

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	River Hamble Harbour Management Committee
Date:	19 October 2010
Title:	River Hamble Budget Monitoring 2010/11
Reference:	2120
Report From:	The County Treasurer and Director of Culture, Communities and Rural Affairs

Contact name: Ron Meekings
David Evans

Tel: 01962 847096 **Email:** Ron.meekings@hants.gov.uk
01489 576387 David.evans@hants.gov.uk

1. Executive Summary

- 1.1 This report provides the River Hamble Harbour Management Committee with an update on the Harbour Authority's current financial position for 2010/11.
- 1.2 The approved budget is for a surplus of £12,000 to be achieved. Based on activity to the middle of September, this is likely to be the minimum surplus achieved, with a best case surplus in the region of £20,000.

2. Financial Position 2010/11

- 2.1 The budgeted surplus for 2010/11 is £12,000:

	£000
Income	664
Expenditure	652
	12

- 2.2 Since the approval of the budget, in addition to the usual ebb and flow in income and expenditure, two items with significant financial consequences have been approved by the Harbour Board:
- The revised staffing structure for the Harbour Office.
 - The 10% reduction in Dues rates.

- 2.3 The revised staffing structure is estimated to save some £35,000 in 2010/11: this remains subject to confirmation of all grading levels. This saving is partially offset by the impact of the recently agreed 10% reduction in Harbour Dues, which will reduce income by approximately £16,000 in 2010/11.
- 2.4 Taking into account these two factors, a ‘theoretical’ surplus of some £31,000 could be anticipated, all other things being equal. However, in the light of other budgetary issues, the surplus is likely to be in the region of £15,000, as shown in the Appendix to this report.
- 2.5 The main reasons for the difference between the ‘theoretical’ surplus of £31,000 and the projection of £15,000 are summarised below:

	£000
Employees - maternity cover and outcome of grading appeal.	13
Reduction in visitor and miscellaneous income (based on a relatively cautious projection reflecting potential impact of recession).	8
Reduced expenditure on supplies and services – in particular the ‘other services’ budget covering items such as legal expenses.	-8

- 2.6 The budget will continue to be monitored in the course of the financial year, and opportunities for savings – over and above the approximately £40,000 already factored into the budget and the subsequent reductions in staff expenditure – will be sought. The main variable which is likely to affect whether the budget is closer to the budgeted level or some £20,000 is the level of visitor income in the rest of the financial year.
- 2.7 The Harbour Authority also requires a long-term solution to accommodating the workshop and administration store, and this could also have an impact on the revenue account for the current financial year.
- 2.8 If the surplus for 2010/11 were to be £15,000, the Revenue Reserve position would be as follows:

	£000
Balance at 1 April 2010	195
Approved transfer to Asset Replacement Reserve	(180)
Surplus 2010/11	15
	<u>30</u>

A balance of £30,000 would be in accordance with the Reserves Policy, which requires the balance to be no more than 10% of the annual gross budget (approximately £65,000).

3. Recommendations

- 3.1 It is recommended that the River Hamble Harbour Management Committee note the financial position for 2010/11.**

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	no
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	no
Corporate Improvement plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

	2010/11 Budget	2010/11 Actual	2010/11 Projection	2010/11 Variance
INCOME				
Visitor/Miscellaneous	(40,100)	(24,452)	(32,000)	8,100
The Crown Estate & Other Funding	(61,700)	(23,815)	(61,700)	0
Harbour Dues	(561,600)	(413,853)	(541,800)	19,800
Interest	(700)	0	(300)	400
GROSS INCOME	(664,100)	(462,120)	(635,800)	28,300
EXPENDITURE				
Salaries & Oncosts	394,100	168,039	374,000	(20,100)
Other Employee Expenses	3,200	335	500	(2,700)
Employees	397,300	168,374	374,500	(22,800)
Rent/Rates/Leases	36,500	25,350	36,300	(200)
Utilities	6,000	1,913	6,600	600
Other Premises Costs	3,100	446	900	(2,200)
Premises	45,600	27,709	43,800	(1,800)
Boats - Repairs & Expenses	21,000	20,957	25,400	4,400
Staff Travel	4,000	766	1,500	(2,500)
Insurance	1,600	0	1,600	0
Transport	26,600	21,723	28,500	1,900
Office Expenses	34,100	18,454	34,900	800
Environmental Maintenance	1,000	1,345	1,500	500
Public Jetties & Navigational Safety	9,500	15,487	16,700	7,200
Central Department Charges	37,400	0	37,400	0
Other Services	15,500	1,798	7,800	(7,700)
Contribution to Asset Replacement Reserves	43,000	0	43,000	0
Port Waste Management Plan	2,700	144	2,700	0
Dredging Plan	1,400	0	0	(1,400)
Oil Spill Response	6,000	3,418	6,400	400
Estuary Management Plan	1,500	0	0	(1,500)
Hydrographic Consultancy	5,000	0	5,500	500
CCTV	5,000	640	700	(4,300)
The Crown Estate Settlement	20,000	(9,697)	17,800	(2,200)
Supplies & services	182,100	31,589	174,400	(7,700)
GROSS EXPENDITURE	651,600	249,395	621,200	(30,400)
NET SURPLUS	(12,500)	(212,725)	(14,600)	(2,100)