

Harbour Management Board

20 March 2019

Weymouth Harbour Financial Considerations

For Information

Briefholder(s)

Cllr R Kosior, Tourism, Culture and Harbour
Cllr J Farquharson, Chair Harbour Management Board

Senior Leadership Team Contact:

N/A

Report Author: Keith Howorth (Weymouth Harbour Master)

Statutory Authority

Weymouth Harbour Authority

Purpose of Report

- 1 This report captures the key points of a review of financial management of Weymouth Harbour post recent Harbour Revision Order work.

Officer Recommendations

- 2 The Board is recommended to note the contents of this report.

Reason for Decision

- 3 Due to Local Government Review and the change of ownership to Dorset Council, this report will not be presented to the current Duty Holder but acts as a handover document from Weymouth & Portland Borough Council.

Background and Reason Decision Needed

- 4 As a consequence of attendance at a Local Authority Ports - Duty Holder Briefing Seminar held by the British Ports Association in Exeter in May 2017, external legal advice was sought about some aspects of the legal standing of Weymouth Harbour.
5. Authority was given by the Statutory Harbour Authority (Full Council) on 22nd February 2018 to prepare and submit a Harbour Revision Order (HRO) to the Marine Management Organisation (MMO) in order to modernise and consolidate the current dated legislation relating to the Harbour operations.

6. The HRO has been submitted to the MMO who are reviewing it and drafting the decision notice. However, the MMO have received word from the DfT that because of Brexit they will not be laying any HROs before parliament before mid-April at the earliest. This means that the HRO could not come into force until at least the end of May 2019 (6 weeks after it is laid). This is beyond the MMO's control.
7. There are some other follow-on actions from the HRO work, which are being considered in this report, including:
 - The financial impact of the legal status of the harbour in previous years.
 - The financial impact of the post-HRO era.

Implications

8. The accounts for the harbour have been reviewed over the last 10 years and cash transfers to and from the General Fund considered. There have been a number of transfers to the General Fund from harbour income under a Memorandum of Understanding agreed in 2008. Likewise there has been transfers to the Harbour Fund from the General Fund including support for the re-build of No.3 Berth and refurbishment of the Ferry Terminal and compensation for the lost ferry income.
9. The HRO work has established that there are some areas of the harbour that should have been under the financial control of the Harbour Authority and income and expenditure ring-fenced accordingly. These have also been considered over the last 10 years.
10. The analysis has concluded that the net effect is that Weymouth Harbour has been supported financially by the Council General Fund. Going forward, the assumptions associated are:
 - The Repair to No.3 Berth has been funded and there are no ongoing costs to the Harbour Fund.
 - The repair to the Ferry Steps has been funded to the value of £1.955M from Capital Receipts and there are no ongoing costs to the Harbour Fund.
 - The current Pleasure Pier works are funded.
11. The operational budget for the harbour for 2019/20 has been set. It is the intention during next year to present the accounts in line with the findings of the HRO. From 1st April 2019, there will be one harbour authority covering all 3 harbour operations and will be accounted for accordingly.
12. There will be an additional appendix to the budget monitoring report or engineering report which covers the major projects and engineering support to the harbour and in particular how these are being funded. This will help to give the Board better visibility of harbour-related activities.

Corporate Plan

13. There are links to many of the corporate aims and priorities with contributions from the harbour to Economy, Communities, Environment and Performance.

Financial

14. The implications are considered above.

Economic Development

15. The harbour has a key role in developing the economy of Weymouth. Appropriate financial control is key.

Risk Management (including Health & Safety)

16. There are considerable potential risks if the harbour is not funded to maintain a safe environment.

Consultation and Engagement

17. There has been considerable consultation with stakeholders as part of the Harbour Revision Order work.

Appendices

None

Background Papers

Weymouth Harbour Harbour Revision Order

Footnote

Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

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