

Meeting: Harbour Committee

Date: 18th March 2024

Wards affected: All wards

Report Title: Tor Bay Harbour Budget Monitoring 2023-24

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 end October 2023 compared against the budget approved on 14th December 2022.

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 revenue outturn projections and adjustments to the Reserve (Appendix 1);
- ii. the change in projected level of the harbour reserves by end 2023/24 (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 (not exercised in the current year to date).

Appendices

Appendix 1: Harbour Revenue Account 2023-24

Background Documents

DfT [Ports Good Governance Guidance](#)

Supporting Information

1. Introduction

- 1.1 The 2023/24 Tor Bay Harbour Authority budget was approved by the Committee on 14th December 2022. This is the third and final monitoring report for the 2023/24 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 There is a slight reduction in the latest projected deficit of the harbour revenue account against the original budget:

	Original Budget £000	Projected Outturn Dec Cttee £000	Projected Outturn Mar Cttee £000
Operational Surplus/(Deficit)	(44)	(37)	157

- 3.2 Increased expenditure on Repairs & Maintenance and Energy has been partially offset in-year by salary savings on vacant posts. Income levels remain generally on target with some additional revenue from licences and miscellaneous charges. Marina income has been enhanced by higher receipts than estimated for previous years.
- 3.3 Fish toll levels will exceed target although expectations for the final weeks of the year are being reigned in with the potential for forecast weather and sea conditions to limit catches.
- 3.4 The Harbour Reserve balance at the start of the year was £1,038k and is expected to remain at around that level after applying the projected surplus and earmarked funding. A breakdown of approved withdrawals from the Reserve for the year and planned schemes in 2024/25 is detailed in the table below.

Earmarked Funding from Reserve 2023/24	£k
New Humberside Rib	78
Torquay Harbour truck replacement	22
Conservancy – Phase I spend	10
Total	110
Earmarked Funding from Reserve in future years	£k
Brixham Harbour Concrete pads	1
Brixham Harbour Chillers	160
Brixham Town Pontoon Fendering	40
Brixham Harbour moorings replacement	50
Brixham Offices Fire Alarm	63
Conservancy (balance)	140
Total from Reserve	454

3.5 Prudential Borrowing

The Harbour's outstanding borrowing liability is:

Capital Scheme	Amount Borrowed	Start of Repayments	Principal outstanding 01/04/23	Principal outstanding 31/03/24
Town Dock (Torquay Harbour)	£1,140,000	2008/09	£358,087	£292,508
Haldon Pier (Torquay Harbour)	£1,200,000	2010/11	£736,384	£688,639
Brixham Harbour New Fish Quay Development	£4,750,000	2011/12	£3,433,307	£3,305,224
Torquay Inner Harbour pontoons (Inner Dock)	£800,000	2014/15	£607,581	£581,012
Brixham Harbour Jetty	£840,000	2020/21	£807,392	£795,809
TOTAL			£5,942,751	5,663,192

3.6 Debt Position

The aged debt position is set out below.

	Corporate Debtor System		Harbour Charges	
	< 60 days	> 60 days	< 60 days	> 60 days
Debt outstanding	£29k	£215k	£39k	£71k
Bad Debt Provision	£27k			

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