

## **HARBOUR COMMITTEE**

A meeting of **Harbour Committee** will be held on

**Monday, 3 June 2013**

commencing at **5.30 pm**

The meeting will be held in the Meadfoot Room, Town Hall,  
Torquay TQ1 3DR

### **Members of the Committee**

Councillor Amil  
Councillor Ellery  
Councillor Faulkner (J)  
Councillor Hytche  
Councillor McPhail  
Councillor James  
Mayor Oliver

Councillor Richards  
Councillor Stringer  
Mr Buckpitt  
Capt. Curtis  
Mr Jennings  
Mr Stewart

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**Working for a healthy, prosperous and happy Bay**

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For information relating to this meeting or to request a copy in another format or language please contact:

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# HARBOUR COMMITTEE AGENDA

1. **Election of Chairman/woman**  
To elect a Chairman/woman for the 2013/14 Municipal Year.
2. **Apologies**  
To receive apologies for absence, including notifications of any changes to the membership of the Committee.
3. **Election of Vice-Chairman/woman**  
To elect a Vice-Chairman/woman for the 2013/14 Municipal Year.
4. **Minutes** (Pages 1 - 5)  
To confirm as a correct record the Minutes of the meeting of the Committee held on 18 March 2013.
5. **Declarations of interest**
  - (a) To receive declarations of non pecuniary interests in respect of items on this agenda  
**For reference:** Having declared their non pecuniary interest members may remain in the meeting and speak and, vote on the matter in question. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.
  - (b) To receive declarations of disclosable pecuniary interests in respect of items on this agenda  
**For reference:** Where a Member has a disclosable pecuniary interest he/she must leave the meeting during consideration of the item. However, the Member may remain in the meeting to make representations, answer questions or give evidence if the public have a right to do so, but having done so the Member must then immediately leave the meeting, may not vote and must not improperly seek to influence the outcome of the matter. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.  
  
(**Please Note:** If Members and Officers wish to seek advice on any potential interests they may have, they should contact Governance Support or Legal Services prior to the meeting.)
6. **Urgent items**  
To consider any other items that the Chairman decides are urgent.
7. **Harbour Committee Terms of Reference** (Pages 6 - 7)  
To note the Harbour Committee's Terms of Reference as set out in the Council's Constitution.
8. **Appointment of Harbour Appointments Sub Committee** (Page 8)  
To appoint a Harbour Appointments Sub-Committee for the 2013/14 Municipal Year.

- |     |   |                 |
|-----|---|-----------------|
| 9.  | <b>Harbour Asset Review Working Party</b><br>To appoint the Harbour Asset Review Working Party for the 2013/14 Municipal Year.  | (Page 9)        |
| 10. | <b>Harbour Budget Review Working Party</b><br>To appoint the Harbour Budget Review Working Party for the 2013/14 Municipal Year.  | (Page 10)       |
| 11. | <b>Pilotage Review Working Party</b><br>To appoint a Pilotage Review Working Party with the following Terms of Reference.<br><br>To review the Pilotage arrangements for the Tor Bay Harbour and to recommend amendments to the Pilotage direction as and when appropriate. | (Page 11)       |
| 12. | <b>Tor Bay Harbour Authority Revenue Outturn 2012/13</b><br>To note the Report on the Harbour Authority Outturn for 2012/13.  | (Pages 12 - 20) |
| 13. | <b>Torquay/Paignton and Brixham Harbour Liaison Forums</b><br>To note the minutes of the above Harbour Liaison Forums.  | (To Follow)     |
| 14. | <b>Tor Bay Harbour Authority Budget Monitoring 2013/14</b><br>To note a Report on the Harbour Authority Budget Monitoring for 2013/14.  | (Pages 21 - 33) |
| 15. | <b>Tor Bay Harbour Authority Audit Plan</b><br>To approve the Audit Plan for the Tor Bay Harbour Authority Business Unit for 2013/14.   | (Pages 34 - 40) |
| 16. | <b>Old Fish Market - Brixham Harbour</b><br>To note the accounts of the Arts and Crafts Market located on the Old Fish Market, Brixham.   | (Pages 41 - 46) |
| 17. | <b>Tor Bay Harbour - Port Masterplan</b><br>To approve the Tor Bay Harbour Port Masterplan.   | (Pages 47 - 64) |
| 18. | <b>Brixham Northern Arm Business Plan</b><br>To consider the Brixham Harbour Northern Arm Business Plan.  | (Pages 65 - 75) |
| 19. | <b>Performance Report - Tor Bay Harbour Authority</b><br>To consider a report on the performance of the Tor Bay Harbour Authority.  | (To Follow)     |



## Minutes of the Harbour Committee

18 March 2013

-: Present :-

Councillor Ellery (Chairman)

Councillors Amil, Baldrey, Faulkner (J), Hytche, McPhail, James and Richards and Mayor Oliver.

External Advisors: Mr Buckpitt, Capt. Curtis and Mr Jennings

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### 52. Apologies

An apology for absence was received from External Advisor Mr Mike Stewart.

### 53. Minutes

The Minutes of the meeting of the Harbour Committee held on 17 December 2012 were confirmed as a correct record and signed by the Chairman.

The Minutes of the Meeting of the Harbour Committee held on 23 January 2013 were confirmed as correct with an amendment to item 50/01/12, which should read:

Concerns were also raised over Health and Safety issues at Paignton Harbour with the movement of large vehicles, storage of waste and equipment and the conflict with use of the harbour by members of the public and other harbour users.

#### **Action:**

Health and Safety issues would continue to be monitored by the Paignton Harbour Master in relation to the concerns raised by the Harbour Committee and any additional issues reported back to the Chairman.

### 54. Presentation by the Torbay British Sub Aqua Club and Application for Grant

Representatives from the Torbay British Sub Aqua Club, situated at Unit 8 Beacon Quay, Torquay were invited to speak to the Committee regarding the Club's application for a grant to set-off rent that would otherwise be due to the Harbour Authority.

At this juncture the Committee resolved to exclude the press and public from the meeting on the grounds that the item involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended) for the remainder of this agenda item.

The Committee considered the application for a grant to set-off rent that would otherwise be due to the Harbour Authority, received from the Torbay British Sub Aqua Club and invited the representatives from the Club to remain so that questions could be answered.

**Resolved:**

That a grant of £810.00, which is 50% of the current market rent, be allowed for a period of one year, subject to the Torbay British Sub Aqua Club striving to attain higher membership levels and exploring Charitable Status and Membership of the Sports Council. Also, for an Action Plan to be brought back in 12 months time to the Committee if the Club wanted to make a further grant application next year.

**55. Review of Delegated Powers**

The Executive Head of Tor Bay Harbour Authority informed the Council that harbour customers would expect the harbour authority to be fit for purpose and to regularly review the Delegated Powers of the Executive Head of the Tor Bay Harbour Authority.

**Resolved:**

That having reviewed the powers delegated to the Executive Head of Tor Bay Harbour Authority as set out in Appendix 1 of the submitted report, the Harbour Committee found no reason to refer any proposed changes to the Council for determination.

**56. Accidents and Statistics**

Further to Minute 43/01/12 Members received a briefing note which provided an update of the current accident statistics for the Harbour Authority. Members were advised that there had been two fatalities in the harbour and both had been categorised as D (drowning). However, the status of one of the fatalities had changed to SU (suicide).

Concerns were raised by Members as to the possibility that the recorded statistics would increase when the Coastguard Station closes.

**57. Tor Bay Harbour Business Plan 2013/2014**

The Committee considered a report which sought agreement of the Business Plan for the Tor Bay Harbour Authority business unit for 2013/2014.

**Resolved:**

- i) that the draft Tor Bay Harbour Business Plan 2013/2014, as set out in Appendix 1 to the submitted report be approved; and
- ii) that subject to the views of the Harbour Committee, the Executive Head of Tor Bay Harbour Authority and the Chairman of the Harbour Committee agree the final detail of the Tor Bay Harbour Business Plan 2013/2014, and sign the Acceptance Statement in Section 9.

**58. Tor Bay Harbour - Operational Moorings and Facilities Policy**

The Committee considered a report to amend the Harbour Authority's operational moorings and facilities policy. The Committee were advised that the policy sought to ensure a consistent, fair and equitable approach was applied to new, existing and potential facility customers that use Tor Bay Harbour and the harbour estate.

**Resolved:**

That the Tor Bay Harbour operational Moorings and Facilities Policy – Version 7 as set out in Appendix 1 of the submitted report, be approved.

**59. Torquay/Paignton and Brixham Harbour Liaison Forums**

The Committee noted the minutes of the Torquay and Paignton Harbour Liaison Forum meeting on 5 March 2013 and the Brixham Harbour Liaison Forum meeting on 27 February 2013.

The Chairman wished it to be noted that due to a family bereavement he was unable to attend either of the Forum meetings and gave his apologies to Members.

**60. Tor Bay Harbour Authority Budget Monitoring 2012/13**

The Committee noted a report on the quarterly Budget Monitoring.

The Committee noted the Harbour Master's use of delegated powers to waive certain harbour charges, which this financial year amounted to £2488.77 (excluding VAT), and which have been spread across both harbour accounts. No additional charges had been levied.

The Chairman conveyed the Committee's gratitude to all the Harbour staff for all their hard work in monitoring the harbour budgets.

**61. Harbour Committee Work Programme - 2013/2014**

Members considered a report which outlined the Work Programme for the 2013/14 Municipal Year.

**Resolved:**

The Harbour Committee work programme for 2013/14, as set out in the submitted report, be approved.

**62. Performance of the Harbour Authority Business Unit**

The Committee noted the submitted report outlining the performance of the Tor Bay Harbour Authority Business Unit. The Executive Head of Tor Bay Harbour Authority informed Members that performance was on target or above target.

**63. Annual Review of the Tor Bay Harbour Authority Asset Management Plan**

The Committee considered the submitted report to review and approve the Tor Bay Harbour Authority Asset Management Plan.

The Executive Head of Tor Bay Harbour Authority advised the Committee that the Asset Review Working Party had reviewed the Asset Management Plan in accordance with their terms of reference.

**Resolved:**

That the Tor Bay Harbour Authority Asset Management Plan 2013/2014 as set out in Appendix 1 of the submitted report be approved.

**64. Tor Bay Harbour Authority Income - Internal Audit Report - November 2012**

The Committee noted the submitted report which provided an overview of the Tor Bay Harbour Authority IT System Administration and Security – Internal Audit Report – September 2012. In particular the Committee noted:

- i) The audit scope was previously agreed for 2012/13 by the Harbour Committee in June 2012; and
- ii) the report contained 31 recommendations, 9 were High Risk, 18 were Medium Risk and four are Low Risk; and
- iii) the Executive Head of Tor Bay Harbour Authority assured Members that all of the High priority actions would have been implemented by April 2013; and

- iv) a procurement process has commenced to replace the existing harbour software system which was over 12 years old, with new fit for purpose software which would considerably mitigate many of the risks identified during the audit. The result of the procurement process would be brought back to a future meeting of the Harbour Committee for a decision; and
- v) the new system should be in place for invoicing in February 2014 allowing Harbour users to pay by direct debit or in instalments.

## 65. MCZ Consultation

Members considered a response to the public consultation on the proposals from Defra that up to 31 sites would be suitable for designation as Marine Conservation Zones (MCZs) in 2013 and in particular a proposal from Defra to set up a Torbay Marine Conservation Zone, which would occupy all of the inshore area within Tor Bay Harbour Limits (20km<sup>2</sup>).

Members expressed their concerns known over the proposed MCZ and questioned whether the conservation advantages outweighed the economic and social implications of its likely designation and that the summary document stating that the socio-economic impact best estimate of cost of £3,000 being clearly inaccurate, with a figure of £250,000 being more realistic.

### Resolved:

- i) that the Executive Head of Tor Bay Harbour Authority, in consultation with the Chairman of the Harbour Committee and the Mayor, be asked to respond to the public consultation on behalf of Tor Bay Harbour Authority and Torbay Council; and
- ii) that, in responding to the public consultation, the idea of a Marine Conservation Zone anywhere within Tor Bay Harbour limits is rejected on the grounds that the socio-economic impacts are unquantifiable.

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Chairman



Name of Committee and terms of Reference	Membership	Members
<p><b>Harbour Committee:</b></p> <p><b>Terms of Reference:</b></p> <p>To determine all matters relating to the strategic management of the Council's function as a Harbour Authority, in line with the Tor Bay Harbour and Maritime Strategy, the Council's Policy Framework. Specifically the Committee will:-</p> <p>1. To manage all of the Harbour's financial matters in accordance with approved financial procedures and the Council's aspirations for the harbour to be self financing as outlined in the Harbour and maritime strategy and including (but not limited to):</p> <ul style="list-style-type: none"> <li>(a) the setting of harbour charges from time to time (including in-year changes to the schedule) normally following consultation with the relevant Harbour Liaison Forums;</li> <li>(b) approving the annual revenue budgets within the ring-fenced harbour accounts;</li> <li>(c) receiving quarterly budget monitoring reports and to approve variances as appropriate; and</li> <li>(d) monitoring the harbour reserve funds and to seek to ensure that the funds are kept above an appropriate minimum contingency level and ensure the harbour remains self-financing;</li> </ul> <p>providing that no decision by the Harbour Committee shall impact adversely on the Council's general fund or capital budget.</p>	<p>9 members of the Council plus up to five external non-voting advisors appointed by the Committee on a four year term and one non-voting advisor who is a private sector representative of the Board of the Torbay Economic Development Company</p> <p>(Group Leaders will be asked to take account of the geographical spread of members in making appointments to the Committee)</p> <p>Conservative (5)</p> <p>Liberal Democrat (2)</p> <p>Non-Coalition (2)</p>	<p>Councillors Amil, Hytche, McPhail, Oliver and Richards</p> <p>Councillors Faulkner (J) and Stringer</p> <p>Councillors Ellery and James</p>

2. to act as Duty Holder for the purposes of the Port Marine Safety Code;
3. approve and monitor a business plan for Tor Bay Harbour, in line with the Council's policy framework, and address any issues relating to performance;
4. review these terms of reference annually and request the Council to make any necessary amendments and/or additions;
5. review annually the powers delegated to the Executive Head Tor Bay Harbour Authority – Tor Bay Harbour Master and refer any proposed changes to the Council for determination. The Committee itself shall not authorise any changes;
6. consider any other matters referred to the Committee by the Executive Head Tor Bay Harbour Authority;
7. establish any sub-committee or working parties as the Committee sees fit, in particular a Harbour Appointments Sub-Committee for the recruitment of advisors;
8. recommend the format, composition and governance of the Harbour Liaison Forums and keep the arrangements under review;
9. to provide strategic direction to the Executive Head Tor Bay Harbour Authority and the Mayor in relation to those assets within Tor Bay Harbour and the harbour estate that are managed by Tor Bay Harbour Authority.; and
10. appoint advisors following receipt of recommendations from the Harbour Appointments Sub-Committee and the Board of Torbay Economic Development Company Ltd. Appointments will be merit based and be in accordance with the Local Protocol for members of the Harbour Committee.

