

SOUTHWOLD HARBOUR MANAGEMENT COMMITTEE

Monday, 24 July 2023

Subject	Southwold Harbour Management Committee – Draft Outturn report for Budget 2022/23 & Monitoring Report Quarter 1 2023/24
Supporting Officer	<p>Martin Hone Interim Deputy Chief Finance Officer martinhone@eastsoffolk.gov.uk</p> <p>Chris Bally Chief Executive Chris.bally@eastsoffolk.gov.uk</p>

Is the report Open or Exempt?	OPEN
-------------------------------	------

Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	Not applicable
Wards Affected:	Southwold

Purpose and high-level overview

Purpose of Report:

This report provides the Committee with an overview of the draft outturn position for the year ending 31 March 2023 and financial performance to the end of Q1 2023/24.

Recommendation:

That having reviewed the Draft Budget Monitoring Report for 2022/23 Outturn and Q1 2023/24 the Harbour Management Committee report this to Cabinet.

Impact Assessment

Governance:

None directly arising from this report.

Environmental:

None directly arising from this report.

Equalities and Diversity:

None directly arising from this report.

Financial:

Details on the financial performance of the Harbour and the Caravan and Camping Sites for the year 2022/23 is provided in Section 2 below and supported by **Appendix A**.

Details of the financial performance of the Harbour and the Caravan and Camping Sites for the first Quarter of 2023/24 is provided in Section 3 below and supported by **Appendix B**.

Legal:

None directly arising from this report.

Risk:

None directly arising from this report.

Harbour Business Plan Priorities

To be added when the plan is in place.

East Suffolk Council Strategic Plan Priorities

Select the themes of the Strategic Plan which are supported by this proposal:		
T01	Growing our Economy	<input checked="" type="checkbox"/>
T02	Enabling our Communities	<input checked="" type="checkbox"/>
T03	Maintaining Financial Sustainability	<input checked="" type="checkbox"/>
T04	Delivering Digital Transformation	<input type="checkbox"/>

Background and Justification for Recommendation

1 Background facts

1.1 The Terms of Reference of the Harbour Management Committee state that the Committee will monitor performance against approved budgets and take appropriate action where this is required, and that the Committee will make a six monthly and annual report to the Cabinet reporting on performance against budget. This report presents a draft outturn position as at Quarter 4 for the year ending 31 March 2022.

This report also includes budget monitoring information for the first Quarter of financial year 2023/24.

2 Current position

2.1 The Draft Budget Monitoring report for Quarter 4, up to 31 March 2023, is attached as **Appendix A**. This provides summary information and detailed account code information for the Harbour, and the Caravan and Camping Sites. The provisional outturn position for the Harbour is a surplus of £30k and for the Caravan/Campsite is an overspend of £4k.

The sum of £145k has been transferred to reserves.

The Budget Monitoring report for Quarter 1 2023/24, up to 30 June 2023, is attached as **Appendix B**.

2.2 Southwold Harbour

2023/24 Outturn:

Total income to the Harbour for the year exceeded the annual budget by £46k. This is mainly from additional fees and charges from the sale of electricity and diesel (£10k) and income for the lease of land to Caravan Park Pay & Display Car Park (£34k).

Income received in respect of 2022/23 has been adjusted for in the actual income figures.

Premises costs are underspent by £13k for the year compared to the budget, with the underspend largely against repairs and maintenance.

Supplies & services for the year are overspent by £22k; the major areas of overspend were: MMO – Harbour Revision Order application fee (£12k); Repairs & Maintenance (£4k); Materials for Resale -Red Diesel (£6k); Health & Safety (£2k).

The draft net position on the Harbour's direct income and expenditure is a surplus of £48k for the year, a surplus variance of £30k compared to the 2022/23 budget of £18k.

	<p>2023/24 Q1: The net position at the end of Q1 shows a small surplus of £4k. The variances shown under income (surplus £34k), premises (underspend £23k) and supplies & services are mainly due to timing differences.</p>
2.3	<p>Southwold Caravan and Camping Sites</p> <p>2022/23 Outturn: Income from the static Caravan Site was over budget for the year by £58k. Income from static caravans increased by £73k compared to 2021/22 while income from touring pitches fell by £28k compared to last year.</p> <p>Premises expenses were overspent by £55k due to the refurbishment to the shower block and the toilet block (£20k) and the increased cost of electricity (£23k).</p> <p>Overall, the draft net position on the Caravan and Camping Sites direct income and expenditure is an overspend of £4k for the year (£96k surplus outturn against a budgeted surplus of £100k).</p> <p>2023/24 Q1: The net position at the end of Q1 shows an overspend of £33k. Some of the variance is explained by timing differences, but performance to the end of Q1 suggests that the cost of electricity will continue to be a significant budget pressure, while outturn income from static caravans and touring fees for 2023/24 is likely to be above budget.</p>
2.4	<p>Indirect Costs (2022/23 Outturn and 2023/24 Q1): Indirect costs relate to Support Recharges. This is the cost of Council support services to Southwold Harbour and the Caravan and Camp Site. The costs are recharged on a basis that is considered reasonable to reflect the use of those services and is the same methodology applied across the Council.</p>
2.5	<p>The 2022/23 year end position is subject to change until the completion of the external audit review of the Council's Statement of Accounts; hence the figures being presented as draft.</p>

3 How to address current situation

3.1	For the Committee to review the Draft Budget Monitoring Report for 2022/23 Outturn and Quarter 1 2023/24 and report this to Cabinet.
-----	--------------------------------------------------------------------------------------------------------------------------------------

4 Reason/s for recommendation

4.1	To fulfil the Committee's responsibilities in respect of monitoring performance against approved budgets.
-----	-----------------------------------------------------------------------------------------------------------

Appendices

Appendices:	
Appendix A	Southwold Harbour Management Committee Draft Budget Monitoring Report Outturn 2022/23.
Appendix B	Southwold Harbour Management Committee Draft Budget Monitoring Report Quarter 1 2023/24.

Background reference papers:	
None	