

Proposed Revised Monitoring Format for 2013/14
Report by Head of Finance

Summary: This report sets out proposals for a revision to the format of the Authority's financial monitoring, to be applied for the 2013/14 financial year.

Recommendation: That the proposed revised monitoring format for 2013/14 be considered for recommendation to the Authority.

1 Introduction

- 1.1 The Authority's current monitoring format incorporates reporting of both actual figures against a profiled budget alongside a forecast outturn position for the year. This format does not support effective budget management in that it does not allow for the straightforward operation of a formal budget virement system, and it risks diverting attention from the overall forecast position by encouraging a focus on potentially outdated actual figures.
- 1.2 The proposals in this report set out how amendments to the Authority's monitoring format would allow for a greater strategic focus by the Authority supported by increased clarity in the financial information presented.

2 Proposed Changes to Financial Monitoring Format for 2013/14

- 2.1 It is proposed that the financial monitoring format for 2013/14 should provide a stronger focus on the forecast outturn position for the Authority. This is intended to afford Members a better picture of the Authority's overall position and support them more effectively in their long-term, strategic decision-making role.
- 2.2 Appendix 1 to this report sets out the proposed format of the main monitoring report to be used in 2013/14. This would include details of the Original Budget for the year along with approved budget changes (carry-forwards, virements and other adjustments) to arrive at a "Latest Approved Budget." The Latest Approved Budget is then compared with a Forecast Outturn to provide projected year-end variance figures.
- 2.3 It is recognised that Members will wish to retain visibility of actual expenditure figures, and the proposed mechanism for this is set out in Appendix 2, although it is emphasised that this not intended to be the focus of the report in future. The appendix illustrates a graphical format for reporting an overview of

actual expenditure compared to both the profiled Original Budget and Latest Approved Budget.

- 2.4 Please note that the figures in both the appendices are for illustrative purposes only.
- 2.5 To supplement the information shown in the Appendices to this report, it is suggested that the regular monitoring reports should additionally include the information set out in section 3 below.

2 Format of Financial Monitoring Report

- 2.1 It is proposed that the revised reporting for 2013/14 would include the following information:
- the detailed forecast outturn table (Appendix 1 to this report);
 - a narrative / summary table of agreed budget changes and virement requests for approval;
 - a summary commentary of significant variances (+/- £10,000) between the Latest Approved Budget and Forecast Outturn (cross-referenced to Appendix 1);
 - a summary of significant movements (+/- £10,000) in the Forecast Outturn since the previous monitor report; and
 - a summary chart of actual expenditure compared to the profiled Original Budget and profiled Latest Approved Budget (Appendix 2).

3 Summary

- 3.1 The changes to the monitoring format proposed in this report are intended to enable a number of improvements in the financial reporting to Members. These include:
- a greater strategic and forward-looking focus in the information presented, to support Member decision-making around medium term financial planning;
 - more clarity in the commentary information provided, by concentrating on forecast outturn variances only;
 - the full and effective implementation of the virement process set out in the Authority's Financial Regulations, whereby budgets can be transferred with Director and Chief Executive approval up to £20,000 (within Directorate budget headings) and the establishment of a mechanism for seeking Authority approval above these limits;
 - 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 not being accurately reflected in variance figures through the use of a Latest Approved Budget; and
 - a high-level overview of the actual expenditure position for Members, which can be more easily interpreted.

- 3.2 It is proposed that this format of reporting should be similarly applied to Navigation Income and Expenditure reporting, providing consistency in financial reporting to all Members and Committees. The format for Navigation reporting would therefore be identical to that provided for the full Authority and shown in the appendices to this report.
- 3.3 For clarity, it is anticipated that the Navigation Income and Expenditure report would continue to be a stand-alone report to the Committee, while within Broads Authority papers the financial reporting would continue to be consolidated within the Financial Performance and Direction report.

Background papers: None

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Broads Plan Objectives: None

Appendices: APPENDIX 1 – Sample Monitoring Format for 2013/14
APPENDIX 2 – Sample Actual Expenditure Charts

Committee					
Budget Heading	Original Budget	Total Adjustments	Latest Approved Budget	Forecast Outturn	Forecast Variance (Favourable) / Adverse
INCOME					
National Park Grant	(3,547,447)	0	(3,547,447)	(3,547,447)	0
<i>Navigation Charges</i>					
Hire Craft Tolls	(1,092,830)	0	(1,092,830)	(1,092,830)	0
Private Craft Tolls	(1,758,210)	0	(1,758,210)	(1,758,210)	0
Short Visit Tolls	(36,694)	0	(36,694)	(36,694)	0
Other Toll Income	(18,750)	0	(18,750)	(18,750)	0
Interest Received	(45,000)	0	(45,000)	(45,000)	0
INCOME TOTAL	(6,498,931)	0	(6,498,931)	(6,498,931)	0
EXPENDITURE					
OPERATIONS					
Construction and Maintenance Salaries	1,056,460	0	1,056,460	1,056,460	0
Vehicles, Vessels and Equipment	334,000	0	334,000	334,000	0
Vehicles, Vessels and Equipment (Income)	(1,000)	0	(1,000)	(1,000)	0
Water Management	96,000	4,628	100,628	100,628	0
Land Management	90,500	7,618	98,118	98,118	0
Land Management (Income)	(135,000)	0	(135,000)	(135,000)	0
Practical Maintenance	289,200	123,000	412,200	412,200	0
Practical Maintenance (Income)	(2,000)	0	(2,000)	(2,000)	0
Ranger Salaries	533,120	0	533,120	533,120	0
Ranger Services	147,000	0	147,000	147,000	0
Ranger Services (Income)	(61,500)	0	(61,500)	(61,500)	0
Safety	104,440	0	104,440	104,440	0
Safety (Income)	(5,000)	0	(5,000)	(5,000)	0
Asset Management	99,940	0	99,940	99,940	0
Asset Management (Income)	(9,000)	0	(9,000)	(9,000)	0
Volunteers	54,440	0	54,440	54,440	0
Volunteers (Income)	(1,000)	0	(1,000)	(1,000)	0
Operations Management and Admin	130,485	0	130,485	130,485	0
Operations Gross Expenditure	2,935,585	135,246	3,070,831	3,070,831	0
Operations Income	(214,500)	0	(214,500)	(214,500)	0
OPERATIONS TOTAL	2,721,085	135,246	2,856,331	2,856,331	0

