

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.

Recommendations:

- (i) That the income and expenditure figures be noted.
- (ii) That the additional expenditure from the Planning Delivery Grant (PDG) reserve set out in paragraph 6.1, totalling £5,000, be approved.

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 30 September 2015

	Profiled Latest Available Budget	Actual Income and Expenditure	Actual Variance
Income	(4,532,547)	(4,513,123)	- 19,424
Operations	1,991,532	1,846,594	+ 144,938
Planning and Resources	1,440,095	1,277,045	+ 163,050
Chief Executive	220,520	216,408	+ 4,112
Projects, Corporate Items and Contributions from Earmarked Reserves	(315,970)	(133,458)	- 182,512
Net (Surplus) / Deficit	(1,196,369)	(1,306,534)	+ 110,164

- 2.1 Core navigation income is behind of the profiled budget at the end of month six. The overall position as at 30 September 2015 is a favourable variance of £110,164 or 9.21% difference from the profiled LAB. This is principally due to:

- An overall adverse variance of £19,424 within toll income:
 - Hire Craft Tolls £23,531 below the profiled budget.
 - Private Craft Tolls £8,469 above the profiled budget.
- A favourable variance within Operations budgets relating to:

- Construction and Maintenance salaries is under the profiled budget by £10,181 due to staff vacancies.
- Equipment, Vehicle and Vessels is under the profiled budget by £54,981 due to timing differences between the profiled budget and actual receipt of the 3rd Wherry invoices and the additional income from the Dockyard sale.
- Water Management is under the profiled budget by £21,693 due to timing differences between the profiled budget and actual receipt of invoices.
- Land Management is above the profiled budget by £25,308 due to the change in payment schedule of the HLS income.
- Practical Maintenance is under the profiled budget by £17,996 due to a number of small variances within each cost centres totalling £17,996.
- Ranger Services is under profiled budget by £42,081 due to delayed letting of the new launch contract following changes in the procurement regulations.
- Premises are under profiled budget by £12,858 due to a number of smaller variances.
- A favourable variance within Planning and Resources budgets relating to:
 - Development Management is under profiled budget by £45,471 due to additional income being received for Section 106 agreements.
 - Project Funding is under profiled budget by £13,539 due to timing differences on the receipt of income and expenditure.
 - Visitor Centres and Yacht Stations is under profiled budget by £26,701 due to variances within income, salaries and expenditure.
 - ICT is under profiled budget by £16,831 due to delays on the infrastructure and DMS project.
 - Head Office is under budget by £43,829 due to timing difference between the profile budget and actual receipt of the rent invoice.
- An adverse variance within Projects, Corporate Items and Contributions from Earmarked reserves. This relates entirely to expenditure from Earmarked reserves:
 - Planning Delivery Grant reserve is behind profile by £18,720 due to the delayed DMS expenditure.
 - Property reserve is behind profiled expenditure by £31,101 due to the delayed completion on the land purchase at Acle (sale completed 3/11/15).
 - Plant, Vessels and Equipment reserve is behind profiled expenditure due to delayed billing for the 3rd Wherry and the delayed letting of the launch tender. An overall variance of £101,494.
 - The Section 106 agreement reserve did not have a budget set as it is difficult to predict when these agreements will arise, this has resulted in a variance of £31,666.

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 2015/16. 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 2015/16 – surplus	Item 12 23/01/15 (BA)	(139,421)
Approved budget carry-forwards	10/07/15 Item 11 (BA)	54,337
Additional Budget for Hickling	25/09/15 Item 8 & 13 (BA)	21,000
LAB at 30 September 2015 – surplus		(64,084)

- 3.2 Taking account of the budget adjustments, the LAB therefore provides for a consolidated surplus of £64,084 in 2015/16 as at 30 September 2015.

4 Overview of Forecast Outturn 2015/16

- 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 September 2015, the forecast outturn indicates:
- The total forecast income is £6,206,038, or £34,594 behind the LAB.
 - Total expenditure is forecast to be £6,188,919.
 - The resulting surplus for the year is forecast to be £17,119.
- 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 adverse variance of £46,965 against the LAB.

Table 3 – Adjustments to Forecast Outturn

Item	£
Forecast outturn surplus per LAB	(64,084)
Adjustments to forecast outturn reported 25/09/15	37,605

Decrease in Private Craft Income for month 6 actuals	3,443
Increase in Hire Craft Income for month 6 actuals	(1,321)
Increase in Planning income for New Homes Bonus and Generation Park	(12,762)
Increase in Legal expenditure for JR and High Court Appeal	20,000
Forecast outturn surplus as at 30 September 2015	(17,119)

- 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, which are based on the latest actual income figures and show a net overall decrease of £34,594 in forecast toll and interest income for the year.

