

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	River Hamble Harbour Management Committee
<b>Date:</b>	9 December 2022
<b>Title:</b>	River Hamble 2022/23 Forecast Outturn and 2023/24 Forward Budget
<b>Report From:</b>	The Director of Corporate Operations and Director of Culture, Communities and Business Services

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### Purpose of this Report

1. The purpose of this report is to present the 2022/23 outturn forecast as at the end of September 2022 and the proposed 2023/24 forward budget to the River Hamble Harbour Management Committee for comment.

### Recommendations

2. That the projected outturn for the 2022/23 financial year is noted.
3. That the proposed forward budget is supported by the River Hamble Harbour Management Committee and submitted to the River Hamble Harbour Board for approval.
4. That the balances held within the reserves and the position on the reserve balances are noted.
5. That the proposal to transfer any actual excess within the Revenue Reserve (RR) at year end to the Asset Enhancement Reserve (AER) be supported by the Management Committee and submitted to the River Hamble Board for approval.

6. That the principle of transferring any actual excess within the Revenue Reserve (RR) at year end to the Asset Enhancement Reserve (AER) as the default position be supported by the Management Committee and submitted to the River Hamble Board for approval.

### **Executive Summary**

7. For both the 2022/23 and 2023/24 financial years, it is expected that the revenue surplus will fully meet the £42,000 annual transfer to the Asset Replacement Reserve (ARR) and leave a balance remaining to be added to the Revenue Reserve (RR).
8. With the transfers above, the RR balance is expected to exceed the maximum as per the reserves policy of no more than 10% of the gross revenue budget, and therefore it is proposed that any excess at year end be transferred to the Asset Enhancement Reserve (AER), in line with the approach previously agreed by the Board.
9. For the 2022/23 financial year, the River Hamble is projected to achieve a surplus of £66,000 on revenue funded expenditure, compared to a revised budgeted surplus of £37,000. This would allow for the £42,000 annual transfer to the ARR to be made, an increase of £2,900 to the current balance in the RR, and an increase of £21,100 to the current balance in the AER.
10. In 2023/24 the budgeted surplus on revenue funded expenditure is £46,000. Following the £42,000 annual transfer to the ARR, the planned remaining £4,000 surplus would be transferred to the RR and AER.
11. The detailed revised budget for 2022/23, the 2022/23 outturn forecast and the proposed 2023/24 forward budget are set out in Appendices 1 and 2, with the current and projected reserves balances shown in Appendix 3.
12. The forward budget includes the 1% increase to harbour dues, as approved by the River Hamble Harbour Board on 15 July 2022.

### **2022/23 Forecast Outturn**

13. The outturn forecast for 2022/23 as at the end of September 2022 is detailed in Appendix 1. It is projected that a surplus on standard revenue activity of £66,000 will be achieved, £29,000 higher than the budgeted surplus of £37,000.

14. In April 2022 the Board agreed to increase the annual Asset Replacement Reserve (ARR) contribution to fund the cost of replacing assets in future years from £35,000 to £42,000. This contribution is to be met from the surplus on revenue funded expenditure, supplemented by a transfer from the Revenue Reserve if required.
15. The projected £66,000 surplus therefore allows for the £42,000 transfer to be made to the ARR in full, with £24,000 remaining. Should the remaining £24,000 be added to the RR, the balance in the RR would exceed the maximum as per the reserves policy of no more than 10% of the gross revenue budget, and therefore it is proposed that, subject to confirmation of the actual amounts at year end, up to £2,900 is added to the RR and any balance over that amount (currently projected at £21,100) is added to the AER at year end, in line with the approach previously agreed by the Board.
16. Total gross expenditure is projected at £657,000, £6,000 higher than the budgeted £651,000. There are no major variances to the budget, however it is worth noting that a pressure against the salaries budget relating to the cost of the agreed 2022/23 pay award being higher than the 2% budgeted provision is being fully offset by savings on seasonal staff and overtime costs.
17. The minor budget variances include increased electricity costs (£1,000); higher fuel costs (£2,000); higher credit card income collection costs linked to high income levels (£2,000); spend on public jetties & navigational safety in addition to the budgeted bathymetric survey (£2,000); increased costs this year due to a mid-year change in supplier for the designated person which will result in lower annual charges from 2023/24 (£1,000); an increase to the oil spill response annual charge (£1,000); partly offset by a £2,000 saving from fewer slipway clearances required this year.
18. Income is projected at £723,000, £35,000 higher than the budgeted £688,000 with additional income forecast for both annual Harbour Dues and visitor income, although towing income is expected to be lower than budgeted.
19. Annual Harbour Dues are expected to be £21,000 higher than budgeted, reflecting prior increases to dry stack income and marina meterage in the forecast for Marinas and Boatyards, however the ongoing vacant eight metre moorings with no demand on the waiting list to fill these is impacting River Moorings income.
20. The continuation of popularity and demand following the relaxation of Covid-19 restrictions has resulted in a total forecast for visitor income £18,000 higher than budgeted.
21. Towing charges are forecast to be £7,000 lower than budgeted as there are no pile replacement projects planned this year by the Crown Estate.

