



SOUTHWOLD HARBOUR MANAGEMENT COMMITTEE

Thursday, 11 November 2021

Subject	SOUTHWOLD HARBOUR MANAGEMENT COMMITTEE – BUDGET MONITORING REPORT QUARTER 2 2021/22
Supporting Officer	Brian Mew Chief Finance Officer and Section 151 Officer Brian.Mew@eastsoffolk.gov.uk 01394 444571

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is NOT in the public interest to disclose the exempt information.	N/A
Wards Affected:	Southwold

Purpose and high-level overview

Purpose of Report:

This report provides the Committee with an overview of the Budget Monitoring position for Quarter 2 2021/22; recommends a schedule of charges and dues for the Harbour for 2022/23; and seeks the Committee's views on Campsite and Caravan Site fees and charges proposals for 2022/23.

Recommendation/s:

The Committee is recommended to:

1. Review the Budget Monitoring Report Quarter 2 2021/22 and report this to Cabinet.
2. Recommend the annual schedule of charges and dues for the Harbour for 2022/23 attached as Appendix B to Cabinet.
3. Review and comment to Cabinet on the draft proposals for Fees and Charges for the Caravan Site and Campsite for 2022/23 attached as Appendix C.

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:

As at Quarter 2 2021/22, net Southwold Harbour income and expenditure (adjusted for income in advance) is showing a small favourable variance compared with budget to date. It is currently anticipated that the outturn position for the year should be broadly in line with budget.

As at Quarter 2 2021/22, net Southwold Caravan Site and Campsite Harbour income and expenditure (adjusted for income in advance) is showing an adverse variance of around £62,000, and this is anticipated to increase by year end. However, officers will explore further the potential for Government support funding for additional costs and income losses in respect of the pandemic to be both claimed and attributed to the Caravan Site and Campsite.

The fees and charges proposals for the Harbour, Caravan Site, and Campsite are intended to be broadly in line with current rates of inflation and will increase income in the next financial year.

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"/>
T05	Caring for our Environment	<input checked="" 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 is the first of these budget monitoring reports.
1.2	The Terms of Reference also state that the Committee will review and then recommend an annual budget, (including rental charges and central re-charges to the Council) and an annual schedule of charges and dues for the Harbour and these will be determined by the Cabinet. This report also provides an opportunity for the Committee to review and comment to Cabinet on the draft proposals for Fees and Charges for the Caravan Site and Campsite for 2022/23.
2 Current position	
2.1	The Budget Monitoring report for Quarter 2, up to 30 September 2021, is attached as Appendix A. The Appendix shows a Summary and account code level detail for the Harbour, and the Caravan and Campsite.

2.2	<p>Key points:</p> <p>Southwold Harbour:</p> <ol style="list-style-type: none"> 1) Mooring Income remains steady in spite of COVID, taking into account the Income in advance for Rent and Mooring Fees of £65k, Total Harbour income is expected to exceed the budget by about £10k. 2) Employee Expenses by year end will have an adverse variance to budget by about £7k, which is for a small amount of overtime. 3) Red Diesel shows an adverse variance of £12k, which does not allow for the adjustment of stock – this adjustment is posted to the accounts at year end. 4) All other costs are either on budget or favourable compared with budget. 5) The figures shown in the Summary of Appendix A for the Harbour include adjustments to the Actual year to date figures in respect of income in advance. 6) As the harbour is now in the slower part of the year, no significant changes are currently foreseen for the rest of the year. <p>Southwold Caravan and Campsite</p> <ol style="list-style-type: none"> 1) Static Caravan Fees show an adverse variance of £84k, which is directly related to COVID, as refunds were issued for the closed part of the year. 2) Touring fees are favourable compared with budget by £14k, this includes the adjustment for income in advance of £178k. 3) Premises expenses are favourable to budget because of the timing of utility invoices, and this is expected to be on budget by year end. 4) Other externally provided services have an adverse variance to budget by £27k, this is because of the hire of Portable Toilets and Showers due to COVID regulations. 5) The figures shown in the Summary of Appendix A for the Harbour include adjustments to the Actual year to date figures in respect of income in advance. 6) Due to the additional costs due to COVID and the refunds to the Static Caravan owners, the year end result is expected to be £100k adverse to budget. However, officers will explore further the potential for Government support funding for additional costs and income losses in respect of the pandemic to be both claimed and attributed to the Caravan Site and Campsite.
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3 How to address current situation	
3.1	Proposed fees and charges for the Harbour for 2022/23 for review and recommendation to Cabinet are attached as Appendix B. Inflation has generally been applied at a minimum rate of around 3.0% in these proposals, but with rounding up to produce sensible individual charge levels.
3.2	Proposed fees and charges for the Campsite and Caravan Site for 2022/23 for review and comment to Cabinet are attached as Appendix C. As with the proposals for the Harbour, inflation has generally been applied at a minimum rate of around 3.0% in these proposals, but with rounding up to produce sensible individual charge levels.

4 Reason/s for recommendation

4.1	To fulfil the Committee's responsibilities in respect of budget monitoring, and recommending fees and charges.
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Appendices

Appendices:

Appendix A	Southwold Harbour Management Committee Budget Monitoring Report Quarter 2 2021/22
Appendix B	Proposed Harbour Fees and Charges 2022/23
Appendix C	Proposed Campsite and Caravan Site Fees and Charges 2022/23

Background reference papers:

None.