

**Financial Scrutiny and Audit  
Committee**

14 February 2012

Agenda Item No 8

**Consolidated Income and Expenditure: 1 April 2011 – 31 December 2011**  
Report by Senior Finance Assistant

**Summary:** This report summarises actual income and expenditure for the nine month period to 31 December 2011, compared to the current profiled budget. The report provides a list of major variances and reasons for these variances.

**Recommendation:** That the report be noted.

## **1 Introduction**

- 1.1 Appendix 1 shows the income received and expenditure incurred for the period April 2011 to December 2011 against the 2011/12 revised budget as approved by the Broads Authority on 24 June 2011.
- 1.2 The income and expenditure is also compared to the profiled budget as at Month 9.
- 1.3 As agreed at the Financial Scrutiny and Audit Committee meeting on 20 October 2010, variances at a department level in excess of £10,000 from the profiled budget are highlighted in Appendix 2, where an explanation for the variance is also given.

## **2 Overview of Income and Expenditure**

- 2.1 Total income is £5,766,715, which is 85.7% of the revised annual budget and 101.0% of the profiled budget.
- 2.2 Total net expenditure for the period is £4,253,129, which is 59.4% of the revised annual budget and 82.3% of the profiled budget.
- 2.3 These calculations are based on the previous budget. When compared to the draft revised budget approved by the Authority on 20 January 2012, income received would equate to 84.9% of the total budget, and expenditure to 61.5% of the total budget.

## **3 Summary**

- 3.1 Where confirmed overspends or underspends have been identified, these were reflected in the revised budget which was approved on 20 January 2012.

3.2 At this stage officers anticipate that the revised budget will be spent, although as always this will be dependant on a number of factors, including staff availability, weather conditions, obtaining the necessary approvals and consents and, in some cases, partnership working. In particular it should be noted from Appendix 2 that much of the Authority's practical work, especially that relating to tree and fen management and the fitting out and maintenance of vessels and machinery, is carried out during the winter months.

Background Papers: Nil

Author: Emma Krelle/Rob Holman  
Date of Report: 30 January 2012

Appendices: APPENDIX 1: Consolidated Income and Expenditure to 31 December 2011  
APPENDIX 2: Consolidated Income and Expenditure at Month 9 (December 2011) – Summary of Variances

**DIRECTORATE**

	Original Budget 2011-12	Revised Budget June 2011	Profiled Budget	Actuals	Variance
<b>INCOME</b>					
National Park Grant	(4,002,149)	(4,002,149)	(3,001,608)	(3,001,611)	(3)
Navigation Charges					
Hire Craft Tolls	(1,006,500)	(1,015,000)	(1,015,000)	(1,044,101)	(29,101)
Private Craft Tolls	(1,612,000)	(1,625,000)	(1,622,000)	(1,641,098)	(19,098)
Short Visit Tolls	(41,300)	(46,200)	(35,200)	(31,541)	3,659
Other Toll Income	(8,145)	(15,350)	(15,350)	(17,334)	(1,984)
Interest Received	(25,000)	(25,000)	(18,747)	(31,030)	(12,283)
	<b>(6,695,094)</b>	<b>(6,728,699)</b>	<b>(5,707,905)</b>	<b>(5,766,715)</b>	<b>(58,810)</b>

**OPERATIONS**

Construction & Maintenance					
Construction & Maintenance Salaries	1,037,670	1,037,670	778,257	730,093	(48,164)
Equipment, Vehicles & Vessels	459,000	459,000	344,232	164,845	(179,387)
Dredging	265,000	265,000	198,756	117,375	(81,381)
Fen & Tree Management	125,000	125,000	93,762	13,687	(80,075)
Practical Maintenance	248,000	248,000	186,387	23,783	(162,604)
	<b>2,134,670</b>	<b>2,134,670</b>	<b>1,601,394</b>	<b>1,049,783</b>	<b>(551,612)</b>
Ranger Services	621,685	666,685	500,013	423,084	(76,929)
Safety	113,076	113,076	84,807	83,897	(910)
Asset Management	88,562	88,562	66,429	72,797	6,368
Volunteers	38,873	38,873	29,160	28,025	(1,135)
Management & Admin	160,588	160,588	120,447	122,911	2,464
	<b>1,022,784</b>	<b>1,067,784</b>	<b>800,856</b>	<b>730,714</b>	<b>(70,142)</b>
<b>OPERATIONS TOTAL</b>	<b>3,157,454</b>	<b>3,202,454</b>	<b>2,402,250</b>	<b>1,780,497</b>	<b>(621,753)</b>

