

Navigation Committee

07 September 2023

Agenda item number 11

Income and expenditure

Report by Director of Finance

Purpose

To present the actual Navigation income and expenditure for the four-month period to 31 July 2023, and provide a forecast of the projected expenditure at the end of the financial year (31 March 2024).

Recommended decision

To note the report.

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1. Introduction

- 1.1. This report gives a summary of the income and expenditure for the Navigation budget up until 31 July, any amendments to the Latest Available Budget (LAB), Forecast Outturn (predicted year end position) and the movements on the earmarked reserves.

2. Overview of actual income and expenditure

Table 1

Actual Navigation income and expenditure by Directorate to 31 July 2023

Directorate	Profiled Latest Available Budget £	Actual income and expenditure £	Actual variance £
Income	(3,932,280)	(3,799,621)	- 132,659
Operations	1,254,195	1,141,376	+ 112,819
Strategic Services	146,222	153,899	- 7,677
Finance & Support Services	452,636	449,996	+ 2,640
Projects, Corporate Items and Contributions from Earmarked Reserves	(127,959)	(54,585)	- 73,374
Net (Surplus) / Deficit	(2,207,186)	(2,108,935)	- 98,251

- 2.1. Core Navigation income is below the profiled budget at the end of month four. The overall position as at 31 July 2023 is an adverse variance of £98,251 or a 4.45% difference from the profiled LAB. This is principally due to:

- An overall adverse variance of £132,659 within income:
 - Hire Craft Tolls is £90,125 below the profiled budget (Note: this includes some outstanding hire boat split payments which were received in early August).
 - Private Craft is £49,612 below the profiled budget.
 - Short Visit and Other Toll income is £7,908 above the profiled budget.
 - Investment income is £830 below the profiled budget.
- An underspend within Operations relating to:
 - Construction, Maintenance and Ecology salaries is £17,508 under the profiled budget due to the 5% budgeted pay award not being agreed by the unions.

- Equipment, Vehicles and Vessel is under the profiled budget by £34,061 due to delays in expenditure from the earmarked reserves which has been slightly offset by the overspend on fuel.
- Ranger Services is under the profiled budget by £25,418 due to the 5% budgeted pay award not being agreed by the unions.
- Premises is under the profiled budget by £22,214 due to delays in expenditure at the Dockyard from the earmarked reserves.
- An overspend within Strategic Services relating to:
 - Visitor Services is above the profiled budget by £16,909 due to the lease at Reedham Quay not being finalised so charging cannot commence. This is offset by the underspend on salaries due to the 5% budgeted pay award not being agreed by the unions.
- An underspend within Finance and Support Services relating to:
 - Legal Services is over the profiled budget by £12,605 due to increased costs for Reedham Quay lease and Monitoring Officer recharges.
 - ICT is under the budget by £11,548 due to delays in expenditure from the earmarked reserves and timing differences on hardware replacements.
- An adverse variance within reserves relating to:
 - Premises reserve is under the profiled budget due to delays on Dockyard expenditure.
 - Plant, Vessels and Equipment is under the profiled budget due to timing differences on vehicle and equipment replacements.

2.2. 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 monitored against the Latest Available Budget (LAB) for 2023/24. 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 in Appendix 2.

Table 2

Adjustments to Navigation LAB

Item	Authorisation reference	Amount £
Original budget 2023/24 – deficit	Broads Authority 20/01/23 Agenda item number 11	55,320
LAB as at 31 July 2023	n/a	55,320

3.2. The LAB therefore provides for a navigation deficit of £55,320 in 2023/24 as at 31 July 2023.

4. Overview of forecast outturn 2023/24

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. As at the end of July 2023, the forecast indicates there has been no change compared to the LAB:

- The total forecast income is £4,256,132.
- Total expenditure is forecast to be £4,389,710.
- The resulting deficit for the year is forecast to be £133,578.

4.3. The forecast outturn reflects the following changes from the LAB as shown in Table 3. The forecast deficit represents an adverse variance of £78,258 against the LAB.

