

# Harbours Advisory Committee

6 March 2024

## Harbours Budget Monitoring Report 2023/24

### For Review and Consultation

**Portfolio Holder:** Cllr R Bryan, Highways, Travel and Environment

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

**Executive Director:** Jan Britton, Executive Lead for Place

Report Author: James Radcliffe (Bridport and Lyme Regis), Ed Carter (Weymouth) Claire Connolly (Weymouth),

Job Title: Harbour Masters, Business Manager

Tel: 01305 838423, 01308 423222

Email: [ed.carter@dorsetcouncil.gov.uk](mailto:ed.carter@dorsetcouncil.gov.uk)

[claire.connolly@dorsetcouncil.gov.uk](mailto:claire.connolly@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 current budget forecasts for Bridport, Lyme Regis and Weymouth Harbours at the end of January 2024 and the predicted balance of Harbour Reserves for 2023/24. The financial summaries are given in the appendices.

**Recommendation:** To note the current budget monitoring figures for 2023/24.

1. Note the budget forecast 2023/24 for Bridport Harbour
2. Note the budget forecast 2023/24 for Lyme Regis Harbour
3. Note the budget forecast 2023/24 for Weymouth Harbour

**Reason for Recommendation:** The Dorset Council Harbour Strategy, Strategic Goal number four is to have a balanced budget whilst building the ability for investment into the harbours. It is intended for harbours to become financially self-sufficient and be able to manage any reserves to ensure that the harbours see reinvestment to support strategic goals and objectives from the Business Plan.

The Harbours' budget monitoring and regular reporting to the Harbours Advisory Committee helps manage the risks of under or overspending the budget and review income against financial expectations.

## 1. **Bridport Harbour Budget Report as at end January 2024**

1.1 The Bridport Harbour budget monitoring figures are given at Appendix 1.

1.2 Expenditure Overall - £103,713 Adverse

1.3 The main variances to the budget are as follows:

- Overspend on Internal Charges due to anticipated 'management fee' charge from parking services in relation to Harbour car parks (prior year charge was proportionately based on income)
- Overspend on salary budgets due to pay award, training costs and additional required staff hours.
- Minor underspend on premises budgets due to NNDR (Business Rates) on Harbour car parks
- Minor overspend on Travel budgets due to payroll claims
- Significant overspend on supplies and services budgets due to anticipated costs of 1.5 dredges during the financial year (March/April 2023 and March 2024)
- Minimum Revenue Provision (MRP) now dealt with centrally by Dorset Council so saving on MRP budget.

## 1.4 **Revenue Budget Income - £87,408 Favourable**

- Significant income surplus expected mainly due to income from harbour car parks. Boating related income should generate a minor surplus.
- Shortfall of income (contributions) in respect of boat repairs due to current vacancy.

1.5 Reserve Movements

- The budgeted transfer to reserves is currently predicted to be £62,795.

## 2. **Lyme Regis Harbour Budget Report as at the end January 2024**

2.1 The Lyme Regis budget monitoring figures are given at Appendix 2.

2.2 Expenditure Overall - £27,049 Adverse

2.3 The main variances to the budget predictions are as follows:

- Minor overspend on pay due to training costs and additional hours
- Minor underspend on premises budgets due to reduction in rental costs in 2023/24 (charge from Lyme Regis Town Council will be higher in future years)
- Minor overspend on Transport budgets due mainly to increased vehicle repair and maintenance costs – mainly JCB repairs
- Minor underspend on Supplies & Services due to savings on the HRO Legal Expenses budget.
- Significant overspend on contractors budget, primarily driven by ANPR costs

2.4 **Revenue budget income - £31,168 Favourable**

- Income surplus forecasted on a range of income lines – car park, boat / kayak storage fees, mooring fees, hire of facilities, overnight stays and launching

2.5 Reserve Movements

- Lyme Harbour is funded by DC by £60k. Therefore the currently predicted underspend of £4,119 will return to the corporate centre.

3. **Weymouth Harbour Budget Report as at the end January 2024**

3.1 The Weymouth Harbour operational budget was approved with an expectation that there would be a surplus of £185,030. The net income generated from harbour owned car parks is budgeted at £531,915.

3.2 These surpluses totalling £716,945, will be transferred into the harbour reserve at the year end.

3.3 Current forecasts are given at Appendix 3. The financial picture for Weymouth continues to improve and is forecast to return further surpluses of £97,900 to be transferred into the harbour reserves.

