

**Navigation Income and Expenditure:
1 April to 30 September 2013 Actual and 2013/14 Forecast Outturn**
Report by Head of Finance

Summary:	This report provides the Committee with details of the actual navigation income and expenditure for the six month period to 30 September 2013, and provides a forecast of the projected expenditure at the end of the financial year (31 March 2014).
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1 Introduction

- 1.1 This financial monitoring report summarises details of the forecast outturn for the year, which provides members with a picture of expected activity for the full financial year as well as supporting proactive budget management by budget holders. This report provides details of navigation expenditure only.
- 1.2 Section 2 of this report and Appendix 1 provide details of actual navigation expenditure to 30 September 2013.
- 1.3 Section 4 and Appendix 2 provide details of the forecast 2013/14 outturn (the expected actual expenditure position at the end of the financial year), compared to the latest available budget (LAB). The LAB represents the original budget for the year agreed by the Authority in January 2013, adjusted for known and approved budget changes. Further details of the LAB are set out in section 3 below.

2 Overview of Actual Income and Expenditure

- 2.1 Within this report, actual income and expenditure are reported at summary / directorate level, providing members with an overview of the Authority's position as set out in Table 1 below.

Table 1 – Actual Navigation I&E by Directorate to 30 September 2013

	Profiled Latest Available Budget	Actual Income and Expenditure	Actual Variance
Income	(2,841,633)	(2,813,169)	(28,464)
Operations	911,115	938,226	(27,110)
Planning and Resources	535,237	507,056	28,181
Chief Executive	74,254	83,441	(9,187)
Projects, Corporate Items and Contributions from Earmarked Reserves	16,220	(44,158)	60,378
Net (Surplus) / Deficit	(1,304,807)	(1,328,604)	23,797

- 2.2 Core navigation income remains slightly below the profiled budget at the end of month six. The overall position as at 30 September 2013 is a favourable variance of £23,797 or 1.82% difference from the profiled LAB.
- 2.3 Members may wish to note that overspends within the individual directorate lines are mainly offset by contributions from reserves (within the *Projects, Corporate Items and Contributions from Earmarked Reserves* line in Table 1).
- 2.4 The charts at Appendix 1 provide a visual overview of actual income and expenditure compared with both the original budget and the LAB.

3 Latest Available Budget

- 3.1 The Authority's income and expenditure is being monitored against a latest available budget (LAB) in 2013/14. 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 the movements from the original budget are set out in Appendix 2.
- 3.2 The use of the LAB format ensures that there is 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. The LAB facilitates scrutiny of budget management in that members are able to distinguish between planned budget changes and unplanned outturn variances.
- 3.3 A summary of changes in the navigation LAB since the last report to this committee are set out in Table 2 below.

Table 2 – Adjustments to Navigation LAB

	Ref	£
Original navigation budget 2013/14 (surplus)	Item 17 05/09/2013	(27,137)
Previously reported adjustments	Item 7a 24/10/2013	162,749
Virement: Safety to Rangers (Transfer Broads Control salaries to appropriate budget)	Item 10 12/12/2013	(1,807)
Virement: Operations Admin to Volunteers (Transfer salaries to appropriate budget)	Item 10 12/12/2013	(2,080)
Virement: Fen Management to Vessels (Consolidation of equipment hire budgets)	Item 10 12/12/2013	133
LAB at 30 September 2013		131,858

- 3.4 Taking account of these budget adjustments, the LAB therefore provides for a navigation deficit of £131,858 in 2013/14 as at 30 September 2013.

4 Overview of Forecast Outturn 2013/14

- 4.1 As in 2012/13, budget holders have been asked to comment on the expected expenditure at the end of the financial year in respect of all 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 through the financial year.
- 4.2 As at the end of September 2013, the forecast outturn indicates:
- Income is expected to be broadly in line with the original budget with total forecast income of £2,907,160.
 - Total expenditure is forecast to be £2,997,581.
 - The resulting deficit for the year is forecast to be £90,421.
- 4.3 The forecast outturn expenditure takes account of the adjustments to the LAB and in addition reflects the key changes from the previously reported forecast outturn as shown in Table 3. The forecast deficit has increased by £6,765 since the last report to the committee.

