

# Harbours Committee

15 June 2022

## Harbours Budget Outturn Report 2021/22

### For Decision

**Local Councillor(s):** All Councillors

**Executive Director:** J Sellgren, Executive Director of Place

Report Author: Jamie Joyce, Claire Connolly (Weymouth), James Radcliffe (Bridport and Lyme Regis)

Title: Harbour Masters

Tel: 01305 8382423, 01308 423222

Email: [Jamie.joyce@dorsetcouncil.gov.uk](mailto:Jamie.joyce@dorsetcouncil.gov.uk)  
[James.radcliffe@dorsetcouncil.gov.uk](mailto:James.radcliffe@dorsetcouncil.gov.uk)

**Report Status:** Public

**Brief Summary:** The purpose of the report is to set out the final outturn for the harbour operational budgets for Weymouth, Bridport and Lyme Regis and the position of the Harbour Reserves balance at the end of 2021/22. The financial summaries are given in the Appendices.

**Recommendation:** To note the budget outturn for 2021/22.

1. Note the budget outturn 2021/22 for Weymouth Harbour
2. Note the budget outturn 2021/22 for Bridport Harbour
3. Note the budget outturn 2021/22 for Lyme Regis Harbour

**Reason for Recommendation:** The Harbours Committee has the responsibility for the harbours' finances including budget setting, budget monitoring and the final out-turn at the year end

#### 1. Weymouth Harbour – 2021/22 Final Outturn

- 1.1 The budget outturn figures for Weymouth Harbour are given at Appendix 1. The operational budget was approved with the knowledge that there was a predicted shortfall of £290,730 which would be taken from the

reserves. The final outturn shows a favourable position and is a surplus of £334,813 which has been transferred to the harbour reserve

1.2 The Harbour Revision order clarifies the car parks which are located inside the harbour estate; the income generated is required to be used for harbour purposes. The net income of £462,371 generated by those car parks has been transferred to the harbour reserve.

1.3 **Operational Budget Income: Overall £218,720 (F)**

There has been reduced income in the following areas:

- Reduced number of visiting commercial vessels
- Reduced number of visiting fishing vessels

Favourable variances are as follows:

- The number of visiting leisure craft is as good as visitor numbers from 2019 which is a great achievement as the early part of the season was affected due to Covid and the requirement to restrict the number of visitors we could accommodate.
- Number of vessels choosing to take a winter berth in the outer harbour is higher than previous years.
- Occupancy of annual marina berths is significantly higher than previous years.
- Increased number of temporary berths let in the marina
- A review of the outer harbour berthing has resulted in an increased number of annual commercial berths that have been let.
- A business opportunity in the commercial area has generated new income.
- Improvements to supplies and our processes to ensure that vessels using electricity and water are recharged.
- An increase in the number of operating berths.
- Increased activity at the slipway and sale of personal watercraft permits.
- Income from inner harbour rents and licences is expected to exceed budget expectations
- Review of fees for recharging harbour staff time dedicated to lifting the town bridge

1.4 **Operational Budget Expenditure: Overall £406,823 (F)**

The variances to budget predictions are as follows

- Significant planned savings made on the Asset Management Plan
- In recent years the overall spend against response maintenance has been decreasing, this is due to a planned approach to preventative maintenance.
- Savings on insurance
- A rise in staff costs to cover increased workloads and agreed pay award
- Increase in training costs to ensure better resilience in the team.
- Increase in PPE requirements.
- Increased energy costs in the commercial area (recharges are made where appropriate)
- There are some contracts that were paid for centrally are now part of the harbour costs, in line with the principles of the HRO

#### 1.5 **Asset Management Plan Improvements Weymouth Harbour Budget:**

- 1.6 This annual programme of works is an extract from the 25-year Harbour Asset Management Plan.
- 1.7 In the early part of 2021/22, the Asset plan was assessed in the short term to review how assets are being used, to maximise the life of items and to review the priorities, this resulted in a planned saving of £342,750. A portion of those savings were allocated to fund a budget for routine annual maintenance; for example, replacement buoys, electricity bollards, decorating etc.
- 1.8 A decision was taken to delay the replacement of cargo stage and custom house quay visitor berths and to include them in a tender that is being prepared to cover a more comprehensive programme of pontoon replacement; due to be completed in Autumn 2022. The funding of this will need to be drawn back out from the reserves.

#### 1.9 **Weymouth Harbour Reserves Summary**

- 1.10 **Revenue Reserve** - The predicted year end position is £2,113,782. This ringfenced balance is committed to fund significant pontoon replacement works and maintenance dredging over the next 5-10 years
- 1.11 **Maintenance Dredging Reserve** a programme of works for maintenance dredging is required to maintain the harbour at its control depth. In year 1, the budget was £50,000, investigations were undertaken to produce a detailed plan for future dredging requirements. The dredging works were completed in April and therefore the remaining budget of £47,262 will be carried forward into the new financial year to cover this cost.

