



Friday, 16 June 2017

HARBOUR COMMITTEE

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

Monday, 26 June 2017

commencing at **5.30 pm**

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

Members of the Committee

Councillor Amil	Councillor O'Dwyer
Councillor Bye	Councillor Robson
Councillor Carter	Councillor Stringer
Councillor Ellery	Councillor Sykes
Councillor Manning	

External Advisors

Mr Buckpitt, Mr Ellis, Capt Lloyd and Mr Stewart

A prosperous and healthy Torbay

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 2017/2018 Municipal Year.
2. **Appointment of Vice-Chairman/woman**
To appoint a Vice-Chairman/woman for the 2017/2018 Municipal Year.
3. **Apologies**
To receive apologies for absence, including notifications of any changes to the membership of the Committee.
4. **Minutes** (Pages 4 - 8)
To confirm as a correct record the Minutes of the meeting of the Committee held on 20 March 2017.
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's Terms of Reference** (Pages 9 - 10)
To review/note the Harbour Committee's Terms of Reference as set out in the Council's Constitution.
8. **Harbour Appointments Sub-Committee** (Page 11)
To appoint a Harbour Appointments Sub-Committee for 2017/2018.

- | | | |
|-----|--|--------------------|
| 9. | Harbour Asset Review Working Party
To appoint a Harbour Asset Review Working Party for 2017/2018. | (Page 12) |
| 10. | Harbour Budget Review Working Party
To appoint a Harbour Budget Review Working Party for 2017/2018. | (Page 13) |
| 11. | Pilotage Review Working Party
To appoint a Pilotage Review Working Party for 2017/2018. | (Page 14) |
| 12. | Budget Outturn
To consider the Budget Outturn for previous financial year. | (Pages 15 -
20) |
| 13. | Quarterly Budget Monitoring Report
To consider the Tor Bay Harbour Authority quarterly Budget Monitoring Report. | (Pages 21 -
30) |
| 14. | Annual Performance Report of the Tor Bay Harbour Authority Business Unit (SPAR.Net)
To note the above. | (To Follow) |
| 15. | Quarterly Accident and Incident Data for Tor Bay Harbour
For Members to note the latest accident statistics (comparative data also provided) for the Harbour Authority's operational area. | (Pages 31 -
32) |
| 16. | Employment Use at Oxen Cove
To receive a report on employment use at Oxen Cove. | (To Follow) |
| 17. | Torquay/Paignton and Brixham Harbour Liaison Forums
To note the minutes of the above Harbour Liaison Forums. | (To Follow) |



Minutes of the Harbour Committee

20 March 2017

-: Present :-

Councillor Bye (Chairman)

Councillors Amil, Carter, Ellery (Vice-Chair), O'Dwyer, Robson and Sykes

External Advisors: Mr Buckpitt, Mr Ellis, Capt. Lloyd and Mr Stewart

(Also in attendance: Mayor Gordon Oliver)

30. Apologies

An apology for absence was received from Councillor Stringer.

31. Minutes

The Minutes of the meeting of the Harbour Committee held on 13 December 2016 were confirmed as a correct record and signed by the Chairman.

32. Urgent items

The Committee considered the items in Minute 33, and not included on the agenda, the Chairman being of the opinion that they were urgent by reason of special circumstances i.e. the matters having arisen since the agenda was prepared and it was unreasonable to delay a decision until the next meeting.

33. Appointment of External Advisor and Order Update

Kevin Mowat, Executive Head of Business Services advised that Mr Stewart's first four year term of office as an External Advisor to the Harbour Committee had come to an end in December 2016 and Members were asked to consider extending his term of office for a further four years.

Kevin Mowat also advised that the Secretary of State for Transport had approved the Harbour Directions (Designation of Harbour Authorities) Order 2017 which would come into force from 6 April 2017. The Order authorises Tor Bay Harbour to give harbour directions in respect of ships in accordance with sections 40A to 40D of the Harbours Act 1964.

Resolved:

That Mr Stewart's term of office as an External Advisor to the Harbour Committee be extended for a further four years.

34. Harbour Light Restaurant, Paignton Harbour

Further to the meeting of the Harbour Committee held on 27 June 2016, the Committee considered the submitted exempt report which set out a revised business case for the future use of the Harbour Light Restaurant.

Kevin Mowat, Executive Head of Business Services highlighted the submitted report. Members noted that the proposal would require vacant possession as it affected a number of leases. There were some architectural sketches within the report which showed the potential redevelopment opportunities for the site. The Council wants to maximise the use of the asset in accordance with the Port Masterplan and regenerate and increase footfall to the Paignton Harbour area. David White, Torbay Development Agency attended the meeting for this item and responded to questions.

Members did not support the proposal to relocate tenants from the South Quay to the Harbour Light Restaurant to facilitate development on the south side of the harbour.

