

Financial Performance and Direction
Report by Head of Finance

Summary: This report provides a strategic overview of current key financial issues and items for decision.

Recommendations:

Section 2

- (i) That the income and expenditure figures be noted.

Section 3

- (ii) That the Authority adopts the draft Financial Strategy to 2016/17, notes the comments of the Navigation Committee, and endorses the outline timetable for the preparation of the 2015/16 Budget.

Section 4

- (iii) That the draft Pension Employer Discretions Policy as appended be adopted.
- (iv) That the Chief Executive be given delegated powers to exercise the discretions as set out in paragraphs 3 (where there are no financial implications for the Authority), 6, 7, 10 and 11 of the policy.
- (v) That any proposals to exercise the discretions in paragraphs 1 (except where Regulation 15(5) applies), 2, 3 (where there are financial implications for the Authority), 4, 5 or 9 be referred to the Authority for approval.

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	Consolidated Income and Expenditure from 1 April 2013 – 28 February 2014
3	Financial Strategy 2014/15 – 2016/17
4	Pension Employer Discretions Policy

2 Consolidated Income and Expenditure from 1 April 2013 – 28 February 2014

Overview

- 2.1 This section provides members with details of the consolidated actual income and expenditure for the eleven month period to 28 February 2014, and provides a forecast of the projected expenditure at the end of the financial year (31 March 2014).

Introduction

- 2.2 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 consolidated expenditure for the whole Authority (National Park and Navigation).
- 2.3 Paragraph 2.5 of this report and Appendix 1 provide details of actual income and expenditure to 28 February 2014.
- 2.4 Paragraph 2.16 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 from paragraph 2.12 below.

Overview of Actual Income and Expenditure

- 2.5 Within this report, actual income and expenditure will be 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 Consolidated I&E by Directorate to 28 February 2014

	Profiled Latest Available Budget	Actual Income and Expenditure	Actual Variance
Income	(6,478,071)	(6,448,682)	(29,389)
Operations	2,569,117	2,520,597	48,520
Planning and Resources	2,836,197	2,764,429	71,768
Chief Executive	363,941	383,802	(19,862)
Projects, Corporate Items and Contributions from Earmarked Reserves	29,737	(246,581)	276,317
Net (Surplus) / Deficit	(679,079)	(1,026,435)	347,356

2.6 Core income remains slightly below the profiled budget as at the end of month eleven, due to Private and Hire Tolls being slightly behind the profile, and also due to a reduced forecast for investment interest income. Total net expenditure of £5,422,247 is £376,745 below the profiled LAB. A number of these variances will persist through to the end of the financial year and have been reflected in forecast outturn figures. The resulting overall position as at 28 February 2014 is a favourable variance of £347,356 or 51.15% difference from the profiled LAB. This is a significant movement from the position last reported to the Authority and is principally due to:

- An overspend in the Water Management budget at the end of February, however the budget is expected to deliver in line with the forecast outturn at year end.
- An underspend of £20,000 within Land Management budgets arising from the receipt of more income than anticipated as well as underspends within the budgets for the Trinity Broads due to the change in management during the year. This position is likely to persist to the end of March.
- An underspend of £112,000 against the profiled budget within Practical Maintenance. A large element (£61,476) of this actual underspend relates to the Breydon Water budget, of which £42,000 is an anticipated underspend reflected within forecast outturn figures. There is also an underspend of £17,000 within the Other Navigation Works budget as well as various small underspends against other budget lines. Success in bringing in external income (including a contribution of £7,950 towards safety ladders at Reedham) has also contributed to the actual variance, although the income is reflected in the forecast outturn. With the exception of the Breydon Water budget, where the need to develop a bespoke solution for the capping of posts has led to a delay in expenditure, Budget Holders have reported that they anticipate that Practical Maintenance budgets will be delivered in line with the forecast outturn at the end of the year.
- An overspend within Ranger Services as a result of capital expenditure on the replacement launch has been offset by the use of reserves and a delay in the sale of the two surplus launches. Bids for these are currently being re-solicited. Within revenue budgets in this area, there is a potential underspend of around £21,000 at year end as a result of slippage in launch refit activity and also the minimal expenditure required on the two newer launches this year.
- An overspend within Development Management of £17,000. This is expected to be resolved by year end.
- An underspend of £20,000 within Strategy and Projects salary budgets due to success in bringing in external contributions to fund partnership posts and the funding of the Projects Manager post from earmarked reserves rather than revenue budgets. This variance is likely to remain in year end figures.
- An underspend of £64,000 within Biodiversity budgets due to significant success in obtaining external funding for key projects and activities. A total underspend of around £18,000 against the latest forecast outturn is anticipated at year end as a result of this success.

- An overspend of £30,000 within Strategy and Projects budgets resulting from additional arboricultural advice activity. This is in line with the amended forecast outturn for this budget area.
- An underspend of £99,000 within the Project Funding budget. This relates to both the £185,000 National Park project budget and the £35,000 budget for navigation projects carried forward from 2012/13. There have been a number of issues preventing projects being progressed in 2013/14, including for navigation the decision not to proceed with the development of moorings at Dove House Farm. A significant underspend of around £120,000 is therefore expected on this budget when compared against the current forecast outturn. It is likely that some of this budget will be the subject of a carry-forward request into 2014/15 budgets.
- An overspend of £17,000 within Finance budgets due to the profiling of insurance expenditure. This is anticipated to be corrected by year end.
- An underspend of £26,000 within Communications budgets due to success in bringing in sponsorship income and the profiling of expenditure. This is expected to be resolved by year end.
- An overspend of £28,000 within Visitor Centre and Yacht Station budgets due to the profiling of income budgets. The outturn position for the year is expected to be delivered in line with the latest forecast outturn.
- An underspend of £105,000 within Premises budgets which principally relates to the Dockyard budgets. This is mainly due to the budget profile not reflecting the additional income received in-year, although this is taken into account in the forecast outturn. This budget is expected to be delivered broadly in line with the forecast outturn at year end once payments for the PWLB loan and contributions to reserves are made in March. However, once the accounting adjustment for the Yare House rent free period has been made (as reported to Broads Authority 21 March 2014 Item 17 Para 2.22), there will be a substantial overspend within the Premises budget for the year. This will be offset by the benefit of the rent free period being recognised over the term of the Authority's lease.
- An overspend of £25,000 within Human Resources budgets. This increased expenditure is reflected in the current forecast outturn, although the final year end position may be slightly higher than indicated by the latest forecast outturn.

- 2.7 Members may wish to note that the variances within the individual directorate lines are in part offset by contributions from reserves (within the Projects, Corporate Items and Contributions from Earmarked Reserves line in Table 1).
- 2.8 The charts at Appendix 1 provide a visual overview of actual income and expenditure compared with both the original budget and the LAB.
- 2.9 The major anticipated underspends within budgets identified above, particularly in relation to Project Funding, Launches and Breydon Water have been reflected in the previously approved changes and reductions to the 2014/15 budget.

Latest Available Budget

- 2.10 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. Details of the movements from the original budget are set out in Appendix 2.
- 2.11 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.
- 2.12 There have been no changes to the consolidated LAB since the last report to the Authority as set out in Table 2 below.

Table 2 – Adjustments to Consolidated LAB

	Ref	£
Original consolidated budget 2013/14 (surplus)	Item 13 20/09/2013	(118,573)
Previously reported adjustments	Item 12 22/11/2013	192,325
LAB at 28 February 2014 (deficit)		73,752

- 2.13 Taking account of the budget adjustments, the LAB therefore provides for a consolidated deficit of £73,752 in 2013/14 as at 28 February 2014.

Overview of Forecast Outturn 2013/14

- 2.14 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 the budget lines for which they are responsible. It must be emphasised that these forecast outturn figures should be seen as best estimates of the position at the end of the financial year.
- 2.15 As at the end of February 2014, the forecast outturn indicates:
- Income is expected to be approximately £42,000 lower than originally budgeted with total forecast income of £6,457,107.
 - Total expenditure is forecast to be £6,448,463.
 - The resulting surplus for the year is forecast to be £8,644.
- 2.16 Full details of the forecast outturn are set out in Appendix 2, although members may wish to note the further changes to forecast outturn set out in 2.6 above.

- 2.17 The forecast outturn expenditure takes account of adjustments to the LAB and in addition reflects the key changes from the previously reported forecast outturn as shown in Table 3. The forecast outturn deficit has decreased by £38,060 since the last report to the Authority, and now anticipates a small surplus when compared to the £73,752 deficit allowed for in the LAB.

Table 3 – Adjustments to Forecast Outturn

Item	£
Forecast outturn deficit reported to Broads Authority 21 March 2014	29,416
Increase vessels income for external contributions (recharge for hire of plant and private dredging, and sale of surplus equipment / scrap)	(25,000)
Adjust Yare House forecast for electricity, rates, FM and furniture actual costs	(4,445)
Reduce legal expenditure based on monthly billing	(7,500)
Reduce members allowances based on claims to date	(3,000)
Increase governance printing cost forecast	1,885
Forecast outturn deficit as at 28 February 2014	(8,644)

- 2.18 Taking into account the current actual position as set out in paragraph 2.6 above, there is likely to be a considerable underspend against the latest forecast outturn position principally due to the significant underspend within the Authority's project budgets. This is due to major difficulties in progressing a number of projects during the year. The project budget has been significantly reduced in 2014/15. The impact of this underspend will be in part offset by the accounting adjustment for the rent free period at Yare House also discussed in 2.6.

Reserves

- 2.19 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 earmarked reserves at the end of February 2014 is shown in Table 4 below.