- 1.12 **Capital Receipt Reserves** a number of assets have been sold and the revenue generated has been placed in the reserve fund.
- 1.13 **Pleasure Pier Reserves** – there is an historic allocation of £20,000 per annum to fund basic maintenance to the Pleasure Pier, with the main aim to maintain the structure so that it can still be utilised for the purposes of safe navigation, through ease of identification of the Harbour entrance and channel, to accommodate the new Local Traffic Service function and improved Aids to Navigation and for members of the public to continue their recreational activities. The last major works were undertaken in 2016 to the value of about £65,000. The intention for 2022 is to engage with the Council's engineering team to consider the condition and use of the Pleasure Pier to confirm that the current level of contribution is appropriate to fund future works. Any future annual costs would need to be funded from harbour reserves.
2. **Bridport Harbour 2021/22 Final Outturn** The main variances to the budget predictions are as follows:
- 2.1 Expenditure Overall - £13,300 (A)
- Pay Related Cost - The Bridport Harbour Master is covering both Bridport and Lyme Regis Harbours creating a saving in pay cost for both harbours.
  - Premises Related Cost – Higher electricity cost and rents
  - Transport Cost – higher JCB repair cost due to age of machine, this has now been replaced
  - Supplies & Services – Increase cost in materials and PPE and cost of Marico Marine (designated person).
- 2.2 Revenue Budget Income - £28,783 (F)
- Increase in car park income
  - Increase in shop sales
  - Increase in overnight stays
  - Bad Debt provision offsetting additional income
- 2.3 **Reserve Movements** The final transfer to reserves figure was £15,483 bringing the total held in reserves at the end of 2021-22 to £40,483.
3. **Lyme Regis Harbour 2021/22 Final Outturn** The main variances to the budget predictions are as follows:
- 3.1 Expenditure Overall - £35,454 (A)

- Pay Related Cost - The Bridport Harbour Master is covering both Bridport and Lyme Regis Harbours creating a saving in pay cost for both harbours.
- Transport Cost – The boat lifter required refurbishment, this included replacing the hydraulic rams and making modifications to fit the new ones external to the lifting arms.
- The JCB has had major electrical faults making diagnosis difficult, this has now been rectified.
- Supplies & Services – cost of Marico Marine (designated person) and PPE
- Private Contractors - The cost of refurbishment to the office to convert the space into the shop

### 3.2 Revenue Budget Income -£102,768 (F)

- Increase in car park income
- New shop income
- Increase use of Kayak storage
- Increase in Visiting vessels
- Warner Bros Filming “Wonka”

3.3 **Reserve Movements** The final transfer to reserves figure was £67,314 bringing the total balance held in reserves at the end of 2021-22 to £176,958.

## 4. **Financial Implications**

The report covers the harbours’ budgets. The summary information is presented under the standard corporate headings.

The types of expenditure included within each heading are as follows:

- Internal charges – this includes the “above the line” service recharges paid to Dorset Council.
- Pay related costs- all costs relating to staffing including basic pay, National Insurance, pension contributions and training.
- Premises related costs– Utilities and rates, refuse, planned maintenance, surveys, response maintenance.
- Transport related costs – fuel, travel and subsistence.
- Supplies and services – Insurance, advertising, equipment, subscriptions, printing and stationery

The income is made up of:

- Commercial activities – income relating to pilotage, annual commercial berths, visiting commercial vessels and visiting fishing vessels.
- Leisure activities – marina berths, visiting yachts, use of slipway and PWC permits.

- Rents and licences – income relating to rental of property, boat and operating licences.
- Recoverable costs – where recharges are made to lease and licence holders for energy. Also includes electricity charged to annual berth holders and visiting vessels.

## 5. **Climate Implications**

The Harbours' Budget funds items that have implications for sustainability and climate change. In utilising future budgets every effort will be made where possible to consider how carbon output can be minimised and operations more sustainable.

## 6. **Well-being and Health Implications**

The Harbours' Budgets fund items that have implications for voluntary organisations, community safety and physical activity. It is recognised that looking after the Harbour infrastructure is vital for the safe and efficient use of the Harbour for these purposes. The implications are considered for individual items when funding commitment is being approved.

## 7. **Other Implications**

Harbour issues are subject to regular consultation with customers, the Harbour Consultative Groups and the Harbours Committee.

The harbours' accounts form part of the Council's overall Statement of Accounts, which is considered and approved by the Audit Committee

## 8. **Risk Assessment**

### 8.1 **HAVING CONSIDERED:** the risks associated with this decision; the level of risk has been identified as:

Current Risk: Medium  
Residual Risk: Medium

The Harbours' budget monitoring and regular reporting to the Harbours Committee helps manage the risks of under or overspending the budget. Many items of expenditure have a link to safety of customers and the general public

## 9. **Equalities Impact Assessment**

There are no equalities implications arising from this report

10. **Appendices**

- Appendix 1 Weymouth Harbour Financial Summary
- Appendix 2 Bridport Harbour Financial Summary
- Appendix 3 Lyme Regis Harbour Financial Summary

11. **Background Papers**

None