

River Hamble Harbour Authority

Report of the Board and unaudited financial statements
for the year ended 31 March 2020



River Hamble Harbour Authority
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for the period ended 31 March 2020

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River Hamble Harbour Authority

Report of the Board for the year ended 31 March 2020

Hampshire County Council is the statutory Harbour Authority for the River Hamble Harbour. Responsibility for the governance of the River Hamble was transferred to Hampshire County Council in 1970 and the harbour has operated as a municipal port ever since.

Section 42 of the Harbours Act 1964, as amended by paragraph 10 of Schedule 6 to the Transport Act 1981, requires every statutory Harbour Authority to prepare an annual statement of accounts for the harbour activities in accordance with the requirements of the Companies Act 2006, for submission to the Secretary of State for Transport.

All harbour undertakings carried out by Hampshire County Council are part of the County Council's service provision to residents, and there is no separate legal entity in place to which the provisions apply. As such these accounts have been prepared for the River Hamble Harbour Authority in a style which is consistent with the reporting requirements of the Companies Act 2006.

Hampshire County Council delegates its executive decision making function to the River Hamble Harbour Board. The County Council and the representatives on the Harbour Board form a democratically accountable body responsible for overseeing the operation of the harbour and the impacts from it. The following members served on the Harbour Board during the year:

- Hampshire County Council:
 - Councillor Keith Evans (Chairman)
 - Councillor Keith House
 - Councillor Peter Latham
- Independent Board Members:
 - David Jobson (Recreation)
 - Chris Moody (Marine Industry)
 - Nikki Hiorns (Environment)
- Marine Director:
 - Jason Scott (Harbour Master)

In addition, the River Hamble Management Committee (constituted in accordance with the River Hamble Harbour Revision Order 1969, as subsequently amended) provides policy advice to the Harbour Board and is responsible for scrutinising the Harbour Board's decisions. The Management Committee is comprised nineteen members: ten County Councillors (one of whom acts as the Committee Chairman),

three District Council Councillors (one from Eastleigh, one from Fareham and one from Winchester) and representatives from each of the following interested parties: Associated British Ports; Association of River Hamble Yacht Clubs; British Marine Federation; Hamble River Boatyard and Marine Operators Association; the Berth and Mooring Holders; and the Royal Yachting Association.

Principal Activities:

The principal activities of the Harbour Authority during the period under review were the management of moorings, pontoons and associated harbour facilities, and ensuring the safe and efficient operation of the River Hamble Harbour.

Political and Charitable donations:

No charitable donations were made during the year (2019/20 £nil).

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with Financial Reporting Standard 102 Section 1A *Small Entities* and in keeping with the requirements of Section 42 of the Harbours Act 1964.

The financial statements were approved and authorised for issue by the Board on 25 September 2020 and signed on its behalf by Councillor Keith Evans.

River Hamble Harbour Authority

Harbour Master's report for the year ended 31 March 2020

Last year's steps to safeguard income streams were prudent and have been effective. This year's report must however be influenced by the impact of Coronavirus the last few weeks of the period under report and on what that may mean for the Harbour Authority for next year and beyond.

With increasing expenditure and reduced income, steps were required last year to increase income. It will be seen from future reports that both measures taken, the increase of 5% in Harbour Dues and the proper collection of Dues on dry-launched vessels, are now delivering a secure platform upon which to assure the delivery of our mandatory Marine Safety Management System.

The stronger platform we are developing means that the annual draw on the General or Revenue Reserve in the year to 1 March 2020 to subsidise our important contribution to our Asset Replacement Reserve, servicing our vital operational infrastructure, has stopped. It will become obvious that our steps will re-build the General Reserve to a healthier credit level. On the face of things, this would indicate that we are in a position to relax on any immediate requirement to increase Harbour Dues further. I will develop this. Before I do, I would like to advertise the economical and sensible steps we have taken over the past year to put in some much-needed work into Command and Control at the Harbour Office. This building is the hub of our operational capability. Designed in the mid 1970s, it is in a first-class position to exercise our functions. It is however exposed to the weather and modern fire and health and safety requirements demanded improvements. With Hampshire County Council assistance and the organic skills of our team in the Office, the building has received the refurbishment it has needed. Investment in new windows and doors means that it is secure and dry. New technology in the form of closed-circuit television provides added security and reassurance to those berthed on our jetty. Television briefing aids provide modern situational awareness for the management of disruptive challenges such as oil spills. Much of our work to modernise the building has been conducted in-house by our patrol teams who are very skilled at Do-It-Yourself. All this has delivered a much-improved command centre at very low cost to the River User which will last.