## Appointment of Harbour Appointments Sub Committee

The Terms of Reference for the Harbour Committee state that the Committee membership will be :-

*“9 members of the Council plus up to five external non-voting advisors appointed by the Committee on a four year term and one non-voting advisor who is a private sector representative of the Board of the Torbay Economic Development Company. .... Appointments will be merit based and be in accordance with the Local Protocol for members of the Harbour Committee”*

The Committee is asked to consider appointments to the Harbour Appointments Sub Committee (previously three Councillors). Members are advised that the Appointments Sub-Committee was formed in 2007 with the following Terms of Reference :-

*“to consider ad hoc applications for external advisor positions on the Harbour Committee and recommend to the Harbour Committee the persons who should be appointed to those posts as and when vacancies arise. And to determine the rolling programme for advisors tenure”*

Although not specifically stated in the Terms of Reference for the Harbour Committee it is a Harbour Committee recommendation that External Advisers should be limited to two 4-year terms, which is in line with good governance best practice. The table below shows the current position in respect of External Advisers :-

Advisor	Appointing Body	Date Appointed	4 year term ends
Mike Stewart	Harbour Committee	17 Dec 2012	End of Dec 2016
Robert Curtis	Harbour Committee	18 Sept 2007	End of Sept 2014
Vacant	Harbour Committee	N/A	N/A
Gordon Jennings	Harbour Committee	18 Sept 2007	End of Sept 2013
David Buckpitt	Harbour Committee	5 Dec 2011	End of Dec 2015
Vacant	EDC	N/A	N/A

**June 2013**

# Agenda Item 9

## **Harbour Asset Review Working Party**

The Terms of Reference for the Harbour Committee state that the Committee should :-

*“determine all matters relating to the strategic management of the Council’s function as a Harbour Authority..... and ..... provide strategic direction to the Executive Head of Tor Bay Harbour Authority and the Mayor in relation to those assets within Tor Bay Harbour and the harbour estate that are managed by Tor Bay Harbour Authority”*

The Committee is asked to consider appointments to the Harbour Asset Review Working Party (three Councillors plus two External Advisors). Members are advised that the Harbour Asset Review Working Party currently has the following Terms of Reference :-

- a) *to review all assets within Tor Bay Harbour and the Harbour Estate;*
- b) *to establish how each asset is performing; and*
- c) *to identify any assets that are surplus.*

**June 2013**

## Harbour Budget Review Working Party

The Terms of Reference for the Harbour Committee state that the Committee should :-

*“manage all of the Harbour’s financial matters in accordance with approved financial procedures and the Council’s aspirations for the harbour to be self financing as outlined in the Harbour and Maritime Strategy and including (but not limited to):*

- (a) the setting of harbour charges from time to time (including in-year changes to the schedule) normally following consultation with the relevant Harbour Liaison Forums;*
- (b) approving the annual revenue budgets within the ring-fenced harbour accounts;*
- (c) receiving quarterly budget monitoring reports and to approve variances as appropriate; and*
- (d) monitoring the harbour reserve funds and to seek to ensure that the funds are kept above an appropriate minimum contingency level and ensure the harbour remains self-financing”*

The Committee is asked to consider appointments to the Harbour Budget Review Working Party (at least two Councillors plus the Chairman plus two External Advisors). Members are advised that the Harbour Budget Review Working Party was formed in 2009 with the following Terms of Reference :-

*“to scrutinise the draft Tor Bay Harbour Authority budget prior to presentation to the Harbour Committee and to review the full range of harbour charges, including commercial customers using the Torquay Harbour Town Dock and other harbour facilities”*

In June 2012 it was agreed that Harbour Budget Review Working Party Terms of Reference should be amended to the following :-

*“to scrutinise the draft Tor Bay Harbour Authority budget prior to presentation to the Harbour Committee and to review the full range of harbour charges. Also, to assist officers to monitor and review the budget ahead of each quarterly Harbour Committee meeting”*

**June 2013**

# Agenda Item 11

## **Pilotage Review Working Party**

The Terms of Reference for the Harbour Committee state that the Committee should :-

2. *'act as Duty Holder for the purposes of the Port Marine Safety Code;'*
7. *'establish any sub-committee or working parties as the Committee sees fit'*

In June 2012 the Harbour Committee agreed that a Pilotage Review Working Party should be formed with the following Terms of Reference :-

*"to review the Pilotage arrangements for Tor Bay Harbour and to recommend amendments to the Pilotage direction as and when appropriate"*

**June 2013**



**Meeting: Harbour Committee**

**Date: 3<sup>rd</sup> June 2013**

**Wards Affected: All Wards in Torbay**


**Report Title: Tor Bay Harbour Authority Revenue Outturn 2012/13**

**Executive Lead Contact Details: Non-Executive Function**

**Supporting Officer Contact Details: Kevin Mowat**

**Executive Head of Tor Bay Harbour Authority**

**Tor Bay Harbour Master**

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**Pete Truman**

**Principal Accountant**

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## **1. Purpose and Introduction**

- 1.1 This report provides Members with the details of the Tor Bay Harbour Authority final expenditure and income figures against budget targets for 2012/13.

## **2. Proposed Decision**

- 2.1 That the report is noted.

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## **Supporting Information**

### **3. Position**

- 3.1 The Tor Bay Harbour Authority budget for 2012/13, based on a 4% increase in harbour charges, was approved by Council on 5<sup>th</sup> December 2011.
- 3.2 Subsequent amendments to the budget and variation to the Reserve Account have been noted by the Harbour Committee throughout the year.

3.3 The final outturn against the revised budget is summarised below:

	<b>Original Budget 2012/13</b>	<b>Revised Budget 2012/13</b>	<b>Outturn 2012/13</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Torquay and Paignton Harbours Surplus/(Deficit)	(35)	20	13
Brixham Harbour Surplus/(Deficit)	(34)	70	80

3.4 Details of expenditure and income with explanations of material variances are provided at Appendix 1. The outturn figures form part of the Council's Statement of Accounts which is currently being prepared for audit.

3.5 The Committee is asked to note the Harbour Master's use of delegated powers to waive certain harbour charges, which at the end of this financial year amounted to £3,299.29 (excl VAT) and which were spread across both Harbour accounts.

3.6 The Harbour's liability for prudential borrowing is detailed in the following table:

<b>Capital Scheme</b>	<b>Amount Borrowed</b>	<b>Start of Repayments</b>	<b>Principal outstanding at 31<sup>st</sup> March 2013</b>
Haldon Pier (Torquay Harbour)	£1,200,000	2010/11	£1,115,037
Town Dock (Torquay Harbour)	£1,140,000	2008/09	£879,324
Brixham Harbour New Fish Quay Development	£4,750,000	2011/12	£4,447,785
<b>TOTAL</b>			<b>£6,442,146</b>



3.7 The Tor Bay harbour Authority debt position at 31<sup>st</sup> March 2013 is set out in the table below:-

	Corporate Debtor System		HMS	
	Unpaid by up to 60 days	Unpaid over 60 days	Unpaid by up to 60 days	Unpaid over 60 days
Debt outstanding	£10k	£19k	£421k	£37k
Bad Debt Provision	£15k		N/A	N/A

The Harbour Management System (HMS) debt does not have a separate bad debt provision because the income is not credited until it is received. However, following the recent internal audit report the Executive Head of Torbay Harbour Authority has determined that the overall debt position should be shown to the Harbour Committee on each budget monitoring report. The large element of unpaid debt up to 60 days on HMS relates to accounts raised in advance for the 2013/14 year.

## 7. Consultation

7.1 The Harbour Outturn position has been shared with the Harbour Liaison Forums.

## 8. Risks

8.1 There are no risks associated with this report.

## Appendices

Appendix 1 – Harbour Revenue Accounts Outturn 2012/13

## Additional Information

None

# Agenda Item 12

## Appendix 1

HARBOUR REVENUE ACCOUNTS - OUTTURN 2012/13

Appendix 1

### TORQUAY and PAIGNTON HARBOURS

Expenditure	2012/13 Original Budget £ ,000	2012/13 Revised Budget £,000	2012/13 Outturn £ ,000	Notes
Operations and Maintenance :-				
Harbour Attendants Salaries	136	140	138	1
Repairs and Maintenance	153	163	163	2
Rent Concessions	2	2	1	
Other Operating Costs	117	101	97	3
Town Docks Costs	10	3	0	4
Management and Administration :-				
Salaries	178	174	175	5
Internal Support Services	119	105	109	4/6
External Support Services	0	19	20	6
Other Administration Costs	46	84	53	7
Capital Charges	184	178	177	8
Contribution to Patrol Boat Operation	3	5	5	9
Dividend to General Fund (based on 2.5% of total income)	23	25	25	
	<b>971</b>	<b>999</b>	<b>963</b>	
<b>Income</b>				
Rents and Rights :-				
Property and Other Rents/Rights	246	266	268	10
Marina Rental	222	222	200	11
Operating Income :-				
Harbour Dues	61	64	64	
Visitor and Slipway	41	44	44	
Mooring fees	68	63	64	12
Town Dock	241	251	251	13
Boat and Trailer parking	34	37	37	
Other Income	23	42	48	14
Contribution from Reserve	0	30	0	15
	<b>936</b>	<b>1,019</b>	<b>976</b>	
<b>Operating Surplus/(Deficit)</b>	<b>(35)</b>	<b>20</b>	<b>13</b>	
<b>RESERVE FUND</b>				
Opening Balance as at 1st April 2012			621	
Interest Receivable			11	
Net Surplus / (Deficit) from Revenue Account			13	
Withdrawals - Capital Financing			(24)	16
Closing Balance as at 31st March 2013			<b>621</b>	

Note: In line with Harbour Committee minute 398 (5) the minimum Reserve level is **£187k** based on 20% of budgeted turnover to meet any deficit in the revenue budget or winter storm damage. The balance is earmarked for harbour related capital projects.

## HARBOUR REVENUE ACCOUNTS - OUTTURN 2012/13

### TORQUAY AND PAIGNTON HARBOURS

#### NOTES

- 1 There were additional costs relating to additional hours worked by the seasonal attendants. The Executive Head for Tor Bay Harbour Authority is currently carrying out a review to ensure payments have been processed correctly.
- 2 Additional work was carried out on the slipway at Paignton Harbour.
- 3 Savings from Non-Domestic rates following re-evaluation of the Harbour Office have now been taken from 2012/13. Further savings have resulted from a reduction in fleet charges from TOR2 following purchase of a new forklift directly from the Harbour Reserve.
- 4 Insurance costs relating to the Town Dock form part of the overall Harbour assessment and are charged within Internal Support Recharges. There was no call on the Repairs & Maintenance provision during the year.
- 5 The Outturn reflects the waiving of superannuation contributions by some employees.
- 6 Estates Management and Property Services, previously charged within Internal Support Recharges, are now provided by the Torbay Economic Development Company.
- 7 The Original and Revised Budgets included the cost of preparing the Port Masterplan to be funded from the Reserve (see note 15). The Torbay Economic Development Company advised that the work was substantially incomplete at year end and in order to maintain accounting consistency the costs and Reserve contribution have been deferred until 2013/14. Costs under this heading increased during the year as a result of spending on a new data line at Torquay Harbour and various small overspends.
- 8 Capital borrowing charges have reduced following early repayment of £63k of principal from the 2011/12 operational surplus.
- 9 The Harbour contribution to this service has increased because the General Fund contribution is fixed and operating costs have risen in 2012.
- 10 Increased income from Boat Board Booking sites.
- 11 Turnover figures are yet to be received for the Marina but outturn figures have been revised down on expectations of a drop in business income.
- 12 Income at Torquay is down due to under occupancy in the Inner Harbour. This has been partially offset by income from passenger craft.
- 13 The Town Dock income exceeded the budget forecast.

- 14 Additional income has been generated in general fees and fish tolls from landings at Torquay Harbour.
- 15 The planned Reserve contribution to fund the Port Masterplan has been deferred to 2013/14 (see note 7)
- 16 Approved funding of the capital purchase of a new forklift truck.

**BRIXHAM HARBOUR**

<b>Expenditure</b>	<b>2012/13 Original Budget £ ,000</b>	<b>2012/13 Revised Budget £,000</b>	<b>2012/13 Projected Outturn £ ,000</b>	Notes
Operations and Maintenance :-				
Harbour Attendants	209	133	149	1/2
Repairs and Maintenance	120	200	143	3
Rent Concessions	4	4	4	
Other Operating Costs	260	371	405	2/4
Management and Administration :-				
Salaries	144	135	136	1
Internal Support Services	107	88	93	5
External Support Services	0	19	20	5
Other Administration Costs	44	103	71	6
Capital Charges	300	291	292	7
Leased Properties	0	0	26	8
Contribution to Patrol Boat Operation	3	5	5	9
Dividend to General Fund (based on 2.5% of total income)	29	36	36	10
	<u>1,220</u>	<u>1,385</u>	<u>1,380</u>	
<b>Income</b>				
Rents and Rights :-				
Rents and Rights	213	211	216	11
Marina Income	167	162	147	12
Operating Income :-				
Harbour Dues	84	87	90	
Visitor and Slipway	13	12	12	13
Mooring fees	134	135	138	
Fish Tolls income	525	650	675	
Other Income	50	84	99	14
Contribution from Reserve	0	114	83	15
	<u>1,186</u>	<u>1,455</u>	<u>1,460</u>	
<b>Operating Surplus /(Deficit)</b>	<u>(34)</u>	<u>70</u>	<u>80</u>	
<b>RESERVE FUND</b>				
Opening Balance as at 1st April 2012			543	
Interest Receivable			9	
Net Surplus / (Deficit) from Revenue Account			80	
Withdrawals - Capital Financing			(26)	16
Contributions to Revenue Account			(83)	15
Closing Balance as at 31st March 2013			<u>523</u>	

Note: In line with Harbour Committee minute 398 (5) the minimum Reserve level is **£237k** based on 20% of budgeted turnover to meet any deficit in the revenue budget or winter storm damage. The balance is earmarked for harbour related capital projects.

## HARBOUR REVENUE ACCOUNTS - OUTTURN 2012/13

### BRIXHAM HARBOUR

#### NOTES

- 1 The Outturn reflects the waiving of superannuation contributions by some employees.
- 2 Savings initially occurred through a vacancy in one of the Dockmaster posts. A saving has been made because the Moorings contractor was delayed and works were not commenced until the following financial year.
- 3 An approved new electricity recharge system for the fishing vessel basin was installed, funded from the Reserve (see note 15). No maintenance on moorings was required during the year.
- 4 Activities on the new Fish Market have led to increased electricity and water/sewerage charges, due to a lack of utility meters from the principal suppliers. A proportion of these costs are being recovered (see note 14). The increased Outturn also includes expenditure on new signage, booms and crane hire for winter haul outs.
- 5 Estates Management and Property Services, previously charged within Internal Support Recharges, are now provided by the Torbay Economic Development Company.
- 6 The Original and Revised Budgets include the cost of preparing the Port Masterplan and the Northern Arm Business Case to be funded from the Reserve (see note 15). The Torbay Economic Development Company advised that the work on the Port Masterplan was substantially incomplete at year end and in order to maintain accounting consistency the costs and Reserve contribution have been deferred until 2013/14.
- 7 Capital borrowing charges have reduced following early repayment of £145k of principal from the 2011/12 operational surplus.
- 8 Rechargeable expenditure on leased premises is being recognised in the current year. Service charge income recovery will commence in 2013/14.
- 9 The Harbour contribution to this service has increased because the General Fund contribution is fixed and operating costs have risen in 2012.
- 10 The dividend has increased in line with revised income projections.
- 11 The Projected Outturn has been adjusted to reflect more realistic income levels from new facilities which are being monitored and adjusted as required on a regular basis.
- 12 The projected rental for 2012/13 was revised down to reflect a fall in income in 2011/12. Turnover figures are yet to be received for the Marina but outturn figures have been revised down further on expectations of a drop in business income.

