

Meeting: Harbour Committee **Date:** 2 December 2024

Wards affected: All Wards in Torbay

Report Title: Proposed Harbour Budget 2025/26 and Schedule of Fees and Charges

When does the decision need to be implemented?

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1. Purpose of Report

- 1.1 The Harbour Committee is required annually to propose the Harbour Authority revenue budget, including the level of fees and charges, as part of the Council's budget setting process for the forthcoming year.

2. Reason for Proposal and its benefits

- 2.1 This report seeks recommendation to Council for the proposed Harbour Authority budget to be included within the 2025/26 budget proposals for Torbay Council. The proposed balanced budget includes £4,157,000 expenditure from the revenue budget, funded from various income including rental income, and income from pontoon berths and fish tolls. These figures have been based on proposed increases to fees and charges as outline in a separate paper, also for inclusion within the Torbay Council Budget proposals.

3. Recommendation(s) / Proposed Decision

That the Cabinet be recommended to include the proposed balanced budget for the Harbour Authority 2025/26 and the associated Schedule of charges, dues and fees 2025/26, as set out in this report and Appendix 1 and 2, in its draft budget proposals to Council.

Appendices

Appendix 1: Proposed Tor Bay Harbour Authority Schedule of Charges, Dues & Fees 2025/26.

Appendix 2: Proposed Tor Bay Harbour Authority revenue budget 2025/26

Background Documents

Tor Bay Harbour Authority Schedule of Charges, Dues & Fees 2024/25

Tor Bay Harbour Act 1970

Tor Bay Harbour (Torquay Marina Act &c.) Act 1983

Supporting Information

1. Introduction

- 1.1 Following a review of the in-year financial position, a draft budget for 2025/26 has been finalised (Appendix 2) based on previous years outturn and latest projections for the current year. It has also been based on recommended increases for the 2025/26 schedule of charges, dues and fees as set out in Appendix 1, which recognise the current and predicted level of pay and price increase.

2. Options under consideration

- 2.1 The Harbour Committee, on behalf of the Harbour Authority, are to recommend annually a balanced revenue budget, including the level of fees and charges accordingly. Both the Proposed Budget and Schedule of Charges, Dues & Fees for 2025/26 will be included within Torbay Council's budget consultation papers for further consideration, leading up to final approval of the Council's Budget by full Council in February 2025.
- 2.2 Fees and charges have been raised by an average of 3.5%, rounded up to the nearest £, based on estimated pay and price increases for 2025/26. Raising fees and charges at an above inflation rate could have an adverse impact on the take up of services from Harbour customers and could result in an under achievement against income targets.
- 2.3 The proposed budget has been prepared using an estimate of 2.5% for general inflation and costs increases and 3.5% for pay increases in 2025/26, The current CPI figure for Sept was 1.7%, projected to remain around 2% over the next year or two. This year's recently awarded pay award averages out at a 3.5% increase.

3. Financial Opportunities and Implications

- 3.1 The 2025/26 budget remains challenging due to increasing costs, particularly in respect of capital, repairs and maintenance as well as pay awards and recent proposals within the Government's Autumn Budget statement for increases to employer NI contributions. The opportunity to manage these pressures through fees and charges is limited due to cost of living and market restrictions. These pressures will be monitored closely throughout next year.
- 3.2 The opening balance of the Harbour Reserves fund this year was £1.311m. There are commitments of £100k (conservancy) and £103k (projects in Brixham - Pontoon Fendering

& Offices fire alarm), which will reduce this balance. The mid-year (Q2) budget monitoring report is projecting an outturn position of £79k, which would also need to come from these reserves. Fish Toll income is currently projected to match the budget, however if they achieved similar levels to last year, this would offset the project deficit and result in a surplus that would top up the reserve.

- 3.3 If the above projections are correct, the opening balance of the Reserves fund at the beginning of 2025/26 would be £1.069m with the following commitments planned within next year. Assuming £10k is received as interest on reserves, the balance would reduce to £747k by the end of 2025/26.

Brixham Harbour Concrete Pads and upgrades to Brixham meters	(30)
Brixham Harbour Moorings Replacement	(100)
Brixham Harbour Chillers	(160)
Paignton Leased Property Upgrades	(12)
Torquay Rib repairs	(30)
TOTAL	(332)

- 3.4 Over the coming months a full review and inspection of Harbour assets, infrastructure and operating procedures will take place with a view to establishing a costed 10-year maintenance and replacement programme to inform future budget strategy.

4. Legal Implications

- 4.1 There are no legal implications that arise from this report.

5. Engagement and Consultation

- 5.1 The Harbours budget and the fees and charges for 2025/26 are recommended for inclusion within the Cabinet's budget proposals for the Council, which will be published for public consultation for a 6-week period from w/c 24 November 2024.
- 5.2 The Harbour Committee's Budget Review Working Party will meet on 26 November 2024 and their recommendations will be published as a supplement following the meeting. The two Harbour Liaison Forums will be consulted on 21 & 22 November 2024 and their feedback will be published as a supplement to this report.

