

# Broads Authority

24 November 2023

Agenda item number 10

## Financial performance and direction

Report by Director of Finance

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### 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

To note:

- i. the income and expenditure figures
  - ii. the latest on the pay agreement for 2023/24 in paragraph 4.2
  - iii. the latest position on external audit for 2022/23 and
  - iv. the prudential indicators in paragraph 6.1.
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# 1. Introduction

- 1.1. This report covers four items: the Consolidated Income and Expenditure from 1 April – 30 September 2023; the latest on the pay agreement for 2023/24; the latest position on external audit for 2022/23 and the quarter two prudential indicators for 2023/24.

# 2. Overview of actual income and expenditure

**Table 1**

Actual consolidated income and expenditure by directorate to 30 September 2023

<b>Directorate</b>	<b>Profiled latest available budget £</b>	<b>Actual income and expenditure £</b>	<b>Actual variance £</b>
Income	(5,870,008)	(5,821,799)	- 48,209
Operations	2,634,405	2,237,291	+ 397,114
Strategic Services	896,216	896,194	+ 22
Finance & Support Services	1,243,349	1,255,444	- 12,095
Projects, Corporate Items and Contributions from Earmarked Reserves	(392,051)	(135,612)	- 256,439
<b>Net (Surplus) / Deficit</b>	<b>(1,488,089)</b>	<b>(1,568,482)</b>	<b>+ 80,393</b>

- 2.1. Core navigation income is below the profiled budget at the end of month four. The overall position as at 30 September 2023 is a favourable variance of £80,393 or a 5.4% difference from the profiled LAB. This is principally due to:

- An overall adverse variance of £48,209 within income:
  - Hire Craft Tolls is £18,290 below the profiled budget.
  - Private Craft Tolls is £71,549 below the profiled budget.
  - Short Visit and Other Toll income is £5,979 above the profiled budget.
  - Investment income is £35,651 above the profiled budget.
- An underspend within Operations relating to:
  - Construction, Maintenance and Ecology salaries is £42,950 under the profiled budget due to the pay award not being implemented yet.
  - Equipment, Vehicles & Vessels is under the profiled budget by £148,055 due to delays in expenditure from the earmarked reserves.

- Water Management is under the profiled budget by £10,121 due to timing differences.
- Land Management is over the profiled budget by £16,863 due to timing differences on RPA income.
- Practical Maintenance is under the profiled budget by £37,294 partly due to electricity charges and usage not being as high as predicted and delays in expenditure from earmarked reserves.
- Ranger Services is under the profiled budget by £46,140 due to the pay award not being implemented yet.
- Premises is under the profiled budget by £53,619 due to due to delays in expenditure at the Dockyard from the earmarked reserves.
- Project Funding is under the profiled budget by £55,316 due to timing differences.
- An overspend within Finance and Support Services relating to:
  - Legal is over the profiled budget by £41,749 due to increased costs for Reedham Quay, Monitoring Officer recharges and increased prosecution costs.
  - Governance is under the profiled budget by £11,337 due to a vacancy at the start of the financial year and the pay award not being implemented yet.
  - Premises Head Office is over the profiled budget by £26,127 due to increased facilities management recharges relating to the previous year.
  - Finance and Insurance is under the profiled budget by £19,084 due to timing differences on audit recharges.
- An adverse variance within reserves relating to:
  - Premises is under the profiled budget due to delays on Dockyard expenditure.
  - Property is under the profiled budget due to delays on Hoveton Riverside Park works.
  - Plant, Vessels and Equipment is under the profiled budget due to delays in vehicle and equipment replacements.
  - HLF is above the profiled budget due to the delayed works.
  - UK Communications Team is under the profiled budget to the additional income received for the extension.

