

# River Hamble Harbour Authority

Report of the Board and unaudited financial statements  
for the year ended 31 March 2017



**River Hamble Harbour Authority**  
**Contents of the Financial Statements**  
**for the period ended 31 March 2017**

	<b>Page</b>
Report of the Board	3
Harbour Master's report	5
Accountant's report	8
Income Statement	9
Statement of Financial Position	10
Notes to the financial statements	12

## River Hamble Harbour Authority

### Report of the Board for the year ended 31 March 2017

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 of 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 (2015/16 £70,000).

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 14 July 2017 and signed on its behalf by Councillor Keith Evans.

## **River Hamble Harbour Authority**

### Harbour Master's report for the year ended 31 March 2017

This year has seen the completion of a number of environmental and development projects, as well as the commissioning of key asset review work to support longer term operational and financial planning. A number of plans have been or are in the course of being refined and contracts renewed with significant actors, including the Crown Estate and our Designated Person. A core of experienced and passionate officers remains central to the effective delivery of the essential marine safety service.

In terms of safety, the key development this year has been the initiation of formally recorded quarterly Operational and Safety Meetings to analyse incidents in the River and those recorded by authorities elsewhere. This allows the River Hamble Harbour Authority (RHHA) to check that the Safety Management System (SMS) reflects needs and puts in place any additional control measures that may be required. The latest check by the Designated Person ensured that our SMS remains appropriately robust.

In Governance terms, there have been no changes to either the Management Committee or the Harbour Board.

A robust financial position allowed the Harbour Board to maintain a zero per cent increase to Harbour Dues for the second year in succession. Of course, similar freezes in the future cannot be guaranteed. In order to be confident that revenue is being accumulated at a rate that ensures that sufficient capital is held to match our needs when our operational and supporting assets require maintenance or fall due for replacement, the RHHA commissioned Opus Engineering to survey major structures and provide a professional assessment of their condition, the work that might be required to optimise their lifespan and an indication, at current rates, of their replacement cost. It will inform judgement on whether or not Harbour Dues require adjustment. Income streams have been as expected and, in response to River Users' calls for more tender billets, the RHHA has delivered within budget the much needed connecting pontoon at Warsash.

In terms of other developments within the River, this year has been reasonably light. The old High Level Jetty at Universal Marina has been removed and there have been numerous applications to install pontoons on pile and fore-and aft moorings at various locations throughout the River.

The Harbour Authority continues to provide one-to-one advice for prospective developers and this service has been used extensively again this year. The Harbour

Authority also runs the Consents Advice Panel and, although demand has not required a meeting this year, this service, which is recognised nationally as an example of best practice, is still available. The Panel is a chance for those wishing to undertake works in the marine environment on the River to meet informally with consenting organisations prior to an application being submitted and marine consents sought.

Harbour Authority staff have, as usual, been broadly involved in supporting many River-wide activities, including the third River Hamble Games, the Bursledon Regatta, the Annual Harbour Master's Charity Pursuit Race for dinghies and the Hamble River Raid. Financial and other material contributions have been made to all these, as well as an important financial contribution, as usual, to the production of the River Hamble Handbook in conjunction with the Hamble River Combined Clubs. This important document provides vital safety information and acts as a comprehensive directory of services for those in and about the River. It was published in February and is available from the Harbour Office.

Management of the mid-stream moorings and the moorings Waiting List, on behalf of the Crown Estate continues. The waiting list remains reasonably long for most sizes of boat but opportunities continue to be sought to promote movement. Looking at other adjacent harbours' rates, the Hamble continues to represent good value for money.

Inter-agency co-operation aimed at improving mutual awareness and capability continues to be a relevant safety theme. There has been frequent cooperation with the Police, UK Border Force and the Southern Inshore Fisheries Conservation Authority this year. In the latter case, the Southern Inshore Fisheries Conservation Authority brought a successful prosecution against a fishing boat for £34,000 for the landing of undersize shellfish on the Hamble. The Authority continues to assist both the Police and Border Force in the discharging of their responsibilities on a routine basis.

In training terms, in October, the Authority completed successfully its mandatory three yearly practical Oil Spill Response Exercise. This exercise took place before the eyes of the Regulator at the Maritime and Coastguard Agency and will ensure that planning remains as robust as it can be and also that RHHA staff both afloat and ashore are able to deal with the workload placed upon them in a resilient way.