Resolved:

That the Council be recommended that consideration is given to the redevelopment of the Harbour Light Restaurant in accordance with the Port Masterplan, subject to vacant possession, as set out in the submitted exempt report.

(Note: prior to consideration of the item in Minute 34 Members confirmed that they would discuss the item on the Harbour Light Restaurant in public but that the report would remain exempt on the grounds that it contained exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).)

35. Review of Delegated Powers

The Committee considered the submitted report on a review of the powers delegated to the Executive Head of Business Services – Tor Bay Harbour Master as contained within Torbay Council's Constitution to ensure that they were fit for purpose.

Members noted that the Harbour Directions (Designation of Harbour Authorities) Order 2017 gives the Harbour Master additional powers and the delegated powers of the Executive Head of Business Services would need to be amended accordingly.

Resolved:

- (i) that, having reviewed the powers delegated to the Executive Head of Business Services, as set out in Appendix 1 to the submitted report, the Harbour Committee finds no reason to refer any proposed changes to the Council for determination; and
- (ii) that the Executive Head of Business Services be recommended to consider any additional powers conveyed by the Harbour Directions (Designation of Harbour Authorities) Order 2017 and make recommendations to the Monitoring Officer on the necessary amendments to the Constitution.

36. Tor Bay Harbour Business Plan 2017/2018

The Committee considered the submitted report which sought agreement of the Tor Bay Harbour Business Plan for 2017/18.

Resolved:

- (i) that the draft Tor Bay Harbour Business Plan 2017/18 as set out in Appendix 1 to the submitted report be approved; and
- (ii) that the Executive Head of Business Services and the Harbour Committee Chairman agree the final detail of the Tor Bay Harbour Business Plan 2017/18, and sign the Acceptance Statement in Section 9.

37. Operational Moorings and Facilities Policy

The Executive Head of Business Services outlined the submitted report and highlighted the proposed amendments to the Operational Moorings Facilities Policy to ensure that a fair and equitable approach was applied to new, existing and potential facility customers that use Tor Bay Harbour and the harbour estate. Members noted the main change was in respect of prohibition of assignment/sub-letting of facilities to prevent people renting their beds/berths on board vessels whilst using the harbour facilities via websites such as www.bedsonboard.com and www.airbnb.co.uk.

Resolved:

That the Tor Bay Harbour Operational Moorings and Facilities Policy – Version 12 set out in Appendix 1 to the submitted report be approved.

38. Tor Bay Harbour Authority Budget Monitoring 2016/17

The Committee received the Revenue Budget Monitoring Report which provided Members with projections of income and expenditure for the 2016/2017 financial year as at the end of February 2017 compared with approved budgets.

Members noted that £100,000 should be added to the reserve list for future maintenance of the Harbour Light Restaurant at Paignton.

The Committee thanked the Executive Head of Business Services and his staff for their excellent performance and the high levels of income generated by the Harbour Authority.

The Committee noted:

- (i) the amended outturn position of the harbour account and adjustments to the Reserve Fund shown in Appendix 1 to the submitted report;
- (ii) the Executive Head of Business Services' use of delegated powers to make decisions in relation to the budget allocated to the Tor Bay Harbour; and
- (iii) the Tor Bay Harbour Master's use of delegated powers to waive certain harbour charges, which so far this financial year has amounted to £8,827.76 (excl VAT) and that no additional charges have been levied.

39. Harbour Committee Work Programme 2017-18

The Committee considered the submitted report which set out the draft Work Programme for the Harbour Committee for the 2017/2018 Municipal Year.

Resolved:

That the Executive Head of Business Services, in consultation with the Chairman of the Harbour Committee, be authorised to finalise the Harbour Committee Work Programme for 2017/2018.

40. Review of the Tor Bay Harbour Asset Management Plan 2017/18

The Committee received the submitted report on a review of the Tor Bay Harbour Authority Asset Management Plan. The Executive Head of Business Services advised the Committee that the Asset Review Working Party had met on 27 February 2017 and reviewed the Asset Management Plan in accordance with their terms of reference.

Resolved:

That the Tor Bay Harbour Authority Asset Management Plan 2017/18 set out in Appendix 1 to the submitted report be approved.

41. Quarterly Accident and Incident Data for Tor Bay Harbour

Members received the submitted report which provided a quarterly update on the current accident statistics for the Harbour Authority's operational area up to 9 March 2017.

42. Torquay/Paignton and Brixham Harbour Liaison Forums

Members noted the Minutes of the Torquay/Paignton and Brixham Harbour Liaison Forum meetings held on 8 March and 9 March 2017.

Chairman

Harbour Committee Terms of Reference – June 2017

Terms of Reference:

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 Port Masterplan and the Council's Policy Framework. Specifically the Committee will:-

1. 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 Tor Bay Harbour Port Masterplan 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;

providing that no decision by the Harbour Committee shall impact adversely on the Council's general fund or capital budget.