Returning to what this set of Annual Accounts means, I will now talk about the impact of Coronavirus and how it has and may affect us over the coming year or two. In straying deliberately from this report for 2020, I will use these accurate accounts which are a strong tool with which to plan. The impact of Coronavirus on our budget over the current year will be harder to gauge. Good weather at Easter would normally have brought with it visitors' income which has been lost. We know that our

income levels from visitors is currently £7,000 less than at the same time last year but also that the rate of income is greater. This could mean that, barring the imposition of further restrictions on recreational boating, this stream will be close to the level budgeted. Any further restrictions will have a negative impact. In the event that we complete the year with a £7,000 shortfall on visitors' income, the General Reserve is predicted to stand at a healthier £17,189, made in one year. Secondly, it will be recognised as prudent to consider the effect on pension funds of the Coronavirus outbreak over the next two years given the Bank of England's current assessment of the economic downturn of 9% over the current financial year (06 Aug). It would seem sensible to be prepared for the requirement to make or offset additional contributions in a proportionate and gentle manner now, rather than to be confronted by a requirement for another larger than desirable increase in the future. It is important too to recognise the impact on businesses and private individuals, all of whom have been impacted upon by recent events. Any increase recommended must also take this into consideration. Last year, the Harbour Board noted that smaller annual increases in Harbour Dues were preferable to larger one-off increases at intervals. With that in mind and with uncertainties remaining present, the intellectual basis for a small increase will be sound.

Jason Scott

Marine Director and Harbour Master River Hamble Harbour Authority

Accountant's report
for the year ended 31 March 2020

These accounts have been prepared in accordance with the requirements of the Companies Act 2006 and comprise the Income Statement, the Statement of Financial Position and related notes.

The River Hamble Harbour Authority meets the small company criteria contained in section 382 of the Companies Act 2006.

Under section 477 of the Companies Act 2006, a company that qualifies as a small company is exempt from the requirements of the Act relating to the audit of accounts for that year. These accounts are therefore presented unaudited.

The financial transactions, assets and liabilities of the River Hamble Harbour Authority are also included within the statutory accounts of Hampshire County Council. These are presented in accordance with the Accounts & Audit Regulations 2015 and are published at <https://www.hants.gov.uk/aboutthecouncil/budgetspendingandperformance/accounts>

Signed:

Date:

Anne Hibbert
Corporate Accounting Manager

River Hamble Harbour Authority

**Income and Expenditure statement
for the year ended 31 March 2020**

	Notes	2019/20 £	2018/19 £
Turnover	2	545,818	532,663
Other operating income	3	85,863	81,464
		<u>631,681</u>	<u>614,127</u>
Staff costs	4		
Salaries		356,225	344,636
National Insurance		33,453	32,536
Pension Contributions		78,036	71,227
Other employee expenses		3,436	5,795
Staff Advertising / Interview Expenses		0	0
		<u>471,150</u>	<u>454,194</u>
Depreciation and other amounts written off tangible and intangible fixed assets	11	35,080	38,984
Other operating charges			
Rent/Rates/Leases	5	26,484	32,754
Utilities		3,976	3,420
Other Premises Costs		3,819	2,177
Boats - Repairs & Expenses	6	11,313	9,944
Staff Travel		970	1,132
Insurance		1,600	1,690
Office Expenses	7	24,033	26,986
Environmental Maintenance	8	2,375	4,012
Public Jetties & Navigational Safety		6,541	5,812
Services provided by Hampshire County Council	9	42,288	38,465
Other Services (including Designated Person)		9,570	9,570
Oil Spill Response		4,364	4,290
CCTV		130	130
Projects funded by Reserves	10	64,099	12,663
		<u>201,562</u>	<u>153,045</u>
Profit/(loss) for the financial year	14	<u>(76,111)</u>	<u>(32,095)</u>

