

Whitstable Harbour Board

15 November 2019

Subject:	Half year budget monitoring
Director:	Lisa Fillery – Director of Finance & Procurement
Decision Issues:	No decision required
Classification:	This report is open to the public.
CCC Ward(s):	Gorrell and Tankerton
Summary:	<i>This report shows the harbour's revenue budget forecast outturn position for 2019/20 as estimated by the Harbour Master, Property Asset Team Leader and Development Officer.</i>
To Consider:	The Whitstable Harbour Board is asked to note the budget monitoring forecast.
Next stage in process:	The final outturn position will be reported following the closure of the 2019/20 financial year.

SUPPORTING INFORMATION

1. Introduction

This is the first revenue budget monitoring report for 2019/20.

The current forecast position is predicting a surplus of £252,712 at the year end. This was based on detailed forecasts from the Harbour Master, Development Officer and the Property asset team leader.

This is a decrease from the estimated budget position of £9,554. The major variances are explained below.

2. Revenue detail

Income from rents and concessions are forecasted below the budget set due to a delay in some new income streams that were previously budgeted for in the current year. These are reflected in next year's budget.

Cargo wharfage and vessel fees and dues are higher than budgeted for as represented in the Harbour Master's report.

Storage income is forecasting an underachievement against budget. This is due to the changes in the storage facilities at the harbour for development works and is reflected in the 2020/21 budget.

General building maintenance is forecasting an underspend due to a reduction in maintenance costs in the current year. Any major building maintenance is covered by the building maintenance reserve.

Consultants fees not relating to a capital project are forecasting an underspend, consultants fees relating to a major project will be charged to the capital cost and paid for from reserves.

3. Capital detail

The South Quay Shed is the main capital expenditure in 2019/20. This is expected to span the current year and complete in 2020/21. The capital budget has been adjusted to reflect this. A capital budget for Microgeneration has been added in 2019/20 for the solar panels to the South Quay Shed.

4. Conclusions

Overall the contribution to reserves is expected to be £250,000, an expected increase on last year's outturn of £50,000. However this is a decrease against the current year's budget. This will be apportioned over the various reserves required, with the majority transferring into quay maintenance.

5. Relevant Council Policy/Strategies/Budgetary Documents

Harbour Strategic Plan – the Harbour Strategic Plan will not be adversely affected by the budget variations identified to date.

Harbour Business Plan.

6. Consultation planned or undertaken

The Harbour Master received budget monitoring reports for the second quarter and their views along with the Harbour Development Officer and the Property Asset Team Leader have been sought on the projected outturn.

7. Options available with reasons for suitability

To note the forecast position.

8. Reasons for supporting option recommended, with risk assessment

To ensure a balanced budget position for the financial year 2019/20.

9. Implications

- (a) Financial Implications these are contained in the body of the report
- (b) Legal Implications all expenditure to be legally permissible.
- (c) Equalities - none identified

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Appendices

Appendix 1 Whitstable Harbour Forecast

Whitstable Harbour Forecast

	2019/ 20 Budget	2019/20 Actuals YTD	2019/20 Forecast	Variance
Revenues				
Rents and Concessions	(579,945)	(266,280)	(517,140)	62,805
Service Charges	(6,000)	(3,234)	(15,200)	(9,200)
Cargo Wharfage	(40,000)	(19,576)	(45,000)	(5,000)
Vessel Fees and Dues	(67,210)	(30,547)	(78,000)	(10,790)
Storage	(13,500)	0	(2,500)	11,000
Parking Fees	(81,250)	(64,768)	(84,000)	(2,750)
Net fuel sales	(7,000)	(10,192)	(8,000)	(1,000)
	(794,905)	(394,597)	(749,840)	45,065
Direct costs				
Employee costs	182,428	70,730	176,639	(5,789)
Premises costs	72,015	39,042	64,160	(7,855)
General Quay Maintenance	5,000	2,138	4,361	(639)
General Building Maintenance	22,000	601	9,468	(12,532)
Transport costs	6,200	0	2,081	(4,119)
Supplies and services	22,000	14,609	28,123	6,123
Consultants Fees	10,000	159	3,000	(7,000)
	319,643	127,279	287,832	(31,811)
OPERATING SURPLUS	(475,262)	(267,318)	(462,008)	13,254
Central costs				
Central support services	118,265	7,128	117,000	(1,265)
NET (PROFIT)/LOSS	(356,997)	(260,190)	(345,008)	11,989
Capital Charges	27,820	0	27,830	10
Depreciation	67,411	0	64,466	(2,945)
	95,231	0	92,296	(2,935)
Interest on reserves	(500)	0	0	500
NET RESULT	(262,266)	(260,190)	(252,712)	9,554
Contributions to Reserves:				
Dredging Reserve	15,000	0	15,000	0
Quay Maintenance Reserve	100,000	0	123,712	23,712
Building Maint Reserve	9,000	0	9,000	0
General Reserve	126,266	0	100,000	(26,266)
Contribution to bad debt reserve	12,000	0	5,000	(7,000)
Total Contribution to reserves	262,266	0	252,712	(9,554)