

**Meeting:** Harbour Committee    **Date:** 8<sup>th</sup> June 2022

**Wards affected:** All

**Report Title:** Tor Bay Harbour Authority Revenue Outturn 2021/22

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

**Director/Assistant Director Contact Details:**

Rob Parsons, Harbour Master, 01803 853321, [rob.parsons@torbay.gov.uk](mailto:rob.parsons@torbay.gov.uk)

Pete Truman, Principal Accountant, 01803 207302, [pete.truman@torbay.gov.uk](mailto:pete.truman@torbay.gov.uk)

## 1. Purpose of Report

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- 1.1 This report provides Members with the details of the Tor Bay Harbour Authority final expenditure and income figures against budget targets for 2021/22

## 2. Reason for Proposal and its benefits

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- 2.1 The Tor Bay Harbour Authority budget for 2021/22, based on a 2.0% increase in harbour charges, was approved by Council on 21<sup>st</sup> December 2020. Appendix 1 reports the final outturn against this budget and subsequent amendments noted by Committee throughout the year.

## 3. Recommendation(s) / Proposed Decision

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The Committee is asked to note:

- i. the final outturn as reported at Appendix 1 to this report.
- ii. the Harbour Master's use of delegated powers to waive certain harbour charges during 2021/22 which amounts to £1,893.19

## **Appendices**

Appendix 1: Harbour Revenue Accounts 2021-22

## **Background Documents**

# Supporting Information

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## 1. Introduction

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- 1.1 The Tor Bay Harbour Authority budget for 2021/22, based on a 2.0% increase in harbour charges, was approved by Council on 21<sup>st</sup> December 2020.
- 1.2 Appendix 1 reports the final outturn against this budget and subsequent amendments noted by Committee throughout the year.

## 2. Options under consideration

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- 2.1 Not applicable

## 3. Financial Opportunities and Implications

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- 3.1 The final outturn against the revised budget is summarised below:

	<b>Original Budget 2021/22 £000</b>	<b>Revised Budget 2021/22 £000</b>	<b>Outturn 2021/22 £000</b>
Operational Surplus	45	55	58

- 3.2 The original budget approved by the Harbour Committee included a proposed £200k reduction in the contribution to the Council's General Fund. The overall Council budget approved on 11th February provided a £100k reduction in the contribution to the Council's General Fund and funding was also provided, directly from the General Fund, for the salary of a Health & Safety post within the harbour team.
- 3.3 The Council also agreed that the planned borrowing of £150k for dredging at Brixham Harbour will now be funded via a contribution from the General Fund. Furthermore, the Council also approved the transfer of a corporate outturn 2020/21 balance of £122,000 to the Harbour Reserve fund.
- 3.4 Early concerns of spend pressures were eased as the year progressed and fish toll and other income streams have exceeded target. The balance within the Harbour Account enabled provisions to be made directly to the Reserve for planned maintenance schemes which could not be completed during the year.

### 3.5 Prudential Borrowing

The harbour's liability for prudential borrowing at the end of 2021/22 was:

Capital Scheme	Amount Borrowed	Start of Repayments	Principal outstanding
Town Dock (Torquay Harbour)	£1,140,000	2008/09	£420,898
Haldon Pier (Torquay Harbour)	£1,200,000	2010/11	£782,094
Brixham Harbour New Fish Quay Development	£4,750,000	2011/12	£3,555,897
Torquay Inner Harbour Pontoons (Inner Dock)	£800,000	2014/15	£632,985
Brixham Harbour Jetty	£840,000	2020/21	£818,611
	<b>TOTAL</b>		<b>£6,210,485</b>

### 3.6 Debt position

The debt position at the end of 2021/22 was:

	Corporate Debtor System		Harbour Charges	
	< 60 days	> 60 days	< 60 days	> 60 days
Debt outstanding	£40k	£88k	£45k	£38k
Bad Debt Provision	£26k			

### 3.6 Reserves

The level of the Reserve at 31<sup>st</sup> March 2022 stood at £481k boosted by funding from the General Fund and in-year provision from the harbour account (see paras 3.3 and 3.4 above); the underlying level of the Reserve after these provisions is £271k. In 2011 the Harbour Committee set a reserve target of 20% of budgeted turnover and the current balance remains below that target.

## 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 There is a risk that, due to the harbour reserve remaining below the target level, the Harbour will require General Fund assistance in future years.
- 8.2 If quayside facilities and services do not remain aligned with user need/requirements then there is a risk that incomes will decline.

## Equality Impacts

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Not applicable

## 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