Membership:

9 members of the Council in accordance with the political balance requirements, 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 Limited.

(Group Leaders will be asked to take account of the geographical spread of members in making appointments to the Committee)

Conservative (6)

Liberal Democrat (2)

Independent Group (1)

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 of Business Services 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 of Business Services;
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 of Business Services and the elected 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 Limited. 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 (a minimum of three Councillors). In June 2016, it was resolved that a Harbour Appointments Sub-Committee, comprising of five members of the Harbour Committee (The Chair, Vice-Chair and Councillors Amil, Carter and Stringer), be appointed 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 when first appointed	Current 4-year term ends
David Buckpitt	Harbour Committee	5 Dec 2011	End of Dec 2019
Michael Stewart	Harbour Committee	17 Dec 2012	End of Dec 2020
Paul Lloyd	Harbour Committee	23 Sept 2013	End of Sept 2017
Michael Ellis	Harbour Committee	16 Dec 2013	End of Dec 2017
Vacant	Harbour Committee	N/A	N/A
Vacant	EDC	N/A	N/A

June 2017

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 Business Services 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. In June 2016 it was resolved that a Harbour Asset Review Working Party, comprising four members of the Harbour Committee (Chair, Councillors Amil, Carter and Robson) and two of the External Advisors to the Committee (Mr Stewart and Capt. Lloyd), be appointed with 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 2017

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 Tor Bay Harbour Port Masterplan 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.

In June 2016 it was resolved that a Harbour Budget Review Working Party, comprising four members of the Harbour Committee (Councillors Amil, O’Dwyer and Stringer), plus the Chairman and two External Advisors to the Committee (Mr Stewart and Mr Ellis), be appointed 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 2017

Pilotage Review Working Party

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

1. Establish any sub-committee or working parties as the Committee sees fit and;
2. To act as Duty Holder for the purposes of the Port Marine Safety Code

It is therefore appropriate for the Harbour Committee to establish a Pilotage Review Working Party.

In June 2016 it was resolved that a Pilotage Review Working Party, comprising of two of the External Advisors Capt. Lloyd and Mr Buckpitt) be appointed to work alongside Officers to review the Pilotage arrangements for Tor Bay Harbour and to recommend to the Harbour Committee any amendments to the Pilotage Directions as and when appropriate.

June 2017



Meeting: Harbour Committee

Date: 26th June 2017

Wards Affected: All Wards in Torbay

Report Title: Tor Bay Harbour Authority Revenue Outturn 2016/17

Executive Lead Contact Details: Non-Executive Function

Supporting Officer Contact Details: Kevin Mowat
Executive Head of Business Services
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 2016/17.

2. Proposed Decision

2.1 That the report is noted.

Supporting Information

3. Position

3.1 The Tor Bay Harbour Authority budget for 2016/17, based on a 2.5% increase in harbour charges, was approved by Council on 21st December 2015.

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:

	Original Budget 2016/17 £000	Revised Budget 2016/17 £000	Outturn 2016/17 £000
Tor Bay Harbour Authority Surplus/(Deficit)	0	0	54

- 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 £9,527.55 (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:

Capital Scheme	Amount Borrowed	Start of Repayments	Principal outstanding at 31st March 2017
Town Dock (Torquay Harbour)	£1,140,000	2008/09	£697,363
Haldon Pier (Torquay Harbour)	£1,200,000	2010/11	£983,016
Brixham Harbour New Fish Quay Development	£4,750,000	2011/12	£4,094,367
Torquay Inner Harbour pontoons (Inner Dock)	£800,000	2014/15	£744,261
	TOTAL		£6,519,007

- 3.7 The Tor Bay Harbour Authority debt position at 31st March 2017 is set out in the table below:-

	Corporate Debtor System		Harbour Debtor System	
	Unpaid by up to 1 year	Unpaid over 1 year	Unpaid by up to 60 days	Unpaid over 60 days
Debt outstanding	£27k	£10k	£89k	£37k
Debt Impairment Provision	£37k			

Charges raised in advance of and due after 1st April 2017 are not included in the above analysis. The 2016/17 accounts show an increase in the required level of impairment provision with an adjustment of £25k charged to the Revenue Account.

