

Navigation Committee

08 June 2023

Agenda item number 12

Annual Income and Expenditure 2022/23

Report by Director of Finance

Purpose

To inform the Committee of the summary of the Authority's income and expenditure for the 2022/23 financial year, analysed between General (National Park) and Navigation funds. Original and Latest Available Budget information is provided for comparison.

Broads Plan context

Financial performance underpins all the strategic objectives of the Broads Plan.

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1. Introduction

- 1.1. The Broads Act 2009 requires the Authority to prepare a report as soon as reasonable possible after the end of each financial year describing the navigation income received by it and the navigation expenditure incurred by it in that year.

2. Actual income and expenditure 2022/23

- 2.1. The tables in Appendix 1 sets out the Authority's income and expenditure attributed to General (National Park Grant) and Navigation funds for the financial year ended 31 March 2023. To the extent that they are included within the Authority's Statement of Accounts, these figures are subject to audit and formal approval by the Authority's external auditors. For comparative purposes, the Original and Latest Available Budget (LAB) figures are also shown. This information is published on the Authority's website.

- 2.2. The actual outturn for 2022/23 was a deficit of £145,512 for Navigation compared with a budgeted LAB deficit for the year of £206,119. The original budget was for a deficit of £137,119. The final forecast outturn was a deficit of £172,065.
- 2.3. Total core income for the year was £3,869,111, which was £110,721 above budget, principally due to the favourable variances of £45,978 within Hire and Private Craft, where boat numbers did not decrease as much as predicted. There continued to be smaller favourable variances within Short Visit and Other Toll income budget lines. There was a favourable variance of £55,570 within the interest budget line, with interest rates increasing over the financial year.
- 2.4. Other income performed better than budget predictions. This was due to the disposal of old equipment and increased income from electric card sales and electric recharges.
- 2.5. Total net navigation expenditure in 2022/23 was £4,014,624, which was £50,115 above the budget. This was predominantly due to the pay award implemented being above the 2% budgeted and increased legal charges.

3. Earmarked reserves

- 3.1. The earmarked reserves have funded the following expenditure:
 - Property Reserve includes the planning application for the replacement hut at Reedham Quay (£73) and the rental income from land at Oulton Broad (£2,000). The increase to reserve balance is due to the annual contribution to the Mutford Lock Reserve (£25,000).
 - Plant, Vessels, and Equipment Reserve includes replacement cost of two vehicles and the deposit for a third (£37,810). It also includes the proceeds from the sale of the two vans and the disposal of old dockyard equipment (£12,168). The expenditure has been offset by the annual contributions to the reserves (£135,050).
 - Premises Reserve includes the annual contributions to the reserves (£35,000).
 - CANAPE Reserve has funded the project expenditure less the grant reimbursement.
 - Computer Software includes the annual contribution (£6,600).
- 3.2. After the year-end transfer of interest, the closing position on the earmarked reserves is as follows:

Table 1

Navigation Earmarked Reserves

Reserve name	Balance at 1 April 2022 £	In-year movements £	Closing reserve balance £
Property	(476,457)	(37,937)	(514,394)
Plant, Vessels, and Equipment	(362,576)	(119,732)	(482,308)
Premises	(125,777)	(38,517)	(164,294)
CANAPE	(238,136)	6,443	(231,693)
Computer Software	(101,638)	(8,967)	(110,605)
Total	(1,304,584)	(198,710)	(1,503,294)

4. Summary

- 4.1. The total Navigation deficit for 2022/23 was lower than the budgeted and the forecast deficit. The main reason for the variance between the forecast and actual position was the increased income set out in paragraph 2.3.
- 4.2. Whilst investment income has exceeded expectations due to the increased rates implemented by the Bank of England these rates are expected to drop in the future, much closer to their forecast level of inflation of 2%. This means that the level of return in future years may reduce.
- 4.3. 2022/23 sees the first repayment of £50,000 between the Navigation and National Park Reserve which means the balance on the Navigation Reserve at the end of 2022/23 is £611,587, this is above the minimum 10% at 15.2%. However, it should be noted that as the £50,000 per annum transfer back to National Park, continues in 2023/24, alongside the planned expenditure in the Financial Strategy, this will reduce the Reserve down to 13.8%. This will be refined later this year when the level of tolls for 2024/25 is considered.