22. Spend against the ARR of £398,000 is now anticipated. At the Board meeting on 7<sup>th</sup> October the Board approved the purchase of three replacement patrol vessels. The estimated total cost is £344,000, with the actual cost being subject to exchange rate fluctuations once the final payment is made on delivery expected in February. The cost of remedial work on the Warsash Bridge is currently estimated to be £50,000, as approved at the 7<sup>th</sup> October Board meeting, however is subject to a final quotation. Costs relating to boat engines total £4,000.
23. Sale proceeds for the three patrol vessels being replaced are expected to total £77,500. This consists of £17,500 for the RIB which has already been sold and an estimate of £30,000 for each of the two Cheetahs.
24. Total interest of £11,000 is expected and based on the average Bank of England interest rate for the year of 1.77% at the end of September.

### **2023/24 Forward Budget**

25. The proposed 2023/24 forward budget is detailed in Appendix 2 and projects a surplus of £46,000 on general revenue activities which will therefore fully meet the agreed £42,000 transfer to the ARR for the cost of replacing assets in future years, and allow for a further transfer to reserves of £4,000.
26. The proposed gross expenditure budget has been set at £674,000, an increase of £23,000 compared with the revised 2022/23 budget, and an increase of £17,000 on the 2022/23 outturn forecast. There has been no inflationary increase to the expenditure budgets, except where specifically referenced below, with every effort being made to mitigate ongoing cost pressures through efficiencies.
27. The salaries forward budget has been increased by £29,000, which includes a provision for the impact of pay inflation over two years (based on the agreed increase of £1,925 per FTE in 2022/23 and 5.2% for 2023/24); the reversal of the 1.25% increase for national insurance contributions and step progression within salary grades, where applicable. The budget for past pension contributions remains nil (previously costed at £25,000 per annum), as the recent actuarial triennial pension valuation confirmed the annual contribution will not need to be reinstated. The next valuation is planned for 2025.
28. Other minor proposed budget changes include the following increases: -
  - following a review of utility costs, the electricity budget has been increased by £1,000
  - due to the cost of fuel rising the vehicle running expenses budget has been increased by £2,000

- due to annual inflationary increases the budget for oil spill response has been increased by £1,000
- the rent and rates budget is unchanged, however a change to the revised 2023/24 budget may be required once the impact of the recent business rates revaluation is known.

29. And the following reductions: -

- the training budget has been reduced by £1,000 to bring it in line with expected expenditure levels based on past trends
- the budget for staff travel costs has been reduced to zero to reflect the annual costs being minimal
- a bathymetric survey is not currently planned for 2023/24, therefore the public jetties and navigational safety budget has been reduced by £3,000
- the budget for central department charges has been reduced by £2,000 to reflect past trends relating to Legal Services costs
- following a tender exercise, a three year contract for designated person services has been awarded to a new supplier and the budget reduced by £3,000 to reflect the lower annual costs.

30. The income budget for 2023/24 has been set at £720,000, an increase of £32,000 compared with the revised 2022/23 budget, and a decrease of £3,000 on the 2022/23 outturn forecast.

31. The budget for Harbour Dues has been increased by £20,000 – a £25,000 increase to the Marinas and Boatyards budget reflecting dry stack and marina meterage increases over the past two years and a £5,000 reduction to the River Moorings budget due to the ongoing vacant eight metre moorings. The agreed 1% increase to 2023 charges has also been factored into the budgets.

32. Visitor Income budgets have been increased by £15,000 in total to reflect higher activity following the relaxation of Covid-19 restrictions, which is now considered to be sustainable.

33. As there are no known plans for Crown Estate pile replacement projects, the towing charges budget has been reduced by £7,000.