3.4 **Operational Budget Income: Overall £15,988 (Favourable)**

This is an improving picture from the previous budget monitoring report. The variances to budget predictions are as follows:

- There has been a reduction overall in the number of annual commercial moorings. In 2022 Griffin Towage went into administration; GT Kingston is now the only TUG that is operating out of Weymouth under its new owner Aquatic Towage and Marine. More recently, Carlin Boat Charters have taken an additional commercial berth.
- Income from pallet storage in the commercial area will reduce due to rationalising of space.
- Income from visiting fishing vessels is lower than previous years, however recent changes in how these visits are monitored has meant that the harbour team are able to capture and charge for more out of hours visits.
- Tug “Victory” under its new owner requested a temporary commercial berth in Weymouth, generating income for visiting commercial vessels.
- Recreational income has been affected this year with a reduced number of visiting vessels and users of the slipway, income is expected to be slightly below budget.
- Infrastructure is now in place so that larger visiting vessels can be charged per unit (previously a fixed nightly fee) which will result in increased revenue.
- There has been an increased number of recreational vessels winter berthing in the outer harbour.
- Income from annual marina berths is currently on track to meet budget expectations.
- Income from temporary berthing in the marina has exceeded budget expectations.
- Increased income from harbour owned car parks.
- Rent review for a Licence in the commercial area has resulted in increased income.

### 3.5 **Operational Budget Expenditure: Overall £6,657 (Favourable)**

The variances to budget predictions are as follows:

- Increased insurance costs based on last year’s actuals.
- There were some uncertainties when setting energy budgets for this financial year. Based on current spend, there is likely to be an overspend.
- The cost for business rates is lower than previous years which is the outcome of recent reviews.

- It is expected that there will be a saving against the cost of seasonal staff.
- The effects of the pay award and settlement of payments to members of staff who work bank holidays, has resulted in increased salary costs.
- The spend against marketing and advertising has reduced in recent years as social media marketing has been taken advantage of. For this current year an underspend is again predicted which will be reflected in future budgets forecast.

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

3.6.1 The programme of works below is an extract from the Harbour Asset Management Plan. In-year projects are funded from revenue budgets; pontoon replacement and maintenance dredging are funded from reserves.

3.6.2 2024 will see the completion of the Quayside Regeneration Project. A number of schemes listed in the table are linked to this project and will be reviewed on completion of the works. There is likely to be further impacts on aspects of the harbour budget with the introduction of new service provisions.

3.6.3 Careful consideration of the harbour's assets continues to be key to the financial success of the harbour and to protect and improve income. This is under constant review both in the short and long term to review how assets are being used, to maximise the life of items and to review the priorities.

3.6.4 Table 1: Update on Weymouth Harbour Asset Plan:

<b>PROJECT</b>	<b>BUDGET</b>	<b>COMMENTS</b>
Break tank: visitor pontoons – new installation	£7,000	Likely to be completed alongside the Weymouth Quay Regeneration Project (WQRP)
CCTV installation at commercial area	£10,000	Will form part of the WQRP
Replacement trolleys on marina	£1,000	Quote in progress
Replacement or repairs to outer harbour steps	£40,000	Survey required
Replace harbour van (part exchange)	£3,000	Under review

Harbour management software	£25,000	Under review
Refurbishment of Port Traffic Signals	£3,250	Project carried forward from 2022/23. Survey required, quote received.
Cargo stage works following relocation of fish landing quay	£51,000	Project carried forward from 2022/23. Will be considered on completion of the WQRP.
Oil Spill Provisions	£10,000	Project carried forward from 2022/23
Replace Pleasure Pier Railings	£62,790	Completed.
<b>Works to be funded by revenue budget</b>	<b>£213,040</b>	
Maintenance Dredging	£50,000	
Pontoon replacement for visiting vessels	£356,987	Works completed July
<b>Works to be funded from reserves</b>	<b>£406,987</b>	

### 3.7 Weymouth Harbour Reserves Summary

- 3.7.1 Revenue reserve: the forecast for the year end is £2,618,370. The harbour reserves have been built up to enable the harbour to be financially self-sufficient. Weymouth harbour has been successful in continuing to achieve a balanced budget whilst building the ability to invest into the harbour, supporting the objectives set out in Dorset Councils Harbours Business Plan.
- 3.7.2 From this reserve there are annual contributions for maintenance dredging and to a reserve set up to fund future structural works for the Pleasure Pier.
- 3.7.3 In the 2023/24 financial year, it has been agreed that a further contribution of up to £400,000 will be set aside to assist in the Quay Regeneration Project.

