

**Consolidated Income and Expenditure: 1 April 2012 to 30 September 2012**  
Report by Head of Finance

**Summary:** This report summarises actual income and expenditure for the six month period to 30 September 2012, and provides a forecast of the projected expenditure at the end of the financial year (31 March 2013). The report provides details of major variances expected at year end and the reasons these are anticipated.

**Recommendation:** That the report be noted.

## **1 Introduction**

- 1.1 This Budget Monitor report is presented in the new format agreed by the Broads Authority and includes details of the profiled original budget. The focus of the report is the forecast outturn for the year, which is intended to provide members with a more accurate picture of expected activity for the full financial year. This report provides details of the Authority's consolidated expenditure (National Park and Navigation).
- 1.2 Appendix 1 provides a forecast of the 2012/13 outturn (the expected actual expenditure at the end of the financial year), compared to the original budget for the year agreed by the Authority in January 2012. A commentary about significant variances from the original budget is provided within the appendix.
- 1.3 In addition, Appendix 1 shows the actual income received and expenditure incurred for the period April 2012 to September 2012 compared with the profiled original budget for the year.
- 1.4 Finally, Appendix 1 presents details of actual movements in earmarked reserves for the period to date and the balance of earmarked reserves at the end of September 2012.

## **2 Overview of Actual Income and Expenditure**

- 2.1 Total income for the period is £4,637,207, which is 69.76% of the original budget for the year and 99.99% of the profiled budget.
- 2.2 Total net expenditure is £3,227,014, which is 45.34% of the original budget and 99.44% of the profiled budget.

## **3 Overview of Forecast Outturn 2012/13**

- 3.1 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. It must be emphasised that these forecast outturn figures should be seen as estimates and it is anticipated that they will be refined and clarified throughout the financial year. The Finance Team are supporting budget holders in developing accurate forecasting methods.

3.2 As at the end of September 2012, the forecast outturn indicates:

- Income is expected to be slightly below the original budget with total forecast income of £6,637,174. This amount includes an estimated £15,000 of additional income from adjacent waters.
- Total net expenditure is forecast to be £7,662,394. This represents an increase of £545,026 or 7.66% on the original budget of £7,117,368.
- The resulting deficit for the year is forecast to be £1,025,220, an increase of £554,901 over the deficit set out in the original 2012/13 budget.

3.3 The forecast outturn expenditure takes account of the following key changes from the original budget:

- £470,571 expenditure to fund capital improvements of the workshop at the Dockyard.
- The inclusion of £375,000 expenditure in respect of costs arising from the relocation to Yare House.
- Additional costs and income relating to Breydon Water including hydraulic/sediment modelling, lay-by moorings funded from reserves and the acquisition of a new launch.
- Adjustment of salary costs to reflect the 0% pay award in 2012/13. This was previously budgeted at 1% for all salaries.

Further commentary on changes from the original budget is provided within Appendix 1.

## 4 Summary

4.1 In response to the feedback from members, the forecast outturn represents a drawing down of reserves to fund one-off, mainly capital expenditure in 2012/13.

4.2 The impact of this deficit has been incorporated into the Authority's financial planning for 2013/14 and beyond, including in the re-profiling of planned contributions to reserves, with the expectation that general reserves will be built up once again from 2013/14.

Background Papers: Nil

Author: Titus Adam  
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Broads Plan Objectives: None  
Appendices: APPENDIX 1 - Consolidated Income and Expenditure to 30 September 2012

