

Appendix 1

Harbours Committee 16 June 2021

Weymouth Harbour Budget Outturn Report 2020/21

1. Executive Summary

- 1.1 The budget outturn figures 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 which would be taken from the reserves. The final outturn position shows a favourable figure of £406,254. This is largely due to savings made from the Asset Management Plan, details are at paragraph 4. This surplus will be transferred into the harbour reserves.
- 1.3 The year end position of the harbour reserve is £1,483,860. The harbour team have produced an updated Asset Management Plan which sets out the financial commitment for replacing Assets over the next 5 years and beyond. This enables the Committee to have a clearer picture of how these reserves will need to be used in future years.

2. Revenue Budget Income: Overall £12,805 (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 a reduced number of 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 the previous year and year-end income exceeded budget expectations.
- Activities at the slipway busier than previous years
- Sale of Personal Watercraft permits.
- The harbour budget has been reimbursed £71,200 from the local government income compensation scheme for lost sales, fees and charges relating to Covid.

3. Revenue Budget Expenditure: Overall £419,059 (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.
- 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 resulted in an underspend. This underspend is being reflected in future budgets predictions.
- 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.
- Savings have been made on contracts, insurance and advertising budgets.
- On-going legal costs relating to the Harbour Revision Order work have been paid but were not included in the original budget and are therefore an overspend.

4. Asset Management: In-Year Improvements £355,203 (F)

4.1 £484,903 was budgeted to fund an agreed programme of improvements works. Part way through the financial year, it was reported that a number of projects were deferred whilst the Asset Plan had a thorough review. This has now taken place and is covered under a separate report.

4.2 The spend for 2020/21 is £129,700 and a summary of works is shown below:

- Replace electricity bollards at North Quay marina
- New electrical installations in Cove and Sand Jetty berths
- New electrical installation on Commercial Road berths (part grant-funded)
- Continuation of works started in 2019/20 to re-deck North Quay marina
- Improvement works to harbour buildings (fire risk assessment related)
- Decorating harbour office
- Painting railings in Cove and Stone Pier
- Purchase new Highfield RHIB
- Installation of additional PWC docks to facilitate high number of enquiries for berthing