to Vessel & Equipment Income	(500)
Decrease to Yare House expenditure for rent initiative	(12,855)
Increase to Water Management Income for EA contribution towards Hickling Project	(10,000)
Increase to Water Management Income for staff recharges	(6,500)
Increase to Planning Management & Admin Income for staff recharges	(7,000)
Increase to Operations Management & Admin Income for staff recharges	(2,000)
Forecast outturn surplus as at 30 September 2016	(25,788)

- 4.2 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)	(77,000)	(437,603)
Plant, Vessels and Equipment	(302,225)	(102,364)	(404,589)
Premises	(201,675)	(21,291)	(222,965)
Planning Delivery Grant	(290,865)	98,242	(192,623)
Upper Thurne Enhancement	(56,552)	(18,930)	(75,481)
Section 106	(76,469)	(31,972)	(108,440)

Heritage Lottery Fund	(55,956)	(3,753)	(59,708)
Total	(1,344,343)	(157,067)	(1,501,410)

5.1 £779,446 of the current reserve balance relates to navigation reserves.

6 Summary

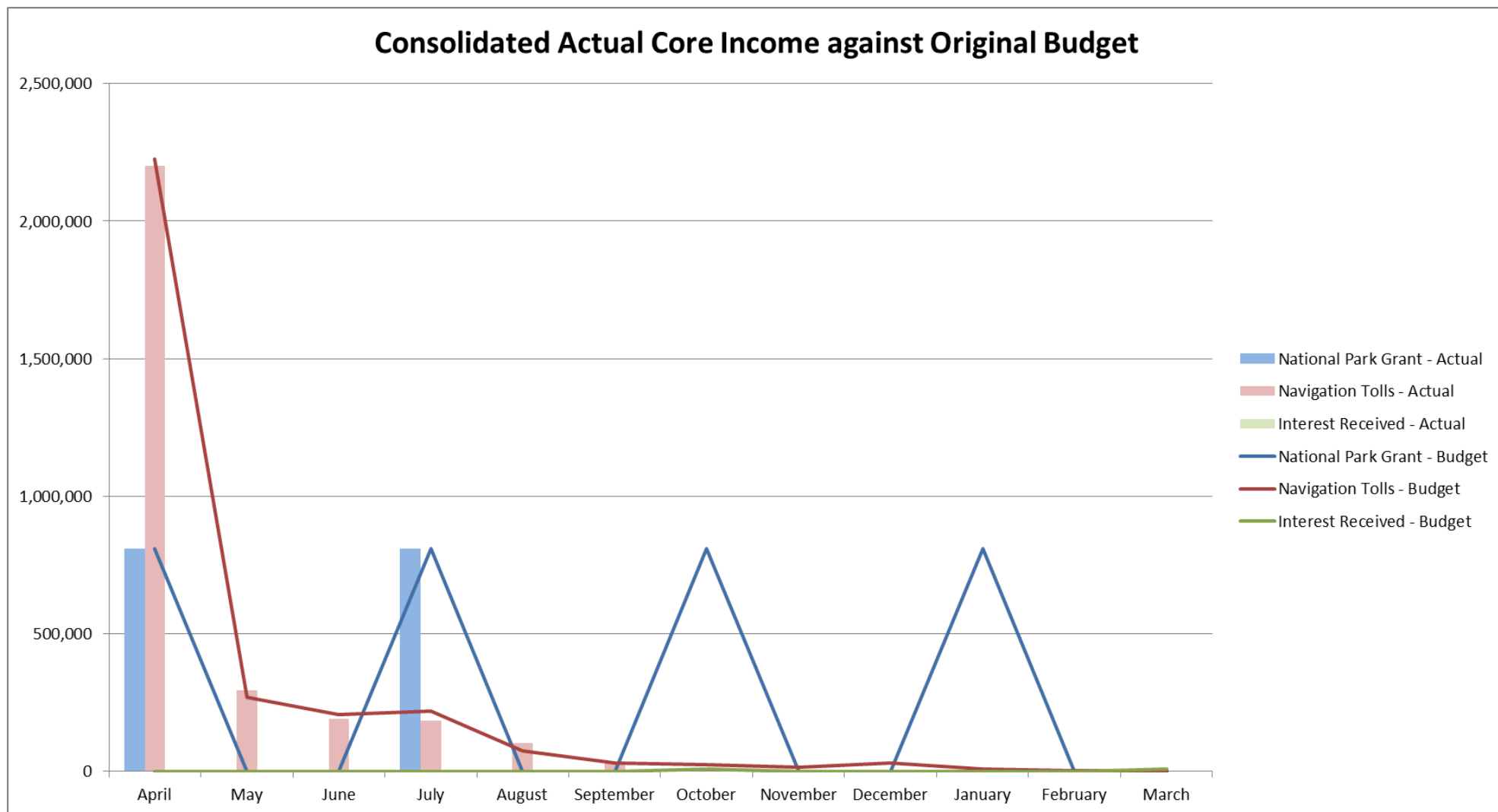
6.1 The current forecast outturn position for the year suggests a surplus of £27,884 for the national park side and a deficit of £2,096 on navigation resulting in an overall surplus of £25,788 within the consolidated budget, which would indicate a general fund reserve balance of approximately £1,072,000 and a navigation reserve balance of approximately £331,000 at the end of 2016/17 before any transfers for interest. This will mean that the navigation reserve will be just above the recommended level of 10% of net expenditure during 2016/17.