Table 4 – Consolidated Earmarked Reserves

	Balance at 1 April 2013	In-year movements	Current reserve balance
	£	£	£
Property	(502,174)	(61,500)	(563,674)
Plant, Vessels and Equipment	(288,696)	77,570	(211,127)
Premises	(108,556)	(21,560)	(130,116)
Planning Delivery Grant	(504,241)	44,225	(460,017)

Sustainable Development Fund	(64,644)	13,441	(51,203)
Mobile Phone Upgrade	(14,919)	936	(13,983)
Upper Thurne Enhancement	(81,116)	0	(81,116)
Section 106	(8,426)	(3,547)	(11,973)
STEP	(65,720)	94,268	28,548
PRISMA	(210,246)	109,772	(100,474)
Total	(1,848,739)	253,604	(1,595,134)

- 2.20 £776,023 of the current reserve balance relates to navigation reserves.
- 2.21 The Authority makes contributions into earmarked reserves on a quarterly basis, with the final instalments for 2013/14 due in March. As a result the balance of earmarked reserves at year end is anticipated to be higher than the level currently reported for February.
- 2.22 Members will be aware that damage was sustained at Mutford Lock following the tidal surge in early December 2013. The Authority has since taken steps in response to commission works to replace the existing lock gate hydraulic and electrical control units (including housings) as set out in more detail in the report on Waivers of Standing Orders (Item 17 on this agenda). Work is now underway to undertake the repairs to the lock by LEC Marine (Klyne). It was originally envisaged that this activity would be funded from the Property earmarked reserve (which includes the sums set aside for Mutford Lock), however following an invitation to bid for funding from DEFRA, funds have been awarded from DEFRA's 2013/14 budgets to support urgent repairs to access infrastructure in National Parks. The Authority was successful in bidding for £82,000 of funding (£80,000 for works to Mutford Lock and £2,000 for repairs at Great Yarmouth Yacht Station), with the result that the impact of the repair costs for Mutford Lock on earmarked reserves will be fully mitigated.

Summary

- 2.23 The current forecast outturn position for the year suggests a surplus of £87,359 for the national park side and a deficit of £78,715 on navigation resulting in an overall surplus of £8,644 within the consolidated budget, which would indicate a general fund reserve balance of approximately £692,000 and a navigation reserve balance of approximately £275,000 at the end of 2013/14. However, this projection is before any adjustments for the rent free period at Yare House, and does not reflect the significant underspend now expected within the Project Funding budgets, so a further movement in the year end figures is to be anticipated.
- 2.24 Although the current projected balance is slightly below the recommended level of 10% of net expenditure for the navigation reserve, when taken alongside the significant earmarked reserve balances it is considered to be

adequate in the short to medium term. The impact of both the national park and navigation reserve balances have been taken into account when preparing the budget and medium term financial strategy.

3 Financial Strategy 2014/15 – 2016/17

Introduction

3.1 The Authority set its 2014/15 budget at its meeting 21 March 2014, at which point it also considered a draft Financial Strategy to 2016/17. In view of the implications of the Financial Strategy for the navigation budget, further consultation was undertaken with the Navigation Committee at its meeting 24 April 2014. This report sets out the Financial Strategy to 2016/17 for approval, details the outcomes of the consultation with the Committee on the draft Financial Strategy, and provides members with a timetable for the development of the 2015/16 Budget.

Navigation Committee Consultation

3.2 At its meeting 24 April 2014, the Navigation Committee noted the final 2014/15 Budget and the Financial Strategy to 2016/17 and also noted:

- there is a need for consultation on the priority areas for increased practical navigation activity as set out in the timetable at paragraph 3.7;
- there was recognition of the need to maintain the drive to increase contributions to earmarked reserves in order to ensure adequate provision is made for the ongoing maintenance of navigation assets, and to restore the navigation reserve balance to the minimum recommended levels; and
- in addition some members expressed an aspiration to move towards CPI as the level of increase for tolls;

Financial Strategy to 2016/17

3.3 The Financial Strategy to 2016/17 builds on the 2014/15 Budget as approved by the Authority in March. The Financial Strategy is based upon the following key proposals:

- To end the programme of Sustainable Development Fund grants with all the existing funded projects supported to a conclusion to March 2015 and a celebratory event held this summer. **(Saving £150,000 per annum (£138,000 in 2014/15)).**
- To amalgamate and reduce national park project funding combined with a new emphasis on seeking financial support from sources such as the Local Economic Partnership, the Lottery, Europe and corporate sponsors, the latter activity undertaken with the rest of the national park family. **(Saving £90,000 per annum (£85,000 in 2014/15)).**
- To:
 - (i) establish a new post of Solicitor and Monitoring Officer with management responsibility for Governance and HR; and

- (ii) move to the electronic provision of papers for Broads Authority and Committee meetings with the necessary training.

(Total saving for (i) and (ii): £75,000 per annum from 2015/16).

- To restructure the Communications Team and reduce project expenditure on communications. **(Saving £75,000 per annum from 2015/16 (£15,000 in 2014/15)).**
- To propose changes to the apportionment for practical Operations activities from the current level of 40:60 between national park and navigation, to 35:65 in 2015/16 with a view to further increasing the proportion devoted to navigation to 70% in 2016/17. **(Net saving nil, approximately £50,000 indicative increase in navigation works expenditure in 2015/16 (cumulative £105,000 by 2016/17)).**

3.4 The Financial Strategy for 2015/16 and 2016/17 builds on the detailed budget work undertaken to support development of the 2014/15 budget figures, and rolls these budgets forwards with known changes and adjustments being applied. Table 5 below sets out summary Financial Strategy figures, while Appendix 3 to this report provides detailed information.

3.5 Members may wish to note that Appendix 3 and Table 5 below differ slightly from those approved by the Broads Authority at its last meeting in that the opening reserves for 2014/15 have been adjusted to reflect the latest forecast carry-forward position at the end of 2013/14 as set out in this report. However, no changes have been made to the approved 2014/15 Budget or the draft Financial Strategy figures.

Table 5 – Summary Financial Strategy to 2016/17

	2014/15			2015/16			2016/17		
	National Park	Navigation	Total	National Park	Navigation	Total	National Park	Navigation	Total
National Park Grant	(3,245,393)	0	(3,245,393)	(3,188,952)	0	(3,188,952)	(3,188,952)	0	(3,188,952)
Navigation Tolls	0	(2,948,121)	(2,948,121)	0	(3,036,565)	(3,036,565)	0	(3,127,662)	(3,127,662)
Other income	(15,000)	(33,750)	(48,750)	(17,500)	(36,250)	(53,750)	(20,000)	(38,750)	(58,750)
Total Income	(3,260,393)	(2,981,871)	(6,242,264)	(3,206,452)	(3,072,815)	(6,279,267)	(3,208,952)	(3,166,412)	(6,375,364)
Operations	1,063,750	1,966,965	3,030,715	1,041,085	2,076,391	3,117,475	1,027,839	2,180,397	3,208,235
Planning and Resources	1,941,835	787,169	2,729,004	1,872,992	765,968	2,638,961	1,904,418	777,049	2,681,467
Chief Executive	254,058	150,982	405,040	216,002	129,223	345,225	222,794	133,291	356,085
Corporate Items	55,800	37,200	93,000	67,200	44,800	112,000	82,200	54,800	137,000
Total Expenditure	3,315,443	2,942,316	6,257,759	3,197,279	3,016,382	6,213,661	3,237,251	3,145,537	6,382,787
Net (Surplus) / Deficit	55,050	(39,555)	15,495	(9,173)	(56,433)	(65,606)	28,299	(20,875)	7,423
Opening Reserves (Forecast)	(691,872)	(274,521)	(966,393)	(629,322)	(306,576)	(935,898)	(629,745)	(354,259)	(984,004)
(Surplus) / Deficit for the year	55,050	(39,555)	15,495	(9,173)	(56,433)	(65,606)	28,299	(20,875)	7,423
Interest transfer	7,500	7,500	15,000	8,750	8,750	17,500	10,000	10,000	20,000
Closing Reserves (Forecast)	(629,322)	(306,576)	(935,898)	(629,745)	(354,259)	(984,004)	(591,446)	(365,134)	(956,580)

- 3.6 The proposed transfer of practical activities within Operations budgets is intended to support the delivery of priority navigation activities from 2015/16 onwards. For indicative purposes, this transfer has been shown within the Financial Strategy within Construction, Maintenance and Environment budgets, however in practice this proposal will be the subject of development work during 2014/15 to identify the priority areas for the Navigation Committee. This could for example relate to additional Ranger activity. Based on the latest Financial Strategy figures, approximately £50,000 of the proposed increase in practical activity is likely to be offset by navigation savings within central and corporate costs.
- 3.7 The proposed timetable for work to develop these proposals and engage with Members, the Navigation Committee, staff and other key stakeholders is as follows:
- June - August 2014: Consult Operations directorate staff and other stakeholders as appropriate to identify options and priorities;
 - September 2014: Consult Navigation Committee on options for 2015/16 Budget and Financial Strategy to deliver increase in practical works activity;
 - October 2014: Draft Financial Strategy presented to Navigation Committee for further comment;
 - December 2014: Final 2015/16 Budget and Financial Strategy presented to Navigation Committee for recommendation to Authority;
 - January 2015: Broads Authority considers / approves 2015/16 Budget and Financial Strategy.
- 3.8 Within the current Financial Strategy, navigation tolls have been increased by 3% per annum after 2014/15. This level of increase will allow the Authority to continue to make progress towards adequate provision for the significant future liabilities identified in the Asset Management Plan, but should be seen as an indicative figure only as the increase remains subject to annual consultation with the Navigation Committee and decision by the Authority.
- 3.9 In addition to the key decisions set out above, a number of changes have been made within directorate budgets as follows.

Operations Directorate

- 3.10 Operational budgets have been fully reviewed and proposed expenditure reduced to the base levels required to maintain current services. This means that only previously agreed contributions to reserves and the contribution for replacement of essential vehicles and vessels are included.
- 3.11 Within the Construction and Maintenance area of the budget:
- the budget for landowner payments for the acquisition of dredging disposal sites has been transferred to vessels and equipment and practical maintenance budgets to reflect the change in policy following the absence of sites coming forward;

- the Breydon Water budget has been removed although slight increases have been added in to navigation works (within the practical maintenance budget) to allow for necessary channel marker / gauge board replacement if required, and the proposed works to Turntide Jetty may need to be funded from the piling budget / asset reserve;
- practical maintenance budgets have been increased to take account of the recommendations from the Asset Management Plan in respect of 24hr moorings. This allows for an enhancement to the annual maintenance programme for replacement and renewal of piling where the Broads Authority is responsible for the structure, of over 100m of moorings annually, and the further refurbishment at other sites. It also includes a £15,000 provision for the previously approved demasting mooring at Acle in 2014/15. This means that the annual budget provision stands at approximately half the recommended amount for asset management;
- an additional £40,000 contribution to navigation asset reserves has been allowed within the moorings maintenance and repair budget from 2015/16, allowing the Authority to make further progress towards the recommended provisions of the Asset Management Plan as agreed by the Broads Authority in January;
- site maintenance budgets have been increased by £6,000 from 2014/15 to provide for the maintenance and replacement of a reduced number of national park countryside assets as set out in the Authority's Asset Management Plan; and
- the electric charging point budget provides for annual maintenance and the capital programme for expansion of electric charging points.