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[Broads Plan](#) strategic objectives: All

Appendix 1 – General and Navigation income and expenditure 2022/23

Appendix 1 - General and Navigation income and expenditure 2022/23

The Broads Authority Act 2009 requires the Authority to prepare a report as soon as reasonably possible after the end of each financial year describing the navigation income received by it and the navigation expenditure incurred by it in that year. The table below sets out the Authority's income and expenditure attributed to general (National Park Grant) and navigation funds for the financial year ended 31 March 2023. These figures are derived from the annual Statement of Accounts which is subject to audit and formal approval by the Authority's external auditors, Ernst & Young (EY). For comparative purposes, the final approved budget figures are also shown.

Further details are available on request from the Director of Finance, Yare House, 62-64 Thorpe Road, Norwich NR1 1RY or by email from emma.krelle@broads-authority.gov.uk.

The Draft Statement of Accounts for 2022/23 have not yet been scheduled for audit by EY. Once the audit has been completed the final version of the Statement of Accounts for 2022/23 will be presented to the next available Broads Authority.

Table 1

Income

Income Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Income General £	Actual Income Navigation £	Actual Income Consolidated £
National Park Grant	(3,414,078)	0	(3,414,078)	(3,414,078)	0	(3,414,078)	(4,784,591)	0	(4,784,591)
Hire Craft Tolls	0	(1,186,000)	(1,186,000)	0	(1,186,000)	(1,186,000)	0	(1,204,264)	(1,204,264)
Private Craft Tolls	0	(2,489,000)	(2,489,000)	0	(2,489,000)	(2,489,000)	0	(2,516,714)	(2,516,714)
Short Visit Tolls	0	(48,000)	(48,000)	0	(48,000)	(48,000)	0	(54,089)	(54,089)
Other Toll income	0	(32,390)	(32,390)	0	(32,390)	(32,390)	0	(35,474)	(35,474)
Interest received	(3,000)	(3,000)	(6,000)	(3,000)	(3,000)	(6,000)	(58,570)	(58,570)	(117,141)
Total Income	(3,417,078)	(3,758,390)	(7,175,468)	(3,417,078)	(3,758,390)	(7,175,468)	(4,843,162)	(3,869,111)	(8,712,273)

Table 2

Operations

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Construction & Maintenance Salaries	516,520	865,960	1,382,480	516,520	865,960	1,382,480	529,556	883,049	1,412,605
Equipment, Vehicles & Vessels	223,304	521,042	744,345	229,303	535,041	764,344	162,133	378,311	540,444
Water Management	3,000	76,840	79,840	3,000	76,840	79,840	2,245	50,311	52,557
Land Management	56,820	0	56,820	56,820	0	56,820	68,861	0	68,861

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Practical Maintenance	226,330	424,865	651,195	226,330	479,866	706,196	122,812	491,986	614,798
Waterways & Recreation Strategy	24,050	30,050	54,100	24,050	30,050	54,100	83,961	26,898	110,859
Rangers Salaries	260,046	606,774	866,820	260,046	606,774	866,820	264,940	618,193	883,132
Ranger Services	21,432	179,438	200,870	21,432	179,438	200,870	12,283	133,015	145,298
Safety	38,395	85,035	123,430	38,395	85,035	123,430	66,224	87,252	153,476
Project Funding	11,011	1,089	12,100	11,011	1,089	12,100	11,370	1,126	12,496
Operational Premises	100,107	135,583	235,690	100,107	135,583	235,690	87,097	113,745	200,842
Premises Head Office	187,355	76,525	263,880	187,355	76,525	263,880	204,937	81,488	286,425
Management & Admin	98,209	48,371	146,580	98,209	48,371	146,580	93,942	46,270	140,213
Operations Income	(102,766)	(24,040)	(126,806)	(102,766)	(24,040)	(126,806)	(184,411)	(38,867)	(223,278)
Total Operations	1,663,812	3,027,532	4,691,344	1,669,811	3,096,532	4,766,344	1,525,950	2,872,777	4,398,726

Table 3
Strategic Services

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Development Management	459,756	4,484	464,240	459,756	4,484	464,240	485,026	4,590	489,616
Strategy & Projects Salaries	165,119	10,231	175,350	165,119	10,231	175,350	177,635	9,903	187,538
Biodiversity Strategy	11,900	0	11,900	11,900	0	11,900	17,819	0	17,819
Strategy & Projects	1,000,636	0	1,000,636	1,000,636	0	1,000,636	886,841	104	886,944
Human Resources	88,860	61,750	150,610	88,860	61,750	150,610	103,739	74,581	178,320
Volunteers	43,980	29,320	73,300	43,980	29,320	73,300	42,234	28,156	70,390