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 2016/17

Additional Information

None

Appendix 1

HARBOUR REVENUE ACCOUNTS 2016/17 - Outturn

TOR BAY HARBOUR AUTHORITY

Expenditure	2016/17 Original Budget £ ,000	2016/17 Revised Budget £ ,000	2016/17 Outturn £ ,000	
Harbour Employee Costs	557	567	560	1
Operations and Maintenance:-				
Repairs and Maintenance	229	255	228	2
Rent/User Charges Concessions	23	18	18	3
Other Operating Costs	473	576	588	4
Capital Charges	498	498	498	
Management and Administration :-				
Internal Support Services	162	177	177	5
External Support Services	42	75	51	6
Other Administration Costs	83	114	97	7
Contribution to General Fund - EHO	0	25	25	8
Contbn to General Fund - Cash Dividend	160	160	160	
Contbn to General Fund - Asset Rental	447	447	447	
Contribution to Reserve	0	95	168	9
Revenue Funding of Capital	0	114	123	10
Impairment of Debt	0	0	25	
	2,674	3,121	3,165	
Income				
Rents and Rights :-				
Property and Other Rents/Rights	540	568	585	11
Marina Rental	398	429	429	12
Operating Income :-				
Harbour Dues	139	164	165	13
Visitor and Slipway	53	62	62	
Mooring fees	196	192	192	
Torquay Town Dock	297	297	297	
Torquay Inner Dock	251	251	251	
Fish Tolls (Fish Market)	571	780	805	
Fish Tolls (Other)	0	4	33	
Boat and Trailer parking	36	45	45	14
Recharged Services	73	70	104	15
Other Income	120	138	156	14
Contribution from Reserves	0	26	0	7
Refund of water charges	0	33	33	16
Interreg grants received	0	62	62	17
	2,674	3,121	3,219	
Operating Surplus /(Deficit)	0	0	54	
RESERVE FUND				
Opening Balance as at 1st April			719	
Interest Receivable			6	
Net Surplus / (Deficit) from Revenue Account			54	
Contribution to/from Revenue Account			168	10
Capital Funding			(126)	18
Expected Closing Balance as at 31st March			821	

HARBOUR REVENUE ACCOUNTS 2016/17 - OUTTURN

NOTES

- 1 Employee costs initially rose will rise as result of increased staff numbers taking their pension option. The Final Outturn reflects some savings on enhancements and some restructuring yet to be undertaken.
The Harbour Committee's Budget Review Working Party feel that an increase in salary establishment and/or contract security staff is required to properly meet the operational and port safety needs of the harbour business. This should also that ensure income streams remain bouyant.
- 2 Projected savings from recharged services (see note 15) were applied to the R&M budget figure to ease pressure on this heading. Further expenditure was approved at Paignton Harbour on new flood gates and leased property renovation and dredging.
Due to a number of maintenance works being unable to be commenced before year end a specific provision has been made to the Reserve at note 10 to fund these in the current year.
- 3 The Current Budget was adjusted in line with the actual concessions applied to 2016/17 charges.
- 4 With approval from the Committee the Executive Head of Business Services reinstated of 24 hour security cover at Brixham Harbour. There is a potential loss from undeclared fish toll income and this measure helped to ensure all fish tolls were captured as well as securing the harbour estate.
Full year costs are projected to be £48k with £36k due for part of 2016/17 partly mitigated by capacity within the harbour toilets cleaning budget.

The new waste facility at Brixham has not delivered the planned savings in the 2016/17, partly due to increased volumes from boat refits.

The costs of an oil pollution incident at Brixham (£15k) were charged against existing capacity in the revenue account ahead of any potential recharges. Costs have now been recharged at note 15.

A provision has been made for re-billing of water charges following a review by an external consultant. A corresponding refund in relation to incorrectly charged sewage has been taken into consideration.
- 5 Additional support was incurred.
- 6 The Budget Outturn reflects Engineers support costs now charged by Torbay Economic Development Company.
Additional services were secured for procurement of moorings contract at Brixham and property leases, although the costs were over estimated at the time of the last monitoring report.
- 7 The remaining costs of the Harbour Management software system were spent in the current year funded from the Reserve.
A data line charge for Brixham (£5k) was spent out of the previous year in error. Further small savings were made over a number of admin headings.
- 8 The Executive Head of Business Services has agreed to part fund an Environmental Health Officer post to reflect the benefit to the fish market operation. The additional costs will be funded from increased fish tolls.
- 9 A contribution to Reserve is being made to reflect one-off income received in relation to previous years (see notes 16 and 17). A further £73k contribution is being made from spare revenue capacity to fund maintenance works in 2017/18 that could not be started prior to 2016/17 year end.
- 10 Cost estimates of the Beacon Quay toilets facility have increased to £124k to be wholly funded by capacity within the revenue account.
- 11 Rent income increased from a new catering concession at Torquay Harbour and from leased quayside areas and training facilities at Brixham Harbour.
- 12 The projected outturn reflects residual balances due in respect of 2015/16 for both Marinas.
- 13 Income levels have been boosted by cruise ships anchoring in the bay, wind farm boats occupying berths at Torquay Harbour .

