

Broads Authority

20 September 2024

Agenda item number 9

Financial performance and direction

Report by Director of Finance

Purpose

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

Broads Plan context

Financial performance underpins all the strategic objectives of the Broads Plan.

Recommended decision

- i. To note the income and expenditure figures and the prudential indicators in paragraph 6.1.
 - ii. To approve the additional earmarked expenditure as set out in paragraph 5.2.
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1. Introduction

1.1. This report covers three items: the Consolidated income and expenditure from 1 April to 31 July 2024, the additional earmarked reserve expenditure for the Dockyard solar project and the quarter one prudential indicators for 2024/25.

2. Overview of actual income and expenditure

Table 1

Actual consolidated income and expenditure by directorate to 31 July 2024

Directorate	Profiled latest available budget £	Actual income and expenditure £	Actual variance £
Income	(5,925,804)	(6,016,093)	+ 90,289
Operations	1,674,726	1,053,957	+ 620,769
Strategic Services	720,627	712,320	+ 8,307
Finance & Support Services	1,147,727	1,069,373	+ 78,354
Projects, Corporate Items and Contributions from Earmarked Reserves	(627,890)	(289,755)	- 338,135
Net (Surplus) / Deficit	(3,010,614)	(3,470,198)	+ 459,584

2.1. Core income is above the profiled budget at the end of month four. The overall position as at 31 July 2024 is a favourable variance of £459,584 or a 15.27% difference from the profiled LAB. This is principally due to:

- An overall favourable variance of £90,289 within income:
 - National Park grant is £250,000 above the profiled budget due to the additional revenue and capital funding from DEFRA confirmed after the budget was set in January.
 - Hire Craft Tolls is £98,113 below the profiled budget.
 - Private Craft Tolls is £65,212 below the profiled budget.
 - Short Visit and Other Tolls is £2,855 above the profiled budget.
 - Investment income is £759 above the profiled budget.
- An underspend within Operations relating to:

- Construction, Maintenance and Ecology salaries is £41,924 under the profiled budget due to the budgeted pay award not being agreed by the unions.
- Equipment, Vehicles and Vessels is £280,517 under the profiled budget due to delays in expenditure from the earmarked reserves. There has also been income that has been transferred to the earmarked reserves as a result of selling old equipment, this had not been budgeted for.
- Practical Maintenance is £101,472 under the profiled budget due to timing differences.
- Waterways and Recreation Strategy is £101,394 under the profiled budget due to the receipt of the Active Travel England Grant (£100,000) being awarded after the budget was set. This variance will reduce as expenditure occurs later on in the financial year.
- Ranger Services is £78,366 under the profiled budget due to the budgeted pay award not being agreed by the unions. There has also been delays in expenditure from the earmarked reserves and timing differences on the launch repairs.
- Safety is £16,240 under the profiled budget due to delays in the Head of Safety Management post being filled. The new post holder is scheduled to start in September.
- An underspend within Strategic Services relating to:
 - Development Management is £27,376 under the profiled budget due to the delays in Development Manager post being filled. The new post holder is scheduled to start in September.
 - Strategy and Projects is £65,028 above the profiled budget due to delays in Farming in Protected Landscapes grant income.
 - Communication is £12,656 under the profiled budget due to a number of small underspends across each of the budgets.
- An underspend within Finance & Support Services relating to:
 - Legal is £34,764 under the profile budget due to timing differences.
 - Asset Management is £28,086 above the profiled budget due to a timing difference on the receipt of income.
 - Premises Head Office is £39,156 under the profiled budget due to a timing difference on the refurbishment works being completed and the invoicing.
 - ICT is £21,216 under the profiled budget due to minimal spend on computer hardware and the upgrade to the tolls system, which is being funded from the earmarked reserves.

- An adverse variance within reserves relating to:
 - Plant, Vessels and Equipment is under the profiled budget due to timing differences on vehicle and equipment replacements.
 - Computer Software is under the profiled budget due to the minimal spend so far on the upgrade to the tolls system.
 - Medium Term Financial Planning is under the profiled budget due to the timing differences on Yare House.