- 13 Visitor numbers were down during the summer although there was a slight recovery later in the season.
- 14 Includes the recovery of increased water and sewerage charges (see note 4).
- 15 Contributions from the Reserve to fund installation of an electricity recharge meter system (£60k - see note 3) and the Northern Arm Business Case (£23k see note 6). The planned Reserve contribution to fund the Port Masterplan has been deferred to 2013/14 (see note 7)
- 16 Approved funding of the capital purchase of a new forklift truck.

# Agenda Item 14



**Meeting: Harbour Committee**

**Date: 3<sup>rd</sup> June 2013**


**Wards Affected: All wards in Torbay**

**Report Title: Tor Bay Harbour Authority Budget Monitoring 2013/14**

**Executive Lead Contact Details: Non-Executive Function**

**Supporting Officer Contact Details: Kevin Mowat**

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## **1. Purpose**

- 1.1 This report provides Members with projections of income and expenditure for the year 2013/14 compared with approved budgets.
- 1.2 This report identifies the overall budgetary position for Tor Bay Harbour Authority as at end of April 2013 to enable appropriate action to contain expenditure and maintain reserves at appropriate levels.
- 1.3 The Committee is asked to note that the amended outturn positions of the two harbour accounts are unchanged but there have been some adjustments to the Reserve Funds shown in Appendix 1.
- 1.4 The Committee is asked to note the Executive Head of Harbour Tor Bay Harbour Authority's use of delegated powers to make decisions in relation to the budget allocated to Tor Bay Harbour.
- 1.5 The Committee is asked to note that the Harbour Masters have not used their delegated powers to waive certain harbour charges so far in this financial year. No additional charges have been levied.

## **2. Summary**

- 2.1 The Tor Bay Harbour Authority budget was approved by the Harbour Committee on 17<sup>th</sup> December 2012.



- 2.2 This is the first budget monitoring report presented to the Harbour Committee for the financial year 2013/14.
- 2.3 No change to the approved budget is recommended at this early stage of the financial year, other than the bringing forward of expenditure and funding for the Port Masterplan as agreed but not spent in 2012/13. However, there are potential pressures to both Harbour Accounts from reduced Marina rentals. Officers will report on the position when the final figures for 2012 have been received. The Chairman and Executive Head of Tor Bay Harbour Authority have approved contributions from the Reserves to fund a new IT system as highlighted in the Harbour Reserve Funds Project List reported to the Committee in March 2013.

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### Supporting Information

#### 3. Position

- 3.1 The projected outturn at Appendix 1 reflects amendments to the budget made within the Executive Head of Tor Bay Harbour Authority's delegated powers. Details of each amendment can be found in the associated note.
- 3.2 The performance against budget is summarised below:

	<b>Original Budget 2013/14</b>	<b>Projected Outturn 2013/14</b>
	<b>£000</b>	<b>£000</b>
Torquay and Paignton Harbours Surplus/(Deficit)	(19)	(19)
Brixham Harbour Surplus/(Deficit)	(15)	(15)

- 3.3 The current progress of Harbour capital schemes is detailed below:

	<b>Total Budget</b>	<b>Actual to Date (including prior years)</b>	<b>Projected Outturn</b>	<b>Notes</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	
Environment Agency grant funding for Torquay Harbour – Haldon & Princess Piers	1,272	337	1,272	(i)
Brixham Harbour – Various Repairs	240	0	240	(ii)

Brixham Breakwater Repairs	150	deferred	150	(iii)
Fish Market Roof – PV Panels	48	0	48	(iv)
Torquay Inner Harbour Pontoons	800	0	800	(v)

An initial application for external funding from the Environment Agency was successful and the grant of approximately £1.3m is currently being used for Phase 2 which commenced in the autumn of 2011 and further work followed in winter 2012. Work towards a further bid of approximately £7m of external funding from the Environment Agency is now being finalised.

- (i) Further repair work is required to the ladders and fenders. Funding for this spend has been approved from the Brixham Harbour reserve and work will commence in 2013/14.
- (ii) The Environment Agency (EA) has approved £150k within their medium-term financial plan (2014/15) for the works required to the Brixham Breakwater. Council Engineers will submit a report on the necessary works to the EA, in November 2013, to allow the release of the funds. It is hoped that the repair work will then commence in April 2014. In the meantime the Council's approved £150k capital work will remain deferred.
- (iii) Approximately £48k has been earmarked from the Brixham Harbour reserve to fund a 10kw Photovoltaic solar energy system on the new Fish Market roof. This capital spend has already been approved by Torbay Council. Further evaluation is now underway with the Torbay Economic Development Company to determine a clear business case.
- (iv) This project was approved by Council in February 2013 for delivery in March 2014.

3.4 The Harbour's liability for prudential borrowing is detailed in the following table

<b>Capital Scheme</b>	<b>Amount Borrowed</b>	<b>Start of Repayments</b>	<b>Principal outstanding at 1<sup>st</sup> April 2013</b>
Haldon Pier (Torquay Harbour)	£1,200,000	2010/11	£1,115,037
Town Dock (Torquay Harbour)	£1,140,000	2008/09	£879,324
Brixham Harbour New Fish Quay Development	£4,750,000	2011/12	£4,447,785

	<b>TOTAL</b>	<b>£6,442,146</b>
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3.5 The Tor Bay harbour Authority debt position at the end of April 2013 is set out in the table below:-

	Corporate Debtor System		HMS	
	Unpaid by up to 60 days	Unpaid over 60 days	Unpaid by up to 60 days	Unpaid over 60 days
Debt outstanding	£31k	£24k	£43k	£153k
Bad Debt Provision	£15k		N/A	

The Harbour Management System (HMS) debt does not have a separate bad debt provision because the income is not credited until it is received. However, following the recent internal audit report the Executive Head of Torbay Harbour Authority has determined that the overall debt position should be shown to the Harbour Committee on each budget monitoring report.

3.6 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 1.5).

3.7 Harbour Committee minute 398 (5) from December 2011 states the following :-

*“That, as recommended by the Harbour Committee’s Budget Working Party, each harbour reserve fund is split with 20% of budgeted turnover ring-fenced to meet any deficit in the revenue budget or winter storm damage and the balance ring-fenced to fund harbour related capital projects.”*

Consequently the Executive Head of Tor Bay Harbour Authority, in consultation with the Chairman of the Harbour Committee, has produced a list of Harbour Reserve Funds projects attached as Appendix 2. The Committee is asked to note this list and the obvious ongoing need for healthy Harbour Reserve Funds.

## Appendices

Appendix 1 Harbour Revenue Accounts 2013/14

**Additional Information**

None

### HARBOUR REVENUE ACCOUNTS 2013/14

#### TORQUAY and PAIGNTON HARBOURS

Expenditure	2013/14 Original Budget £ ,000	2013/14 Profiled Budget £ ,000	2013/14 Actual to Date £ ,000	2013/14 Projected Outturn £ ,000	Notes
Operations and Maintenance :-					
Harbour Attendants Salaries and Wages	144	11	8	144	1
Repairs and Maintenance	153	5	10	153	
Rent Concessions	2	1	1	2	
Other Operating Costs	105	2	10	105	
Town Dock Costs	5	0	0	5	
Management and Administration :-					
Salaries	181	15	15	181	2
Internal Support Services	105	0	0	105	
External Support Services	19	0	0	19	
Other Administration Costs	48	2	38	78	3
Capital Charges	178	0	0	178	
Contribution to Patrol Boat Operation	3	0	0	3	
Dividend to General Fund (based on 6% of total income)	59	0	0	59	
	<u>1,002</u>	<u>36</u>	<u>82</u>	<u>1,032</u>	
<b>Income</b>					
Rents and Rights :-					
Property and Other Rents/Rights	260	51	61	260	
Marina Rental	222	20	20	222	4
Operating Income :-					
Harbour Dues	79	39	22	79	
Visitor and Slipway	41	4	4	41	
Mooring fees	69	35	59	69	
Town Dock	250	202	232	250	
Boat and Trailer parking	37	33	30	37	
Other Income	25	3	5	25	
Contribution from Reserve	0	0	0	30	5
	<u>983</u>	<u>387</u>	<u>433</u>	<u>1,013</u>	
<b>Operating Surplus /(Deficit)</b>	<u>(19)</u>	<u>351</u>	<u>351</u>	<u>(19)</u>	

<b>RESERVE FUND</b>	
Opening Balance as at 1st April	621
Interest Receivable	8
Net Surplus / (Deficit) from Revenue Account	(19)
Withdrawal	(25)
Contribution to Revenue Account	(30)
Expected Closing Balance as at 31st March	<u>555</u>

*Note: In line with Harbour Committee minute 398 (5) the minimum Reserve level at year end 2013/14 is **£197k** based on 20% of budgeted turnover to meet any deficit in the revenue budget or winter storm damage. The balance is earmarked for harbour related capital projects.*

## HARBOUR REVENUE ACCOUNTS 2013/14

### NOTES

#### TORQUAY & PAIGNTON HARBOURS

- 1 There is currently a vacancy for one of the Harbour Assistant post. It is anticipated that savings will be offset by the cost of cover arrangements.
- 2 It is anticipated that there will be a reduction in employee costs due to the waiving of superannuation contributions by some employees. However, this has not been reflected in the projected outturn at present at this stage as employees are entitled to join the scheme at any time. Savings to date are offset by additional hours to cover the vacant Harbour Assistant post (see note 1)
- 3 Costs relating to the Port Masterplan have been carried forward from the previous financial year with a corresponding contribution from the Reserve (see note 5).
- 4 Officers are concerned of a potential reduction in the level of Marina rentals due to continuing uncertain economic conditions.
- 5 Contribution to fund the costs of the Port Masterplan (see note 3).
- 6 Withdrawal to fund the planned implementation of a new harbour management IT system as highlighted in the Harbour Reserve Funds Project List reported to the Committee in March 2013.

**HARBOUR REVENUE ACCOUNTS 2013/14**

**BRIXHAM HARBOUR**

<b>Expenditure</b>	<b>2013/14 Original Budget £ ,000</b>	<b>2013/14 Profiled Budget £ ,000</b>	<b>2013/14 Actual to Date £ ,000</b>	<b>2013/14 Projected Outturn £ ,000</b>	
Operations and Maintenance :-					
Harbour Attendants Salaries and Wages	228	18	14	228	1/2
Repairs and Maintenance	120	10	17	120	
Rent Concessions	4	0	0	4	
Other Operating Costs	352	5	15	352	
Management and Administration :-					
Salaries	148	12	13	148	1/3
Internal Support Services	88	0	0	88	
External Support Services	19	0	0	19	
Other Administration Costs	37	2	39	67	4
Capital Charges	291	0	0	291	
Contribution to Patrol Boat Operation	3	0	0	3	
Dividend to General Fund (based on 6% of total income)	81	0	0	81	
	<b>1,371</b>	<b>47</b>	<b>98</b>	<b>1,401</b>	
<b>Income</b>					
Rents and Rights :-					
Rents and Rights	215	40	53	215	
Marina Income	162	20	20	162	5
Operating Income :-					
Harbour Dues	87	46	48	87	
Visitor and Slipway	13	1	2	13	
Mooring fees	138	82	85	138	
Fish Tolls income	650	22	46	650	
Other Income	91	1	19	91	
Contribution from Reserve	0	0	0	30	6
	<b>1,356</b>	<b>212</b>	<b>273</b>	<b>1,386</b>	
<b>Operating Surplus /(Deficit)</b>	<b>(15)</b>	<b>165</b>	<b>175</b>	<b>(15)</b>	

<b>RESERVE FUND</b>		
Opening Balance as at 1st April		523
Interest Receivable		5
Net Surplus / (Deficit) from Revenue Account		(15)
Withdrawals - Capital Financing		(265)
Contribution to Revenue Account		(30)
Closing Balance as at 31st March		<b>218</b>



*Note: In line with Harbour Committee minute 398 (5) the minimum Reserve level at year end 2013/14 is £271k based on 20% of budgeted turnover to meet any deficit in the revenue budget or winter storm damage. The balance is earmarked for harbour related capital projects.*

## HARBOUR REVENUE ACCOUNTS 2013/14

### NOTES

#### BRIXHAM HARBOUR

- 1 It is anticipated that there will be a reduction in employee costs due to the waiving of superannuation contributions by some employees. However, this has not been reflected in the projected outturn at present at this stage as employees are entitled to join the scheme at any time.
- 2 There is currently a vacancy for the Assistant Harbour Master post. It is anticipated that savings will be offset by the cost of cover arrangements.
- 3 Additional costs have been incurred to cover the vacant Assistant Harbour Master post (see note 2)
- 4 Costs relating to the Port Masterplan have been carried forward from the previous financial year with a corresponding contribution from the Reserve (see note 6).
- 5 Officers are concerned of a potential reduction in the level of Marina rentals due to continuing uncertain economic conditions.
- 6 Contribution to fund the costs of the Port Master Plan (see note 4).
- 7 Capital funding for new fenders (£240k) and the planned implementation of a new harbour management IT system as highlighted in the Harbour Reserve Funds Project List reported to the Committee in March 2013 (£25k).

### Appendix 2 - Tor Bay Harbour Authority - Reserve Funds Project List

Harbour Committee Minute 398 (5) - December 2011

*“That, as recommended by the Harbour Committee’s Budget Working Party, each harbour reserve fund is split with 20% of budgeted turnover ring-fenced to meet any deficit in the revenue budget or winter storm damage and the balance ring-fenced to fund harbour related capital projects.”*

	<b>Brixham</b>	<b>Torquay &amp; Paignton</b>
	<b>£</b>	<b>£</b>
Reserve Balance at 31st March 2013	523,000	621,000
Planned withdrawals in year	(295,000)	(55,000)
Projected Surplus/(Deficit) for year	(15,000)	(19,000)
Revised Reserve Balance	213,000	547,000
less: 20% of Budgeted Turnover	271,200	196,600
<b>= Balance for Projects</b>	<b>(58,200)</b>	<b>350,400</b>
<b>Total costs of proposed Projects (as listed below).</b>	<b>340,700</b>	<b>590,300</b>
<i>Shortfall in Reserve funding available</i>	<i>(398,900)</i>	<i>(239,900)</i>

<b>Projects</b>	<b>Brixham</b>	<b>Torquay &amp; Paignton</b>	<b>Timeframe</b>
Torquay harbour - Haldon Pier brow		£45,000	Short
Torquay harbour - Princess Pier underwater urgent repairs		£50,000	Short
Torquay harbour - Beacon Quay Wi-Fi		£7,000	Short
Torquay harbour - Old Fish Quay full structural survey		£10,000	Short
Passenger ferry real-time signage & new shelters *	£18,500	£18,500	Short
Brixham harbour - new work boat	£45,000		Short
Brixham harbour – photo-voltaic solar panels on roof *	£48,000		Medium

Torquay harbour - fishermen's pontoons		£24,900	Medium
Torquay harbour – office/welfare improvements		£24,900	Medium
Torquay harbour - Inner Harbour Slipway repairs		£75,000	Medium
Torquay harbour - South Pier cathodic protection		£30,000	Medium
Tor Bay Harbour Patrol Boat replacement	£25,000	£25,000	Medium
Brixham harbour - Maritime E training programme *	£54,200		Medium
Torquay harbour - new dinghy park & seaward slipway feasibility study		£30,000	Medium
Torquay harbour - Haldon Pier crane		£50,000	Long
Brixham Breakwater	£150,000		Long
Torquay harbour - Fuel Station refurbishment		£100,000	Long
Torquay harbour - New Drying Grid		£100,000	Long
<b>TOTALS</b>	<b>£340,700</b>	<b>£590,300</b>	

Capital Projects over £25k to be listed on the Council's Capital Plan which is approved by full Council.