**PLANNING & STRATEGY**

Development Management	182,332	182,332	136,746	153,739	16,993
Strategy & Projects					
Strategy & Projects Salaries	446,160	446,160	334,611	346,353	11,742
Biodiversity Strategy	67,500	111,138	23,122	24,072	950
Partnerships/HLF	(40,000)	(19,140)	(14,356)	(5,364)	8,992
Strategy & Projects	95,000	95,000	68,757	57,475	(11,282)
Waterways & Recreation Strategy	15,000	15,000	11,250	7,184	(4,066)
Project Funding	105,000	159,463	96,481	21,671	(74,810)
Transfer to SDF	150,000	150,000	112,500	112,500	-
SDF	-	-	-	82,751	82,751
Management & Admin	126,173	126,173	94,635	95,867	1,232
<b>PLANNING TOTAL</b>	<b>1,147,165</b>	<b>1,266,126</b>	<b>863,746</b>	<b>896,247</b>	<b>32,501</b>

**RESOURCES**

Human Resources	170,597	170,597	127,944	83,892	(44,052)
Finance & Insurance	333,559	333,559	287,673	254,553	(33,120)
Governance	169,883	169,883	127,413	124,412	(3,001)
Communications	280,653	291,147	213,420	201,522	(11,898)
Visitor Centres & Yacht Stations	193,454	199,654	144,755	196,379	51,624
Collection of Tolls	105,884	105,884	76,391	73,001	(3,390)

**DIRECTORATE**

	Original Budget 2011-12	Revised Budget June 2011	Profiled Budget	Actuals	Variance
ICT	255,266	255,266	203,832	220,518	16,686
Legal	100,000	100,000	75,006	50,198	(24,808)
Premises	569,000	644,000	364,247	349,469	(14,778)
Management & Admin	212,895	212,895	159,669	164,246	4,577
<b>RESOURCES TOTAL</b>	<b>2,391,191</b>	<b>2,482,885</b>	<b>1,780,350</b>	<b>1,718,190</b>	<b>(62,160)</b>
Redundancy and Reorganisation costs	182,000	155,000	124,000	76,106	(47,894)
Pension Lump Sum Payments	43,000	43,000	-	-	-
STEP		-	-	97,033	97,033
PRISMA		-	-	67,091	67,091
<b>Contributions from Earmarked Reserves</b>					
Planning Delivery Grant		-	-	(93,179)	(93,179)
New Office Accommodation		-	-	(1,597)	(1,597)
Mobile Phone		-	-	(1,558)	(1,558)
IEG		-	-	(9,789)	(9,789)
Sustainable Development		-	-	(82,751)	(82,751)
Asset Management		-	-	-	-
PRISMA		-	-	(67,042)	(67,042)
STEP		-	-	(96,521)	(96,521)
Launch Replacement		-	-	(1,600)	(1,600)
Mutford Lock		-	-	1,500	1,500
Dredging Disposal		-	-	-	-
Dockyard Vessels & Equipment		-	-	-	-
Dockyard Site Maintenance		-	-	(29,500)	(29,500)
		-	-	(382,035)	(382,035)
<b>NET EXPENDITURE</b>	<b>6,920,810</b>	<b>7,149,466</b>	<b>5,170,346</b>	<b>4,253,129</b>	<b>(917,217)</b>
<b>(SURPLUS) / DEFICIT</b>	<b>225,716</b>	<b>420,767</b>	<b>(537,559)</b>	<b>(1,513,586)</b>	<b>(976,027)</b>

