

Financial Performance and Direction
Report by Chief Financial Officer

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

Recommendation:

Section 2-7

- (i) That the income and expenditure figures and the draft year end position and timetable be noted.

Section 8

- (ii) That the recommended carry forward requests in 8.2 be approved and added to the 2019/20 budget as additional expenditure.

1. Introduction

- 1.1 This report covers two items, the Consolidated Income and Expenditure from 1 April 2018 – 31 March 2019 and the recommended carry forward requests.

2. Overview of Actual Income and Expenditure

Table 1 – Actual Consolidated I&E by Directorate to 31 March 2019

	Profiled Latest Available Budget	Actual Income and Expenditure	Actual Variance
Income	(6,702,148)	(6,752,696)	+ 50,548
Operations	3,525,640	3,483,886	+ 41,754
Strategic Services	2,209,178	2,095,527	+ 113,651
Chief Executive	1,076,443	1,066,872	+ 9,571
Projects, Corporate Items and Contributions from Earmarked Reserves	(35,125)	21,651	- 56,776
Net (Surplus) / Deficit	73,988	(84,760)	+ 158,748

- 2.1 Navigation toll income and interest is above the profiled budget at the end of month twelve. The overall position as at 31 March 2019 is a favourable variance of £158,748 or 214.56% difference from the profiled LAB. This is principally due to:

- An overall favourable variance of £50,548 within income:

- Hire Craft Tolls is £10,558 above budget.
- Private Craft Tolls is £12,206 above budget.
- Short Visit Tolls is £1,575 above budget.
- Other Toll Income is £4,156 above budget.
- Interest Income is £22,053 above budget
- A favourable variance within Operations budgets relating to:
 - Construction and Maintenance Salaries is under budget by £22,096 due to a vacancy at the beginning of this year.
 - Water Management is under budget by £14,246 due to anticipated contractor work in March not being completed.
 - Land Management is over budget by £15,991 due the Rural Payment Agency reducing our Basic Payment Scheme entitlement.
 - Ranger Services is under budget by £12,540 due to additional income received.
- A favourable variance within Strategic Services budgets relating to:
 - Development Management is under budget by £121,412 due to additional income from the increased fees and salary savings. There is also additional income from MHCLG for the Custom Build and Brownfield register which has been transferred to the Planning Delivery Grant Reserve for future use. The Local Plan Inspectors invoice also remained outstanding. This has already been transferred to the 2019/20 following its delay.
 - Strategy and Projects is over budget by £26,311 due to a salary being funded from the Catchment reserve.
 - Human Resources is under budget by £22,786 due to a reimbursement of staff training following an individual leaving the Authority and salary savings following a vacancy which has now been filled. A carry forward request has been made (see table 5 for further details).
 - ICT is over budget by £26,102 due to Microsoft licences being funded from the Computer Software reserve.
- A favourable variance within Chief Executive budgets relating to:
 - Legal Services is under budget by £16,360 due to salary savings.

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 the latest available budget (LAB) in 2018/19. 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 2018/19 – deficit	Item 1 26/01/18 (BA)	72,430
Approved budget carry-forwards	Item 12 18/05/18 (BA)	1,558

LAB at 31 March 2019 – deficit		73,988
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4. Overview of Forecast Outturn 2018/19

- 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	73,988
Previously reported adjustments 22/03/19	(107,211)
Increase to Private Craft Toll Income	(4,447)
Increase to Short Visit Toll Income	(1,163)
Increase to Other Toll Income	(3,778)
Decrease to Water Management Expenditure	(15,000)
Decrease to Practical Maintenance Expenditure	(5,000)
Increase to Yacht Station Income	(8,000)
Forecast outturn surplus as at 31 March 2019	(70,611)

- 4.2 This represents a favourable variance of £14,149 between the forecast outturn and the actual. This is a result of additional income being received at the end of the financial year.

5 Reserves

- 5.1 The table below takes account of the year end adjustments of interest.

Table 4 – Consolidated Earmarked Reserves

	Balance at 1 April 2018	In-year movements	Current reserve balance
	£	£	£
Property	(479,194)	(90,766)	(569,960)
Plant, Vessels and Equipment	(202,154)	(73,137)	(275,291)
Premises	(148,424)	(46,974)	(195,398)
Planning Delivery Grant	(227,177)	(42,216)	(269,393)
Upper Thurne Enhancement	(100,175)	(20,278)	(120,453)
Section 106	(102,249)	(1,181)	(103,430)
Heritage Lottery Fund	(113,519)	23,780	(89,739)
Catchment Partnership	(99,481)	10,460	(89,021)

CANAPE	(72,259)	(7,050)	(79,309)
Computer Software	(40,307)	28,826	(11,481)
Total	(1,584,939)	(218,536)	(1,803,475)

5.2 £733,033 of the current reserve balance relates to navigation reserves.

