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Harbours Advisory Committee

29 June 2026

Harbours Year End Budget Report 2025-26

For Review and Consultation

Cabinet Member:
Cllr J Andrews, Place Services

Local Councillor(s):
All Councillors

Senior Leadership Team:
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Statutory Authority: Weymouth Harbour Revision Order 2021, Local Legislation

Report status: Public Choose an item.

Executive summary

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

2. **Recommendation(s)**

2.1 That the Harbours Advisory Group note the 2025/26 year-end budget figures and reserve balances for Dorset Councils harbours.

3. **Reason for the recommendation(s)**

3.1 The Dorset Council Harbours Strategy and Business Plan provide comprehensive financial and investment framework that guides the future allocation and use of harbour budgets.

3.2 Strategic goal number 4 of the harbour 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 aims.

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3.3 Regular budget monitoring and regular 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.

4. **Bridport Harbour year end favourable position £22,513**

4.1 The Bridport Harbour budget was originally set with an anticipated surplus of £80,130; this increased to a year end surplus of £102,643.

4.2 This partly relates to a reorganisation of how works set out in the business plan are funded. Previously, these works were funded from the revenue budget; however, they are now being funded from reserves. A total of £81,942 has been funded from reserves in 2025/26, including pontoon maintenance works, timber pile replacement, and replacement chains.

4.3 Reserve balances were established to support harbours in delivering works set out in the Business Plan. Now that reserve balances have reached a healthy level, it is intended that this approach will continue in the future.

4.4 Water Injection Dredging trials were commissioned this year to investigate a more cost-effective method of dredging. The initial trials were affected by adverse weather conditions, so a further trial was commissioned to obtain a more accurate assessment. Overall, the annual budget for routine dredging has come in under budget

4.5 Other variances to the budget forecast are detailed below.

4.6 An overspend on service recharges due to HR and ICT recharges being recalculated after the original budget was agreed at the December 2024 committee. These have been reviewed and updated for future budgets.

4.7 There was saving due to the vacant Harbour Mechanic post. However, this vacancy is also contributing to a shortfall in income, due to unrealised income-generating activities linked to the role.

4.8 Additional factors relating to pay related costs that have resulted in an overspend; a higher-than-budgeted pay award, the re-evaluation of pay (JE) for a number of posts and increased seasonal hours worked.

4.9 There have been some further overspends due to Business Rates (NNDR) being slightly above budget, increased charges for Bank/Cash Collection and Merchant Charges, Legal costs associated with the Harbour Revision Order and Insurance costs.

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4.10 Income from harbour owned car parks, shop sales, dive initiative and boat storage have all exceeded budget expectations.

4.11 Income from mooring fees, visitor launch and berthing fees are slightly down on budget.

5 **Lyme Regis - year-end deficit £33,988**:

5.1 Similar to Bridport, there has been an overspend on service recharges due to HR and ICT recharges being recalculated post-budget setting. In addition to this, there has been a further overspend as an insurance excess charge has been processed.

5.2 There has also been an overspend relating to a higher-than-budgeted pay award and the effects of the re-evaluation of pay (JE) for a number of posts.

5.3 An increase in contractor expenditure has occurred due to works arising from recent storm damage.

5.4 Other overspends relate to Business Rates (NNDR) being slightly above budget, increased charges for Bank/Cash Collection and Merchant Charges and the Legal costs associated with the Harbour Revision Order and Insurance costs.

5.5 A saving was achieved on the dredging budget at Lyme, as full-year dredging was not carried out in the 2025/26 financial year.

5.6 Income overall was good, and on track or exceeded budget expectations, with increases from the onsite short stay car park, fuel sales, kayak storage and slipway usage.

5.7 However, there was a shortfall for annual mooring and visiting craft income plus reduced concession income following several licence surrenders.

5.8 Reimbursements and contributions relate to income generated from memorials. Although an income shortfall was expected, this is offset by a corresponding saving under the budget heading Supplies & Services. Income and associated expenditure are expected to remain at this level and will be reflected in future budgets.