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 2024/25. 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 2024/25 – surplus	Broads Authority 26/10/24 Agenda item number 10	(129,045)
Approved budget carry-forwards	Broads Authority 10/05/24 Agenda item number 10	27,080
LAB as at 31 July 2024	n/a	(101,965)

4. Overview of forecast outturn 2024/25

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 £
Forecast outturn surplus as per LAB	(101,965)
Increase to National Park Grant income	(500,000)
Decrease to Hire Craft Tolls	31,058

Item	Amount £
Decrease to Private Craft Tolls	87,421
Decrease to Salary costs following vacancies	(84,409)
Decrease to Practical maintenance expenditure due to postponing works at Potter Heigham & Martham	(100,000)
Increase to income for Active Travel England Grant	(100,000)
Increase to expenditure for Active Travel England Grant	100,000
Increase to Development Management Consultants to cover vacancies	26,288
Increase to National Park revenue expenditure	250,000
Increase to National Park capital expenditure	250,000
Increase to subscriptions - UK Communications Team hosted by Peaks	2,210
Forecast outturn surplus as at 31 July 2024	(139,397)

5. Reserves

- 5.1. The Property reserve contains the income from land rental at Oulton Broad. The Plant, Vessels and Equipment reserves contains the income from the sale of the old vehicles, JCBs and trailers. It has also funded two vehicles and a welfare unit. The Premises reserve has funded the final items for Reedham Quay hut replacement and the professional fees for Yare House alterations. The Heritage Lottery Fund, Catchment Project and UK Communications contains the income and expenditure relating to those projects. The Medium-Term Planning reserve has funded the additional expenditure for the reconfiguration of Yare House and External Funding & Partnership working.
- 5.2. It was originally anticipated that the Dockyard Solar project funded from the Premises reserve would have been completed in 2023/24 and a budget carry forward was not requested. For the project to progress a number of feasibility studies around the roof will be required in 2024/25. Members are asked to approve an additional £7,500 to be spent from the Premises earmarked reserves to fund this project. This additional spend will not affect the LAB.

Table 4

Consolidated earmarked reserves

Reserve name	Balance at 1 April 2024 £	In-year movements £	Current reserve balance £
Property	(1,139,087)	(796)	(1,139,883)
Plant, Vessels and Equipment	(639,561)	(35,210)	(674,771)

Reserve name	Balance at 1 April 2024 £	In-year movements £	Current reserve balance £
Premises	(431,177)	13,105	(418,072)
Planning Delivery Grant	(277,134)	0	(277,134)
Upper Thurne Enhancement	(249,820)	(20,068)	(269,888)
Heritage Lottery Fund	(12,391)	22,330	9,939
Catchment Partnership	(70,187)	(7,642)	(77,829)
Computer Software	(183,114)	9,900	(173,214)
UK Communications	(3,926)	652	(3,274)
Match Funding (EXPERIENCE)	(1,690)	0	(1,690)
Medium Term Planning	(495,024)	220,935	(274,089)
Total	(3,503,111)	203,206	(3,299,905)

6. Prudential Indicators

- 6.1. The Capital, treasury and investment strategy 2024/25, approved 15 March 2024, included the key prudential indicators necessary for an authority that has borrowing. The prudential indicators are designed to support and record local decision making in a publicly accountable manner. At the beginning of each year, estimates for the prudential indicators are set and agreed by members. In the past actual indicators were compared to the estimates once the annual accounts are produced in May each year. The updated code requires these prudential indicators to be reported quarterly and are set out in table 5 below.