Background papers: None

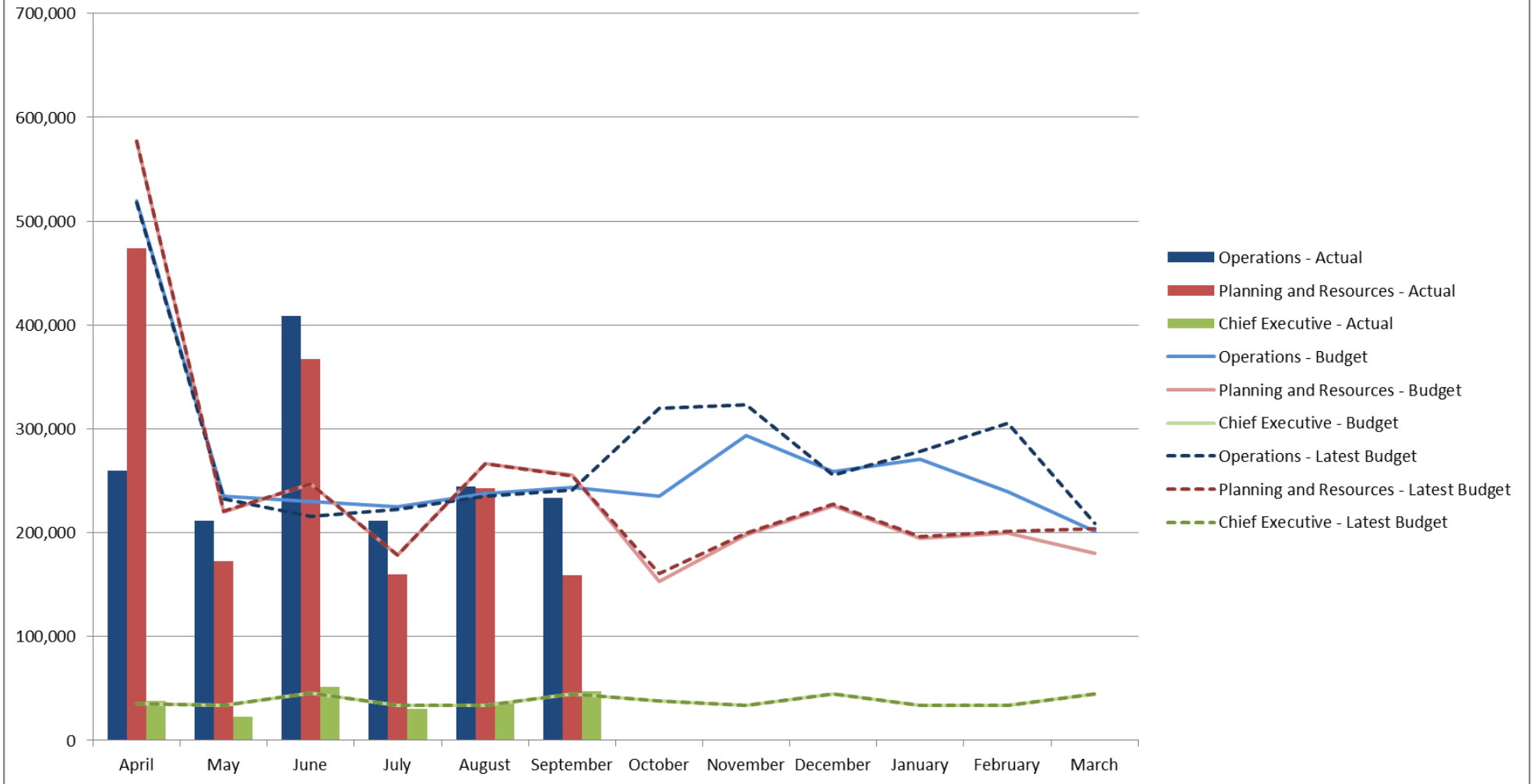
Author: Emma Krelle
Date of report: 1 November 2016