6 Summary

6.1 The figures above will be the basis of the draft Statement of Accounts and include the year end adjustments. The surplus on the national park side is £12,156 and £72,604 on navigation, resulting in a consolidated surplus of £84,760. After the year end adjustment for interest to the earmarked reserves the general fund reserve is £1,064,171 and the navigation reserve is £425,985. This means that the navigation reserve sits above the recommended 10% at 12.7% of net expenditure at the end of 2018/19.

7 Statement of Accounts

7.1 The timetable for the preparation of the Authority's Statement of Accounts is dictated by the requirements of The Accounts and Audit (England) Regulations 2015. This years timetable is as follows:

- Chief Financial Officer to sign off the completed accounts by the 31 May 2019
- External Audit (Ernst and Young) to commence the onsite audit work on 15 July 2019
- Audit and Risk Committee to scrutinise the accounts on 23 July 2019, and to recommend them for approval to the Full Authority, subject to any suggested amendments
- Broads Authority to consider and formally adopt the audited accounts at its meeting on 26 July 2019.

8 Carry Forward Requests

8.1 Budget holders who have not fully spent their individual budget allocations can request any underspends are carried forward and added to their 2019/20 budget allocation. These requests are then reviewed by Management Team prior to requesting member approval. Requests to Management Team must relate to either:

- projects already underway but which have been delayed by external events;
- or ring-fenced income which has been provided by third parties and is earmarked for specific purposes.

8.2 Details of all the 2018/19 carry forward requests are set out in the table below.

Table 5 – Carry Forward Requests

Budget Line	National Park	Navigation	Total	Reason for carry-forward request
	£	£	£	
Human Resources	7,367.33	5,119.67	12,487	Relates to delayed consultancy work to review overlapping grades and job evaluation process.
Human Resources	1,538.13	1,068.87	2,607	Relates to staff training including ring-fenced funding for the apprentices and delayed NP Induction from 2018/19 to 2019/20.
Total	8,905.46	6,188.54	15,094	