Table 5

Prudential Indicators 2024/25

Prudential Indicator	Opening 01/04/24 £	Estimate 31/03/25 £	Q1 Actual £
Capital expenditure	0	1,482,000	61,609
Authorised limit for external debt	900,000	900,000	900,000
Operational Boundary	800,000	800,000	800,000
Capital Financing Requirement	92,510	693,500	81,856
Debt balance	94,008	756,743	83,354

7. Conclusion

- 7.1. The forecast position for the year suggests a surplus within the National Park and the Navigation budget. This would result in a National Park Reserve balance of approximately £791,000 and a Navigation Reserve balance of £571,000 at the end of 2024/25 (before any year-end adjustments). This would mean that both reserves would be above the recommended levels, with National Park at 20% and Navigation at 12.9%. Year-end transfers of interest to the earmarked reserves, closure of the Heritage Lottery Fund reserve and repayment of the National Park loan will mean National Park will rise to approximately 23.7% and Navigation reduce to 10.6%. This will be highly dependent on the level of interest received.

Author: Emma Krelle

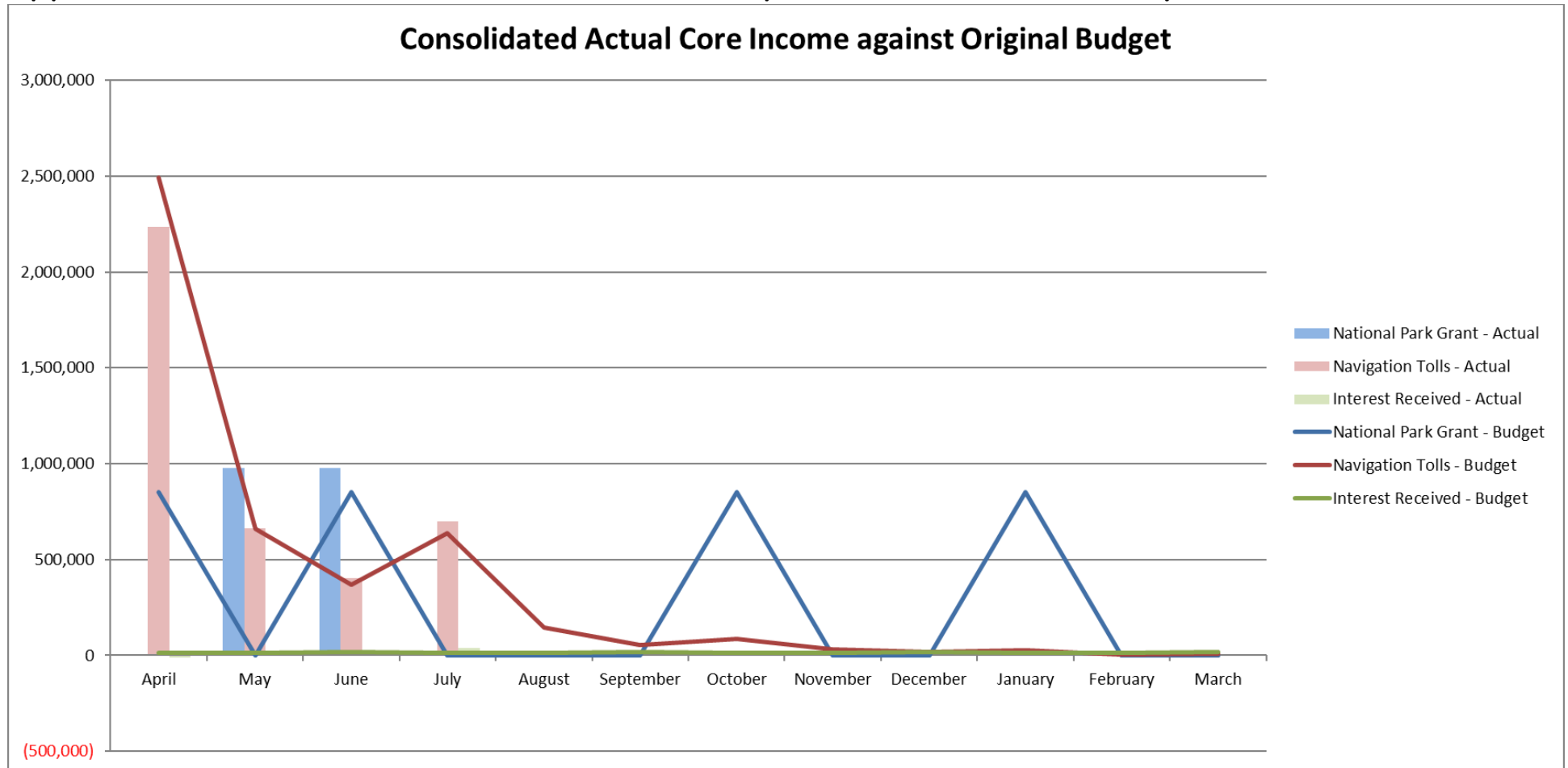
Date of report: 30 August 2024

[Broads Plan](#) strategic objectives: All

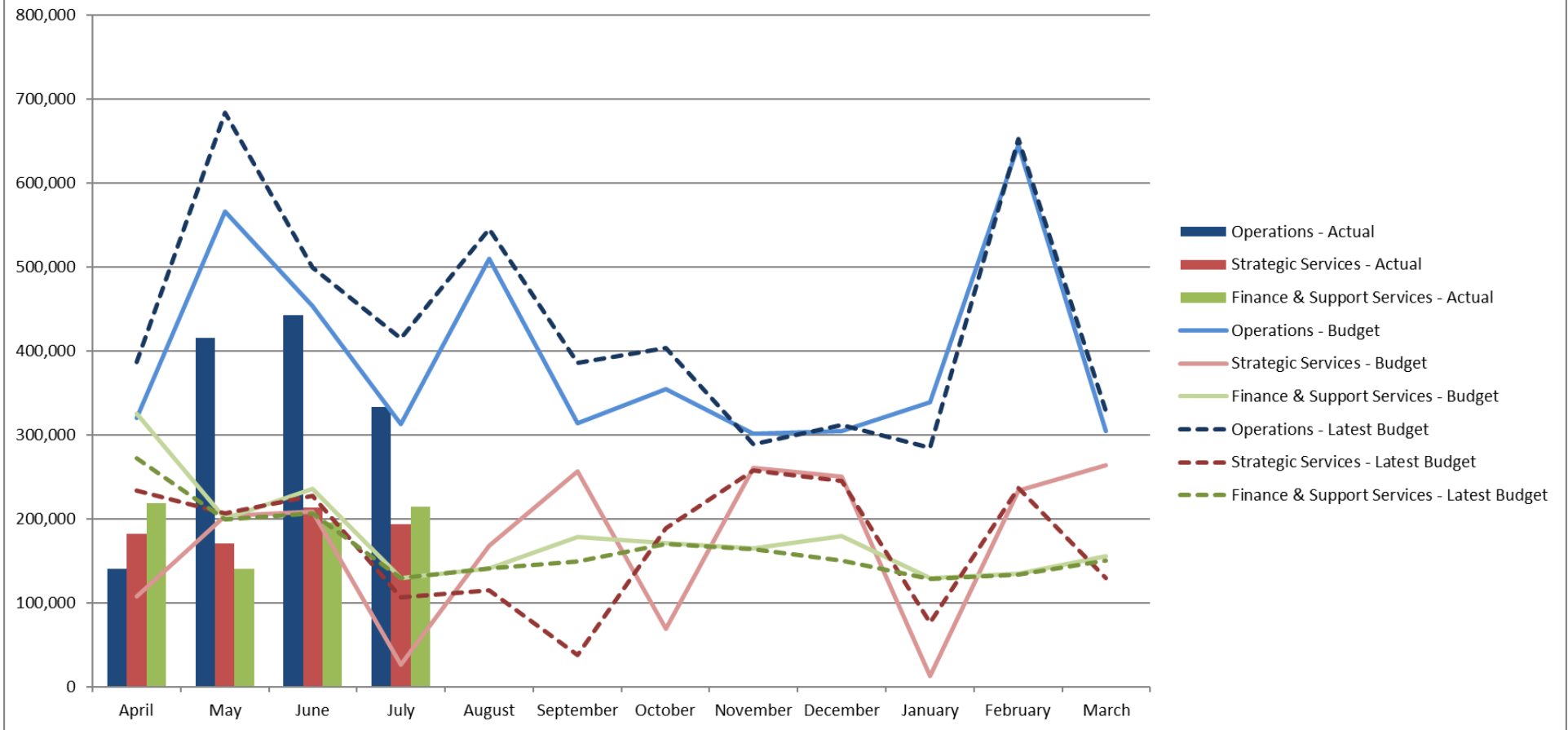
Appendix 1 – Consolidated actual income and expenditure charts to 31 July 2024