\* Interreg funding opportunity (FLIP)

KEY  
Capital  
Revenue



Current financial year  
0 to 12 months  
12 to 24 months  
24 to 60 months

2012-13  
Short  
Medium  
Long



**Meeting: Harbour Committee**

**Date: 3<sup>rd</sup> June 2013**

**Wards Affected: All wards in Torbay**

**Report Title: Tor Bay Harbour Authority Audit Plan – 2012~2017**

**Executive Lead Contact Details: Non-Executive Function**

**Supporting Officer Contact Details: Kevin Mowat**  
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**Tor Bay Harbour Master**

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## 1. Purpose

- 1.1 Tor Bay Harbour Authority is a function of Torbay Council and all local authorities and other relevant bodies are subject to the Local Government Act 1972 Section 151 and the Accounts and Audit Regulations 2003 (as amended 2006). Consequently the Council must maintain an adequate and effective system of Internal Audit of its accounting records and of its system of Internal Control in accordance with the proper practices in relation to internal control.
- 1.2 Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal auditing is a catalyst for improving an organisation's effectiveness and efficiency by providing insight and recommendations based on analyses and assessments of data and business processes.
- 1.3 The key objective of the Audit Plan is to deliver a framework of audit tasks that will provide the Harbour Committee with the assurances outlined in 1.2 above. By adopting a systematic approach to internal auditing the Harbour Committee will be able to assist the Tor Bay Harbour Authority business unit to meet the overall objectives of the service. Furthermore it will also provide assurance to Torbay Council that the strategic management of Tor Bay Harbour, undertaken by the Harbour Committee, meets their aspirations for their harbour authority function.

- 1.4 The Tor Bay Harbour Audit Plan attached as Appendix 1 has been prepared with the help of the Devon Audit Partnership using a risk based approach and priority assessment including consultation at both strategic and operational levels to ensure that the content of the plan is aligned to the Harbour Authority's needs, goals and objectives and satisfies the statutory assurance requirements. The number of Audit Days for each audit entity will vary depending on risk, available resources and previous audit reports.
  - 1.5 Internal auditors are not responsible for the execution of harbour authority activities but through a robust Audit Plan they can provide advice to harbour management and the Harbour Committee about how to better execute their responsibilities. As part of its governance role the Harbour Committee will receive a copy or executive summary of all internal audit reports relating to Tor Bay Harbour.
  2. **Proposed Decision**
    - 2.1 **That the Committee consider and agree in principle the amended Tor Bay Harbour Audit Plan for 2012~2017 shown in Appendix 1.**
  3. **Action Needed**
    - 3.1 The Executive Head of Tor Bay Harbour Authority needs to ensure that the agreed Audit Plan is implemented.
  4. **Summary**
    - 4.1 To inform the Harbour Committee of the arrangements and work plan for the Audit of the Tor Bay Harbour Authority business unit between 2012 and 2017.
    - 4.2 To ensure key issues are communicated to and actioned by the Committee to ensure risks are managed and the Internal Control Framework is sound.
    - 4.3 To ask the Committee to endorse the outline Audit Plan for 2012~2017 and advise of any areas of concern they feel would benefit from Audit input.
    - 4.4 The Devon Audit Partnership will undertake the majority of the audits and their work will be in accordance with auditing standards contained within the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom. Audits are planned and performed so as to obtain all the information and explanations considered necessary to gain assurance as to the level of control within the business unit. Audit findings and recommendations are however based on restricted samples of transactions / records and discussions with relevant officers.
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## **Supporting Information**

5. **Position**
  - 5.1 The Council's Audit Committee deals with the local authority's corporate responsibility under the Accounts and Audit Regulations 2006 (amended) to include in their annual statement of accounts an Annual Governance Statement. This Statement also requires an annual review of the Internal Control Environment and

an annual review of Internal Audit. The statement is wide ranging and includes an assessment of risks, Corporate Governance and the delivery of the Council's functions. Internal Audit work forms an element of the evidence required but it is the management of the organisation that is responsible for the internal control framework and for providing the assurance required.

- 5.2 As part of Torbay's commissioning model, Internal Audit provision is commissioned from Devon Audit Partnership. The Partnership is a shared service between Torbay, Plymouth and Devon County Councils which delivers Internal Audit services to the partner authorities and it replaced the previous three separate internal audit sections with effect from 1 April 2009.
- 5.3 On 22<sup>nd</sup> June 2009 the Harbour Committee received report number 147/2009 which provided detailed results of the Internal Audit Report of the Harbour and Marine Services business unit concluded in May 2009. The key objective of the 2009 audit was to provide assurance to the Council's Audit Committee that the strategic management of Tor Bay Harbour, undertaken by the Harbour Committee and delivered by the Harbour & Marine Services business unit (now the Tor Bay Harbour Authority business unit), met the overall objectives of the service. However, at the time it was considered entirely appropriate that the Harbour Committee should also receive and note the Internal Audit of the Harbour & Marine Services business unit.
- 5.4 In 2009 it was the Audit Report's opinion that the administrative, financial and risk management systems and controls within the Harbour Authority were generally well managed. The 2009 Audit Report did not find any area requiring urgent improvements in controls or in the application of controls and none of the recommendations were considered as being an immediate or high priority. The Council was found to be meeting its legal responsibilities and obligations as a Harbour Authority.
- 5.5 The scope and content of the May 2009 Audit Report was of necessity wide ranging and this led the Executive Head of Tor Bay Harbour Authority to consider a more systematic and targeted approach to future internal audits. In June 2011 the Harbour Committee approved the first formal Audit Plan specifically for Tor Bay Harbour Authority and that plan was reviewed by the Committee in June 2012.
- 5.6 As part of the previous Audit Plan an Audit Report of the Harbour Authority's IT System, Administration & Security was concluded in September 2012 and an overview of the results was presented to the Harbour Committee in March 2013.
- 5.7 The audit plan for 2012~17 (Appendix 1) has been prepared and identified, with the help of Devon Audit Partnership, by :-
- Adopting a risk based priority audit planning tool to identify those areas where audit resources can be most usefully targeted. This involves scoring a range of systems, services and functions across the whole of the business unit using a number of factors/criteria e.g. materiality, control environment, sensitivity, time since last review etc. The final score, or risk factor for each area, together with a priority ranking, then determines a schedule of priorities for audit attention.

- Discussions and liaison with Devon Audit Partnership and harbour staff regarding the risks which threaten the achievement of the service objectives, including the introduction of new systems and corporate initiatives.
- Taking into account results of previous internal audit reviews.
- Taking into account Internal Audit's knowledge and experience of the risks facing the Harbour Authority.
- Consideration of risks identified in the Harbour Authority's strategic and operational risk registers.

5.8 The audit plan is matched to available resources and should be delivered within the budget available.

5.9 Resource implications are related to staff time both within the service and within departments who may be required to make officers available to answer audit queries and provide information in respect of any audit review or investigation. The Port Marine Safety Code compliance audit requires the procurement of an external "Designated Person".

5.10 Members and employees, in their roles and responsibilities, are asked to be vigilant in preventing and detecting fraud, corruption and irregularity. In addition, Members and employees have a responsibility to lead by example in ensuring adherence to legal requirements, Standing Orders, Financial Regulations and all procedures and policies including both Members and Officers Codes of Conduct.

5.11 The Devon Audit Partnership has due regard for section 17 of the Crime and Disorder Act 1998, ensuring that they consider crime and disorder reduction and community safety in the exercise of all of their duties and activities. Part of their role includes being one of the major contacts within the Council's Fraud & Corruption and Whistle-blowing Policies that detail how potential irregularities and frauds will be investigated and reported.

## 6. **Possibilities and Options**

6.1 The issues raised in this report are predominantly for information and as such there is no requirement to consider alternative options.

6.2 There is a statutory requirement for a continual internal audit of the Council's processes and internal controls. Whilst there are options surrounding the risk assessments, those being used are the accepted approaches for this style of risk assessment and may vary from those which are applied to the Council's services generally but in certain cases there are no alternative options if the Council is to meet external requirements.

6.3 Internal Audit reports provide one element of assurance to the Harbour Committee but the Tor Bay Harbour Authority management team provide another source of assurance and should provide evidence to support the view that Internal Controls and wider corporate governance are adequate. External reviews provide another source of assurance.

## 7. **Preferred Solution/Option**



7.1 That the Committee agrees in principle to the amended Tor Bay Harbour Audit Plan for 2012~2017 shown in Appendix 1.

## 8. Consultation

8.1 The draft audit plan has been subject to consultation with the Executive Head of Tor Bay Harbour Authority and the Harbour Administration Officers.

## 9. Risks

9.1 The report is predominantly for information and therefore there are no risks associated with the recommendations.

9.2 The adoption of a clear Harbour Authority Audit Plan will enhance the Council's reputation for transparency and accountability in respect of its delivery of its harbour authority function. It also reflects best practice.

9.3 Although the plan has been matched to available resources, if those resources are stretched or unavailable there remains a risk that audit reviews could slip thereby increasing the future risk to the Harbour Authority. Such situations will be managed within the overall audit resources available to the Devon Audit Partnership with audit resources being moved between client Councils to better manage the risk and to address the issue identified. Conversely the impact of such an event on the other client Councils could necessitate resources being moved away from Torbay but it is hoped that allowing a contingency will help to manage this.

9.4 It should be recognised that ultimately it is the responsibility of management to establish systems of internal control to ensure that activities are conducted in a secure, efficient and well-ordered manner. It does not matter how good the systems of internal control are, it is not possible to guarantee that a fraud will not occur, although it is hoped any irregularity would be quickly identified and resolved. However the work undertaken by Internal Audit should give the business unit, and the Harbour Committee, assurance that with the testing undertaken, no fraud was found and that all systems were operating effectively within the limitations reported at the time. Only by constant appliance of the Council's Standing Orders, Financial Regulations and operating instructions can this risk be fully minimised.

## Appendices

Appendix 1 Tor Bay Harbour Authority Audit Plan – 2012~2017

## Additional Information

The following documents/files were used to compile this report:

Report 147/2009 Harbour and Marine Services Internal Audit Report - May 2009

Report 90/2010 Torbay Council's Internal Audit Plan 2010/11

Report June/2012 Tor Bay Harbour Authority Audit Plan – 2011~2017

# Agenda Item 15

## Appendix 1



### Appendix 1 Rolling Audit Plan for Tor Bay Harbour Authority – 2012 ~ 2017

Audit Entity (Name)	Audit Entity Description (Coverage)	Audit Type	Priority Score (linked to risk assessment)	Last Audited	Next Scheduled Audit
Port Marine Safety Code	Compliance with the Code – audit undertaken by independent “designated Person” (not Devon Audit Partnership)	Operational Risk	63.13	November 2012	November 2013 2 – 3 days
Asset Management	Harbour Estate and Asset Management; Capital Project planning, management and evaluation; Accommodation Planning.	Operational Risk	67.05	See Note 3	2013/14
Risk Management	Risk Management – Operational & Business; Insurances; Health & Safety; Business Continuity / Contingency Planning.	Operational Risk	60.60	See Note 3	2015/16
Strategic Management	Governance (includes significant partnerships); Harbour Committee Terms of Reference & Roles and Responsibilities; Strategic Management; Long Term Planning; Government Policy Response; Energy Management; Sustainability; Value for Money; Harbour Bye Laws.	Strategic Risk	56.69	May 2009	2016/17
Business Unit Management	Business Unit Management; Procurement and Payments; Financial Planning and budget setting, monitoring and forecasting; Performance Management; Staff Development; Personnel and Establishment; Sickness Absence; Quality Management; Fundamental Financial Accounting and Asset controls; Equality and Diversity.	Operational Risk	44.90	See Note 3	2017/18

Cont.....

Audit Entity (Name)	Audit Entity Description (Coverage)	Audit Type	Priority Score (linked to risk assessment)	Last Audited	Next Scheduled Audit
Income	Harbour Charges; Other Income including Rents and Fish Tolls; Cash Handling; Re-charges; Debt Management.	Material System	46.63 (old score)	Sept – Dec 2011	Not yet agreed
IT System Administration & Security	Harbour Management Software (HMS); IT Audit; IT Security; Security of IT Infrastructure and Disaster Recovery; Information Governance including CCTV.	Material System	45.28 (old score)	September 2012	Not yet agreed

Note 1

For all audit entities the associated risks and controls related to the coverage areas examined will be determined including any risk / control issues relating to fraud and corruption.

Note 2

Reactive fraud and corruption investigation will be undertaken in the event of an incident at the Tor Bay Harbour Authority or where routine audit activity uncovers a potential irregularity.

Note 3

Prior to 2008/09 the audit of harbours was undertaken by harbour location covering the financial controls in that location.

June 2013

# Agenda Item 16



**Meeting: Harbour Committee**

**Date: 3<sup>rd</sup> June 2013**


**Wards Affected: All wards in Brixham**

**Report Title: Old Fish Market – Brixham Harbour**

**Executive Lead Contact Details: Non-Executive Function**

**Supporting Officer Contact Details: Paul Labistour**

**Tor Bay Harbour Master**

 **Telephone: 01803 292429**

 **E.mail: [Paul.Labistour@torbay.gov.uk](mailto:Paul.Labistour@torbay.gov.uk)**

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## **1. Purpose**

- 1.1 This report serves to update the Harbour Committee on the current use and management of the Old Fish Market area, including the old market canopy on the harbour estate and the adjacent berthing facilities. It reviews the existing arrangements whilst delivering both transparency and accountability and provides some clarity to the harbour users and the local community.

## **2. Summary**

- 2.1 Tor Bay Harbour Authority, under the guidance of the Harbour Committee, will endeavour to properly manage all harbour assets, thereby continuing to protect the harbourside's built environment for the ongoing benefit of the community and our customers.
- 2.2 Torbay Council, as the Tor Bay Harbour Authority and the Competent Harbour Authority for the purpose of the 1970 Tor Bay Harbour Act has powers to regulate vessel and persons on the harbour estate. The act also gives the authority the power to license and make charges for both the use of the water space and the harbour estate within the various enclosed harbours of Tor Bay.
- 2.3 In pursuance to managing the harbour estate areas the Harbour Authority have also agreed and adopted the licensing arrangements with colleagues in Torbay Council in order to give continuity of licensing and licence fee charging.
- 2.4 Tor Bay Harbour Authority is committed to supporting its harbour users and to supporting the wider community by working in partnership with various stakeholders to deliver wider community benefits.
- 2.5 The Harbour Committee should be kept informed of the arrangements relating to the Arts and Crafts Market at Brixham harbour.