8.3 If members agree the carry forwards the 2019/20 Latest Available Budget (LAB) will be as follows:

Table 6 – 2019/20 LAB

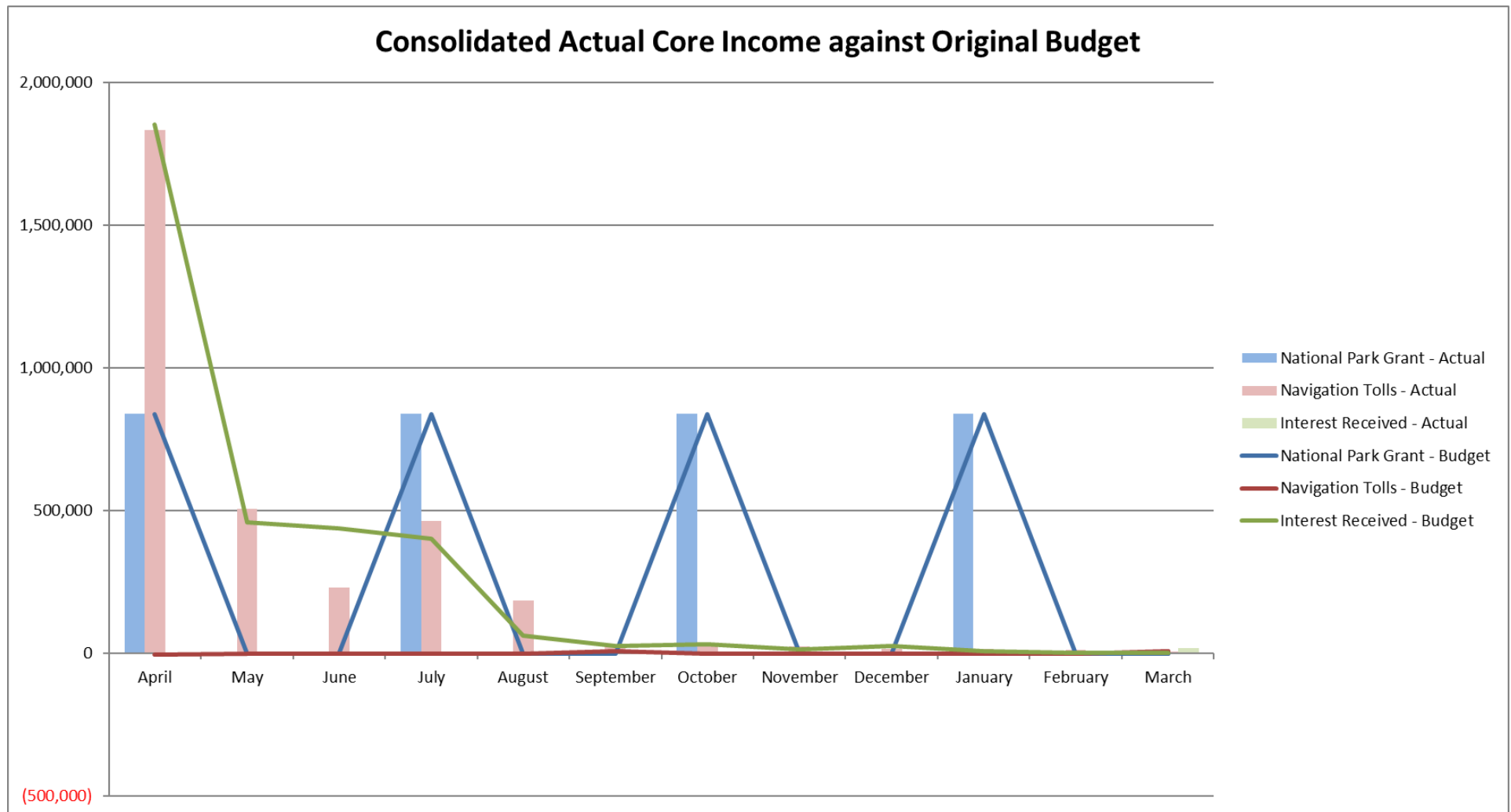
	National Park	Navigation	Consolidated
	£	£	£
Income	(3,429,078)	(3,440,000)	(6,869,078)
Operations	1,157,839	2,350,531	3,508,370
Strategic Services	1,613,029	613,595	2,226,624
Chief Executive	636,946	460,413	1,097,359
Corporate Items	57,720	38,480	96,200
Net (Surplus) / Deficit	36,456	23,019	59,475
Opening Reserves	1,064,171	425,985	1,490,156
(Surplus) / Deficit	36,456	23,019	59,475
Interest transferred to earmarked reserves	7,500	7,500	15,000
Closing Reserves	1,020,215	395,466	1,415,681
Reserves as a % of net expenditure	29.4%	11.4%	20.4%