34. The budget for interest on revenue activities has been increased from zero to £4,000 to reflect the Bank of England base rate of 2.25% at the end of September.

## **Reserves**

35. A detailed breakdown of reserves is shown in Appendix 3.
36. The Harbour Board approved a reserves policy on 18<sup>th</sup> May 2007 which provided for the following three reserves:
- Asset Enhancement Reserve (AER) - £320,000 for a programme of future opportunities.
  - Asset Replacement Reserve (ARR) - to replace all Harbour Authority Assets and provide maintenance dredges over a 25 year cycle. Annual contribution of £43,000 later reduced to £35,000, to be received from revenue.
  - Revenue Reserve (RR) - to hold annual surpluses totalling no more than 10% of the gross revenue budget. Any excess to be transferred to the AER, returned to mooring holders or to fund one off revenue budget pressures as approved by the Board.
37. On 1 April 2022 the Harbour Board approved the following changes to the reserves policy in relation to the Asset Replacement Reserve:
- Increase the annual revenue contribution from £35,000 to £42,000, with future increases linked to the Asset Replacement register reporting agreed in principle.
  - Introduction of a £100,000 minimum Asset Replacement Reserve balance policy to improve future resilience.
38. The balance within the Revenue Reserve is currently at the maximum level allowed within the policy above. At the Board meeting on 15 July 2022, it was agreed that the excess within the RR should be transferred to the AER, to keep the RR balance within the maximum allowed under the reserves policy.
39. It is recommended that the Committee supports the principle of transferring any excess within the Revenue Reserve (RR) at year end to the Asset Enhancement Reserve (AER) as the default position, for submission to the River Hamble Board for approval.
40. Although subject to the Board's approval, based on the previous decision of the Board, this approach has been assumed for the purposes of this report.
41. The balance in the Revenue Reserve is expected to increase to £65,100 by the end of March 2023 following the transfer of the £66,000 surplus from revenue, less the agreed £42,000 annual transfer to the ARR and a proposed

£21,100 to the AER to prevent the RR balance exceeding 10% of the gross revenue budget.

42. The budgeted revenue surplus in 2023/24 is £46,000 which would leave a remaining surplus of £4,000 after the annual £42,000 transfer to the ARR. A transfer of £2,300 to the RR would increase the balance to the maximum allowed and therefore it is proposed the remaining £1,700 should be transferred to the AER.
43. As at 31 March 2022, a total of £649,196 was held in reserves, the majority of which relates to the ARR, with this balance regularly reviewed to ensure that it is maintained at an appropriate level to replace the assets of the Harbour Authority as required.
44. The balance in the ARR is expected to reduce to £236,502 at 31 March 2023, after £398,000 expenditure less £77,500 expected income as outlined earlier in this report, offset by the £42,000 annual contribution and £7,000 anticipated interest receivable.
45. There is no planned spend from the ARR in 2023/24. Therefore, with the £42,000 annual contribution and £5,000 estimated interest receivable, the balance in the ARR is expected to increase to £283,502 by 31 March 2024.
46. The balance in the AER is expected to increase to £101,094 by 31 March 2023 following the proposed transfer of £21,100 revenue excess surplus and £1,000 interest receivable.
47. Planned spend from the AER in 2023/24 is £1,000 for academic studies. Therefore, with £2,000 interest receivable and the proposed £1,700 excess revenue surplus, the balance in the AER is expected to increase to £103,794 by 31 March 2024.

## **Impact Assessment**

48. This report is in accordance with the budget strategy and the County Council's financial management policy. This policy applies equally to all services and ensures consistent financial management decisions across all services. The proposals outlined in this report are not considered discriminatory.

## **Consultation and Equalities**

49. Consultation and equality impact assessments will be undertaken by the Harbour Authority as appropriate for decisions, but are not included within this finance report.



## **Climate Change Impact Assessment**

50. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience impacts of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.

### **51. Climate Change Adaptation and Mitigation.**

The carbon mitigation tool and climate change adaptation tools were not applicable on this occasion because the decision relates to a programme that is strategic/administrative in nature.

## **Conclusions**

52. This report presents the forecast outturn as at 30 September 2022 and proposed forward budget for 2023/24.

53. The forecast for the current year is expected to be more favourable than the budget, allowing for contributions to the revenue reserve, asset replacement reserve and asset enhancement reserve. The proposed forward budget also allows for contributions to the revenue reserve, asset replacement reserve and asset enhancement reserve.

