



Briefing Report No: **275/2008**

Public Agenda Item: **Yes**

Title: **Marine Services Budget Monitoring 2008/09**

Wards Affected: **All Wards in Torbay**

To: **Harbour Committee**

On: **29 September
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 2008/09 compared with approved budgets.
- 1.2 This report identifies the overall budgetary position for Harbour and Marine Services as at end of August 2008 to enable appropriate action to contain expenditure and maintain reserves at appropriate levels.
- 1.3 The Committee is asked to note any amended outturn positions of the two harbour accounts and the resulting change in reserve movements.
- 1.4 The Committee is asked to note the Executive Head of Harbour and Marine Service's use of delegated powers to make decisions in relation to the budget allocated to Harbour and Marine Services.
- 1.5 The Torquay and Paignton Harbours budget is now expected to make a deficit due to a reduction in charges income at Torquay compounded by bad debts arising from lease rentals.
- 1.6 The Brixham Harbour expenditure budget has been increased to reflect ongoing ancillary costs relating to the Brixham redevelopment, as previously reported. This increase has been met by a contribution from the Reserve which represents the balance of a specific provision relating to unspent capital charges from previous years. Fish tolls projections have been revised and are now expected to fall below the budgeted level. The deficit on the Brixham Harbour budget has therefore increased.

2. Introduction

- 2.1 The Harbour and Marine Services budget was approved by Council on 3rd December 2007 as part of the Council's overall revenue budget.

- 2.2 This is the second budget monitoring report presented to the Harbour Committee for the financial year 2008/09.
- 2.3 The projected outturn at Appendix 1 reflects amendments to the budget made within the Executive Head of Harbour and 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 2008/09	Current Budget	Projected Outturn 2008/09
	£000	£000	£000
Torquay and Paignton Harbours Surplus/(Deficit)	34	34	(36)
Brixham Harbour Surplus/(Deficit)	(13)	(13)	(37)

- 2.6 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	1,140	1,082	1,140	(i)
Haldon and Princess Piers	1,240	11	1,240	(ii)
Brixham Harbour – Various Repairs	640	657	657	(iii)
Brixham Harbour – New Fish Quay, Market & Buildings	4,500	0	4,500	(iv)

- (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) Preliminary costs have now commenced on this project and work is expected to commence in spring 2009.
- (iii) 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 due to these internal charges.
- (iv) Work commenced in February 2008. Harbour funding will not be required until the latter stages of the project. (Please refer to separate update report at this meeting)

Captain Kevin Mowat
Executive Head of Harbour and Marine Services

Pete Truman
Principal Accountant

Appendices

Appendix 1 Harbour Revenue Accounts 2008/09

Documents available in members' rooms

None

Background Papers:

None