

Navigation Committee

06 June 2024

Agenda item number 9

Annual Income and expenditure 2023/24

Report by Director of Finance

Purpose

To inform the Committee of the summary of the Authority's income and expenditure for the 2023/24 financial year, analysed between General (National Park) and Navigation funds. Original and Latest Available Budget information is provided for comparison.

Broads Plan context

Financial performance underpins all the strategic objectives of the Broads Plan.

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1. Introduction

- 1.1. The Broads Authority Act 2009 requires the Authority to prepare a report as soon as reasonable possible after the end of each financial year describing the navigation income received by it and the navigation expenditure incurred by it in that year.

2. Actual income and expenditure 2023/24

- 2.1. The tables in Appendix 1 sets out the Authority's income and expenditure attributed to General (National Park Grant) and Navigation funds for the financial year ended 31 March 2024. To the extent that they are included within the Authority's Statement of Accounts, these figures are subject to audit and formal approval by the Authority's external auditors. For comparative purposes, the Original and Latest Available Budget (LAB) figures are also shown. This information is published on the Authority's website.

- 2.2. The actual outturn for 2023/24 was a deficit of £136,263 for Navigation compared with a budgeted LAB deficit for the year of £55,899. The original budget was for a deficit of £55,320. The final forecast outturn was a deficit of £116,744.
- 2.3. Total core income for the year was £4,337,013, which was £9,903 above budget, principally due to the favourable variance of £83,949 within investment income which offset the adverse variances within Hire (£8,307) and Private Craft (£71,047). There continued to be smaller favourable variances within Short Visit and Other Toll income budget lines.
- 2.4. Other income has not performed in line with budget predictions. This was due to the charging not coming into force at Reedham Quay due to delayed lease negotiations.
- 2.5. Total net navigation expenditure in 2023/24 was £4,473,276, which was £90,267 above the budget. This was due to increased fuel costs, repairs and maintenance of Ranger launches, legal charges and delays in the downsizing of Yare House.

3. Earmarked reserves

- 3.1. The earmarked reserves have funded the following expenditure:
 - Property Reserves includes the rental income from land at Oulton Broad (£2,000), the annual contribution to the Mutford Lock Reserve (£25,000) and the underspend on the Moorings Maintenance repairs (£41,661).
 - Plan, Vessels and Equipment Reserve includes three replacement vehicles (£124,238) and a new crane (£70,508). This has been offset by the sale proceeds from the vehicle replacement (£14,770), the sale of scrap (£3,783), the annual contribution to reserves (£136,350) and the repayment of the original loan to set up the CANAPE reserve (£22,750).
 - Premises Reserve includes the deposit for the solar panels at the Dockyard, planning fee and design work on the Dockyard piling project (£2,615) and the replacement hut and associated work at Reedham Quay (£5,407). This has been offset by the annual contributions to the reserves (£30,225) and the repayment of the original loan to set up the CANAPE reserve (£22,750).
 - Computer software includes the annual contribution to reserve (£9,600).
- 3.2. After the year-end transfer of interest and the closure of the CANAPE reserve, the closing position on the earmarked reserves is as follows:

Table 1

Navigation Earmarked Reserves

Reserve name	Balance at 1 April 2023 £	In0year movements £	Closing reserve balance £
Property	(514,478)	(104,205)	(618,683)
Plant, Vessels, and Equipment	(482,315)	(9,877)	(492,192)
Premises	(164,222)	(53,213)	(217,435)
CANAPE	(231,697)	231,697	0
Computer Software	(110,607)	(16,926)	(127,533)
Total	(1,503,319)	47,476	(1,455,843)

4. Summary

- 4.1. The total Navigation deficit for 2023/24 was higher than the budgeted and the forecast deficit. The main reason for the variance between the forecast and actual position was the increased expenditure set out in paragraph 2.5.
- 4.2. Whilst investment income has exceeded expectations due to the increased rates implemented by the Bank of England these rates are expected to drop in the future, much closer to their forecast level of inflation of 2%. This means that the level of return in future years may reduce.
- 4.3. 2023/24 sees the second repayment of £50,000 between the Navigation and National Park Reserve which means the balance on the Navigation Reserve at the end of 2023/24 is £476,894, this is above the minimum 10% at 10.7%. However, it should be noted that as the £50,000 per annum transfer back to National Park, continues in 2024/25, alongside the planned expenditure in the Financial Strategy, this will reduce the Reserve down to 10.1%. This will be refined later this year when the level of tolls for 2025/26 is considered.