5 Reserves

Table 4 – Consolidated Earmarked Reserves

	Balance at 1 April 2015	In-year movements	Current reserve balance
	£	£	£
Property	(586,757)	93,769	(492,988)
Plant, Vessels and Equipment	(240,790)	63,406	(177,384)
Premises	(169,930)	(15,000)	(184,930)
Planning Delivery Grant	(353,676)	28,980	(324,696)
Mobile Phone Upgrade	(469)	469	-
Upper Thurne Enhancement	(53,285)	-	(53,285)
Section 106	(16,652)	(31,666)	(48,318)
PRISMA	(171,869)	14,899	(156,970)
Total	(1,593,427)	154,857	(1,438,570)

- 5.1 £809,838 of the current reserve balance relates to navigation reserves.

6 Thorpe Island Court Costs

- 6.1 Following on from the Court of Appeal decision to refuse the appeal against the High Court Case the Authority is now in a position to pursue an injunction (following the resolutions of the Planning Committee in August 2015 and October 2015). This is not without costs and these are estimated to be in the region of £20,000. It has been proposed that this will be funded from the Planning Delivery Grant Reserve. In addition, following the Authority's decision in July to approve additional funds from the Planning Delivery Grant reserve for the Habitats Regulation Assessment (Item 11, section 5.4) there have been savings made from the tender process meaning that the original £30,000 allocated will not be fully spent, offering a saving of £15,000. This

means only an additional £5,000 would be required from the reserve for the Thorpe Island costs. This would indicate a reserve balance of £200,176 at 31/03/2016.

7 Summary

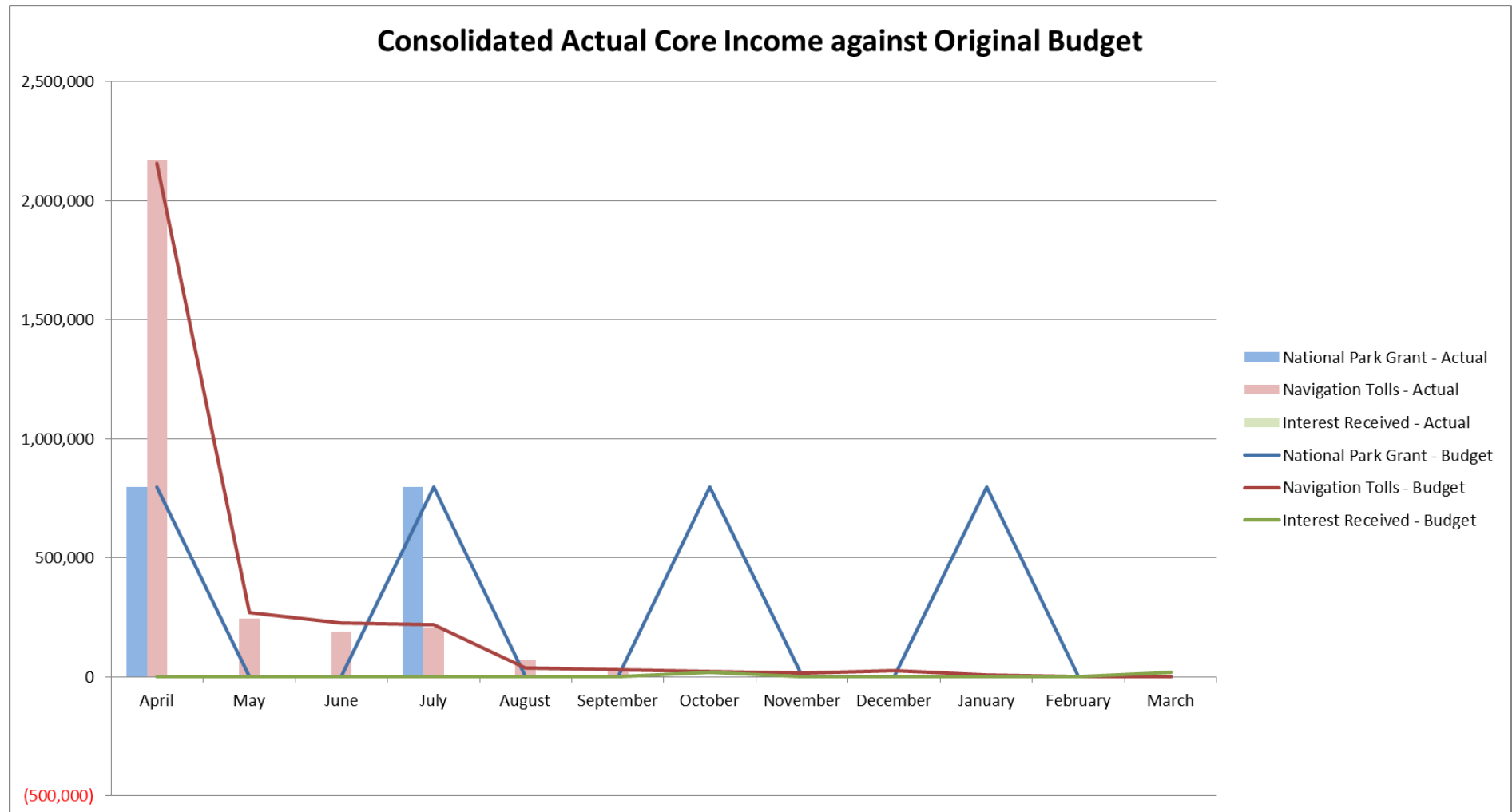
- 7.1 The current forecast outturn position for the year suggests a surplus of £28,637 for the national park side and a deficit of £11,518 on navigation resulting in an overall surplus of £17,119 within the consolidated budget, which would indicate a general fund reserve balance before year-end adjustments of approximately £982,094 and a navigation reserve balance of approximately £268,620 at the end of 2015/16. This will mean that the predicted navigation reserve at the end of 2015/16 will fall below the recommended level of 10% of net expenditure to 8.9%.