As ever, the Harbour Authority remains an active participant in the Solent European Marine Sites Management Group, ensuring that it, along with other Relevant Authorities, exercise statutory functions in such a way as to ensure that the Solent European Marine Sites are managed appropriately.

Staff also continue to support the work of the Hamble Estuary Partnership (HEP), which continues to provide a valuable network for a wide variety of organisations with an interest in the River. Many and varied talks have been presented to the HEP to ensure all members and their representative organisations continue to learn and remain up to date.

Last year, the RHHA commissioned a sediment management study to fill a gap in collective knowledge about the changes in vital saltmarsh habitats over time and also to gain evidence on what use might be made of dredged sediment to safeguard their integrity. The historical pattern of decline of saltmarsh is clear and the report highlights the key role played in this process by the original construction of marinas. Other additional factors have also contributed to continued decline. The study has provided empirical clarification of aspects often prone to assumptions. It provides much information which is of immediate application to the work of the RHHA, regulating authorities, landowners and those providing berthing facilities. Whilst it does not recommend a large scale project to reuse dredge arisings within the estuary, it outlines the potential for small scale options predominately involving sediment retention measures.

The Harbour Board continues to part-sponsor a PhD student to evaluate the spatial variation in the dissolution of sacrificial anodes in the Solent.

The River Hamble Safeguarding Agreement (RHSA) is now closed, although any subsequent dredging activity in the same area will trigger its reinitiation. This contract between Associated British Ports (ABP) Southampton and the River Hamble Harbour Authority was designed to protect the Harbour Authority and other River Hamble stakeholders from any adverse effects of excess sedimentation relating to ABP's capital dredge of Southampton Water. The dredging and associated monitoring programme revealed that one area in particular suffered appreciably with increased deposition. The owner of that area is, as a result of this work, eligible for compensation.

The Harbour Authority continues to engage in consultations associated with the Marine Management Organisation's emerging South Marine Plan, Natural England's proposed new Special Protection Area, and the Environment Agency's Seaview 2027 project.

Jason Scott  
Marine Director and Harbour Master

**River Hamble Harbour Authority**

Accountant's report  
for the year ended 31 March 2017

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 <http://www3.hants.gov.uk/finance/treasurers-statementofaccounts.htm>.

Signed:

Date:

Anne Hibbert  
Corporate Accounting Manager



**River Hamble Harbour Authority**

**Income and Expenditure Statement  
for the year ended 31 March 2017**

	Notes	2016/17 £	2015/16 £
<b>Turnover</b>	2	518,814	528,583
<b>Other operating income</b>	3	78,750	71,848
		<u>597,564</u>	<u>600,431</u>
<b>Staff costs</b>	4		
Salaries		327,157	319,856
National Insurance		32,603	23,757
Pension Contributions		60,017	56,713
Other employee expenses		3,797	9,962
Staff Advertising / Interview Expenses		0	3,211
		<u>423,574</u>	<u>413,499</u>
Depreciation and other amounts written off tangible and intangible fixed assets	11	33,307	36,483
<b>Other operating charges</b>			
Rent/Rates/Leases	5	16,569	12,855
Utilities		3,743	2,370
Other Premises Costs		2,504	1,215
Boats - Repairs & Expenses	6	29,794	16,249
Staff Travel		1,111	1,312
Insurance		1,600	1,600
Office Expenses	7	23,450	27,803
Environmental Maintenance	8	15,692	8,577
Public Jetties & Navigational Safety		6,668	16,255
Services provided by Hampshire County Council	9	42,100	37,758
Other Services inc Designated Person		7,095	8,500
Oil Spill Response		4,290	3,034
CCTV		176	100
The Crown Estate Settlement		0	6,985
Projects funded by Reserves	10	7,424	170,157
		<u>162,216</u>	<u>314,770</u>
<b>Profit/(loss) for the financial year</b>	14	<u><b>(21,533)</b></u>	<u><b>(164,321)</b></u>

**River Hamble Harbour Authority**

**Statement of Financial Position  
as at 31 March 2017**

	Notes	2016/17 £	2016/17 £	2015/16 £	2015/16 £
<b>Fixed assets</b>					
Tangible assets	11		357,553		338,165
<b>Current assets</b>					
Debtors	12	7,578		22,262	
Cash at bank and in hand		960,421		994,894	
		<u>967,999</u>		<u>1,017,156</u>	
<b>Creditors: Amounts falling due within one year</b>					
	13	364,568		372,803	
<b>Net current assets</b>			<u>603,431</u>		<u>644,352</u>
<b>Total assets less current liabilities</b>			960,984		982,517
<b>Net assets</b>			<u><b>960,984</b></u>		<u><b>982,517</b></u>
<b>Reserves</b>					
Profit and loss account	14		<u>960,984</u>		<u>982,517</u>
			<u><b>960,984</b></u>		<u><b>982,517</b></u>

For the year ended 31 March 2017 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 12 to 17 form an integral part of these financial statements.

