Harbours Advisory Committee

17 September 2025

Harbours Budget Monitoring Report 2025/26

For Review and Consultation

Cabinet Member:
Cllr J Andrews, Place Services

Local Councillor(s):
All Councillors

Senior Leadership Team:
J Britton, Executive Director for Place Services

Report author and job title: James Radcliffe (Bridport and Lyme Regis), Ed Carter (Weymouth) Claire Connolly (Weymouth),
Job Title: Harbour Masters, Business Manager

Email: James.radcliffe@dorsetcouncil.gov.uk, ed.carter@dorsetcouncil.gov.uk claire.connolly@dorsetcouncil.gov.uk

Statutory Authority:

Report status: Public Choose an item.

Executive summary

1. The purpose of the report is to set out the current budget forecasts and reserve balances for Dorset Councils Harbours for 2025/26. The financial summaries are given in the appendices

2. **Recommendation(s)** To note the current budget monitoring figures for 2025/26 as at the end of July 2025.

   2.1 Note the budget forecast 2025/26 for Bridport Harbour, the financial summary is shown on appendix 1.
   2.2 Note the budget forecast 2025/26 for Lyme Regis Harbour, the financial summary is shown on appendix 2.
   2.3 Note the budget forecast 2025/26 for Weymouth Harbour, the financial summary is shown on appendix 3.

Reason for the recommendation(s) The Dorset Council Harbours Strategy and Business Plan provides comprehensive five-year financial and investment framework that guides the future allocation and use of harbour budgets. This strategic approach has helped to re-focus priorities, ensuring that financial planning aligns with long-term development goals.

Strategic Goal 4 of the Harbours Strategy is to maintain a balanced budget while building the capacity for ongoing investment in the harbours. The overarching aim is for Dorset's harbours to become financially self-sufficient, with the ability to manage and reinvest reserves to support strategic objectives.

- **Weymouth and Bridport Harbours** have successfully built-up reserves, enabling them to operate independently and invest in harbour improvements.
- **Lyme Regis Harbour** has achieved a balanced budget, demonstrating strong financial management and sustainability.

  Regular budget monitoring and reporting to the Harbours Advisory Committee plays a key role in managing financial risks. This process ensures that income is reviewed against expectations and that any potential under- or overspending is identified and addressed promptly.

3. **Bridport Harbour Budget Predictions: overall £13,378 favourable**

3.1 Expenditure: overall £102 adverse.

3.2 The Bridport Harbour budget was originally set with an expected year-end surplus of £80,130. The current forecast shows an improved financial position, with a projected surplus of £93,508. This surplus is expected to be transferred into the Bridport Harbour Reserve at year-end.

3.3 Variances to the budget forecast are detailed below:

3.4 An overspend is currently forecast on service recharges due to HR and ICT recharges being recalculated after the original budget was agreed at the December committee. These are based on historic calculations that pre-date Local Government Review. With no source documentation available, these internal recharges have been rolled forward unchanged. Currently under review to ensure they accurately reflect current service levels and associated costs. Adjustments are anticipated as part of the 2026/27 budget setting process.

3.5 A saving is expected due to the vacant Harbour Mechanic post. However, this vacancy is also contributing to a shortfall in income, which is explained below. The saving is further offset by a higher-than-budgeted pay award.

3.6 There is an increase cost currently showing against seasonal staff hours, this will be reviewed prior to the next advisory meeting to ensure that the costs of seasonal staff are accurately split to match their time and duties across Lyme and Bridport

3.7 The cost for dredging is likely to be £50,000 lower than budgeted as a full-year dredging programme is not anticipated in 2025/26

3.8 The identified saving is offset by works approved in the Business Plan. These projects were originally planned to be funded from reserves but will now be met from the revenue budget. The projects are:

- A four-year programme for replacing plastic pontoons
- A three-year programme to replace timber piles

3.9 Income overall: £13,480 favourable

3.10 A shortfall is forecast due to the vacant mechanic post, which has reduced income-generating activities linked to that role.

3.11 A surplus of approximately £42,000 is currently forecast. This is driven by strong performance in car park income (all four car parks are outperforming April–July figures from 2024/25). Additionally, income from boating/mooring activities and concession licensing/rents is expected to be on budget.

3.12 Bridport Harbour Reserves

3.13 An overall forecast net surplus of £93,508 is expected, which will be transferred into reserve at year-end. This is a favourable position compared to the original budgeted surplus of £80,130

4. **Lyme Regis Harbour Budget Predictions: overall no variance**

4.1 Similar to Bridport, an overspend is forecast on service recharges due to HR and ICT recharges being recalculated post-budget setting

4.2 A overspend is forecast due to a higher-than-budgeted pay award and the effects of the re-evaluation of pay (JE) for a number of posts.

