

# Navigation Committee

20 October 2022

Agenda item number 8

## Navigation income and expenditure 1 April to 31 August 2022

Report by Director of Finance

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### Purpose

To present the actual Navigation income and expenditure for the five-month period to 31 August 2022, and provide a forecast of the projected expenditure at the end of the financial year (31 March 2023).

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# 1. Introduction

- 1.1. This report gives a summary of the income and expenditure for the Navigation budget up until 31 August, any amendments to the Latest Available Budget (LAB), Forecast Outturn (predicted year end position) and the movements on the earmarked reserves.

# 2. Overview of actual income and expenditure

**Table 1**

Actual Navigation income and expenditure by Directorate to 31 August 2022

Directorate	Profiled Latest Available Budget £	Actual income and expenditure £	Actual variance £
Income	(3,582,985)	(3,618,572)	+ 35,587
Operations	1,424,302	1,231,231	+ 193,071
Strategic Services	154,210	146,041	+ 8,169
Finance & Support Services	379,900	343,005	+ 36,895
Projects, Corporate Items and Contributions from Earmarked Reserves	(77,317)	59,966	- 137,283
<b>Net (Surplus) / Deficit</b>	<b>(1,701,890)</b>	<b>(1,838,329)</b>	<b>+ 136,439</b>

- 2.1. Core Navigation income is above the profiled budget at the end of month five. The overall position as at 31 August 2022 is a favourable variance of £136,439 or an 8.02% difference from the profiled LAB. This is principally due to:
- An overall favourable variance of £35,587 within income:
    - Hire Craft is £7,265 above the profiled budget.
    - Private Craft is £8,659 above the profiled budget.
    - Short Visit and Other Toll income is £12,057 above the profiled budget.
    - Investment income is £7,606 above the profiled budget.
  - An underspend within Operations relating to:
    - Construction, Maintenance and Ecology salaries is under the profiled budget by £18,154 due to the 2% budgeted pay rise not being agreed by the National Joint Council (NJC) and the Unions.

- Equipment, Vehicles and Vessels is under the profiled budget by £57,658 due to delays in expenditure from the earmarked reserves.
- Ranger Services is under the profiled budget by £72,992 due to timing differences on salaries and expenditure. The salaries variance is due to the 2% budgeted pay rise not being agreed by the NJC and the Unions. There are also timing differences on launch repairs and maintenance and expenditure from the earmarked reserves.
- Premises is under the profiled budget by £18,049 due to delays in Dockyard expenditure from the earmarked reserves.
- Head Office is under the profiled budget by £16,339 due to timing difference on the lease billing and covid-19 relief being retrospectively applied to 2021/22 rates. This will be corrected in the next version of the 2021/22 Statement of Accounts.
- An underspend within Strategic Services relating to:
  - Visitor Services is under the profiled budget by £12,007 due to timing differences on salaries. This is in part due to the 2% budgeted pay rise not being agreed by the NJC and the Unions.
- An underspend within Finance and Support Services relating to:
  - Asset Management is under the profiled budget by £10,611 due to timing differences on lease payments.
- An adverse variance within reserves relating to:
  - Premises reserve is under the profiled budget due to delays in Dockyard expenditure.
  - Plant, Vessels and Equipment reserve is under the profiled budget due to delays in equipment and vehicle replacements.

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 monitored against the Latest Available Budget (LAB) for 2022/23. 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 in Appendix 2.

**Table 2**

Adjustments to Navigation LAB

<b>Item</b>	<b>Authorisation reference</b>	<b>Amount £</b>
Original budget 2022/23 – deficit	Broads Authority 28/01/22 Agenda item number 9	137,119
Approved budget carry-forwards	Broads Authority 13/05/22 Agenda item number 9	75,000
<b>LAB as at 31 August 2022</b>	n/a	<b>212,119</b>

3.2. The LAB therefore provides for a navigation deficit of £212,119 in 2022/23 as at 31 August 2022. This will be balanced through the use of reserves.

## 4. Overview of forecast outturn 2022/23

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.

4.2. As at the end of August 2022, the forecast indicates there has been no change compared to the LAB:

- The total forecast income is £3,783,130.
- Total expenditure is forecast to be £4,053,279.
- The resulting deficit for the year is forecast to be £270,149.