3.12 In other operational areas of the budget the following has also been proposed:

- to reduce the running costs of rangers and the launches budgets by reducing the annual launch refit work completed, retendering the contract and taking a proportion of the maintenance in-house.

3.13 Other budget lines have also had smaller reductions to restrict expenditure as far as possible.

Planning and Resources Directorate

3.14 A number of adjustments have been made within Planning and Resources Directorate budgets (over and above the key proposals), as set out below.

- provision of £10,000 in the project funding budget line as one-off expenditure in 2014/15 has been included within the navigation budget towards the proposed boat owners' survey agreed by the Navigation Committee;
- a budget of up to £50,000 has been allowed to support the development of the major project at Whitlingham Country Park in all three years of the Financial Strategy within the project funding budget line. If the Development Project proceeds then appropriate provision has been made and this budget will be supported by funding from partners and will facilitate the delivery of an HLF bid;

- the Broadland Catchment Officer post has been extended to the end of 2014/15 based on a contribution of £7,000 from Authority budgets and significant contributions secured from external partners;
- forecast development management income has been reduced based on anticipated levels of demand;
- the cultural heritage budget has been increased for the actual costs of specialist arboricultural and listed buildings advice which cannot be provided from internal resources;
- the climate change project budget has been reduced by £10,000;
- there is no provision for navigation funding of tourism activity, and this budget has been maintained at £20,000;
- finance budgets have been reduced to reflect anticipated savings from the reprocurement of internal audit and payroll services;
- telephone budgets have been reduced to reflect savings from renegotiated contracts; and
- the budget for the seasonal tolls assistant post has been extended by one month to cover more of the peak seasonal period.

Chief Executive

- 3.15 In addition to the key proposals for human resources set out in 3.3 above, HR budgets have been reviewed and a small reduction of £5,000 is proposed in staff training budgets. It is anticipated that this saving can be delivered through the greater central coordination of training procurement activity.

Cost Apportionment

- 3.16 The cost apportionment used in these Budget figures follows the work of the Resource Allocation Working Group, and the apportionment of shared costs and the principles upon which these are calculated as agreed by the Broads Authority in March 2011. For clarity, the apportionments applied to the 2014/15 Budget have been shown in Appendix 3.

Changes to the Budget Structure

- 3.17 The structure of the Budget for 2014/15 has been slightly amended to show the budgets for Yare House, office expenses and pool vehicles grouped within the Planning and Resources Directorate and to transfer operational property (Dockyard, Ludham Fieldbase, Beccles, Buttles Barn and Horning) budgets to the Operations Directorate. This aligns the budgets more appropriately with the organisational structure and the relevant budget holders but has no impact on the respective national park / navigation apportionments applied. Current and prior year figures have been restated within Appendix 3 and the summary tables within this report to provide comparable information across all years of the Financial Strategy.

Key Assumptions

- 3.18 The following key assumptions have been applied within the 2014/15 Budget and Financial Strategy to 2016/17:

- the forecast outturn position for 2013/14 will be delivered in line with budget holder projections;
- National Park Grant will be received in line with announced allocations, and because of the uncertainty associated with a general election in 2015/16 no further reduction has been applied in 2016/17, although it is recognised that further reductions are a possibility;
- navigation toll income will be received in line with budget projections, and taking account of the need to replace and maintain assets, an indicative 3% increase has been applied from 2015/16 onwards (2.8% actual in 2014/15);
- an increase has been budgeted to make provision for an assumed 2% national pay award annually from 2014/15 (1% actual in 2013/14);
- changes to National Insurance arrangements as a result of the cessation of the contracted out rate for the state second pension are forecast to cost an additional £70,000 annually for the Authority as a whole from 2016/17 and these changes have been factored into the staffing costs included in the financial strategy. It is currently unclear whether the Government will seek to mitigate the impact of these changes for Local Authorities;
- changes to pension legislation will see the introduction of pension automatic enrolment for the Authority in 2014/15. There are currently approximately 30 members of both temporary and permanent staff who are not part of the pension scheme but who have been automatically enrolled from 1 April 2014. The Authority does not have information to indicate whether these employees will continue to opt out of the pension scheme, however the total cost to the Authority of all staff opting in would amount to approximately £59,000 in 2014/15, rising to £67,000 in 2016/17 (£37,000 and £47,000 respectively in regard to permanent staff only). There is currently no provision in the budget for these potential additional pension costs as there is considerable uncertainty about the actual level of uptake that may be experienced. These costs may also be partially offset in future years by the introduction of the revised Local Government Pension Scheme (LGPS) from April 2014, although the precise impact of this is also unquantifiable at this stage. The Budget therefore assumes there will be no additional up-take of membership in the pension scheme as a result of auto enrolment from April 2014, and no savings from the LGPS 2014 reforms. These assumptions will be revised in the preparation of the 2015/16 Budget;
- adjustments have been made to the property budgets (Dockyard and Yare House) based on rateable value adjustments notified in 2013/14;
- the 2014/15 budget does not include a full year of Yare House rent due to the impact of the 18 month rent free period;
- it is assumed that the Ludham Fieldbase will be let for a further six month period into 2014/15. No assumption has been made about the long-term rental of the site and accordingly no further income is included. Work to identify a long-term tenant is currently on-going; and
- the proposals do not include the one-off or time-limited costs for any possible protected salary arrangements or redundancy costs as these will

be dependent on individual circumstances and as such are not quantifiable at this stage.

3.19 The sensitivity of the Budget to some of these key assumptions is set out in the table below.

Table 6 – Budget Sensitivity Analysis

Assumption	Change in assumption	Approximate financial impact of change £ (+/-)
National Park budget for 2013/14 will be delivered in line with forecast outturn.	1% under / over-spend against National Park budget.	35,000
Navigation budget for 2013/14 will be delivered in line with forecast outturn.	1% under / over-spend against Navigation budget.	30,000
Overall salary increase of 2% per annum from 2014/15.	1% change in salary inflation.	39,500
Boat numbers and distribution remain stable; overall increase in navigation tolls income 2.8% 2014/15 and 3% per annum thereafter.	1% change in navigation toll income.	29,500
National Park Grant in line with notified allocations and no further reduction applied in 2016/17.	1% change in National Park Grant allocation.	32,000
No change in pension scheme membership due to auto enrolment from 2014/15.	50% of permanent staff currently opted out remain enrolled in LGPS.	18,500 (plus additional 5,000 from 2016/17 due to NI changes)

Reserves

3.20 The forecast balance of earmarked reserves at the end of March 2014 is shown in the table below.

Table 7 – Earmarked Reserves

	Balance at 1 April 2013	In-year movements (forecast)	Balance at 31 March 2014 (forecast)
	£	£	£
Property Reserve	(502,174)	8,000	(494,174)
Plant, Vessels and Equipment Reserve	(288,696)	104,130	(184,566)
Premises Reserve	(108,556)	(30,000)	(138,556)
Other Earmarked Reserves	(673,346)	119,419	(553,927)

Step	(65,720)	65,720	0
Prisma	(210,246)	(64,575)	(274,821)
Total Earmarked Reserves	(1,848,738)	202,694	(1,646,044)

- 3.21 Of these reserves, £861,174 relate to Navigation reserves. Appendix 4 to this report sets out details of the current predicted movements in the Authority's earmarked reserves over the period of the Financial Strategy.
- 3.22 The table above does not take into account the restoration of expenditure for Mutford Lock outlined in paragraph 2.22 of this report. A higher forecast closing balance of earmarked reserves is therefore possible depending on the timing of receipt of this DEFRA funding.

Summary

- 3.23 The Financial Strategy proposed in this report incorporates steps for the Authority to start to make progress towards the recommended contributions to reserves to support the maintenance of its assets in future years as set out in the Asset Management Plan. The proposals set out a prudent strategy for managing the limited resources available to build on the work underway across the organisation and to continue to deliver the Authority's key priorities over the next three years. The focus in developing this Financial Strategy has been to deliver the maximum possible efficiencies and savings from within central budgets in order to minimise the impact on front-line activity, and this has required some difficult decisions about important services. Although it has not been possible to entirely mitigate the impact on the front line, considerable savings have been proposed within support services and these will be challenging to deliver. It should also be noted that the proposals represent a further significant paring back of support services and there is as a result very limited capacity to absorb further reductions of this kind. This also results in a finely balanced budget with extremely limited scope for taking on additional project work or other opportunities which may arise during the year.
- 3.24 The Financial Strategy has been developed to bring the budget for navigation expenditure into balance in 2014/15 and enable a £40,000 contribution towards asset management in 2015/16 and beyond. This is in the context of navigation reserves dropping below the minimum recommended level of 10% of net expenditure in 2013/14 rather than 2012/13 as originally anticipated, and would see navigation reserves restored to the minimum recommended level by 2015/16.
- 3.25 On the national park side, the Financial Strategy sets out a sustainable baseline across the next three years, although the short-term major project funding does result in small deficit budgets in 2014/15 and 2016/17. However this will be mitigated if the Whitlingham project budget is not fully drawn down. The general national park reserve remains comfortably in excess of the minimum recommended level of 10% plus £100,000 in all years.

4 Local Government Pension Scheme: Broads Authority Policy Statement – Exercise of Discretionary Powers

Overview

- 4.1 Since 1997 the Local Government Pension Scheme (LGPS) has required employers to issue a written policy statement on how they will exercise the various discretions provided by the scheme, to keep the policy under review and to revise it as necessary.
- 4.2 The changes to the LGPS, which came into effect on 1 April 2014, require an updated policy document to be published and notified to the Norfolk Pension Fund within three months of this date (1 July 2014). The Authority's updated draft policy is appended for members' consideration.