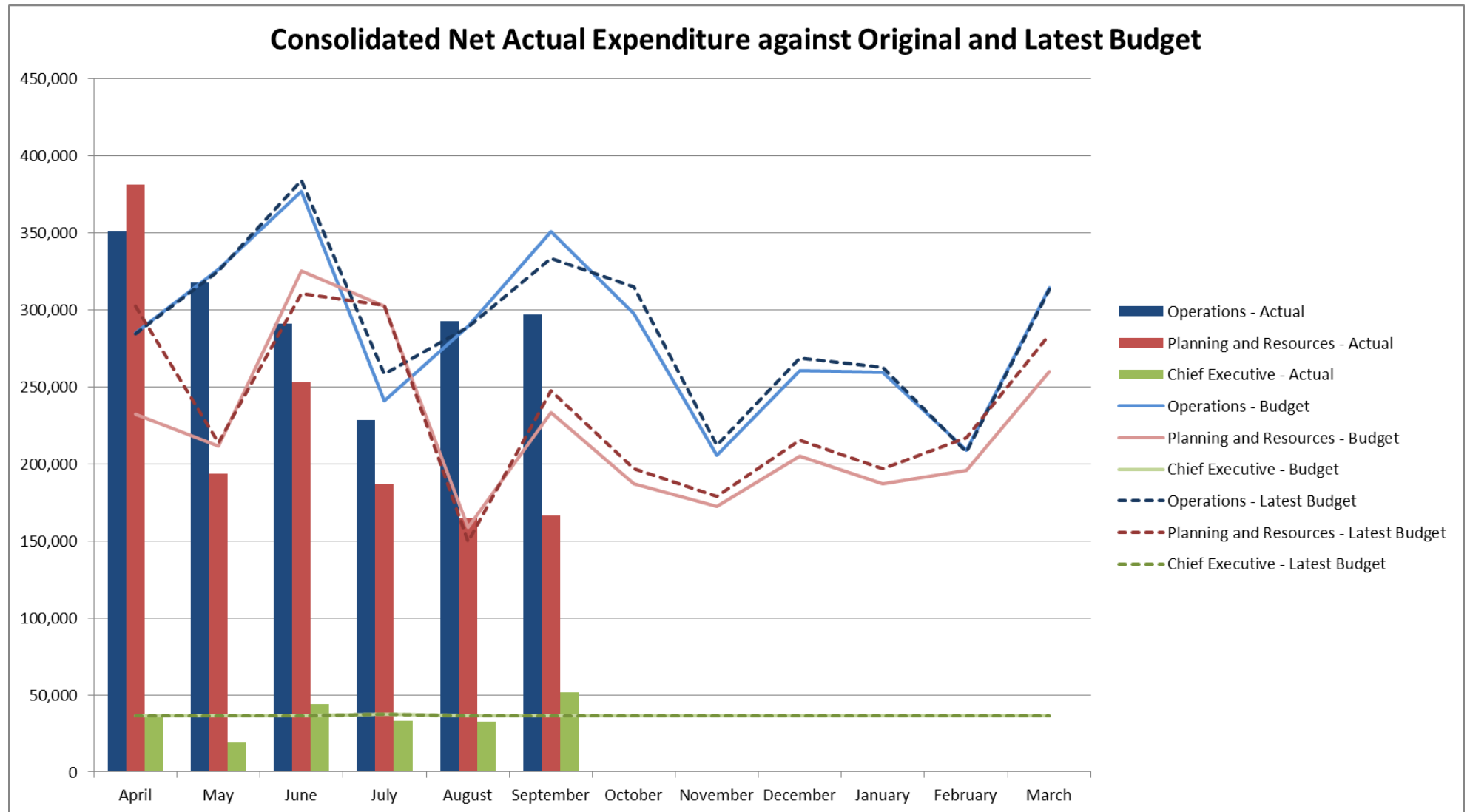
Background papers: None

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Date of report: 3 November 2015

Broads Plan Objectives: None

Appendices: APPENDIX 1 – Consolidated Actual Income and Expenditure Charts to 30 September 2015
APPENDIX 2: Financial Monitor: Consolidated Income and Expenditure 2015/16





To 30 September 2015

Budget Holder

(All)