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[Broads Plan](#) strategic objectives: All

Appendix 1 – General and Navigation income and expenditure 2023/24

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The Broads Authority Act 2009 requires the Authority to prepare a report as soon as reasonably possible after the end of each financial year describing the navigation income received by it and the navigation expenditure incurred by it in that year. The table below sets out the Authority's income and expenditure attributed to general (National Park Grant) and navigation funds for the financial year ended 31 March 2024. These figures are derived from the annual Statement of Accounts which is subject to audit and formal approval by the Authority's external auditors, Ernst & Young (EY). For comparative purposes, the final approved budget figures are also shown.

Further details are available on request from the Director of Finance, Yare House, 62-64 Thorpe Road, Norwich NR1 1RY or by email from emma.krelle@broads-authority.gov.uk.

The Draft Statement of Accounts for 2023/24 have been scheduled for audit by EY to start on 3 June 2024. Once the audit has been completed the final version of the Statement of Accounts for 2023/24 will be presented to the next available Broads Authority.

Table 1

Income

Income Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Income General £	Actual Income Navigation £	Actual Income Consolidated £
National Park Grant	(3,414,078)	0	(3,414,078)	(3,414,078)	0	(3,414,078)	(3,564,078)	0	(3,564,078)
Hire Craft Tolls	0	(1,333,000)	(1,333,000)	0	(1,333,000)	(1,333,000)	0	(1,324,693)	(1,324,693)
Private Craft Tolls	0	(2,844,000)	(2,844,000)	0	(2,844,000)	(2,844,000)	0	(2,772,953)	(2,772,953)
Short Visit Tolls	0	(55,000)	(55,000)	0	(55,000)	(55,000)	0	(54,304)	(54,304)
Other Toll income	0	(32,610)	(32,610)	0	(32,610)	(32,610)	0	(38,614)	(38,614)
Interest received	(62,500)	(62,500)	(125,000)	(62,500)	(62,500)	(125,000)	(146,449)	(146,449)	(292,898)
Total Income	(3,476,578)	(4,327,110)	(7,803,688)	(3,476,578)	(4,327,110)	(7,803,688)	(3,710,527)	(4,337,013)	(8,047,540)

Table 2

Operations

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Construction & Maintenance Salaries	575,114	974,116	1,549,230	575,114	974,116	1,549,230	575,065	971,230	1,546,295
Equipment, Vehicles & Vessels	231,201	539,469	770,670	231,201	539,469	770,670	227,075	529,841	756,915
Water Management	4,700	84,000	88,700	4,700	84,000	88,700	4,879	70,866	75,745
Land Management	56,355	0	56,355	56,355	0	56,355	62,154	0	62,154

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Practical Maintenance	240,900	407,760	648,660	240,900	407,760	648,660	84,900	265,286	350,186
Waterways & Recreation Strategy	23,960	31,960	55,920	23,960	31,960	55,920	47,618	25,959	73,577
Rangers Salaries	197,448	789,792	987,240	197,448	789,792	987,240	193,710	774,840	968,549
Ranger Services	8,370	122,330	130,700	17,985	144,765	162,750	18,868	187,145	206,013
Safety	46,363	97,453	143,815	47,369	99,496	146,865	45,088	105,674	150,762
Project Funding	129,475	1,125	130,600	129,475	1,125	130,600	130,630	1,237	131,867
Operational Premises	103,074	193,976	297,050	103,074	193,976	297,050	90,984	162,360	253,344
Management & Admin	60,052	90,078	150,130	60,052	90,078	150,130	59,143	88,715	147,858
Operations Income	(88,580)	(59,205)	(147,785)	(88,580)	(59,205)	(147,785)	(142,732)	(66,241)	(208,973)
Total Operations	1,588,432	3,272,853	4,861,285	1,599,053	3,297,332	4,896,385	1,397,381	3,116,912	4,514,293

Table 3

Strategic Services

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Development Management	502,089	4,921	507,010	516,089	4,921	521,010	507,109	4,917	512,027
Strategy & Projects Salaries	187,049	28,181	215,230	208,527	28,181	236,708	263,330	28,096	291,425
Biodiversity Strategy	9,300	0	9,300	9,300	0	9,300	28,281	0	28,281
Strategy & Projects	258,360	0	258,360	244,360	0	244,360	632,505	(4,561)	627,945
Human Resources	84,141	77,669	161,810	82,555	76,205	158,760	81,602	75,325	156,927
Volunteers	55,013	20,347	75,360	55,013	20,347	75,360	54,752	20,251	75,002
Communications	304,076	90,148	394,224	303,826	90,148	393,974	336,227	90,309	426,536