Changes to the Pension Scheme

- 4.3 A number of changes have recently been made to the LGPS and a new scheme was introduced on 1 April. The main features of the new scheme, compared to the previous scheme, are set out in Table 8 below.

Table 8 – Comparison of LGPS 2014 with LGPS 2008

	LGPS 2014	LGPS 2008
Basis of Pension	Career Average Revalued Earnings (CARE)	Final Salary
Accrual Rate	1/49th	1/60th
Revaluation Rate	Consumer Prices Index (CPI)	Based on Final Salary
Pensionable Pay	Pay including non-contractual overtime and additional hours for part time staff	Pay excluding non-contractual overtime and non-pensionable additional hours
Contribution Flexibility	Yes, members can pay 50% contributions for 50% of the pension benefit	No
Normal Pension Age	Equal to the individual member's State Pension Age	65
Lump Sum Trade Off	Trade £1 of pension for £12 lump sum	Trade £1 of pension for £12 lump sum
Death in Service Lump Sum	3 x Pensionable Pay	3 x Pensionable Pay
Death in Service Survivor Benefits	1/160th accrual based on Tier 1 ill health pension enhancement	1/160th accrual based on Tier 1 ill health pension enhancement
Ill Health Provision	Tier 1 - Immediate payment with service enhanced to Normal Pension Age Tier 2 - Immediate payment with 25% service enhancement to Normal	Tier 1 - Immediate payment with service enhanced to Normal Pension Age (65) Tier 2 - Immediate payment with 25% service enhancement to Normal Pension Age (65)

	Pension Age Tier 3 - Temporary payment of pension for up to 3 years	Tier 3 - Temporary payment of pension for up to 3 years
Indexation of Pension in Payment	CPI	CPI (RPI for pre-2011 increases)
Vesting Period	2 years	3 months

4.4 Employee contribution rates and pay bands for the LGPS have also been amended as set out in Table 9. In addition to the changes above, under the new LGPS 2014, employee contributions rates will be set based on actual pay, rather than full-time equivalent pay as under the 2008 scheme.

Table 9 – Comparison of Pay Bands and Contribution Rates

LGPS 2014		LGPS 2008	
Pay Bands	Contribution Rate	Pay Bands	Contribution Rate
Up to £13,500	5.5%	Up to £13,700	5.5%
£13,501 - £21,000	5.8%	£13,701 - £16,100	5.8%
		£16,101 - £20,800	5.9%
£21,001 - £34,000	6.5%	£20,801 - £34,700	6.5%
£34,001 - £43,000	6.8%	£34,701 - £46,500	6.8%
£43,001 - £60,000	8.5%	£46,501 - £87,100	7.2%
£60,001 - £85,000	9.9%		
£85,001 - £100,000	10.5%	More than £87,100	7.5%
£100,001 - £150,000	11.4%		
More than £150,000	12.5%		

4.5 The changes to pay bands and contribution rates result in a more progressive weighting of contributions towards higher earners.

4.6 The reforms to the scheme have been developed through negotiation between the unions, employers and Government, and are intended to:

- ensure a balance between what employees pay and the cost to employers and taxpayers, and
- ensure that the cost of providing public sector pensions remains affordable in the long term.

4.7 The new scheme will not affect the Authority's past service funding position as existing benefits accrued within the LGPS are protected by legislation. The average overall impact of the LGPS 2014 reform is projected to be a slight reduction (around 1.5%) in employer future service costs for the whole of the Fund. Individual employer experience will vary and may see a cost increase for example where the employer has a higher proportion of the workforce closer to retirement.

Policy Statement

- 4.8 A draft policy statement is appended (Appendix 5), to set out the basis on which the Authority will make its decisions on the various discretions from April 2014. The Government has advised that employers should not “fetter their discretion,” i.e. policies should not be so rigid or restrictive as to prevent flexibility where a (possibly unanticipated) situation requires it. The policies have therefore been drafted having regard to this advice.
- 4.9 Due regard has also been given to the potential impact on the Authority’s budget of granting discretionary awards. These can have a particularly significant impact on smaller organisations, and for this reason the Authority has been extremely cautious in the past in awarding discretionary options.
- 4.10 The first four employer discretions set out in Part A of Appendix 5 are required by law to be included in the policy statement (Regulation 60(1) of the LGPS (Administration) Regulations 2013). Regulation 60(5) requires that the Authority has regard to the extent to which the policy on exercising these four discretions might lead to a serious loss of confidence in the public service. The fifth employer discretion is also compulsory for employers in the LGPS prior to 1 April 2014.
- 4.11 The remaining items are non-compulsory, but it is recommended by the Norfolk Pension Scheme that they be included in the policy statement, especially by larger employers.
- 4.12 In practice, given the size of the Authority, it is expected that proposals or requests to exercise these discretions – and especially those which may have financial implications – will be infrequent.

Consultation

- 4.13 It is recommended that an employer consult with its employees or their representatives when formulating or reviewing its policy on employer discretions. A copy of the draft policy statement was therefore sent to all members of staff and the recognised trade unions (Unison and GMB) for their comments, with a two week consultation period undertaken between 14 and 25 April.
- 4.12 No comments were received as a result of the consultation.