4.3. The forecast outturn reflects the following changes from the LAB as shown in Table 3. The forecast deficit represents an adverse variance of £58,030 against the LAB.

**Table 3**

## Adjustments to Forecast Outturn

Item	Amount £
Forecast outturn deficit per LAB	212,119
Increase to Hire Craft Income	(8,690)
Decrease to Private Craft Income	6,950
Increase to investment income due to rate increase	(23,000)
Increase to Salary costs based on latest pay offer	63,124
Increase to apprenticeship levy based on latest pay offer	799
Salary costs funded by external funding	(305)
Increase to other income	(4,014)
Increase to Vessels and Equipment fuel costs	63,000
Decrease to expenditure through savings	(39,834)
<b>Forecast outturn deficit as at 31 August 2022</b>	<b>270,149</b>

**5. Reserves****Table 4**

## Navigation Earmarked Reserves

Reserve name	Balance at 1 April 2022 £	In-year movements £	Current reserve balance £
Property	(476,457)	(25,154)	(501,610)
Plant, Vessels and Equipment	(362,576)	(142,086)	(504,662)
Premises	(125,777)	(35,000)	(160,777)
CANAPE	(238,367)	81,700	(156,667)
Computer Software	(101,783)	(20,000)	(121,783)
<b>Total</b>	<b>(1,304,960)</b>	<b>(140,540)</b>	<b>(1,445,500)</b>

- 5.1. As in previous years, the Authority's contributions to the reserves have all been made in full at the end of quarter one. This has resulted in some reserves showing increased balances at the end of August. These will reduce as planned purchases take place throughout the year.
- 5.2. Both the Property and the Plant, Vessels and Equipment reserve contain income from land rental at Oulton Broad and the proceeds from vehicle and equipment disposals.

## 6. Conclusion

- 6.1. The forecast outturn position for the year suggests a deficit within the Navigation budget, which would result in a Navigation Reserve balance of approximately £580,000 at the end of 2022/23 (before any year-end adjustments). This would mean the Navigation Reserve would be above the recommended 10% at 14.3%. Year-end transfers of interest to the earmarked reserves and the first instalment to repay the National Park loan, will mean it will fall to approximately 12.7%. This will be highly dependent on the level of interest received.