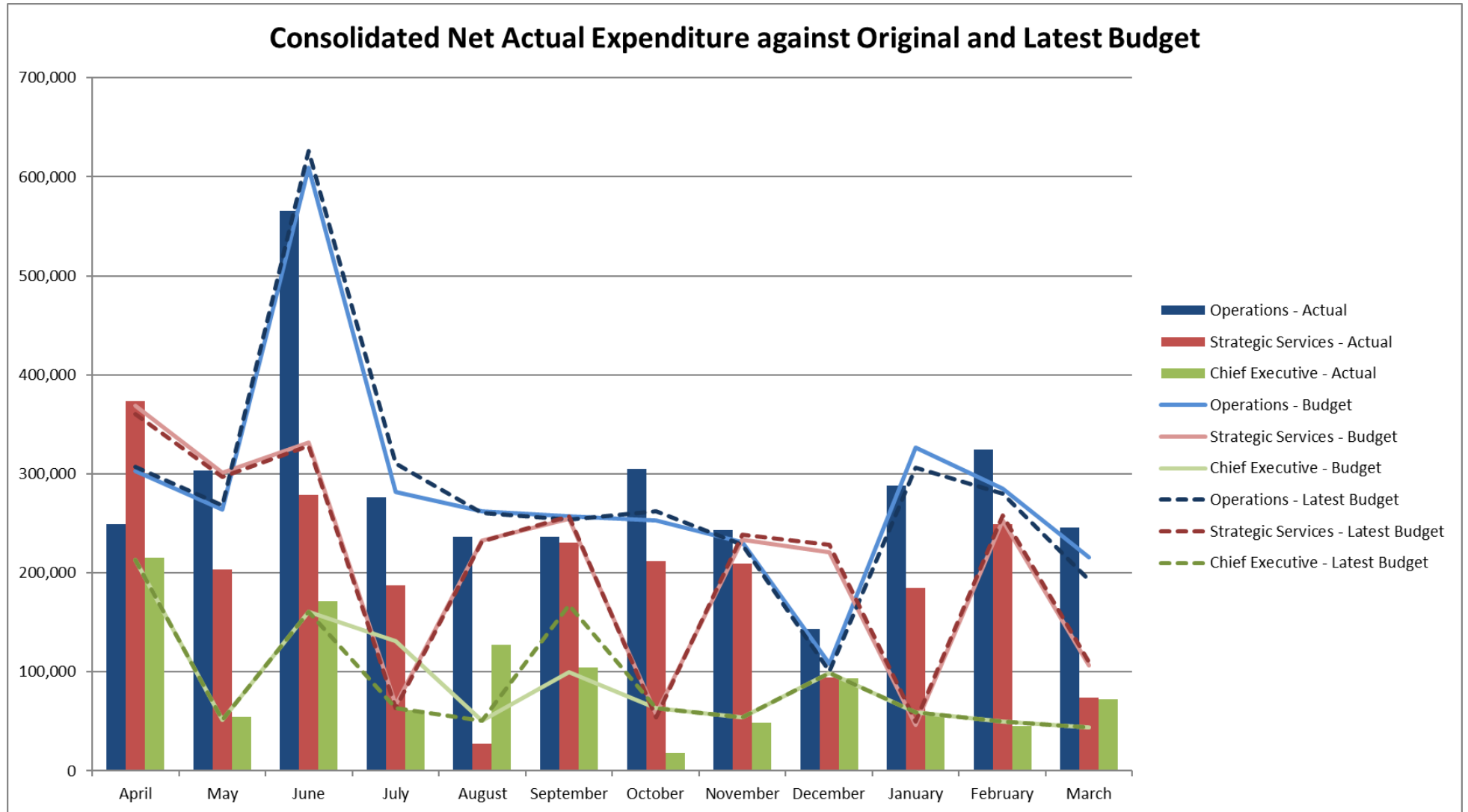
Background papers: None

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Date of report: 4 May 2019

Broads Plan Objectives: None
 Appendices: APPENDIX 1 – Consolidated Actual Income and Expenditure Charts to 31 March 2019
 APPENDIX 2: Financial Monitor: Consolidated Income and Expenditure 2018/19





To 31 March 2019

Budget Holder (All)

