

**Priorities for Future Navigation Expenditure including Breydon Water**  
Report by Chief Executive, Director of Change Management and Resources and  
Director of Operations

**Summary:** This report seeks the views of the Navigation Committee on a number of options for future expenditure, in order that these views can be taken into account in the development of the financial strategy for the next three years.

## **1 Introduction**

- 1.1 At its meeting on 18 May 2012, the Broads Authority considered a report on the Authority's Premises Strategy. The Authority resolved to award a design and build contract for the construction of a new workshop at the Dockyard, subject to receipt of an acceptable tender, and to pursue options for relocating from Dragonfly House. The Navigation Committee was consulted on the financial implications of the strategy at its meeting on 19 April 2012, and gave in principle support for the proposals.
- 1.2 Implementation of the Strategy will involve some one off costs in the short term, including those relating to the new workshop, and it is anticipated that the Authority will be able to meet these costs from the 2011/12 surplus, the monies available in the New Office Accommodation Reserve Account and from savings which will be achieved during 2012/13, without having a significant detrimental impact on the overall position of its general reserves or revenue expenditure. The provisional net under spend on Navigation expenditure for 2011/12 - subject to audit – was £231,681, although £78,000 will be carried forward to 2012/13, resulting in a net under spend of £153,681. This will result in a surplus for the year of £119,772 (as opposed to a budgeted deficit of £111,909) and will increase Navigation reserves to £901,801 as at 31 March 2012.
- 1.3 The implications of the decisions arrived at by the Broads Authority will have a significant impact on Navigation expenditure, which currently meets 29% of the costs of Dragonfly House, and are likely to free up additional expenditure which can be utilised for the benefit of toll payers, especially during the period 2013/14 to 2014/15.
- 1.4 When comparing the position with the strategy in the current Business Plan there are a number of other sources of additional income and reductions in costs which also help the financial situation in both the short and medium term:

- Salary costs are lower than predicted as a result of a further year when staff salary payments have been frozen. This provides a saving of approximately £40,000 per annum compared to the Business Plan assumptions.
- The Adjacent Waters provisions have increased income from boats paying tolls by approximately £20,000 per annum.
- Additional income will be accrued from boats moored in Breydon Water and the Lower Bure, although the likely amount is not known at this stage.
- The Great Yarmouth Port Company will be making a one off payment to the Authority of £50,000 for Breydon Water and the Lower Bure.

1.5 Against this there will be additional costs incurred in the management of Breydon Water and the Lower Bure, which were set out in a report to the Navigation Committee on 8 December 2011.

1.6 The Business Plan was predicated on the basis of a 4% per annum increase in tolls for 2013/14 and 2014/15. The current level of reserves and projected income and expenditure figures suggest that a lower toll increase in both years may be more consistent with these projections, and that in addition there is likely to be potential for additional expenditure of approximately £200,000 during the two year period 2013/14 to 2014/15.

1.7 Officers will shortly be developing a financial strategy and Business Plan for the period up to 2015/16, and will be seeking the views of members of the Authority at a workshop, which is being arranged. This report sets out a number of options for potential areas of expenditure, including those relating to Breydon Water, and seeks the views of the Navigation Committee on these options, in order that the Committee's views can be taken into account in the development of the strategy.

## **2 Priorities for Future Expenditure**

2.1 A long list of potential projects is set out at Appendix 1. Since it would be preferable to identify one off or time limited expenditure which does not have ongoing revenue implications, most of these are of a capital nature. As members will note there are a number of potential large-scale multi-purpose projects to deliver, but almost inevitably there will be a long lead in time before they can be implemented. However given a relatively early decision during 2012, preliminary work could be undertaken with a view to the projects being delivered during 2013/14 or 2014/15.

## **3 Priorities for Future Expenditure: Breydon Water and the Lower Bure**

3.1 It has previously been agreed that details would be presented to the Committee about the relative priorities for expenditure at Breydon Water, following the outcome of the recent toll payers survey. Details of these are set out below.

### 3.2 Dredging and Modelling of Breydon Water

In the recent reports on the transfer of Breydon Water the need to model sediment transport in the area to understand the role of the Turntide Jetty has been identified. It is not currently in the budget. The Authority's Sediment Management Strategy identifies that 80,000 m<sup>3</sup> of mud needs to be removed from Breydon Water and the Lower Bure for it to conform with the Authority's Waterways Specifications, although a hydrographic survey is planned for this year to reassess the current situation. Approximately 50% of this material will need to be removed by an external contractor and the Authority has been exploring with the Great Yarmouth Port Company the scope for timing the work to fit in with dredging in the Port and thereby jointly saving on mobilisation costs. Early 2013 may be a possible option for this cooperation.