54. The financial position of the River Hamble Harbour Authority is considered to be healthy and well managed and there are no significant concerns or issues to bring to the Committee's attention.

**REQUIRED CORPORATE AND LEGAL INFORMATION:****Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes
People in Hampshire live safe, healthy and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	Yes
People in Hampshire enjoy being part of strong, inclusive communities:	Yes

**Other Significant Links**

<b>Links to previous Member decisions:</b>	
<u>Title</u> None	<u>Date</u>
<b>Direct links to specific legislation or Government Directives</b>	
<u>Title</u> None	<u>Date</u>

**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.)

<u>Document</u>	<u>Location</u>
None	

## **IMPACT ASSESSMENTS:**

### **1. Equality Duty**

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**Due regard in this context involves having due regard in particular to:**

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic.
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it.
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

### **Equalities Impact Assessment:**

1.2. This report is in accordance with the budget strategy and the County Council's financial management policy. This policy applies equally to all services and ensures consistent financial management decisions across all services. The proposals outlined in this report are not considered discriminatory.

### **2. Impact on Crime and Disorder:**

2.1. This report does not deal with any issues relating to crime and disorder.

### **3. Climate Change:**

- a) How does what is being proposed impact on our carbon footprint / energy consumption? The contents of this report have no impact on carbon footprint or energy consumption.
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts? Given this is an administrative report that deals with the reporting of the financial position there are no climate change impacts specifically associated with this paper. However the climate change assessment tool will be used by the Harbour Authority as appropriate and impact will be detailed in the Harbour Master's environmental report and other reports as relevant.

## Appendix 1 – 2022/23 Forecast Outturn as at Period 6 (end of September)

	2022/23 Original Budget £'000	2022/23 Revised Budget £'000	2022/23 Forecast Outturn as at Sept £'000	2022/23 Variance to Budget £'000
<b>EXPENDITURE</b>				
<b>Staff Related</b>				
Salaries	486	486	486	-
Past Pension Contributions	-	-	-	-
Training	3	3	2	(1)
Professional Subscriptions	2	2	2	-
<b>Sub-Total Staff Related</b>	<b>491</b>	<b>491</b>	<b>490</b>	<b>(1)</b>
<b>Premises</b>				
Rent / Rates	35	35	35	-
Electricity	2	2	3	1
Gas	1	1	1	-
Water / Sewerage	1	1	1	-
Repair & Maintenance	3	3	3	-
<b>Sub-Total Premises</b>	<b>42</b>	<b>42</b>	<b>43</b>	<b>1</b>
<b>Transport</b>				
Repair, Maintenance and Boat Refurbishment	4	4	4	-
Vehicle Running Expenses (Fuel)	5	5	7	2
Tools (including Chandlery)	2	2	3	1
Car Allowances / Staff Travel	1	1	-	(1)
Insurance	2	2	2	-
<b>Sub-Total Transport</b>	<b>14</b>	<b>14</b>	<b>16</b>	<b>2</b>
<b>Supplies &amp; Services</b>				
Office Expenses	38	38	40	2
Environmental Maintenance	4	4	2	(2)
Public Jetties & Navigational Safety	5	5	7	2
Central Department Charges	43	43	43	-
Designated Person	10	10	11	1
Oil Spill Response	4	4	5	1
<b>Sub-Total Supplies &amp; Services</b>	<b>104</b>	<b>104</b>	<b>108</b>	<b>4</b>
<b>GROSS EXPENDITURE</b>	<b>651</b>	<b>651</b>	<b>657</b>	<b>6</b>

