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Dear Member

HARBOUR COMMITTEE - MONDAY, 22 MARCH 2021

I am now able to enclose, for consideration at the Monday, 22 March 2021 meeting of the Harbour Committee, the following reports that were unavailable when the agenda was printed.

Agenda No	Item	Page
7.	Budget Monitoring	(Pages 57 - 58)

Yours sincerely

Lisa Antrobus
Clerk

HARBOUR REVENUE ACCOUNTS 2020/21 - BUDGET MONITORING

TOR BAY HARBOUR AUTHORITY

	2020/21 Original Budget £ ,000	2020/21 Current Budget £ ,000	2020/21 Projected Outturn £ ,000	Notes
Expenditure				
Harbour Employee Costs	651	652	649	1
Premises Costs:-				
Repairs and Maintenance	322	304	327	2
Energy & Water	184	240	235	3
Cleaning & Waste	107	90	79	
Other Premises & Insurance costs	115	134	136	4
Operational Costs:-				
Security Services including CCTV	141	141	141	
Professional Services	59	59	66	5
Equipment and V&P	45	45	45	
Other Services	107	110	110	
General & administration expenses	83	59	60	6
Internal Support Services	185	239	239	7
User Charges Concessions	14	11	11	
Capital Charges	537	536	552	8
Contribution to General Fund - EHO	25	25	25	
Contribution to General Fund	802	852	852	9
	<u>3,377</u>	<u>3,497</u>	<u>3,527</u>	

	2020/21 Original Budget £ ,000	2020/21 Current Budget £ ,000	2020/21 Projected Outturn £ ,000	Notes
Expenditure brought forward	<u>3,377</u>	<u>3,497</u>	<u>3,527</u>	
Income				
Rents and Rights :-				
Property and Other Rents/Rights	607	563	578	10/12
Marina Rental	453	453	375	11/12
Operating Income :-				
Harbour Dues	74	58	63	12/13
Visitor and Slipway	65	56	64	
Mooring fees	286	256	262	12/13
Pontoon Berths	598	591	594	13
Fish Toll Income	982	900	900	14
Recharged Services	135	153	94	15
Harbour Facilities charges	82	66	66	13
Licences & Contractor passes	29	40	36	
Reserved Car Parking	38	30	30	13
Miscellaneous & Administration charges	28	41	51	
Covid-19 income grant	0	125	250	16
	<u>3,377</u>	<u>3,332</u>	<u>3,363</u>	
Operating Surplus /(Deficit)	0	(165)	(164)	
Gain share contribution to General Fund	0	0	0	
Gain share Contribution to Harbour Reserve	0	0	0	
Shortfall in Council contribution	0	0	0	9
Net Surplus /(Deficit)	<u>0</u>	<u>(165)</u>	<u>(164)</u>	

RESERVE FUND		
Opening Balance as at 1st April	380	380
Interest Receivable (estimated)	1	1
Net Surplus / (Deficit) from Revenue Account	(165)	(164)
Contribution to Revenue	0	0
Capital Funding	(206)	(197)
Expected Closing Balance as at 31st March	<u>10</u>	<u>20</u>

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Note: In line with Harbour Committee minute 398 (5) December 2011 the minimum Reserve level at year end 2020/21 is **£675k** based on 20% of budgeted turnover to meet any deficit in the revenue budget or winter storm damage. The balance is earmarked for harbour related capital projects.

HARBOUR REVENUE ACCOUNTS 2020/21 - BUDGET MONITORING**NOTES**

- 1 Additional costs were incurred on temporary staff to cover long term sickness absence and have been offset by savings following a restructure of operations staff and vacancy management.
- 2 Savings were achieved earlier in the year through removal of outer moorings at Brixham due to falling demand and fender maintenance being covered within spending on the health & safety capital scheme. Subsequent maintenance requirements and the salvaging of sunken boats has exhausted the budget.
- 3 The budget for electricity charges has been re-based in line with previous year actuals and current year consumption.
- 4 There has been a rise in the marine insurance premiums together with additional NNDR liabilities on vacant units.
- 5 Hydrographic surveys have been undertaken for each Harbour.
- 6 Expenditure moratorium savings are targeted over a number of headings.
- 7 Charges for corporate and governance services have been discounted in previous years but are being applied in full from 2020/21.
- 8 Interest charges on Harbour Light redevelopment borrowing costs are now being applied. This cost has previously been absorbed within a net rent income figure with the gross rent now being reflected at note 10.
- 9 The financial performance will not generate a surplus for a gain share contribution to the General Fund. However, the General Fund budget for 2019/20 approved by full Council included an additional £50k to the base Harbour Account contribution which will be required. The balance of this contribution was previously shown separately but has now been brought in to the overall contribution amount as it remains within the General Fund base budget. The additional contribution will significantly impact the Harbour Reserve.
- 10 There has been no take up of boat booking kiosk sites at Torquay Harbour for the current year tender with a resulting loss of income of £35k. The accounting requirements for the Harbour Light redevelopment have now been determined resulting in a higher benefit to the Harbour Account than previously projected. The gross rent figure is now reflected in this line with a capital charge for the associated borrowing costs shown at note 8.
- 11 It is anticipated that income from the Marina will have been impacted by Covid-19 and a reduced rent has been estimated.
- 12 The income budget targets have been reallocated to reflect the inclusion of harbour dues within a single moorings charge as per the approved Schedule of Charges.
- 13 A shortfall is anticipated over a number of income headings following the impact of Covid-19. An allocation of government grant funding to be received by the Council is estimated at note 13.
- 14 Fishing and market operations were shut down during the first lockdown period. Fish toll levels may remain volatile subject to continuing Covid-19 developments and the impact of the European trade agreement.
- 15 Further recharges for electricity usage are expected although implementation has been delayed until new systems are fully in place.
- 16 As part of its Covid-19 financial assistance package the government is making grants to local authorities in respect of lost income from sales, fees and charges. The allocation of the estimated grant is based on an initial submission and is subject to change when the terms of the grant are finalised.
- 17 Residual funding of approved capital schemes - Brixham water metering (£56k), Brixham Northern Arm viability costs (£59k), Health & Safety works (£77k) and Torquay South Pier Pontoon (£5k).