5.9 The final outturn was a net cost of £33,988 for the Lyme Regis budget, compared with earlier projections of a cost neutral position. This adverse position reflects some recent unavoidable costs and reduced concession

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income. As there is no balance in the reserve, the overspend will fall to the overall Place Directorate outturn.

6 Weymouth Harbour - year-end surplus £1,126,419:

6.1 The Weymouth Harbour budget was originally set with an expected surplus of £453,268. The financial position has improved, resulting in a year-end surplus of £1,126,419.

6.2 At a high level, overall, it was a very successful year in terms of financial performance and across most areas the harbour achieved or exceeded budget expectations. The increased surplus is primarily due to higher-than-expected parking income and an underspend on planned projects. Further detail is provided later in the report.

6.3 A financial summary is shown at appendix 3.

6.4 Income: overall £634,712 favourable

6.5 Revenue exceeded budget expectations across most areas. The most notable variance relating to parking income. Parking income projections were originally based on the schedule of the Walls F&G repair works, which were expected to reduce parking capacity. Due to the delay in the start of these works, the anticipated reduction in income has largely been avoided in the current financial year as the majority of the car park remained operational throughout the peak period.

6.6 Income from visiting recreational vessels is lower when compared to last year, however, income has been boosted by visits from super yachts and winter berthing income. Budgets are estimated using various scenarios, this means that income for recreational visitors including overnight stays, slipway and water sports permits have exceeded budget forecasts.

6.7 The marina remains busy, although overall occupancy is lower than in recent years; this is not unexpected. Whilst annual lets remain our priority, the introduction of a flexible berthing option, including monthly temporary berthing, has resulted in a significant increase in income from temporary berths. This growth is primarily within the smaller 6–8 m berths, that may have been otherwise vacant. Combined income from annual berth holders and temporary lets is above the budget projection and slightly higher than last year.

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6.8 The fish landing quay and its associated facilities, including ice production and catch storage became operational in 2025, creating a new income stream that was not included in the original forecast.

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

6.10 Expenditure overall £38,439 favourable

6.11 Although the pay award was higher than budgeted and additional costs were incurred to cover long-term sickness, savings from a recruitment gap and reduced spending on seasonal staff have helped bring the budget back on track.

6.12 There have been a number of issues with energy costs, that has resulted in on overspend.

6.13 Electricity consumption in the commercial area has increased due to the ongoing Walls F&G works. These additional costs are being recharged to the contractor.

6.14 A new electrical supply was installed as part of the regeneration project. Following discussions with Assets and Property, this supply exceeds the harbour's operational requirements and attracts high fixed charges that cannot be reduced or avoided. We are working with A&P to explore options to remove this cost from the harbour budget.

6.15 Some of these costs can be offset, as recent monitoring of electricity usage in the commercial area shows that the solar installation is successfully reducing costs on our original supply. We are also in discussion with a contractor about directing more of our electricity consumption to the solar installation to further reduce costs.

6.16 An ongoing issue with a water meter at the Peninsular believed to be recording inaccurate readings has now been resolved with a replacement, leading to a cost saving. However, this saving has been offset by a significant, previously undetected, water leak.

6.17 Waste management costs have been reviewed. We have implemented enhanced recycling practices across the harbour, and these costs have been offset by reducing the number of bins and collection frequencies across several sites.

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6.18 There is an allocated budget each year for routine maintenance; however, only a small proportion of this budget was required this year, resulting in a saving.

6.19 Service recharges for HR and ICT were recalculated after the original budget was agreed, for Weymouth, this has resulted in a saving**.** A review of service recharges as a whole was conducted to ensure budgets reflect current service levels and costs, and adjustments have been incorporated into the 2026/27 budget.

6.20 There have been increases in costs across parking budgets, including bank and cash collection charges, higher business rates, and general maintenance and repair expenses. As reporting and records improves, historical data can be better monitored and budget setting in this area will become more accurate.

7 Reserves Balances and Asset Management Plans

7.1 Any surpluses for all three harbours go into designated reserves

7.2 Reserves balances are 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.

7.3 Bridport's year end reserve balance is £282,494. In this financial year, works set out in the business plan totalling £81,942 have been funded from reserves.