Appendix 2 – Financial monitor: Consolidated income and expenditure 2024/25

Appendix 1 – Consolidated actual income and expenditure charts to 31 July 2024



Consolidated Net Actual Expenditure against Original and Latest Budget



Appendix 2 – Financial monitor: Consolidated income and expenditure 2024/25

Table 1
Income

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast outturn variance (Consolidated) £
Total Income	(8,129,008)	0	(8,129,008)	(8,510,529)	381,521
National Park Grant	(3,414,078)	0	(3,414,078)	(3,914,078)	500,000
Hire Craft Tolls	(1,436,000)	0	(1,436,000)	(1,404,942)	-31,058
Private Craft Tolls	(3,006,000)	0	(3,006,000)	(2,918,579)	-87,421
Short Visit Tolls	(60,000)	0	(60,000)	(60,000)	0
Other Toll Income	(32,930)	0	(32,930)	(32,930)	0
Interest	(180,000)	0	(180,000)	(180,000)	0

Table 2
Operations

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast outturn variance (Consolidated) £
Total Operations	4,940,486	27,080	4,967,566	4,847,233	120,333
Construction and Maintenance Salaries	1,662,930	0	1,662,930	1,662,930	0
Salaries	1,662,930	0	1,662,930	1,662,930	0
Expenditure	0	0	0	0	0
Equipment, Vehicles & Vessels	615,400	0	615,400	615,400	0
Income	(1,200)	0	(1,200)	(1,200)	0
Expenditure	616,600	0	616,600	616,600	0
Water Management	80,500	0	80,500	80,500	0
Expenditure	80,500	0	80,500	80,500	0
Land Management	(20,885)	0	(20,885)	(20,885)	0
Income	(78,235)	0	(78,235)	(78,235)	0
Expenditure	57,350	0	57,350	57,350	0
Practical Maintenance	693,965	27,080	721,045	621,045	100,000
Income	(26,425)	(38,025)	(64,450)	(64,450)	0
Expenditure	720,390	65,105	785,495	685,495	100,000
Waterways and Recreation Strategy	56,660	0	56,660	56,660	0

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast outturn variance (Consolidated) £
Income	(82,851)	0	(82,851)	(182,851)	100,000
Salaries	50,260	0	50,260	50,260	0
Expenditure	89,251	0	89,251	189,251	-100,000
Ranger Services	1,423,906	0	1,423,906	1,423,906	0
Income	0	0	0	0	0
Salaries	1,053,156	0	1,053,156	1,053,156	0
Expenditure	370,500	0	370,500	370,500	0
Pension Payments	250	0	250	250	0
Safety	147,170	0	147,170	126,837	20,333
Income	(500)	0	(500)	(500)	0
Salaries	92,170	0	92,170	71,837	20,333
Expenditure	55,500	0	55,500	55,500	0
Premises	123,920	0	123,920	123,920	0
Income	(2,600)	0	(2,600)	(2,600)	0
Expenditure	126,520	0	126,520	126,520	0
Operations Management and Administration	156,920	0	156,920	156,920	0
Salaries	150,820	0	150,820	150,820	0

