

Financial Performance and Direction
Report by Chief Executive and Head of Finance

Summary: This report provides a strategic overview of current key financial issues and items for decision, alongside a summary of the key issues arising out of the Authority's Statement of Accounts for the financial year ended 31 March 2013 and including provisional outturn figures for general and navigation income and expenditure.

Recommendations:

Section 2

- (i) That the implications of the Comprehensive Spending Review 2013 be noted.
- (ii) That the proposals for the preparation of the Authority's medium term financial strategy to 2016/17 set out in paragraph 2.3 be approved.

Section 3

- (iii) That the summary of the Statement of Accounts 2012/13 and the revenue account outturn figures be noted.
- (iv) That the carry forward proposals set out in paragraph 3.8 of this report, totalling £272,452, be approved, and that this amount be added to the 2013/14 budget as additional expenditure.

Section 4

- (v) That the closing position of earmarked reserves for 2012/13 and the consolidation as at 1 April 2013 set out in section 4 be noted.
- (vi) That the provision of a budget of up to £40,000 from the Planning Delivery Grant reserve to fund the development of the Authority's website as set out in paragraph 4.4 be approved.

Section 5

- (vii) That the proposed revised monitoring format for 2013/14 set out in section 5 be approved.

Section 6

- (viii) That the amendment to the Scheme of Powers Delegated to Officers set out in paragraph 6.2 be approved.

1 Introduction

- 1.1 This report consolidates a number of items relating to the financial performance and direction of the Authority in order to provide members with a

strategic overview of the key issues for consideration. This report covers the items set out in the table below:

Report Section	Item
2	Implications of the Comprehensive Spending Review
3	Summary of Statement of Accounts 2012/13
4	Earmarked Reserves 2013/14
5	Proposed Revised Monitoring Format for 2013/14
6	Chief Executive Delegations re Payments to Staff

2 Implications of the Comprehensive Spending Review

- 2.1 On 26 June 2013, the Chancellor announced the government's next round of public spending proposals in the Comprehensive Spending Review (CSR) 2013. This set out plans for a reduction in Defra's Departmental Expenditure Limit (DEL) of around 10% in 2015/16. This is on top of the 29% reduction in resource spending already announced for the period 2010/11-2014/15 in the CSR 2010.
- 2.2 At this stage there are no precise indications as to what the implications of the reductions in Defra's DEL might be for national park authorities nor the timing of any announcement about future levels of National Park Grant which, on the normal timetable, may not be known until December. National Park Grant, currently forecast as £46,569,082 in 2014/15, is a small proportion (2.1%) of Defra's total DEL of £2.2 billion. The national park authorities are working together to produce a submission to Defra which will be considered by the English Chairs on the 4 July and submitted to Defra on 10 July 2013, setting out a prospectus for National Parks, details of each Authority's key priorities, and an assessment of the implications of further budget reductions. These papers present the argument that the English national park authorities have already received very substantial reductions in grant, that they are small, efficient and effective organisations delivering across a range of Government priorities, and that further cuts should be avoided.
- 2.3 There is clearly significant uncertainty at this point about the implications of the CSR 2013 for the Broads Authority. However to support informed medium term financial planning, work will be undertaken over the summer with budget holders to identify further opportunities for savings and efficiencies and options for increasing levels of income. In view of the uncertainty around future levels of National Park Grant, it is proposed that consideration of the Authority's draft medium term financial strategy for the period to 2016/17 coincide with the budget setting process for 2014/15 and be timetabled for the Authority meeting in January 2014. This has to be dependent on when the Authority has some certainty about its future level of Grant. In order to gain early feedback from Members on the emerging strategy, it is suggested that proposals are considered by the Financial Scrutiny and Audit Committee as early as practicable before presenting the medium term financial strategy to the Authority.

3 Summary of Statement of Accounts 2012/13

Overview

- 3.1 The timetable for the preparation of the Authority's Statement of Accounts is dictated by the requirements of The Accounts and Audit (England) Regulations 2011. The timetable for the adoption of the 2012/13 accounts is as follows:
- Treasurer and Financial Adviser to sign off the completed accounts by the end of June 2013.
 - Financial Scrutiny and Audit Committee to scrutinise the accounts on 9 July 2013, and to recommend them for approval to the Full Authority, subject to any suggested amendments.
 - External Audit (Ernst and Young) to undertake and complete the audit of the accounts by the end of September 2013.
 - Broads Authority to consider and formally adopt the audited accounts at its meeting on 20 September 2013.
- 3.2 As members will be aware, the Authority's accounts are required to be prepared in accordance International Financial Reporting Standards (IFRSs), and the *Code of Practice on Local Authority Accounting* (the Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The production of the Statement of Accounts represents a sizeable technical exercise for the Authority's limited staff resources working to a very tight timetable.
- 3.3 This report summarises the draft (unaudited) Statement of Accounts for 2012/13 which has now been approved for issue by the Treasurer and Financial Adviser. The consolidated income and expenditure outturn figures for 2012/13 are also appended.

Revenue Account Outturn Figures

- 3.4 The Statement of Accounts provides summaries of general and navigation fund income and expenditure for the year. The original general fund budget provided for £272,434 to come from reserves. After accounting for £11,696 of interest transferred to earmarked reserves, the year end saw a net overspend of £12,340 (and it is proposed that £109,875 be carried forward as additional expenditure into 2013/14). The outcome was therefore a draw down of £284,774 from the general reserve, reducing the general reserve to £648,055 as at 31 March 2013.
- 3.5 The navigation fund revised budget provided for a contribution of £197,886 to come from reserves. After accounting for £15,929 of interest transferred to earmarked reserves, the year end saw a net overspend of £363,786 (and it is proposed that a further £162,576 be carried forward as additional expenditure into 2013/14). The outcome was therefore a draw down of £561,672 from the navigation reserve, reducing the navigation reserve to £364,800 as at 31 March 2013.

