

Audit and Risk Committee

29 November 2022

Agenda item number 10

Consolidated income and expenditure 1 April to 31 October 2022 actual and 2022/23 forecast outturn

Report by Senior Accountant

Purpose

This report provides details of actual income and expenditure for the seven-month period to 31 October 2022, and a forecast of the projected expenditure at the end of the financial year (31 March 2023).

Recommended decision

To note the income and expenditure figures.

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1. Introduction

- 1.1. This financial monitoring report summarises details of the forecast outturn and actual expenditure for both National Park and Navigation.

2. Overview of actual income and expenditure

Table 1

Actual consolidated income and expenditure by directorate to 31 October 2022

Directorate	Profiled latest available budget £	Actual income and expenditure £	Actual variance £
Income	(6,227,376)	(6,326,934)	+ 99,558
Operations	2,929,006	2,631,094	+ 297,912
Strategic Services	953,398	951,309	+ 2,089
Finance & Support Services	1,079,341	959,605	+ 119,736
Projects, Corporate Items and Contributions from Earmarked Reserves	(128,809)	60,092	-188,901
Net (Surplus) / Deficit	(1,394,440)	(1,724,834)	+ 330,394

- 2.1. Core navigation income is above the profiled budget at the end of month seven. The overall position as at 31 October 2022 is a favourable variance of £330,394 or a 23.7% difference from the profiled LAB. This is principally due to:

- An overall favourable variance of £99,558 within income:
 - Hire Craft Tolls is £12,004 ahead of the profiled budget.
 - Private Craft Tolls is £48,273 ahead of the profiled budget.
 - Short Visit and Other Tolls is £7,241 ahead of the profiled budget.
 - Investment Income is £32,040 ahead of the profiled budget.
- An underspend within Operations relating to:
 - Construction, Maintenance and Ecology Salaries is under the profiled budget by £37,030 due to the annual inflationary pay rise agreed by the National Joint Council (NJC) and the Unions not being paid until November 2022.
 - Equipment, Vehicles and Vessels is under the profiled budget by £113,510 due to delays in expenditure from the earmarked reserves.

- Land Management is over the profiled budget by £14,501 due to timing differences on receipt of the RPA income.
- Ranger Services is under the profiled budget by £107,482 due to timing differences on salaries and expenditure. The salaries variance is due to the inflationary pay rise agreed by the NJC and the Unions not being paid until November 2022. There are also timing differences on launch repairs and maintenance and expenditure from the earmarked reserves.
- Premises is under the profiled budget by £37,941 due to delays in Dockyard expenditure from the earmarked reserves.
- An underspend within Strategic Services relating to:
 - Development Management is over the profiled budget by £13,035 due to timing differences on planning application income and an underspend in salaries. The salaries variance is due to the inflationary pay rise agreed by the NJC and the Unions not being paid until November 2022.
 - Strategy and Projects is over the profiled budget by £16,961 due to timing differences on the Nature for Climate Peatland project expenditure and grant reclaim.
 - Human Resources is over the profiled budget by £19,411 due to staff cover.
 - Communications is under the profiled budget by £10,131 due to timing differences on expenditure in a number of budgets.
 - Visitor Services is under the profiled budget by £38,349 due to timing difference on salaries. This is in part due to the inflationary pay rise agreed by NJC and the Unions is not being paid until November 2022.
- An underspend within Finance and Support Services relating to:
 - Legal is under the profiled budget by £20,786 due to invoicing being one month behind the profile.
 - Governance is under the profiled budget by £24,499 mainly due to a reduction in corporate subscriptions.
 - Asset Management is under the profiled budget by £25,489 mainly due to timing differences on lease payments.
 - Finance and Insurance is under the profiled budget by £22,685 due to timing differences on salaries, audit fees and external contributions.
 - ICT is under the profiled budget by £17,938 due to an underspend in Stationery costs.
- An adverse variance within reserves relating to:

- Premises reserve is under the profiled budget due to delays in Dockyard expenditure.
- Property reserve is under the profiled budget due to work at Hoveton Riverside Park being delayed until 2023/24 and the works at South Walsham slipway no longer being a priority for this financial year.
- Plant, Vessels and Equipment is under the profiled budget due to the delays in equipment and vehicle replacements.
- UK Communications Team is under the profiled budget due to income being less than budgeted and being based on actual costs. Expenditure is slightly ahead of profile.
- Match Funding is under the profiled budget due to expenditure on the EXPERIENCE project being lower than expected.