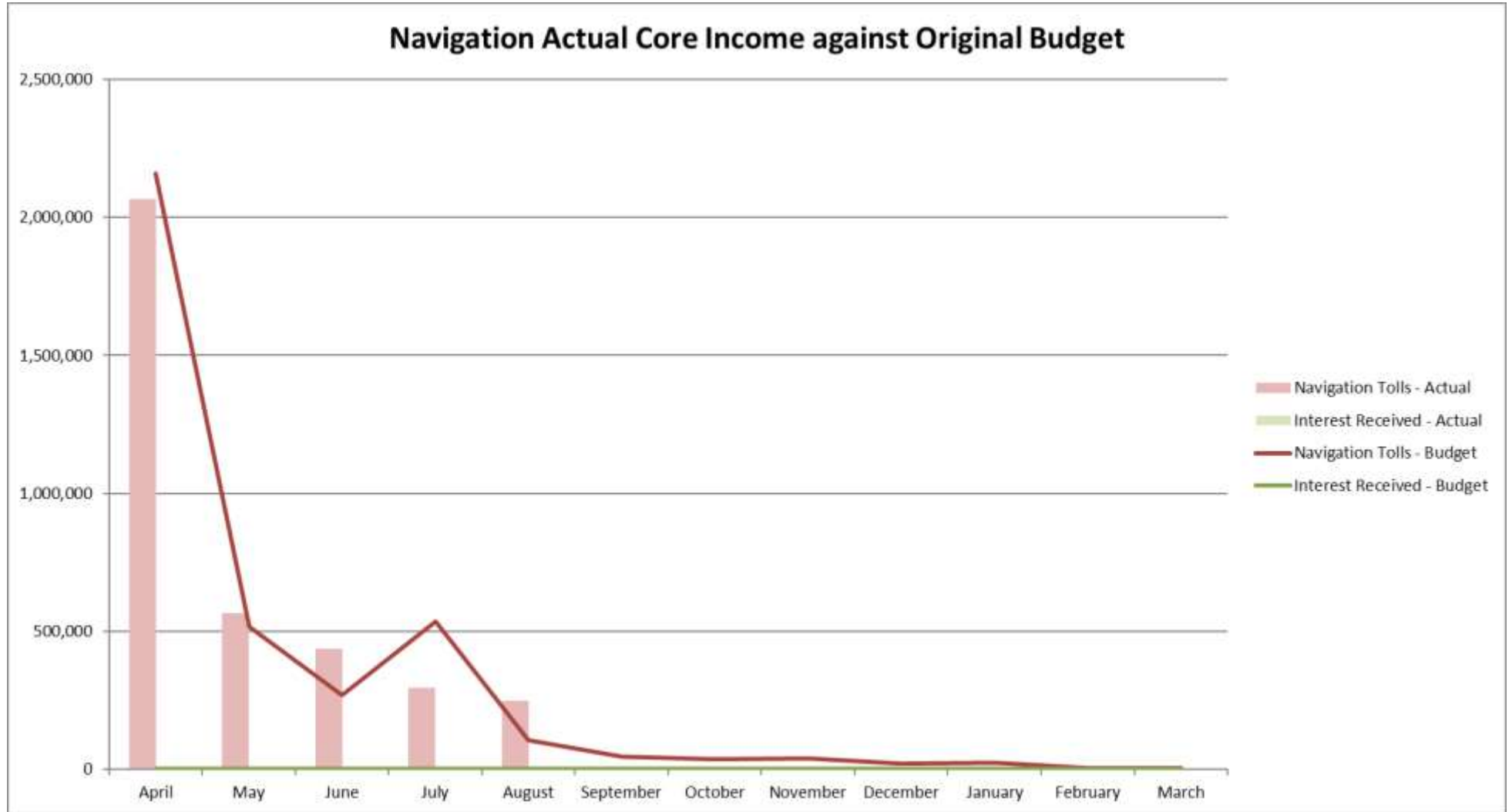
Author: Emma Krelle

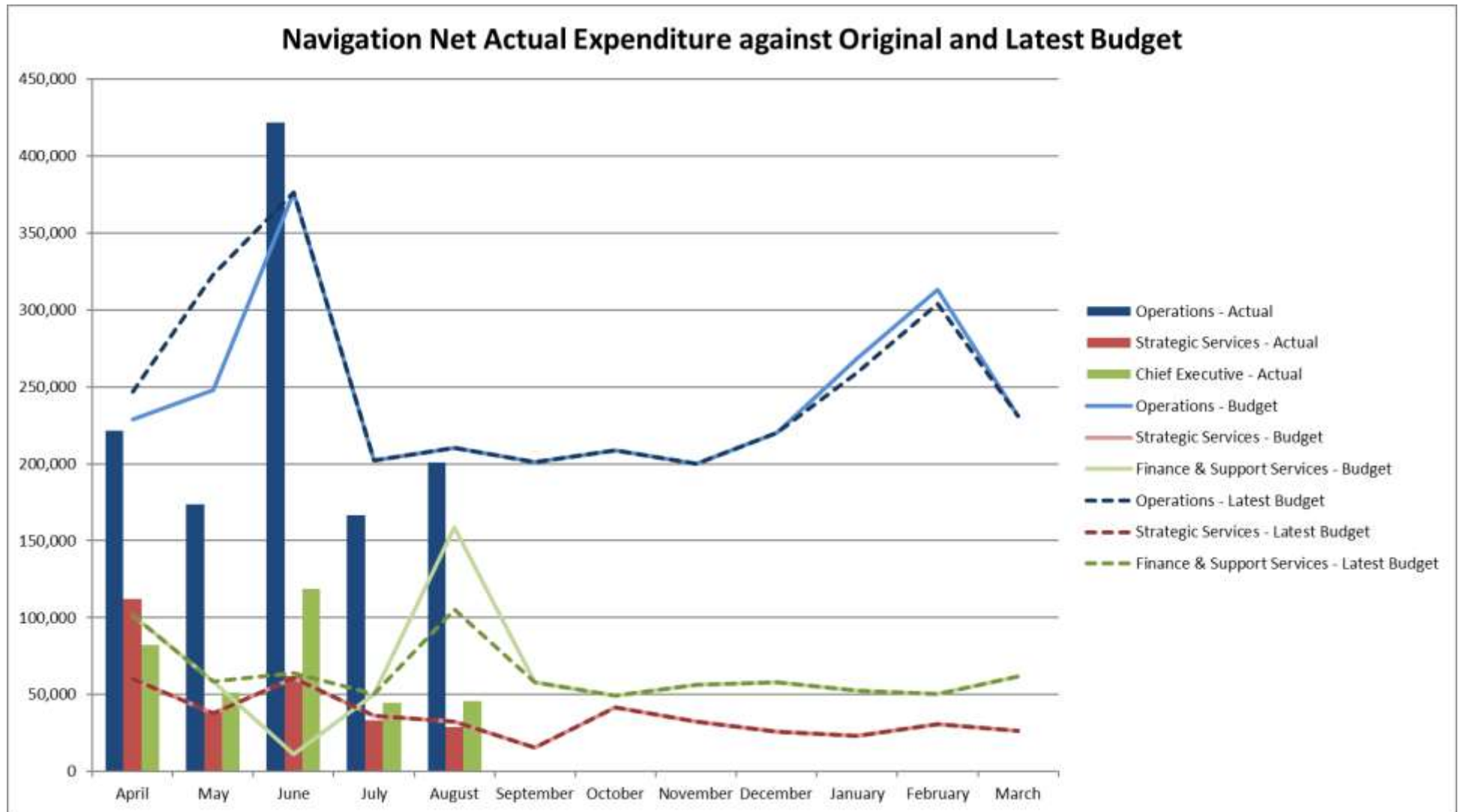
Date of report: 06 October 2022

Appendix 1 – Navigation actual income and expenditure charts to 31 August 2022

Appendix 2 – Financial monitor: Navigation income and expenditure 2022/23

# Appendix 1 – Navigation actual income and expenditure charts to 31 August 2022







## Appendix 2 – Financial monitor: Navigation income and expenditure 2022/23

**Table 1**

Income

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
<b>Total Income</b>	<b>(3,758,390)</b>	<b>0</b>	<b>(3,758,390)</b>	<b>(3,783,130)</b>	<b>+ 24,740</b>
National Park Grant	0	0	0	0	+ 0
Hire Craft Tolls	(1,186,000)	0	(1,186,000)	(1,194,690)	+ 8,690
Private Craft Tolls	(2,489,000)	0	(2,489,000)	(2,482,050)	- 6,950
Short Visit Tolls	(48,000)	0	(48,000)	(48,000)	+ 0
Other Toll Income	(32,390)	0	(32,390)	(32,390)	+ 0
Interest	(3,000)	0	(3,000)	(26,000)	+ 23,000

**Table 2**  
Operations

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