3.6 The consolidated deficit for the year (after taking account of £27,625 interest transferred to earmarked reserves) is £846,446, with an additional £272,452 proposed to be carried forward into the 2013/14 budget. There are a number of reasons for this deficit but in particular, subsequent to the 2012/13 budget being set, the Authority approved:

- significant expenditure to fund capital improvements of the workshop at the Dockyard amounting to £521,970 plus a £75,000 contribution from PRISMA;
- additional costs to support the relocation to Yare House;
- additional costs and income relating to Breydon Water including hydraulic / sediment modelling, the provision of lay-by moorings and the acquisition of a new launch; and
- the purchase of a number of new and smaller vehicles to replace existing leased vehicles and reduce ongoing revenue costs.

Carried Forward Expenditure

3.7 As indicated above, it is recommended by the Management Team that additional expenditure totalling £272,452 be carried forward into the 2013/14 budget as slippage / deferred expenditure, which would effectively increase the net deficit for the year to £1,118,898. As in previous years, the Management Team has taken a robust approach to requests to carry forward expenditure, and most of the requests below 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.

3.8 Details of all 2012/13 carry forward requests are set out in the table below:

Budget Line	Committee Budget Line	National Park £	Navigation £	Reason for carry forward request
Breydon Water - Contractor Services	Practical Maintenance	-	34,200	Delivery of Stage 3 (reporting) slipped into 2013/14 as additional time was added to the project to obtain all the baseline data to complete the sediment modelling. This remaining payment is just over 50% of total contract cost.
Breydon Water - Materials and Consumables	Practical Maintenance	-	50,000.00	Lay-by moorings on Breydon Water - extensive consultation with local users and getting the right materials through the correct procurement channels for this particularly challenging location, has pushed work

				beyond the original budgeting year.
Breydon Water - Timber	Practical Maintenance	-	38,800.00	Dolphin piles & frames - related to above carry forward request.
Restoration and Management - Upton Little Broad - Contractor Services	Water Management	4,628.00	-	Waste removal at Upton Little Broad was originally programmed for March 2013, however reliant on landowner requirements and delayed due to bad weather, so actual work slipped into second week of April.
Trinities - Contractor Services	Land Management	7,617.87	-	Trinity Broads Partnership carry forward of partners' funding (£6,864.87 Essex & Suffolk Water and £753.00 Natural England), which may also need to be returned if Memorandum of Agreement ceases. (Note: creation of an earmarked reserve was approved by Members but this will now not be required due to the MoA ending).
Other Navigation Works - Contractor Services	Practical Maintenance	-	35,000.00	As discussed and agreed by Management Team and Committee (BA 22/03/2013 Item 10 point 2.8), any underspend on this line should be carried forward as a navigation contribution to the Project Funding budget for 2013/14 to support the delivery of navigation or multi benefit projects arising from the Integrated Access Strategy.
Other Projects - Contractor Services (Hardley Flood Weir)	Project Funding	45,000.00	-	Allocated in 2012/13 but permissions not granted until late in year. Project delayed due to design change, weather and difficulty obtaining steel piles. Order issued in financial year 2012/13 but work did not commence until April 2013. £20,000 income from County Council (NCC contribution) is being held and will be received in 2013/14, offsetting this amount.
Other Projects -	Project Funding	6,357.00	-	Allocated in 2012/13 but delays in securing agreement

Materials & Consumables (Great Yarmouth Yacht Station)				from Great Yarmouth Borough Council and then revision of details of plans meant work was late starting. Total budget allocated in 2012/13 was £25,000, against which costs of £18,643 have been incurred. Carry forward request relates to the balance.
Strategy and Project - Salaries	Strategy and Projects Salaries	9,261.07	915.93	Biodiversity officer post: This total budget (excluding BA contribution for accommodation and management) is made up of £10,000 from EA (secured), £4,166.67 from NE (secured) and £10,000 from Defra (invoice being processed). Most is for the salary costs with a small amount extra as a working budget. If project spend is allocated to the project allocation (up to £5,000) at the end of March £14,823 was spent on salary against total budget of £25,000 leaving £10,177 to be carried forward. The current contract for the post runs to end of June and Management Team have agreed in principal to allow an extension to 'use up' the grant money. Approximately £3,807 is projected to be left at 30/06/2013 which would cover a two month extension to the project (although a request to fund an additional month in the 2013/14 budget may be forthcoming).
Strategy and Project - Salaries	Strategy and Projects Salaries	37,011.52	3,660.48	Catchment officer post: Carry forward of external grant aid and Broads Authority contribution for 2012/13 (£20,000 Environment Agency, £5,000 Essex and Suffolk Water, £10,000 Natural England and £8,000 BA). Actual expenditure to March 2013 was £2,328 against total budget of £43,000 resulting in the carry forward shown.

		109,875.46	162,576.41	
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- 3.9 Approval of these carry forward amounts would result in a general reserve balance of £538,180 and navigation reserve balance of £202,224. This represents 15.5% and 6.9% of net expenditure for 2013/14 respectively and in the case of the navigation reserve is below the minimum recommended level of 10% of net expenditure. However, the agreed budget for 2013/14 anticipates that both the general and navigation reserves will be built up in 2013/14, and once the significant earmarked reserve balances are taken into account, this level of navigation reserve is considered to be adequate in the short to medium term.