## Appendix 1 – 2022/23 Forecast Outturn as at Period 6 (end of September)

	2022/23 Original Budget £'000	2022/23 Revised Budget £'000	2022/23 Forecast Outturn as at Sept £'000	2022/23 Variance to Budget £'000
<b>INCOME</b>				
Harbour Dues	(559)	(559)	(580)	(21)
Crown Estate Funding	(71)	(71)	(71)	-
Visitor Income	(45)	(45)	(63)	(18)
Miscellaneous Income	(3)	(3)	(4)	(1)
Towing Charges	(9)	(9)	(2)	7
Other Funding	(1)	(1)	-	1
Interest	-	-	(3)	(3)
<b>GROSS INCOME</b>	<b>(688)</b>	<b>(688)</b>	<b>(723)</b>	<b>(35)</b>
<b>NET REVENUE FUNDED EXPENDITURE / (INCOME)</b>	<b>(37)</b>	<b>(37)</b>	<b>(66)</b>	<b>(29)</b>
<b>INCOME / EXPENDITURE ON RESERVES</b>				
Asset Enhancement	28	3	-	(3)
Asset Replacement - Projects	-	16	54	38
Asset Replacement - Additions	-	-	344	344
Asset Replacement - Disposals	-	-	(78)	(78)
Revenue Reserve	-	-	-	-
<b>Expenditure from Reserves</b>	<b>28</b>	<b>19</b>	<b>320</b>	<b>301</b>
<b>Interest on Reserves</b>				
Asset Enhancement Interest	-	-	(1)	(1)
Asset Replacement Interest	(1)	(1)	(7)	(6)
<b>Income on Reserves</b>	<b>(1)</b>	<b>(1)</b>	<b>(8)</b>	<b>(7)</b>
<b>NET RESERVES FUNDED EXPENDITURE</b>	<b>27</b>	<b>18</b>	<b>312</b>	<b>294</b>
<b>TOTAL NET EXPENDITURE</b>	<b>(10)</b>	<b>(19)</b>	<b>246</b>	<b>265</b>

## Appendix 1 – 2022/23 Forecast Outturn as at Period 6 (end of September)

	2022/23 Original Budget £'000	2022/23 Revised Budget £'000	2022/23 Forecast Outturn as at Sept £'000	2022/23 Variance to Budget £'000
<b>RESERVES</b>				
Contribution to Asset Replacement Reserves	35	42	42	-
Transfer To / (From) Revenue Reserves	2	(5)	3	8
Transfer To / (From) Asset Enhancement Reserves	-	-	21	21
	<b>37</b>	<b>37</b>	<b>66</b>	<b>29</b>
Transfer Interest to Reserves	1	1	8	7
Transfers from Reserves	(28)	(19)	(320)	(301)
	<b>(27)</b>	<b>(18)</b>	<b>(312)</b>	<b>(294)</b>
<b>TOTAL TRANSFERS TO / (FROM) RESERVES</b>	<b>10</b>	<b>19</b>	<b>(246)</b>	<b>(265)</b>

**Appendix 1b – Further detail on Harbour Dues, Visitors Income, Office Expenses and Central Department Charges**

	<b>2022/23 Original Budget £'000</b>	<b>2022/23 Revised Budget £'000</b>	<b>2022/23 Forecast Outturn as at Sept £'000</b>	<b>2022/23 Variance to Budget £'000</b>
<b>Harbour Dues Income</b>				
Marinas and Boatyards	(446)	(446)	(473)	(27)
River Moorings	(113)	(113)	(107)	6
<b>Total Harbour Dues Income</b>	<b>(559)</b>	<b>(559)</b>	<b>(580)</b>	<b>(21)</b>
<b>Visitor Income</b>				
Mid Stream Visitors Pontoon	(17)	(17)	(24)	(7)
Warsash Jetty	(18)	(18)	(24)	(6)
Hamble Jetty	(3)	(3)	(4)	(1)
Commercial and Pleasure Craft Income	(7)	(7)	(11)	(4)
<b>Total Visitor Income</b>	<b>(45)</b>	<b>(45)</b>	<b>(63)</b>	<b>(18)</b>
<b>Office Expenses</b>				
Equipment	1	1	2	1
First Aid Supplies / Health & Safety	1	1	1	-
Printing & Stationery	2	2	2	-
Catering / General	1	1	1	-
Protective Clothing and Safety Equipment	3	3	4	1
IT Charges	7	7	7	-
Postage	1	1	-	(1)
Subscriptions	2	2	2	-
Promotional Events / Publicity /Publications	3	3	3	-
Retail (Crabbing Equipment)	1	1	-	(1)
Credit Card Charges (re Income Collection)	16	16	18	2
<b>Total Office Expenses</b>	<b>38</b>	<b>38</b>	<b>40</b>	<b>2</b>
<b>Central Department Charges</b>				
Operational Finance	22	22	22	-
Integrated Business Centre / Audit / Tax	6	6	6	-
Democratic Services (Including Venue Hire)	9	9	9	-
Legal Services	5	5	5	-
Solent Forum Contribution	1	1	1	-
<b>Total Central Department Charges</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>-</b>

