

Meeting: Harbour Committee

Date: 6th December 2021

Wards affected: All wards in Torbay

Report Title: Harbour Budget 2022/23 and Schedule of Fees and Charges

Cabinet Member Contact Details: Not a Cabinet function

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1. Purpose of Report

- 1.1 The Harbour Committee is required annually to approve the Harbour Authority revenue budget and to set the level of fees and charges, for the forthcoming year.

2. Reason for Proposal and its benefits

- 2.1 This proposal commits the Harbour Authority financially to £3,552,000 expenditure from the revenue budget but proposes a £124,000 reduction in the contribution to the Council's General Fund. An anticipated operating surplus of £20,000 will maintain the Harbour Reserve at a base level but below the safe level recommended by the Harbour Committee.

3. Recommendation(s) / Proposed Decision

- i. That the Tor Bay Harbour Authority Schedule of Charges, Dues & Fees for 2022/23, in line with the current level of inflation and the views of the Budget Review Working Party, being a representative average increase of 4.0%, as set out in Appendix 1 be approved; and
- ii. That the proposed Harbour Authority budget for 2022/23 as set out in Appendix 2 be approved.

Appendices

Appendix 1: Proposed Tor Bay Harbour Authority Schedule of Charges, Dues & Fees 2022/23.

Appendix 2: Proposed Tor Bay Harbour Authority revenue budget 2022/23

Background Documents

Tor Bay Harbour Authority Schedule of Charges, Dues & Fees 2021/22

Tor Bay Harbour Act 1970

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

Supporting Information

1. Introduction

- 1.1 Torbay Council's Revenue Budget and General Fund continue to face significant financial pressures and all council business units including the Harbour Authority have been asked to make further savings or increase revenue to help reduce the deficit. Over recent years the Harbour Authority have made increasing contributions to the General Fund (GF), which in 2021/22 was £752,000 (approximately 22% of income).
- 1.2 In 2018 the Harbour Committee was concerned that any further increase in the contribution to the GF would put the Harbour Authority at considerable financial risk given the potential volatility in fish toll incomes.
- 1.3 The Budget Review Working Party met on 16th November 2021 to consider the in-year financial position and to set a budget for 2022/23 which can be found at Appendix 2. It also agreed the broad principles for the 2022/23 schedule of charges, dues and fees as set out in Appendix 1 i.e. support for an increase that reflected the current level of inflation.

2. Options under consideration

- 2.1 The Council's constitution requires the Harbour Committee on behalf of the Harbour Authority to annually set and approve a balanced revenue budget and to set the level of fees and charges accordingly.
- 2.2 Fees and charges have been raised by an average of 4%, rounded up to the nearest £, based on the official CPI figure released in November 2021 and recognises the impact of financial pressures in 2022/23 e.g. the additional 1% on National Insurance contributions and significant increase in energy costs.
- 2.3 Charges for the Torquay Town Dock have been increased by 7.5% (an additional 3.5%) to commence the phasing-in of higher charges in recognition of enhanced facilities to be completed by 2024 and the associated capital investment.
- 2.4 Harbour dues and mooring fees, in respect of pontoon berths, are now reverting to being a single charge as in previous years based on customer feedback.
- 2.5 Jet ski pod fees have risen by £50 rather than 4% to reflect supply and demand in the market, although Tor Bay Harbour charges remain lower than that of some other harbours.

3. Financial Opportunities and Implications

- 3.1 As a result of the recommended Harbour Authority revenue budget for 2022/23 the General Fund will receive £124,000 less per annum than previously, but to do otherwise would prohibit the Harbour Committee from setting a balanced budget now that the Harbour Reserve Fund is significantly below the recommended level.

4. Legal Implications

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

5. Engagement and Consultation

- 5.1 The Harbour Committee's Budget Review Working Party has been consulted and have advised on the proposed Budget and Charges and the two Harbour Liaison Forums have also been consulted.
- 5.2 Harbour users broadly accept the financial position of an increase in the general level of inflation. There is however ongoing resistance from harbour user representatives to the ongoing and high level of contribution to the Council's General Fund from the Harbour Account.

6. Purchasing or Hiring of Goods and/or Services

- 6.1 Not applicable

7. Tackling Climate Change

- 7.1 Not applicable

8. Associated Risks

- 8.1 There is a **high** risk that the budget will not be met due to the variability related to income from fish tolls. This risk cannot be mitigated under the current budget model.
- 8.2 There is a **moderate** risk that unforeseen expenditure e.g. to fix storm damage could deplete the Harbour Reserve Fund to the point that it can no longer be self-financing. In that instance any deficit would require a precept from the Council, thus reducing the overall contribution to the General Fund. This can only be mitigated by increasing the Harbour Reserve Fund to the agreed minimum (20% of turnover), but this is not possible under the current budget model.

8.3 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.

8.4 There is a **low** risk that the scale of the General Fund contribution could attract a challenge under the Local Authority Accountability Act which might require substantial administrative effort to rebut.

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

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	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people			X
People with caring Responsibilities			X
People with a disability			X
Women or men			X
People who are black or from a minority ethnic background (BME) (Please note Gypsies / Roma are within this community)			X
Religion or belief (including lack of belief)			X
People who are lesbian, gay or bisexual			X
People who are transgendered			X
People who are in a marriage or civil partnership			X
Women who are pregnant / on maternity leave			X
Socio-economic impacts (Including impact on			X

child poverty issues and deprivation)			
Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			X

10. Cumulative Council Impact

10.1 None

11. Cumulative Community Impacts

11.1 None