4.3 Seasonal staff hours are over budget, which is due to be reviewed

4.4 A minor overspend is expected due to Business Rates (NNDR) being slightly above budget and increased charges for Bank/Cash Collection and Merchant Charges

4.5 The forecast takes into account an unbudgeted receipt of funds from an insurance case in relation to a JCB that was written off.

4.6 A saving of £37,000 is forecast on the dredging budget, as full-year dredging is not expected in this financial year

4.7 **Income** A minor shortfall is forecast on mooring income, but other income areas are broadly on target

4.8 **Reserves / Surplus:** The current forecast is for cost neutrality—the budget is expected to break even. This marks the first year Lyme Regis has operated with a net nil budget.
There is no reserve currently in place for Lyme Harbour, and no surplus transfer is forecast at year-end

5. **Weymouth Harbour Budget Predictions: overall £598,564 favourable**

5.1 The Weymouth Harbour budget was originally set with an expected year-end surplus of £453,268. The latest forecast shows a significantly improved financial position, with the projected surplus now estimated at £1,051,832.

5.2 While revenue is expected to exceed budget expectations across several areas, the primary driver of this increased surplus is a return to normal levels of parking income. This is because of the delay in planned works to Walls F & G, further detail of the financial impact of this is provided later in the report.

5.3 The budgeted surplus is allocated to designated reserves, shown below. Any additional surplus generated during the financial year will be transferred into the reserves. Decisions regarding how these additional funds will be distributed will be made at year-end, based on operational priorities and financial pressures.

• Emergency and Contingency	_
• Maintenance Dredging	£20,000
• Pleasure Pier	£10,000
• Asset Management	£100,000
• Development and Projects	£323,268
	£453,268

5.4 Income: overall £564,065 favourable

5.5 Estimates for parking revenue were initially based on the planned schedule of repair works to Walls F & G. The works were expected to significantly reduce available parking space in the Peninsular car park due to contractor use of the area as a works site. As a result, a reduction in income had been anticipated.

5.6 However, due to a delay to the start of these works, the expected impact on parking revenue has been substantially mitigated for this financial year. Although a boundary fence has been installed to facilitate survey work, from August, the majority of the car park remained operational throughout the busy period.

5.7 In addition, parking income across all harbour-owned car parks has shown an increase for the period April to July, compared to the same period last year. The forecast has been adjusted to reflect this improved performance.

5.8 Other variances to income budgets are detailed below:

5.9 Income from visiting recreational vessels is lower when compared to last year. However, as budgets are estimated using various scenarios and taking into account a 3-year average, this means that income for recreational visitors including overnight stays slipway usage, and water sports permits, is expected to exceed budget expectations. This is partly due to a significant boost in April, when a large private motor vessel made an extended visit.

5.10 The marina remains busy. Although occupancy during the first quarter was lower than in previous years, July and August matched last year's levels. This recovery is attributed to the introduction of more flexible short-term berthing options, which has proven popular. As a result, income from temporary berths has increased by 30%.

5.11 Income from annual berth holders remains stable and is expected to meet budget targets.

5.12 The new fish landing quay and associated facilities (including ice and catch storage) became operational in 2025. While it is too early to forecast the full financial impact an assumption has been made in the budget for a new income stream. As the year progresses and usage patterns become clearer, forecasts will be refined accordingly.

5.13 With the Commercial Area now fully re-opened, a review of space and the charging policy for parking and vehicle storage has resulted in new, additional income.

5.14 There have been delays in commissioning the new fuel service. Once operational, this is expected to generate further income.

5.15 **Expenditure; overall £34,499 favourable**

5.16 Employee costs have increased due to the agreed pay award of 3.2%, which is higher than originally budgeted for.

5.17 An ongoing issue with a water meter a the Peninsular believed to be recording inaccurate readings has now been resolved with a replacement. As a result, water usage has decreased leading to a cost saving.

5.18 Waste Management costs have risen slightly due to efforts to improve recycling practices across the harbour.

5.19 There have been some additional costs for Legal Services provided in support of the latest Harbour Revision Order.

5.20 Service recharges for HR and ICT were recalculated after the original budget was agreed at the December committee, for Weymouth, this has resulted in a saving**.** A review is being undertaken to ensure budgets reflect current service level and costs; adjustments are expected in the 2026/27 budget process.

5.21 There have been increased costs associated with bank and cash handling charges.

5.22 The Weymouth Quay Redevelopment Project has impacted on the Peninsular car park. While additional parking spaces have been created, some have since been removed in a different location to ensure sufficient and safe manoeuvring space for larger vehicles exiting the commercial area. This has led to unexpected costs.

5.23 **Weymouth Harbour Reserves:**

5.24 The reserve balance brought forward is £3,816,381.

5.25 This balance is committed to delivering a programme of works aimed maintaining and improving harbour facilities. These investments are essential to protect income streams and support the strategic priorities outlined in the Dorset Harbours Strategy and Business Plan.