### 3.3 Launch for Breydon Water

There is a wide variety of equipment that could be purchased to support the practical work of the Authority across all its responsibilities, including a new launch suitable for year round patrolling of Breydon.

### 3.4 Breydon Demasting Moorings

The results from the survey of boat owners and other anecdotal evidence indicates that the availability of moorings is becoming a significant issue for the enjoyment of boating on the Broads by both visitors and private owners. Providing new 24 hour moorings takes time, requiring a willing landowner and resources to provide the necessary facilities. The Moorings Strategy is being updated but in the meantime it would be possible to provide demasting moorings at Acle Bridge and Breydon, the latter supported in the responses to the Boat Owners Survey.

## 4 **Other Priorities for Future Expenditure**

### 4.1 Quay Heading for Offloading Point in the Upper Thurne

As a result of the incremental changes around the system from boatyard redevelopments, changes to flood defences and changes in land owners there are fewer opportunities to load heavy equipment. This has been a particular issue in the Upper Thurne when mobilising to carry out the Duck Broad project, and where the low bridge at Potter Heigham creates an obstruction to equipment being brought in by river. A strategically positioned, suitably engineered quay heading with road access would provide a secure location from which loading and unloading could be achieved to ensure works can be completed efficiently in future.

### 4.2 Acle Bridge Demasting Mooring

See comments above (under Breydon Demasting Moorings).

### 4.3 Purchase of Replacement Capital Equipment

There are a number of other items of equipment that could be purchased to support the practical work of the Authority. These include a replacement weed harvester for the current model which is now over 10 years old, a second mud wherry (a new design wherry is currently under construction and part funded by PRISMA) and the replacement of uniflote pontoons.

4.4 Repayment of Loan from Public Works Loan Board

One option is to repay the outstanding loan of £224,750 borrowed to purchase the Dockyard site from May Gurney and the two modern mud wherries. A premium of around £52,500 would be payable for early repayment which may make this uneconomic. On the other hand it would reduce the ongoing revenue charge on navigation expenditure by approximately £30,000 per year. This option is likely to become more attractive once the capital has reduced further.

4.5 Two Seasonal Rangers

There is an opportunity to continue to employ an additional two Seasonal Rangers (as is established for the 2012 season) to respond to the priorities identified in the Boat Owners Survey.

**5 Summary**

5.1 Planning permission has been obtained for the construction of a new workshop at the Dockyard and, subject to obtaining a tender price broadly in line with the estimates, this important investment in the Authority's capacity is ready to proceed.

5.2 The implementation of the Authority's Premises Strategy, as recently agreed by the Broads Authority, is expected to have a significant positive effect on Navigation expenditure, with opportunities for additional expenditure during the two year period 2013/14 to 2014/15. However as is always the case, one of the main issues to bear in mind will be the capacity of staff, who are already working to full capacity, to spend the money. Nevertheless there are some really important initiatives that can be undertaken to deliver practical work, bring forward capital expenditure on replacing equipment and protecting important services. Members' views are sought on the options set out in the report, and their respective priorities, in order that these views can be borne in mind by the Authority when developing its financial strategy for the next three years.

Background papers: None

Authors John Packman/Rob Holman/Trudi Wakelin

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Broads Plan Objectives: None

Appendices: APPENDIX 1 – A Summary of Potential Additional Expenditure

### A Summary of Potential Additional Expenditure

Potential Projects	Estimated Cost	Estimated Cost
	National Park	Navigation
Dredging Breydon Water	-	£200,000
Modelling Breydon Water and the role of Turntide Jetty	-	£60,000
Quay heading for offloading point in the Upper Thurne	-	£30,000
Acle Bridge Demasting Mooring	-	£15,000
Breydon Demasting Moorings, approx 140m	-	£100,000
<b><i>Purchase of Equipment</i></b>	-	
Replacement Weed Harvester	-	£150,000
Launch for Breydon Water	-	£120,000
Bring forward purchase of a further replacement Mud Wherry	-	£100,000
Bring forward purchase of replacement Uniflote pontoons	-	£80,000
<b><i>Repayment of Loan from Public Works Loan Board</i></b>		£277,617
<b><i>Staffing</i></b>		
Two Seasonal Rangers	£12,200	£18,300