Values					
Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Income	(6,702,148)		(6,702,148)	(6,749,334)	47,186
National Park Grant	(3,356,348)		(3,356,348)	(3,356,348)	0
Income	(3,356,348)		(3,356,348)	(3,356,348)	0
Hire Craft Tolls	(1,149,300)		(1,149,300)	(1,159,229)	9,929
Income	(1,149,300)		(1,149,300)	(1,159,229)	9,929
Private Craft Tolls	(2,121,800)		(2,121,800)	(2,134,116)	12,316
Income	(2,121,800)		(2,121,800)	(2,134,116)	12,316
Short Visit Tolls	(40,900)		(40,900)	(42,063)	1,163
Income	(40,900)		(40,900)	(42,063)	1,163
Other Toll Income	(18,800)		(18,800)	(22,578)	3,778
Income	(18,800)		(18,800)	(22,578)	3,778
Interest	(15,000)		(15,000)	(35,000)	20,000
Income	(15,000)		(15,000)	(35,000)	20,000
Operations	3,501,440	24,200	3,525,640	3,501,210	24,430
Construction and Maintenance Salaries	1,184,010	0	1,184,010	1,170,080	13,930
Income	(4,530)		(4,530)	(7,460)	2,930
Salaries	1,188,540	0	1,188,540	1,177,540	11,000
Expenditure			0		0
Equipment, Vehicles & Vessels	451,500	12,000	463,500	470,500	-7,000
Income			0		0
Expenditure	451,500	12,000	463,500	470,500	-7,000
Water Management	103,000		103,000	88,000	15,000
Income			0		0
Expenditure	103,000		103,000	88,000	15,000
Land Management	(36,000)		(36,000)	(36,000)	0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Income	(90,000)		(90,000)	(90,000)	0
Expenditure	54,000		54,000	54,000	0
Practical Maintenance	493,700		493,700	488,700	5,000
Income	(10,500)		(10,500)	(10,500)	0
Expenditure	504,200		504,200	499,200	5,000
Ranger Services	739,060		739,060	739,060	0
Income	(131,020)		(131,020)	(131,020)	0
Salaries	674,180		674,180	674,180	0
Expenditure	195,900		195,900	195,900	0
Pension Payments			0		0
Safety	160,390		160,390	160,390	0
Income	(2,000)		(2,000)	(2,000)	0
Salaries	61,290		61,290	61,290	0
Expenditure	101,100		101,100	101,100	0
Volunteers	75,350		75,350	75,350	0
Income	(1,000)		(1,000)	(1,000)	0
Salaries	50,450		50,450	50,450	0
Expenditure	25,900		25,900	25,900	0
Premises	208,170	12,200	220,370	224,370	-4,000
Income			0		0
Expenditure	208,170	12,200	220,370	224,370	-4,000
Operations Management and Administration	122,260		122,260	120,760	1,500
Income	(2,360)		(2,360)	(2,360)	0
Salaries	112,120		112,120	112,120	0
Expenditure	12,500		12,500	11,000	1,500
Strategic Services	2,207,620	1,558	2,209,178	2,194,915	14,263
Development Management	402,805	0	402,805	357,305	45,500
Income	(80,000)		(80,000)	(105,000)	25,000
Salaries	368,880	(20,000)	348,880	328,380	20,500
Expenditure	113,925	20,000	133,925	133,925	0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Pension Payments			0		0
Strategy and Projects Salaries	296,440		296,440	309,900	-13,460
Income	(31,460)		(31,460)	(31,460)	0
Salaries	259,400		259,400	259,400	0
Expenditure	68,500		68,500	81,960	-13,460
Biodiversity Strategy	10,000		10,000	10,000	0
Income			0		0
Expenditure	10,000		10,000	10,000	0
Human Resources	134,710	1,558	136,268	131,018	5,250
Income	0		0	(5,250)	5,250
Salaries	75,210		75,210	75,210	0
Expenditure	59,500	1,558	61,058	61,058	0
Waterways and Recreation Strategy	87,480		87,480	87,480	0
Income			0		0
Salaries	77,980		77,980	77,980	0
Expenditure	9,500		9,500	9,500	0
Project Funding	105,500		105,500	105,500	0
Expenditure	105,500		105,500	105,500	0
Pension Payments			0		0
Communications	302,030		302,030	302,030	0
Income	(6,150)		(6,150)	(6,150)	0
Salaries	233,680		233,680	233,680	0
Expenditure	74,500		74,500	74,500	0
Visitor Centres and Yacht Stations	208,710		208,710	200,710	8,000
Income	(237,500)		(237,500)	(245,500)	8,000
Salaries	314,210		314,210	314,210	0
Expenditure	132,000		132,000	132,000	0
Collection of Tolls	134,180		134,180	124,900	9,280
Salaries	121,480		121,480	112,200	9,280
Expenditure	12,700		12,700	12,700	0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
ICT	308,890		308,890	349,197	-40,307
Salaries	188,440		188,440	188,440	0
Expenditure	120,450		120,450	160,757	-40,307
Strategic Services Management and Administration	216,875		216,875	216,875	0
Income	(730)		(730)	(730)	0
Salaries	142,740		142,740	142,740	0
Expenditure	74,865		74,865	74,865	0
Chief Executive	1,076,443		1,076,443	1,071,490	4,953
Legal	108,670		108,670	93,442	15,228
Income	(510)		(510)	(2,510)	2,000
Salaries	49,180		49,180	35,952	13,228
Expenditure	60,000		60,000	60,000	0
Governance	124,750		124,750	124,750	0
Salaries	72,850		72,850	72,850	0
Expenditure	51,900		51,900	51,900	0
Chief Executive	112,090		112,090	112,090	0
Salaries	112,090		112,090	112,090	0
Expenditure			0		0
Asset Management	115,080		115,080	113,055	2,025
Income	(22,000)		(22,000)	(22,000)	0
Salaries	47,330		47,330	47,330	0
Expenditure	89,750		89,750	87,725	2,025
Finance and Insurance	362,160		362,160	374,460	-12,300
Income	(5,930)		(5,930)	(5,930)	0
Salaries	154,090		154,090	154,090	0
Expenditure	214,000		214,000	226,300	-12,300
Premises - Head Office	253,693		253,693	253,693	0
Income			0		0
Expenditure	253,693		253,693	253,693	0
Projects and Corporate Items	216,707		216,707	216,707	0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Partnerships / HLF	138,207		138,207	138,207	0
Income	(1,182,118)		(1,182,118)	(1,182,118)	0
Salaries	169,940		169,940	169,940	0
Expenditure	1,150,385		1,150,385	1,150,385	0
Corporate Items	78,500		78,500	78,500	0
Expenditure	2,500		2,500	2,500	0
Pension Payments	76,000		76,000	76,000	0
Contributions from Earmarked Reserves	(227,632)	(24,200)	(251,832)	(305,599)	53,767
Earmarked Reserves	(227,632)	(24,200)	(251,832)	(305,599)	53,767
Expenditure	(227,632)	(24,200)	(251,832)	(305,599)	53,767
Grand Total	72,430	1,558	73,988	(70,611)	144,599