Table 3 – Adjustments to Forecast Outturn

	£
Forecast outturn deficit reported to Navigation Committee 24 October 2013	83,656
LAB adjustment since previous report (Table 2)	(3,755)
Unbudgeted rental income (Fieldbase – 5 months)	(614)
Additional notice boards expenditure – replacement bridge height gauge boards	2,000
Increase human resources salary budget for unbudgeted staff costs	4,444

Increase safety budget for standby costs	4,690
Forecast outturn deficit as at 30 September 2013	90,421

4.4 As previously reported to the Committee, the main differences between the forecast outturn and the LAB are due to:

- a reduction in costs for works on Breydon Water as a result of savings achieved by undertaking activity in-house and procuring materials at lower than anticipated cost; and
- unbudgeted income from private dredging works being undertaken at Hardley Dyke and the Chet.

5 Reserves

5.1 The Authority's earmarked reserves have been rationalised as at 1 April 2013 into a smaller number of reserves holding larger balances. Navigation reserve balances continue to be maintained separately from national park reserves. The balance of navigation earmarked reserves at the end of September 2013 is shown in Table 4 below.

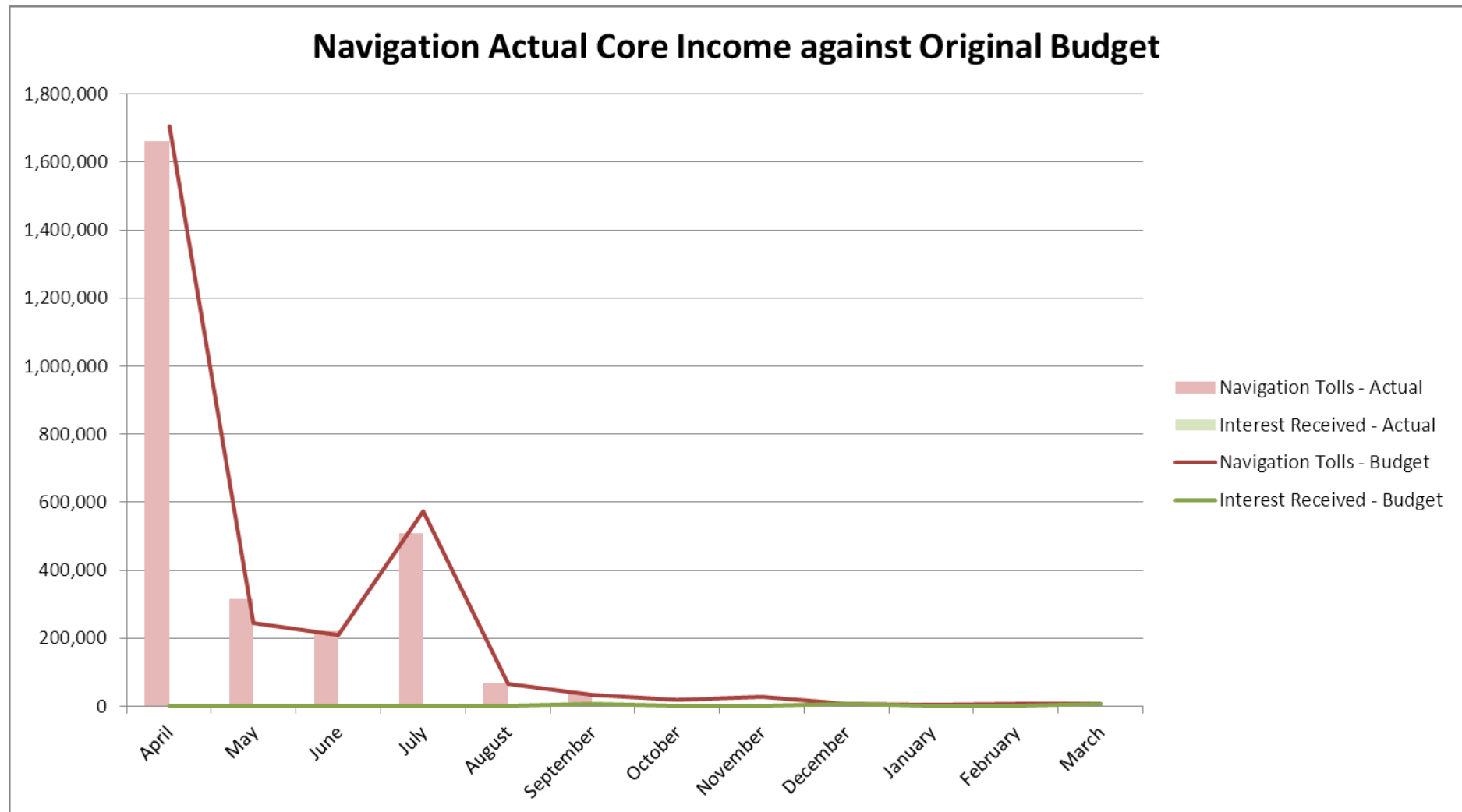
Table 4 – Navigation Earmarked Reserves

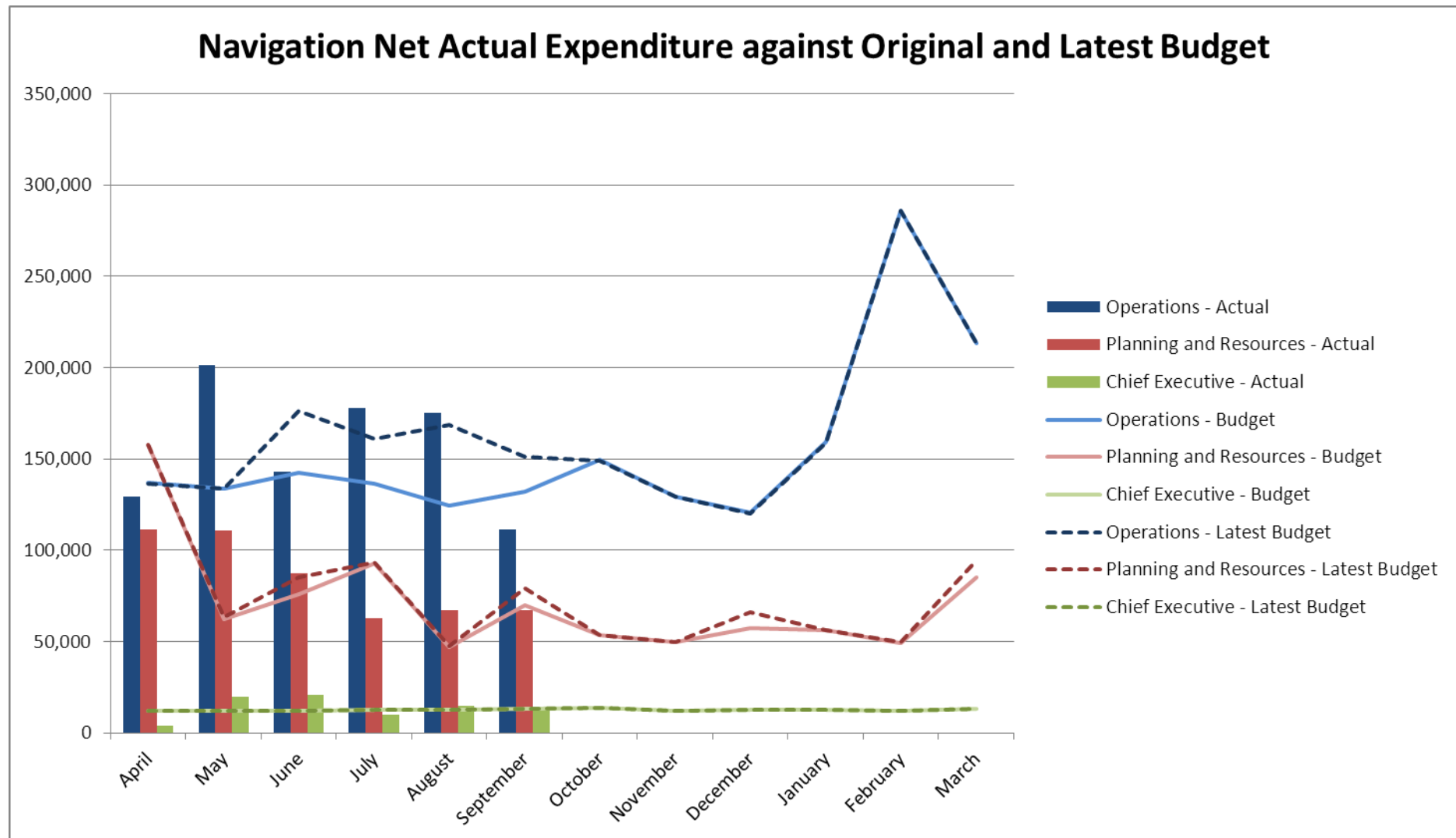
	Balance at 1 April 2013	In-year movements	Current reserve balance
	£	£	£
Property	(426,700)	(1,000)	(427,700)
Plant, Vessels and Equipment	(215,948)	47,176	(168,772)
Premises	(30,455)	(14,060)	(44,515)
PRISMA	(210,246)	64,676	(145,570)
Total	(883,349)	96,792	(786,557)