Table 3

Adjustments to Forecast Outturn

Item	Amount £
Forecast outturn deficit as per LAB	55,320
Decrease to Hire Craft Tolls	23,451
Decrease to Private Craft Tolls	47,527
Increase to Insurance costs	7,280
Forecast outturn deficit as at 31 July 2023	133,578

5. Reserves

Table 4

Navigation Earmarked Reserves

Reserve name	Balance at 1 April 2023 £	In-year movements £	Current reserve balance £
Property	(514,394)	(25,796)	(540,190)
Plant, Vessels and Equipment	(482,308)	(78,495)	(560,803)
Premises	(164,294)	(27,300)	(191,594)
CANAPE	(231,693)	34,966	(196,727)
Computer Software	(110,605)	(6,600)	(117,205)
Total	(1,503,294)	(103,225)	(1,606,519)

- 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 July. These will reduce as planned purchases take place throughout the year.
- 5.2. The Property reserve contains the income from land rental at Oulton Broad. The Plant, Vessels and Equipment reserve has funded three new vehicles.

6. Conclusion

- 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 £478,000 at the end of 2023/24 (before any year-end adjustments). This would mean the Navigation Reserve would be above the recommended 10% at 10.9%. Year-end transfers of interest to the earmarked reserves and closure of the CANAPE reserve mean it will rise to approximately 12%. This will be highly dependent on the level of interest received.