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 2023/24. 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 2023/24 – deficit	Broads Authority 20/01/23 Agenda item number 11	18,222
<b>LAB as at 30 September 2023</b>	n/a	<b>18,222</b>

### 4. Overview of forecast outturn 2023/24

- 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. The forecast has been updated based on the pay award that was agreed on 1 November 2023 and has been included in table 3 below. The final agreement was as previously reported in September, £1,925 per spinal point per full time equivalent. This was not a unanimous decision but a majority, with two out of the three unions supporting it. Staff will receive this backdated to the 1 April 2023 in their December pay.
- 4.3. A summary of these adjustments is given in the table below:

**Table 3**

Adjustments to Forecast Outturn

Item	Amount £
Forecast outturn deficit per LAB	18,222
Adjustments previously reported 22/09/23	83,978
Increase to Hire Craft Tolls	(13,233)
Decrease to Private Craft Tolls	26,830
Increase to Investment Income	(125,000)
Increase to salary costs for pay award	108,871
Staff recharges to externally funded Peat grants	(10,777)

Item	Amount £
Increased external funding grants & planning income	(65,750)
Expenditure increases for additional grant and other savings	10,750
Increased legal fees	30,000
<b>Forecast outturn deficit as at 30 September 2023</b>	<b>63,891</b>

## 5. Reserves

- 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. These will reduce as planned purchases take place throughout the year.
- 5.2. Items funded from the Property reserve include the deposit for the replacement hut at Reedham Quay less the income from land rental at Oulton Broad. The Plant, Vessels and Equipment reserve has funded three new vehicles and presale inspection on a crane. The Premises reserve has funded the architect and QS fees for the Yare House alterations. The Heritage Lottery Fund, Catchment Project, CANAPE, UK Communications and Match Funding contains the income and expenditure relating to those projects. The Medium-Term Planning reserve has funded the additional expenditure for the delayed reconfiguration of Yare House.

**Table 4**

Consolidated earmarked reserves

Reserve name	Balance at 1 April 2023 £	In-year movements £	Current reserve balance £
Property	(936,361)	(68,929)	(1,005,290)
Plant, Vessels and Equipment	(635,878)	(113,954)	(749,832)
Premises	(376,578)	(44,597)	(421,175)
Planning Delivery Grant	(261,209)	0	(261,209)
Upper Thurne Enhancement	(213,533)	(21,000)	(234,533)
HLF	(171,017)	109,743	(61,274)
Catchment Partnership	(84,887)	(20,513)	(105,400)
CANAPE	(463,385)	19,529	(443,856)
Computer Software	(152,592)	(20,000)	(172,592)

Reserve name	Balance at 1 April 2023 £	In-year movements £	Current reserve balance £
UK Communications	(4,820)	(11,975)	(16,795)
Match Funding (EXPERIENCE)	(17,466)	15,874	(1,592)
Medium-Term Planning	(449,623)	47,651	(401,972)
<b>Total</b>	<b>(3,767,349)</b>	<b>(108,171)</b>	<b>(3,875,520)</b>

## 6. Prudential Indicators

- 6.1. The Capital, treasury and investment strategy 2023/24, approved 17 March 2023, 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 2023/24

Prudential Indicator	Opening 01/04/23 £	Estimate 31/03/24 £	Q2 YTD Actual £
Capital expenditure	0	350,000	81,002
Authorised limit for external debt	500,000	500,000	500,000
Operational Boundary	400,000	400,000	400,000
Capital Financing Requirement	127,140	91,648	109,446
Debt balance	129,499	94,008	111,806

## 7. Conclusion

- 7.1. The forecast position for the year suggests a surplus within the National Park and a deficit within the Navigation budget. This would result in a National Park Reserve balance of approximately £665,000 and a Navigation Reserve balance of £494,000 at the end of 2023/24 (before any year-end adjustments). This would mean that both reserves would be above the recommended levels, with National Park at 19.1% and Navigation at 11.2%. Year-end transfers of interest to the earmarked reserves and

closure of the CANAPE reserve mean it will rise to approximately 23.4% and 12.3%. This will be highly dependent on the level of interest received.