Committee					
Budget Heading	Original Budget	Total Adjustments	Latest Approved Budget	Forecast Outturn	Forecast Variance (Favourable) / Adverse
PLANNING AND RESOURCES					
Development Management	279,770	0	279,770	279,770	0
Development Management (Income)	(85,000)	0	(85,000)	(85,000)	0
Strategy and Projects Salaries	377,780	50,849	428,629	428,629	0
Biodiversity Strategy	60,000	0	60,000	60,000	0
Strategy and Projects	50,000	0	50,000	50,000	0
Strategy and Projects (Income)	(3,500)	0	(3,500)	(3,500)	0
Waterways & Recreation Strategy	15,000	0	15,000	15,000	0
Project Funding	230,026	41,357	296,638	296,638	0
Project Funding (Income)	(19,000)	0	(19,000)	(19,000)	0
Sustainable Development Fund	150,000	0	150,000	150,000	0
Finance & Insurance	329,060	0	329,060	329,060	0
Communications	335,510	0	335,510	335,510	0
Visitor Centres	449,300	0	449,300	449,300	0
Visitor Centres (Income)	(207,500)	0	(207,500)	(207,500)	0
Collection of Tolls	108,500	0	108,500	108,500	0
ICT	276,890	0	276,890	276,890	0
Legal	102,500	0	102,500	102,500	0
Premises	443,808	0	443,808	443,808	0
Premises (Income)	(5,000)	0	(5,000)	(5,000)	0
Planning & Resources Management & Admin	265,472	0	265,472	265,472	0
Planning and Resources Gross Expenditure	3,473,616	92,206	3,591,077	3,591,077	0
Planning and Resources Income	(320,000)	0	(320,000)	(320,000)	0
PLANNING AND RESOURCES TOTAL	3,153,616	92,206	3,271,077	3,271,077	0
CHIEF EXECUTIVE					
Human Resources	128,560	0	128,560	128,560	0
Governance	171,260	0	171,260	171,260	0
Chief Executive	100,397	0	100,397	100,397	0
CHIEF EXECUTIVE TOTAL	400,217	0	400,217	400,217	0

Committee					
Budget Heading	Original Budget	Total Adjustments	Latest Approved Budget	Forecast Outturn	Forecast Variance (Favourable) / Adverse
PROJECTS AND CORPORATE ITEMS					
Lump Sum Pension Payment	73,000	0	73,000	73,000	0
STEP	0	0	0	0	0
PRISMA	32,440	0	32,440	32,440	0
PRISMA (Income)	0	0	0	0	0
Projects and Corporate Items Gross Expenditure	105,440	0	105,440	105,440	0
Projects and Corporate Items Income	0	0	0	0	0
PROJECTS AND CORPORATE ITEMS TOTAL	105,440	0	105,440	105,440	0
CONTRIBUTIONS FROM EARMARKED RESERVES					
Property Reserve (including Mutford Lock Endowment)					
Plant, Vessels and Equipment Reserve					
Premises Reserve					
Planning Delivery Grant					
Sustainable Development					
Mobile Phone					
Section 106 Agreements					
PRISMA					
STEP					
CONTRIBUTIONS FROM EARMARKED RESERVES TOTAL	0	0	0	0	0
TOTAL GROSS EXPENDITURE	6,914,858	227,452	7,167,564	7,167,564	0
TOTAL DIRECTORATE INCOME	(534,500)	0	(534,500)	(534,500)	0
TOTAL NET EXPENDITURE	6,380,358	227,452	6,633,064	6,633,064	0
	0	0	0	0	0
TOTAL CORE INCOME	(6,498,931)	0	(6,498,931)	(6,498,931)	0
(SURPLUS) / DEFICIT FOR THE YEAR	(118,573)	227,452	134,133	134,133	0

	Balance as at 31 March	Transfers in	Transfers out	Balance as at now
EARMARKED RESERVE MOVEMENTS				
Property Reserve (including Mutford Lock Endowment)	(502,174)			(502,174)
Plant, Vessels and Equipment Reserve	(288,696)			(288,696)
Premises Reserve	(108,556)			(108,556)
Planning Delivery Grant	(504,241)			(504,241)
Sustainable Development	(64,644)			(64,644)
Mobile Phone	(14,919)			(14,919)
Section 106 Agreements	(8,426)			(8,426)
PRISMA	(210,246)			(210,246)
STEP	(65,720)			(65,720)
TOTAL	(1,767,623)	0	0	(1,767,623)