7.4 In addition to that, storms in March deposited an exceptional volume of shingle at the harbour entrance, creating a significant and unforeseen dredging requirement. The resulting clearance works were costly and spanned two financial years. Costs of £134,000 were incurred in 2025/26, with a further £190,000 in 2026/27, giving a total of £324,000.

7.5 A contribution of £200,000 has been received from Emergency Directorate Fund to support these works. Now that the full costs are known, it is hoped that a further contribution may be secured to minimise the impact on reserve balances.

7.6 Lyme Regis does not currently have a balance in reserves.

7.7 For Weymouth the budgeted surplus of £453,268 has been transferred into reserves and allocated to the relevant reserve funds.

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7.8 The surplus of £673,151 has also been transferred into reserves and will be used to increase the reserve set aside for the Emergency and Contingency fund.

7.9 Weymouth Harbour was successful in securing funding from the Community Infrastructure Levy towards improvements at the Pleasure Pier. These improvements included new benches, artwork, murals, and information boards. The costs have been included in the revenue budget, while the funding of £9,371 has been recorded as a balance within the reserve fund.

7.10 This means that a total of £1,135,790 has been transferred into reserves resulting in a year-end balance of £4,140,495.

7.11 There are two key areas that have had a significant impact on the increased surplus.

7.12 Firstly, the budgeted reduction in parking income that was anticipated was largely avoided due to the delay to the start of the wall repairs.

7.13 Secondly, there is a programme of works scheduled for 2025/26 under the Asset Management Plan. A number of projects were originally planned; however, peak demand during the summer season reduces our capacity to deliver works at that time of year. As a result, it is often challenging to complete all planned projects, and prioritisation has been necessary. Following a review, a number of projects have been deferred or carried forward. Whilst many of these projects have commenced, they are not yet complete; therefore, the associated budgets will need to be carried forward into the 2026/27 financial year.

7.14 In addition to the in-year spend on Asset Management and Improvements, other costs funded from the reserve include an approved second-year contribution of £500,000 towards harbour wall repairs, which has been transferred into a separate walls reserve.

7.15 There have also been two contributions made from reserves: £186,182 as the final agreed contribution towards the Weymouth Quay Regeneration Project. This is to cover costs beyond the original project specification (additional fencing, additional fuel infrastructure, increased groundwork and electrical installation costs etc)

7.16 The second contribution is towards the return of Weymouth's Seafood Festival; in recognition of the significant value it brings to both the harbour and the town.

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7.17 While reserves are currently healthy, over the next few years, several costly projects are scheduled as part of the business plan. Weymouth Harbour has extensive infrastructure that is expensive to maintain and replace so it is essential to recognise that these funds are required to support this level of work.

8 Financial Implications

The report covers harbour budgets. The summary information is presented under the standard corporate headings. Dorset Council has outlined its financial plans for Bridport, Lyme Regis, and Weymouth Harbours for the 2025/26 financial year, with a focus on maintaining safe, sustainable, and economically viable operations. Revenue adjustments and any cost pressures have been considered when setting forecasts.

The harbours accounts form part of the Councils overall Statement of Accounts, which is considered and approved by the Audit Committee.

9 Legal considerations

This report has been reviewed and signed off by the Monitoring Officer and Section 151 Officer, confirming compliance with relevant legal and financial regulations. All proposed fees and use of reserves are in line with the Council's statutory powers and financial governance requirements.

10 Natural environment, climate & ecology implications

The Harbours' budgets 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.

11 Well-being and health implications

The harbour budget supports safe, well-maintained facilities that contribute to the well-being of harbour users, including local fishermen, recreational boaters, and visitors. Continued investment in infrastructure and services helps promote a safe working environment and supports the economic and social vitality of coastal communities.

12 12 Other implications

Harbour issues are subject to regular consultation with customers, the Harbour Consultative Group and the Harbours Advisory Group.

13 Risk implications

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

Current Risk: Low

Residual Risk: Low

14 Equalities

There are no equalities implications arising from this report

15 Appendices

Appendix 1 Bridport Harbour Financial Summary

Appendix 2 Lyme Regis Harbour Financial Summary

Appendix 3 Weymouth Harbour Financial Summary

16 Background papers

None

17 Report sign-off

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).