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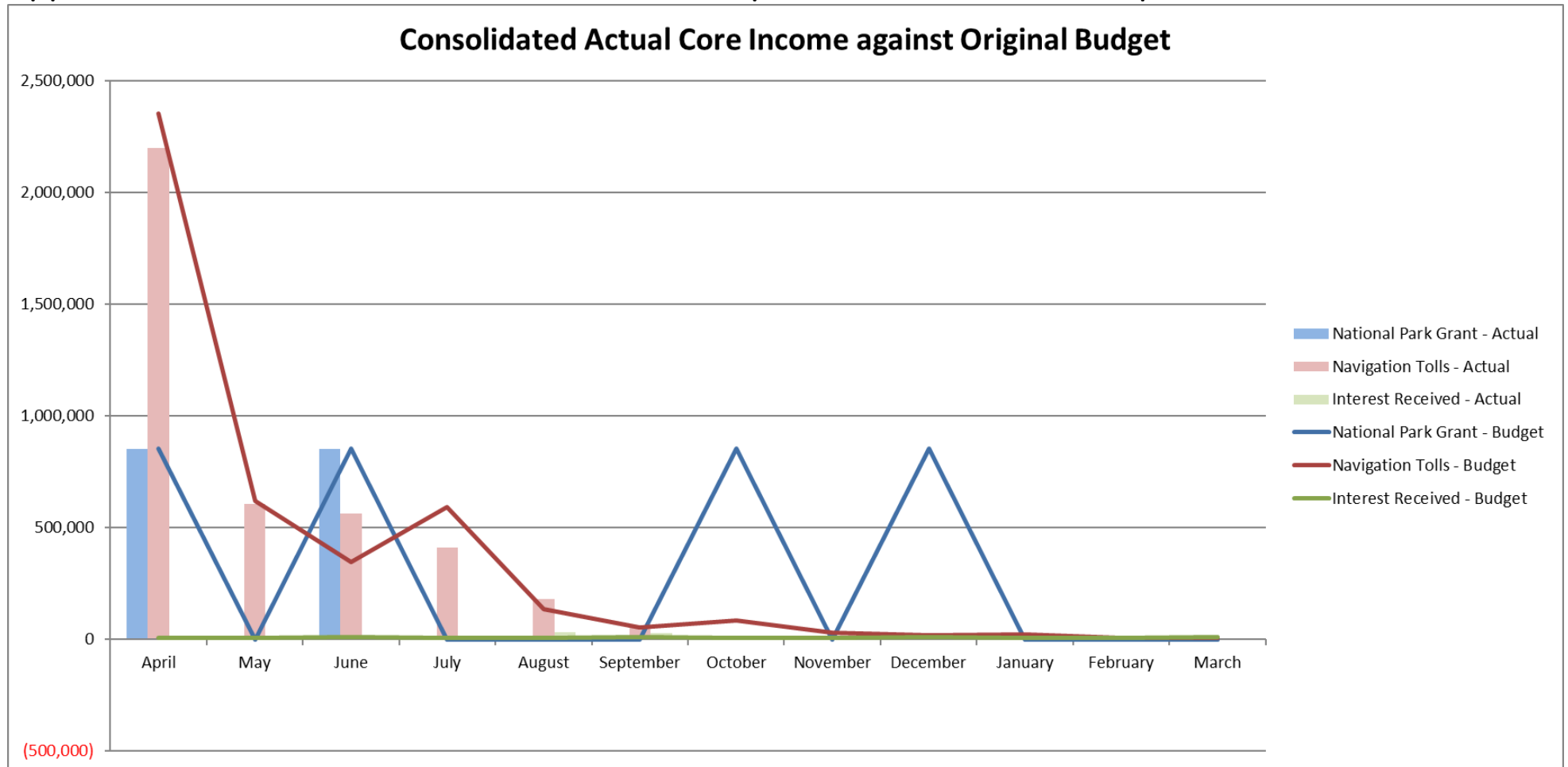
Date of report: 08 November 2023