5.26 To maintain financial transparency, harbour reserves are divided into separate categories, clearly outlining how funds are allocated and helping to identify resources available for future projects and investments.

5.27 These reserves are not ringfenced, they are managed flexibly. Surpluses may be allocated between reserve categories as needed to respond to changing financial pressures and spending requirements.

5.28 The reserves and forecast balances are as follows:

5.29 **Emergency and Contingency: £200,000**. £500,000 is committed from this reserve to fund the year 2 of 3 contribution to repairs to Walls F&G.

5.30 **Maintenance Dredging: £183,575**. The annual contribution to this has been reduced to £20,000 to help towards funding repairs to Walls F&G

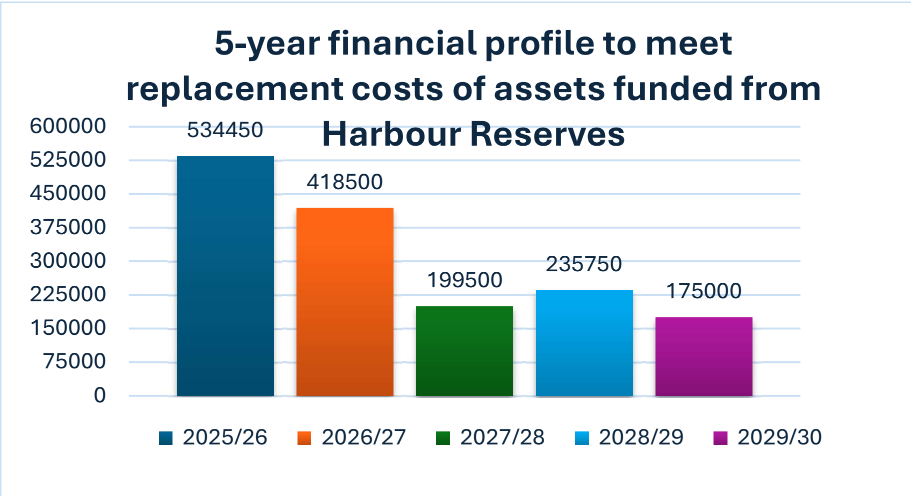
5.31 **Pleasure Pier:** £176,551. The annual contribution to this has been reduced to £10,000 to help towards funding the £500,000 costs for wall repairs

5.32 **Asset Management: £634,608**

5.33 This reserve is committed to replacement and renewal of existing assets and infrastructure. A 25-year Asset Management Plan is in place to guide long term investment decisions. Ongoing assessment of harbour assets remains critical to financial sustainability. With regular reviews, both short and long term, focusing on how assets are being used to maximise the life of items and prioritisation of works.

5.34 The expected spend for projects in 2025/26 is £534,450 which includes several projects carried forward from 2024/25.

5.35 The chart below illustrates the financial commitments over the next five years, as outlined in the Asset Management Plan.