Other Significant Issues

- 3.10 There are no other significant issues arising from the preparation of the accounts which it is considered need to be drawn to the attention of the Authority at this stage.

Summary

- 3.11 The provisional figures indicate that the Authority has overspent the original budget for 2012/13 by £648,578, after taking into account expenditure carried forward. This level of planned overspend is broadly in line with expectations once the approved additions to the original budget are included. The impact of this planned overspend is to reduce the level of both the Authority's general and navigation reserves, and in the case of the navigation reserve to reduce it to a level below the minimum recommended of 10% of net expenditure. However, the current budget and financial strategy anticipate the restoration of the navigation reserve in the short to medium term and, when considered alongside the levels of earmarked reserve balances, the navigation reserve balance is adequate. Consequently the Authority's finances remain sound, with reserves which are considered to be sufficient to meet the Authority's needs.
- 3.12 It should be noted that the Authority's National Park Grant has been reduced by £227,352 in 2013/14, with a further reduction of the same amount due in 2014/15. Further reductions over and above these cannot be ruled out and there remains considerable uncertainty about grant allocations for 2015/16 onwards as set out in Section 2. In addition, it should also be noted that the Authority has earmarked some of its National Park reserves to support capital and other projects which are being developed to begin implementation in 2013/14. This planned use of earmarked reserves will have an impact on the availability of capital and project funding in future years.
- 3.13 The outturn figures for 2012/13, and their implications for the overall level of reserves, will be taken into account in determining projected income and expenditure from 2013/14 onwards, and in developing the Financial Strategy for the period up to 2016/17.

4 Earmarked Reserves 2013/14

- 4.1 The Broads Authority has a number of earmarked reserves shown on the Balance Sheet, which contain funds in addition to the General and Navigation Funds for specific purposes. The Authority uses these earmarked reserve accounts to make provision for known future liabilities which are unlikely to be affordable from revenue expenditure.
- 4.2 During 2012/13, the Authority approved the consolidation of a number of earmarked reserves, which has been undertaken as at 1 April 2013. The closing balance of earmarked reserves in 2012/13 and the consolidation is shown in the table below.

Earmarked Reserves 2012/13		Earmarked Reserves 2013/14	
Reserve name	Balance as at 31/03/2013 £	Reserve name	Balance as at 01/04/2013 £
Asset Management	(75,474)	Property Reserve	(502,174)
Dredging disposal	(124,815)		
Mutford Lock Endowment Fund	(301,885)		
Fen Management Equipment	(72,748)	Plant, Vessels and Equipment Reserve	(288,696)
Dockyard Vessels and Equipment	(132,878)		
Vessel Replacement Fund	(83,070)		
New Office Accommodation	(78,101)	Premises Reserve	(108,556)
Dockyard Site Maintenance	(30,455)		
Planning Delivery Grant	(504,241)	Planning Delivery Grant	(504,241)
Sustainable Development Fund	(64,644)	Sustainable Development Fund	(64,644)
Mobile Phone Upgrade	(14,919)	Mobile Phone Upgrade	(14,919)
Upper Thurne Enhancement Scheme	(81,116)	Upper Thurne Enhancement Scheme	(81,116)
Section 106 Agreements	(8,426)	Section 106 Agreements	(8,426)
STEP	(65,720)	STEP	(65,720)
PRISMA	(210,246)	PRISMA	(210,246)
Total Earmarked Reserve Balances	(1,848,738)	Total Earmarked Reserve Balances	(1,848,738)

- 4.3 The Mobile Phone Upgrade reserve has been earmarked for use in 2013/14 and will be closed in this financial year.
- 4.4 One of the Authority's strategic priorities for 2013/14 is the replacement of the corporate website, which is now almost seven years old and has reached the end of its life. The project is expected to deliver a number of enhancements to the site alongside reduced risks of hardware or software failure. There is currently no provision within 2013/14 revenue budgets for this project and therefore Member approval is sought for a budget of £40,000 from the Planning Delivery Grant reserve to fund the development of the replacement website.

5 Proposed Revised Monitoring Format for 2013/14

Overview

- 5.1 This section sets out proposals for a revision to the format of the Authority's financial monitoring, to be applied for the 2013/14 financial year. The Authority's current monitoring format incorporates reporting of both actual figures against a profiled budget alongside a forecast outturn position for the year. This format does not support effective budget management in that it does not allow for the straightforward operation of a formal budget virement system, and it risks diverting attention from the overall forecast position by encouraging a focus on potentially outdated actual figures.
- 5.2 The proposals in this section set out how amendments to the Authority's monitoring format would allow for a greater strategic focus by the Authority supported by increased clarity in the financial information presented.

Proposed changes to financial monitoring format for 2013/14

- 5.3 It is proposed that the financial monitoring format for 2013/14 should provide a stronger focus on the forecast outturn position for the Authority. This is intended to afford Members a better picture of the Authority's overall position and support them more effectively in their long-term, strategic decision-making role.
- 5.4 Appendix 2 to this report sets out the proposed format of the main monitoring report to be used in 2013/14. This would include details of the Original Budget for the year along with approved budget changes (carry-forwards, virements and other adjustments) to arrive at a "Latest Approved Budget." The Latest Approved Budget is then compared with a Forecast Outturn to provide projected year-end variance figures.
- 5.5 It is recognised that Members will wish to retain visibility of actual expenditure figures, and the proposed mechanism for this is set out in Appendix 3, although it is emphasised that this not intended to be the focus of the report in future. The appendix illustrates a graphical format for reporting an overview of actual expenditure compared to both the profiled Original Budget and Latest Approved Budget.
- 5.6 Please note that the figures in both Appendix 2 and 3 are for illustrative purposes only.
- 5.7 To supplement the information shown in the Appendices to this report, it is suggested that the regular monitoring reports should additionally include the information set out in paragraph 5.8 below.