[Broads Plan](#) strategic objectives: All

Appendix 1 – Consolidated actual income and expenditure charts to 30 September 2023

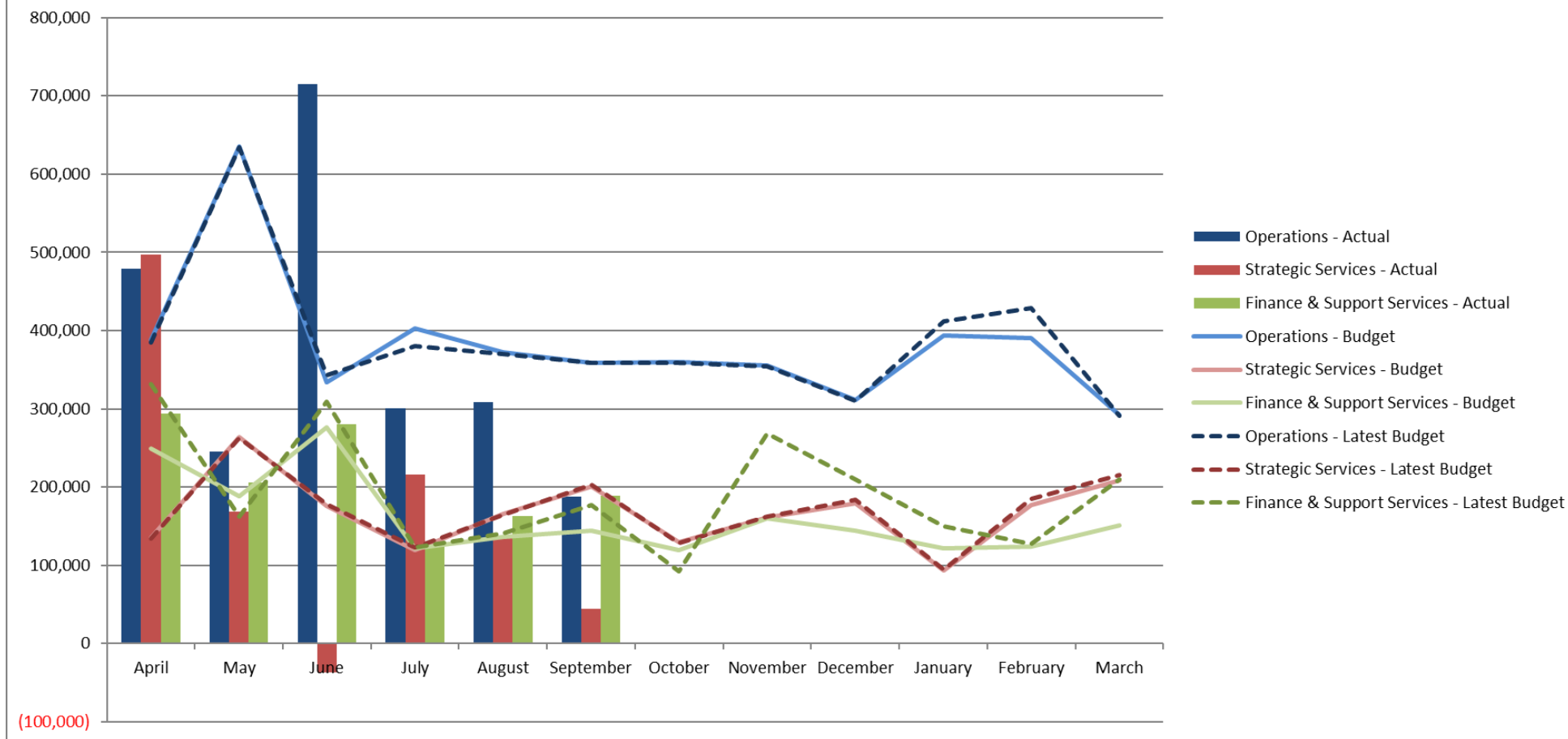
Appendix 2 – Financial monitor: Consolidated income and expenditure 2023/24