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Visitor Centres & Yacht Stations	235,703	336,022	571,725	253,515	342,949	596,464	259,862	331,683	591,545
Management & Admin	92,932	39,828	132,760	92,932	39,828	132,760	88,960	38,126	127,086
Strategic Services Income	(406,290)	(197,010)	(603,300)	(406,040)	(197,010)	(603,050)	(959,408)	(132,132)	(1,091,540)
Total Strategic Services	1,322,373	400,106	1,722,479	1,360,077	405,569	1,765,646	1,293,220	452,013	1,745,233

Table 4
Finance and Support Services

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
National Park Grant	0	0	0	0	0	0	150,000	0	150,000
Legal	80,000	30,000	110,000	80,000	30,000	110,000	123,294	74,829	198,122
Governance	120,632	124,718	245,350	120,632	124,718	245,350	118,079	121,870	239,948
Finance & Insurance	223,624	271,886	495,510	223,624	271,886	495,510	237,783	289,906	527,690
Premises Head Office	117,080	44,860	161,940	481,136	44,860	525,996	264,366	79,436	343,803
Collection of Tolls	0	208,680	208,680	0	208,680	208,680	0	198,485	198,485
ICT	220,352	214,748	435,100	220,352	214,748	435,100	224,636	197,036	421,671
Asset Management	96,651	81,529	178,180	96,651	81,529	178,180	62,926	79,485	142,412
Chief Executive	80,408	52,652	133,060	80,408	52,652	133,060	78,224	51,222	129,447
Finance & Support Services Income	(21,165)	(9,135)	(30,300)	(21,165)	(9,135)	(30,300)	(32,550)	(9,378)	(41,928)
Total Finance & Support Services	917,583	1,019,937	1,937,520	1,281,639	1,019,937	2,301,576	1,226,759	1,082,890	2,309,649

Table 5

Projects and Corporate items

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Heritage Lottery Fund	4,925	0	4,925	4,925	0	4,925	173,936	0	173,936
CANAPE	8,500	8,500	17,000	8,500	8,500	17,000	9,764	9,764	19,529
Apprenticeship Levy	3,417	3,283	6,700	3,417	3,283	6,700	3,825	3,675	7,500
Total Projects & Corporate Items	16,842	11,783	28,625	16,842	11,783	28,625	187,525	13,439	200,964

Table 6

Contributions from earmarked reserves

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Property	(150,000)	2,000	(148,000)	(167,812)	(4,927)	(172,739)	0	2,000	2,000
Plant, Vessels & Equipment	(87,750)	(204,750)	(292,500)	(97,365)	(227,185)	(324,550)	(75,511)	(176,193)	(251,704)
Premises	(84,000)	(91,000)	(175,000)	(98,305)	(91,000)	(189,305)	(45,023)	(8,022)	(53,045)
Heritage Lottery Fund	(4,925)	0	(4,925)	(4,925)	0	(4,925)	(159,183)	0	(159,183)
Upper Thurne	(18,000)	0	(18,000)	(18,000)	0	(18,000)	932	0	932
Catchment Partnership	(23,960)	0	(23,960)	(23,960)	0	(23,960)	(42,997)	0	(42,997)
CANAPE	(8,500)	(8,500)	(17,000)	(8,500)	(8,500)	(17,000)	(9,764)	(9,764)	(19,529)
Match funding (EXPERIENCE)	(17,092)	0	(17,092)	(17,092)	0	(17,092)	(15,874)	0	(15,874)
Medium Term Planning	0	0	0	(371,229)	0	(371,229)	(101,146)	0	(101,146)
Computer Software	0	(20,000)	(20,000)	0	(20,000)	(20,000)	0	0	0
UK NP Communications Team	(11,522)	0	(11,522)	(11,522)	0	(11,522)	(1,120)	0	(1,120)

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Total Contributions from reserves	(405,749)	(322,250)	(727,999)	(818,710)	(351,612)	(1,170,322)	(449,687)	(191,979)	(641,666)

Table 7

Net (Surplus) / Deficit

Expenditure Type	Original Budget General £	Original Budget Navigation £	Original Budget Consolidated £	Latest Available Budget General £	Latest Available Budget Navigation £	Latest Available Budget Consolidated £	Actual Expenditure General £	Actual Expenditure Navigation £	Actual Expenditure Consolidated £
Grand Total	(37,098)	55,320	18,222	(37,677)	55,899	18,222	(55,329)	136,263	80,934