Format of financial monitoring report

- 5.8 It is proposed that the revised reporting for 2013/14 would include the following information:

- the detailed forecast outturn table (Appendix 2 to this report);

- a narrative / summary table of agreed budget changes and virement requests for approval;
- a summary commentary of significant variances (+/- £10,000) between the Latest Approved Budget and Forecast Outturn (cross-referenced to Appendix 2);
- a summary of significant movements (+/- £10,000) in the Forecast Outturn since the previous monitor report; and
- a summary chart of actual expenditure compared to the profiled Original Budget and profiled Latest Approved Budget (Appendix 3).

Summary

5.9 The changes to the monitoring format proposed in this report are intended to enable a number of improvements in the financial reporting to Members. These include:

- a greater strategic and forward-looking focus in the information presented, to support Member decision-making around medium term financial planning;
- more clarity in the commentary information provided, by concentrating on forecast outturn variances only;
- the full and effective implementation of the virement process set out in the Authority's Financial Regulations, whereby budgets can be transferred with Director and Chief Executive approval up to £20,000 (within Directorate budget headings) and the establishment of a mechanism for seeking Authority approval above these limits;
- better visibility of budgets, providing Members with clearer information about approved changes to the Original Budget and minimising the risk of distortions arising from approved in-year changes to the budget not being accurately reflected in variance figures through the use of a Latest Approved Budget; and
- a high-level overview of the actual expenditure position for Members, which can be more easily interpreted.

5.10 It is proposed that this format of reporting should be similarly applied to Navigation Income and Expenditure reporting, providing consistency in financial reporting to all Members and Committees. The format for Navigation reporting would therefore be identical to that provided for the full Authority and shown in the appendices to this report.

5.11 For clarity, it is anticipated that the Navigation Income and Expenditure report would continue to be a stand-alone report to the Committee, while within Broads Authority papers the financial reporting would continue to be consolidated within this Financial Performance and Direction report.

6 Chief Executive Delegations re Payments to Staff

6.1 The Authority's Scheme of Powers Delegated to Officers (Section C(24)), currently provides for the Chief Executive to make ex-gratia and honoraria payments to employees of up to £5,000. It has been identified that there is currently no provision within the delegations for the Chief Executive to make

payments to former officers who have left the Authority's employment, although there may be instances where there is a significant and valid economic reason for such payments to be made. In such circumstances the ability to make a prompt decision (and ultimately make payment promptly) minimises the risk to the Authority and can help to ensure value for money by minimising any legal costs involved. It is envisaged that payments to former employees would only be made in consultation with HR and on the basis of legal advice.

- 6.2 It is therefore proposed that the Authority's Scheme of Powers Delegated to Officers be amended to include the following clause within Section C (Personnel Matters):

To authorise the payment of any severance or settlement payments to former employees up to a maximum of £5,000.

- 6.3 This amendment provides the Authority with the flexibility necessary to deal promptly with any post employment issues which may from time to time arise.

Background Papers: Nil

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Broads Plan Objectives: None

Appendices: APPENDIX 1: Consolidated Income and Expenditure 2012/13
APPENDIX 2: Sample Monitoring Format for 2013/14
APPENDIX 3: Sample Actual Expenditure Charts

DIRECTORATE

	Consolidated Annual Budget 2012/13	Consolidated Use of Earmarked Reserves	Consolidated Forecast Outturn	Consolidated Forecast Variance	Consolidated Profiled Budget to March 2013	Consolidated Actual to March 2013	Consolidated Actual Variance as at March 2013	Commentary on 2012/13 outturn
INCOME								
National Park Grant	(3,774,799)	-	(3,774,799)	-	(3,774,799)	(3,774,799)	-	Actual income is in line with budget and forecast.
<i>Navigation Charges</i>								
Hire Craft Tolls	(1,074,000)	-	(1,062,000)	(12,000)	(1,074,000)	(1,061,827)	(12,173)	Actual outturn was £12,000 below budget, including £6,000 relating to hire boat licences included in other toll income below. The outturn is in line with the forecast for the year.
Private Craft Tolls	(1,692,000)	-	(1,699,000)	7,000	(1,692,000)	(1,699,247)	7,247	The forecast for the year was revised in light of additional income from adjacent waters (+£15,000), and actual receipts over the course of the year (-£8,000). The actual outturn is in line with the forecast.
Short Visit Tolls	(47,500)	-	(39,000)	(8,500)	(47,500)	(38,898)	(8,602)	Short visit sales were forecast to be less than budgeted as a result of the bad weather. The actual outturn is in line with the forecast.
Other Toll Income	(18,750)	-	(18,750)	-	(18,750)	(19,493)	743	Hire Boat Licence income is included in this income line. The outturn is in line with the forecast for the year.
Interest Received	(40,000)	-	(40,000)	-	(40,000)	(42,760)	2,760	Interest and investment income has been in line with the forecast.
	(6,647,049)	-	(6,633,549)	(13,500)	(6,647,049)	(6,637,024)	(10,025)	
OPERATIONS								
<i>Construction & Maintenance</i>								
Construction & Maintenance Salaries	1,039,720	-	1,036,370	3,350	1,039,720	1,015,514	24,206	Salary forecasts were adjusted for the impact of the 0% pay award in 2012/13. (Original budget 1%). Outturn for the year is slightly below forecast due to lower than anticipated Practical Maintenance salary costs.
Equipment, Vehicles & Vessels	485,000	15,000	579,713	(79,713)	485,000	556,775	(71,775)	Expenditure on this line includes £78,000 carried forward from 2011/12 for the acquisition of Uniflotes and an additional £10,000 expenditure for electric outboard motors. The capital purchase of 7 vehicles at a cost of £110,000 and the deposit for a new JCB (£21,000) have increased expenditure in 2012/13. The final outturn position is slightly below forecast due to a variety of small underspends, mainly on contractor services and equipment hire. The originally budgeted contribution to reserves has not been made in 2012/13. There has also been a significant (but anticipated) underspend against original budget in respect of landowner payments. Actual National Park expenditure is in line with the forecast for the year although actual Navigation expenditure is down against forecast due to contractor costs being lower than anticipated.
Water Management	230,000	-	182,500	47,500	230,000	106,855	123,145	