## Appendix 1 – Consolidated actual income and expenditure charts to 30 September 2023





### Consolidated Net Actual Expenditure against Original and Latest Budget



## Appendix 2 – Financial monitor: Consolidated income and expenditure 2023/24

**Table 1**

Income

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast outturn variance (Consolidated) £
<b>Total Income</b>	<b>(7,803,688)</b>	<b>0</b>	<b>(7,803,688)</b>	<b>(7,844,112)</b>	<b>40,424</b>
National Park Grant	(3,414,078)	0	(3,414,078)	(3,414,078)	0
Hire Craft Tolls	(1,333,000)	0	(1,333,000)	(1,322,781)	-10,219
Private Craft Tolls	(2,844,000)	0	(2,844,000)	(2,769,643)	-74,357
Short Visit Tolls	(55,000)	0	(55,000)	(55,000)	0
Other Toll Income	(32,610)	0	(32,610)	(32,610)	0
Interest	(125,000)	0	(125,000)	(250,000)	125,000

**Table 2**  
Operations

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast outturn variance (Consolidated) £
<b>Total Operations</b>	<b>4,861,285</b>	<b>32,050</b>	<b>4,893,335</b>	<b>4,928,934</b>	<b>-35,599</b>
<b>Construction and Maintenance Salaries</b>	<b>1,549,230</b>	<b>0</b>	<b>1,549,230</b>	<b>1,571,849</b>	<b>-22,619</b>
Salaries	1,549,230	0	1,549,230	1,574,610	-25,380
Expenditure	0	0	0	(2,761)	2,761
<b>Equipment, Vehicles &amp; Vessels</b>	<b>769,670</b>	<b>0</b>	<b>769,670</b>	<b>769,670</b>	<b>0</b>
Income	(1,000)	0	(1,000)	(1,000)	0
Expenditure	770,670	0	770,670	770,670	0
<b>Water Management</b>	<b>88,700</b>	<b>0</b>	<b>88,700</b>	<b>88,700</b>	<b>0</b>
Expenditure	88,700	0	88,700	88,700	0
<b>Land Management</b>	<b>(31,145)</b>	<b>0</b>	<b>(31,145)</b>	<b>(32,145)</b>	<b>1,000</b>
Income	(87,500)	0	(87,500)	(87,500)	0
Expenditure	56,355	0	56,355	55,355	1,000
<b>Practical Maintenance</b>	<b>592,475</b>	<b>0</b>	<b>592,475</b>	<b>592,475</b>	<b>0</b>
Income	(56,185)	0	(56,185)	(56,185)	0
Expenditure	648,660	0	648,660	648,660	0
<b>Waterways and Recreation Strategy</b>	<b>55,920</b>	<b>0</b>	<b>55,920</b>	<b>54,380</b>	<b>1,540</b>

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast outturn variance (Consolidated) £
Income	0	0	0	0	0
Salaries	47,920	0	47,920	46,380	1,540
Expenditure	8,000	0	8,000	8,000	0
<b>Ranger Services</b>	<b>1,117,940</b>	<b>32,050</b>	<b>1,149,990</b>	<b>1,165,800</b>	<b>-15,810</b>
Income	0	0	0	0	0
Salaries	986,990	0	986,990	1,002,800	-15,810
Expenditure	130,700	32,050	162,750	162,750	0
Pension Payments	250	0	250	250	0
<b>Safety</b>	<b>143,315</b>	<b>0</b>	<b>143,315</b>	<b>143,335</b>	<b>-20</b>
Income	(500)	0	(500)	(500)	0
Salaries	87,870	0	87,870	87,890	-20
Expenditure	55,945	0	55,945	55,945	0
<b>Premises</b>	<b>294,450</b>	<b>0</b>	<b>294,450</b>	<b>294,450</b>	<b>0</b>
Income	(2,600)	0	(2,600)	(2,600)	0
Expenditure	297,050	0	297,050	297,050	0
<b>Project Funding</b>	<b>130,600</b>	<b>0</b>	<b>130,600</b>	<b>130,600</b>	<b>0</b>
Expenditure	118,100	0	118,100	118,100	0
Pension Payments	12,500	0	12,500	12,500	0