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 2022/23. The LAB is based on the original budget for the year, with adjustments for known and approved budget changes such as carry-forwards and budget virements. Full details of movements from the original budget are set out in Appendix 2.

Table 2

Adjustments to consolidated LAB

Item	Authorisation reference	Amount £
Original budget 2022/23 – deficit	Broads Authority 28/01/22 Agenda item number 9	352,484
Approved budget carry-forwards	Broads Authority 13/05/22 Agenda item number 9	75,000
LAB as at 31 October 2022	n/a	427,484

4. Overview of forecast outturn 2022/23

4.1. Budget holders have been asked to comment on the expected income and expenditure at the end of the financial year in respect of all budget lines for which they are responsible.

4.2. The forecast deficit has increased when compared with the LAB and this will be balanced through the use of reserves. It is hoped this can be further reduced as the year progresses through additional savings. The increase is due to the pay offer which

was higher than the 2% that was budgeted for. The final offer, which was accepted on the 1 November 2022, from the NJC is a one-year deal and will increase all spinal points by £1,925 rather than a percentage increase backdated to 1 April 2022. The effect of the offer is that those who are on the bottom of the scale would receive an increase equivalent to 10.5% and those at the top a 4.04%. The pay award will be actioned in staff's pay in November and this will be back-dated to April 2022.

4.3. A summary of these adjustments are given in the table below:

Table 3

Adjustments to Forecast Outturn

Item	Amount £
Forecast outturn deficit per LAB	427,484
Increase to Hire Craft income	(8,690)
Decrease to Private craft income	6,950
Increase to Investment income due to rate increase	(64,000)
Increase to Salary costs based on latest pay offer	275,006
Increase to apprenticeship levy based on latest pay offer	1,700
Salary costs funded by external funding	(150,730)
Increase to other income	(13,625)
Increase to Vessels and Equipment fuel costs	82,400
Decrease to expenditure through savings	(98,772)
Forecast outturn deficit as at 31 October 2022	457,723

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 at the end of October. These will reduce as planned purchases take place throughout the year.
- 5.2. Items funded from the Property reserve include repairs to the Eel Sett and How Hill nature trail. The Plant, Vessels and Equipment reserve has the income from the disposal of vehicles and scrap metal and the deposits for three new vehicles.

Table 4

Consolidated earmarked reserves

Reserve name	Balance at 1 April 2022 £	In-year movements £	Current reserve balance £
Property	(880,274)	(41,912)	(922,186)
Plant, Vessels and Equipment	(485,138)	(199,934)	(685,072)
Premises	(293,951)	(80,000)	(373,951)
Planning Delivery Grant	(244,810)	0	(244,810)
Upper Thurne Enhancement	(187,031)	(21,000)	(208,031)
Heritage Lottery Fund	(7,619)	305,677	298,058
Catchment Partnership	(84,381)	9,620	(74,761)
CANAPE	(476,272)	176,794	(299,478)
Computer Software	(129,326)	(20,000)	(149,326)
UK Communications	(38,346)	10,826	(27,520)
Match Funding	(46,130)	29,038	(17,092)
Total	(2,873,278)	169,109	(2,704,169)

5.3. £1,493,709 of the current reserve balance above relates to Navigation reserves.

6. Conclusion

6.1. The forecast position for the year suggests a deficit within the National Park and Navigation budget, which will be balanced through the use of reserves. This would result in a National Park Reserve balance of approximately £620,000 and a Navigation Reserve balance of £592,000 at the end of 2022/23 (before any year-end adjustments). This would mean that both reserves would be above the recommend levels, with National Park at 18.3% and Navigation at 13.4%.