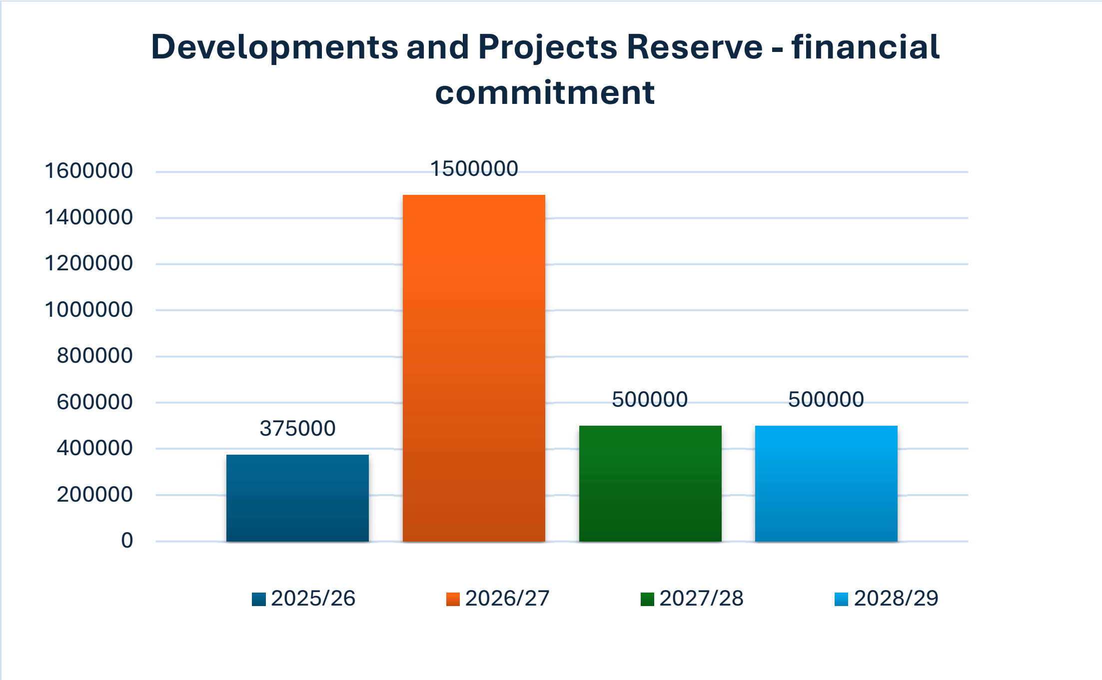


5.36

5.37 Each year, a percentage of the annual surplus is allocated to this reserve. The chart demonstrates the importance of maintaining a consistent level of contribution to ensure future planned works can be delivered effectively.

5.38 **Development and Projects: £1,665,465.** A significant programme of investment in the harbour is planned, including with a full programme of marina replacement and improvement works out lined in detail within the Business Plan. Each year a percentage of the annual surplus is transferred into this reserve to support the delivery of these works.

5.39 The chart below shows the financial commitments associated with this reserve. Once the initial cost of the improvements has been met, ongoing contributions will continue to be made into replacement funds, ensuring future maintenance and upgrades can be sustainably financed.



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5.41 **Weymouth Quay Regeneration Project: £400,000** was committed in this financial year to fund works associated with the Weymouth Quay Regeneration Project. A lower final payment of £186,000 has been approved and will be funded from reserves.

5.42 **Harbour Walls Reserve: £1,000,000**. The cost of the repairs to Walls F&G of £1.48 million is being funded over a 3-year period. 2025/26 is the year 2 contribution

6. Financial Implications

The financial picture for all three harbours is positive.

Bridport and Weymouth are expected to return year-end surpluses. Both have established reserves that can be used to support the delivery of key objectives outlined in the Dorset Harbours Business Plan

Lyme Regis Harbour is currently on track to deliver a balanced budget. However, should unexpected financial pressures arise, Lyme may need to seek corporate financial support to maintain budget stability.

This report provides a summary of the harbours' financial performance, structured under standard corporate reporting headings for consistency.

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

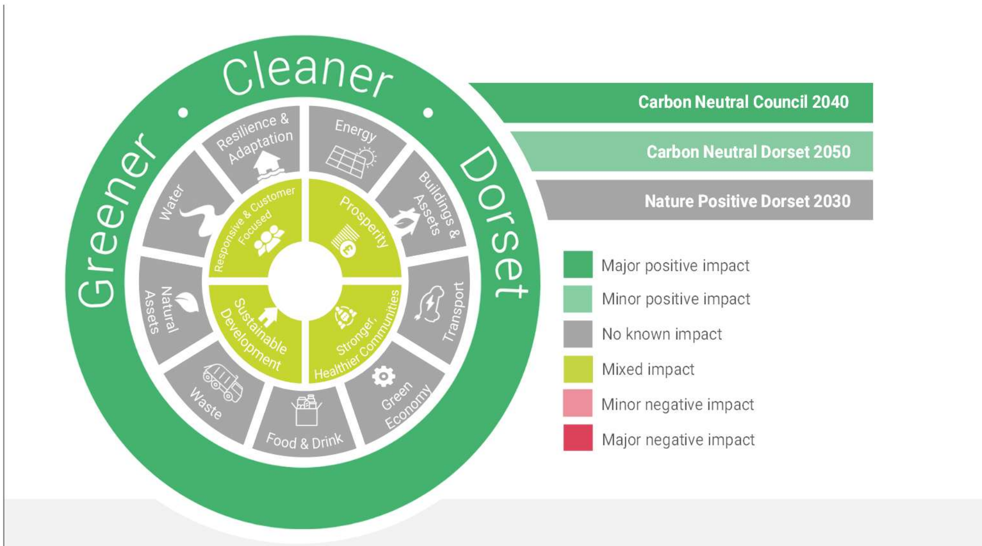
- Internal charges – this includes the “above the line” service recharges paid to Dorset Council.
- Pay related costs- costs relating to staffing including basic pay, national insurance, pension contributions and training.
- Premises related costs– utilities and rates, refuse, planned maintenance, surveys, 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.

7. **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.



Quantitative Impact on CEE targets (if known)

	Unit	Number of units (+/-)
2030 - Natural asset extent & condition	Ha	0
2040 - Operational Emissions	CO_2 (tonnes)	0

8. 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

9. 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

10. Risk implications

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

Current Risk: Low

Residual Risk: Low

11. Equalities

There are no equalities implications arising from this report.

12. Appendices

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

13. Background papers

None

7 Report sign-off

11.1 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)