Row Labels	Values				
	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Income	(6,240,632)		(6,240,632)	(6,206,038)	- 34,594
National Park Grant	(3,188,952)		(3,188,952)	(3,188,952)	+ 0
Income	(3,188,952)		(3,188,952)	(3,188,952)	+ 0
Hire Craft Tolls	(1,090,525)		(1,090,525)	(1,068,689)	- 21,836
Income	(1,090,525)		(1,090,525)	(1,068,689)	- 21,836
Private Craft Tolls	(1,869,042)		(1,869,042)	(1,871,284)	+ 2,242
Income	(1,869,042)		(1,869,042)	(1,871,284)	+ 2,242
Short Visit Tolls	(38,363)		(38,363)	(38,363)	+ 0
Income	(38,363)		(38,363)	(38,363)	+ 0
Other Toll Income	(18,750)		(18,750)	(18,750)	+ 0
Income	(18,750)		(18,750)	(18,750)	+ 0
Interest	(35,000)		(35,000)	(20,000)	- 15,000
Income	(35,000)		(35,000)	(20,000)	- 15,000
Operations	3,576,751	108,220	3,684,971	3,684,971	+ 0
Construction and Maintenance Salaries	1,088,740		1,088,740	1,088,740	+ 0
Salaries	1,088,740		1,088,740	1,088,740	+ 0
Expenditure			0		+ 0
Equipment, Vehicles & Vessels	631,500	2,300	633,800	633,800	+ 0
Income			0		+ 0
Expenditure	631,500	2,300	633,800	633,800	+ 0
Water Management	172,500	18,700	191,200	191,200	+ 0
Income			0		0
Expenditure	172,500	18,700	191,200	191,200	+ 0
Land Management	(33,500)		(33,500)	(33,500)	+ 0
Income	(90,000)		(90,000)	(90,000)	+ 0
Expenditure	56,500		56,500	56,500	+ 0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Practical Maintenance	459,200	87,220	546,420	546,420	+ 0
Income	(7,000)		(7,000)	(7,000)	+ 0
Expenditure	466,200	87,220	553,420	553,420	+ 0
Ranger Services	736,910		736,910	736,910	+ 0
Income	(35,000)		(35,000)	(35,000)	+ 0
Salaries	578,910		578,910	578,910	+ 0
Expenditure	193,000		193,000	193,000	+ 0
Pension Payments			0		+ 0
Safety	82,918		82,918	82,918	+ 0
Income	(9,000)		(9,000)	(9,000)	+ 0
Salaries	57,918		57,918	57,918	+ 0
Expenditure	34,000		34,000	34,000	+ 0
Asset Management	108,780		108,780	108,780	+ 0
Income	(1,000)		(1,000)	(1,000)	+ 0
Salaries	39,030		39,030	39,030	+ 0
Expenditure	70,750		70,750	70,750	+ 0
Volunteers	64,670		64,670	64,670	+ 0
Income	(1,000)		(1,000)	(1,000)	+ 0
Salaries	43,670		43,670	43,670	+ 0
Expenditure	22,000		22,000	22,000	+ 0
Premises	137,503		137,503	137,503	+ 0
Income	(10,667)		(10,667)	(10,667)	+ 0
Expenditure	148,170		148,170	148,170	+ 0
Operations Management and Administration	127,530		127,530	127,530	+ 0
Income			0		0
Salaries	115,030		115,030	115,030	+ 0
Expenditure	12,500		12,500	12,500	+ 0
Planning and Resources	2,508,920	162,337	2,671,257	2,663,628	+ 7,629
Development Management	241,882		241,882	229,120	+ 12,762
Income	(60,000)		(60,000)	(72,762)	+ 12,762
Salaries	276,882		276,882	276,882	+ 0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Expenditure	25,000		25,000	25,000	+ 0
Pension Payments			0		+ 0
Strategy and Projects Salaries	194,380	81,000	275,380	275,380	+ 0
Income	(32,500)	18,000	(14,500)	(14,500)	+ 0