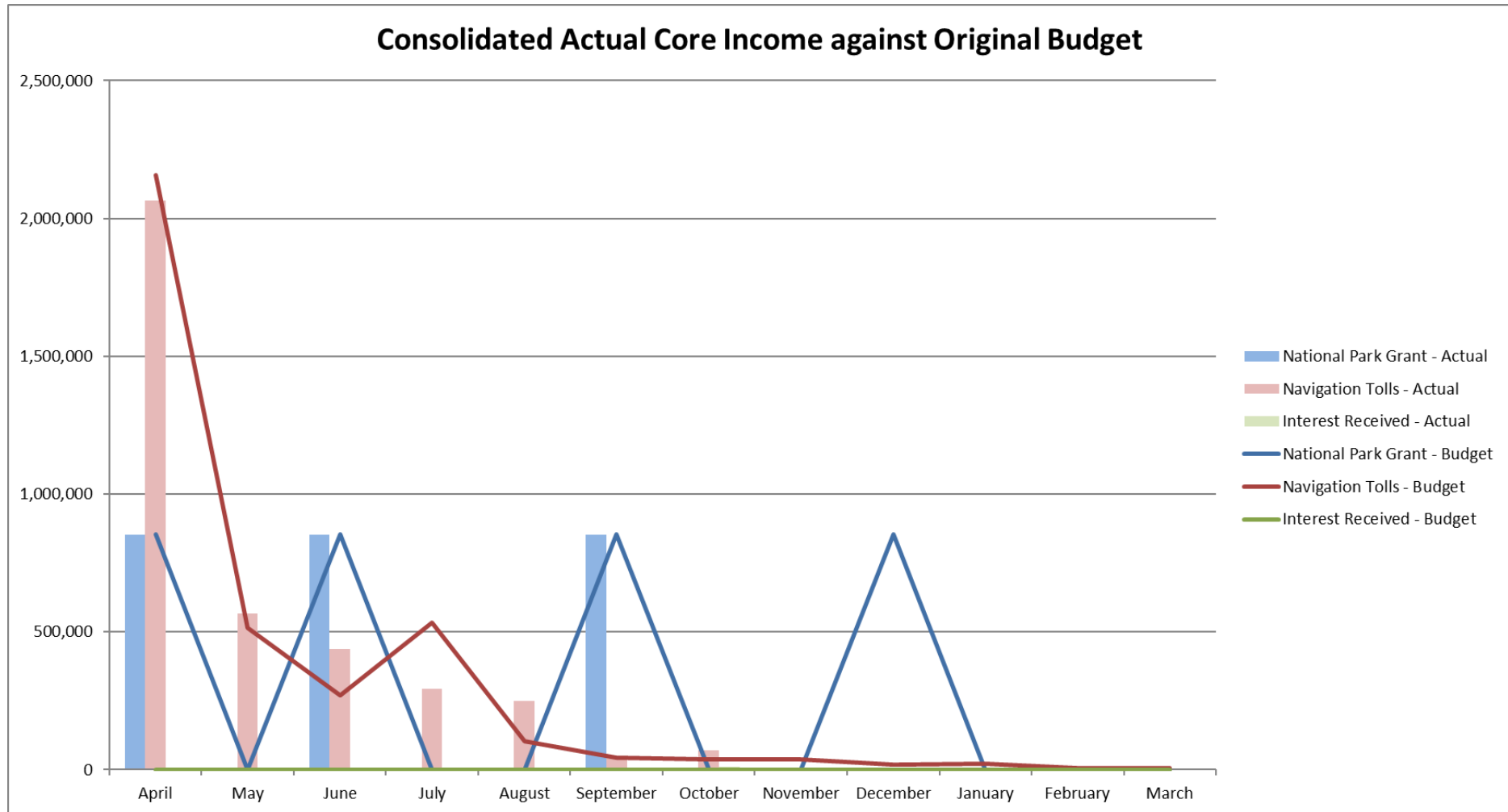
Author: Ellie Richards

Date of report: 15 November 2022