River Hamble Harbour Authority

Statement of Financial Position
as at 31 March 2020

	Notes	2019/20		2018/19	
		£	£	£	£
Fixed assets					
Tangible assets	11		344,730		378,310
Current assets					
Debtors	12	34,624		29,265	
Cash at bank and in hand		<u>917,490</u>		<u>931,855</u>	
		952,114		961,120	
Creditors: Amounts falling due within one year					
	13	409,934		376,409	
Net current assets					
			<u>542,180</u>		<u>584,711</u>
Total assets less current liabilities					
			886,910		963,021
Net assets					
			<u>886,910</u>		<u>963,021</u>
Reserves					
Profit and loss account	14		<u>886,910</u>		<u>963,021</u>
			<u>886,910</u>		<u>963,021</u>

For the year ended 31 March 2020 the River Hamble Harbour Authority was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

No notice has been received in accordance with section 476 of the Companies Act 2006 that requires the River Hamble Harbour Authority to obtain an audit.

The Board acknowledges its responsibilities for complying with the requirements of the Act with respect to accounting records and for preparing accounts which give a

true and fair view of the state of affairs of the River Hamble Harbour and of the profit or loss for the financial year.

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with Financial Reporting Standard 102 Section 1A *Small Entities*.

The financial statements were approved and authorised for issue by the Harbour Board and signed on its behalf by

_____ on _____
Councillor Keith Evans
Chairman of the Board

The notes on pages 11 to 16 form an integral part of these financial statements.

River Hamble Harbour Authority

Notes to the financial statements
for the year ended 31 March 2020

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with Financial Reporting Standard 102 Section 1A *Small Entities*.

1.2 Turnover

Turnover represents the total value, excluding value added tax, of sales made during the year and derives from the provision of goods and services falling within the River Hamble Harbour Authority's ordinary activities.

1.3 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, on a straight line basis. A full year of depreciation is applied in the year of purchase.

2 Turnover

The total turnover for the year has been derived from the River Hamble Harbour Authority's principal activity, wholly undertaken in the UK.

	2019/20	2018/19
	£	£
Marinas and Boatyards	390,278	379,485
River Moorings	97,496	100,140
Jetty Charges	19,571	21,803
Mooring and Towing Charges	9,529	9,019
Commercial and Pleasure craft	13,036	5,779
Total Harbour Dues	529,910	516,226
Visitors	15,908	16,437
Total turnover	545,818	532,663

3 Other operating income

	2019/20	2018/19
	£	£
Crown Estate Management Fee	67,240	68,300
Miscellaneous Income	12,777	7,543
Interest	5,004	4,625
Other Funding	842	996
Total other operating income	<u>85,863</u>	<u>81,464</u>

4 Employees

	2019/20	2018/19
Staff numbers	12	12

5 Rent Rates Leases

	2019/20	2018/19
	£	£
Rent - Oil Spill Response Equipment Unit	4,055	3,903
Rent - Crown Estates	4,840	13,171
Rent - Warsash Jetty	1,829	1,829
Rent - Visitors Pontoon	1,829	1,829
Rent - Hamble Jetty	1,829	1,829
Rent - Fishermans Pontoon	1,829	1,829
Rent - Harbour Master's Office	0	(5)
Business Rates - River Hamble Harbour	10,273	8,369
	<u>26,484</u>	<u>32,754</u>

6 Boat repairs & expenses

	2019/20	2018/19
	£	£
Repair, Maintenance and Boat Refurbishment	5,126	3,825
Vehicle Running Expenses (Fuel)	4,417	3,877
Tools (including Chandlery)	1,770	2,242
	<u>11,313</u>	<u>9,944</u>

7 Office expenses

	2019/20	2018/19
	£	£
Equipment	966	1,013
First Aid Supplies/Health & Safety	140	715
Printing & Stationery	1,985	4,719
Catering/General	1,459	1,221
Retail (Crabbing Equipment)	505	693
Room Hire	250	415
Protective Clothing and Safety Equipment	2,715	3,557
IT Charges	6,620	2,479
Postage	489	1,220
Subscriptions	1,650	1,685
Promotional Events/Publicity/Publications	2,910	4,817
Credit Card Charges (re Income Collection)	4,344	4,452
	<u>24,033</u>	<u>26,986</u>