Broads Plan Objectives: None

Appendices: APPENDIX 1 – Consolidated Actual Income and Expenditure Charts to 30 September 2016
APPENDIX 2 – Financial Monitor: Consolidated Income and Expenditure 2016/17



Consolidated Net Actual Expenditure against Original and Latest Budget



To 30 September 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)	(6,347,672)	-25,969
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)	(1,053,484)	-25,516
Income	(1,079,000)		(1,079,000)	(1,053,484)	-25,516
Private Craft Tolls	(1,972,000)		(1,972,000)	(1,976,547)	4,547
Income	(1,972,000)		(1,972,000)	(1,976,547)	4,547
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	163,430	3,510,928	3,483,098	27,830
Construction and Maintenance Salaries	1,122,050	0	1,122,050	1,122,050	0
Salaries	1,122,050	0	1,122,050	1,122,050	0
Expenditure			0		0
Equipment, Vehicles & Vessels	419,833	166,000	585,833	576,333	9,500
Income	0		0	(500)	500
Expenditure	419,833	166,000	585,833	576,833	9,000
Water Management	147,500		147,500	131,000	16,500
Income	0		0	(16,500)	16,500
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	119,100	2,000
Income	0		0	(2,000)	2,000
Salaries	114,050	(5,450)	108,600	108,600	0
Expenditure	12,500		12,500	12,500	0
Planning and Resources	2,738,835	38,159	2,776,995	2,754,040	22,955
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
Income			0		0
Salaries	137,750		137,750	139,500	-1,750
Expenditure	200,000		200,000	200,000	0
Communications	268,250	23,700	291,950	291,950	0
Income			0		0
Salaries	188,750		188,750	188,750	0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Expenditure	79,500	23,700	103,200	103,200	0
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	(13,700)	286,417	278,217	8,200
Salaries	143,730		143,730	143,730	0
Expenditure	156,387	(13,700)	142,687	134,487	8,200
Premises - Head Office	254,548		254,548	241,693	12,855
Expenditure	254,548		254,548	241,693	12,855
Planning and Resources Management and Administration	214,860		214,860	207,860	7,000
Income	0		0	(7,000)	7,000
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
Income			0		0
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

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Expenditure			0		0
Projects and Corporate Items	137,000		137,000	137,000	0
Corporate Items	137,000		137,000	137,000	0
Pension Payments	137,000		137,000	137,000	0
Contributions from Earmarked Reserves	(293,975)	(176,000)	(469,975)	(493,325)	23,350
Earmarked Reserves	(293,975)	(176,000)	(469,975)	(493,325)	23,350
Expenditure	(293,975)	(176,000)	(469,975)	(493,325)	23,350
Grand Total	10,347	26,031	36,378	(25,788)	62,166