- 14 An adjustment was made to correct an element of the Boat & Trailer Parking income which was originally mapped to Other Income.
Further income has been generated from increased facilities and licences.
- 15 A new regime for recharging electricity supplied to boats was implemented during 2015/16 and will increase the base income level going forward. This has been applied to an increased R&M provision (see note 2).
Income from water and waste recharges did not meet original expectations but electricity charges were higher. This line also reflects the recovery of oil spill costs - see note 4.
- 16 A refund of overcharged water services at Brixham Harbour toilets has been secured.
- 17 The final grant claim for the Interreg project work has now been received. This receipt funds prior year expenditure and will therefore be transferred to the Reserve (see note 10).
- 18 The projected outturn represents withdrawals to fund a new work boat (£45k) and infrastructure work (£90k) at Brixham.
A previous planned withdrawal of £85k to fund the refurbishment of the Beacon Quay toilets facility will now be funded directly from the Revenue Account (see note 9) although increased residual costs of £10k will be met from the Reserve.



Meeting: Harbour Committee

Date: 26th June 2017

Wards Affected: All wards in Torbay

Report Title: Tor Bay Harbour Authority Budget Monitoring 2017/18

Executive Lead Contact Details: Non-Executive Function

Supporting Officer Contact Details: Kevin Mowat
Executive Head of Business Services
Tor Bay Harbour Master

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Pete Truman

Principal Accountant

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1. Purpose

- 1.1 This report provides Members with projections of income and expenditure for the year 2017/18 compared with approved budgets.
- 1.2 This report identifies the overall budgetary position for Tor Bay Harbour Authority as at end of May 2017 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 projections of the harbour accounts and adjustments to the Reserve Funds shown in Appendix 1.
- 1.4 The Committee is asked to note the Executive Head of Business Services' 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 the Harbour Master's use of delegated powers to waive certain harbour charges which to date amounts to £2,770.51

2. Summary

- 2.1 The Tor Bay Harbour Authority budget was approved by the Harbour Committee on 13th December 2016.
- 2.2 This is the first budget monitoring report presented to the Harbour Committee for the financial year 2017/18.

- 2.3 Fish tolls have continued on from the high levels experienced in 2016/17. The increase in expected income is partially offset by new maintenance requirements at Brixham and the costs of a potential management re-structure.

Supporting Information

3. Position

- 3.1 The projected outturn at Appendix 1 reflects amendments to the budget made within the Executive Head of Business Services delegated powers. Details of each amendment can be found in the associated note.

- 3.2 The performance against budget is summarised below:

	£000
Original Budget 2017/18	0
Projected Surplus 2017/18	33

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

	Total Budget	Actual to Date (including prior years)	Projected Outturn	Notes
	£000	£000	£000	
Environment Agency grant funding for Torquay Harbour – Haldon & Princess Piers	1,272	1,277	1,277	(i)
Brixham Major Repairs	123	123	123	(ii)
New Harbour Workboat	45	34	45	(iii)

- (i) Work has recently completed on the underwater repair works to the inner walls of Princess Pier and Haldon Pier. These works were carried out in Phases over a number of years commencing in 2011, following a grant of £1.3m from the Environment Agency (EA). Before Phase 3 can commence further grant in aid funding will need to be secured from the EA. However, as part of any revised bid to the EA, the Council will also be investigating other alternative sources of partnership funding.
- (ii) These works are now complete and include repairs to the drying grid, masonry walls and new compound fencing.
- (iii) Construction of the new workboat is finished with just survey and certification works to be completed.

3.4 The Harbour's liability for prudential borrowing is detailed in the following table, (the repayment instalment for 2017/18 will be made later in the year):

Capital Scheme	Amount Borrowed	Start of Repayments	Principal outstanding
Town Dock (Torquay Harbour)	£1,140,000	2008/09	£697,363
Haldon Pier (Torquay Harbour)	£1,200,000	2010/11	£983,016
Brixham Harbour New Fish Quay Development	£4,750,000	2011/12	£4,094,367
Torquay Inner Harbour Pontoons (Inner Dock)	£800,000	2014/15	£744,261
		TOTAL	£6,716,084

3.5 The Tor Bay harbour Authority debt position at the end of May 2017 is set out in the table below:-

	Corporate Debtor System		Harbour Charges	
	Unpaid by up to 60 days	Unpaid over 60 days	Unpaid by up to 60 days	Unpaid over 60 days
Debt outstanding	£14k	£29k	£85k	£286k
Bad Debt Provision	£37k			

The outstanding Harbour Charges debt largely reflects the uptake of payment by instalments and the overall figure is reducing.

- 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 Business Services, 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.
- 3.8 Over recent years the Harbour Committee has agreed to make annual contributions to the Council’s General Fund building to a total of £607,000 by 2016/17. The Committee understood that the recommendation relating to the cash contribution should then be reviewed.
- 3.9 The Harbour Committee Budget Working Party initially considered a schedule of budget reductions/income generating proposals by the Executive Head of Business Services to achieve the corporate General Fund contribution target of an additional £276,000 over 2017/18 to 2019/20. The Working Party initially made a counter offer of £137,500 and following further discussion a final figure of £223,000 was agreed with £50,000 applicable in the first year.
- 3.10 If the Council continues to request a significant contribution to the General Fund in the form of a cash dividend and asset rental fee there is a significant risk that the Harbour Authority will be unable to remain self funding. In that situation the Harbour Authority would require a precept from the General Fund and this scenario would be contrary to government best practice for the management of municipal ports.