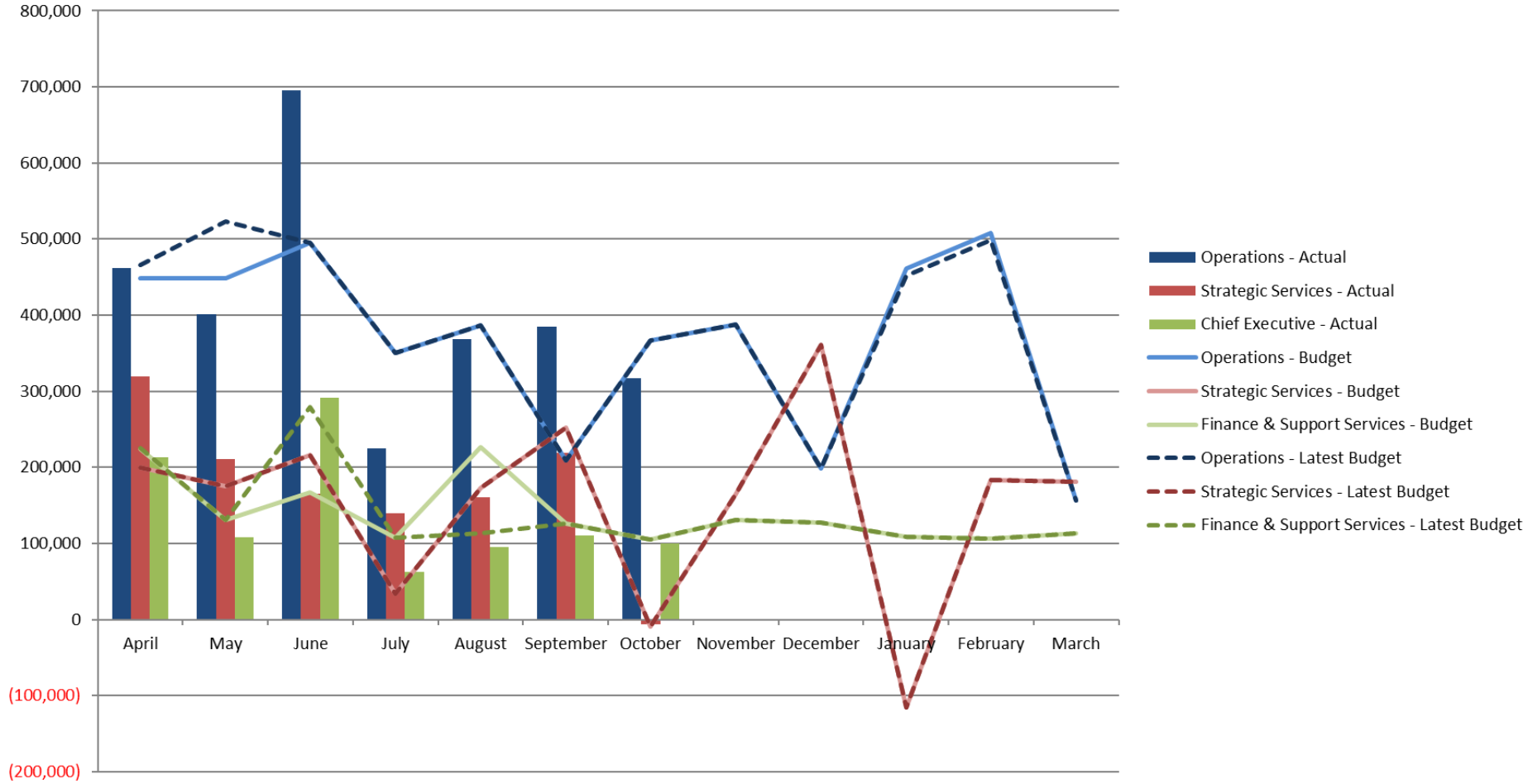
Appendix 1 – Consolidated actual income and expenditure charts to 31 October 2022