**Balance on Earmarked Reserves**

			As at 31/03/11	As at now
Planning Delivery Grant	0	0	(616,616)	(523,437)
New Office Accommodation	0	0	(87,951)	(86,354)
Mobile Phone	0	0	(13,487)	(11,929)
IEG	0	0	(14,940)	(5,152)
Sustainable Development	0	0	(40,530)	(70,279)
Asset Management	0	0	(73,397)	(73,397)
PRISMA	0	0	-	67,042
STEP	0	0	12,798	109,319
Launch Replacement	0	0	(150,049)	(148,449)
Mutford Lock	0	0	(239,922)	(241,422)
Dredging Disposal	0	0	(180,614)	(180,614)
Dockyard Vessels & Equipment	0	0	(161,961)	(161,961)
Dockyard Site Maintenance	0	0	(91,567)	(62,067)
	0	0	(1,658,235)	(1,388,700)

**DIRECTORATE**

	Revised Budget June 2011	Profiled Budget	Actuals to 30/11/12	Variance	Reason
<b>INCOME</b>					
National Park Grant	(4,002,149)	(3,001,608)	(3,001,611)	(3)	
Navigation Charges					
Hire Craft Tolls	(1,015,000)	(1,015,000)	(1,044,101)	(29,101)	Income higher than originally budgeted. Hire craft numbers have risen by approximately 30 hire cruisers this year.
Private Craft Tolls	(1,625,000)	(1,622,000)	(1,641,098)	(19,098)	
Short Visit Tolls	(46,200)	(35,200)	(31,541)	3,659	
Other Toll Income	(15,350)	(15,350)	(17,334)	(1,984)	
Interest Received	(25,000)	(18,747)	(31,030)	(12,283)	
	<b>(6,728,699)</b>	<b>(5,707,905)</b>	<b>(5,766,715)</b>	<b>(58,810)</b>	

**OPERATIONS**

Construction & Maintenance					
Construction & Maintenance Salaries	1,037,670	778,257	730,093	(48,164)	Due in part to long term sickness.
Equipment, Vehicles & Vessels	459,000	344,232	164,845	(179,387)	There have been no major mechanical failures so far this year. However most refit work is carried out during the Winter, together with any capital purchases. The budget includes a provision of £60,000 to be transferred to the Dockyard Vessels and Equipment Reserve.
Dredging	265,000	198,756	117,375	(81,381)	Three specific areas for disposal identified but not able to progress due to lack of landowner interest.
Fen & Tree Management	125,000	93,762	13,687	(80,075)	Fen management work starts after the bird breeding season. Majority of spend will happen in the Winter.
Practical Maintenance	248,000	186,387	23,783	(162,604)	Expenditure is net of the Network Rail contribution of £67,800 for moorings at Reedham and Somerleyton. £45,311 relates to Breydon Water and Mutford Lock. No spend incurred this year and additional income received. Significant tree works planned over winter. Public rights of way expenditure is greatly reduced due to handing over maintenance to other organisations.
	<b>2,134,670</b>	<b>1,601,394</b>	<b>1,049,783</b>	<b>(551,612)</b>	

Ranger Services	666,685	500,013	423,084	(76,929)	Less maintenance costs on launches and less travel cost than predicted. Launch refits are carried out in the Winter.
Safety	113,076	84,807	83,897	(910)	
Asset Management	88,562	66,429	72,797	6,368	
Volunteers	38,873	29,160	28,025	(1,135)	
Management & Admin	160,588	120,447	122,911	2,464	
	<b>1,067,784</b>	<b>800,856</b>	<b>730,714</b>	<b>(70,142)</b>	

<b>OPERATIONS TOTAL</b>	<b>3,202,454</b>	<b>2,402,250</b>	<b>1,780,497</b>	<b>(621,753)</b>	
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**PLANNING & STRATEGY**

Development Management	182,332	136,746	153,739	16,993	Less income due to reduced development activity and fewer planning applications received.
Strategy & Projects					
Strategy & Projects Salaries	446,160	334,611	346,353	11,742	This is due to the Trinities salary budget being higher than budgeted.
Biodiversity Strategy	111,138	23,122	24,072	950	
Partnerships/HLF	(19,140)	(14,356)	(5,364)	8,992	
Strategy & Projects	95,000	68,757	57,475	(11,282)	(£22,500) relates to the unbudgeted Climate Change PPS Award to enable the Authority to develop planning response to climate change.
Waterways & Recreation Strategy	15,000	11,250	7,184	(4,066)	
Project Funding	159,463	96,481	21,671	(74,810)	This is largely due to the unsuccessful first stage bid for the HLF Landscape partnership scheme.