## **River Hamble Harbour Authority**

Notes to the financial statements  
for the year ended 31 March 2017

### **1 Accounting policies**

#### **1.1 Transition in financial reporting framework**

These financial statements are the first that have been prepared using FRS102 and the provisions set out in Section 1A *Small Entities*. This transition has not affected the reported financial position or financial performance under the previous financial reporting framework.

#### **1.2 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*.

#### **1.3 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.

This accounting policy has not changed with the transition in financial reporting frameworks.

#### **1.4 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.

This accounting policy has not changed with the transition in financial reporting frameworks.

### **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.

	<b>2016/17</b>	<b>2015/16</b>
	<b>£</b>	<b>£</b>
Marinas and Boatyards	377,199	378,326
River Moorings	100,251	102,789
Jetty Charges	13,589	13,966
Mooring and Towing Charges	5,060	0
Miscellaneous Income - Commercial and Pleasure craft	4,701	4,956
Sublet, Waiting List & Late Payment Fee Income	4,475	10,441
Total Harbour Dues	<u>505,275</u>	<u>510,478</u>
Visitors	13,539	18,105
Total turnover	<u><u>518,814</u></u>	<u><u>528,583</u></u>

### 3 Other operating income

	<b>2016/17</b>	<b>2015/16</b>
	<b>£</b>	<b>£</b>
Crown Estate Management Fee	62,720	55,034
Miscellaneous Income	9,654	6,958
Interest	5,471	7,196
Other Funding	905	2,660
Total other operating income	<u>78,750</u>	<u>71,848</u>

### 4 Employees

	<b>2016/17</b>	<b>2015/16</b>
Staff numbers	11	11

### 5 Rent Rates Leases

	<b>2016/17</b>	<b>2015/16</b>
	<b>£</b>	<b>£</b>
Rent - Oil Spill Response Equipment Unit	3,600	3,594
Rent - Crown Estates	0	(3,280)
Rent - Warsash Jetty	1,735	1,640
Rent - Visitors Pontoon	1,734	1,640
Rent - Hamble Jetty	1,735	1,640
Rent - Fishermans Pontoon	1,734	1,640
Rent - Harbour Master's Office	5	5
Business Rates - River Hamble Harbour	6,026	5,976
Business Rates - 5B Stone Pier Yard Shore Road	0	0
	<u>16,569</u>	<u>12,855</u>

**6 Boat repairs & expenses**

	<b>2016/17</b>	<b>2015/16</b>
	<b>£</b>	<b>£</b>
Repair, Maintenance and Boat Refurbishment	14,844	14,462
Vehicle Running Expenses (Fuel)	6,199	99
Tools (including Chandlery)	8,751	1,688
	<u>29,794</u>	<u>16,249</u>

**7 Office expenses**

	<b>2016/17</b>	<b>2015/16</b>
	<b>£</b>	<b>£</b>
Equipment	1,351	1,103
First Aid Supplies/Health & Safety	1,832	279
Printing & Stationery	5,084	4,601
Catering/General	1,915	2,357
Retail (Crabbing Equipment)	473	445
Room Hire	250	325
Protective Clothing	4,967	5,180
IT Charges	23	4,425
Postage	2,625	2,001
Subscriptions	2,041	3,080
Phones	(5)	0
Promotional Events/Publicity/Publications	2,180	3,230
Credit Card Charges	714	777
	<u>23,450</u>	<u>27,803</u>

**8 Environmental Maintenance**

	<b>2016/17</b>	<b>2015/16</b>
	<b>£</b>	<b>£</b>
Waste Collection	1,269	1,007
Clearance of Warsash Slipway	14,200	7,395
Miscellaneous Environmental Maintenance Expenditure	223	175
	<u>15,692</u>	<u>8,577</u>

