



Briefing Report No: **76/2008**

Public Agenda Item: **Yes**

Title: **Marine Services Budget Monitoring 2007/08**

Wards Affected: **All Wards in Torbay**

To: **Harbour Committee**

On: **25 March 2008**

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1. Key points and Summary

- 1.1 This report provides Members with projections of income and expenditure for the year 2007/08 compared with approved budgets.
- 1.2 This report identifies the overall budgetary position for Marine Services as at end of February 2008 to enable appropriate action to contain expenditure and maintain reserves at appropriate levels.
- 1.3 The Committee is asked to note the amended outturn positions of the two harbour accounts and the resulting change in reserve movements.
- 1.4 The Committee is asked to note the Director of Marine Service's use of delegated powers to make decisions in relation to the budget allocated to Marine Services.
- 1.5 The Torquay and Paignton Harbours budget expenditure is expected to exceed the original budget within rent concessions, other operating costs, internal support services and other administration costs, the effect of these adjustments are offset by increased income including marina rental and mooring fees. The Account is now expected to make a deficit for the year following a decision to increase the contribution to the bad debt provision to prudently insure against current rental arrears. Further details can be found at Appendix 1.
- 1.6 The Brixham Harbour expenditure is expected to show savings within salaries and wages however internal support costs are expected to exceed the original budget. The income is expected to exceed the original budget within fish tolls, rents, marina income, harbour dues and mooring fees based on the 2006/07 outturn figures and existing levels. Further details can be found at Appendix 1.
- 1.7 The Committee is further requested to note the current position regarding Harbour capital schemes. Approval to amend the Capital Plan in relation to these schemes by Council will be sought via standard procedures.

2. Introduction

- 2.1 The Marine Services budget was approved by Council on 14 December 2006 as part of the Council's overall revenue budget.
- 2.2 This is the final budget monitoring report presented to the Harbour Committee for the financial year 2007/08.
- 2.3 The projected outturn at Appendix 1 reflects amendments to the budget made within the Director of Marine Service's delegated powers. Details of each amendment can be found in the associated note.
- 2.4 The performance against budget is summarised below:

	Original Budget 2007/08	Current Budget 2007/08	Projected Outturn
	£000	£000	£000
Torquay and Paignton Harbours Surplus/(Deficit)	26	12	(20)
Brixham Harbour Surplus/(Deficit)	(37)	35	83

- 2.5 The current progress of Harbour capital schemes is detailed below.

	Total Budget	Actual to Date (including prior years)	Projected Outturn	Notes
	£000	£000	£000	
Torquay Harbour – Town Dock	1,100	1,024	1,140	(i)
Brixham Harbour – Various Repairs	637	650	650	(ii)
Brixham Harbour – New Fish Quay Commercial Units	2,000	0	2,000	(iii)

- (i) Additional costs have been incurred to protect the structure from accelerated low water corrosion. This expenditure was not originally expected. The project, otherwise, will be delivered on budget.
- (ii) As this work was overseen by Council Engineers it was anticipated that the professional fees would be attributed to the internal support revenue charges, however, these fees have subsequently been applied to the capital cost. The capital scheme, which would otherwise be on budget, therefore shows an overspend which is offset by a surplus on the Brixham Harbour revenue account.
- (iii) Works commenced in February 2008.

Capt Kevin Mowat
Director of Marine Services

Pete Truman
Principal Accountant

Appendices

Appendix 1 Harbour Revenue Accounts 2007/08

Documents available in members' rooms

None

Background Papers:

The following documents/files were used to compile this report: