

Meeting: Harbour Committee

Date: 14th December 2022

Wards affected: All wards in Torbay

Report Title: Harbour Budget 2023/24 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 £3,765,000 expenditure from the revenue budget in 2023/24. An anticipated operating deficit of £63,000 will be required from the Harbour Reserve which will remain below the safe level recommended by the Harbour Committee.

3. Recommendation(s) / Proposed Decision

- i. APPROVE the Tor Bay Harbour Authority Schedule of Charges, Dues & Fees for 2023/24, in line with the current level of inflation and the views of the Budget Review Working Party, being a representative average increase of 10.0%, as set out in Appendix 1.
- ii. APPROVE the proposed Harbour Authority budget for 2023/24 as set out in Appendix 2.

Appendices

Appendix 1: Proposed Tor Bay Harbour Authority Schedule of Charges, Dues & Fees 2023/24.

Appendix 2: Proposed Tor Bay Harbour Authority revenue budget 2023/24

Background Documents

Tor Bay Harbour Authority Schedule of Charges, Dues & Fees 2022/23

Tor Bay Harbour Act 1970

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

Supporting Information

1. Introduction

- 1.1 The Budget Review Working Party met on 9th November 2022 to consider the in-year financial position and to consider a draft budget for 2023/24 finalised at Appendix 2. It also agreed the broad principles for the 2023/24 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 10%, rounded up to the nearest £, based on the official CPI figure released in November 2022 and recognises the impact of financial pressures in 2023/24 in particular the continuing significantly high level of energy costs.

3. Financial Opportunities and Implications

- 3.1 This budget is outside the Council's constitution as it is a negative budget. This has arisen due to the increase in income and subsequent pension contributions, increases in energy costs and the need for increased input into repairs and maintenance must be highlighted.
- 3.2 Recent levelling up applications are hoped to come to fruition and will provide an opportunity for growth within the fishing sector. If the application is unsuccessful a full assessment of the risk of income to the Harbour Authority should be undertaken.
- 3.3 Opportunities are available with applications to the Fisheries and Seafood Scheme administered by the Marine Management Organisation. Applications up to £150,000 can be offered that would assist in the need for increase repairs and could see the Harbour Authority improve its asset base in benefit to both Fishermen and Seafarers.

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, however with concern, 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 and particular concern has been raised by way of concessions for youth groups and charities who already have budgetary concerns.

6. Purchasing or Hiring of Goods and/or Services

- 6.1 Not applicable

7. Tackling Climate Change

- 7.1 Nil

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. Failure to achieve levelling up funds will increase the risk of income by way of slowing the growth of our tenant which in turn could remove both overland and sea borne landings. The retention of our agents within the Bay is of critical importance.
- 8.2 No provision has been entered for the replacement of the Harbour Authority's patrol vessel. Oscar 4 is aged and the potential for failure is **high**. The potential lead time for replacement can range from 6 months to a year.
- 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

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

10. Cumulative Council Impact

10.1 As a TBC service it is becoming increasingly concerning that maintenance is being delayed due to financial pressures. Due to the significant funds passed to centre the reasoning of delayed maintenance will have to be seen as a full council impact and the ensuing potential reputational damage.

11. Cumulative Community Impacts

11.1 None