**9 Services provided by Hampshire County Council**

	2016/17	2015/16
	£	£
Accountancy	21,600	21,200
Transaction processing	2,488	2,488
Tax/cash management	200	200
Internal audit	3,410	3,410
Legal Services	6,750	3,164
Democratic Services	6,786	6,437
	<hr/>	<hr/>
	41,234	36,899
Contribution to Solent Forum	866	859
	<hr/>	<hr/>
	42,100	37,758
	<hr/> <hr/>	<hr/> <hr/>

No separate charge is currently levied for the following:

- Rent and 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**

	2016/17	2015/16
	£	£
PhD - Sacrificial Anodes	5,000	5,000
Sediment Management Desktop Study	200	23,100
River Hamble Games	2,224	0
Warsash Slipway	0	68,657
Contribution to Hamble Lifeboat Station	0	70,000
Marine pile and sign	0	3,400
	<hr/>	<hr/>
	7,424	170,157
	<hr/> <hr/>	<hr/> <hr/>

## 11 Tangible fixed assets

	Marks, Beacons, Lights, Piles, £	Bridges, Walkways, Jetties £	Boats £	Other £	Total £
<b>Cost</b>					
At 1 April 2016	180,068	626,000	55,000	127,774	988,842
Refund of Capital Expenditure	0	0	0	(30)	(30)
Additions	0	52,725	0	0	52,725
Disposals	0	0	0	0	0
Transfers	0	0	0	0	0
At 31 March 2017	180,068	678,725	55,000	127,744	1,041,537
<b>Depreciation</b>					
At 1 April 2016	125,694	404,240	20,666	100,077	650,677
Charge for the year	6,127	19,776	4,333	3,074	33,310
On disposals	0	0	0	0	0
Adjustments re Refunds	0	0	0	(3)	(3)
At 31 March 2017	131,821	424,016	24,999	103,148	683,984
<b>Net book values</b>					
At 31 March 2017	<b>48,247</b>	<b>254,709</b>	<b>30,001</b>	<b>24,596</b>	<b>357,553</b>
At 31 March 2016	<b>54,374</b>	<b>221,760</b>	<b>34,334</b>	<b>27,697</b>	<b>338,165</b>

The revaluation with regards to Other refers to an adjustment to the cost price of the E-Harbours payment system.

## 12 Debtors

	2016/17 £	2015/16 £
Trade debtors	5,078	19,762
Prepayments and accrued income	2,500	2,500
	<b>7,578</b>	<b>22,262</b>

No debtor amounts fall due after more than one year



**13 Creditors: amounts falling due within one year**

	2016/17 £	2015/16 £
Trade creditors	0	6,985
Accruals and deferred income	364,568	365,818
	<u>364,568</u>	<u>372,803</u>

No creditor amounts fall due after more than one year

**14 Profit and Loss Account**

	Total £
At 1 April 2016	982,517
Transfers to/(from) Profit and Loss account	(21,533)
At 31 March 2017	<u>960,984</u>

**15 Movement in reserves**

	Cash backed Reserves			Total cash backed Reserves	Asset backed Reserve	Total Reserves
	General Reserve £	Asset Enhancement (£)	Asset Replacement (£)	(£)	(£)	(£)
As at 1 April 2016	108,642	130,899	404,811	644,352	338,165	982,517
Movement:						
2016/17 deficit	(21,533)	0	0	(21,533)	0	(21,533)
Transfers:						
Asset additions	0	(52,725)	0	(52,725)	52,725	0
Refund of capital exp.	0	30	0	30	(30)	0
Depreciation	33,307	0	0	33,307	(33,307)	0
Asset contribution	(35,000)	0	35,000	0	0	0
Projects	7,424	(7,424)	0	0	0	0
Interest	(4,778)	1,187	3,591	0	0	0
Total movement	<u>(20,580)</u>	<u>(58,932)</u>	<u>38,591</u>	<u>(40,921)</u>	<u>19,388</u>	<u>(21,533)</u>
As at 31 March 2017	<u>88,062</u>	<u>71,967</u>	<u>443,402</u>	<u>603,431</u>	<u>357,553</u>	<u>960,984</u>