## Supporting Information

### 3. Position

- 3.1 During the 2004 summer season, two markets were held at Brixham under the Old Fish Market and were facilitated by the Harbour Authority. They were run by a company which was made up of a number of market stalls (about twenty) under the banner of the "French Market". These markets sold only French related goods and were perceived to be a success in terms of creating an ambience around the harbour and in attracting visitors to the area.
- 3.2 In 2005 the Brixham Town Team took the view that a weekly market at Brixham throughout the season would be of benefit to the town. Markets were then subsequently held throughout the 2005 Summer Season on a Sunday and occasionally in addition so was the French market. The markets were judged by some to be a success and at the time some market research seemed to support this view.
- 3.3 The profits raised by the market organisers went to the market organiser with a fixed percentage going to the Harbour account (£1500). The harbour income was used to offset the use of the Old Fish Market area and storage of the market stalls during the week between markets. Although the Council received a modest income for the use of the Old Fish Market it did not adequately compensate for the number of hours of officers' time dedicated to the running of the market.
- 3.4 The market organisers operated the market in agreement with the Council and were responsible for putting up and taking down stalls, booking stallholders, insurance, keeping the site in good order, clean and tidy.
- 3.5 The original concept developed by the Brixham Town Team and in agreement with local traders was for an Arts and Crafts market. Initially difficulties were experienced between the market operators and the local retail traders as to what constituted arts and craft. Local traders were of the opinion that on a number of occasions the market stalls were acting in direct competition to their own businesses in the town. Consequently for the remainder of the 2005 season the Harbour Master, the Head of Tourism and a town traders' representative were responsible for vetting the content of stalls and the standard of stallholders at the weekly market. This resulted in an improved offer.
- 3.6 Ahead of the 2006 season the Harbour Master, the Head of Tourism, representatives of the Brixham Chamber of Commerce and the town's traders held discussions over the future of a weekly market. The Brixham Chamber of Commerce proposed that a weekly market be run and operated under their auspices with all profits going to the Chamber of Commerce to be used for community based projects/events. At the time the Director of Marine Services (now Executive Head of Tor Bay Harbour Authority) believed that the money should be held centrally in the harbour account with a clear and transparent audit trail prior to the redirection of funds for community use.
- 3.7 In 2006 it was suggested that one of the advantages of running a market under the auspices of the Chamber of Commerce was that they would be free from the constraints of making a commercial profit and the need for competitive tendering

could be avoided. Consequently the Chamber could concentrate their efforts on supporting local artists, artisans and craft makers. At the time it was highlighted that in pure financial terms the Chamber option did not clearly demonstrate value for money, but probably represented the best way forward in both practical and economic terms.

3.8 On 21<sup>st</sup> March 2006 the Harbour Committee received Report 68/2006 which sought advice from the Committee on the concept of a of a community proposal to run an Arts and Crafts Market under the Old Fish Market at Brixham every Saturday throughout the forthcoming season. Consequently the Harbour Committee made the following decision :-

- (i) that the Director of Marine Services be requested to exercise his delegated powers to allow a weekly market at the Old Fish Market, Brixham, to be held on Saturdays, for a trial period during 2006. The market to be run by the Brixham Chamber of Commerce with all monies that it might earn being reserved for community based projects and held in trust by Marine Services; and
- (ii) that the Director of Marine Services be requested to exercise his delegated powers to prepare a contract between the Council and the Brixham Chamber of Commerce accordingly.

3.9 Since 2006 the Brixham Chamber of Commerce has been successfully organising the weekly Arts and Crafts Market held during the summer season at the Old Fish Market. The market generates income of several thousand pounds and after various expenditures are taken out, a Market Management Committee reach agreement over what is donated to good causes locally. Details of the income, expenditure and recipient good causes are all recorded and filed through the Brixham harbour office (see Appendix 1 - Arts and Crafts Market – Summary of Accounts – 2007~2012).

3.10 Over the previous few years the management of the market has been delegated by the Chamber of Commerce to a Market Management Committee consisting of the Chairman of the Chamber of Commerce, the Harbour Master and various other organisers/representatives of the market traders. This arrangement appears to have worked well to date.

3.11 Minute 1044/12/86 delegated power to officers to allocate by lot, to the applying charities, dates for the use of the former fish market for charitable events, with preference being given to locally based organisations. Currently, and since 1986, the management of the Wednesday charitable events is undertaken through the Brixham harbour office. Following receipt of applications from charities to hold various events, the days are allocated by the harbour office through a ballot system for the following season.

#### **4. Consultation**

4.1 The Harbour Authority has consulted with stakeholders through its Brixham Harbour Liaison Forum. Members of the Arts and Crafts Market Management Committee have also been consulted.

## **5. Risks**

- 5.1 There are clear risks if the management and maintenance of this area of harbour estate falls outside the control of the Harbour Authority.
- 5.2 The risks of not having properly audited accounts for the Arts and Crafts Market are mitigated by having the harbour office staff manage the process in a transparent and accountable manner.
- 5.3 Community relations could be damaged if changes to the use of the Old Fish Market are perceived to be unacceptable.

## **Appendices**

Appendix 1                      Old Fish Market – Arts and Crafts Market – Summary of Accounts  
2007 ~ 2012

## **Additional Information**

The following documents/files were used to compile this report:

Report 68/2006	Brixham Harbourside Market (March 2006)
Report 298/2010	Old Fish Market – Brixham Harbour (December 2010)
Report (11 <sup>th</sup> June 2012)	Old Fish Market – Brixham Harbour

# Agenda Item 16

## Appendix 1

### Appendix 1

#### Old Fish Market – Arts and Crafts Market Summary of Accounts 2007/08 ~ 2012/13

Year	Balance b/fwd £	Income * £	Expenditure ** £	Balance c/fwd £
2007/08	4,815.48	5,477.37	-8,255.36	2,037.49
2008/09	2,037.49	4,365.03	-5,850.89	551.63
2009/10	551.63	5,646.30	-4,479.45	1,718.48
2010/11	1,718.48	4,687.21	-2,624.18	3,781.51
2011/12	3,781.51	3,680.39	-3,038.69	4,423.21
2012/13	4,423.21	6,440.00	-3,309.01	7,554.20

#### Notes

\* Income is net of incidental expenditure such as stall erector, advertising, etc.

\*\* Expenditure includes agreed donations and items not taken from income

#### **List of Beneficiaries**

##### 2007

Crown & Anchor Memorial Bench  
Pride in Brixham  
Friends of Shoalstone Pool  
Youth Enquiry Service  
Brixham Swimming Club  
Brixham Buccaneers

##### 2008

F.I.S.H. sculpture donation  
Brixham Youth Rugby Club  
Brixham Arts & Theatre Society  
Pride in Brixham  
Brixham Battery Heritage Group  
Brixham Community Lifestyle & Aquatics Co. Ltd

##### 2009

Brixham Buccaneers  
Youth Enquiry Service  
Friends of Shoalstone Pool  
F.I.S.H. sculpture donation



Admiral Swim  
Pride in Brixham

2010  
Not yet advised

2011  
Brix Fest

2012  
Pride In Brixham

Expenditure items

Advertising  
Coach drivers supply & support  
Garden Store  
Gavin Kenning Engineering  
Invoice books  
Materials - printer ink, steel & wood  
Print leaflets for distribution by coach drivers  
Print Christmas Flyers  
Stall Erector  
Street Trading Licence  
South Devon Chamber of Commerce Insurance

**June 2013**

# Agenda Item 17



**Meeting: Harbour Committee**

**Date: 3<sup>rd</sup> June 2013**

**Wards Affected: All wards in Torbay**

**Report Title: Tor Bay Harbour – Port Masterplan**

**Executive Lead Contact Details: Non-Executive Function**

**Supporting Officer Contact Details: Kevin Mowat**  
**Executive Head of Tor Bay Harbour Authority**  
**Tor Bay Harbour Master**  
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## 1. Purpose

- 1.1 The aim of this report is to brief the Harbour Committee on the progress of the Port Masterplan for Tor Bay Harbour.
- 1.2 In addition to delivering benefit to Tor Bay Harbour Authority and Torbay Council the Port Masterplan will assist regional and local planning bodies and inform local stakeholders.

## 2. Proposed Decision

- 2.1 **That the Harbour Committee approve the Port Masterplan for Tor Bay Harbour, as circulated for consultation during April and May 2013, subject to the adoption of the relevant points highlighted in the 'Consultation Feedback and Response Table' shown in Appendix 1.**
- 2.2 **That the Harbour Committee recommend to the Council the adoption of the Port Masterplan for Tor Bay Harbour as part of the Council's Policy Framework.**

## 3. Action Needed

- 3.1 A Forward Plan entry needs to be made because adoption of the Port Masterplan as a Policy Framework document is a 'Key Decision' for the Council.
- 3.2 The Executive Head of Tor Bay Harbour Authority, assisted by the Project Manager (Torbay Development Agency), will ensure that the Port Masterplan accommodates all of the relevant responses from the public consultation exercise.

## 4. Summary

- 4.1 This report provides Members with updated information regarding progress on the development of a Port Masterplan for Tor Bay Harbour. Appendix 2 contains some of the key extracts from the Draft Version of the plan. The draft Port Masterplan contains 60 pages plus Appendices.
  - 4.2 The need for a Tor Bay Harbour Port Masterplan was addressed in the 2011/12 Tor Bay Harbour Business Plan and that action was rolled on into the 2012/13 Business Plan.
  - 4.3 In March 2012 the Harbour Committee approved the need for Tor Bay Harbour to have a Port Masterplan and the Torbay Development Agency was asked to assist the Executive Head of Tor Bay Harbour Authority with the project management of the plan.
- 

## Supporting Information

### 5. Position

- 5.1 In 2010 the Department for Transport (DfT) issued 'Guidance on the preparation of port master plans'. The main purposes of port masterplans are to:
  - clarify the port's own strategic planning for the medium to long term;
  - assist regional and local planning bodies, and transport network providers, in preparing and revising their own development strategies; and
  - inform port users, employees and local communities as to how they can expect to see the port develop over the coming years, typically within a 25 or 30 year time horizon.
- 5.2 A port masterplan achieves its purposes by setting out:
  - how the port expects to grow and develop its business over time;
  - why this is feasible in the context of wider patterns of supply and demand;
  - where changes of land-use are likely to be required to support growth areas;
  - what alternative ways of meeting demand have been and will be considered;
  - what environmental measures will be taken to ensure that not only are adverse effects mitigated, but as far as possible the port makes a positive contribution to the environment and amenity;
  - when individual development proposals will be put forward;
  - how people will be consulted — both within the master planning process itself, and beyond; and;

- how the port's development plans integrate, support and inform the regional and local economic, transport and planning policy context as the result of close liaison with local and regional planning bodies during the production of the masterplan.
- 5.3 Tor Bay Harbour Authority and Torbay Council will benefit from a port masterplan in a number of ways :-
- engaging with local and regional planning bodies at an early stage of expansion plans will allow harbour development to be incorporated at various levels of spatial planning and will help to secure the buy-in of these crucial stakeholders;
  - keeping local stakeholders informed of the business direction of the harbour will help the harbour to build good working relationships locally;
  - being clear and transparent about demand forecasts and expansion plans will raise the profile of the harbour both locally and regionally; and
  - strategically considering future developments will reduce the lead-time for individual projects when they come to fruition.
- 5.4 A port masterplan is *not* intended to be rigid and inflexible. Ports and harbours operate in a commercial world and it is essential that they should have the flexibility to adapt to changing patterns of demand, and to competitive opportunities. The masterplan should therefore present a framework within which such adaptation can occur without undue bureaucracy.
- 5.5 The DfT guidance states that *'smaller ports with modest growth aspirations may consider that the scale of their projected development does not justify the managerial resource input required to produce a good master plan. But there will be exceptions on either side of this threshold: major ports at the smaller end of the range which do not foresee growth, and currently minor ports, or promoters of wholly new facilities, whose aspirations give them a clear interest in securing the buy-in of those who will become engaged, sooner or later, in the planning system. We encourage ports of any size to produce a master plan where they see that it would be beneficial for them to do so'*.
- 5.6 Every masterplan will be different depending on the size of a port and the extent of plans for future development. The DfT encourages ports to vary the scale and scope of their masterplan in accordance with these factors. This variation in scale and scope has meant that certain responses to the consultation, which specifically relate to DfT guidance, may not be adopted.
- 5.7 Critically port masterplans should feed into regional and local planning strategies. Consequently there has been liaison with regional and local planning bodies during the preparation of the masterplan and it is hoped that this will benefit Tor Bay Harbour by ensuring that its development intentions are represented in the appropriate spatial plans. This is very important in Torbay, where coastal land has a very high monetary and amenity value; and a large amount of the marine environment is protected under a Special Area of Conservation.

- 5.8 In the future, it is expected that the Port Masterplan will usefully assist in the preparation of the government's new Marine Plan for the south coast.
- 5.9 Appendix 2 contains some key extracts from the Tor Bay Harbour Authority – Port Masterplan Draft Version (April 2013). In particular Appendix 2 shows the following:
- Introduction
  - The strategy for Tor Bay and the three harbours of Paignton, Brixham and Torquay
  - Proposals for Tor Bay, Brixham, Paignton and Torquay harbours
6. **Possibilities and Options**
- 6.1 Not to adopt the draft Port Masterplan for Tor Bay Harbour. There is no legal requirement for a port to produce a masterplan.
7. **Preferred Solution/Option**
- 7.1 For the Harbour Committee to approve the Port Masterplan for Tor Bay Harbour and to recommend to the Council the adoption of the Port Masterplan as part of the Council's Policy Framework.
8. **Consultation**
- 8.1 Engagement with interested parties including local/regional planning bodies, local stakeholders and the local community, both during the master planning process and once the masterplan has been published, was considered to be an essential aspect of developing an effective masterplan.
- 8.2 The Masterplanning process has involved a number of consultation events, including a stakeholder day in October 2012 and a drop in sessions in each town in February 2013. Through the process a list of interested stakeholders has been developed (including neighbourhood planning groups) and the draft masterplan was sent to all on the list. In addition the draft was made available on the Harbour Authority website from mid April 2013, and this was highlighted by a number of press articles.
- 8.3 Also, as part of development of the Tor Bay Port Masterplan key stakeholders were asked to comment at the Harbour Liaison Forum meetings and presentations were given to a number of community groups as well as the Business Forum and the Mayor's Forum. Responses were received from a number of individuals and organisations including the Marine Management Organisation, Natural England, English heritage and the Heart of the South West Local Enterprise Partnership.
- 8.3 All of the key issues raised during the feedback on the draft plan are summarised in the table shown in Appendix 1. Where suggestions have been incorporated into the final Masterplan this has been acknowledged, and where they have not the reasons for this are outlined.

