

Meeting: Harbour Committee **Date:** 14th December 2022

Wards affected: All wards

Report Title: Tor Bay Harbour Budget Monitoring 2022-23

Cabinet Member Contact Details: Not a Cabinet function

Director/Assistant Director Contact Details

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1. Purpose of Report

- 1.1 This report updates the Committee on the overall budgetary position for Tor Bay Harbour Authority as at November 2022 compared against the budget approved on 6th December 2021.

2. Reason for Proposal and its benefits

- 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

The Committee is asked to note:

- i. the amended outturn projections and adjustments to the Reserve Fund (Appendix 1);
- ii. the low level of the harbour reserves in 2022 (below the Committee's recommended level).
- 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 which to date amounts to £577.36

Appendices

Appendix 1: Harbour Revenue Account 2022-23

Background Documents

DfT [Ports Good Governance Guidance](#)

Supporting Information

1. Introduction

- 1.1 The 2022/23 Tor Bay Harbour Authority budget was approved by the Committee on 6th December 2021. This is the second monitoring report for the 2022/23 financial year.

2. Options under consideration

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

3. Financial Opportunities and Implications

- 3.1 The original budget reflected the Committee's wish for a reduction in the annual contribution to the General Fund of £135k. The full Council budget approved on 6th March 2022 limited the reduction to £100k.
- 3.2 The Harbour Account will also be severely impacted by the energy crisis and an inflationary pay award for staff higher than originally budgeted. These increased costs will be partially offset by higher income from the property estate.
- 3.3 Fish toll levels remain buoyant and above the trend of prior years. However, the position is still subject to volatility from the major catches which occur during the winter months.
- 3.4 The harbour revenue account is now projected to be back in surplus albeit slightly below the original budget. The risks remain to the downside primarily due to energy costs and inflation but could be reversed if fish toll income levels continue.

	Original Budget £000	Previous Projected Outturn £000	Current Projected Outturn £000
Operational Surplus/(Deficit)	20	(8)	3

3.5 Prudential Borrowing

The Harbour's outstanding borrowing liability is:

Capital Scheme	Amount Borrowed	Start of Repayments	Principal outstanding
Town Dock (Torquay Harbour)	£1,140,000	2008/09	£358,087
Haldon Pier (Torquay Harbour)	£1,200,000	2010/11	£736,384
Brixham Harbour New Fish Quay Development	£4,750,000	2011/12	£3,433,307
Torquay Inner Harbour pontoons (Inner Dock)	£800,000	2014/15	£607,581
Brixham Harbour Jetty	£840,000	2020/21	£807,392
TOTAL			£5,942,751

3.6 Debt Position

The aged debt position as at late November is set out below. The outstanding Harbour Charges debt largely reflects payment of user charges by instalments.

	Corporate Debtor System		Harbour Charges	
	< 60 days	> 60 days	< 60 days	> 60 days
Debt outstanding	£52k	£49k	£39k	£36k
Bad Debt Provision	£18k			

4. Legal Implications

- 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

- 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

6.1 Not applicable

7. Tackling Climate Change

7.1 Not applicable

8. Associated Risks

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

9.1 Not applicable

10. Cumulative Council Impact

10.1 Not applicable

11. Cumulative Community Impacts

11.1 Not applicable