## Appendix 2 – 2023/24 Forward Budget

	2022/23 Forecast Outturn £'000	2022/23 Revised Budget £'000	Adjust' ments £'000	2023/24 Forward Budget £'000
<b>EXPENDITURE</b>				
<b>Staff Related</b>				
Salaries	486	486	29	515
Past Pension Contributions	-	-	-	-
Training	2	3	(1)	2
Professional Subscriptions	2	2	-	2
<b>Sub-Total Staff Related</b>	<b>490</b>	<b>491</b>	<b>28</b>	<b>519</b>
<b>Premises</b>				
Rent / Rates	35	35	-	35
Electricity	3	2	1	3
Gas	1	1	-	1
Water / Sewerage	1	1	-	1
Repair & Maintenance	3	3	-	3
<b>Sub-Total Premises</b>	<b>43</b>	<b>42</b>	<b>1</b>	<b>43</b>
<b>Transport</b>				
Repair, Maintenance and Boat Refurbishment	4	4	-	4
Vehicle Running Expenses (Fuel)	7	5	2	7
Tools (including Chandlery)	3	2	-	2
Car Allowances / Staff Travel	-	1	(1)	-
Insurance	2	2	-	2
<b>Sub-Total Transport</b>	<b>16</b>	<b>14</b>	<b>1</b>	<b>15</b>
<b>Supplies &amp; Services</b>				
Office Expenses	40	38	-	38
Environmental Maintenance	2	4	-	4
Public Jetties & Navigational Safety	7	5	(3)	2
Central Department Charges	43	43	(2)	41
Designated Person	11	10	(3)	7
Oil Spill Response	5	4	1	5
<b>Sub-Total Supplies &amp; Services</b>	<b>108</b>	<b>104</b>	<b>(7)</b>	<b>97</b>
<b>GROSS EXPENDITURE</b>	<b>657</b>	<b>651</b>	<b>23</b>	<b>674</b>



## Appendix 2 – 2023/24 Forward Budget

	2022/23 Forecast Outturn £'000	2022/23 Revised Budget £'000	Adjust' ments £'000	2023/24 Forward Budget £'000
<b>INCOME</b>				
Harbour Dues	(580)	(559)	(20)	(579)
Crown Estate Funding	(71)	(71)	-	(71)
Visitor Income	(63)	(45)	(15)	(60)
Miscellaneous Income	(4)	(3)	-	(3)
Towing Charges	(2)	(9)	7	(2)
Other Funding	-	(1)	-	(1)
Interest	(3)	-	(4)	(4)
<b>GROSS INCOME</b>	<b>(723)</b>	<b>(688)</b>	<b>(32)</b>	<b>(720)</b>
<b>NET REVENUE FUNDED EXPENDITURE</b>	<b>(66)</b>	<b>(37)</b>	<b>(9)</b>	<b>(46)</b>
<b>INCOME / EXPENDITURE ON RESERVES</b>				
Asset Enhancement - Projects	-	3	(2)	1
Asset Replacement - Projects	54	16	(16)	-
Revenue Reserve	-	-	-	-
<b>Expenditure from Reserves</b>	<b>54</b>	<b>19</b>	<b>(18)</b>	<b>1</b>
<b>Interest on Reserves</b>				
Asset Enhancement Interest	(1)	-	(2)	(2)
Asset Replacement Interest	(7)	(1)	(4)	(5)
<b>Income on Reserves</b>	<b>(8)</b>	<b>(1)</b>	<b>(6)</b>	<b>(7)</b>
<b>NET RESERVES FUNDED EXPENDITURE</b>	<b>46</b>	<b>18</b>	<b>(24)</b>	<b>(6)</b>
<b>TOTAL NET EXPENDITURE</b>	<b>(20)</b>	<b>(19)</b>	<b>(33)</b>	<b>(52)</b>

## Appendix 2 – 2023/24 Forward Budget

	<b>2022/23 Forecast Outturn £'000</b>	<b>2022/23 Revised Budget £'000</b>	<b>Adjust' ments £'000</b>	<b>2023/24 Forward Budget £'000</b>
<b>RESERVES</b>				
Contribution to Asset Replacement Reserves	42	42	-	42
Transfer To / (From) Revenue Reserves	3	(5)	7	2
Transfer To / (From) Asset Enhancement Reserves	21	-	1	1
	<b>66</b>	<b>37</b>	<b>8</b>	<b>45</b>
Transfer Interest to Reserves	8	1	6	7
Transfers from Reserves	(321)	(19)	18	(1)
	<b>(313)</b>	<b>(18)</b>	<b>24</b>	<b>6</b>
<b>TOTAL TRANSFERS TO / (FROM) RESERVES</b>	<b>(247)</b>	<b>19</b>	<b>32</b>	<b>51</b>