6 Summary

6.1 The forecast outturn position for the year suggests a deficit within the navigation budget which would result in a navigation reserve balance of approximately £264,000 at the end of 2013/14. Although this is slightly below the recommended level of 10% of net expenditure, taken alongside the significant navigation earmarked reserve balances it is considered to be adequate in the short to medium term. The impact of the navigation reserve balance has been taken into account within the draft budget paper on this agenda.

Background Papers:	Nil
Author:	Titus Adam
Date of Report:	25 November 2013
Broads Plan Objectives:	None
Appendices:	APPENDIX 1 – Navigation Actual Income and Expenditure Charts to 30 September 2013 APPENDIX 2 – Financial Monitor: Navigation Income and Expenditure 2013/14





To 30 September 2013

Budget Holder

(All)

Row Labels	Values				
	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Income	(2,928,984)		(2,928,984)	(2,907,160)	(21,824)
Hire Craft Tolls	(1,092,830)		(1,092,830)	(1,084,172)	(8,658)
Income	(1,092,830)		(1,092,830)	(1,084,172)	(8,658)
Private Craft Tolls	(1,758,210)		(1,758,210)	(1,745,043)	(13,167)
Income	(1,758,210)		(1,758,210)	(1,745,043)	(13,167)
Short Visit Tolls	(36,694)		(36,694)	(36,694)	0
Income	(36,694)		(36,694)	(36,694)	0
Other Toll Income	(18,750)		(18,750)	(18,750)	0
Income	(18,750)		(18,750)	(18,750)	0
Interest	(22,500)		(22,500)	(22,500)	0
Income	(22,500)		(22,500)	(22,500)	0
Operations	1,832,507	119,245	1,951,752	1,929,437	22,315
Construction and Maintenance Salaries	564,552		564,552	564,552	0
Salaries	564,552		564,552	564,552	0
Expenditure			0		0
Equipment, Vehicles & Vessels	268,438	132	268,570	268,570	0
Income	(962)		(962)	(962)	0
Expenditure	269,400	132	269,532	269,532	0
Water Management	90,000		90,000	111,595	(21,595)
Income	0		0	(18,000)	18,000
Expenditure	90,000		90,000	129,595	(39,595)
Land Management	0		0	0	0
Income	0		0	0	0
Expenditure	0		0	0	0
Practical Maintenance	252,200	123,000	375,200	331,200	44,000
Income	(2,000)		(2,000)	(2,000)	0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Expenditure	254,200	123,000	377,200	333,200	44,000
Ranger Services	442,671	21,643	464,314	456,314	8,000
Income	(8,000)		(8,000)	(8,000)	0
Salaries	329,671	21,643	351,314	351,314	0
Expenditure	121,000		121,000	113,000	8,000
Pension Payments			0		0
Safety	66,195	(23,450)	42,745	44,435	(1,690)
Income	(5,000)		(5,000)	(5,000)	0
Salaries	47,195	(23,450)	23,745	28,435	(4,690)
Expenditure	24,000		24,000	21,000	3,000
Asset Management	59,348		59,348	66,348	(7,000)
Income	(9,000)		(9,000)	(1,000)	(8,000)
Salaries	14,598		14,598	14,598	0
Expenditure	53,750		53,750	52,750	1,000
Volunteers	16,032	2,400	18,432	17,832	600
Income	(300)		(300)	(300)	0
Salaries	9,732	2,400	12,132	12,132	0
Expenditure	6,600		6,600	6,000	600
Operations Management and Administration	73,072	(4,480)	68,592	68,592	0
Salaries	66,128	(4,480)	61,648	61,648	0
Expenditure	6,944		6,944	6,944	0
Planning and Resources	856,883	39,750	896,633	851,244	45,390
Strategy and Projects Salaries	19,612	4,576	24,188	24,188	0
Income	0		0	0	0
Salaries	19,612	4,576	24,188	24,188	0
Expenditure	0		0	0	0
Strategy and Projects	3,199		3,199	3,199	0
Salaries	3,199		3,199	3,199	0
Expenditure	0		0	0	0
Waterways and Recreation Strategy	53,010		53,010	53,010	0