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast outturn variance (Consolidated) £
Expenditure	6,100	0	6,100	6,100	0
Project Funding	0	0	0	0	0
Expenditure	0	0	0	0	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	1,937,140	0	1,937,140	1,915,543	21,598
Development Management	488,080	0	488,080	479,543	8,538
Income	(90,500)	0	(90,500)	(90,500)	0
Salaries	514,580	0	514,580	479,755	34,825
Expenditure	64,000	0	64,000	90,288	-26,288
Pension Payments	0	0	0	0	0
Strategy and Projects Salaries	323,370	0	323,370	323,370	0
Income	(711,758)	0	(711,758)	(711,758)	0
Salaries	370,740	0	370,740	370,740	0
Expenditure	664,388	0	664,388	664,388	0
Biodiversity Strategy	8,520	0	8,520	8,520	0
Income	0	0	0	0	0
Expenditure	8,520	0	8,520	8,520	0
Human Resources	175,850	0	175,850	175,850	0
income	0	0	0	0	0
Salaries	107,750	0	107,750	107,750	0

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Expenditure	68,100	0	68,100	68,100	0
Volunteers	83,620	0	83,620	70,560	13,060
Salaries	67,120	0	67,120	54,060	13,060
Expenditure	16,500	0	16,500	16,500	0
Communications	381,460	0	381,460	381,460	0
Income	(250)	0	(250)	(250)	0
Salaries	312,660	0	312,660	312,660	0
Expenditure	69,050	0	69,050	69,050	0
Visitor Centres and Yacht Stations	336,160	0	336,160	336,160	0
Income	(251,000)	0	(251,000)	(251,000)	0
Salaries	459,840	0	459,840	459,840	0
Expenditure	127,320	0	127,320	127,320	0
Strategic Services Management and Administration	140,080	0	140,080	140,080	0
Salaries	135,680	0	135,680	135,680	0
Expenditure	4,400	0	4,400	4,400	0
Strategy and Projects	0	0	0	0	0
Expenditure	0	0	0	0	0

Table 4

Finance & Support Services

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Total Finance & Support Services	2,143,815	283,889	2,427,704	2,913,724	-486,020
National Park Grant	0	0	0	500,000	-500,000
Expenditure	0	0	0	500,000	-500,000
Legal	145,000	0	145,000	145,000	0
Income	(5,000)	0	(5,000)	(5,000)	0
Expenditure	150,000	0	150,000	150,000	0
Governance	261,710	0	261,710	263,920	-2,210
Salaries	201,710	0	201,710	201,710	0
Expenditure	60,000	0	60,000	62,210	-2,210
Chief Executive	135,700	0	135,700	135,700	0
Salaries	134,700	0	134,700	134,700	0
Expenditure	1,000	0	1,000	1,000	0
Asset Management	130,090	0	130,090	124,050	6,040
Income	(25,300)	0	(25,300)	(25,300)	0
Salaries	56,590	0	56,590	50,550	6,040
Expenditure	98,800	0	98,800	98,800	0

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Premises – Head Office	148,000	283,889	431,889	431,889	0
Income	0	0	0	0	0
Expenditure	148,000	283,889	431,889	431,889	0
Finance and Insurance	578,070	0	578,070	567,920	10,150
Salaries	285,300	0	285,300	275,150	10,150
Expenditure	292,770	0	292,770	292,770	0
Collection of Tolls	228,380	0	228,380	228,380	0
Salaries	215,880	0	215,880	215,880	0
Expenditure	12,500	0	12,500	12,500	0
ICT	516,865	0	516,865	516,865	0
Income	0	0	0	0	0
Salaries	249,480	0	249,480	249,480	0
Expenditure	267,385	0	267,385	267,385	0

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	(83,175)	0	(83,175)	(83,175)	0
Partnerships / HLF	(91,875)	0	(91,875)	(91,875)	0
Income	(121,875)	0	(121,875)	(121,875)	0
Salaries	11,010	0	11,010	11,010	0
Expenditure	18,990	0	18,990	18,990	0
Corporate Items	8,700	0	8,700	8,700	0
Expenditure	8,700	0	8,700	8,700	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	(938,303)	(283,889)	(1,222,192)	(1,222,192)	0
Earmarked Reserves	(938,303)	(283,889)	(1,222,192)	(1,222,192)	0
Expenditure	(938,303)	(283,889)	(1,222,192)	(1,222,192)	0

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	(129,045)	27,080	(101,965)	(139,397)	37,432