<b>Total Operations</b>	<b>3,027,532</b>	<b>75,000</b>	<b>3,102,532</b>	<b>3,176,314</b>	<b>- 73,782</b>
<b>Construction and Maintenance Salaries</b>	<b>865,960</b>	<b>0</b>	<b>865,960</b>	<b>897,584</b>	<b>- 31,624</b>
Salaries	867,190	0	867,190	897,639	- 30,449
Expenditure	(1,230)	0	(1,230)	(55)	- 1,175
<b>Equipment, Vehicles &amp; Vessels</b>	<b>511,452</b>	<b>0</b>	<b>511,452</b>	<b>540,922</b>	<b>- 29,470</b>
Income	(9,590)	0	(9,590)	(9,800)	+ 210
Expenditure	521,042	0	521,042	550,722	- 29,680
<b>Water Management</b>	<b>76,840</b>	<b>0</b>	<b>76,840</b>	<b>76,840</b>	<b>+ 0</b>
Expenditure	76,840	0	76,840	76,840	+ 0
<b>Land Management</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>+ 0</b>
Income	0	0	0	0	+ 0
Expenditure	0	0	0	0	+ 0
<b>Practical Maintenance</b>	<b>413,865</b>	<b>75,000</b>	<b>488,865</b>	<b>488,440</b>	<b>+ 425</b>
Income	(11,000)	0	(11,000)	(11,425)	+ 425
Expenditure	424,865	75,000	499,865	499,865	+ 0
<b>Waterways and Recreation Strategy</b>	<b>30,050</b>	<b>0</b>	<b>30,050</b>	<b>31,210</b>	<b>- 1,160</b>