**Appendix 2a – Further detail on Harbour Dues, Visitors Income, Office Expenses and Central Department Charges**

	<b>2022/23 Forecast Outturn £'000</b>	<b>2022/23 Revised Budget £'000</b>	<b>Adjust' ments £'000</b>	<b>2023/24 Forward Budget £'000</b>
<b>Harbour Dues Income</b>				
Marinas and Boatyards	(473)	(446)	(25)	(471)
River Moorings	(107)	(113)	5	(108)
<b>Total Harbour Dues Income</b>	<b>(580)</b>	<b>(559)</b>	<b>(20)</b>	<b>(579)</b>
<b>Visitor Income</b>				
Mid Stream Visitors Pontoon	(24)	(17)	(6)	(23)
Warsash Jetty	(24)	(18)	(5)	(23)
Hamble Jetty	(4)	(3)	(1)	(4)
Commercial and Pleasure Craft Income	(11)	(7)	(3)	(10)
<b>Total Visitor Income</b>	<b>(63)</b>	<b>(45)</b>	<b>(15)</b>	<b>(60)</b>
<b>Office Expenses</b>				
Equipment	2	1	-	1
First Aid Supplies / Health & Safety	1	1	-	1
Printing & Stationery	2	2	-	2
Catering / General	1	1	-	1
Protective Clothing and Safety Equipment	4	3	-	3
IT Charges	7	7	-	7
Postage	-	1	-	1
Subscriptions	2	2	-	2
Promotional Events / Publicity /Publications	3	3	-	3
Retail (Crabbing Equipment)	-	1	-	1
Credit Card Charges (re Income Collection)	18	16	-	16
<b>Total Office Expenses</b>	<b>40</b>	<b>38</b>	<b>-</b>	<b>38</b>
<b>Central Department Charges</b>				
Operational Finance	22	22	-	22
Integrated Business Centre / Audit / Tax	6	6	-	6
Democratic Services (Including Venue Hire)	9	9	-	9
Legal Services	5	5	(2)	3
Solent Forum Contribution	1	1	-	1
<b>Total Central Department Charges</b>	<b>43</b>	<b>43</b>	<b>(2)</b>	<b>41</b>

### Appendix 3 – Reserves

	Revenue Reserve £	Asset Enhancement Reserve £	Asset Replacement Reserve £	Total £
<b>Balance as at 31 March 2022</b>	<b>73,705</b>	<b>67,489</b>	<b>508,002</b>	<b>649,196</b>
Approved Transfer to AER	(11,505)	11,505	0	0
<b>Revised Balance as at 31 March 2022</b>	<b>62,200</b>	<b>78,994</b>	<b>508,002</b>	<b>649,196</b>
Transfer to ARR from Revenue	(42,000)	0	42,000	0
Asset Replacement Projects - Boat Engines and Warsash Bridge Remedial Works	0	0	(54,000)	<b>(54,000)</b>
Asset Replacement Additions - Purchase of New Vessels	0	0	(344,000)	<b>(344,000)</b>
Asset Replacement Disposals - Sale of Old Vessels	0	0	77,500	<b>77,500</b>
Annual Interest Receivable	0	1,000	7,000	<b>8,000</b>
Transfer to AER	(21,100)	21,100	0	0
Net Surplus for the year	66,000	0	0	<b>66,000</b>
<b>Balance at 31 March 2023</b>	<b>65,100</b>	<b>101,094</b>	<b>236,502</b>	<b>402,696</b>
Transfer to ARR from Revenue	(42,000)	0	42,000	0
Asset Enhancement - Academic studies	0	(1,000)	0	<b>(1,000)</b>
Annual Interest Receivable	0	2,000	5,000	<b>7,000</b>
Transfer to AER	(1,700)	1,700	0	0
Net Surplus for the year	46,000	0	0	<b>46,000</b>
<b>Balance at 31 March 2023</b>	<b>67,400</b>	<b>103,794</b>	<b>283,502</b>	<b>454,696</b>