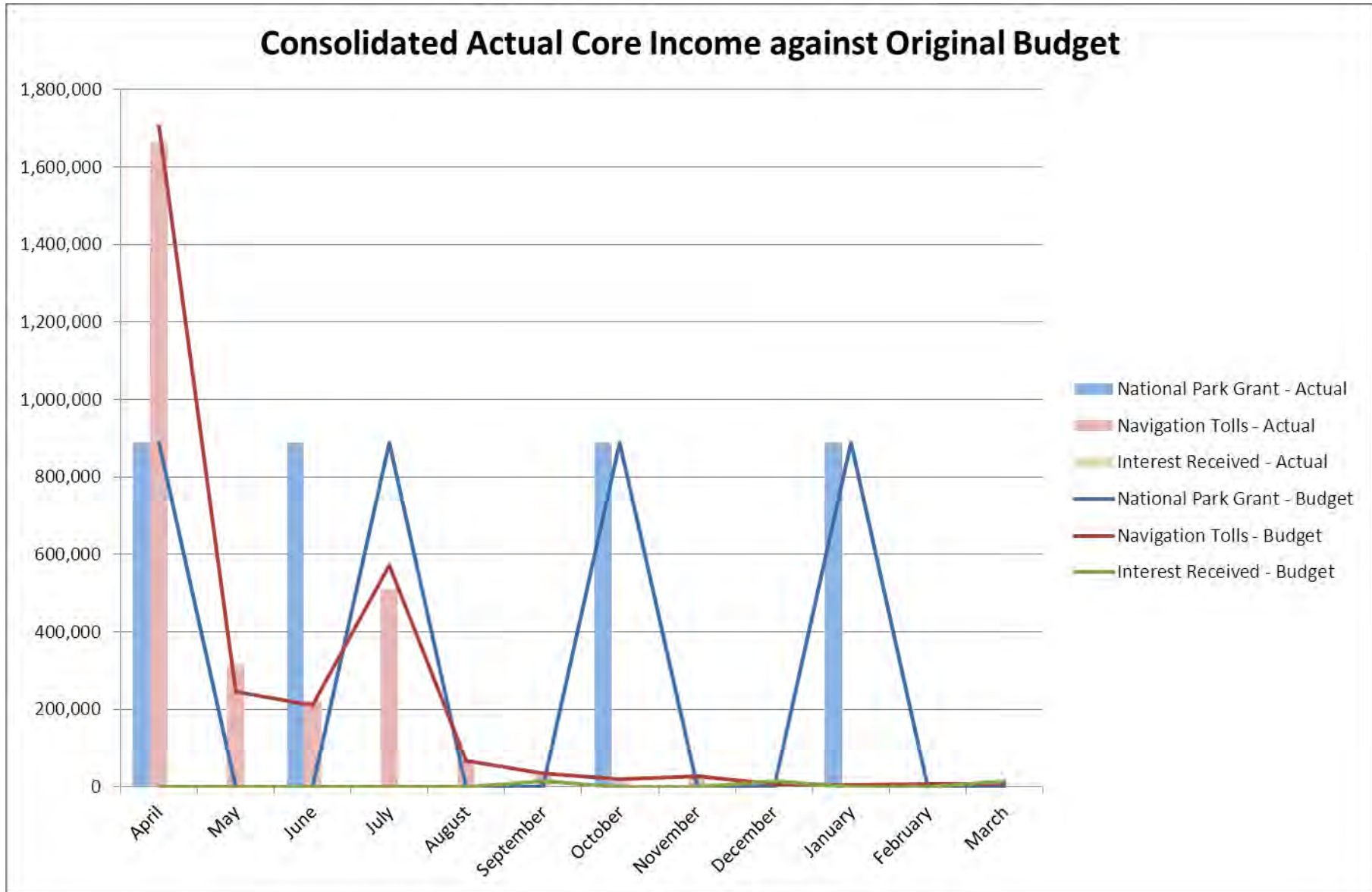
Review

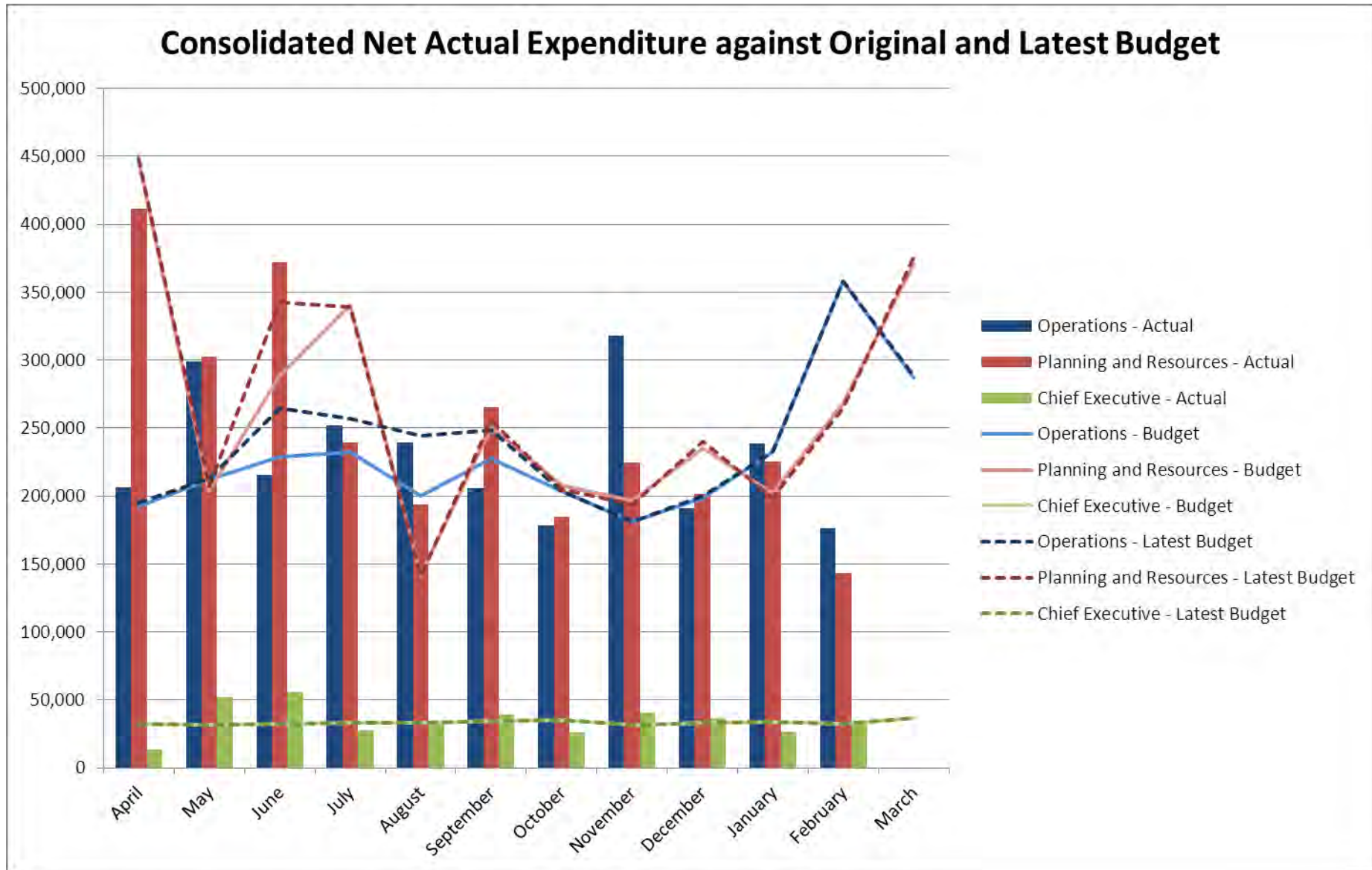
- 4.15 Once this policy statement has been adopted, it will need to be reviewed from time to time. If this review results in any alteration to the policy statement, the new version must be published and a copy sent to the Norfolk Pension Fund Scheme within one month of the changes being made.

Financial Implications

- 4.16 The policy statement is written in such a way that the financial implications are not likely to be substantial.
- 4.17 If any request to exercise these employer discretions is brought before members for consideration, the cost implications will be clearly set out, in order that these can be taken into account in the decision-making process.

Background Papers:	Employers' Guide to LGPS 2014 (SR107) Norfolk Pension Fund Guide to Employers' Discretions – Employers' Policy Statements – LGPS 2014 (SR86) Discretions Policies for Scheme Employers in England and Wales from 1 April 2014 (LGPS) The Local Government Pension Scheme Regulations 2013 (Statutory Instrument 2013 No. 2356)
Author:	Titus Adam
Date of Report:	02 May 2014
Broads Plan Objectives:	None
Appendices:	APPENDIX 1: Consolidated Actual Income and Expenditure Charts to 28 February 2014 APPENDIX 2: Financial Monitor: Consolidated Income and Expenditure 2013/14 APPENDIX 3: Financial Strategy to 2016/17 APPENDIX 4: Earmarked Reserves 2013/14 – 2016/17 APPENDIX 5 – Local Government Pension Scheme: Policy Statement – Exercise of Discretionary Powers





To 28 February 2014

Budget Holder (All)

Row Labels	Values				
	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Income	(6,498,931)		(6,498,931)	(6,457,107)	(41,824)
National Park Grant	(3,547,447)		(3,547,447)	(3,547,447)	0
Income	(3,547,447)		(3,547,447)	(3,547,447)	0
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	(45,000)		(45,000)	(25,000)	(20,000)
Income	(45,000)		(45,000)	(25,000)	(20,000)
Operations	2,721,085	134,145	2,855,230	2,800,825	54,405
Construction and Maintenance Salaries	1,056,460		1,056,460	1,056,460	0
Salaries	1,056,460		1,056,460	1,056,460	0
Expenditure			0		0
Equipment, Vehicles & Vessels	333,000	150	333,150	304,150	29,000
Income	(1,000)		(1,000)	(30,000)	29,000
Expenditure	334,000	150	334,150	334,150	0
Water Management	96,000	3,527	99,527	119,122	(19,595)
Income	0		0	(19,000)	19,000
Expenditure	96,000	3,527	99,527	138,122	(38,595)
Land Management	(44,500)	7,468	(37,032)	(26,032)	(11,000)
Income	(135,000)		(135,000)	(131,000)	(4,000)
Expenditure	90,500	7,468	97,968	104,968	(7,000)
Practical Maintenance	287,200	123,000	410,200	350,200	60,000
Income	(2,000)		(2,000)	(20,000)	18,000
Expenditure	289,200	123,000	412,200	370,200	42,000
Ranger Services	618,620	35,000	653,620	641,620	12,000
Income	(61,500)		(61,500)	(61,500)	0

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Salaries	533,120	35,000	568,120	568,120	0
Expenditure	147,000		147,000	135,000	12,000
Pension Payments			0		0
Safety	99,440	(35,000)	64,440	76,440	(12,000)
Income	(5,000)		(5,000)	(5,000)	0
Salaries	70,440	(35,000)	35,440	50,440	(15,000)
Expenditure	34,000		34,000	31,000	3,000
Asset Management	90,940		90,940	96,940	(6,000)
Income	(9,000)		(9,000)	(6,000)	(3,000)
Salaries	32,440		32,440	36,440	(4,000)
Expenditure	67,500		67,500	66,500	1,000
Volunteers	53,440	8,000	61,440	59,440	2,000
Income	(1,000)		(1,000)	(1,000)	0
Salaries	32,440	8,000	40,440	40,440	0
Expenditure	22,000		22,000	20,000	2,000
Operations Management and Administration	130,485	(8,000)	122,485	122,485	0
Income			0		0
Salaries	118,085	(8,000)	110,085	110,085	0
Expenditure	12,400		12,400	12,400	0
Planning and Resources	3,153,616	58,180	3,211,796	3,132,255	79,541
Development Management	194,770		194,770	224,270	(29,500)
Income	(85,000)		(85,000)	(65,000)	(20,000)
Salaries	252,270		252,270	252,270	0
Expenditure	27,500		27,500	37,000	(9,500)
Pension Payments			0		0
Strategy and Projects Salaries	224,410	50,849	275,259	270,559	4,700
Income	(3,500)		(3,500)	(3,500)	0
Salaries	217,910	50,849	268,759	264,059	4,700
Expenditure	10,000		10,000	10,000	0
Biodiversity Strategy	60,000		60,000	27,100	32,900
Income	0		0	(32,900)	32,900
Expenditure	60,000		60,000	60,000	0
Strategy and Projects	75,540		75,540	107,540	(32,000)
Salaries	35,540		35,540	46,540	(11,000)
Expenditure	40,000		40,000	61,000	(21,000)

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Waterways and Recreation Strategy	95,300		95,300	97,900	(2,600)
Salaries	80,300		80,300	80,300	0
Expenditure	15,000		15,000	17,600	(2,600)
Project Funding	255,056	7,331	262,387	241,187	21,200
Income	(19,000)		(19,000)	(40,200)	21,200
Salaries	44,030		44,030	44,030	0
Expenditure	230,026	7,331	237,357	237,357	0
Pension Payments			0		0
SDF	150,000		150,000	150,000	0
Expenditure	150,000		150,000	150,000	0
Finance and Insurance	329,060		329,060	347,960	(18,900)
Income	0		0	(1,100)	1,100
Salaries	129,060		129,060	129,060	0
Expenditure	200,000		200,000	220,000	(20,000)
Communications	335,510		335,510	324,760	10,750
Income	0		0	(12,000)	12,000
Salaries	245,510		245,510	246,760	(1,250)
Expenditure	90,000		90,000	90,000	0
Visitor Centres and Yacht Stations	241,800		241,800	256,478	(14,678)
Income	(207,500)		(207,500)	(178,000)	(29,500)
Salaries	297,350		297,350	303,980	(6,630)
Expenditure	151,950		151,950	130,498	21,452
Collection of Tolls	108,500		108,500	109,600	(1,100)
Salaries	96,100		96,100	96,100	0
Expenditure	12,400		12,400	13,500	(1,100)
ICT	276,890		276,890	259,890	17,000
Salaries	156,290		156,290	146,290	10,000
Expenditure	120,600		120,600	113,600	7,000
Legal	102,500		102,500	105,000	(2,500)
Income			0		0
Expenditure	102,500		102,500	105,000	(2,500)
Premises	438,769	(4,000)	434,769	335,300	99,469
Income	(5,000)		(5,000)	(83,000)	78,000
Expenditure	443,769	(4,000)	439,769	418,300	21,469
Planning and Resources Management and Administration	265,510	4,000	269,510	274,710	(5,200)