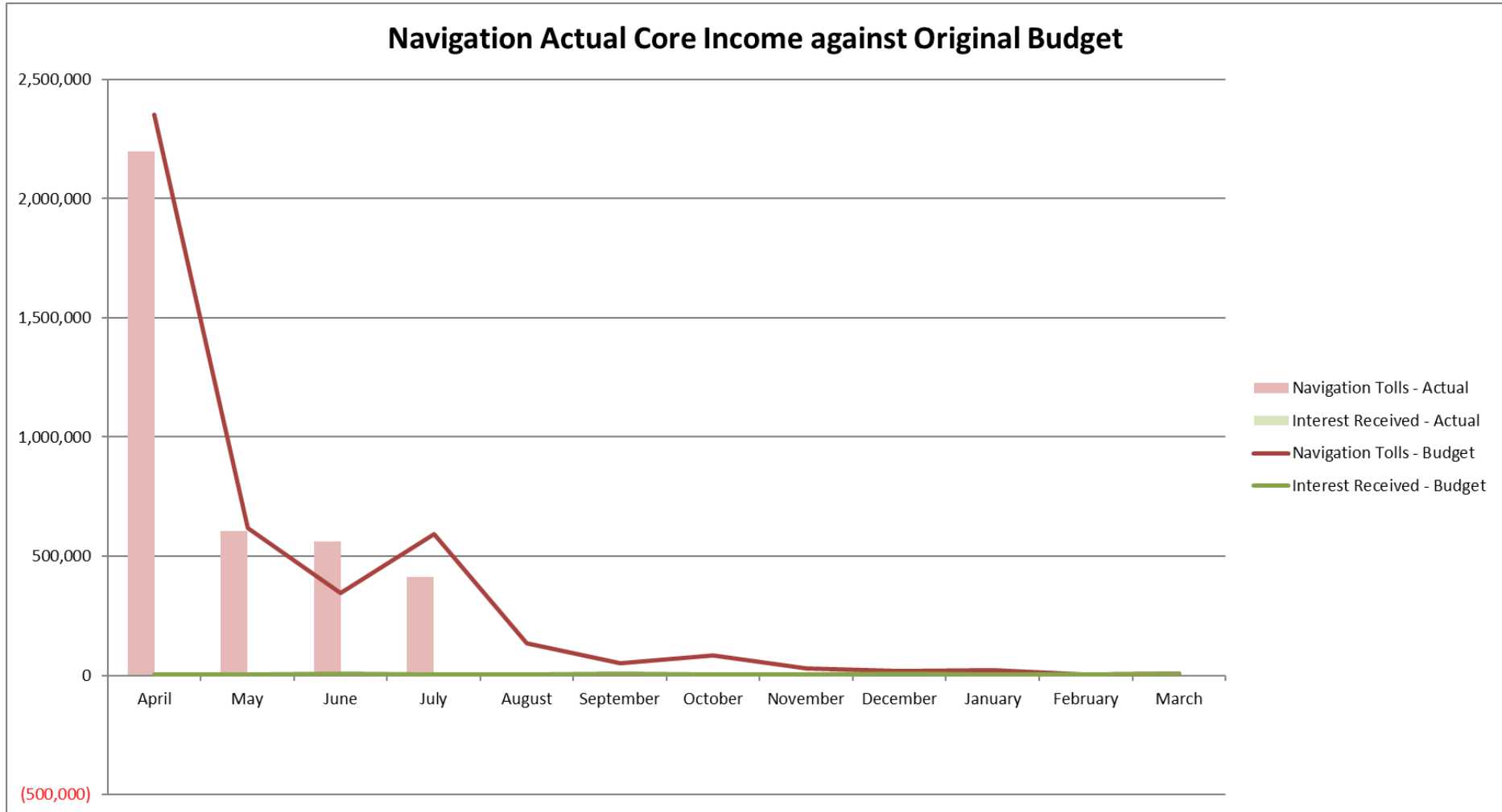
Author: Emma Krelle

Date of report: 18 August 2023

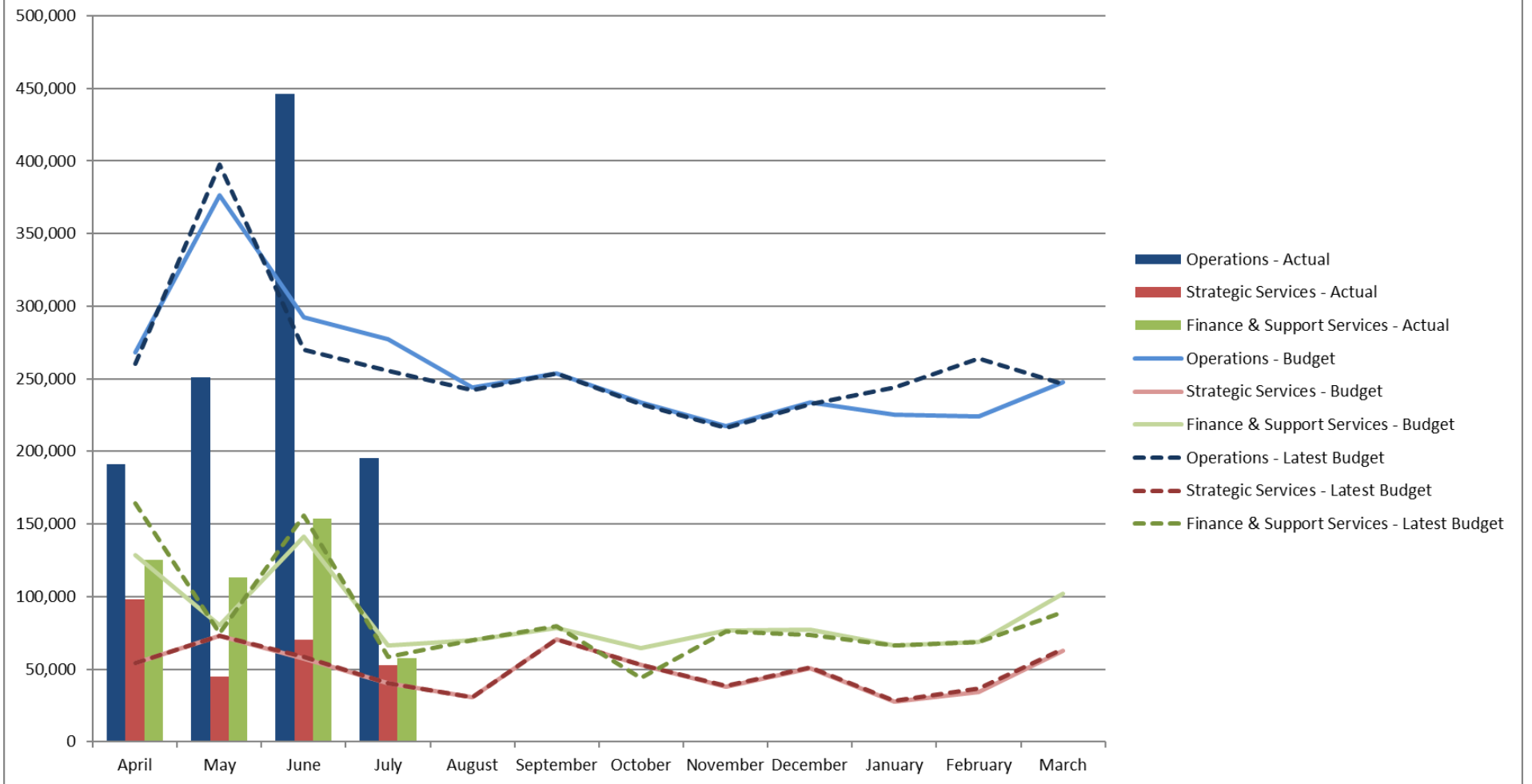
Appendix 1 – Navigation actual income and expenditure charts to 31 July 2023