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

Appendix 1 – Consolidated actual income and expenditure charts to 31 October 2022



Consolidated Net Actual Expenditure against Original and Latest Budget



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

Table 1

Income

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast outturn variance (Consolidated) £
Total Income	(7,175,468)	0	(7,175,468)	(7,241,208)	47,740
National Park Grant	(3,414,078)	0	(3,414,078)	(3,414,078)	0
Hire Craft Tolls	(1,186,000)	0	(1,186,000)	(1,194,690)	8,690
Private Craft Tolls	(2,489,000)	0	(2,489,000)	(2,482,050)	-6,950
Short Visit Tolls	(48,000)	0	(48,000)	(48,000)	0
Other Toll Income	(32,390)	0	(32,390)	(32,390)	0
Interest	(6,000)	0	(6,000)	(70,000)	64,000

Table 2
Operations

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast outturn variance (Consolidated) £
Total Operations	4,691,344	75,000	4,766,344	4,868,099	-101,755
Construction and Maintenance Salaries	1,382,480	0	1,382,480	1,430,496	-48,016
Salaries	1,384,240	0	1,384,240	1,430,575	-46,335
Expenditure	(1,760)	0	(1,760)	(79)	-1,681
Equipment, Vehicles & Vessels	730,645	0	730,645	772,745	-42,100
Income	(13,700)	0	(13,700)	(14,000)	300
Expenditure	744,345	0	744,345	786,745	-42,400
Water Management	79,840	0	79,840	79,840	0
Expenditure	79,840	0	79,840	79,840	0
Land Management	(40,786)	0	(40,786)	(40,786)	0
Income	(97,606)	0	(97,606)	(97,606)	0
Expenditure	56,820	0	56,820	56,820	0
Practical Maintenance	640,195	75,000	715,195	714,770	425
Income	(11,000)	0	(11,000)	(11,425)	425
Expenditure	651,195	75,000	726,195	726,195	0
Waterways and Recreation Strategy	54,100	0	54,100	56,420	-2,320

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast outturn variance (Consolidated) £
Salaries	42,100	0	42,100	44,420	-2,320
Expenditure	12,000	0	12,000	12,000	0
Ranger Services	1,067,690	0	1,067,690	1,082,234	-14,544
Income	0	0	0	0	0
Salaries	866,570	0	866,570	878,827	-12,257
Expenditure	200,870	0	200,870	203,157	-2,287
Pension Payments	250	0	250	250	0
Safety	122,430	0	122,430	125,890	-3,460
Income	(1,000)	0	(1,000)	(1,000)	0
Salaries	78,100	0	78,100	81,560	-3,460
Expenditure	45,330	0	45,330	45,330	0
Premises	232,190	0	232,190	230,590	1,600
Income	(3,500)	0	(3,500)	(5,100)	0
Expenditure	235,690	0	235,690	235,690	1,600
Premises – Head Office	263,880	0	263,880	263,880	0
Income	0	0	0	0	0
Expenditure	263,880	0	263,880	263,880	0
Project Funding	12,100	0	12,100	4,600	7,500

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast outturn variance (Consolidated) £
Expenditure	0	0	0	(7,500)	7,500
Pension Payments	12,100	0	12,100	12,100	0
Operations Management and Administration	146,580	0	146,580	147,420	-840
Salaries	138,080	0	138,080	138,920	-840
Expenditure	8,500	0	8,500	8,500	0

Table 3
Strategic Services

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Total Strategic Services	1,691,702	0	1,691,702	1,753,048	-61,346
Development Management	364,240	0	364,240	378,000	-13,760
Income	(100,000)	0	(100,000)	(100,000)	0
Salaries	408,840	0	408,840	426,600	-13,760
Expenditure	50,850	0	50,850	50,850	0
Pension Payments	4,550	0	4,550	4,550	0
Strategy and Projects Salaries	212,500	0	212,500	230,460	-17,960
Income	(962,486)	0	(962,486)	(962,486)	0
Salaries	175,350	0	175,350	175,350	-10,620
Expenditure	999,636	0	999,636	999,636	-7,340
Strategy and Projects	1,000	0	1,000	1,000	0
Expenditure	1,000	0	1,000	1,000	0
Biodiversity Strategy	11,900	0	11,900	11,900	0
Income	0	0	0	0	0
Expenditure	11,900	0	11,900	11,900	0
Human Resources	150,610	0	150,610	172,150	-21,540