Row Labels	Original Budget (Consolidated)	Budget Adjustments (Consolidated)	Latest Available Budget (Consolidated)	Forecast Outturn (Consolidated)	Forecast Outturn Variance (Consolidated)
Income	0		0	(7,800)	7,800
Salaries	143,310		143,310	143,310	0
Expenditure	122,200	4,000	126,200	139,200	(13,000)
Chief Executive	400,217		400,217	409,942	(9,725)
Human Resources	128,560		128,560	139,400	(10,840)
Salaries	63,560		63,560	74,400	(10,840)
Expenditure	65,000		65,000	65,000	0
Governance	171,260		171,260	170,145	1,115
Income			0		0
Salaries	111,860		111,860	111,860	0
Expenditure	59,400		59,400	58,285	1,115
Chief Executive	100,397		100,397	100,397	0
Salaries	100,397		100,397	100,397	0
Expenditure			0		0
Projects and Corporate Items	105,440		105,440	105,440	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	73,000		73,000	73,000	0
Expenditure			0		0
Pension Payments	73,000		73,000	73,000	0
Contributions from Earmarked Reserves			0		0
Earmarked Reserves			0		0
Expenditure			0		0
Grand Total	(118,573)	192,325	73,752	(8,644)	82,396

Row Labels	2012/13			2013/14			2014/15			2015/16			2016/17			2014/15 Apportionment				
	Values															National Park	Navigation			
	National Park 2012/13 (Actual)	Navigation 2012/13 (Actual)	Consolidated 2012/13 (Actual)	National Park 2013/14 (LAB)	Navigation 2013/14 (LAB)	Consolidated 2013/14 (LAB)	National Park 2013/14 (Forecast)	Navigation 2013/14 (Forecast)	Consolidated 2013/14 (Forecast)	National Park 2014/15 (Budget)	Navigation 2014/15 (Budget)	Consolidated 2014/15 (Budget)	National Park 2015/16 (Budget)	Navigation 2015/16 (Budget)	Consolidated 2015/16 (Budget)	National Park 2016/17 (Budget)	Navigation 2016/17 (Budget)	Consolidated 2016/17 (Budget)		
Income																				
Income																				
National Park Grant	(3,774,799)	0	(3,774,799)	(3,547,447)	0	(3,547,447)	(3,547,447)	0	(3,547,447)	(3,245,393)	0	(3,245,393)	(3,188,952)	0	(3,188,952)	(3,188,952)	0	(3,188,952)	100%	0%
Hire Craft Tolls	0	(1,061,827)	(1,061,827)	0	(1,092,830)	(1,092,830)	0	(1,084,172)	(1,084,172)	0	(1,118,300)	(1,118,300)	0	(1,151,849)	(1,151,849)	0	(1,186,404)	(1,186,404)	0%	100%
Private Craft Tolls	0	(1,699,247)	(1,699,247)	0	(1,758,210)	(1,758,210)	0	(1,745,043)	(1,745,043)	0	(1,792,100)	(1,792,100)	0	(1,845,863)	(1,845,863)	0	(1,901,239)	(1,901,239)	0%	100%
Short Visit Tolls	0	(38,898)	(38,898)	0	(36,694)	(36,694)	0	(36,694)	(36,694)	0	(37,721)	(37,721)	0	(38,853)	(38,853)	0	(40,019)	(40,019)	0%	100%
Other Toll Income	0	(19,493)	(19,493)	0	(18,750)	(18,750)	0	(18,750)	(18,750)	0	(18,750)	(18,750)	0	(18,750)	(18,750)	0	(18,750)	(18,750)	0%	100%
Interest	(21,380)	(21,380)	(42,760)	(22,500)	(22,500)	(45,000)	(12,500)	(12,500)	(25,000)	(15,000)	(15,000)	(30,000)	(17,500)	(17,500)	(35,000)	(20,000)	(20,000)	(40,000)	50%	50%
Income Total	(3,796,179)	(2,840,845)	(6,637,024)	(3,569,947)	(2,928,984)	(6,498,931)	(3,559,947)	(2,897,160)	(6,457,107)	(3,260,393)	(2,981,871)	(6,242,264)	(3,206,452)	(3,072,815)	(6,279,267)	(3,208,952)	(3,166,412)	(6,375,364)	52%	48%
Income Total	(3,796,179)	(2,840,845)	(6,637,024)	(3,569,947)	(2,928,984)	(6,498,931)	(3,559,947)	(2,897,160)	(6,457,107)	(3,260,393)	(2,981,871)	(6,242,264)	(3,206,452)	(3,072,815)	(6,279,267)	(3,208,952)	(3,166,412)	(6,375,364)		
Net Expenditure																				
Net Expenditure																				
Operations																				
Construction and Maintenance Salaries	474,152	541,364	1,015,516	491,908	564,552	1,056,460	491,908	564,552	1,056,460	499,036	575,734	1,074,770	466,014	636,076	1,102,090	439,468	713,162	1,152,630	46%	54%
Equipment, Vehicles and Vessels	114,521	441,053	555,574	64,580	268,570	333,150	64,428	264,722	329,150	108,891	296,109	405,000	108,891	296,109	405,000	108,891	296,109	405,000	27%	73%
Equipment, Vehicles and Vessels (Income)	0	0	0	0	0	0	(950)	(24,050)	(25,000)	0	0	0	0	0	0	0	0	0	0%	0%
Water Management	25,927	74,916	100,843	9,527	90,000	99,527	8,527	129,595	138,122	5,000	62,500	67,500	5,000	62,500	67,500	5,000	62,500	67,500	7%	93%
Water Management (Income)	0	0	0	0	0	0	0	(19,000)	(19,000)	0	0	0	0	0	0	0	0	0	0%	0%
Land Management	130,207	61	130,268	97,968	0	97,968	97,968	0	97,968	49,000	0	49,000	49,000	0	49,000	49,000	0	49,000	100%	0%
Land Management (Income)	(178,629)	0	(178,629)	(135,000)	0	(135,000)	(124,000)	0	(124,000)	(90,000)	0	(90,000)	(90,000)	0	(90,000)	(90,000)	0	(90,000)	100%	0%
Practical Maintenance	45,030	337,776	382,806	35,000	377,200	412,200	32,000	335,200	367,200	29,000	317,035	346,035	29,000	357,035	386,035	29,000	357,035	386,035	8%	92%
Practical Maintenance (Income)	0	(68,820)	(68,820)	0	(2,000)	(2,000)	0	(22,000)	(22,000)	0	(7,000)	(7,000)	0	(7,000)	(7,000)	0	(7,000)	(7,000)	0%	100%
Ranger Services	255,890	655,664	911,554	242,806	472,314	715,120	238,806	464,314	703,120	252,404	445,606	698,010	258,736	455,104	713,840	269,760	471,640	741,400	36%	64%
Ranger Services (Income)	(76,362)	0	(76,362)	(53,500)	(8,000)	(61,500)	(53,500)	(8,000)	(61,500)	(25,000)	(10,000)	(35,000)	(25,000)	(10,000)	(35,000)	(25,000)	(10,000)	(35,000)	71%	29%
Safety	47,168	87,113	134,281	21,695	47,745	69,440	26,645	54,795	81,440	22,572	63,328	85,900	22,876	63,944	86,820	23,546	65,305	88,850	26%	74%
Safety (Income)	0	(5,212)	(5,212)	0	(5,000)	(5,000)	0	(5,000)	(5,000)	0	(9,000)	(9,000)	0	(9,000)	(9,000)	0	(9,000)	(9,000)	0%	100%
Asset Management	39,111	57,888	96,999	31,592	68,348	99,940	33,792	69,148	102,940	40,220	65,430	105,650	41,254	66,276	107,530	42,904	67,626	110,530	38%	62%
Asset Management (Income)	0	0	0	0	(9,000)	(9,000)	0	(1,000)	(550)	(1,000)	(450)	(1,000)	(450)	(1,000)	(450)	(550)	(1,000)	(1,000)	55%	45%
Volunteers	36,468	12,156	48,624	43,708	18,732	62,440	42,308	18,132	60,440	43,638	18,702	62,340	45,192	19,368	64,560	47,404	20,316	67,720	70%	30%
Volunteers (Income)	(188)	(63)	(251)	(700)	(300)	(1,000)	(700)	(300)	(1,000)	(700)	(300)	(1,000)	(700)	(300)	(1,000)	(700)	(300)	(1,000)	70%	30%
PRISMA	0	194,510	194,510	0	32,440	32,440	0	32,440	32,440	0	10,410	10,410	0	0	0	0	0	0	0%	100%
PRISMA (Income)	0	(27,954)	(27,954)	0	0	0	0	0	0	0	(10,410)	(10,410)	0	0	0	0	0	0	0%	100%
Operational Property	340,131	334,034	674,165	140,150	160,849	300,999	140,150	160,849	300,999	84,425	78,745	163,170	74,203	73,967	148,170	69,980	78,190	148,170	52%	48%
Operational Property (Income)	0	0	0	(2,000)	(5,000)	(37,386)	(45,614)	(83,000)	(10,304)	(896)	(11,200)	0	0	0	0	0	0	0	92%	8%
Operations Management and Admin	53,881	74,102	127,983	53,893	68,592	122,485	53,893	68,592	122,485	56,118	71,422	127,540	57,169	72,761	129,930	59,136	75,264	134,400	44%	56%
Operations Total	1,307,307	2,708,588	4,015,895	1,041,627	2,142,042	3,183,669	1,013,889	2,037,375	3,051,264	1,063,750	1,966,965	3,030,715	1,041,085	2,076,391	3,117,475	1,027,839	2,180,397	3,208,235	35%	65%
Planning and Resources																				
Development Management	288,629	0	288,629	289,770	0	289,770	299,270	0	299,270	294,910	0	294,910	301,930	0	301,930	313,780	0	313,780	100%	0%
Development Management (Income)	(92,351)	0	(92,351)	(85,000)	0	(85,000)	(65,000)	0	(65,000)	(60,000)	0	(60,000)	(60,000)	0	(60,000)	(60,000)	0	(60,000)	100%	0%
Strategy and Projects Salaries	344,517	80,772	425,289	353,269	75,360	428,629	359,002	75,927	434,929	340,497	65,178	405,675	300,889	62,531	363,420	304,443	64,297	368,740	84%	16%
Strategy and Projects	58,332	40	58,372	40,000	0	40,000	61,000	0	61,000	40,000	0	40,000	30,000	0	30,000	30,000	0	30,000	0%	0%
Strategy and Projects (Income)	(57,500)	0	(57,500)	(3,500)	0	(3,500)	(3,500)	0	(3,500)	(27,500)	0	(27,500)	(3,500)	0	(3,500)	(3,500)	0	(3,500)	0%	0%
Biodiversity Strategy	170,740	158	170,898	60,000	0	60,000	35,000	0	35,000	35,000	0	35,000	10,000	0	10,000	10,000	0	10,000	100%	0%
Biodiversity Strategy (Income)	(52,828)	0	(52,828)	0	0	0	(7,900)	0	(7,900)	0	0	0	0	0	0	0	0	0	0%	0%
Waterways and Recreation Strategy	1,344	8,185	9,529	6,000	9,000	15,000	6,000	11,600	17,600	6,000	9,000	15,000	6,000	9,000	15,000	6,000	9,000	15,000	40%	60%
Project Funding	179,856	944	180,800	202,357	35,000	237,357	202,357	35,000	237,357	119,000	10,000	129,000	169,000	0	169,000	169,000	0	169,000	92%	8%
Project Funding (Income)	(43,064)	0	(43,064)	(19,000)	0	(19,000)	(40,200)	0	(40,200)	(19,000)	0	(19,000)	(19,000)	0	(19,000)	(19,000)	0	(19,000)	100%	0%
Sustainable Development Fund	311,464	0	311,464	150,000	0	150,000	150,000	0	150,000	12,000	0	12,000	0	0	0	0	0	0	100%	0%
Finance and Insurance	167,307	126,214	293,521	180,983	148,077	329,060	191,378	156,582	347,960	178,382	158,187	336,569	181,201	160,688	341,889	184,826	163,903	348,729	0%	0%
Communications	398,393	62,271	460,664	250,742	84,768	335,510	251,992	84,768	336,760	238,212	78,048	316,260	173,196	63,417	236,613	175,000	66,013	241,013	75%	25%
Communications (Income)	0	0	0	0	0	0	(10,020)	(1,980)	(12,000)	0	0	0	0	0	0	0	0	0	0%	0%
Visitor Centres and Yacht Stations	307,759	123,504	431,263	324,463	124,838	449,301	314,862	119,618	434,480	324,933	123,728	448,660	336,345	130,635	466,980	336,530	128,820	465,350	72%	28%
Visitor Centres and Yacht Stations (Income)	(122,469)	(63,739)	(186,208)	(130,625)	(76															