Appendices

- | | |
|------------|--------------------------------------|
| Appendix 1 | Harbour Revenue Accounts for 2017/18 |
| Appendix 2 | Harbour Reserve Funds Project List |

Additional Information

None

Appendix 1

HARBOUR REVENUE ACCOUNTS 2017/18 - BUDGET MONITORING

TORBAY HARBOUR AUTHORITY

Expenditure	2017/18 Original Budget £ ,000	2017/18 Profiled Budget £ ,000	2017/18 Actual to Date £ ,000	2017/18 Projected Outturn £ ,000	Notes
Harbour Employee Costs	589	98	89	589	1
Operations and Maintenance :-					
Repairs and Maintenance	229	88	93	331	2
Rent/User charges Concessions	17	17	10	11	3
Other Operating Costs	548	168	94	556	4
Management and Administration :-					
Internal Support Services	162	0	0	162	
External Support Services	50	15	15	50	
Other Administration Costs	79	16	8	79	
Capital Charges	498	0	0	498	
Contribution to General Fund - EHO	25	0	0	25	
Contribution to General Fund - Cash Dividend	171	0	0	171	
Contribution to General Fund - Asset Rental	486	0	0	486	
	2,854	402	309	2,958	
Income					
Rents and Rights :-					
Property and Other Rents/Rights	576	174	184	576	
Marina Rental	403	40	40	403	
Operating Income :-					
Harbour Dues	144	109	132	134	5
Visitor and Slipway	54	30	22	54	
Mooring fees	212	173	198	212	
Town Dock	306	306	296	296	
Torquay Inner Harbour pontoons	258	257	254	258	
Fish Toll Income	636	98	113	750	6
Boat and Trailer parking	42	42	42	42	
Recharged Services	79	5	14	79	
Other Income	144	91	110	144	
Contribution from Reserve	0	0	0	73	7
	2,854	1,325	1,405	3,021	
Operating Surplus /(Deficit)	0	923	1,096	63	

RESERVE FUND	
Opening Balance as at 1st April	821
Interest Receivable	5
Net Surplus / (Deficit) from Revenue Account	63
Contribution to Revenue Account	(73)
Contributions from Revenue Account	0
Anticipated withdrawals in year	(230)
Expected Closing Balance as at 31st March	586

Note: In line with Harbour Committee minute 398 (5) December 2011 the minimum Reserve level at year end 2016/17 is **£530k** 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. Details of the Reserve and a full schedule of capital projects is included at Appendix 2 to the report.

HARBOUR REVENUE ACCOUNTS 2017/18 - BUDGET MONITORING

NOTES

- 1 Additional employee costs may result from a potential restructuring of the management of the Harbour function.
- 2 Repairs & Maintenance jobs totalling £73k have been brought forward from 2016/17 with a corresponding contribution from carried forward funds in the Reserve (see note 6). Additional costs have been incurred for excavation of Paignton Harbour entrance and replacement of chain moorings at Brixham.
- 3 The Projected Outturn reflects a reduction in the number of waivers granted over all three harbours.
- 4 Additional costs are expected including a re-fit of the Oscar4 patrol boat.
- 5 Dues income at Brixham is currently below expected levels.
- 6 Fish tolls are currently up by £20k on the same point last year. The projected outturn has been increased to reflect the likelihood of levels similar to 2016/17.
- 7 A contribution from the Reserve was previously approved by Committee to fund repairs & maintenance jobs carried forward from 2016/17 (see note 2)
- 8 Reflects capital funding for ponto0n replacement at Torquay and the residual costs of the new work boat at Brixham.