6. Procurement Implications

6.1 Not applicable.

7. Protecting our naturally inspiring Bay and tackling Climate Change

7.1 Not applicable.

8. Associated Risks

- 8.1 There is a **medium** risk that the budget will not be met due to the variability related to income from Fish tolls. A similar risk relates to the income from quayside facilities and services budget. Income budgets have been set based on previous years actual income and latest projections for 24/25.
- 8.2 There is a **medium** risk that unforeseen expenditure e.g. to fix storm damage, could impact on achievement of the budget and may deplete the Harbour Reserve Fund to the point that it can no longer be self-financing. Across the local authority asset repair and maintenance has been managed to balance financial, maintenance and health and safety issues. The condition of the Harbour Estate is reviewed regularly however given the maritime locality there is a risk that weather events will result in this unforeseen expenditure. A further £30k has been added to the proposed Harbour's repairs and maintenance budget for 2025/26 and further work will be undertaken to review condition and assess risk.
- 8.3 There is a **medium** risk that continued withdraws from Harbour reserves, without any top ups, will see reserves reduce over the coming years to an unacceptable level. Further work is required throughout 2025/26 to review expenditure and income budgets to provide confidence on financial sustainability.
- 8.4 There is a **low** risk that boat owners will relocate their vessels or business to other harbours which are cheaper. This has been mitigated by analysing the regional market to ensure that our prices remain competitive.
- 8.5 There is a **low** risk that the scale of the General Fund contribution could attract a challenge under the Local Audit and Accountability Act 2014, auditing the Harbour Account alongside the Council's audit would allow any issues to be identified. The Harbour Committee is reminded that any qualified objection is likely to require substantial administrative effort to resolve.

9. Equality Impact Assessment

Protected characteristics under the Equality Act and groups with increased vulnerability	Data and insight	Equality considerations (including any adverse impacts)	Mitigation activities	Responsible department and timeframe for implementing mitigation activities
Age	<p>18 per cent of Torbay residents are under 18 years old.</p> <p>55 per cent of Torbay residents are aged between 18 to 64 years old.</p> <p>27 per cent of Torbay residents are aged 65 and older.</p>	There is no differential impact		
Carers	At the time of the 2021 census there were 14,900 unpaid carers in Torbay. 5,185 of these provided 50 hours or more of care.	There is no differential impact		
Disability	In the 2021 Census, 23.8% of Torbay residents answered that their day-to-day activities were limited a little or a lot by a physical or mental health condition or illness.	There is no differential impact		
Gender reassignment	In the 2021 Census, 0.4% of Torbay's community	There is no differential impact		

	<p>answered that their gender identity was not the same as their sex registered at birth. This proportion is similar to the Southwest and is lower than England.</p>			
Marriage and civil partnership	<p>Of those Torbay residents aged 16 and over at the time of 2021 Census, 44.2% of people were married or in a registered civil partnership.</p>	<p>There is no differential impact</p>		
Pregnancy and maternity	<p>Over the period 2010 to 2021, the rate of live births (as a proportion of females aged 15 to 44) has been slightly but significantly higher in Torbay (average of 63.7 per 1,000) than England (60.2) and the South West (58.4). There has been a notable fall in the numbers of live births since the middle of the last decade across all geographical areas.</p>	<p>There is no differential impact</p>		
Race	<p>In the 2021 Census, 96.1% of Torbay residents described their ethnicity as white. This is a higher proportion than the South West and England. Black, Asian and minority ethnic individuals are more likely to live in areas of Torbay classified as being amongst the 20% most deprived areas in England.</p>	<p>There is no differential impact</p>		

Religion and belief	64.8% of Torbay residents who stated that they have a religion in the 2021 census.	There is no differential impact		
Sex	51.3% of Torbay's population are female and 48.7% are male	There is no differential impact		
Sexual orientation	In the 2021 Census, 3.4% of those in Torbay aged over 16 identified their sexuality as either Lesbian, Gay, Bisexual or, used another term to describe their sexual orientation.	There is no differential impact		
Armed Forces Community	In 2021, 3.8% of residents in England reported that they had previously served in the UK armed forces. In Torbay, 5.9 per cent of the population have previously served in the UK armed forces.	There is no differential impact		
Additional considerations				
Socio-economic impacts (Including impacts on child poverty and deprivation)		There is no differential impact		
Public Health impacts (Including impacts on the general health of		There is no differential impact		

the population of Torbay)				
Human Rights impacts		There is no differential impact		
Child Friendly	Torbay Council is a Child Friendly Council and all staff and Councillors are Corporate Parents and have a responsibility towards cared for and care experienced children and young people.	There is no differential impact		

10. Cumulative Council Impact

10.1 None

11. Cumulative Community Impacts

11.1 None.