**DIRECTORATE**

	Revised Budget June 2011	Profiled Budget	Actuals to 30/11/12	Variance	Reason
SDF	150,000	112,500	195,251	82,751	Includes expenditure funded from the Sustainable Development Fund Reserve Account (see below).
Management & Admin	126,173	94,635	95,867	1,232	
<b>PLANNING TOTAL</b>	<b>1,266,126</b>	<b>863,746</b>	<b>896,247</b>	<b>32,501</b>	

**RESOURCES**

Human Resources	170,597	127,944	83,892	(44,052)	Expenditure on staff training is lower than predicted.
Finance & Insurance	333,559	287,673	254,553	(33,120)	The variance is due to the timing of receipt of invoices from the Audit Commission and a reduction in the Insurance premium following the re-tendering exercise in 2011.
Governance	169,883	127,413	124,412	(3,001)	
Communications	291,147	213,420	201,522	(11,898)	Currently underspent due to transitional works, however the variance is set to reduce over the coming months on interpretation projects.
Visitor Centres & Yacht Stations	199,654	144,755	196,379	51,624	Due to higher salary expenditure than forecast.
Collection of Tolls	105,884	76,391	73,001	(3,390)	
ICT	255,266	203,832	220,518	16,686	Expenditure is matched with reserve funds below.
Legal	100,000	75,006	50,198	(24,808)	Due to delay in receiving invoices - the second quarterly invoice was paid in December. We are yet to receive the next quarter invoice covering October to December
Premises	644,000	364,247	349,469	(14,778)	Rent for Dragonfly House has only been paid up until September 2011 based on 2008 stakeholder rates until the lease is finalised.
Management & Admin	212,895	159,669	164,246	4,577	
<b>RESOURCES TOTAL</b>	<b>2,482,885</b>	<b>1,780,350</b>	<b>1,718,190</b>	<b>(62,160)</b>	

Reorganisation Costs	100,000	69,000	12,490	(56,510)	£20,000 is forecast to be spent by the end of the year.
Redundancy Costs	55,000	55,000	63,616	8,616	
Pension Lump Sum Payments	43,000	-	-	-	
STEP	-	-	97,033	97,033	Expenditure is matched with STEP Reserve Account below.
PRISMA	-	-	67,091	67,091	Expenditure is matched with PRISMA Reserve Account below.

**Contributions from Earmarked Reserves**

Planning Delivery Grant	-	-	(93,179)	(93,179)	
New Office Accommodation	-	-	(1,597)	(1,597)	
Mobile Phone	-	-	(1,558)	(1,558)	
IEG	-	-	(9,789)	(9,789)	
Sustainable Development	-	-	(82,751)	(82,751)	
Asset Management	-	-	-	-	
PRISMA	-	-	(67,042)	(67,042)	
STEP	-	-	(96,521)	(96,521)	
Launch Replacement	-	-	(1,600)	(1,600)	
Mutford Lock	-	-	1,500	1,500	
Dredging Disposal	-	-	-	-	
Dockyard Vessels & Equipment	-	-	-	-	
Dockyard Site Maintenance	-	-	(29,500)	(29,500)	
	-	-	(382,035)	(382,035)	
<b>NET EXPENDITURE</b>	<b>7,149,466</b>	<b>5,170,346</b>	<b>4,253,128</b>	<b>(917,218)</b>	
<b>(SURPLUS) / DEFICIT</b>	<b>420,767</b>	<b>(537,559)</b>	<b>(1,513,587)</b>	<b>(976,028)</b>	