	Consolidated Annual Budget 2012/13	Consolidated Use of Earmarked Reserves	Consolidated Forecast Outturn	Consolidated Forecast Variance	Consolidated Profiled Budget to March 2013	Consolidated Actual to March 2013	Consolidated Actual Variance as at March 2013	Commentary on 2012/13 outturn
Land Management	123,500	28,985	145,450	7,035	123,500	130,268	(6,767)	Taking income included in the Operations income line below into account, the overall position on these budgets is in line with the forecast outturn for the year. Additional spend within Fen Management budgets offset by reduced expenditure on Trinities. The reduced expenditure has also had an effect on Trinities income recharges.
Practical Maintenance	368,580	(2,000)	457,762	(91,182)	368,580	382,982	(14,402)	Additional expenditure has been incurred 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 included within Operations income below). Repiling works have been undertaken at Stokesby (final cost approximately £21,000) and Beccles (£90,000). £22,500 contribution to Mutford Lock reserve in 2012/13 has been reinstated. Reduced expenditure has been incurred under the "Other Navigation Works" budget but with increased costs for tree maintenance at How Hill. There is a significant underspend at year end due to slippage of works at Breydon, these are the subject of a carry-forward request.
	2,246,800	41,985	2,401,795	(113,010)	2,246,800	2,192,395	54,406	
Rangers Salaries	519,880	-	538,590	(18,710)	519,880	553,058	(33,178)	The variance from the original budget relates to salaries of Breydon Rangers not included at the start of the year. Actual expenditure is higher than originally budgeted due to additional expenditure for the Breydon Water launch and the capital purchase of 3 vehicles at a cost of £53,000.
Ranger Services	219,500	91,040	384,770	(74,230)	219,500	358,717	(139,217)	
	739,380	91,040	923,360	(92,940)	739,380	911,774	(172,394)	
Safety	105,520	-	129,000	(23,480)	105,520	134,571	(29,051)	The actual overspend relates to purchases of HAVS equipment and standby payments charged to this line which were not in the original budget profiles.
Asset Management	100,160	-	99,600	560	100,160	97,000	3,160	The actual outturn is in line with the forecast for the year, the slight overspend relates to additional salary costs. Actual position at year end is in line with the forecast, and includes additional costs relating to equipment and increased training activity.
Volunteers	43,660	-	51,100	(7,440)	43,660	48,625	(4,965)	
Management & Admin	160,070	-	157,750	2,320	160,070	162,118	(2,048)	The outturn position is in line with expectations.
	409,410	-	437,450	(28,040)	409,410	442,314	(32,904)	
Operations Income	(251,940)	-	(319,840)	67,900	(251,940)	(337,174)	85,234	£50,000 relating to transfer of responsibilities for Breydon Water not included in the original budget has been received from Great Yarmouth Port Authority. The year end position exceeds the forecast due to additional income relating to Ranger services.
OPERATIONS TOTAL	3,143,650	133,025	3,442,765	(166,090)	3,143,650	3,209,309	(65,659)	

	Consolidated Annual Budget 2012/13	Consolidated Use of Earmarked Reserves	Consolidated Forecast Outturn	Consolidated Forecast Variance	Consolidated Profiled Budget to March 2013	Consolidated Actual to March 2013	Consolidated Actual Variance as at March 2013	Commentary on 2012/13 outturn
PLANNING & STRATEGY								
Development Management	272,320	6,700	285,590	(6,570)	272,320	281,640	(9,320)	The forecast outturn reflected additional support for development control activity funded from reserves but not included in original budget. The actual year end position is in line with forecasts.
<i>Strategy & Projects</i>								
Strategy & Projects Salaries	440,010	-	423,880	16,130	440,010	421,538	18,472	The actual outturn (and underspend against original budget) reflects the cancellation of the Lound project and the impact of the 0% pay award in 2012/13. Outturn is in line with forecast expectations.
Biodiversity Strategy	107,500	-	131,267	(23,767)	107,500	170,898	(63,398)	The actual overspend on this line relates to the project to treat Cromes Broad with "Phoslock". This cost is fully offset by income included within the Planning and Strategy income line below.
Partnerships/HLF	-	-	-	-	-	-	-	Increase in expenditure over original budget related to delivery of climate change adaptation plan consultation work, cost of maintaining programme of conservation area appraisals and additional Tourism costs. Overall outturn broadly in line with forecast.
Strategy & Projects	65,000	3,672	82,614	(13,942)	65,000	89,209	(24,209)	
Waterways & Recreation								
Strategy	90,000	-	90,000	-	90,000	84,529	5,471	The actual outturn is broadly in line with forecast for the year. Environment Agency funding for Upper Thurne was carried forward from 2011/12. The significant variance between outturn and the forecast relates to creation of an earmarked reserve for the ring-fenced Upper Thurne funding.
Project Funding	169,000	-	73,500	95,500	169,000	180,800	(11,800)	Contribution to reserve as profiled.
SDF transfer to reserves	-	161,464	150,000	11,464	-	150,000	(150,000)	The additional spend on SDF is fully offset by the use of the SDF reserve below.
SDF	150,000	-	150,000	-	150,000	161,464	(11,464)	The additional expenditure over the original budget relates to posts which have not been funded from Planning Delivery Grant in 2012/13. The final outturn is in line with forecast.
Management & Admin	133,020	-	145,050	(12,030)	133,020	145,703	(12,683)	
Planning & Strategy Income	(107,500)	-	(213,656)	106,156	(107,500)	(251,710)	144,210	Actual income received has been significantly higher than budgeted due to two large planning applications (Ditchingham Maltings and Pegasus), changes to fee structures for planning activity, Natural England and Environment Agency contributions to partnership posts and income to fund the Cromes Broad Phoslock project (which was also not included in the forecast).
PLANNING TOTAL	1,319,350	171,836	1,318,245	172,941	1,319,350	1,434,071	(114,721)	

