

Report to: **Salcombe Harbour Board**

Date: **13 July 2015**

Title: **Final Accounts 2014/15**

Portfolio Area:

Wards Affected: **All**

Relevant Scrutiny Committee:

**Overview and Scrutiny Committee**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: **N/A**  
(e.g. referral on of recommendation or implementation of substantive decision)

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#### **Recommendations:**

1. That the Harbour Board **RESOLVES** to note the final accounts for 2014/15.

#### **1. Executive summary**

- 1) This report advises Members of the Harbour's final trading position in 2014/2015 together with brief details of the main variations from the original budget. A summary of harbour reserves and balances is also provided.

#### **2. Background**

- 1) The 2014/15 budget was set at a break-even position.
- 2) The Harbour's trading accounts have now been finalised, pending external audit certification. The accounts have been prepared on an accruals basis and take account of all relevant income streams and expenditure items.
- 3) The accounts show how funds have been used to deliver services and form an essential part of public accountability. Inevitably, circumstances that arise throughout the year often differ from the budgeted position, giving rise to financial variations. However, the overall impact is mitigated by continuous monitoring and timely decision making where corrective action is required.

#### **3. Accounts**

- 1) The accounts will be formally audited in August.
- 2) Expenditure – see table below:

Item	Explanation	Variance (Under)/Over spend £
Harbour Employees	Lower staffing costs than anticipated. Fewer overtime hours worked than expected (£5,100), savings due to staff turnover (£5,200) and associated reduction in National Insurance and pension contributions (£6,700).	(17,031)
<b>Total Employee Variances</b>		<b>(17,031)</b>
Repairs and Maintenance		
a. General R&M	Unbudgeted expenditure includes Kingsbridge Quay handrails (£5,700), electrical work (£2,100) and alterations to Harbour Office (£2,300) More effective maintenance routines	11,723
b. Piers, Landings & Pontoons	Previous procurement of higher quality items has lengthened in-service life of marks and beacons	(2,131)
c. Marks & Beacons	Approx 5% more mooring tackle replaced than budgeted	(3,960)
d. Moorings		1,479
<b>Total R&amp;M Variances</b>		<b>7,111</b>
Security Patrol	Contract extended at previous year's prices	(937)
Rents	Duchy rent charge is based on actual income earned from the Fundus. Income in the year was higher than budgeted which increases the rent charge.	3,926
Utilities and Insurances	Utility bills (especially water) costs lower than anticipated, and an insurance rebate (£1,100) due to a low value of claims.	(6,275)
Trade waste and cleaning charges	Costs lower than anticipated and better use of each bin	(1,571)
<b>Total Premises Variances (including R&amp;M)</b>		<b>2,254</b>

Printing, Stationery & Advertising	Reduced paper consumption rates	(2,765)
Communications	More communications are by email hence reduced postage bills	(2,967)
Equipment – hardware and software	Upgrades to mobile devices	1,742
Protective clothing	Full budget not required this year	(1,448)
Miscellaneous – consultancy fees	Hydrographic and other surveys	3,155
<b>Total Supplies &amp; Services Variance</b>		<b>(2,283)</b>
Transport	Newer van, smaller outboard engines and reduced fuel consumption and better maintenance routines	<b>(14,874)</b>
New Projects Funded from Revenue	No expenditure incurred against Environmental Projects	<b>(4,958)</b>
Items met from Reserves	Pontoon replacement and refurbishment, new Dories	<b>41,909</b>
<b>Total Expenditure Variations</b>		<b>5,017</b>

3) Income – see table below:

<b>Item</b>	<b>Explanation</b>	<b>Variance Under/(Over) Income £</b>
Harbour Dues	Close to budget estimate	374
Mooring Hire	1.6% below budget estimate	7,107
Small boat pontoon systems	Partly due to removal of unused foreshore moorings to create extra pontoon berths	(29,518)
Water Taxi Service	Close to budget estimate	159
Mooring licences	Close to budget estimate	1,492
Security patrol	Additional income generated	(3,235)
Miscellaneous	Proceeds from sale of equipment, scrap metal and hire of crane, barge, fork lift truck and advertising in Harbour Guide.	(17,495)

Interest Received	Interest rates lower than anticipated	1,300
Contributions from Reserves	Pontoon replacement and refurbishment, new Dories	(41,909)
<b>Total Income Variations</b>		<b>(81,725)</b>

- 4) The overall position: The net position after taking into account variations in both income and expenditure is a generated **surplus of £76,708**. This will be confirmed once the Harbour accounts have been subject to external audit verification. A schedule of actual income and expenditure against budget is included at Appendix 1. The generated surplus will be incorporated into the General Reserve. An analysis of the closing position of each of the Harbour reserves is included at Appendix 2.

#### 4. Proposed Way Forward

- 1) The accounts will be formally audited in August.

#### 5. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	N	The Pier & Harbour (Salcombe) Confirmation Act 1954
Financial	N	A trading surplus of £76,708 was generated in 2014/15. This surplus will strengthen retained reserves to assist with future Harbour initiatives.
Risk		The accounts have not yet been subject to external audit but as all relevant accounting standards and practices have been followed it is unlikely that the overall position will change.
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	None
Safeguarding	N	None
Community Safety, Crime and Disorder	N	No adverse impact
Health, Safety and Wellbeing		No adverse impact
Other implications		

## **Supporting Information**

### **Appendices:**

1. Detailed budget breakdown
2. Reserves.

### **Background Papers:**

None.

## **Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed	<b>Yes/No</b>
SLT Rep briefed	<b>Yes/No</b>
Relevant Exec Director sign off (draft)	<b>Yes/No</b>
Data protection issues considered	<b>Yes/No</b>
If exempt information, public (part 1) report also drafted. (Committee/Scrutiny)	<b>Yes/No</b>