## 9. Risks

- 9.1 There are no significant key risks. There is a risk that, in the absence of a port masterplan, Tor Bay Harbour Authority and Torbay Council will be unable to clarify their own medium to long term strategic planning for the harbour; and therefore fail to assist regional and local planning bodies in preparing and revising their own development strategies; and also fail to inform harbour users, employees and local communities as to how they can expect to see Tor Bay Harbour develop over the coming years.

## Appendices

Appendix 1 Consultation Feedback and Response Table

Appendix 2 Tor Bay Harbour - Port Masterplan Extracts

## Additional Information

The following documents/files were used to compile this report:

Guidance on the preparation of port master plans - Ports Division, Department for Transport (2008 ~ 2010)

Tor Bay Harbour Authority – Port Masterplan Draft Version (April 2013)

<http://www.torbay.gov.uk/portmasterplan>

**Appendix 1**

**Tor Bay Harbour Port Masterplan - Consultation Feedback and Response Table**

As part of development of the Tor Bay Port Masterplan key stakeholders were asked to comment on the draft document which was circulated via email and made available on the Harbour Authority website from mid April 2013. Responses were received from a number of individuals and organisations including the Marine Management Organisation, Natural England, English heritage and the Heart of the South West Local Enterprise Partnership.

All of the key issues raised during the feedback on the draft plan are summarised in the table below. Where suggestions have been incorporated into the final masterplan this has been acknowledged, and where they have not the reasons for this are outlined.

Comment	Response
<b>General Comments</b>	
The long term skills agenda is only slightly touched upon and perhaps could be more in evidence.	There are a number of other strategic documents which refer to long term skills development in Torbay including the Work and Skills Plan and Marine Economy Action Plan. As such we have not included more detail in the Port Masterplan.
It is unclear whether the Port Masterplan envisages facilities for the enhanced Bay ferry services sought by the local transport plan.	The Harbour Authority and Consultants are reviewing this point although new facilities will be in place ahead of this Plan
Synergy with the Local Transport Plan regarding access to the individual harbours is less clear	This point will be addressed in an additional transport planning Appendix which was not included at draft stage.
While the engagement processes adopted in the production of the draft plan have included some public facing events it is perhaps open to question how representative the participation might be of Torbay's general populace rather than an interested minority.	The Masterplanning process has involved a number of consultation events, including a stakeholder day in October 2012 and a drop in session in each town in February 2013. Through the process a list of interested stakeholders has been developed (including neighbourhood planning groups) and the draft masterplan was sent to all on the list. In addition the draft was made available on the Harbour Authority website in April 2013, and this was highlighted by a number of press articles.

Comment	Response
<p>A longer term aspiration to be prepared for a return to greater use of short-sea shipping is indicated briefly by the pier extensions in Torquay and by the intermodal facility at Goodrington and is greatly to be welcomed, even if the plans are, perforce, only mentioned in outline. It is unclear how achievable such aspirations might be in practice, given the associated infrastructure requirements that would be required to bring them about.</p>	<p>The Consultants are reviewing this point with the Harbour Authority</p>
<p>I'm a little concerned that no mention has been made as to how existing users would have access to the water.</p>	<p>It is recognised that while the Masterplan sets out development for the future, existing users will want to maintain access to the water where this takes place. As such existing users will be consulted before any development work commences – a statement to this effect will be added to the final Masterplan.</p>
<p>The Harbour Authority's objection to the Marine Conservation Zone is referred to, but this is not followed through with a discussion of potential implications.</p>	<p>This is acknowledged and will be addressed in the final Masterplan.</p>
<p>In the 'flora, fauna and biodiversity' section the Masterplan states 'any developments must not significantly impact on any protected species, and management of the Bay should protect such species'. The word significantly should be removed or alternatively the wording should be more onerous</p>	<p>Natural England's feedback on the draft stated 'We welcome the statement that <i>developments must not significantly impact on any protected species and management of the Bay should protect such species</i>. This gives regard to government advice on BAP and protected species and their consideration in the planning system and Natural England Standing Advice for Protected Species is available on our website to help local planning authorities better understand the impact of development on protected or BAP species'. As such we have left the wording in the final Masterplan unchanged.</p>
<p>Overall the plan meets most expectations for the three harbours and coastline and we see no glaring errors. A further general observation we would make is that the Tor Bay plans do not seem to make reference to the Department for Transport's National Policy Statement for Ports (2012) or it's Guidance on the preparation of port master plans (2008).</p>	<p>The DfT guidance is referenced in the Masterplan introduction and this, along with the National Policy Statement for Ports will be included in the reference list.</p>



Comment	Response
<p>Under the Localism Act, there is a duty for local authorities and other public authorities to work together on planning issues to reflect shared interests and opportunities. In meeting requirements, we would suggest looking at the Marine Policy Statement (MPS) which, in lieu of marine plans for the South plan areas, should be used to inform and support decision-making that may have an impact below mean high water. We would recommend looking at the MPS as part of your Policy background section on page 40 and include the MPS in the list of current and existing plans/guidance.</p>	<p>We will include the MPS in the references section of the final Masterplan.</p>
<p>The <i>National Policy Statement for Ports, 2011</i> recommends that in order to help meet the requirements of the Government's policy on sustainable development, new port infrastructure should where possible <i>improve marine and terrestrial biodiversity</i> and further recommends that <i>measures are included in Port developments to enhance the marine environment where possible, thus offsetting any negative effects.</i></p> <p>This is also in accordance with the <i>Guidance on the preparation of port master plans (Department for Transport 2008)</i>, which states in respect of master plans that <i>there should be a net environmental benefit from production of the Plans.</i> It is our opinion therefore that the Port Masterplan should further explore the scope for opportunities to incorporate features that are beneficial to wildlife into the strategic design, implementation and operation of future development.</p> <p>We also acknowledge that the section of the plan on 'green environment' is consistent with <i>the general acceptance of biodiversity's essential role in enhancing the quality of life, with its conservation becoming a natural consideration in all relevant public, private and non-governmental decisions and policies (UK Marine Policy Statement, 2011).</i></p>	<p>Text will be incorporated stating that were possible features that are beneficial to wildlife will be incorporated into the strategic design, implementation and operation of future development.</p>
<p>We also acknowledge that the section of the plan on 'green environment' is consistent with <i>the general acceptance of biodiversity's essential role in enhancing the quality of life, with its conservation becoming a natural consideration in all relevant public, private and non-governmental decisions and policies (UK Marine Policy Statement, 2011).</i></p>	<p>This is a useful endorsement.</p>

Comment	Response
<p>While we understand that the Port Masterplan is drafted as a high level document, and that it will typically not be possible to identify detailed mitigation or offsetting measures at master plan stage, we wish to refer to the 'Environmental Impacts', section of The Department for Transport Guidance on the preparation of port master plans, which states that the plan should describe the proposed environmental control measures in more general terms, and describe the work that is programmed to determine details and its timescale.</p> <p>In this regard the draft plan could usefully identify generic environmental pressures associated with Ports activities and the need for mitigation of potential environmental impacts with reference to adjacent site designations. For information a list of key Port activities with potential impacts on the natural environment is provided in Appendix 5 of the Appraisal of Sustainability (AoS) Report to Department for Transport, 2009 Key Sustainability Issue 7 Marine Environment &amp; 8 Biodiversity for the Ports National Policy Statement</p>	<p>This is being reviewed by the Consultants although it is noted that DfT guidance also states that every masterplan will be different depending on the size of a port and the extent of plans for future development. The DfT encourages ports to vary the scale and scope of their masterplan in accordance with these factors. We are considering whether the scale and scope of this plan justifies the inclusion of these points</p>
<p>Green Environment section – need to reference cSAC European designation for sea cave habitats and rocky reefs as these are the most important protected habitats in the Bay. Not sure why there is a reference to cormorants and shags when we have many rarer seabird species could change to 'The Bay is a nationally important winter roost for a number of bird species including Great Crested Grebe, Black-necked Grebe, Redthroated diver and Great northern diver. Berry Head is also nationally important for its Guillemot colony, which is the biggest mainland colony on the English Channel Coast, and the cliffs and surrounding water are designated as an Area of Special Protection.' In paragraph 4 I would add habitats to the sentence 'Any developments must not significantly impact on any protected species and habitats....'</p> <p>I have not been able to see any reference to the Tor Bay Coastal Zone Management Plan</p>	<p>These comments relating to species and habitats will be addressed by the Consultants and where appropriate incorporated within the final Masterplan document.</p>
<p>I have not been able to see any reference to the Tor Bay Coastal Zone Management Plan</p>	<p>The Tor Bay Coastal Zone Management Plan is an emerging document, and a draft has been shared with the Consultants developing the Masterplan. It will be included in the references in the final document.</p>

Comment	Response
<p>The Department for Transport Guidance on the preparation of port master plans states the following:  <i>It would be useful for the plan to set out the way in which environmental considerations will be incorporated within any such developments..... The plan may usefully include not only the port's plans to mitigate adverse environmental impact of new development, but also mitigation of the effects of everyday operations, and new measures specifically designed to improve the environment.</i>  It is our opinion therefore that the master plan could also usefully identify potential impacts and possible mitigation for operational stages of port facilities, which could have impacts on adjacent protected habitats. This could for example, include the risk of erosion to seagrass in the bay from vessel movements or anchoring activity and provide reference to the need for achievement of favourable condition status for adjacent site interest features. In this regard we feel that the plan should place further emphasis on the strategic importance of protecting the condition and environmental quality of marine habitats of the adjacent designated areas and refer to the need for assessment and mitigation of port operations on site interest features to be evidence based. It would also be useful for the master plan to identify the need for early liaison with regulators and statutory nature conservation bodies in accordance with the <i>National Policy Statement for Ports, 2011.</i></p>	<p>The importance of the natural environment is acknowledged in the Environmental Impacts sections of the Masterplan; however we will review the text to see where we can identify the need for early liaison with conservation bodies on both the natural and heritage environment.</p> <p>Environmental Impact assessments will form part of all projects where this is necessary.</p> <p>DfT guidance also states that every masterplan will be different depending on the size of a port and the extent of plans for future development. The DfT encourages ports to vary the scale and scope of their masterplan in accordance with these factors.</p>
<p>2nd para (page 19 and page 35) is incorrect – there are 8 coastal SSSIs which are designated for both geology and biodiversity. Also, should reference here the Area of Special Protection off Berry Head. Again why are cormorants and shags specifically highlighted?</p>	<p>This will be amended in the final Masterplan.</p>
<p>P43 - Seahorses can be found all over the Bay so not correct to only reference a couple of sites. Plus, mobile species so a survey in 2008 does not mean they are not there.  - Would reference here the importance of the Bay for seabirds  - Last para add habitat as well as protecting species.</p>	<p>This information will be reviewed by the Consultants and if appropriate the final Masterplan will be amended.</p>

Comment	Response
<p>In previous responses I have consistently highlighted the need for any proposals which involve physical change or impact to be underpinned by an understanding of the significance of the heritage assets - marine as well as land-based - whose fabric or setting is likely to be affected. This is a requirement of the National Planning Policy Framework (NPPF) and will be necessary to substantiate the sustainability of the Masterplan if its contents are to be used as evidence to influence the Local Plan or related statutory documents, and which subsequently form proposals which require individual statutory consents.</p> <p>I note that the draft Port Masterplan dated April 2013 now provides more detail on the genesis of the proposals which have been identified for each of the Torquay, Paignton and Brixham harbours, some of which are quite prescriptive and specific in their location and character. However, there remains a significant omission in the identification of relevant heritage assets and the positive role of the historic environment generally in establishing the context and uniqueness of the areas in question and their sensitivity to, and potential to accommodate sustainable, change. Given that the document covers such environmental issues as water quality, the green environment, soils and geology, and climate change and flooding, the absence of reference to the historic environment as an equally legitimate and determining factor is a major oversight which, if not addressed now, will still need to be addressed at some point in the future.</p> <p>Reference is made to conformity with the emerging Local Plan and the policies within which relate to the three settlement areas in question. While these may provide broad provision which has potential in principle to accommodate the suites of proposals set out in the Masterplan, they in turn will need to satisfy sustainability and deliverability criteria in their formulation and adoption which include historic environment considerations, and it is also important to highlight that these too are at an early stage in their formulation and ratification process.</p>	<p>The points raised about lack of identification of the heritage assets is relevant, and we will try to acknowledge this in the final Masterplan.</p> <p>As projects set out within the Masterplan are developed we will ensure they satisfy sustainability and deliverability criteria including historic environment considerations.</p> <p>More detail around the links to the Local Plan and its implications will be set out in the Planning Policy Appendix to be included in the final Masterplan.</p>

<b>Comment</b>	<b>Response</b>
<p>P46 - Broadlands maritime centre; the area off Broadlands beach is important for wintering birds (see comment for page 10) and water craft could disturb the birds during the winter months when they are loafing on the water and feeding. An impact assessment and disturbance study needs to be carried out to ensure the maritime centre does not impact on the birds.</p>	<p>We believe this point would be covered by the emerging Tor Bay Coastal Zone Management Plan, however should development of the maritime centre take place relevant impact assessments will be undertaken.</p>

<b>Torquay</b>	
<b>Comment</b>	<b>Response</b>
<p>WWII slipways in Torquay – we are against the idea of covering the slipways, but very much in favour of restoring them.</p>	<p>This point has been raised with English Heritage, we are awaiting feedback but should they suggest that preserving the slipways by covering them is not acceptable this will be revised.</p>
<p>Torquay – Inner harbour on the Strand side, the small slipway there is little used. It could provide huge economic value to the whole community to infill the harbour at that point allowed the Strand area to be widened.</p>	<p>This endorsement is welcomed.</p>
<p>Page 12 and Page 53 “relocate passenger ferry pontoon and brow at Beacon Quay”. Whilst I understand that the Beacon Quay Location is not a favoured location it seems odd that we are stating very publically our desire to move them before they are built. I understand Princess Pier is favoured for the medium/longer term. We already state this in the Plan so do not understand need to also include this phrase re Beacon Quay? We should not rule out potentially having all of these pontoon locations one day - or using the facility at Beacon Quay for berthing or cruise ships longer term?</p>	<p>The Harbour Committee agreed in July 2012 to consider a long-term location for passenger ferry infrastructure at Torquay harbour. Stakeholder concerns regarding the Beacon Quay location were evident during the consultation and the comments on pages 12 &amp; 53 reflect these concerns.</p>