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Income	0	0	0	(370)	370
Salaries	91,960	0	91,960	113,870	-21,910
Expenditure	58,650	0	58,650	58,650	0
Volunteers	73,300	0	73,300	75,330	-2,030
Salaries	53,900	0	53,900	55,930	-2,030
Expenditure	19,400	0	19,400	19,400	0
Communications	428,704	0	428,704	427,896	808
Income	(115,272)	0	(115,272)	(91,980)	-23,292
Salaries	303,810	0	303,810	373,780	-69,970
Expenditure	240,166	0	240,166	146,096	94,070
Visitor Centres and Yacht Stations	339,370	0	339,370	338,044	1,326
Income	(200,600)	0	(200,600)	(200,600)	0
Salaries	396,620	0	396,620	395,294	1,326
Expenditure	143,350	0	143,350	143,350	0
Strategic Services Management and Administration	110,078	0	110,078	118,268	-8,190
Salaries	112,950	0	112,950	121,140	-8,190
Expenditure	(2,872)	0	(2,872)	(2,872)	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) £
Total Finance & Support Services	1,659,775	0	1,659,775	1,635,305	24,470
Legal	96,000	0	96,000	94,000	2,000
Income	(4,000)	0	(4,000)	(6,000)	2,000
Expenditure	100,000	0	100,000	100,000	0
Governance	249,960	0	249,960	230,650	19,310
Salaries	173,060	0	173,060	170,350	2,710
Expenditure	76,900	0	76,900	60,300	16,600
Chief Executive	125,240	0	125,240	123,940	1,300
Salaries	124,240	0	124,240	122,940	1,300
Expenditure	1,000	0	1,000	1,000	0
Asset Management	146,609	0	146,609	148,199	-1,590
Income	(24,000)	0	(24,000)	(24,000)	0
Salaries	47,970	0	47,970	49,560	-1,590
Expenditure	122,639	0	122,639	122,639	0
Finance and Insurance	452,746	0	452,746	455,666	-2,920
Salaries	234,620	0	234,620	237,540	-2,920

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Expenditure	218,126	0	218,126	218,126	0
Collection of Tolls	193,760	0	193,760	195,220	-1,460
Salaries	182,760	0	182,760	184,220	-1,460
Expenditure	11,000	0	11,000	11,000	0
ICT	395,460	0	395,460	387,630	7,830
Salaries	202,560	0	202,560	206,280	-3,720
Expenditure	192,900	0	192,900	181,350	11,550

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) £
Total Projects and Corporate Items	(5,387)	0	(5,387)	(3,687)	-1,700
Partnerships / HLF	(151,987)	0	(151,987)	(151,987)	0
Income	(681,924)	0	(681,924)	(681,924)	0
Salaries	104,180	0	104,180	183,140	-78,960
Expenditure	425,757	0	425,757	346,797	78,960
Corporate Items	146,600	0	146,600	148,300	-1,700
Expenditure	19,600	0	19,600	21,300	-1,700
Pension Payments	127,000	0	127,000	127,000	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) £
Total Contributions from Earmarked Reserves	(509,482)	0	(509,482)	(553,834)	44,352
Earmarked Reserves	(509,482)	0	(509,482)	(553,834)	44,352

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Expenditure	(509,482)	0	(509,482)	(553,834)	44,352

Table 7

Net (Surplus) / Deficit

Row labels	Original Budget (Consolidated) £	Budget Adjustments (Consolidated) £	Latest Available Budget (Consolidated) £	Forecast Outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Grand Total	352,484	75,000	427,484	457,723	-30,239