DIRECTORATE

	Consolidated Annual Budget 2012/13	Consolidated Use of Earmarked Reserves	Consolidated Forecast Outturn	Consolidated Forecast Variance	Consolidated Profiled Budget to September 2012	Consolidated Actual to September 2012	Consolidated Actual Variance as at September 2012	Commentary on forecast consolidated variance
<b>INCOME</b>								
National Park Grant	(3,774,799)	-	(3,774,799)	-	(1,887,399)	(1,887,399)	-	
<i>Navigation Charges</i>								
Hire Craft Tolls	(1,074,000)	-	(1,061,000)	(13,000)	(1,074,000)	(1,061,059)	(12,941)	Forecast outturn has been reduced by £6,000 as it previously included Hire Boat Licence income. Reduced by £7,000 for potential bad debt.
Private Craft Tolls	(1,692,000)	-	(1,707,000)	15,000	(1,621,498)	(1,653,419)	31,921	Increased use of online payment facility has led to earlier receipt of payments in 2012/13 resulting in the positive actual variance. The forecast additional income (£15,000) predicted from adjacent waters has been transferred from the Other Toll Income line. Short visit sales are down as a result of the bad weather; the outturn will be reviewed once further figures from outlets are received.
Short Visit Tolls	(47,500)	-	(35,625)	(11,875)	(24,148)	(14,795)	(9,353)	
Other Toll Income	(18,750)	-	(18,750)	-	(15,800)	(13,043)	(2,757)	Forecast additional income from adjacent waters transferred to Private Craft Tolls. £6,000 Hire Boat Licence income to be transferred from Hire Craft Tolls.
Interest Received	(40,000)	-	(40,000)	-	(15,000)	(7,491)	(7,509)	Actual results from accrual for fixed deposit interest from 2011/12 which has not yet been received.
	<b>(6,647,049)</b>	<b>-</b>	<b>(6,637,174)</b>	<b>(9,875)</b>	<b>(4,637,845)</b>	<b>(4,637,207)</b>	<b>(638)</b>	
<b>OPERATIONS</b>								
<i>Construction &amp; Maintenance</i>								
Construction & Maintenance Salaries	1,039,720	-	1,036,370	3,350	519,860	503,307	16,553	Salaries adjusted for impact of 0% pay award 2012/13. (Original budget 1%). Budgeted £60,000 contribution to reserves will not be made 2012/13. Includes £78,000 carried forward from 2011/12 for acquisition of Uniflotes and additional £10,000 expenditure for electric outboard motors. In addition the capital purchase of 7 vehicles at a cost of £110,000 has increased expenditure in 2012/13.
Equipment, Vehicles & Vessels	485,000	15,000	579,713	(79,713)	242,500	346,209	(103,709)	2012/13 budget is not expected to be fully spent due to revised planned activity level. Contract let for dredging works £100,000 in 2012/13. Hydrographic Survey (approx £20,000) to be undertaken. The actual variance arises from the profiled original budget for landowner payments and sediment removal where forecast outturn has been revised and limited expenditure is expected in 2012/13.
Water Management	230,000	-	182,500	47,500	105,500	24,215	81,285	2012/13 budget is not expected to be fully spent due to revised planned activity level.
Land Management	123,500	-	120,465	3,035	38,004	13,997	24,007	

	Consolidated Annual Budget 2012/13	Consolidated Use of Earmarked Reserves	Consolidated Forecast Outturn	Consolidated Forecast Variance	Consolidated Profiled Budget to September 2012	Consolidated Actual to September 2012	Consolidated Actual Variance as at September 2012	Commentary on forecast consolidated variance
Practical Maintenance	368,580	55,000	469,080	(45,500)	187,476	81,396	106,080	Additional expenditure in relation to Breydon Water (£60,000 for modelling and £50,000 (funded from reserves) for provision of moorings), partly offset by additional income from Great Yarmouth Port Authority (£50,000 - see below). In addition, a further £60,000 has been allocated for piling works expected in November 2012. Contract for mooring maintenance and repair has now been let and expenditure will be incurred from the third quarter 2012/13. £22,500 contribution to Mutford Lock reserve in 2012/13 has been deferred.
	2,246,800	70,000	2,388,128	(71,328)	1,093,340	969,123	124,217	
Rangers Salaries	519,880	-	523,590	(3,710)	296,026	301,298	(5,272)	
Ranger Services	219,500	190,000	504,270	(94,770)	86,794	113,156	(26,362)	The forecast variance relates to the additional expenditure for the Breydon Water launch. In addition the capital purchase of 3 vehicles at a cost of £53,000 has increased expenditure in 2012/13.
	739,380	190,000	1,027,860	(98,480)	382,820	414,454	(31,634)	
Safety	105,520	-	118,730	(13,210)	54,095	68,376	(14,281)	
Asset Management	100,160	-	99,600	560	50,432	47,382	3,050	
Volunteers	43,660	-	51,100	(7,440)	21,830	29,288	(7,458)	
Management & Admin	160,070	-	157,750	2,320	80,036	79,040	996	
	409,410	-	427,180	(17,770)	206,393	224,087	(17,694)	
Operations Income	(251,940)	-	(331,340)	79,400	(62,419)	(108,539)	46,120	£50,000 relating to transfer of responsibilities for Breydon Water not included in the original budget has been received from Great Yarmouth Port Authority. Income relating to Trinities will be received in September.
<b>OPERATIONS TOTAL</b>	<b>3,143,650</b>	<b>260,000</b>	<b>3,511,828</b>	<b>(108,178)</b>	<b>1,620,134</b>	<b>1,499,124</b>	<b>121,010</b>	
<b>PLANNING &amp; STRATEGY</b>								
Development Management	272,320	15,000	285,590	1,730	136,156	142,134	(5,978)	Actual overspend results from additional support for development control activity, agreed to be funded from reserves but not included in original budget.
<i>Strategy &amp; Projects</i>								
Strategy & Projects Salaries	440,010	-	423,880	16,130	220,007	211,008	8,999	Cancellation of Lound project (£20,730) and impact of 0% pay award in 2012/13.
Biodiversity Strategy	107,500	-	107,500	-	33,130	18,012	15,118	Actual variance results from lower than profiled costs in relation to Fen Strategy - options for future expenditure are currently under review.
Partnerships/HLF	-	-	-	-	-	-	-	
Strategy & Projects	65,000	30,000	103,000	(8,000)	32,500	38,189	(5,689)	Increase in projected expenditure relates to delivery of climate change adaptation plan consultation work (£5,000) and cost of maintaining programme of conservation area appraisals (£5,000).
Waterways & Recreation Strategy	90,000	-	90,000	-	45,000	40,907	4,093	