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast outturn variance (Consolidated) £
<b>Operations Management and Administration</b>	<b>150,130</b>	<b>0</b>	<b>150,130</b>	<b>149,820</b>	<b>310</b>
Salaries	144,030	0	144,030	143,720	310
Expenditure	6,100	0	6,100	6,100	0

**Table 3**  
Strategic Services

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
<b>Total Strategic Services</b>	<b>1,722,479</b>	<b>46,217</b>	<b>1,768,696</b>	<b>1,791,633</b>	<b>-22,937</b>
<b>Development Management</b>	<b>419,510</b>	<b>14,000</b>	<b>433,510</b>	<b>434,830</b>	<b>-1,320</b>
Income	(87,500)	0	(87,500)	(90,500)	3,000
Salaries	459,380	0	459,380	471,920	-12,540
Expenditure	42,930	14,000	56,930	48,710	8,220
Pension Payments	4,700	0	4,700	4,700	0
<b>Strategy and Projects Salaries</b>	<b>264,590</b>	<b>7,478</b>	<b>272,068</b>	<b>257,001</b>	<b>15,067</b>
Income	(209,000)	0	(209,000)	(401,833)	192,833
Salaries	215,230	21,478	236,708	301,650	-64,942

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Expenditure	258,360	(14,000)	244,360	357,184	-112,824
<b>Biodiversity Strategy</b>	<b>9,300</b>	<b>0</b>	<b>9,300</b>	<b>20,988</b>	<b>-11,688</b>
Expenditure	9,300	0	9,300	20,988	-11,688
<b>Human Resources</b>	<b>161,810</b>	<b>0</b>	<b>161,810</b>	<b>161,950</b>	<b>-140</b>
Salaries	102,110	0	102,110	102,250	-140
Expenditure	59,700	0	59,700	59,700	0
<b>Volunteers</b>	<b>75,360</b>	<b>0</b>	<b>75,360</b>	<b>75,950</b>	<b>-590</b>
Salaries	61,860	0	61,860	62,450	-590
Expenditure	13,500	0	13,500	13,500	0
<b>Communications</b>	<b>393,974</b>	<b>0</b>	<b>393,974</b>	<b>427,154</b>	<b>-33,180</b>
Income	(250)	0	(250)	(49,895)	49,645
Salaries	312,910	0	312,910	346,090	-33,180
Expenditure	81,314	0	81,314	130,959	-49,645
<b>Visitor Centres and Yacht Stations</b>	<b>265,175</b>	<b>24,739</b>	<b>289,914</b>	<b>284,704</b>	<b>5,210</b>
Income	(306,550)	0	(306,550)	(306,550)	0
Salaries	444,070	0	444,070	438,860	5,210
Expenditure	127,655	24,739	152,394	152,394	0

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
<b>Strategic Services Management and Administration</b>	<b>132,760</b>	<b>0</b>	<b>132,760</b>	<b>129,056</b>	<b>3,704</b>
Salaries	130,260	0	130,260	129,960	300
Expenditure	2,500	0	2,500	(904)	3,404
<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 & Support Services