#### **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:

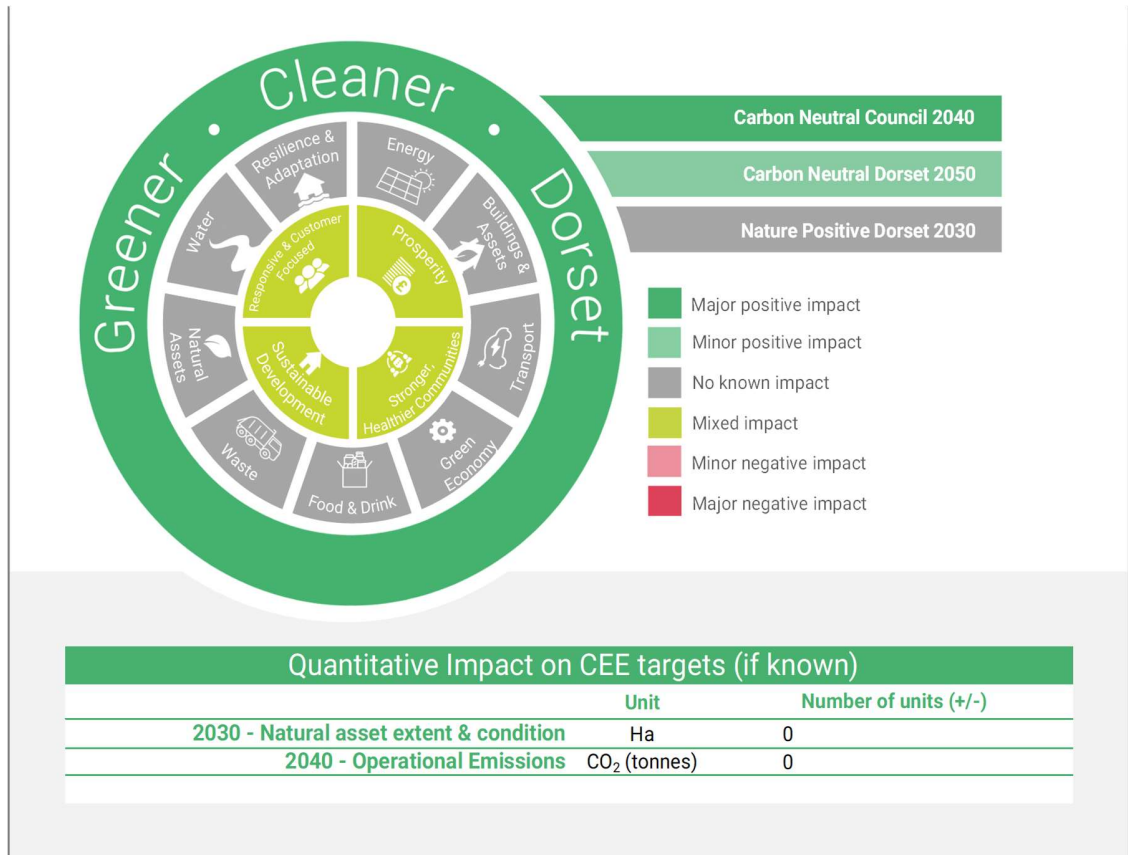
- Internal charges – this includes the “above the line” service recharges paid to Dorset Council.
- Pay related costs- costs relating to staffing including basic pay, national insurance, pension contributions and training.
- Premises related costs– utilities and rates, refuse, planned maintenance, surveys, 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 annual commercial berths, visiting commercial vessels and visiting fishing vessels.
- Leisure activities – marina berths, visiting yachts, use of slipway and PWC permits (PWC permits relate to Weymouth only).
- Rents and licences – income relating to rental of property, vessel 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. Natural Environment, Climate & Ecology 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 made more sustainable. Below is the Decision wheel which shows the impacts of this proposal on the aims of our Natural Environment, Climate & Ecology Strategy



## 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 Advisory 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**

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

Current Risk: Low  
Residual Risk: Low

The Harbours' budget monitoring and regular reporting to the Harbours Advisory 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 Bridport Harbour Financial Summary
- Appendix 2 Lyme Regis Harbour Financial Summary
- Appendix 3 Weymouth Harbour Financial Summary

## 11. **Background Papers**

None

## 12. **Report Sign Off**

- 12.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)