Comment	Response																								
<p>I would like to confirm that the extension of Haldon Pier is 250 metres with a dolphin at the end of it</p>	<p>The proposal for Haldon Pier is a 200 metre long extension with a dolphin at 30 metres beyond the end. This is because the maximum draught available is 5.5m. This gives a maximum ship length of about 150m. The proposed 200 metre extension with dolphin will allow ships up to 200m+ long to berth. See table of lengths of Cruise Ships planned for 2013:</p> <table border="1" data-bbox="544 197 788 981"> <thead> <tr> <th>Ship</th> <th>Draught</th> <th>Length</th> <th>Beam</th> </tr> </thead> <tbody> <tr> <td>MV Ocean Majesty</td> <td>6.2m</td> <td>135m</td> <td>15.8m</td> </tr> <tr> <td>MV Artania</td> <td>7.8m</td> <td>231m</td> <td>29.6m</td> </tr> <tr> <td>MV Delphin</td> <td>6.2m</td> <td>140m</td> <td>20.4m</td> </tr> <tr> <td>MV Thomson Spirit</td> <td>7.9m</td> <td>215m</td> <td>27.3m</td> </tr> <tr> <td>MV Albatros</td> <td>7.3m</td> <td>205m</td> <td>27.0m</td> </tr> </tbody> </table>	Ship	Draught	Length	Beam	MV Ocean Majesty	6.2m	135m	15.8m	MV Artania	7.8m	231m	29.6m	MV Delphin	6.2m	140m	20.4m	MV Thomson Spirit	7.9m	215m	27.3m	MV Albatros	7.3m	205m	27.0m
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<p>P52 - Haldon Pier is important for purple sandpipers and any works to the pier should ensure no impact to the population.</p> <ul style="list-style-type: none"> <li>- Concern that the extension to Haldon pier could impact the seagrass beds surrounding Torquay Harbour and sediment movement could impact the species in the sea caves. An EIA will need to be done to ensure the works does not impact this nationally important habitat.</li> <li>- Also any other infrastructure works in the area should assess potential damage to the sensitive habitats and species in the area.</li> </ul>	<p>An Environmental Impact Assessment will be required for any future development.</p>																								

<b>Paignton</b>	
<b>Comment</b>	<b>Response</b>
The pier has been missed as a possible stop on the commuter ferry. Piers were built partly as stopping points for steamers. It would put commuters and visitors in the centre of Paignton, could even be used to get to the cinema from Brixham or Torquay.	This will be incorporated into the final Masterplan.
<b>Brixham</b>	
<b>Comment</b>	<b>Response</b>
Within the proposals for Brixham harbour the plan talks about a parking pricing strategy – this should be removed as it is outside the remit of the plan There is a strong feeling in Brixham that the Northern Arm should be prioritised. The Northern Arm in Brixham should be a short term (0-5 year) priority	This text will be revised in the final Masterplan.  In order to complete this within 5 years finance needs to be found and environmental and geotechnical studies need to be completed. Then environmental impact assessments need to be carried out to produce Environmental Assessment and consents obtained. We acknowledge some of the preparation work has been done, but it would only be possible to complete the project within 5 years if it started immediately. As such preparatory works and studies have been included in the short term and completion of the Northern Arm in the medium term priority.
An artificial reef off Shoalstone would be a good idea	This would present an unacceptable risk to navigation, and for this reason has not been included in the amended Masterplan.
A multi-storey car park could be built below the Overgang hairpin and would make it unnecessary to reclaim land	Reclaiming land is expected to be cost neutral and would provide additional quayside space and deliver alongside berthing behind a new Northern Arm.

Comment	Response
<p>The design for the Northern Arm in the Masterplan wastes the deep water. A longer arm from the end of the existing breakwater would provide berths for large ships, with a shorter arm landward enclosing a marina. The fairway shown in the masterplan is too close to the proposed fuelling station, and this could be dangerous.</p>	<p>The Masterplan is using an existing design of the proposed Northern Arm which is a product of the Brixham Harbour Northern Arm Breakwater – Concept Design Report (May 2011) by Parsons Brinckerhoff with Royal Haskoning.</p>
<p>Large ships berthing at Torquay, where the water is much shallower than at Brixham, would involve continuous dredging, expensive, and harmful to the environment. Brixham should be the location for cruise ship berthing, and would be good for tourism on this side of the Bay.</p>	<p>Torquay harbour is currently the destination brand for cruise ship marketing in Torbay and as such it has been decided to support this policy through the Masterplan to ensure continuity.</p>
<p>Brixham's tourism would benefit significantly from a sill, pedestrian bridge and reclaimed area for a town square in the inner harbour. There seems to be unanimity on this!</p>	<p>Already included – but this endorsement is welcomed.</p>
<p>I cannot see where we also mention the new pontoon facility at East Quay in Brixham which is currently under construction, although it may have been called something else in the Plan.</p>	<p>This facility will be constructed before the Masterplan is finalised so it has not been included as a future development.</p>
<p>Northern Arm again needs an EIA to ensure no impact to sensitive habitats in the area e.g. seagrass beds at Fishcombe Cove and also seahorses. Also, wider impact of increase in boat traffic on sensitive habitats needs to be considered.</p>	<p>An Environmental Impact Assessment will be required for any future development.</p>



## Appendix 2 Tor Bay Harbour - Port Masterplan Extracts

### Section 1

#### Introduction

The Port Masterplan has been prepared by Royal HaskoningDHV for Tor Bay Harbour Authority (TBHA). The Masterplan covers the area within the limits of TBHA's jurisdiction and includes the enclosed harbours of Brixham, Paignton and Torquay. The Harbour Authority is responsible for improvements to the Harbour facilities to accommodate changes in the needs and demands of port customers, port users, stakeholders and legislation in order to ensure a growing business. Great efforts and significant expenditure has been made in preparing for and implementing a number of developments over the years (approximately £50m in the last 10 years alone).

The purpose of the port masterplan is to :-

- Identify the port's own strategic planning for the medium to long term
- Inform port employees, port users, local community and key stakeholders as to how they can expect to see the port develop over the coming years
- Assist regional and local planning bodies, and transport network providers, in reviewing and preparing their own development strategies in accordance with the port's future development

The Tor Bay Harbour Authority – Port Masterplan is a high level document that provides overall strategic spatial development guidance on the most sustainable future for Tor Bay Harbour and the three enclosed harbours. The Port Masterplan for Tor Bay Harbour will :-

- form part of the evidence base for the Local Development Framework and assist regional and local planning bodies, and transport network providers, in preparing and revising their own development strategies
- inform port users, employees and local communities as to how they can expect to see the port develop over the next 20 years in response to anticipated changes in the marine industry (both commercial and leisure), the fishing and tourism industries, as well as industry trends within the regional ports sector
- clarify the port's own strategic planning for the medium to long term
- show how the harbour authority expects to grow and develop its business over time
- indicate where changes of land-use are likely to be required to support growth
- highlight environmental measures to ensure that the Harbour Authority makes a positive contribution to the environment and amenity

### Section 3

#### **The strategy for Tor Bay and the three harbours of Paignton, Brixham and Torquay**

The visionary strategy outlines the ambition and targets as well as the future desired position of Tor Bay Harbour. Furthermore, it forms a sophisticated framework for the development of options and for the port masterplan itself. The overarching strategy for Tor Bay Harbour Authority is to provide a high quality service that is committed to improve Tor Bay Harbour and provide a cleaner and safer environment by addressing the following objectives :-

- Maintain Tor Bay Harbour and the three enclosed harbours under the management of one Port Authority

- Review and use the statutory powers of the Harbour Authority to fulfil its statutory duties in a timely manner for the purpose of improving, maintaining and managing the harbour while continuing to contribute to the finances of the owning authority - Torbay Council
- Develop robust partnerships with key maritime stakeholders to attract and deliver commercial port businesses contributing to job creation and the local economy
- Manage the harbour in a sustainable manner by supporting a variety of maritime activities including fishing, shipping, marine related businesses, heritage, eco-tourism and marine recreational facilities.
- Balance the responsible stewardship of the marine environment with appropriate socio-economic development and use of Tor Bay
- Measure and monitor the needs and wishes of harbour users, the local community and visitors through appropriate research
- Improve connectivity between the enclosed harbours by upgrading facilities for marine transport

## **Section 5**

### **Masterplan Proposals**

#### **Tor Bay Harbour**

The following proposals were put forward for Tor Bay :-

- Sea angling locations within the statutory harbour limits including at Babbacombe Pier
- An artificial reef in Tor Bay to provide opportunities for leisure divers
- Development of land at Broadsands to provide a maritime centre with dinghy and boat park and launching facilities
- Development of the car park adjacent to sidings near Goodrington station for intermodal transfer
- Support to any eco-tourism in the Bay and opportunities presented by the Geopark

#### **Brixham Harbour**

The following proposals were put forward for Brixham harbour :-

- A half tide cill and cill gates with a pedestrian lifting or swing bridge as an extension of Middle Pier
- Redevelopment of the Coastguard Building after it is vacated in 2014
- Development of a small reclaimed area adjacent to Strand Quay to support maritime events
- Possible development of a Maritime Museum for heritage fishing vessels
- Return of South Quay to marine related use
- A new Northern Arm breakwater
- Redevelopment of the old derelict tanker berth to provide a bulk fuel station for fishing vessels and/or a Tall Ship berth.
- A new reclaimed area along the south western side of the Outer to provide a berth for Pelagic fishing vessels, facilities for a hatchery and shellfish storage and depuration, a ship maintenance facility, a recreational slipway, boat repair businesses, boat building & marine related retail premises, additional car parking and boat storage, a Facilities Building for a new marina and improved access to Oxen Cove
- Additional marina pontoon berths on the west side of the Outer Harbour
- An extension to the marina adjacent to the existing Victoria Breakwater

## **Paignton Harbour**

The following proposals were put forward for Paignton harbour :-

- Redevelopment and refurbishment of South Quay
- Relocation of crab processing factory and store to inland site
- Retain listed buildings and consider redevelopment or refurbishment
- Potential for redevelopment of the existing Harbour Light restaurant
- Raising of East Quay wall to limit overtopping
- A new slipway on the seaward side of the East Quay
- Extension to East Quay to improve passenger boat facilities and better protect the harbour from surge waves

## **Torquay Harbour**

The following proposals were put forward for Torquay harbour :-

- Widen the Strand Quay to create a promenade and an area for events
- Provide pontoon berths in the Inner Harbour (already planned for 2014)
- Maintain access for heavy good vehicles to Beacon Quay and Haldon Pier along Victoria Parade
- Modify landscaping in Victoria Parade to provide drop-off bays
- Acquire fuel station and refurbish or relocate to Haldon Pier
- Provide landmark 'gateway' to Harbour at Beacon Hill entrance
- Improve facilities for passenger pleasure boats at the Fish Quay
- Install pontoons for fishermen adjacent to the west end of Princess Gardens
- Extend Beacon Quay over top of listed D-Day slipways to provide wider area for boat park, promenade and coach marshalling
- Relocate and improve the passenger ferry pontoon and brow at Beacon Quay
- Provide improved pontoons and access brow for visiting yachts and cruise ship passengers on inside of Haldon Pier
- Refurbish and upgrade old ferry landing stage on west side of Princess Pier to provide safe all tide access to ferries
- Improve provision for sea angling off Princess Pier
- Provide slipway and boat park on south side of Haldon Pier
- Provide pontoons for visitors and passenger boats inside Princess Pier
- Provide berthing dolphins on seaward side of outer arm of Princess Pier for events such as Tall Ships
- Extend Haldon Pier westwards to provide multipurpose berth for vessels up to 5.5m draught.
- Install mobile or fixed crane on Haldon Pier to lift out boats
- Integrate Masterplan with proposed hotel development in North Quay
- Transfer Living Coasts site into the Harbour estate
- Review flood protection

# Agenda Item 18



**Meeting: Harbour Committee**

**Date: 3<sup>rd</sup> June 2013**

**Wards Affected: All wards in Torbay**

**Report Title: The Northern Arm Breakwater, Brixham Harbour – Business Case**

**Executive Lead Contact Details: Non-Executive Function**

**Supporting Officer Contact Details: Kevin Mowat**

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Tor Bay Harbour Master**

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## **1. Purpose**

- 1.1 To report to the Harbour Committee the outcomes from the Business Case Report prepared in respect of the proposed Northern Arm Breakwater for Brixham harbour.
- 1.2 To consider the next steps in the potential development of a Northern Arm Breakwater at Brixham harbour. A Northern Arm Breakwater at Brixham would greatly improve the situation for our harbour customers and it is expected that it would make a significant contribution to the local economy.

## **2. Proposed Decision**

- 2.1 **That the Harbour Committee note the ‘Conclusion’ of the preliminary Business Case into a proposed Northern Arm Breakwater for Brixham harbour, contained in Appendix 1.**
- 2.2 **That the Harbour Committee consider the next steps in the potential development of a Northern Arm Breakwater at Brixham harbour (see section 3.1).**

## **3. Action Needed**

- 3.1 The Harbour Committee should consider the next steps in the potential development of a Northern Arm Breakwater at Brixham harbour including but not limited to some or all of the following options :-
  - a) That the Torbay Development Agency be asked to prepare an economic and strategic impact assessment of the Council’s harbour authority function, to include an economic analysis of existing activity and an assessment of the value and importance of the Northern Arm project to the local and sub-regional economy.

- b) That the cost of the economic and strategic impact assessment is funded from the two harbour reserve funds and that the Executive Head of Tor Bay Harbour Authority be authorised to amend the revenue budget accordingly.
- c) That the Council and the Mayor be asked to consider making the Northern Arm Breakwater the top priority in the Council's capital plan and/or raising the profile of the project to a level where it becomes the most strategically important piece of capital infrastructure investment for the community of Torbay.
- d) That the Council, the Mayor and the Torbay Economic Development Company be asked to ensure that the Local Enterprise Partnership (LEP) is fully on board in relation to the Northern Arm and to shape the emerging Northern Arm project to fit as many national/local priorities as possible, thereby raising the profile of the Northern Arm project within the wider sub-region, including reference to the need for this infrastructure within the emerging City Deal project with Plymouth.
- e) That the Council be asked to fully explore the potential of the Community Infrastructure Levy (CIL) as a potential key enabler for the Northern Arm project.
- f) That the Torbay Economic Development Company be asked to continue to assess and explore all potential grant funding opportunities on an on-going basis, including in particular, any new European funding programmes.
- g) Whether to commission further work to better define project costs, especially in respect of ground conditions (Geotechnical investigation circa £140k see 5.12 & 5.14 below). If this is done the business case should subsequently be reviewed in light of the new information.

#### **4. Summary**

4.1 In September 2011 the Harbour Committee asked the Torbay Development Agency to prepare a preliminary business case for the Northern Arm Breakwater; to include an economic analysis of the proposed development to assess the project's viability, its value and importance. A preliminary business case would be needed as part of any application for future funding.

4.2 The 'Preliminary Business Case for the proposed Northern Arm Breakwater' was concluded by Jones Lang LaSalle in April 2013. Its conclusion was that based on the current project cost estimates, which included an estimate of the ground conditions; the Northern Arm is not currently affordable. This conclusion was reached because in all likelihood, based on current circumstances, the Oxen Cove and Freshwater Quarry land receipt coupled with any available grant will leave a substantial funding gap versus the estimated Northern Arm implementation costs. Also, the value unlocked by its implementation (a substantial new marina) is not sufficient, by a significant margin, to justify the borrowing required to fill the estimated funding gap on an affordable/commercial basis. The funding gap was identified as between £11.5m and £26m depending on the build cost variation (£25m to £38m) and the marina development option (private or Council run).

- 4.3 The Harbour Authority needs to make a decision about what to do next in respect of its aspirations for the development of this strategically important piece of harbour infrastructure at Brixham.

## **Supporting Information**

### **5. Position**

5.1 The specific purpose of the proposed Northern Arm Breakwater is threefold :-

- To enhance the protection of the fish market with the aim of allowing the safe unloading of fish under all weather conditions.
- To provide sheltered water to stimulate a range of waterborne leisure uses but specifically to include the substantial expansion of leisure marina facilities. This could include the increase in the capacity of the existing MDL Marina in front of the current wave screen and along the existing breakwater. Also, the development of new marina facilities adjacent to Freshwater Quarry and Oxen Cove possibly attached to a residential / retail development within that site.
- To respond to the aspiration of the local community to provide a properly enclosed and safe harbour in all weather conditions.