8 Environmental Maintenance

	2019/20	2018/19
	£	£
Waste Collection	1,106	837
Clearance of Warsash Slipway	395	3,175
Miscellaneous Environmental Maintenance Expenditure	874	0
	<u>2,375</u>	<u>4,012</u>

9 Services provided by Hampshire County Council

	2019/20	2018/19
	£	£
Accountancy	21,600	21,600
Transaction processing	2,488	2,488
Tax/cash management	200	200
Internal audit	3,410	3,410
Legal Services	4,024	2,812
Democratic Services	9,632	7,050
	<u>41,354</u>	<u>37,560</u>
Contribution to Solent Forum	934	905
	<u>42,288</u>	<u>38,465</u>

No separate charge is currently levied for the following:

- Rent and general repair costs associated with the Harbour Office
- Access to and use of the County Council's IT infrastructure and systems
- Insurance, apart from a nominal premium of £1,600 relating to the Patrol Boats

10 Projects funded by Reserves

	2019/20	2018/19
	£	£
Boat engines	2,275	
Bursledon Regatta	417	
Hamble Jetty	3,900	3,840
Harbour Assist system	45,500	
Harbour Office Works	12,007	
River signage		865
Decking		1,675
Warsash Jetty		4,116
Boat engine sale		(833)
River Hamble Games		3,000
	<u>64,099</u>	<u>12,663</u>

11 Tangible fixed assets

	Marks, Beacons, Lights, Piles, Buoys	Bridges, Walkways, Jetties	Boats	Other	Total
	£	£	£	£	£
Cost					
At 1 April 2019	180,068	678,725	62,500	127,744	1,049,037
Additions	1,500	0	0	0	1,500
Disposals	0	0	0	0	0
Transfers	0	0	0	0	0
At 31 March 2020	181,568	678,725	62,500	127,744	1,050,537
Depreciation					
At 1 April 2019	134,551	390,713	36,166	109,297	670,727
Charge for the year	4,024	21,149	6,833	3,074	35,080
On disposals	0	0	0	0	0
At 31 March 2020	138,575	411,862	42,999	112,371	705,807
Net book values					
At 31 March 2020	42,993	266,863	19,501	15,373	344,730
At 31 March 2019	45,517	288,013	26,334	18,447	378,310

12 Debtors

	2019/20	2018/19
	£	£
Trade debtors	28,357	27,765
Prepayments and accrued income	6,267	1,500
	<u>34,624</u>	<u>29,265</u>

No debtor amounts fall due after more than one year

13 Creditors: amounts falling due within one year

	2019/20	2018/19
	£	£
Trade creditors	11,560	6,886
Accruals and deferred income	398,374	369,523
	<u>409,934</u>	<u>376,409</u>

No creditor amounts fall due after more than one year

14 Profit and Loss Account

	Total
	£
At 1 April 2019	963,021
Transfers to/(from) Profit and Loss account	<u>(76,111)</u>
At 31 March 2020	<u>886,910</u>

15 Movement in reserves

	Cash backed Reserves					
	General Reserve £	Asset Enhancement £	Asset Replacement £	Total cash backed Reserves £	Asset backed Reserves £	Tot Reser £
As at 1 April 2019	16,170	67,225	501,316	584,711	378,310	963,021
Movement:						
2019/20 deficit	(76,111)	0	0	(76,111)	0	(76,111)
Transfers:						
Asset additions	0	0	(1,500)	(1,500)	1,500	
Depreciation	35,080	0	0	35,080	(35,080)	
Asset contribution	(35,000)	0	35,000	0	0	
Projects	64,099	(417)	(63,682)	0	0	
Interest	(4,049)	486	3,563	0	0	
Total movement	<u>(15,981)</u>	<u>69</u>	<u>(26,619)</u>	<u>(42,531)</u>	<u>(33,580)</u>	<u>(76,111)</u>
As at 31 March 2020	<u>189</u>	<u>67,294</u>	<u>474,697</u>	<u>542,180</u>	<u>344,730</u>	<u>886,910</u>

16 Reserves Policy

The Harbour Board approved a reserves policy on 18 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, also known as the General Reserve) – to hold annual surpluses totalling no more than 10% of the gross revenue budget (for 2019/20 this equates to approximately £59,000). 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

The reserves policy is kept under continuous review, to ensure the reserves continue to be at the level the River Hamble needs to operate effectively in accordance with its aims, needs and objectives taking into account potential risks and contingencies that may arise from time to time, and in the context of a separate risk management policy.