	Property Reserve	Plant, Vessels and Equipment Reserve	Premises Reserve	Other Earmarked Reserves	STEP	PRISMA	Total Earmarked Reserves	National Park	Navigation
Balance 31/03/2013	(502,174)	(288,696)	(108,556)	(673,346)	(65,720)	(210,246)	(1,848,738)	(965,389)	(883,349)
<i>Transfers In</i>									
Contribution to reserve from VE5000451	0	(14,000)	0	0	0	0	(14,000)	0	(14,000)
Contribution to reserve from PRM009451	0	0	(30,000)	0	0	0	(30,000)	(12,000)	(18,000)
Contribution to reserve from PCP000451	0	(6,000)	0	0	0	0	(6,000)	(4,020)	(1,980)
Contribution to reserve from MLK000451 (rental income)	(2,000)	0	0	0	0	0	(2,000)	0	(2,000)
Contribution to reserve from MMR000451	(60,000)	0	0	0	0	0	(60,000)	0	(60,000)
Contribution to reserve from SUS000451	0	0	0	(150,000)	0	0	(150,000)	(150,000)	0
STEP project income	0	0	0	0	(59,000)	0	(59,000)	(59,000)	0
PRISMA project income (estimated)	0	0	0	0	0	(207,110)	(207,110)	0	(207,110)
<i>Transfers Out</i>									
Sustainable Development Fund Expenditure	0	0	0	180,000	0	0	180,000	180,000	0
Closure of reserve (transfer to revenue budget)	0	4,030	0	14,919	0	0	18,949	18,949	0
Launch purchase (hull and fit-out works)	0	80,000	0	0	0	0	80,000	0	80,000
Purchase of second wherry	0	29,100	0	0	0	0	29,100	0	29,100
Subscription to Grantfinder Service	0	0	0	4,000	0	0	4,000	4,000	0
Examination in Public for Sites Specifics DPD	0	0	0	25,000	0	0	25,000	25,000	0
Whittingham Park Developments	0	0	0	5,500	0	0	5,500	5,500	0
Development of BA website	0	0	0	20,000	0	0	20,000	20,000	0
Pool vehicle purchase (Dacia Duster)	0	11,000	0	0	0	0	11,000	7,370	3,630
Works to Mumford Lock hydraulics	70,000	0	0	0	0	0	70,000	0	70,000
Project Officer	0	0	0	20,000	0	0	20,000	20,000	0
STEP project expenditure / close	0	0	0	0	118,174	0	118,174	118,174	0
STEP project expenditure / close	0	0	0	0	6,546	0	6,546	6,546	0
Prisma project expenditure (estimated)	0	0	0	0	0	142,535	142,535	0	142,535
Balance 31/03/2014	(494,174)	(184,566)	(138,556)	(553,927)	0	(274,821)	(1,646,044)	(784,870)	(861,174)
<i>Transfers In</i>									
Contribution to reserve from VE5000451	0	(92,000)	0	0	0	0	(92,000)	0	(92,000)
Contribution to reserve from VEH000451	0	(22,000)	0	0	0	0	(22,000)	(14,740)	(7,260)
Contribution to reserve from LAU000451	0	(15,000)	0	0	0	0	(15,000)	0	(15,000)
Contribution to reserve from LAU000451 (sale of x2 launches)	0	(40,000)	0	0	0	0	(40,000)	0	(40,000)
Contribution to reserve from RAN000451	0	(13,000)	0	0	0	0	(13,000)	(8,710)	(4,290)
Contribution to reserve from PRM009451	0	0	(30,000)	0	0	0	(30,000)	(12,000)	(18,000)
Contribution to reserve from MLK000451	(25,000)	0	0	0	0	0	(25,000)	0	(25,000)
Contribution to reserve from PCP000451	0	(14,000)	0	0	0	0	(14,000)	(9,380)	(4,620)
Contribution to reserve from MLK000451 (rental income)	(2,000)	0	0	0	0	0	(2,000)	0	(2,000)
Contribution to reserve from SUS000451	0	0	0	(12,000)	0	0	(12,000)	(12,000)	0
<i>Transfers Out</i>									
Sustainable Development Fund Expenditure	0	0	0	46,644	0	0	46,644	46,644	0
Fen harvester purchase (balance)	0	67,632	0	0	0	0	67,632	67,632	0
Dockyard Development Phase 2	0	0	45,000	0	0	0	45,000	18,000	27,000
Purchase of second wherry (balance)	0	90,900	0	0	0	0	90,900	0	90,900
Archaeology work	0	0	0	5,000	0	0	5,000	5,000	0
Document Management System	0	0	0	45,000	0	0	45,000	45,000	0
Development of BA website	0	0	0	20,000	0	0	20,000	20,000	0
Heritage Lottery Bid	0	0	0	40,000	0	0	40,000	40,000	0
Operations 4x4 replacement vehicle	0	20,000	0	0	0	0	20,000	13,400	6,600
Project Officer	0	0	0	40,000	0	0	40,000	40,000	0
PRISMA project expenditure / close (net)	0	0	0	0	0	274,821	274,821	0	274,821
Balance 31/03/2015	(521,174)	(202,034)	(123,556)	(369,283)	0	0	(1,216,047)	(546,024)	(670,023)
<i>Transfers In</i>									
Contribution to reserve from VE5000451	0	(92,000)	0	0	0	0	(92,000)	0	(92,000)
Contribution to reserve from VEH000451	0	(22,000)	0	0	0	0	(22,000)	(14,740)	(7,260)
Contribution to reserve from LAU000451	0	(15,000)	0	0	0	0	(15,000)	0	(15,000)
Contribution to reserve from RAN000451	0	(13,000)	0	0	0	0	(13,000)	(8,710)	(4,290)
Contribution to reserve from PRM009451	0	0	(30,000)	0	0	0	(30,000)	(12,000)	(18,000)
Contribution to reserve from MLK000451	(25,000)	0	0	0	0	0	(25,000)	0	(25,000)
Contribution to reserve from MMR000451	(40,000)	0	0	0	0	0	(40,000)	0	(40,000)
Contribution to reserve from PCP000451	0	(14,000)	0	0	0	0	(14,000)	(9,380)	(4,620)
Contribution to reserve from MLK000451 (rental income)	(2,000)	0	0	0	0	0	(2,000)	0	(2,000)
<i>Transfers Out</i>									
Proposed vessel and equipment purchase	0	150,000	0	0	0	0	150,000	0	150,000
Dockyard Development Phase 2	0	0	60,000	0	0	0	60,000	24,000	36,000
Archaeology work	0	0	0	5,000	0	0	5,000	5,000	0
Heritage Lottery Bid	0	0	0	40,000	0	0	40,000	40,000	0
Balance 31/03/2016	(588,174)	(208,034)	(93,556)	(324,283)	0	0	(1,214,047)	(521,854)	(692,193)
<i>Transfers In</i>									
Contribution to reserve from VE5000451	0	(92,000)	0	0	0	0	(92,000)	0	(92,000)
Contribution to reserve from VEH000451	0	(22,000)	0	0	0	0	(22,000)	(14,740)	(7,260)
Contribution to reserve from LAU000451	0	(15,000)	0	0	0	0	(15,000)	0	(15,000)
Contribution to reserve from RAN000451	0	(13,000)	0	0	0	0	(13,000)	(8,710)	(4,290)
Contribution to reserve from PRM009451	0	0	(30,000)	0	0	0	(30,000)	(12,000)	(18,000)
Contribution to reserve from MLK000451	(25,000)	0	0	0	0	0	(25,000)	0	(25,000)
Contribution to reserve from MMR000451	(40,000)	0	0	0	0	0	(40,000)	0	(40,000)
Contribution to reserve from PCP000451	0	(14,000)	0	0	0	0	(14,000)	(9,380)	(4,620)
Contribution to reserve from MLK000451 (rental income)	(2,000)	0	0	0	0	0	(2,000)	0	(2,000)
<i>Transfers Out</i>									
Launch purchase (hull fit-out works)	0	80,000	0	0	0	0	80,000	0	80,000
Pool vehicle purchase (Electric vehicle?)	0	11,000	0	0	0	0	11,000	7,370	3,630
Archaeology work	0	0	0	5,000	0	0	5,000	5,000	0
Balance 31/03/2017	(655,174)	(273,034)	(123,556)	(319,283)	0	0	(1,371,047)	(554,314)	(816,733)



Local Government Pension Scheme: Policy Statement – Exercise of Discretionary Powers

A. Compulsory Items

1. Funding of Additional Pension

Regulations 16(2)(e) and 16(4)(d), LGPS (Membership, Contributions and Benefits) Regulations 2013

An employer may fund, in whole or in part, Additional Pension Contributions (APCs) on behalf of an active member of the scheme, either as a lump-sum or by way of regular contributions.

