

Meeting: Harbour Committee **Date:** 5th June 2023

Wards affected: All

Report Title: Tor Bay Harbour Authority Revenue Outturn 2022/23

Cabinet Member Contact Details: Not a Cabinet function

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1. Purpose of Report

- 1.1 This report provides Members with the details of the Tor Bay Harbour Authority final expenditure and income figures against budget targets for 2022/23

2. Reason for Proposal and its benefits

- 2.1 The Tor Bay Harbour Authority budget for 2022/23, based on a 4.0% increase in harbour charges, was approved by Council on 6th December 2022. Appendix 1 reports the final outturn against this budget and subsequent amendments noted by Committee throughout the year.

3. Recommendation(s) / Proposed Decision

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 2022/23 which amounts to £439.86

Appendices

Appendix 1: Harbour Revenue Accounts 2022-23

Background Documents

Supporting Information

1. Introduction

- 1.1 The Tor Bay Harbour Authority budget for 2022/23, based on a 4.0% increase in harbour charges, was approved by Council on 6th December 2021.
- 1.2 Appendix 1 reports the final outturn against this budget and subsequent amendments noted by Committee throughout the year.
- 1.3 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.

2. Options under consideration

- 2.1 Not applicable

3. Financial Opportunities and Implications

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

	Original Budget 2022/23 £000	Projected Outturn 2022/23 £000	Final Outturn 2022/23 £000
Operational Surplus	20	322	541

- 3.2 The harbour account was impacted by the energy crisis and an inflationary pay award for staff higher than originally budgeted. Early concerns of spend pressures were eased as the year progressed and income streams exceeded target.
- 3.3 Fish toll levels were strong throughout the period and remained buoyant during the last few weeks of the year contributing significantly to the higher than projected operational surplus.

3.4 Prudential Borrowing

The harbour's liability for prudential borrowing at the end of 2022/23 was:

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

3.5 Debt position

The debt position at the end of 2022/23 was:

	Corporate Debtor System		Harbour Charges	
	< 60 days	> 60 days	< 60 days	> 60 days
Debt outstanding	£21k	£201k	£42k	£37k
Bad Debt Provision	£32k			

3.6 Reserves

The level of the Reserve at 31st March 2023 stood at £1.038million following transfer of the operational surplus for the year. In 2011 the Harbour Committee set a reserve target of 20% of budgeted turnover and the current balance now exceeds that target.

3.7 However, there are a number of critical projects which the Head of Tor Bay Harbour Authority has earmarked against this balance (listed at note 15 to the Appendix). Furthermore, current projections are for potential deficits by the Harbour Account in the medium term which, combined with the project funding, could potentially exhaust the Reserve in five years.

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 There is a risk that, should the harbour reserve balance reduce 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

Not applicable

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