



Briefing Report No: **57/2011**

Public Agenda Item: **Yes**

Title: **Tor Bay Harbour Authority Budget Monitoring 2010/11**

Wards Affected: **All Wards in Torbay**

To: **Harbour Committee** On: **14th March 2011**

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1. Key points and Summary

- 1.1 This report provides Members with projections of income and expenditure for the year 2010/11 compared with approved budgets.
- 1.2 This report identifies the overall budgetary position for Tor Bay Harbour Authority as at end of January 2011 to enable appropriate action to contain expenditure and maintain reserves at appropriate levels.
- 1.3 The Committee is asked to note any amended outturn positions of the two harbour accounts and the resulting change in reserve movements.
- 1.4 The Committee is asked to note the use of delegated powers by the Executive Head of Tor Bay Harbour Authority to make decisions in relation to the budget allocated to Tor Bay Harbour.
- 1.5 Both Harbour Accounts are now projected to make an operational surplus following increases in income streams and cost savings over various expenditure headings.
- 1.6 The Committee is asked to note the Harbour Master's use of delegated powers to waive certain harbour charges, which this financial year amounts to £5,262.30 (ex VAT) and which have been spread across both harbour accounts. No additional charges have been levied.

2. Introduction

- 2.1 The Tor Bay Harbour Authority budget was approved by the Harbour Committee on 7 December 2009.
- 2.2 This is the fourth and final budget monitoring report to be presented to the Harbour Committee for the financial year 2010/11.
- 2.3 The projected outturn at Appendix 1 reflects amendments to the budget made within the Executive Head's delegated powers. Details of each amendment can

be found in the associated note. The notes also reflect early warnings of variations that might be expected.

2.4 The performance against budget is summarised below:

| | Original Budget 2010/11 £000 | Current Budget 2010/11 £000 | Projected Outturn 2010/11 £000 |
|--|---|--|---|
| Torquay and Paignton Harbours Surplus/(Deficit) | 6 | (2) | 89 |
| Brixham Harbour Surplus/(Deficit) | (27) | (45) | 15 |

2.5 The current progress of Harbour capital schemes is detailed below:

| | Total Budget £000 | Actual to Date (including prior years) £000 | Projected Outturn £000 | Notes |
|--|----------------------------------|--|---------------------------------------|--------------|
| Torquay Harbour – Haldon Pier (Phase 1) [General Fund element] | 1,200 [600] | 1,200 [506] | 1,200 [600] | (i) |
| Brixham Harbour – Various Repairs | 640 | 647 | 649 | (ii) |
| Brixham Harbour – New Fish Quay Development | 4,750 | 4,360 | 4,750 | (iii) |
| Brixham Breakwater Repairs | 150 | 0 | 150 | (iv) |

- (i) The seaward repair elements of sprayed concrete and rock armouring are now complete. Further survey work has been undertaken on the inside face which has led to additional emergency repairs which have also been completed. Trial repair methods are now underway to complete Phase 1 ahead of the anticipated external funding contribution from the Environment Agency.
- (ii) Further repair work is required to the ladders and fenders. Funding for this spend has been approved from the Brixham Harbour reserve but is not currently reflected in the Capital Plan.
- (iii) Work commenced in February 2008 and the main elements of the development have now been completed. The Public Realm and deck strengthening elements will continue until April 2011. The servicing of prudential borrowing will not be required until the next financial year. Borrowing has been approved up to £4.75m to be serviced from the Brixham Harbour account.
- (iv) The Environment Agency approved a grant of £40,000 to produce a more detailed structural report of the breakwater and this work, including core sampling, has now been completed. Officers will now evaluate this new

report to determine how to proceed with this matter. The capital work has therefore been postponed until further assessments are made about the breakwater.

- 2.6 Under the Council's Scheme of Delegation the Harbour Master can vary (by addition or waiver (in full or as to part)) the approved Schedule of Harbour Charges in such manner as shall be considered reasonable. However, the Harbour Master shall maintain a proper written record of all variations approved using the delegated powers and shall, at least twice a year, report to the Harbour Committee the total value of the additional charges levied and the total value of the charges waived (see paragraph 1.6).

Kevin Mowat
Executive Head of Tor Bay Harbour Authority
Tor Bay Harbour Master

Pete Truman
Principal Accountant

Appendices

Appendix 1 Harbour Revenue Accounts 2010/11

Documents available in members' rooms

None

Background Papers:

None