Salaries	204,880	0	204,880	204,880	+ 0
Expenditure	22,000	63,000	85,000	85,000	+ 0
Biodiversity Strategy	0	2,300	2,300	2,300	+ 0
Income	(10,000)		(10,000)	(10,000)	+ 0
Expenditure	10,000	2,300	12,300	12,300	+ 0
Strategy and Projects	69,780	19,037	88,817	88,817	+ 0
Income	0	(18,000)	(18,000)	(18,000)	0
Salaries	36,280	22,037	58,317	58,317	+ 0
Expenditure	33,500	15,000	48,500	48,500	+ 0
Waterways and Recreation Strategy	77,820		77,820	82,953	- 5,133
Salaries	68,320		68,320	68,320	+ 0
Expenditure	9,500		9,500	14,633	- 5,133
Project Funding	147,060		147,060	147,060	+ 0
Income	(19,000)		(19,000)	(19,000)	+ 0
Salaries	41,560		41,560	41,560	+ 0
Expenditure	124,500		124,500	124,500	+ 0
Pension Payments			0		+ 0
Partnerships / HLF	50,000		50,000	50,000	+ 0
Expenditure	50,000		50,000	50,000	+ 0
Finance and Insurance	330,920		330,920	330,920	+ 0
Income			0		0
Salaries	130,920		130,920	130,920	+ 0
Expenditure	200,000		200,000	200,000	+ 0
Communications	259,830	30,000	289,830	289,830	+ 0
Income			0		+ 0
Salaries	187,830		187,830	187,830	+ 0
Expenditure	72,000	30,000	102,000	102,000	+ 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	238,020		238,020	238,020	+ 0
Income	(218,000)		(218,000)	(218,000)	+ 0
Salaries	326,520		326,520	326,520	+ 0
Expenditure	129,500		129,500	129,500	+ 0
Collection of Tolls	116,740		116,740	116,740	+ 0
Salaries	104,040		104,040	104,040	+ 0
Expenditure	12,700		12,700	12,700	+ 0
ICT	289,380	30,000	319,380	319,380	+ 0
Salaries	132,680		132,680	132,680	+ 0
Expenditure	156,700	30,000	186,700	186,700	+ 0
Premises - Head Office	254,548		254,548	254,548	+ 0
Expenditure	254,548		254,548	254,548	+ 0
Planning and Resources Management and Administration	238,560		238,560	238,560	+ 0
Income			0		+ 0
Salaries	128,360		128,360	128,360	+ 0
Expenditure	110,200		110,200	110,200	+ 0
Chief Executive	440,040		440,040	460,040	- 20,000
Human Resources	111,530		111,530	111,530	+ 0
Income			0		+ 0
Salaries	52,030		52,030	52,030	+ 0
Expenditure	59,500		59,500	59,500	+ 0
Legal	107,260		107,260	127,260	(20,000)
Income			0		0
Salaries	47,260		47,260	47,260	0
Expenditure	60,000		60,000	80,000	(20,000)
Governance	119,790		119,790	119,790	+ 0
Salaries	65,590		65,590	65,590	+ 0
Expenditure	54,200		54,200	54,200	+ 0
Chief Executive	101,460		101,460	101,460	+ 0
Salaries	101,460		101,460	101,460	+ 0
Expenditure			0		+ 0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Projects and Corporate Items	112,000		112,000	112,000	+ 0
PRISMA			0		+ 0
Expenditure			0		+ 0
Corporate Items	112,000		112,000	112,000	+ 0
Pension Payments	112,000		112,000	112,000	+ 0
Contributions from Earmarked Reserves	(536,500)	(195,220)	(731,720)	(731,720)	+ 0
Earmarked Reserves	(536,500)	(195,220)	(731,720)	(731,720)	+ 0
Expenditure	(536,500)	(195,220)	(731,720)	(731,720)	+ 0
Grand Total	(139,421)	75,337	(64,084)	(17,119)	- 46,965