	Consolidated Annual Budget 2012/13	Consolidated Use of Earmarked Reserves	Consolidated Forecast Outturn	Consolidated Forecast Variance	Consolidated Profiled Budget to March 2013	Consolidated Actual to March 2013	Consolidated Actual Variance as at March 2013	Commentary on 2012/13 outturn
RESOURCES								
Human Resources	155,780	-	173,800	(18,020)	155,780	173,731	(17,951)	Actual expenditure is in line with forecast expectations. Additional expenditure in year relates to staff survey, other consultancy costs and additional recruitment and advice activity costs.
Finance & Insurance	329,065	-	309,832	19,233	329,065	293,521	35,544	Actual outturn reflects revised staff costs for new finance team structure as well as various small underspends on insurance, bank charges, audit costs and salaries.
Governance	173,030	-	174,930	(1,900)	173,030	177,043	(4,013)	The year-end actual is in line with forecast.
Communications	289,790	-	270,810	18,980	289,790	281,250	8,540	Actual expenditure is in line with forecasts and lower than original budget due to reduced expenditure on Events (Broads Outdoor Festival) and Education activities.
Visitor Centres & Yacht Stations	450,133	-	444,070	6,063	450,133	387,717	62,416	Actual underspend compared to forecast and original budget arises from various small underspends across Visitor Centres, Yacht Stations and Boat Trips, including lower than expected maintenance costs.
Collection of Tolls	103,300	-	105,470	(2,170)	103,300	103,660	(360)	
ICT	236,000	12,853	235,477	13,376	236,000	226,794	9,206	Year end outturn is in line with forecast and shows a small underspend arising from various small underspends on computer maintenance, hardware and software budgets.
Legal	100,000	-	125,000	(25,000)	100,000	145,840	(45,840)	Actual overspend against forecast and original budget results from various additional costs over the year mainly for planning and tolls related legal activity.
Premises	635,000	8,169	1,317,891	(674,722)	635,000	1,199,008	(564,008)	The actual outturn is significantly over the original budget, mainly as a result of the additional costs agreed by the Authority relating to development of the new workshop at the Dockyard and the cost of the Authority's relocation to Yare House. The underspend against forecast results from a final settlement in respect of the Authority's occupation of Dragonfly House which has been agreed with Defra.
Management & Admin	235,620	-	242,030	(6,410)	235,620	245,372	(9,752)	The actual costs for the year are in line with the forecast outturn and include additional expenditure in relation to vehicle maintenance costs following the decision to purchase rather than lease vehicles.
Resources Income	(221,850)	-	(197,000)	(24,850)	(221,850)	(213,297)	(8,553)	The final actual income for the year is over the forecast outturn and in line with the original budget. The main reason for the variance against forecast relates to the recharge to Whitlingham.
RESOURCES TOTAL	2,485,868	21,022	3,202,310	(695,420)	2,485,868	3,020,638	(534,770)	

