

**Meeting:** Harbour Committee

**Date:** 9<sup>th</sup> September 2024

**Wards affected:** All wards

**Report Title:** Tor Bay Harbour Budget Monitoring 2024-25

**Cabinet Member Contact Details:** Not a Cabinet function

**Director/Assistant Director Contact Details**

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## 1. Purpose of Report

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- 1.1 This report updates the Committee on the overall budgetary position for Tor Bay Harbour Authority as at end July 2023 compared against the budget approved on 4<sup>th</sup> December 2023.

## 2. Reason for Proposal and its benefits

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- 2.1 As a standing agenda item, this report is presented to each Committee meeting to enable appropriate oversight and action to contain expenditure and maintain reserve at appropriate levels.

## 3. Recommendation(s) / Proposed Decision

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The Committee is asked to note:

- i. the amended revenue outturn projections and adjustments to the Reserve (Appendix 1);
- ii. the change in projected level of the harbour reserves by end 2024/25;
- iii. the Head of Torbay Harbour Authority's' use of delegated powers to make decisions in relation to the harbour budget;
- iv. the Harbour Master's use of delegated powers to waive certain harbour charges (not exercised in the year to date).

### **Appendices**

Appendix 1: Harbour Revenue Account 2024-25

### **Background Documents**

DfT [Ports Good Governance Guidance](#)

<https://www.gov.uk/government/publications/good-governance-guidance-for-ports>

# Supporting Information

## 1. Introduction

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1.1 The 2024/25 Tor Bay Harbour Authority budget was approved by the Committee on 4<sup>th</sup> December 2023. This is the first monitoring report for the 2024/25 financial year.

## 2. Options under consideration

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2.1 Appendix 1 to this report provides the Harbour revenue account statement with projected outturns and associated notes.

## 3. Financial Opportunities and Implications

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3.2 Expenditure on critical repairs & maintenance is likely to exceed the budget and further costs have been incurred on empty leased units. User charges are expected to be below target. Fish toll levels are generally as expected, but it remains too early in the season to safely forecast whether the target will be achieved. Windfall income is expected from higher than anticipated marina rentals from previous years.

3.3 The harbour revenue account is now projected to make a deficit at year end:

	<b>Original Budget £000</b>	<b>Projected Outturn £000</b>
Operational Surplus/(Deficit)	(109)	(79)

3.4 The Harbour Reserve balance at the start of the year was £1,310k but is expected to fall back to £806k by year end once all earmarked spends are completed.

<b>Earmarked Funding from Reserve</b>	<b>£k</b>
Brixham Harbour Concrete pads	1
Paignton – leased property upgrade	12
Brixham Harbour Chillers	160
Brixham Town Pontoon Fendering	40
Conservancy (balance)	40
Brixham Harbour moorings replacement	50
Brixham Offices Fire Alarm	63
<b>Total from Reserve</b>	<b>366</b>

### 3.5 Prudential Borrowing

The Harbour's outstanding borrowing liability is:

Capital Scheme	Amount Borrowed	Start of Repayments	Principal outstanding 01/04/24	Principal outstanding 31/03/25
Town Dock (Torquay Harbour)	£1,140,000	2008/09	£292,508	£273,007
Town Dock (Torquay Harbour) - replacement	£1,201,000	2024/25	£1,201,000	£1,132,797
Haldon Pier (Torquay Harbour)	£1,200,000	2010/11	£688,639	£638,767
Brixham Harbour New Fish Quay Development	£4,750,000	2011/12	£3,305,224	£3,171,404
Torquay Inner Harbour pontoons (Inner Dock)	£800,000	2014/15	£581,012	£553,226
Brixham Harbour Jetty	£840,000	2020/21	£795,809	£783,850
<b>TOTAL</b>			<b>£6,864,192</b>	<b>6,553,051</b>

### 3.6 Debt Position

The aged debt position is set out below. The outstanding Harbour Charges debt largely reflects payment of user charges by instalments and the overall figure will reduce throughout the year.

	Corporate Debtor System		Harbour Charges	
	< 60 days	> 60 days	< 60 days	> 60 days
Debt outstanding	£96k	£236k	£40k	£256k
Bad Debt Provision	£50k			

## 4. Legal Implications

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- 4.1 The Harbour finances are currently not being run in accordance with the DfT's Ports Good Governance Guidance (March 2018). While not a statutory publication this is considered national 'best practice' for the ports industry.

## 5. Engagement and Consultation

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- 5.1 Feedback from harbour users and liaison forums
  - Feedback from Committee members
  - Feedback from fishing industry leaders
  - Previous Harbour Committee reports

## 6. Purchasing or Hiring of Goods and/or Services

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- 6.1 Not applicable

## 7. Tackling Climate Change

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- 7.1 Not applicable

## 8. Associated Risks

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- 8.1 With the harbour reserve at a low level there is a risk that the Harbour will require a General Fund precept to retain a balanced budget.
- 8.2 If quayside facilities and services do not remain aligned with user need/requirements then there is a risk that incomes will decline.

## 9. Identify the potential positive and negative impacts on specific groups

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- 9.1 Not applicable

## 10. Cumulative Council Impact

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- 10.1 Not applicable

## 11. Cumulative Community Impacts

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11.1 Not applicable