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Salaries	21,050	0	21,050	22,210	- 1,160
Expenditure	9,000	0	9,000	9,000	+ 0
<b>Project Funding</b>	<b>1,089</b>	<b>0</b>	<b>1,089</b>	<b>1,089</b>	<b>+ 0</b>
Expenditure	0	0	0	0	+ 0
Pension Payments	1,089	0	1,089	1,089	+ 0
<b>Ranger Services</b>	<b>786,212</b>	<b>0</b>	<b>786,212</b>	<b>796,393</b>	<b>- 10,181</b>
Income	0	0	0	0	+ 0
Salaries	606,599	0	606,599	615,179	- 8,580
Expenditure	179,438	0	179,438	181,039	- 1,601
Pension Payments	175	0	175	175	+ 0
<b>Safety</b>	<b>84,035</b>	<b>0</b>	<b>84,035</b>	<b>86,650</b>	<b>- 2,615</b>
Income	(1,000)	0	(1,000)	(1,000)	+ 0
Salaries	59,303	0	59,303	61,918	- 2,615
Expenditure	25,732	0	25,732	25,732	+ 0
<b>Premises</b>	<b>133,133</b>	<b>0</b>	<b>133,133</b>	<b>132,013</b>	<b>+ 1,120</b>
Income	(2,450)	0	(2,450)	(3,570)	+ 1,120
Expenditure	135,583	0	135,583	135,583	+ 0

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
<b>Operations Management and Administration</b>	<b>48,371</b>	<b>0</b>	<b>48,371</b>	<b>48,648</b>	<b>- 277</b>
Salaries	45,566	0	45,566	45,843	- 277
Expenditure	2,805	0	2,805	2,805	+ 0
<b>Premises - Head Office</b>	<b>76,525</b>	<b>0</b>	<b>76,525</b>	<b>76,525</b>	<b>+ 0</b>
Income	0	0	0	0	+ 0
Expenditure	76,525	0	76,525	76,525	+ 0

**Table 3**  
Strategic Services

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
<b>Total Strategic Services</b>	<b>332,861</b>	<b>0</b>	<b>332,861</b>	<b>343,280</b>	<b>- 10,420</b>
<b>Development Management</b>	<b>4,484</b>	<b>0</b>	<b>4,484</b>	<b>4,576</b>	<b>- 92</b>
Income	0	0	0	0	+ 0
Salaries	4,484	0	4,484	4,576	- 92
Expenditure	0	0	0	0	+ 0
Pension Payments	0	0	0	0	+ 0
<b>Strategy and Projects Salaries</b>	<b>10,231</b>	<b>0</b>	<b>10,231</b>	<b>9,988</b>	<b>+ 243</b>
Income	0	0	0	0	+ 0
Salaries	10,231	0	10,231	9,988	+ 243
Expenditure	0	0	0	0	+ 0
<b>Biodiversity Strategy</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>+ 0</b>
Income	0	0	0	0	+ 0
Expenditure	0	0	0	0	+ 0
<b>Human Resources</b>	<b>61,750</b>	<b>0</b>	<b>61,750</b>	<b>70,475</b>	<b>- 8,725</b>
Income	0	0	0	(259)	+ 259
Salaries	37,704	0	37,704	46,687	- 8,984

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Expenditure	24,047	0	24,047	24,047	+ 0
<b>Volunteers</b>	<b>29,320</b>	<b>0</b>	<b>29,320</b>	<b>30,132</b>	<b>- 812</b>
Salaries	21,560	0	21,560	22,372	- 812
Expenditure	7,760	0	7,760	7,760	+ 0
<b>Communications</b>	<b>83,710</b>	<b>0</b>	<b>83,710</b>	<b>85,944</b>	<b>- 2,234</b>
Income	0	0	0	0	+ 0
Salaries	73,435	0	73,435	75,669	- 2,234
Expenditure	10,275	0	10,275	10,275	+ 0
<b>Visitor Centres and Yacht Stations</b>	<b>110,343</b>	<b>0</b>	<b>110,343</b>	<b>106,686</b>	<b>+ 3,657</b>
Income	(69,450)	0	(69,450)	(69,450)	+ 0
Salaries	146,955	0	146,955	143,298	+ 3,657
Expenditure	32,838	0	32,838	32,838	+ 0
<b>Strategic Services Management and Administration</b>	<b>33,023</b>	<b>0</b>	<b>33,023</b>	<b>35,480</b>	<b>- 2,457</b>
Salaries	33,885	0	33,885	36,342	- 2,457
Expenditure	(862)	0	(862)	(862)	+ 0
<b>Strategy and Projects</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>+ 0</b>
Expenditure	0	0	0	0	+ 0

