

## Appendix 1A

### Weymouth Harbour Budget Monitoring 2020/21 Summary

#### 1. Executive Summary

- 1.1 The Budget Monitoring figures as at 31 October 2020 are given at Appendix 1B. The year has been impacted by the Coronavirus pandemic which has caused reduced operations and other challenges for harbour users and visitors.
- 1.2 The Weymouth Harbour Budget was approved with the knowledge that there was a predicted shortfall of £239,026 which would be taken from the Reserves. The current budget monitoring position shows a favourable figure of £154,651, which would be transferred into the Harbour Reserves at year end.
- 1.3 The predicted year end position of the Harbour Reserve is £1,132,257 of which £1,165,958 should be allocated to the future Harbour Asset Management Plan. Therefore, it will be necessary to continue to put money in reserve going forward to deliver this plan.
- 1.4 A review of the Asset Management Plan works has taken place and a number of items are recommended for deferral to ensure the maximum life of assets is used to best effect as covered in Appendix 1C and detailed in paragraph 4 below. The current spend profile for the next 5 years is shown at paragraph 4.4.
- 1.5 £100,000 has been included as a transaction from the Reserves as an agreed contribution to the Quayside Regeneration Project.
- 1.6 Opportunities and Risks that may have a bearing on this year end prediction are listed below (para 5.1).

#### 2. Revenue Budget Income: Overall £113,692 (A)

- 2.1 There has been reduced income in the following areas:
  - The harbour remained open to visiting commercial vessels but operationally work programmes changed resulting in fewer visits.
  - Cancellation of events.
  - During lockdown there was a period of no bridge lifts.
  - Number of visiting yachts was severely affected for the whole of the season.
  - Electricity sales for visiting yachts
  - Reduced number or period for Operating Licences for trip boats.

Favourable variances are as follows:

- Occupancy rates for marina berths were up compared to last year and budget expectations remain stable.
- Activities at the slipway busier than previous years
- Sale of PWC permits.

### **3. Revenue Budget Expenditure: Overall £268,343 (F)**

3.1 The variances to budget predictions are as follows:

- Savings made by employing fewer seasonal staff
- There is an expectation that we will not use all of the budget allocated to Training
- Savings in energy costs based on reduced number of visitors but other areas remain relatively unchanged
- Further work on rates assessments has resulted in refunds.
- Expenditure against budget in relation to response maintenance is low and an underspend has been predicted.
- In recent years, it has been reported that there have been issues with the water and electricity supplies to the Peninsula. These are largely resolved, and we can better predict our true costs which is higher than budget estimates.
- Based on current expenditure and known commitments, it has been possible to predict savings against contracts, equipment and advertising budgets.
- On-going legal costs relating to the Harbour Revision Order work are being paid but were not in the budget.

### **4. Asset Management: In-Year Improvements £243,478 (F)**

4.1 The Programme of Works for 2020/21 is an extract from the 25-year Harbour Asset Management Plan. The list of projects is attached at appendix 1C.

Table 1: Projects over £5,000

Table 2: Value of multiple projects individually less than £5,000

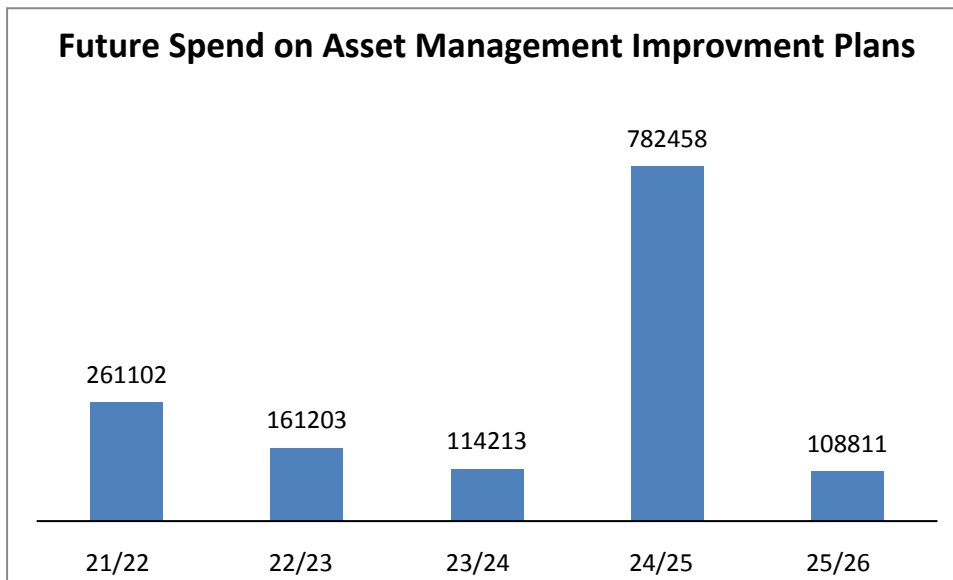
Table 3: Projects that have been deferred

The budget implications are as follows:

£483,570 was budgeted to fund an agreed programme of improvements works as follows:

In year costs	£409,427
C/F from 2019/20	£74,143
Value of projects deferred	(£243,508)
Total remaining	£240,062

- 4.3 There will need to be a thorough review of the Asset Plan. Our priority over the next few months is to gain a better understanding of the best utilisation of assets. We will be considering what we use our assets for, what jobs they are doing, are they still fit for purpose and can we be doing things differently.
- 4.4 The updated profile of spend for future years is shown in the chart below. These works can only be funded from the Harbour Reserve.



## 5. Opportunities and risks

Actual expenditure on response maintenance is currently low and predictions have been made to suggest a saving whilst leaving a reasonable budget to respond to response maintenance. Should anything major occur then that saving would need to be called upon.

## 6. Independent Reserves and Capital Schemes

- 5.1 The Independent Reserves and Capital Schemes summary given at the bottom of Appendix 1B shows the current position of the money being managed by Technical Services on harbour projects. This is currently separate from the Revenue Budget which does not cover Harbour Walls and Dredging.