5.2 As part of the regeneration project's feasibility studies, Hyder Consulting were appointed in 2005 to undertake an outline design of the breakwater. This included the development of a wave model, a review of potential options and the provision of cost estimates. In 2008, as part of another study, consultants Halcrow were asked to carry out an evaluation and cost assessment of a further breakwater option.

5.3 The South West Regional Development Agency's (SWRDA) £8.4m funding towards the Brixham Regeneration Scheme included £1.16m towards the development of Freshwater Quarry, Oxen Cove and the Northern Arm Breakwater. Due to the closure of all Regional Development Agencies by March 2012, the Torbay Development Agency (TDA) was, in 2009, being encouraged by SWRDA to look at ways to spend this money. SWRDA required that all or most of this funding had to be spent by April 2011.

5.4 Aecom were appointed with Savills in autumn 2009 to carry out an options appraisal to examine what activities could be undertaken to improve the viability of any proposed development in the two car park sites and the new breakwater. The activities examined were those that a commercial developer would either evaluate as a risk to viability or feasibility of the ultimate development objectives, i.e. planning, economic, access, environmental and geotechnical, etc.

5.5 The report, issued in January 2010, assessed the priority to be :-

1. To carry out an economic benefit assessment. This would provide evidence to developers that any ultimate investment of this size would provide adequate return with regard to the sustainability of the economy of Brixham.
2. To determine the cost of the breakwater construction and the undertaking of further surveys and design works.

3. To carry out due diligence surveys and investigations, e.g. site investigation works, cliff stability assessments, services surveys, etc.
  4. To commence the planning process to allocate these sites within the LDF. This would improve the marketability and thus the value of the sites.
- 5.6 Following meetings between the TDA, the Harbour Authority and SWRDA to review Aecom's recommended priority, the scope of works were agreed to be :-
1. Additional investigations. To include site investigation to Freshwater Quarry, cliff stability assessments, utilities survey and flood risk assessment.
  2. The preparation of a Site Development Brief for Freshwater Quarry and Oxen Cove. The brief would :-
    - Clarify relevant planning policies and their application to the Freshwater Quarry and Oxen Cove sites.
    - Promote the development of the sites.
    - Provide design guidance appropriate to the particular attributes of the sites and their surroundings.
  3. To carry out a concept design of the proposed breakwater.
- 5.7 In July 2010 the tender process commenced to appoint the appropriate consultant to carry out the proposed work to carry out the initial design of the breakwater. Parsons Brinckerhoff with Royal Haskoning were appointed in October 2010.
- 5.8 The scope of works included the following :-
- To take the 2D model produced by Hyder Consulting in 2005, review and update the parameters and develop an agreed and accepted final model.
  - Using the final accepted 2D model, to test and optimise a number of alternative layouts. To determine that which offers the best protection for existing and new marina facilities and the new fish market / quay within the harbour taking into account the ownership of harbour fundus.
  - To review possible construction methods (reviewing issues such as cost and time affects, benefits and impacts) and agree that which is appropriate for the preferred layout and wave environment and which offers the best value to the community. To review the engineering issues in relation to the construction of the new breakwater. The breakwater should have a design life of at least 50 years.
  - To carry out a cost assessment of the final agreed layout and preferred construction method.
  - To identify possible financial mechanisms to provide funding for the works.

- 5.9 Their final report was issued in May 2011. In partnership with the TDA, officers from Tor Bay Harbour Authority formed a central part of the report's consultation process along with a number of key stakeholder organisations including the RNLI, Brixham Yacht Club, Brixham 21 and Brixham Town Council.
- 5.10 The agreed baseline option was a single rock armour breakwater extending some 360m north east from the slipway adjacent to AstraZeneca towards the disused fuel jetty on Victoria Breakwater. The estimated cost was between £25m and £38m which included construction, design and site supervision costs with a 20% contingency / risk allowance.
- 5.11 The main reason for this large estimated cost is due to the design being based on limited site investigation / information. The available site investigation did not include specific tests to determine the settlement / consolidation properties of the lower level silt material within the harbour. Further site investigation was not carried out as part of this study as it could not have been procured, mobilised and carried out prior to the SWRDA's April 2011 spend deadline. Consequently, the consultant had to make conservative assumptions as to the settlement / consolidation properties of the harbour bed material. It is considered that with accurate soil property information, savings could be made to the overall cost of the breakwater through innovative design and construction.
- 5.12 Section 7 of the Parsons Brinckerhoff final concept design report identifies a list of "next steps". These are noted as being :-
- (1) Preliminary business case. (completed April 2013)
  - (2) Geotechnical investigation.
  - (3) Select development partner.
  - (4) Detailed business case.
  - (5) Outline planning application.
  - (6) Detailed planning application.
  - (7) Procurement of breakwater.
  - (8) Final business case.
  - (9) Let contract to construct breakwater.
- 5.13 In more detail, the initial steps, (1) and (2), are :-
- (1) To carry out an economic analysis of the proposed development to assess the project's viability, its value and importance. It will need to consider the project not only in the general Torbay and Brixham context but also to the wider south west regional view. The business case will need to assess issues such as strategic fit, objectives, options, commercial aspects, affordability and achievability. This document would be used as part of any application for funding. If the business case for the new breakwater is proved or accepted then consideration could be given to progress to step (2).



- (2) To carry out an over-water site investigation to determine the specific soil properties needed to enable the design to be refined and hence the overall construction costs to be reviewed.

5.14 The initial estimate of costs for the above steps were :-

1. To carry out a preliminary business case - £35,000.

This work is largely completed.

2. To carry out the required site investigation - £137,500.

This includes;

(a) £112,900 for site works;

- Mobilisation of barge and rig.
- Drilling of 6 no. boreholes and the necessary sampling and in-situ testing.
- Laboratory testing.
- Demobilisation.
- 15% contingency to take account of the fact that the work is weather dependant.

(b) £11,300 for professional fees

(c) £13,300 contingency i.e. towing charges for the barge etc

3. To carry out the refinement of the design - £15,000.

This includes for;

- Re-design based on the new soils information.
- To carry out new model runs of the wave impacts on the assumption that the footprint and slope angles of the breakwater are substantially changed.
- To update the environmental scoping report with the new information regarding the site.
- To up-date the previously issued report to include the findings of the new marine site investigation, the modelling and the re-design. Re-costing would be carried out and the conclusions / recommendations revised.

5.15 In September 2011 the Harbour Committee asked the Torbay Development Agency to prepare a preliminary business case for the Northern Arm Breakwater; to include an economic analysis of the proposed development to assess the project's viability, its value and importance.

## **6. Possibilities and Options**

- 6.1 The Harbour Committee could note the content of the preliminary business case and decide not to take any further action until a clear funding opportunity becomes available for this significant capital project.

## **7. Preferred Solution/Option**

- 7.1 For the Harbour Committee to note the 'Conclusion' of the preliminary Business Case into a proposed Northern Arm Breakwater for Brixham harbour as contained in Appendix 1.
- 7.2 That the Harbour Committee identifies the next steps in the potential development of a Northern Arm Breakwater at Brixham harbour by making reference to section 3.1 of this report.

## **8. Consultation**

- 8.1 As indicated in 5.9 above a number of key stakeholders were consulted as part of the development of the Northern Arm Breakwater Concept Design Report.
- 8.2 The content of the Consultant's report and this report were discussed at recent meetings with of the Brixham Harbour Liaison Forum and the Brixham Employment and Regeneration Advisory Group (BERAG).

## **9. Risks**

- 9.1 The approximate costs of £265,000, which have been spent on this project to date, would be abortive if the scheme were never to proceed.
- 9.2 Failure to develop an economic and strategic impact assessment of the Council's harbour authority function will limit the Harbour Authority's ability to make an assessment of the harbour's economic benefit and therefore restrict the ability to demonstrate the importance of the Northern Arm project to the local and sub-regional economy.
- 9.3 It should be noted that there is the potential for the actual ground conditions to be worse than that assumed in the Parsons Brinckerhoff report. This will have implications for both the update of the report and the current estimated capital costs of the project.
- 9.4 There is a risk that resources will not be available to deliver some of the options identified in 3.1 above)

## **Appendices**

- Appendix 1 'Conclusion' - Preliminary Business Case for the proposed Northern Arm Breakwater, Jones Lang LaSalle

## **Additional Information**

Preliminary Business Case for the proposed Northern Arm Breakwater, Jones Lang LaSalle (April 2013)

Brixham Harbour Northern Arm Breakwater – Concept Design Report (May 2011), Parsons Brinckerhoff with Royal Haskoning

Brixham Harbour Northern Arm Breakwater – Option Costs (May 2011)

Brixham Harbour Northern Arm Breakwater – Figures/Drawings (May 2011)

Victoria Breakwater, Brixham, Geotechnical Investigation Report, 2011, Yeandle Geotechnical / Case Consultants

Brixham Regeneration – Northern Arm Breakwater, Design Evaluation and Cost Assessment of Option C, 2008, Halcrow

Brixham Northern Arm Breakwater, Outline Design Report, 2006, Hyder

Brixham Environmental Statement, 2006, Hyder

Brixham Harbour Regeneration, Numerical Modelling, Breakwater Design Applications, 2005, Hyder

Brixham Harbour Regeneration, Brixham Harbour Numerical Model Set Up Report, 2005, Hyder

Brixham Harbour Regeneration Strategy, Site Investigation Factual Report, 2000, Scott Wilson

# Agenda Item 18

## Appendix 1

### Appendix 1

***Business Case: The Proposed Northern Arm Breakwater, Brixham – Jones Lang LaSalle, April 2013***

#### **Conclusion**

We set out below our conclusions in relation to the three key questions requested by the Project Brief.

#### **Optimal mixed use development for Oxen Cove and Freshwater Quarry**

In our opinion the optimal mixed use development for Oxen Cove and Freshwater Quarry would be substantially residentially led if it is to deliver the highest land receipt. However, the inclusion of some commercial uses (subject to pre-lets being available) particularly retail and or a hotel offer significant advantages to a developer in constructing the scheme as follows:

Reduced peak borrowing through pre-let/sale of commercial accommodation  
Balanced scheme which is more attractive to residents hence securing higher sale prices  
A reduced number of apartments reduces the pressure on the developer to sell units quickly hence allowing a premium product which will secure additional revenue and margin over build  
Creation of activity and jobs will lift the area and improve the attractiveness of the scheme  
Inclusion of commercial accommodation allows reduced parking to be provided (since spaces can enjoy dual use)

The inclusion of these complimentary commercial uses will also offer benefits to the wider Brixham community.

It is very difficult to accurately assess at this stage what capital receipt would be forthcoming from the sale of the sites. There are a number of constraints in relation to the sites which need to be crystallised and or/released in order to maximise land value. For example what level of public car parking will need to be provided; obtaining vacant possession in relation to the current boat storage area etc.

Currently our indicative range of land value is between £0 and £5m demonstrating how sensitive the land receipt is to the various constraints and associated assumptions. Clearly there may well be conflict in maximising the return from the development of the sites from a community perspective versus a land value perspective. For example from a community perspective delivering a good level of public parking, public realm and access will be important and these may conflict with the aspiration of maximising land value. Therefore it could be argued that currently obtaining land values at the upper end of the range, albeit theoretically possible, is unrealistic. It is also fair to say that bringing the site forward for sale now/in the very short term (all other things being equal) is unlikely to maximise land receipt due to depressed market conditions.

Notwithstanding the above, when the site is brought forward careful thought will need to be given to how the sale is structured in order to provide the best balance between control and return. It will be important that a developer is allowed sufficient time to work up a planning application and secure pre-let/sales in order to deliver the best value from the scheme. This will allow options to be explored in greater detail and with the benefit of a full project team including surveying, planning, architects, engineers and quantity surveying advice.

## **Funding options available**

In summary our findings in relation to available funding sources are as follows:

- Grants for major and complex infrastructure projects with predominantly indirect economic benefits such as the Northern Arm are currently very difficult to secure (and it is difficult to see this changing, certainly in the short term)
- Grant availability is likely to be modest in relation to the overall scheme cost. The most significant potential source currently identifiable is via CIL investment although this is not certain
- For the purposes of our financial case we have assumed a potential indicative range of grant funding at this stage of between £0 to £5m

The most tangible current funding opportunity is likely CIL. Therefore it is important that partners leading the Northern Arm project and supporting stakeholders fully explore the potential of CIL as the current likely key enabler for the Northern Arm. Interestingly the draft Local Plan and associated preliminary infrastructure schedules set out that the Northern Arm will be implemented over the next 5 to 10 years with completion 10 years plus away. This signifies that generating funding to help unlock the project is unlikely to be a quick process.

Going forward the LEP is likely to be a key conduit for a range of funding sources (national, flood risk, possibly European etc.). Therefore another key action is to ensure that the LEP is fully on board in relation to the Northern Arm and to shape the emerging Northern Arm project to fit as many national/local priorities as possible. This may require for example the preparation of a strategic and economic impact assessment at the appropriate stage.

Funding opportunities change over time. Therefore it will be important to continue to assess and explore all potential grant funding opportunities on an on-going basis (for example an early understanding of the new European programmes when details are clear).

## **Financial Case**

In all likelihood based on current circumstances the Oxen Cove and Freshwater Quarry land receipt coupled with any available grant will leave a substantial funding gap versus the estimated Northern Arm implementation costs.

The key income generating activity unlocked by the Northern Arm is likely to be a major new marina, assumed currently to be in the order of 500 berths.

We have assessed the ability of a marina to underpin the borrowing costs required to fill the funding gap. Our analysis has shown that a harbour run facility (assuming it is deliverable etc.) will provide a better return when compared with a private run marina. However, in both cases, either on a rental or sale basis, the new marina is not able to generate sufficient value to finance the estimated funding gap for the Northern Arm on an affordable basis.

## **Conclusion**

Therefore, based on the current project cost estimates using an estimate of ground conditions, currently the Northern Arm is not affordable on the basis that the value unlocked by its implementation (a substantial new marina) is not sufficient, by a significant margin, to justify the borrowing required to fill the estimated funding gap on an affordable/commercial basis.

Therefore in order for the Northern Arm to present a commercially viable business case a “game changing” variation is required. For example:

- A substantial reduction in implementation costs
- A significant award of grant funding above the indicative levels set out herein
- Identification of other substantial income generating opportunities over and above the new marina
- Willingness and ability of a partner/stakeholder to fund a substantial amount of the costs of borrowing on this project on the understanding that they will not get this back in a normal commercially acceptable manner

Additional clarity would be provided where a more accurate cost estimate was available. Tor Bay Harbour Authority and its partners should consider now whether to commission the work to better define project costs. If this is done the business case should subsequently be reviewed in light of the new information.

Alternatively partners may consider whether there is a potential different approach. For example if the driver is to facilitate development of leisure uses, specifically to include the substantial expansion of marina facilities, consideration of whether it is possible to deliver this without the expense of the Northern Arm. For example, via an extension of the current marina using the existing breakwater with less costly additional wave protection measures.