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								Environment Agency funding for Upper Thurne has been carried forward from 2011/12. Work is currently focussed on developing project plan. For other projects, project strategies are being developed in 2012/13 with the consequence that fewer projects will be ready for implementation in the year. Actual variance arises from consultancy work undertaken earlier than anticipated in profiled budget.
Project Funding	169,000	-	128,708	40,292	51,500	45,711	5,789	
SDF transfer to reserves	150,000	-	150,000	-	75,000	75,000	-	
SDF	-	150,000	150,000	-	-	130,084	(130,084)	
								Adjustment for posts not funded from Planning Delivery Grant in 2012/13. Forecast outturn reduced by £5,000 for anticipated lower administration expenses.
Management & Admin	133,020	-	145,050	(12,030)	66,510	72,010	(5,500)	
								Additional income has been received from Norfolk County Council to fund works at Hardley Weir (£20,000). Income received in relation to two large planning applications (Ditchingham Maltings and Pegasus) has increased the actual total income resulting in the actual variance. Accrued income from 2011/12 for the Upper Thurne remains outstanding and is being pursued.
Planning & Strategy Income	(107,500)	-	(162,875)	55,375	(44,248)	(81,337)	37,089	
<b>PLANNING TOTAL</b>	<b>1,319,350</b>	<b>195,000</b>	<b>1,420,853</b>	<b>93,497</b>	<b>615,555</b>	<b>691,717</b>	<b>(76,162)</b>	
<b>RESOURCES</b>								
Human Resources	155,780	-	158,800	(3,020)	77,890	84,139	(6,249)	
Finance & Insurance	329,065	-	309,832	19,233	203,465	200,806	2,659	Revised staff costs for new finance team structure from May 2012.
Governance	173,030	-	177,930	(4,900)	86,513	85,932	581	
Communications	289,790	-	296,210	(6,420)	144,394	134,175	10,219	
Visitor Centres & Yacht Stations	450,133	-	444,070	6,063	281,666	286,590	(4,924)	
Collection of Tolls	103,300	-	105,470	(2,170)	54,358	51,506	2,852	
ICT	236,000	-	228,830	7,170	137,500	136,396	1,104	
Legal	100,000	-	100,000	-	25,000	27,150	(2,150)	
								The forecast variance results from additional costs relating to development of the new workshop at the Dockyard and the cost of the Authority's relocation to Yare House. Actual variance arises from an accrual for costs relating to Dragonfly House in 2011/12 and prior years which have not been finalised. Work is underway with Defra to agree costs and it is anticipated that this will be resolved early in the new year.
Premises	635,000	100,000	1,337,891	(602,891)	87,998	217,623	(129,625)	
								The actual variance results from the payment of annual subscriptions which were not included in the profile for the start of the year.
Management & Admin	235,620	-	237,530	(1,910)	123,310	142,416	(19,106)	
								The actual variance results from outstanding income relating to contribution payments for Dragonfly House reception and rental of car parking spaces.
Resources Income	(221,850)	-	(219,850)	(2,000)	(146,479)	(130,538)	(15,941)	
<b>RESOURCES TOTAL</b>	<b>2,485,868</b>	<b>100,000</b>	<b>3,176,713</b>	<b>(590,845)</b>	<b>1,075,615</b>	<b>1,236,194</b>	<b>(160,579)</b>	

