

Meeting: Harbour Committee

Date: 4th December 2023

Wards affected: All wards in Torbay

Report Title: Harbour Budget 2024/25 and Schedule of Fees and Charges

Director/Assistant Director Contact Details: Rob Parsons
Head of Tor Bay Harbour
Rob.parsons@torbay.gov.uk

Pete Truman, Principal Accountant
pete.Truman@torbay.gov.uk

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 £4,070,000 expenditure from the revenue budget in 2024/25. An anticipated operating deficit of £109,000 is initially forecast however any operating surplus 23/24 will bridge this gap. The initial deficit will be required from the Harbour Reserve, but I believe this is a manageable risk as we see a potential increased in fish tolls and the recharging of services to tenants, which has been previously estimated due to a delay in the issue of audited accounts. I strongly believe these two points will fully cover the operating deficit and replace funds removed from the reserves. The initial operating deficit is highlighted within the attachment, but this is covered by reserves. As stated above I am confident that this will be replaced and therefore present this as a balanced budget for the committee.

3. Recommendation(s) / Proposed Decision

- i. That the Tor Bay Harbour Authority Schedule of Charges, Dues & Fees for 2024/25 (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.
- ii. That the Cabinet be recommended to include the proposed balanced budget for the Harbour Authority 2024/25 as set out in this report and Appendix 2 in its draft budget proposals to Council.

Appendices

Appendix 1: Proposed Tor Bay Harbour Authority Schedule of Charges, Dues & Fees 2024/25.

Appendix 2: Proposed Tor Bay Harbour Authority revenue budget 2024/25

Background Documents

Tor Bay Harbour Authority Schedule of Charges, Dues & Fees 2023/24

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 21st November 2022 to consider the in-year financial position and to consider a draft budget for 2024/25 finalised at Appendix 2. It also agreed the broad principles for the 2024/25 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 Harbour Committee, on behalf of the Harbour Authority, are 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 2023 and recognises the impact of financial pressures in 2024/25. Raising fees and charges at an above inflation rate has been considered by the Working Party but it felt that this could have an adverse impact on the take up of services from Harbour customers and could result in an under achievement against the target.

3. Financial Opportunities and Implications

- 3.1 The 2024/25 budget is challenging as increasing costs particularly in respect of capital, repairs and maintenance and energy are bringing pressures on expenditure. The level of inflation combined with other cost of living pressures mean that the opportunity to manage these pressures through fees and charges is limited.
- 3.2 Recent Levelling Up announcement will provide an opportunity for focused growth within the fisheries sector.
- 3.3 Opportunities are also available with applications to the Fisheries and Seafood Scheme administered by the Marine Management Organisation. Applications up to £150,000 can be made that would address some of the required repairs to support the Fisheries sector locally. This would see the Harbour Authority improve its asset base in benefit to both Fishermen and Seafarers. Funds for infrastructure via this scheme is not certain at this stage but will be explored.

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 will be consulted prior to the new financial year.

5.2 Harbour users broadly accept the financial position of an increase in the general level of inflation. There is however some concern and ongoing resistance from harbour user representatives to the ongoing level of contribution to the Council's General Fund and in 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 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.

Across the local authority asset repair and maintenance has been managed to balance financial, maintenance and health and safety issues. The condition of the Harbour Estate is reviewed regularly however given the maritime locality there is a risk that weather events will result in this unforeseen expenditure.

- 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 Audit and Accountability Act 2014, auditing the Harbour Account alongside the Council’s audit would allow any issues to be identified. The Harbour Committee is reminded that any qualified objection is likely to require substantial administrative effort to resolve.

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 None

11. Cumulative Community Impacts

11.1 None