The Board review the level of Harbour Dues annually in the context of the Revenue Reserve balance and expected income and expenditure, increasing, freezing or reducing the rates as required to maintain an appropriate balance in the Revenue Reserve.

The Board also annually reviews the fixed asset register to ensure that the contribution to the Asset Replacement Reserve is appropriate to meet all anticipated expenditure on the replacement or maintenance of assets, revising the contribution when necessary.

The Asset Enhancement Reserve is used for exceptional, non-essential expenditure to enhance the enjoyment of the River Hamble for river users, and funds are therefore transferred into this reserve from time to time as funds allow.

River Hamble Harbour Authority Management Accounts	2019/20			
	Revised Budget	P6 Forecast Outturn	Year End Actuals	Variance to Budget
	£	£	£	£
EXPENDITURE				
Staff Related				
Salaries	430,000	430,000	442,914	12,914
Past Pension Contributions	25,000	25,000	24,800	(200)
Training	5,000	9,000	1,575	(3,425)
Professional Subscriptions	1,000	2,000	1,861	861
Sub-Total Staff Related	461,000	466,000	471,150	10,150
Premises				
Rent / Rates	19,000	22,000	21,644	2,644
Electricity	2,000	2,000	1,950	(50)
Gas	1,000	1,000	1,007	7
Water / Sewerage	1,000	1,000	1,019	19
Repair & Maintenance (including Health & Safety Modifications)	1,000	1,000	2,761	1,761
Service Charges	-	-	325	325
Burglar Alarms / Security	1,000	1,000	733	(267)
Sub-Total Premises	25,000	28,000	29,439	4,439
Transport				
Repair, Maintenance & Boat Refurbishment	3,000	2,000	5,126	2,126
Vehicle Running Expenses (Fuel)	3,000	3,000	4,417	1,417
Tools (including Chandlery)	2,000	2,000	1,770	(230)
Car Allowances / Staff Travel	1,000	1,000	970	(30)
Insurance	2,000	2,000	1,600	(400)
Sub-Total Transport	11,000	10,000	13,883	2,883
Supplies & Services				
Office Expenses	25,000	25,000	24,033	(967)
Environmental Maintenance	5,000	5,000	3,309	(1,691)
Public Jetties & Navigational Safety	6,000	7,000	6,541	541
Central Department Charges	42,000	42,000	41,354	(646)
Designated Person	9,000	10,000	9,570	570
Oil Spill Response	5,000	4,000	4,364	(636)
CCTV	-	-	130	130
Crown Estate Settlement	5,000	5,000	4,840	(160)
Sub-Total Supplies & Services	97,000	98,000	94,141	(2,859)

River Hamble Harbour Authority Management Accounts	2019/20			
	Revised Budget	P6 Forecast Outturn	Year End Actuals	Variance to Budget
	£	£	£	£
GROSS EXPENDITURE	594,000	602,000	608,613	14,613
INCOME				
Harbour Dues	(483,000)	(481,000)	(487,774)	(4,774)
Crown Estate Funding	(67,000)	(67,000)	(67,240)	(240)
Visitor Income	(43,000)	(45,000)	(48,515)	(5,515)
Miscellaneous Income	(9,000)	(14,000)	(12,777)	(3,777)
Towing Charges	(7,000)	(9,000)	(9,529)	(2,529)
Other Funding	(2,000)	(1,000)	(842)	1,158
Interest	(1,000)	(1,000)	(955)	45
GROSS INCOME	(612,000)	(618,000)	(627,632)	(15,632)
NET REVENUE FUNDED EXPENDITURE	(18,000)	(16,000)	(19,019)	(1,019)
Contribution to Asset Replacement Reserve	35,000	35,000	35,000	-
NET DEFICIT FUNDED FROM GENERAL RESERVE	17,000	19,000	15,981	(1,019)
INCOME / EXPENDITURE ON RESERVES				
Projects Funded by Reserves				
Asset Enhancement	50,000	1,000	417	(49,583)
Asset Replacement	28,000	36,000	63,682	35,682
Asset Replacement - Addition	-	-	1,500	1,500
Revenue Reserve	-	-	-	-
Expenditure from Reserves	78,000	37,000	65,599	(12,401)
Interest on Reserves				