## River Hamble Harbour Authority

	<b>Original Budget (£) 2016/2017</b>	<b>P6 Forecast Outturn (£) 2016/2017</b>	<b>Actuals (£) 2016/2017</b>	<b>Variance to Budget (£) 2016/2017</b>
<b>EXPENDITURE</b>				
<b>Staff Related</b>				
Salaries	<b>382,000</b>	413,000	419,777	37,777
Training	<b>15,000</b>	15,000	3,593	(11,407)
Staff Advertising/Interview Expenses	<b>0</b>	0	0	0
Other Employee Expenses	<b>0</b>	0	204	204
<b>Sub Total Staff Related</b>	<b>397,000</b>	<b>428,000</b>	<b>423,574</b>	<b>26,574</b>
<b>Premises</b>				
Rent/Rates	<b>19,000</b>	17,000	16,569	(2,431)
Electricity	<b>2,000</b>	2,000	2,374	374
Gas	<b>1,000</b>	1,000	716	(284)
Water/Sewerage	<b>1,000</b>	1,000	653	(347)
Repair & Maintenance (including Health & Safety Modifications)	<b>1,000</b>	1,000	601	(399)
Service Charges	<b>0</b>	0	650	650
Cleaning	<b>0</b>	0	551	551
Burglar Alarms/Security	<b>1,000</b>	1,000	702	(298)
<b>Sub Total Premises</b>	<b>25,000</b>	<b>23,000</b>	<b>22,816</b>	<b>(2,184)</b>
<b>Transport</b>				
Repair, Maintenance and Boat Refurbishment	<b>23,000</b>	23,000	14,844	(8,156)
Vehicle Running Expenses (Fuel)	<b>3,000</b>	6,000	6,199	3,199
Tools (inc Chandlery)	<b>2,000</b>	2,000	8,751	6,751
Car Allowances/Staff Travel	<b>1,000</b>	1,000	1,111	111
Insurance	<b>2,000</b>	2,000	1,600	(400)
<b>Sub Total Transport</b>	<b>31,000</b>	<b>34,000</b>	<b>32,505</b>	<b>1,505</b>
<b>Supplies &amp; Services</b>				
Office Expenses	<b>27,000</b>	27,000	23,450	(3,550)
Environmental Maintenance	<b>10,000</b>	15,000	15,692	5,692
Public Jetties & Navigational Safety (including Navigational Aids)	<b>10,000</b>	10,000	6,668	(3,332)

	<b>Original Budget (£) 2016/2017</b>	<b>P6 Forecast Outturn (£) 2016/2017</b>	<b>Actuals (£) 2016/2017</b>	<b>Variance to Budget (£) 2016/2017</b>
Central Department Charges	<b>48,000</b>	40,000	42,100	<b>(5,900)</b>
Other Services (including Designated Person)	<b>11,000</b>	11,000	7,095	<b>(3,905)</b>
Oil Spill Response	<b>5,000</b>	5,000	4,290	<b>(710)</b>
CCTV	<b>0</b>	0	176	<b>176</b>
<b>Sub Total Supplies &amp; Services</b>	<b>111,000</b>	<b>108,000</b>	<b>99,471</b>	<b>(11,529)</b>
<b>Gross Expenditure (Current)</b>	<b>564,000</b>	<b>593,000</b>	<b>578,366</b>	<b>14,366</b>
<b>INCOME</b>				
Miscellaneous Income	<b>(7,000)</b>	(7,000)	(9,654)	<b>(2,654)</b>
Interest	<b>(1,000)</b>	(1,000)	(693)	<b>307</b>
Harbour Dues	<b>(514,000)</b>	(514,000)	(505,275)	<b>8,725</b>
The Crown Estate Funding	<b>(56,000)</b>	(56,000)	(62,720)	<b>(6,720)</b>
Other Funding	<b>(5,000)</b>	(5,000)	(905)	<b>4,095</b>
Visitor Income	<b>(32,000)</b>	(20,000)	(13,539)	<b>18,461</b>
<b>Gross Income</b>	<b>(615,000)</b>	<b>(603,000)</b>	<b>(592,785)</b>	<b>22,215</b>
<b>NET REVENUE FUNDED EXPENDITURE</b>	<b>(51,000)</b>	<b>(10,000)</b>	<b>(14,419)</b>	<b>36,581</b>
<b>Projects Funded by Reserves</b>				
- Asset Enhancement	<b>63,000</b>	63,000	60,119	<b>(2,881)</b>
- Asset Replacement	<b>0</b>	0	0	<b>0</b>
- Revenue Reserve	<b>0</b>	0	0	<b>0</b>
<b>Gross Expenditure</b>	<b>63,000</b>	<b>63,000</b>	<b>60,119</b>	<b>(2,881)</b>