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
<b>Total Finance &amp; Support Services</b>	<b>1,937,520</b>	<b>364,056</b>	<b>2,301,576</b>	<b>2,344,114</b>	<b>-42,538</b>
<b>Legal</b>	<b>104,000</b>	<b>0</b>	<b>104,000</b>	<b>134,000</b>	<b>-30,000</b>
Income	(6,000)	0	(6,000)	(6,000)	0
Expenditure	110,000	0	110,000	140,000	-30,000
<b>Governance</b>	<b>245,350</b>	<b>0</b>	<b>245,350</b>	<b>241,250</b>	<b>4,100</b>
Salaries	185,750	0	185,750	185,450	300
Expenditure	59,600	0	59,600	55,800	3,800

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
<b>Chief Executive</b>	<b>133,060</b>	<b>0</b>	<b>133,060</b>	<b>130,786</b>	<b>2,274</b>
Salaries	132,060	0	132,060	130,600	1,460
Expenditure	1,000	0	1,000	186	814
<b>Asset Management</b>	<b>153,880</b>	<b>0</b>	<b>153,880</b>	<b>146,100</b>	<b>7,780</b>
Income	(24,300)	0	(24,300)	(24,300)	0
Salaries	53,320	0	53,320	53,740	-420
Expenditure	124,860	0	124,860	116,660	8,200
<b>Premises – Head Office</b>	<b>161,940</b>	<b>364,056</b>	<b>525,996</b>	<b>525,996</b>	<b>0</b>
Expenditure	161,940	364,056	525,996	525,996	0
<b>Finance and Insurance</b>	<b>495,510</b>	<b>0</b>	<b>495,510</b>	<b>508,700</b>	<b>-13,190</b>
Income	0	0	0	0	0
Salaries	268,010	0	268,010	268,200	-190
Expenditure	227,500	0	227,500	240,500	-13,000
<b>Collection of Tolls</b>	<b>208,680</b>	<b>0</b>	<b>208,680</b>	<b>210,930</b>	<b>-2,250</b>
Salaries	198,080	0	198,080	200,330	-2,250
Expenditure	10,600	0	10,600	10,600	0
<b>ICT</b>	<b>435,100</b>	<b>0</b>	<b>435,100</b>	<b>446,352</b>	<b>-11,252</b>
Salaries	224,000	0	224,000	235,520	-11,520



Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Expenditure	211,100	0	211,100	210,832	268

**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) £
<b>Total Projects and Corporate Items</b>	<b>28,625</b>	<b>0</b>	<b>28,625</b>	<b>18,405</b>	<b>10,220</b>
<b>Partnerships / HLF</b>	<b>21,925</b>	<b>0</b>	<b>21,925</b>	<b>11,705</b>	<b>10,220</b>
Income	(91,535)	0	(91,535)	(91,535)	0
Salaries	96,460	0	96,460	86,240	10,220
Expenditure	17,000	0	17,000	17,000	0
<b>Corporate Items</b>	<b>6,700</b>	<b>0</b>	<b>6,700</b>	<b>6,700</b>	<b>0</b>
Expenditure	6,700	0	6,700	6,700	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) £
<b>Total Contributions from Earmarked Reserves</b>	<b>(727,999)</b>	<b>(442,323)</b>	<b>(1,170,322)</b>	<b>(1,175,082)</b>	<b>4,760</b>
<b>Earmarked Reserves</b>	<b>(727,999)</b>	<b>(442,323)</b>	<b>(1,170,322)</b>	<b>(1,175,082)</b>	<b>4,760</b>
Expenditure	(727,999)	(442,323)	(1,170,322)	(1,175,082)	4,760

**Table 7**

Net (Surplus) / Deficit

Row labels	Original Budget (Consolidated) £	Budget Adjustments (Consolidated) £	Latest Available Budget (Consolidated) £	Forecast Outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
<b>Grand Total</b>	<b>18,222</b>	<b>0</b>	<b>18,222</b>	<b>63,891</b>	<b>-45,669</b>