River Hamble Harbour Authority Management Accounts	2019/20			
	Revised Budget	P6 Forecast Outturn	Year End Actuals	Variance to Budget
	£	£	£	£
Asset Enhancement Interest	-	-	(486)	(486)
Asset Replacement Interest	(2,000)	(3,000)	(3,563)	(1,563)
Income on Reserves	(2,000)	(3,000)	(4,049)	(2,049)
NET RESERVES FUNDED EXPENDITURE	76,000	34,000	61,550	(14,450)
TOTAL NET EXPENDITURE	58,000	18,000	42,531	(15,469)
RESERVES				
Contribution to Asset Replacement Reserves	35,000	35,000	35,000	-
Transfer To / (From) Revenue Reserve	(16,000)	(16,000)	(15,981)	19
Transfer To / (From) Asset Enhancement Reserve	(1,000)	(3,000)	-	1,000
	18,000	16,000	19,019	1,019
Transfer Interest to Reserves	2,000	3,000	4,049	2,049
Transfers from Reserves - Projects	(78,000)	(37,000)	(65,599)	12,401
Total Transfers To / (From) Reserves	(76,000)	(34,000)	(61,550)	14,450
TOTAL TRANSFERS TO / (FROM) RESERVES	(58,000)	(18,000)	(42,531)	15,469

River Hamble Harbour Authority				
Further detail on Harbour Dues, Visitors Income, Office Expenses and Central Department Charges				
	2019/20			
	Revised Budget	P6 Forecast Outturn	Actuals	Variance to Budget
	£	£	£	£
Harbour Dues Income				
Marinas and Boatyards	(385,000)	(385,000)	(381,620)	3,380
Marinas and Boatyards - Dry Launching	-	-	(8,658)	(8,658)
River Moorings	(98,000)	(96,000)	(97,496)	504
Total Harbour Dues Income	(483,000)	(481,000)	(487,774)	(4,774)
Visitor Income				
Mid Stream Visitors Pontoon	(20,000)	(17,000)	(15,908)	4,092
Warsash Jetty	(13,000)	(18,000)	(17,137)	(4,137)
Hamble Jetty	(2,000)	(3,000)	(2,434)	(434)
Commercial and Pleasure Craft Income	(8,000)	(7,000)	(13,036)	(5,036)
Total Visitor Income	(43,000)	(45,000)	(48,515)	(5,515)
Office Expenses				
Equipment	1,000	1,000	966	(34)
First Aid Supplies / Health & Safety	1,000	1,000	140	(860)
Printing & Stationery	3,000	3,000	1,985	(1,015)
Catering / General	1,000	1,000	1,459	459
Room Hire	-	-	250	250
Protective Clothing and Safety Equipment	3,000	3,000	2,715	(285)
IT Charges	5,000	5,000	6,620	1,620
Postage	2,000	1,000	489	(1,511)
Subscriptions	2,000	2,000	1,650	(350)
Promotional Events / Publicity /Publications	3,000	3,000	2,910	(90)
Retail (Crabbing Equipment)	1,000	1,000	505	(495)
Credit Card Charges (re Income Collection)	3,000	4,000	4,344	1,344
Total Office Expenses	25,000	25,000	24,033	(967)

River Hamble Harbour Authority				
Further detail on Harbour Dues, Visitors Income, Office Expenses and Central Department Charges				
	2019/20			
	Revised Budget	P6 Forecast Outturn	Actuals	Variance to Budget
	£	£	£	£
Central Department Charges				
Operational Finance	22,000	22,000	21,600	(400)
Integrated Business Centre – Transactions, Cash Management & Payroll	3,000	3,000	2,688	(312)
Audit Services	3,000	3,000	3,410	410
Democratic Services (Including Venue Costs)	9,000	9,000	9,632	632
Legal Services	5,000	5,000	4,024	(976)
Total Central Department Charges	42,000	42,000	41,354	(646)