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Redundancy and Reorganisation costs	110,500	-	50,000	60,500	-	2,172	(2,172)	
Pension Lump Sum Payments	58,000	-	58,000	-	-	-	-	
STEP transfer to reserves				-			-	
STEP		-	-	-	-	84,860	(84,860)	
PRISMA		-	-	-	(66,100)	188,878	(254,978)	
<b>Contributions from Earmarked Reserves</b>								
Planning Delivery Grant		(45,000)	(45,000)	-	-	(8,908)	8,908	
New Office Accommodation		(85,000)	(85,000)	-	-	(5,198)	5,198	
Mobile Phone		-	-	-	-	(1,653)	1,653	
IEG		-	-	-	-	(4,813)	4,813	
Sustainable Development		(150,000)	(150,000)	-	-	(130,084)	130,084	
Asset Management		-	-	-	-	-	-	
PRISMA		-	-	-	-	(186,577)	186,577	
Fen Management Equipment		-	-	-	-	-	-	
Section 106 Agreements		-	-	-	-	5,000	(5,000)	
STEP		-	-	-	-	(84,472)	84,472	
Launch Replacement		(190,000)	(190,000)	-	-	(1,800)	1,800	
Mutford Lock		(5,000)	(5,000)	-	-	1,000	(1,000)	
Dredging Disposal		(50,000)	(50,000)	-	-	-	-	
Dockyard Vessels & Equipment		(15,000)	(15,000)	-	-	(15,000)	15,000	
Dockyard Site Maintenance		(15,000)	(15,000)	-	-	(43,426)	43,426	
		(555,000)	(555,000)	-	-	(475,931)	475,931	
<b>NET EXPENDITURE</b>	<b>7,117,368</b>	<b>-</b>	<b>7,662,394</b>	<b>(545,026)</b>	<b>3,245,204</b>	<b>3,227,014</b>	<b>18,190</b>	
<b>(SURPLUS) / DEFICIT</b>	<b>470,319</b>	<b>-</b>	<b>1,025,220</b>	<b>(554,901)</b>	<b>(1,392,641)</b>	<b>(1,410,193)</b>	<b>17,552</b>	

Earmarked Reserve Movements	Balance as at March 2012	Transfers in	Transfers out	Balance as at September 2012	
Planning Delivery Grant	(521,564)	-	8,908	(512,656)	0
New Office Accommodation	(85,103)	(40)	5,238	(79,905)	0
Mobile Phone	(16,550)	-	1,653	(14,897)	0
IEG	(4,813)	-	4,813	-	0
Sustainable Development	(75,142)	-	92,584	17,442	0
Asset Management	(74,346)	-	-	(74,346)	0
PRISMA	(280,573)	(61,233)	247,810	(93,996)	0
Fen Management Equipment	(50,647)	(12,500)	-	(63,147)	0
Section 106 Agreements	-	(5,000)	-	(5,000)	0
STEP	(79,924)	(20,230)	85,952	(14,202)	0
Launch Replacement	(150,369)	(7,425)	3,600	(154,194)	0
Mutford Lock	(270,374)	(7,250)	-	(277,624)	0
Dredging Disposal	(182,950)	(15,000)	-	(197,950)	0
Dockyard Vessels & Equipment	(164,056)	(15,000)	15,000	(164,056)	0
Dockyard Site Maintenance	(71,836)	(7,500)	43,426	(35,910)	0
<b>Total</b>	<b>(2,028,247)</b>	<b>(151,178)</b>	<b>508,984</b>	<b>(1,670,441)</b>	<b>0</b>