**Table 4**

## Finance &amp; Support Services

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
<b>Total Finance &amp; Support Services</b>	<b>766,562</b>	<b>0</b>	<b>766,562</b>	<b>764,332</b>	<b>+ 2,230</b>
<b>Legal</b>	<b>26,000</b>	<b>0</b>	<b>26,000</b>	<b>24,000</b>	<b>+ 2,000</b>
Income	(4,000)	0	(4,000)	(6,000)	+ 2,000
Expenditure	30,000	0	30,000	30,000	+ 0
<b>Governance</b>	<b>82,487</b>	<b>0</b>	<b>82,487</b>	<b>76,114</b>	<b>+ 6,373</b>
Salaries	57,110	0	57,110	56,215	+ 895
Expenditure	25,377	0	25,377	19,899	+ 5,478
<b>Chief Executive</b>	<b>49,558</b>	<b>0</b>	<b>49,558</b>	<b>49,043</b>	<b>+ 515</b>
Salaries	49,162	0	49,162	48,648	+ 515
Expenditure	396	0	396	396	+ 0
<b>Asset Management</b>	<b>72,886</b>	<b>0</b>	<b>72,886</b>	<b>73,602</b>	<b>- 716</b>
Income	(3,000)	0	(3,000)	(3,000)	+ 0
Salaries	21,587	0	21,587	22,302	- 716
Expenditure	54,300	0	54,300	54,300	+ 0
<b>Finance and Insurance</b>	<b>211,369</b>	<b>0</b>	<b>211,369</b>	<b>218,434</b>	<b>- 7,065</b>
Salaries	117,310	0	117,310	124,375	- 7,065

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Expenditure	94,059	0	94,059	94,059	+ 0
<b>Collection of Tolls</b>	<b>193,760</b>	<b>0</b>	<b>193,760</b>	<b>195,220</b>	<b>- 1,460</b>
Salaries	182,760	0	182,760	184,220	- 1,460
Expenditure	11,000	0	11,000	11,000	+ 0
<b>ICT</b>	<b>130,502</b>	<b>0</b>	<b>130,502</b>	<b>127,918</b>	<b>+ 2,584</b>
Salaries	66,845	0	66,845	68,073	- 1,228
Expenditure	63,657	0	63,657	59,846	+ 3,812

**Table 5**  
Projects and Corporate items

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
<b>Total Projects and Corporate Items</b>	<b>25,622</b>	<b>0</b>	<b>25,622</b>	<b>26,421</b>	<b>- 799</b>
<b>Partnerships / HLF</b>	<b>(27,341)</b>	<b>0</b>	<b>(27,341)</b>	<b>(27,341)</b>	<b>+ 0</b>
Income	(46,891)	0	(46,891)	(46,891)	+ 0
Salaries	14,945	0	14,945	15,250	- 305
Expenditure	4,605	0	4,605	4,300	+ 305
<b>Corporate Items</b>	<b>52,962</b>	<b>0</b>	<b>52,962</b>	<b>53,761</b>	<b>- 799</b>



Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Expenditure	2,162	0	2,162	2,961	- 799
Pension Payments	50,800	0	50,800	50,800	+ 0

**Table 6**

Contributions from earmarked reserves

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
<b>Total contributions from Earmarked Reserves</b>	<b>(257,067)</b>	<b>0</b>	<b>(257,067)</b>	<b>(257,067)</b>	<b>+ 0</b>
<b>Earmarked Reserves</b>	<b>(257,067)</b>	<b>0</b>	<b>(257,067)</b>	<b>(257,067)</b>	<b>+ 0</b>
Expenditure	(257,067)	0	(257,067)	(257,067)	+ 0

**Table 7**

Net (Surplus) / Deficit

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
<b>Grand Total</b>	<b>137,119</b>	<b>75,000</b>	<b>212,119</b>	<b>270,149</b>	<b>- 58,030</b>