

Appendix 1A

Harbours Committee 17 March 2021

Weymouth Harbour Budget Monitoring 2020/21 Summary

1. Executive Summary

- 1.1 The Budget Monitoring figures as at 31 January 2021 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 an improving favourable figure of £203,304. This is largely due to savings made from the Asset Management Plan. A number of items have been deferred as detailed in paragraph 4 below. Any surplus at the year end would be transferred back into the harbour reserves.
- 1.3 The predicted year end position of the harbour reserve is £1,180,910. The harbour team are working on producing a robust Asset Management Plan which will enable us to report back to the Committee the most up to date status of our financial commitment for replacing Assets over the next 5 years. This would result in a clearer picture of how these reserves will need to be used.
- 1.4 £100,000 has been included as a transaction from the reserves as an agreed contribution to the Quayside Regeneration Project.
- 1.5 Opportunities and Risks that may have a bearing on this year end prediction are listed below (para 5.1).

2. Revenue Budget Income: Overall £68,447 (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 periods there was a period of either no bridge lifts or reduced numbers.
 - 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 it is expected that we will exceed budget expectations.
- Activities at the slipway busier than previous years
- Sale of PWC permits.

3. Revenue Budget Expenditure: Overall £271,751 (F)

3.1 The variances to budget predictions are as follows:

- Fewer seasonal staff have been employed this year but there have been some increased costs to cover workloads and sickness.
- 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 £244,811 (F)

4.1 The Programme of Works for 2020/21 is an extract from the 25-year Harbour Asset Management Plan. £484,903 was budgeted to fund an agreed programme of improvements works. In this financial year, a number of projects to the value of £244,811 have been deferred. This was done where it was considered possible to extend the life of the asset or to give us an opportunity to undertake a full review of the plan.

4.2 A thorough review of the Asset Plan is in progress and 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.

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.