Note: Regulation 15(5) requires that where an APC is used to cover a period of unpaid leave, the employer must pay 2/3rd of the cost with the member paying the remaining 1/3rd, providing the request is made within 30 days of the member returning from leave (Regulation 16(16)).

Policy

There is a general presumption that the Authority will not make Additional Pension Contributions on behalf of a scheme member other than in exceptional circumstances, or where regulation 15(5) applies.

2. Award of Additional Pension

Regulation 31, LGPS (Membership, Contributions and Benefits) Regulations 2013

An employer may increase an active or former member's benefits by awarding additional pension up to a maximum of £6,500 per annum from 1 April 2014, after taking account of any additional pension contract already taken out by the member. This amount is subject to an annual increase on 1 April as set out in Regulation 31(2). In the case of a former member, the decision to award additional pension must be made within 6 months of the end of a member's employment.

Policy

There is a general presumption that the Authority will not award additional pension other than in exceptional circumstances. These will be treated on their merits and might include, but not be limited to, early retirement on compassionate grounds, or redundancy where the costs are offset in part or in full by efficiency gains or savings.

3. Flexible Retirement

Regulation 30(6), LGPS (Membership, Contributions and Benefits)
Regulations 2013

An employer may give consent for a member aged 55 or more who reduces their grade or hours of work (or both) to receive all or part of their LGPS benefits immediately, even though they have not left its employment.

If the benefits payable on flexible retirement would normally be reduced for early payment, the employer may agree to waive all or part of the reduction.

Policy

There is a general presumption that flexible retirement will not be permitted where it results in additional costs for the Authority, other than in exceptional circumstances. Furthermore, the Authority will not agree to waive all or part of the reduction, other than in exceptional circumstances. These will be treated on their merits and might include, but not be limited to, flexible retirement on compassionate grounds or where the costs are offset in part or in full by efficiency gains or savings.

4. Waiving of Actuarial Reduction

Regulation 30(8), LGPS (Membership, Contributions and Benefits)
Regulations 2013

Where a member aged 55 or more elects to receive immediate payment of a retirement pension under Regulation 30(5) or 30(6), the employer may agree to waive all or part of the actuarial reduction.

Policy

There is a general presumption that the Authority will not agree to waive all or part of the reduction, other than in exceptional circumstances. These will be treated on their merits and might include, but not be limited to, flexible retirement on compassionate grounds or where the costs are offset in part or in full by efficiency gains or savings.

5. Early Payment of Pension¹

Regulation 30, LGPS (Benefits, Membership and Contributions)
Regulations 2007

An employer may give consent for a member aged 55 or more (who has left its employment prior to April 2014 without an entitlement to immediate LGPS benefits) to receive them straight away regardless.

¹ Not applicable for leavers after 1 April 2014, who have the right to take their pension from age 55 (subject to an actuarial reduction) without requiring the employer's consent.

If the benefits payable would normally be reduced for early payment, the employer may agree to waive all or part of the reduction on compassionate grounds.

Policy

There is a general presumption that immediate LGPS benefits will not be paid straight away, other than in exceptional circumstances. These will be treated on their merits and might include, but not be limited to, retirement on compassionate grounds.

Where the benefits of retirement would normally be reduced for early payment, the Authority may also agree to waive all or part of the reduction in exceptional circumstances, on compassionate grounds.

B. Non-Compulsory Items

6. Absence Contribution Time Limit

Regulation 22(2), LGPS (Administration) Regulations 2007

For authorised absences starting before 1 April 2014, a member who has been away from work as a result of maternity, paternity or adoption leave, industrial action (mainly strikes) or unpaid leave of absence has the right to pay voluntary pension contributions to prevent any gap in membership. Their request to do so normally has to be made within 30 days of returning to work (or within 30 days of their last day of service if they do not return).

Note: For authorised absences starting on, or after 1 April 2014, as a result of reserve forces service leave, child-related leave, illness or injury, or where the member is otherwise absent with the employer's permission, any request to make APCs must be made within a period of 30 days beginning with the day on which the person returns to work.

Policy

For absences starting before 1 April 2014, the Authority will extend the time limit for making requests to six months for employees who return to work and three months for employees who do not return to work, where the individual is able to demonstrate reasonable grounds for not making the request within the usual time limit of 30 days.

7. Membership Aggregation

Regulation 22(7)(b) and 22(8)(b), LGPS (Membership, Contributions and Benefits) Regulations 2013

A member who transfers from another LGPS employer, either directly or after a break, may opt not to aggregate the two periods of

membership provided they do so while still an active member in the new post and within twelve months of joining.

A member with concurrent employments, who ceases one employment with entitlement to a deferred pension, but remains an active member in respect of another employment, may opt not to aggregate the two periods of membership provided they do so while still an active member and within twelve months of the first employment ceasing.

Policy

The Authority will extend the time limit for making requests not to aggregate periods of membership to three years, where the employee is able to demonstrate reasonable grounds for not making the request within twelve months and provided that there are no plans or proposals to award the individual early retirement within the next twelve months, subject to confirmation from the Pension Fund that this is feasible.

8. Shared Cost Additional Voluntary Contributions

Regulation 17(1), LGPS (Membership, Contributions and Benefits) Regulations 2013

An employer may contribute towards a Shared Cost Additional Voluntary Contribution (AVC) Scheme, i.e. an AVC Scheme into which the employer pays contributions as well as the member.

Policy

The Authority will not contribute to a Shared Cost AVC Scheme.

9. Forfeiture of Pension Rights

Regulation 19(2) LGPS (Membership, Contributions and Benefits) Regulations 2013 and Regulations 91, 92 and 93, LGPS (Administration) Regulations 2013

If a member leaves as a result of a conviction for any offence in connection with their LGPS employment or as a result of their own criminal, negligent or fraudulent act in connection with that employment, the employer has discretion, within the terms of these four regulations, to direct that all or part of their LGPS pension rights should be forfeited and / or paid over to the employer or specified dependants of the member.

Policy

The Authority may direct, where an employee is convicted for a wilfully criminal, negligent or fraudulent act which results in loss of monies to the Authority, or which might lead to a loss of confidence in the public sector, that all or part of their LGPS pension rights should be forfeited

and / or paid over to the Authority or specified dependants of the member. Each case will be considered on its merits.

10. Appointment of Adjudicator for Member Disagreements

Regulation 74(1), LGPS (Administration) Regulations 2013

There is a three-stage dispute procedure for members who disagree with any LGPS decision made by their employer. The first stage is handled by an independent referee appointed by the employer. Employers may appoint internally or externally but, if they pick someone internally, they should be someone who has taken no part in making pension decisions and who is completely 'at arms length' from those who would.

Policy

The Authority will use an independent referee for the first stage of handling any disputes. The Authority will appoint an appropriate independent referee, should the need arise, on a case by case basis. This may be an internal or external appointment, but will be an individual who has not been involved in making pension decisions (although the same individual would not be prevented from acting as independent referee in multiple cases). In every notification of any decision made under the Regulations, the Authority will inform the person concerned of the job title and address of the independent referee appointed under regulation 74(1) to whom any application may be made for adjudication.

11. Transfers of Pension Rights

Regulation 100(6), LGPS (Administration) Regulations 2013

A member who has previous pension rights in a different pension scheme may transfer them into the LGPS provided they opt to do so within twelve months of joining it. The decision to accept a late transfer is not solely at the discretion of the employer and must be agreed by both the Authority and the Pension Fund Administering Authority.

Note: This does not include rights in the LGPS, which are dealt with under Membership Aggregation.

Policy

Subject to agreement by the Pension Fund Administering Authority, the Authority will extend the time limit for making requests to transfer previous pension rights from a different pension scheme into the LGPS to three years, where the employee is able to demonstrate reasonable grounds for not making the request within twelve months of joining and provided that there are no plans or proposals to award the individual early retirement within the next twelve months.

12. Members' Contribution Rates

Regulation 9(3), LGPS (Membership, Contributions and Benefits)
Regulations 2013

Employers have to allocate members into the appropriate contribution band for 2014/15 and every financial year from then on. If a member's pay moves into a different band during a financial year, the employer has discretion to implement the new band immediately but may prefer to wait until the next annual review.

Policy

The Broads Authority will determine and reassess bands on an annual basis, with effect from 1 April each year. If the new salary rates are not known at the time the allocations are made, the Authority will estimate these on the basis of the best information available at the time.

The contribution rate will be changed if any subsequent pay award results in individuals being in a different band range. The revised contribution rate will be payable from the calendar month following that on which the pay award is announced, and will not be backdated.

Part-time and seasonal staff, including those who work variable hours, will be assessed in accordance with the actual pensionable pay for their post (contractual pay plus non-contractual overtime or payment for additional hours).

Where staff receive an increase or decrease in their actual pensionable pay during the course of a year (whether as a result of job evaluation, a promotion or some other reason) and this involves them moving into a new salary band, they will be reassessed and (if appropriate) will pay a revised contribution rate with effect from the calendar month following that on which the change took place.

If this change results in an increase in salary backdated to 1 April or some other date, the increase in the contribution rate will not be backdated.

Any changes to the contributory bands will be notified in writing to the individual concerned, copied to payroll, at the earliest opportunity.

Version Dated: 16 May 2015