	<b>Original Budget (£) 2016/2017</b>	<b>P6 Forecast Outturn (£) 2016/2017</b>	<b>Actuals (£) 2016/2017</b>	<b>Variance to Budget (£) 2016/2017</b>
<b>Interest on Reserves</b>				
- Asset Enhancement	<b>(1,000)</b>	(1,000)	(1,187)	(187)
- Asset Replacement	<b>(3,000)</b>	(2,000)	(3,591)	(591)
<b>Gross Income</b>	<b>(4,000)</b>	<b>(3,000)</b>	<b>(4,778)</b>	<b>(778)</b>
<b>NET RESERVES FUNDED EXPENDITURE</b>	<b>59,000</b>	<b>60,000</b>	<b>55,341</b>	<b>(3,659)</b>
<b>TOTAL NET EXPENDITURE</b>	<b>8,000</b>	<b>50,000</b>	<b>40,921</b>	<b>32,921</b>
<b>RESERVES</b>				
Contribution to Asset Replacement Reserves	<b>35,000</b>	10,000	35,000	0
Transfer Interest to Reserves	<b>4,000</b>	3,000	4,778	778
Transfers from Reserves - Projects	<b>(63,000)</b>	(63,000)	(60,119)	2,881
Total Transfers To/(From) Reserves	<b>(24,000)</b>	<b>(50,000)</b>	<b>(20,341)</b>	<b>3,659</b>
<b>NET DEFICIT FUNDED FROM GENERAL RESERVE</b>	<b>(16,000)</b>	<b>0</b>	<b>20,580</b>	<b>36,580</b>

## River Hamble Harbour Authority

## FURTHER DETAIL ON: Office Expenses; Other Services; Harbour Dues Income.

	Original Budget (£) 2016/2017	P6 Forecast Outturn (£) 2016/2017	Actuals (£) 2016/2017	Variance to Budget (£) 2016/2017
<b>Office Expenses</b>				
Equipment	1,000	1,000	1,351	351
First Aid Supplies/Health & Safety	1,000	1,000	1,832	832
Printing & Stationery	4,000	4,000	5,084	1,084
Catering/General	2,000	2,000	1,915	(85)
Retail (Crabbing Equipment)	1,000	1,000	473	(527)
Room Hire	0	0	250	250
Protective Clothing	3,000	3,000	4,967	1,967
IT Charges	5,000	5,000	23	(4,977)
Postage	2,000	2,000	2,625	625
Subscriptions	1,000	1,000	2,041	1,041
Phones	2,000	2,000	(5)	(2,005)
Promotional Events/Publicity/Publications	4,000	4,000	2,180	(1,820)
Credit Card Charges	1,000	1,000	714	(286)
<b>Sub Total</b>	<b>27,000</b>	<b>27,000</b>	<b>23,450</b>	<b>(3,550)</b>

<b>Other Services</b>				
Subscriptions/Memberships/ Licences/Designated Person	11,000	11,000	7,095	(3,905)
<b>Sub Total</b>	<b>11,000</b>	<b>11,000</b>	<b>7,095</b>	<b>(3,905)</b>

	<b>Original Budget (£) 2016/2017</b>	<b>P6 Forecast Outturn (£) 2016/2017</b>	<b>Actuals (£) 2016/2017</b>	<b>Variance to Budget (£) 2016/2017</b>
<b>Harbour Dues</b>				
Marinas and Boatyards	<b>(380,000)</b>	(380,000)	(377,199)	2,801
River Moorings	<b>(102,000)</b>	(102,000)	(100,251)	1,749
Jetty Charges	<b>(15,000)</b>	(15,000)	(13,589)	1,411
Mooring and Towing Charges	<b>0</b>	0	(5,060)	(5,060)
Miscellaneous Income - Commercial and Pleasure craft	<b>(8,000)</b>	(8,000)	(4,701)	3,299
Sublet, Waiting List & Late Payment Fee Income	<b>(9,000)</b>	(9,000)	(4,475)	4,525
<b>Sub Total</b>	<b>(514,000)</b>	<b>(514,000)</b>	<b>(505,275)</b>	<b>8,725</b>

## Notes to Appendices 2 and 3

The details of significant variations are as follows:

1. Staff related expenditure was £26,574 higher than the original budget. Salaries costs were £37,777 higher than originally budgeted, due mainly to the full year cost of the new Assistant Harbour Master, recruited in October 2015. This post was previously vacant and not included in the budget. Additionally, the seasonal staff were in post for six months rather than the budgeted five months during the summer season, and there was increased overtime to cover events etc. The overspend on salary costs was partly offset by training costs being £11,407 lower than originally budgeted.
2. Premises costs were underspent by £2,184, mainly due to lower than budgeted spend on rent/rates.
3. The outturn for transport expenditure was £1,505 higher than originally budgeted. Repair, maintenance and boat refurbishment was £8,156 lower than the original budget – mainly due to work being carried out by Harbour Authority staff at a lower cost. However, this is offset by Tools (inc Chandlery) being £6,751 above the original budget due to increased requirements as a result of the maintenance work carried out in-house. Vehicle Running Expenses (Fuel) was £3,199 higher than originally budgeted due to the correction of the 2015/16 overclaim of the HMRC fuel rebate.
4. Supplies and Services expenditure was £11,529 lower than the original budget, including Office Expenses being £3,550 lower than budgeted (mainly due to lower IT charges and lower spend on promotional activities), Central Department Charges were £5,900 lower than budgeted, Public Jetties and Navigational Safety expenditure was £3,332 lower than anticipated, and Other Services were £3,905 lower than originally planned.
5. The Environmental Maintenance budget was overspent by £5,692, due to additional gravel clearance work having to be carried out as a result of the cleanup after Storm Katie.
6. Central Department Charges

The basis for the central department charges is detailed as follows:

- Operational Finance - £21,600 based on an assessment of the time devoted to the River Hamble and 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. £6,750 was incurred for legal advice, with the balance of £6,786 for Democratic and Member Services support.

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

- Notional rent and 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
7. A saving of £3,905 was made against the Other Services budget, as no additional costs were incurred in relation to the expertise of the designated person and so only the annual retainer was paid.
  8. Total income for 2016/17 was £592,785, £22,215 lower than the £615,000 presented in the original budget, and £1,727 lower than the income achieved in 2015/16. This is mainly due to Visitor Income being £18,461 below budget, and Harbour Dues were also £8,725 below budget.



## River Hamble Harbour Authority - Reserves 2016/2017

	General Reserve (£)	Asset Enhancement Reserve (£)	Asset Replacement Reserve (£)	TOTAL (£)
<b>Balance as at 31 March 2016</b>	<b>(108,642)</b>	<b>(130,899)</b>	<b>(404,811)</b>	<b>(644,352)</b>
E-Harbours	0	(30)	0	<b>(30)</b>
PhD project - Sacrificial Anodes	0	5,000	0	<b>5,000</b>
Sediment Management Desktop Study	0	200	0	<b>200</b>
Warsash Link Pontoon	0	52,725	0	<b>52,725</b>
River Hamble Games 2016	0	2,224	0	<b>2,224</b>
Plus Annual Interest	(692)	(1,188)	(3,591)	<b>(5,471)</b>
Transfer to ARR from Revenue	0	0	(13,728)	<b>(13,728)</b>
Transfer to ARR from General Reserve	21,272	0	(21,272)	<b>0</b>
Net Surplus for year	0	0	0	<b>0</b>
<b>Balance at 31 March 2017</b>	<b>(88,062)</b>	<b>(71,968)</b>	<b>(443,402)</b>	<b>(603,432)</b>
Transfer to ARR from Revenue	0	0	(25,000)	<b>(25,000)</b>
Surplus on standard revenue activity	10,000	0	(10,000)	<b>0</b>
PhD - Sacrificial Anodes	0	2,500	0	<b>2,500</b>
Plus Estimated Annual Interest	0	0	(2,000)	<b>(2,000)</b>
Plus Estimated Net surplus for year	0	0	0	<b>0</b>
<b>Predicted Balance at 31 March 2018</b>	<b>(78,062)</b>	<b>(69,468)</b>	<b>(480,402)</b>	<b>(627,932)</b>
<b>Commitments for future projects</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance Available</b>	<b>(78,062)</b>	<b>(69,468)</b>	<b>(480,402)</b>	<b>(627,932)</b>

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

	<b>2016/17</b>
	<b>£</b>
Profit/(loss) for the financial year from Income Statement	(21,533)
Add back:	
Depreciation	33,307
Projects funded from reserves	7,424
Less:	
Interest on AER and ARR	(4,778)
Agreed transfer to ARR	(35,000)
	<u>(20,580)</u>