	Consolidated Annual Budget 2012/13	Consolidated Use of Earmarked Reserves	Consolidated Forecast Outturn	Consolidated Forecast Variance	Consolidated Profiled Budget to March 2013	Consolidated Actual to March 2013	Consolidated Actual Variance as at March 2013	Commentary on 2012/13 outturn
Redundancy and Reorganisation costs	110,500	-	33,100	77,400	110,500	58,266	52,234	Actual outturn reflects the members of staff for whom redundancy was approved in 2012/13 and is below the original budget for the year.
Pension Lump Sum Payments	58,000	-	58,000	-	58,000	58,000	0	This expenditure is in line with forecast and budget.
	-	-	-	-	-	-	-	
STEP	-	-	-	-	-	91,356	(91,356)	Expenditure of £98,000 offset by income of £7,000. Timing difference between expenditure and receipt of claim income so estimated income for 2012/13 has been accrued. Final receipts may vary as claims are audited. The net cost of STEP activity for the year is funded from the STEP reserve.
PRISMA	-	-	-	-	-	154,993	(154,993)	Expenditure of £446,000 offset by income of £290,000. Timing difference between expenditure and receipt of claim income so estimated income for 2012/13 has been accrued. Final receipts may vary as claims are audited. The net cost of PRISMA activity for the year is funded from the PRISMA reserve.
Contributions from Earmarked Reserves								
Planning Delivery Grant		(24,858)	(45,000)	20,142	-	(24,858)	24,858	In 2012/13 the reserve has funded Local Development Framework (site specific) work, additional enforcement officer salary costs, Document Management System development and CAPS upgrade. The reserve has been used to support costs associated with the relocation to Yare House.
New Office Accommodation		(8,169)	(8,999)	830	-	(8,169)	8,169	Reserve has funded mobile phone costs.
Mobile Phone		(1,854)	(1,854)	-	-	(1,854)	1,854	In 2012/13 the reserve has funded various ICT support and maintenance costs.
IEG		(4,813)	(4,813)	-	-	(4,813)	4,813	SDF reserve supports the SDF projects approved and undertaken in the year.
Sustainable Development		(161,464)	(150,000)	(11,464)	-	(161,464)	161,464	No expenditure from this reserve in 2012/13.
Asset Management		-	-	-	-	-	-	The net cost of PRISMA activity for the year is funded from the PRISMA reserve.
PRISMA		-	-	-	-	(154,718)	154,718	The reserve has funded the deposit for a replacement Fen Harvester to be delivered in 2013/14.
Fen Management Equipment		(28,985)	(28,985)	-	-	(28,985)	28,985	Ring-fenced section 106 income has been transferred to an earmarked reserve.
Section 106 Agreements		8,300	-	8,300	-	8,300	(8,300)	The net cost of STEP activity for the year is funded from the STEP reserve.
STEP		-	-	-	-	(90,186)	90,186	In 2012/13 the reserve has part funded the costs of the new Breydon Launch and the second new launch which will be completed in 2013/14.
Launch Replacement		(91,040)	(80,000)	(11,040)	-	(91,040)	91,040	Mutford Lock rental income has been transferred to the reserve.
Mutford Lock		2,000	(5,000)	7,000	-	2,000	(2,000)	No revenue expenditure from this reserve in 2012/13, however £60,000 has been transferred to PRISMA reserve.
Dredging Disposal		-	(50,000)	50,000	-	-	-	Reserve has funded the purchase of a used weed harvester.
Dockyard Vessels & Equipment		(15,000)	(15,000)	-	-	(15,000)	15,000	No revenue expenditure from this reserve in 2012/13, however £41,836 has been transferred to Dockyard Vessels and Equipment reserve.
Dockyard Site Maintenance		-	(15,000)	15,000	-	-	-	
		(325,883)	(404,651)	78,768	-	(570,788)	570,788	
NET EXPENDITURE	7,117,368	-	7,649,769	(532,401)	7,117,368	7,455,845	(338,477)	
(SURPLUS) / DEFICIT	470,319	-	1,016,220	(545,901)	470,319	818,821	(348,502)	

	Consolidated Annual Budget 2012/13	Consolidated Use of Earmarked Reserves	Consolidated Forecast Outturn	Consolidated Forecast Variance	Consolidated Profiled Budget to March 2013	Consolidated Actual to March 2013	Consolidated Actual Variance as at March 2013	Commentary on 2012/13 outturn
	470,318		1,016,220	(545,902)	470,319	818,821	348,502	
	-1		0	-1	0	0	0	
Earmarked Reserve Movements	Balance as at March 2012	Transfers in	Transfers out	Balance as at March 2013				
Planning Delivery Grant	(521,564)	-	24,858	(496,707)		0		
New Office Accommodation	(85,103)	(114)	8,283	(76,934)		0		
Mobile Phone	(16,550)	-	1,854	(14,696)		0		
IEG	(4,813)	-	4,813	-		0		
Sustainable Development	(75,142)	(150,000)	161,464	(63,678)		0		
Asset Management	(74,346)	-	-	(74,346)		0		
PRISMA	(205,573)	(446,889)	445,357	(207,105)		0		
Fen Management Equipment	(50,647)	(50,000)	28,985	(71,661)		0		
Section 106 Agreements	-	(8,300)	-	(8,300)		0		
STEP	(79,924)	(81,710)	96,897	(64,738)		0		
Upper Thurne	-	(79,904)	-	(79,904)		0		
Launch Replacement	(150,369)	(22,500)	91,040	(81,829)		0		
Mutford Lock	(270,374)	(27,000)	-	(297,374)		0		
Dredging Disposal	(182,950)	-	60,000	(122,950)		0		
Dockyard Vessels & Equipment	(164,056)	(41,836)	75,000	(130,892)		0		
Dockyard Site Maintenance	(71,836)	(30,000)	71,836	(30,000)		0		
Total	(1,953,247)	(938,253)	1,070,387	(1,821,113)		0		

Committee					
Budget Heading	Original Budget	Total Adjustments	Latest Approved Budget	Forecast Outturn	Forecast Variance (Favourable) / Adverse
INCOME					
National Park Grant	(3,547,447)	0	(3,547,447)	(3,547,447)	0
Navigation Charges					
Hire Craft Tolls	(1,092,830)	0	(1,092,830)	(1,092,830)	0
Private Craft Tolls	(1,758,210)	0	(1,758,210)	(1,758,210)	0
Short Visit Tolls	(36,694)	0	(36,694)	(36,694)	0
Other Toll Income	(18,750)	0	(18,750)	(18,750)	0
Interest Received	(45,000)	0	(45,000)	(45,000)	0
INCOME TOTAL	(6,498,931)	0	(6,498,931)	(6,498,931)	0
EXPENDITURE					
OPERATIONS					
Construction and Maintenance Salaries	1,056,460	0	1,056,460	1,056,460	0
Vehicles, Vessels and Equipment	334,000	0	334,000	334,000	0
Vehicles, Vessels and Equipment (Income)	(1,000)	0	(1,000)	(1,000)	0
Water Management	96,000	4,628	100,628	100,628	0
Land Management	90,500	7,618	98,118	98,118	0
Land Management (Income)	(135,000)	0	(135,000)	(135,000)	0
Practical Maintenance	289,200	123,000	412,200	412,200	0
Practical Maintenance (Income)	(2,000)	0	(2,000)	(2,000)	0
Ranger Salaries	533,120	0	533,120	533,120	0
Ranger Services	147,000	0	147,000	147,000	0
Ranger Services (Income)	(61,500)	0	(61,500)	(61,500)	0
Safety	104,440	0	104,440	104,440	0
Safety (Income)	(5,000)	0	(5,000)	(5,000)	0
Asset Management	99,940	0	99,940	99,940	0
Asset Management (Income)	(9,000)	0	(9,000)	(9,000)	0
Volunteers	54,440	0	54,440	54,440	0
Volunteers (Income)	(1,000)	0	(1,000)	(1,000)	0
Operations Management and Admin	130,485	0	130,485	130,485	0
Operations Gross Expenditure	2,935,585	135,246	3,070,831	3,070,831	0
Operations Income	(214,500)	0	(214,500)	(214,500)	0
OPERATIONS TOTAL	2,721,085	135,246	2,856,331	2,856,331	0