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Salaries	44,010		44,010	44,010	0
Expenditure	9,000		9,000	9,000	0
Project Funding	3,963	35,000	38,963	38,963	0
Income	0		0	0	0
Salaries	3,963		3,963	3,963	0
Expenditure	0	35,000	35,000	35,000	0
Pension Payments			0		0
Finance and Insurance	148,077		148,077	148,077	0
Salaries	58,077		58,077	58,077	0
Expenditure	90,000		90,000	90,000	0
Communications	84,768		84,768	84,768	0
Income			0		0
Salaries	72,768		72,768	72,768	0
Expenditure	12,000		12,000	12,000	0
Visitor Centres and Yacht Stations	47,963		47,963	47,963	0
Income	(76,875)		(76,875)	(76,875)	0
Salaries	93,938		93,938	93,938	0
Expenditure	30,900		30,900	30,900	0
Collection of Tolls	108,500		108,500	108,500	0
Salaries	96,100		96,100	96,100	0
Expenditure	12,400		12,400	12,400	0
ICT	91,443		91,443	91,443	0
Salaries	51,576		51,576	51,576	0
Expenditure	39,867		39,867	39,867	0
Legal	20,500		20,500	20,500	0
Income			0		0
Expenditure	20,500		20,500	20,500	0
Premises	199,250	(1,160)	198,090	151,607	46,483
Income	(3,000)		(3,000)	(45,614)	42,614
Expenditure	202,250	(1,160)	201,090	197,221	3,869

Row Labels	Original Budget (Navigation)	Budget Adjustments (Navigation)	Latest Available Budget (Navigation)	Forecast Outturn (Navigation)	Forecast Outturn Variance (Navigation)
Planning and Resources Management and Administration	76,600	1,333	77,933	79,026	(1,093)
Income			0		0
Salaries	43,910		43,910	43,910	0
Expenditure	32,690	1,333	34,023	35,116	(1,093)
Chief Executive	150,816		150,816	155,260	(4,444)
Human Resources	54,060		54,060	58,504	(4,444)
Salaries	26,060		26,060	30,504	(4,444)
Expenditure	28,000		28,000	28,000	0
Governance	57,030		57,030	57,030	0
Income			0		0
Salaries	36,914		36,914	36,914	0
Expenditure	20,116		20,116	20,116	0
Chief Executive	39,727		39,727	39,727	0
Salaries	39,727		39,727	39,727	0
Expenditure			0		0
Projects and Corporate Items	61,640		61,640	61,640	0
PRISMA	32,440		32,440	32,440	0
Income			0		0
Salaries	32,440		32,440	32,440	0
Expenditure			0		0
STEP			0		0
Salaries			0		0
Expenditure			0		0
Corporate Items	29,200		29,200	29,200	0
Expenditure			0		0
Pension Payments	29,200		29,200	29,200	0
Contributions from Earmarked Reserves			0		0
Earmarked Reserves			0		0
Expenditure			0		0
Grand Total	(27,137)	158,995	131,858	90,421	41,436