Notes to Appendices 2 and 3

The details of significant variations are as follows:

1. Staff related expenditure was £10,150 higher than budgeted, mainly due to additional overtime costs. These were due to a vacant seasonal post being covered by higher graded staff members working additional hours.
2. Premises costs were £4,439 higher than budgeted, primarily due to increased business rates which reflected the reducing transactional relief following the revaluation in 2017.
3. Transport related expenditure was £2,883 higher than budgeted, mainly due to higher than budgeted repairs and maintenance costs, resulting from unbudgeted spend on engine control mechanisms, and also fuel costs.
4. Supplies and Services expenditure was £2,859 lower than budgeted. This was primarily due to lower than budgeted spend of £1,691 on Environmental Maintenance, due to slipway clearances only being carried out when absolutely necessary, and an overall underspend of £967 on the various types of office related expenses.
5. Central Department Charges

The basis for the central department charges is as follows:

- Operational Finance - £21,600 based on an assessment of the time devoted to the River Hamble. This is reviewed regularly.
- Corporate Resources central charges – based on volumes and reviewed regularly. A more detailed breakdown of these services is listed below:

○ Integrated Business Centre (IBC)	£2,488
○ Tax/Cash Management	£200
○ Audit Services	<u>£3,410</u>
	£6,098
- The charge for Audit Services is an SLA to cover audit requirements, both for specific site visits to the River Hamble and to cover systems and processes used by the River Hamble, such as payroll and IT systems
- Legal Services and Democratic Services – these charges are based on actual hours worked multiplied by an hourly rate which has been benchmarked to ensure best value. £4,024 was incurred for legal advice, with the balance of £9,632 for Democratic and Member Services support, which also included venue costs for Committee and Board meetings.

The following costs are not currently borne by the Harbour Office:

- Notional rent and general repair costs associated with the Harbour Office
- Access to and use of the County Council's Information Technology infrastructure and systems
- Insurance, apart from a nominal fee relating to the Patrol Boats

6. Total income for 2019/20 was £627,632, £15,632 above the budget of £612,000.

7. £8,658 was received in respect of the newly introduced Harbour Dues Dry Launching Charges income, for the period January to March.

8. Most other areas of income saw overachievements against the budgeted amounts, in particular visitor income which benefited from an increase to charges during the year.

River Hamble Harbour Authority – Reserves 2019 – 2021

	General (Revenue) Reserve	Asset Enhancement Reserve	Asset Replacement Reserve	TOTAL
	£	£	£	£
Balance as at 31 March 2019	16,170	67,225	501,316	584,711
Transfer to ARR from Revenue	(35,000)	0	35,000	0
Bursledon Regatta 2019	0	(417)	0	(417)
Asset Replacement – Tidal Gauges, Harbour Assist system, Harbour Office works, boat engine maintenance and pontoon welding	0	0	(65,182)	(65,182)
Annual Interest Receivable	0	486	3,563	4,049
Net Surplus for the year	19,019	0	0	19,019
Balance at 31 March 2020	189	67,294	474,697	542,180
Transfer to ARR from Revenue	(35,000)	0	35,000	0
Transfer to AER from Revenue	0	0	0	0
Potential Projects	0	(25,000)	0	(25,000)
River Hamble Games	0	(3,000)	0	(3,000)
Asset Replacement	0	0	(18,000)	(18,000)
Annual Interest Receivable	0	0	3,000	3,000
Net Surplus for the year	52,000	0	0	52,000
Anticipated Balance at 31 March 2021	17,189	39,294	494,697	551,180

Interest is generated on general reserves and is included in the net transfer to / (from) general revenue reserves

Reconciliation of profit and loss to deficit generated on general revenue activities