Committee						
	Budget Heading	Original Budget	Total Adjustments	Latest Approved Budget	Forecast Outturn	Forecast Variance (Favourable) / Adverse
	PLANNING AND RESOURCES					
	Development Management	279,770	0	279,770	279,770	0
	Development Management (Income)	(85,000)	0	(85,000)	(85,000)	0
	Strategy and Projects Salaries	377,780	50,849	428,629	428,629	0
	Biodiversity Strategy	60,000	0	60,000	60,000	0
	Strategy and Projects	50,000	0	50,000	50,000	0
	Strategy and Projects (Income)	(3,500)	0	(3,500)	(3,500)	0
	Waterways & Recreation Strategy	15,000	0	15,000	15,000	0
	Project Funding	230,026	41,357	296,638	296,638	0
	Project Funding (Income)	(19,000)	0	(19,000)	(19,000)	0
	Sustainable Development Fund	150,000	0	150,000	150,000	0
	Finance & Insurance	329,060	0	329,060	329,060	0
	Communications	335,510	0	335,510	335,510	0
	Visitor Centres	449,300	0	449,300	449,300	0
	Visitor Centres (Income)	(207,500)	0	(207,500)	(207,500)	0
	Collection of Tolls	108,500	0	108,500	108,500	0
	ICT	276,890	0	276,890	276,890	0
	Legal	102,500	0	102,500	102,500	0
	Premises	443,808	0	443,808	443,808	0
	Premises (Income)	(5,000)	0	(5,000)	(5,000)	0
	Planning & Resources Management & Admin	265,472	0	265,472	265,472	0
	Planning and Resources Gross Expenditure	3,473,616	92,206	3,591,077	3,591,077	0
	Planning and Resources Income	(320,000)	0	(320,000)	(320,000)	0
	PLANNING AND RESOURCES TOTAL	3,153,616	92,206	3,271,077	3,271,077	0
	CHIEF EXECUTIVE					
	Human Resources	128,560	0	128,560	128,560	0
	Governance	171,260	0	171,260	171,260	0
	Chief Executive	100,397	0	100,397	100,397	0
	CHIEF EXECUTIVE TOTAL	400,217	0	400,217	400,217	0

Committee					
Budget Heading	Original Budget	Total Adjustments	Latest Approved Budget	Forecast Outturn	Forecast Variance (Favourable) / Adverse
PROJECTS AND CORPORATE ITEMS					
Lump Sum Pension Payment	73,000	0	73,000	73,000	0
STEP	0	0	0	0	0
PRISMA	32,440	0	32,440	32,440	0
PRISMA (Income)	0	0	0	0	0
Projects and Corporate Items Gross Expenditure	105,440	0	105,440	105,440	0
Projects and Corporate Items Income	0	0	0	0	0
PROJECTS AND CORPORATE ITEMS TOTAL	105,440	0	105,440	105,440	0
CONTRIBUTIONS FROM EARMARKED RESERVES					
Property Reserve (including Mutford Lock Endowment)					
Plant, Vessels and Equipment Reserve					
Premises Reserve					
Planning Delivery Grant					
Sustainable Development					
Mobile Phone					
Section 106 Agreements					
PRISMA					
STEP					
CONTRIBUTIONS FROM EARMARKED RESERVES TOTAL	0	0	0	0	0
TOTAL GROSS EXPENDITURE	6,914,858	227,452	7,167,564	7,167,564	0
TOTAL DIRECTORATE INCOME	(534,500)	0	(534,500)	(534,500)	0
TOTAL NET EXPENDITURE	6,380,358	227,452	6,633,064	6,633,064	0
	0	0	0	0	0
TOTAL CORE INCOME	(6,498,931)	0	(6,498,931)	(6,498,931)	0
(SURPLUS) / DEFICIT FOR THE YEAR	(118,573)	227,452	134,133	134,133	0
EARMARKED RESERVE MOVEMENTS					
	Balance as at 31 March	Transfers in	Transfers out	Balance as at now	
Property Reserve (including Mutford Lock Endowment)	(502,174)			(502,174)	
Plant, Vessels and Equipment Reserve	(288,696)			(288,696)	
Premises Reserve	(108,556)			(108,556)	
Planning Delivery Grant	(504,241)			(504,241)	
Sustainable Development	(64,644)			(64,644)	
Mobile Phone	(14,919)			(14,919)	
Upper Thurne Enhancement Scheme	(81,116)			(81,116)	
Section 106 Agreements	(8,426)			(8,426)	
PRISMA	(210,246)			(210,246)	
STEP	(65,720)			(65,720)	
TOTAL	(1,848,739)	0	0	(1,848,739)	

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