HARBOUR REVENUE ACCOUNTS 2017/18 - BUDGET MONITORING

TORBAY HARBOUR AUTHORITY

Expenditure	2017/18 Original Budget £ ,000	2017/18 Profiled Budget £ ,000	2017/18 Actual to Date £ ,000	2017/18 Projected Outturn £ ,000	Notes
Harbour Employee Costs	589	98	89	619	1
Operations and Maintenance :-					
Repairs and Maintenance	229	88	93	331	2
Rent/User charges Concessions	17	17	10	11	3
Other Operating Costs	548	168	94	556	4
Management and Administration :-					
Internal Support Services	162	0	0	162	
External Support Services	50	15	15	50	
Other Administration Costs	79	16	8	79	
Capital Charges	498	0	0	498	
Contribution to General Fund - EHO	25	0	0	25	
Contribution to General Fund - Cash Dividend	171	0	0	171	
Contribution to General Fund - Asset Rental	486	0	0	486	
	2,854	402	309	2,988	
Income					
Rents and Rights :-					
Property and Other Rents/Rights	576	174	184	576	
Marina Rental	403	40	40	403	
Operating Income :-					
Harbour Dues	144	109	132	134	5
Visitor and Slipway	54	30	22	54	
Mooring fees	212	173	198	212	
Town Dock	306	306	296	296	
Torquay Inner Harbour pontoons	258	257	254	258	
Fish Toll Income	636	98	113	750	6
Boat and Trailer parking	42	42	42	42	
Recharged Services	79	5	14	79	
Other Income	144	91	110	144	
Contribution from Reserve	0	0	0	73	7
	2,854	1,325	1,405	3,021	
Operating Surplus /(Deficit)	0	923	1,096	33	
RESERVE FUND					
Opening Balance as at 1st April				821	
Interest Receivable				5	
Net Surplus / (Deficit) from Revenue Account				33	
Contribution to Revenue Account				(73)	7
Contributions from Revenue Account				0	
Anticipated withdrawals in year				(230)	8
Expected Closing Balance as at 31st March				556	

Note: In line with Harbour Committee minute 398 (5) December 2011 the minimum Reserve level at year end 2016/17 is £530k 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.

Details of the Reserve and a full schedule of capital projects is included at Appendix 2 to the report.

HARBOUR REVENUE ACCOUNTS 2017/18 - BUDGET MONITORING

NOTES

- 1 Additional employee costs may result from a potential restructuring of the management of the Harbour function.
- 2 Repairs & Maintenance jobs totalling £73k have been brought forward from 2016/17 with a corresponding contribution from carried forward funds in the Reserve (see note 6). Additional costs have been incurred for excavation of Paignton Harbour entrance and replacement of chain moorings at Brixham.
- 3 The Projected Outturn reflects a reduction in the number of waivers granted over all three harbours.
- 4 Additional costs are expected including a re-fit of the Oscar4 patrol boat.
- 5 Dues income at Brixham is currently below expected levels.
- 6 Fish tolls are currently up by £20k on the same point last year. The projected outturn has been increased to reflect the likelihood of levels similar to 2016/17.
- 7 A contribution from the Reserve was previously approved by Committee to fund repairs & maintenance jobs carried forward from 2016/17 (see note 2)
- 8 Reflects capital funding for pontoon replacement at Torquay and the residual costs of the new work boat at Brixham.

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.”

	£
Consolidated Reserve Balance at 31st March 2017	821,000
Anticipated interest for year	5,000
Withdrawals in year	(303,000)
Contributions in year	0
Projected Surplus/(Deficit) for year	33,000
Projected Consolidated Reserve Balance at 31st March 2018 (prior to implementation of any scheme on this schedule)	556,000
less: 20% of Budgeted Turnover	(570,000)
= Balance for Projects	(14,000)
Total costs of proposed Projects (as listed below).	897,900
<i>Shortfall in Reserve funding available</i>	<i>(911,900)</i>

Projects	Brixham	Torquay & Paignton	Timeframe
Torquay harbour - Haldon Pier fender replacement		£80,000	Short
Brixham harbour – Oxen Cove feasibility/consultancy work	£25,000		Short
Torquay harbour - Haldon Pier brow		£80,000	Medium
Torquay harbour - Old Fish Quay refurbishment		£200,000	Medium
Brixham harbour – photo-voltaic solar panels on roof	£48,000		Medium
Torquay harbour – office/welfare improvements		£24,900	Medium
Torquay harbour - Inner Harbour Slipway repairs		£75,000	Medium

Projects continued	Brixham	Torquay & Paignton	Timeframe
Torquay harbour - South Pier cathodic protection		£30,000	Medium
Tor Bay Harbour Patrol Boat replacement	£25,000	£25,000	Medium
Torquay harbour - new dinghy park & seaward slipway feasibility study		£30,000	Medium
Torquay harbour - Fuel Station refurbishment		£120,000	Medium
Torquay harbour - Haldon Pier crane		£60,000	Long
Torquay harbour - outer harbour slipway repairs		£75,000	Long
TOTALS	£98,000	£799,900	