	2019/20
	£
Profit/(loss) for the financial year from Income Statement	(76,111)
Add back:	
Depreciation Charge for Year	35,080
Projects funded from reserves	64,099
Less:	
Interest on AER and ARR	(4,049)
Agreed transfer to ARR	(35,000)
Net deficit funded from General Reserve	<u><u>(15,981)</u></u>

River Hamble Harbour Authority Management Accounts	2020/21				
	Original Budget	Adjustm 'ents	Revised Budget	Q1 Forecast Outturn	Outturn Forecast Variance
	£'000	£'000	£'000	£'000	£'000
EXPENDITURE					
Staff Related					
Salaries	445	-	445	445	-
Past Pension Contributions	-	-	-	-	-
Training	5	-	5	5	-
Professional Subscriptions	2	-	2	2	-
Sub-Total Staff Related	452	-	452	452	-
Premises					
Rent / Rates	25	-	25	25	-
Electricity	2	-	2	2	-
Gas	1	-	1	1	-
Water / Sewerage	1	-	1	1	-
Repair & Maintenance	1	-	1	1	-
Burglar Alarms / Security	1	-	1	1	-
Sub-Total Premises	31	-	31	31	-
Transport					
Repair, Maintenance and Boat Refurbishment	3	-	3	3	-
Vehicle Running Expenses (Fuel)	3	-	3	3	-
Tools (including Chandlery)	2	-	2	2	-
Car Allowances / Staff Travel	1	-	1	1	-
Insurance	2	-	2	2	-
Sub-Total Transport	11	-	11	11	-
Supplies & Services					
Office Expenses	24	-	24	24	-
Environmental Maintenance	5	-	5	5	-
Public Jetties & Navigational Safety	1	-	1	1	-
Central Department Charges	42	-	42	42	-
Designated Person	10	-	10	10	-
Oil Spill Response	4	-	4	4	-
Crown Estate Settlement	5	-	5	5	-
Sub-Total Supplies & Services	91	-	91	91	-

	2020/21 Original Budget	Adjustm 'ents	2020/21 Revised Budget	2020/21 P3 Forecast Outturn	2020/21 Outturn Forecast Variance
	£'000	£'000	£'000	£'000	£'000
GROSS EXPENDITURE	585	-	585	585	-
INCOME					
Harbour Dues	(506)	(35)	(541)	(541)	-
Crown Estate Funding	(69)	-	(69)	(69)	-
Visitor Income	(45)	-	(45)	(38)	7
Miscellaneous Income	(6)	-	(6)	(6)	-
Towing Charges	(9)	-	(9)	(9)	-
Other Funding	(1)	-	(1)	(1)	-
Interest	(1)	-	(1)	(1)	-
GROSS INCOME	(637)	(35)	(672)	(665)	7
NET REVENUE FUNDED EXPENDITURE	(52)	(35)	(87)	(80)	7
INCOME / EXPENDITURE ON RESERVES					
Projects Funded by Reserves					
Asset Enhancement Projects	28	-	28	28	-
Asset Replacement Projects	18	-	18	18	-
Revenue Reserve Projects	-	-	-	-	-
Expenditure from Reserves	46	-	46	46	-
Interest on Reserves					
Asset Enhancement Interest	-	-	-	-	-
Asset Replacement Interest	(3)	-	(3)	(3)	-
Income on Reserves	(3)	-	(3)	(3)	-
NET RESERVES FUNDED EXPENDITURE	43	-	43	43	-
TOTAL NET EXPENDITURE	(9)	(35)	(44)	(37)	7

	2020/21 Original Budget	Adjustm 'ents	2020/21 Revised Budget	2020/21 P3 Forecast Outturn	2020/21 Outturn Forecast Variance
	£'000	£'000	£'000	£'000	£'000
RESERVES					
Contribution to Asset Replacement Reserves	35	-	35	35	-
Transfer To / (From) Revenue Reserves	17	35	52	45	(7)
Transfer To / (From) Asset Enhancement Reserves	-	-	-	-	-
	52	35	87	80	(7)
Transfer Interest to Reserves	3	-	3	3	-
Transfers from Reserves - Projects	(46)	-	(46)	(46)	-
	(43)	-	(43)	(43)	-
TOTAL TRANSFERS TO / (FROM) RESERVES	9	35	44	37	(7)