Appendix 2 – Financial monitor: Navigation income and expenditure 2023/24

Appendix 1 – Navigation actual income and expenditure charts to 31 July 2023



Navigation Net Actual Expenditure against Original and Latest Budget



Appendix 2 – Financial monitor: Navigation income and expenditure 2023/24

Table 1

Income

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Total Income	(4,327,110)	0	(4,327,110)	(4,256,132)	- 70,978
National Park Grant	0	0	0	0	+ 0
Income	0	0	0	0	+ 0
Hire Craft Tolls	(1,333,000)	0	(1,333,000)	(1,309,549)	- 23,451
Income	(1,333,000)	0	(1,333,000)	(1,309,549)	- 23,451
Private Craft Tolls	(2,844,000)	0	(2,844,000)	(2,796,473)	- 47,527
Income	(2,844,000)	0	(2,844,000)	(2,796,473)	- 47,527
Short Visit Tolls	(55,000)	0	(55,000)	(55,000)	+ 0
Income	(55,000)	0	(55,000)	(55,000)	+ 0
Other Toll Income	(32,610)	0	(32,610)	(32,610)	+ 0
Income	(32,610)	0	(32,610)	(32,610)	+ 0
Interest	(62,500)	0	(62,500)	(62,500)	+ 0
Income	(62,500)	0	(62,500)	(62,500)	+ 0

Table 2
Operations

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Total Operations	3,272,853	22,435	3,295,288	3,295,288	+ 0
Construction and Maintenance Salaries	974,116	0	974,116	974,116	+ 0
Salaries	974,116	0	974,116	974,116	+ 0
Expenditure	0	0	0	0	+ 0
Equipment, Vehicles & Vessels	538,769	0	538,769	538,769	+ 0
Income	(700)	0	(700)	(700)	+ 0
Expenditure	539,469	0	539,469	539,469	+ 0
Water Management	84,000	0	84,000	84,000	+ 0
Expenditure	84,000	0	84,000	84,000	+ 0
Land Management	0	0	0	0	+ 0
Income	0	0	0	0	+ 0
Expenditure	0	0	0	0	+ 0
Practical Maintenance	351,575	0	351,575	351,575	+ 0
Income	(56,185)	0	(56,185)	(56,185)	+ 0
Expenditure	407,760	0	407,760	407,760	+ 0
Waterways and Recreation Strategy	31,960	0	31,960	31,960	+ 0

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Income	0	0	0	0	+ 0
Salaries	23,960	0	23,960	23,960	+ 0
Expenditure	8,000	0	8,000	8,000	+ 0
Project Funding	1,125	0	1,125	1,125	+ 0
Expenditure	0	0	0	0	+ 0
Pension Payments	1,125	0	1,125	1,125	+ 0
Ranger Services	912,122	22,435	934,557	934,557	+ 0
Income	0	0	0	0	+ 0
Salaries	789,592	0	789,592	789,592	+ 0
Expenditure	122,330	22,435	144,765	144,765	+ 0
Pension Payments	200	0	200	200	+ 0
Safety	96,953	0	96,953	96,953	+ 0
Income	(500)	0	(500)	(500)	+ 0
Salaries	68,643	0	68,643	68,643	+ 0
Expenditure	28,810	0	28,810	28,810	+ 0
Premises	192,156	0	192,156	192,156	+ 0
Income	(1,820)	0	(1,820)	(1,820)	+ 0
Expenditure	193,976	0	193,976	193,976	+ 0

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Operations Management and Administration	90,078	0	90,078	90,078	+ 0
Salaries	86,418	0	86,418	86,418	+ 0
Expenditure	3,660	0	3,660	3,660	+ 0