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

KEY
Capital
Revenue



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

2017-18
Short
Medium
Long



Tor Bay Accident / Incident List

	Date	ID Code	Accident Category	Name		
	06/06/17	TOR0757INV	Breaking Free of Mooring	Windfola Broke Free From Mooring		
	04/06/17	TOR0756CLO	Dangerous occurrence	HMS Somerset crew		
	30/05/17	TOR0754IVD	Equipment failure (Vessel)	Torbay Clipper Breakdown & Tow		
	29/05/17	TOR0753CLO	Contact - Fixed object	Motor vessel "Freedom" hitting seaward cill gate		
	28/05/17	TOR0755REP	Collision - Multiple underway	Collision Ivory Gull		
	26/05/17	TOR0751CLO	Fire/Explosion	Fat Cat Fire		
	24/05/17	TOR0752INV	Other nautical safety	Mer L Eau & Riviera Princess		
	12/05/17	TOR0758INV	Pollution - Water	Diesel Spill near Fuel Berth.		
	17/03/17	TOR0750CLO	Other nautical safety	Mormoen 15 Pilotage		
	06/03/17	TOR0749CLO	Dangerous occurrence	Person in water Princess Pier		
	13/02/17	TOR0748CLO	Flooding/Foundering	Blue Dolphin sinking on mooring		
	13/01/17	TOR0746IVD	Breaking Free of Mooring	Fox Draco Broke Free Of Outer Harbour Mooring		
	13/01/17	TOR0747IVD	Pollution - Water	Diesel Spill Brixham Harbour		
	12/01/17	TOR0744IVD	Breaking Free of Mooring	Lylphus Rider Broke Free Of Outer Harbour Mooring		
	12/01/17	TOR0745IVD	Breaking Free of Mooring	Wind Rush Broke Free Of Outer Harbour Mooring		
	09/01/17	TOR0743CLO	Drowned, asphyxiated or exposed to harmful substance	Body located in water at Inner Dock		
	24/12/16	TOR0742CLO	Drowned, asphyxiated or exposed to harmful substance	Body recovered from Paignton Harbour		
	22/12/16	TOR0741CLO	Contact - Fixed object	Serena hitting cill gate		

Number of Accidents listed = 18

Incident report status as follows;

Reported = 1; Investigating = 3; Investigation Complete = 5; Actioned-Closed = 9

Key	
Symbol showing the record type:	Symbol showing the record status:
- Incident	- Reported
- Potential Incident	- Investigating
- Details not yet completed	- Investigation Complete
	- Actioned-Closed



Tor Bay Accident / Incident List

	Date	ID Code	Accident Category	Name		
	12/06/16	TOR0713INV	Contact - Floating object	Collision with passenger pontoon, Brixham Harbour		
	12/06/16	TOR0714CLO	Other nautical safety	Dart Princess, Yachtsmans Steps		
	29/05/16	TOR0711IVD	Slip, trip, fall same level	Fatality Onboard Tringo Brixham Harbour		
	28/05/16	TOR0712IVD	Other personnel or public safety item	Brixfest Firework Display & Ferry Berthing Issues		
	08/05/16	TOR0710CLO	Capsizing/Listing	Dittisham Princess Listing		
	30/04/16	TOR0709CLO	Vessel Wash	White Pearl		
	28/04/16	TOR0708CLO	Breaking Free of Mooring	Section of harbour wall pull out by Dart Princess		
	27/04/16	TOR0707CLO	Pollution - Water	Diesel Plume at Paignton		
	20/04/16	TOR0706CLO	Other nautical safety	Floating LIne		
	19/04/16	TOR0705CLO	Fall from height	Body Recovery		
	06/04/16	TOR0704CLO	Fire / Explosion	Haldon Pier Fire		
	28/03/16	TOR0702CLO	Breaking Free of Mooring	Miss Cheivious		
	28/03/16	TOR0703CLO	Pollution - Water	HMS ECHO		
	09/03/16	TOR0698IVD	Breaking Free of Mooring	'Whipsea' - broke free from mooring		
	09/03/16	TOR0699IVD	Slip, trip, fall same level	Trip and fall on Middle Pier, Brixham		
	09/03/16	TOR0700IVD	Breaking Free of Mooring	'Turn-a-bout' - broke free from mooring		
	04/03/16	TOR0697IVD	Other nautical safety	Unexploded ordnance		
	16/02/16	TOR0696CLO	Contact - Fixed object	'Brixham Vitesse' / Beacon Quay Slipway		
	19/01/16	TOR0695CLO	Dangerous occurrence	Potential unexploded ordnance		
	06/01/16	TOR0694CLO	Fire / Explosion	Fire at Molly Malones		
	31/12/15	TOR0693CLO	Flooding/Foundering	'Broom' - sinking on outhaul mooring		
	21/12/15	TOR0692CLO	Breaking Free of Mooring	'Liberty Lass' stern line parted		
	18/12/15	TOR0691CLO	Other nautical safety	Scallop ranch floats		
	10/12/15	TOR0690CLO	Breaking Free of Mooring	MFV 'Mary Anne' slipped lines		
	02/12/15	TOR0689CLO	Flooding/Foundering	'Florrie B' - sank on mooring		

Number of Accidents listed = 25

Incident report status as follows;

Reported = 0; Investigating = 1; Investigation Complete = 6; Actioned-Closed = 18

Key	
Symbol showing the record type:	Symbol showing the record status:
- Incident	- Reported
- Potential Incident	- Investigating
- Details not yet completed	- Investigation Complete
	- Actioned-Closed