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Communications	460,266	83,710	543,976	344,994	83,710	428,704	421,137	85,351	506,489
Visitor Centres & Yacht Stations	360,178	179,793	539,970	360,178	179,793	539,970	325,412	172,598	498,009
Management & Admin	77,055	33,023	110,078	77,055	33,023	110,078	87,077	37,319	124,396
Strategic Services Income	(1,308,908)	(69,450)	(1,378,358)	(1,193,636)	(69,450)	(1,263,086)	(1,224,446)	(67,690)	(1,292,136)
Total Strategic Services	1,358,841	332,861	1,691,702	1,358,841	332,861	1,691,702	1,322,473	344,911	1,667,384

Table 4
Finance and Support Services

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
National Park Grant	0	0	0	0	0	0	1,375,231	0	1,375,231
Legal	70,000	30,000	100,000	70,000	30,000	100,000	133,793	44,780	178,573
Governance	167,473	82,487	249,960	167,473	82,487	249,960	155,082	76,353	231,435
Finance & Insurance	241,377	211,369	452,746	241,377	211,369	452,746	240,858	218,122	458,980
Collection of Tolls	0	193,760	193,760	0	193,760	193,760	0	196,866	196,866
ICT	264,958	130,502	395,460	264,958	130,502	395,460	257,757	126,955	384,713
Asset Management	94,723	75,886	170,609	94,723	75,886	170,609	62,326	67,360	129,686
Chief Executive	75,682	49,558	125,240	75,682	49,558	125,240	75,347	49,428	124,775
Finance & Support Services Income	(21,000)	(7,000)	(28,000)	(21,000)	(7,000)	(28,000)	(22,222)	(12,903)	(35,125)
Total Finance & Support Services	893,213	766,562	1,659,775	893,213	766,562	1,659,775	2,278,174	766,961	3,045,134

Table 5

Projects and Corporate items

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Heritage Lottery Fund	(97,306)	0	(97,306)	(97,306)	0	(97,306)	(159,737)	0	(159,737)
CANAPE	(27,341)	(27,341)	(54,681)	(27,341)	(27,341)	(54,681)	11,402	11,402	22,804
Pension Lump Sum Payments	76,200	50,800	127,000	76,200	50,800	127,000	76,200	50,800	127,000
Apprenticeship Levy	17,438	2,162	19,600	17,438	2,162	19,600	10,759	2,890	13,649
Cyber crime	0	0	0	0	0	0	0	0	0
WRE	0	0	0	0	0	0	7,500	0	7,500
Total Projects & Corporate Items	(31,008)	25,622	(5,387)	(31,008)	25,622	(5,387)	(53,876)	65,092	11,216

Table 6

Contributions from earmarked reserves

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Property	(146,780)	2,000	(144,780)	(146,780)	2,000	(144,780)	(42,222)	1,927	(40,295)
Plant, Vessels & Equipment	(93,524)	(240,221)	(333,745)	(93,524)	(240,221)	(333,745)	(25,228)	(25,642)	(50,870)
Premises	(49,794)	(46,186)	(95,980)	(49,794)	(46,186)	(95,980)	(5,433)	0	(5,433)
Heritage Lottery Fund	97,306	0	97,306	97,306	0	97,306	159,737	0	159,737
Upper Thurne	(18,000)	0	(18,000)	(18,000)	0	(18,000)	932	0	932
Catchment Partnership	(20,870)	0	(20,870)	(20,870)	0	(20,870)	(22,466)	0	(22,466)
CANAPE	27,341	27,341	54,681	27,341	27,341	54,681	(11,402)	(11,402)	(22,804)
Match funding (EXPERIENCE)	(46,016)	0	(46,016)	(46,016)	0	(46,016)	(29,038)	0	(29,038)

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Computer Software	0	0	0	0	0	0	0	0	0
UK NP Communications Team	(2,078)	0	(2,078)	(2,078)	0	(2,078)	(33,628)	0	(33,628)
Total Contributions from reserves	(252,415)	(257,067)	(509,482)	(252,415)	(257,067)	(509,482)	(8,749)	(35,117)	(43,866)

Table 7
Net (Surplus) / Deficit

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Grand Total	215,365	137,119	352,484	221,364	206,119	427,484	220,810	145,512	366,322