Table 3
Strategic Services

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Total Strategic Services	400,106	6,927	407,033	407,033	+ 0
Development Management	4,921	0	4,921	4,921	+ 0
Income	0	0	0	0	+ 0
Salaries	4,921	0	4,921	4,921	+ 0
Expenditure	0	0	0	0	+ 0
Pension Payments	0	0	0	0	+ 0
Strategy and Projects Salaries	28,181	0	28,181	28,181	+ 0
Income	0	0	0	0	+ 0
Salaries	28,181	0	28,181	28,181	+ 0
Expenditure	0	0	0	0	+ 0
Biodiversity Strategy	0	0	0	0	+ 0
Expenditure	0	0	0	0	+ 0
Human Resources	77,669	0	77,669	77,669	+ 0
Salaries	49,013	0	49,013	49,013	+ 0
Expenditure	28,656	0	28,656	28,656	+ 0
Volunteers	20,347	0	20,347	20,347	+ 0

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Salaries	16,702	0	16,702	16,702	+ 0
Expenditure	3,645	0	3,645	3,645	+ 0
Communications	90,148	0	90,148	90,148	+ 0
Income	0	0	0	0	+ 0
Salaries	81,388	0	81,388	81,388	+ 0
Expenditure	8,760	0	8,760	8,760	+ 0
Visitor Centres and Yacht Stations	139,012	6,927	145,939	145,939	+ 0
Income	(197,010)	0	(197,010)	(197,010)	+ 0
Salaries	267,442	0	267,442	267,442	+ 0
Expenditure	68,580	6,927	75,507	75,507	+ 0
Strategic Services Management and Administration	39,828	0	39,828	39,828	+ 0
Salaries	39,078	0	39,078	39,078	+ 0
Expenditure	750	0	750	750	+ 0

Table 4

Chief Executive

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Total Finance & Support Services	1,019,937	0	1,019,937	1,027,217	- 7,280
Legal	24,000	0	24,000	24,000	+ 0
Income	(6,000)	0	(6,000)	(6,000)	+ 0
Expenditure	30,000	0	30,000	30,000	+ 0
Governance	124,718	0	124,718	124,718	+ 0
Salaries	93,318	0	93,318	93,318	+ 0
Expenditure	31,400	0	31,400	31,400	+ 0
Chief Executive	52,652	0	52,652	52,652	+ 0
Salaries	52,256	0	52,256	52,256	+ 0
Expenditure	396	0	396	396	+ 0
Asset Management	78,394	0	78,394	78,394	+ 0
Income	(3,135)	0	(3,135)	(3,135)	+ 0
Salaries	23,994	0	23,994	23,994	+ 0
Expenditure	57,535	0	57,535	57,535	+ 0
Finance and Insurance	271,886	0	271,886	279,166	- 7,280
Income	0	0	0	0	+ 0

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Salaries	150,086	0	150,086	150,086	+ 0
Expenditure	121,800	0	121,800	129,080	- 7,280
Collection of Tolls	208,680	0	208,680	208,680	+ 0
Salaries	198,080	0	198,080	198,080	+ 0
Expenditure	10,600	0	10,600	10,600	+ 0
ICT	214,748	0	214,748	214,748	+ 0
Salaries	107,520	0	107,520	107,520	+ 0
Expenditure	107,228	0	107,228	107,228	+ 0
Premises – Head Office	44,860	0	44,860	44,860	+ 0
Expenditure	44,860	0	44,860	44,860	+ 0

Table 5

Projects and Corporate items

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Total Projects and Corporate Items	11,783	0	11,783	11,783	+ 0
Partnerships / HLF	8,500	0	8,500	8,500	+ 0
Income	0	0	0	0	+ 0
Salaries	0	0	0	0	+ 0
Expenditure	8,500	0	8,500	8,500	+ 0
Corporate Items	3,283	0	3,283	3,283	+ 0
Expenditure	3,283	0	3,283	3,283	+ 0

Table 6

Contributions from earmarked reserves

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Total contributions from Earmarked Reserves	(322,250)	(29,362)	(351,612)	(351,612)	+ 0
Earmarked Reserves	(322,250)	(29,362)	(351,612)	(351,612)	+ 0
Expenditure	(322,250)	(29,362)	(351,612)	(351,612)	+ 0

Table 7

Net (Surplus) / Deficit

Row Labels	Original budget (Navigation) £	Budget adjustments (Navigation) £	Latest Available Budget (Navigation) £	Forecast outturn (Navigation) £	Forecast outturn variance (Navigation) £
Grand Total	55,320	0	55,320	133,578	- 78,258