

Meeting: Harbour Committee

Date: 21st December 2020

Wards Affected: All wards in Torbay

Report Title: Harbour Budget 2021/2022 and Schedule of Fees and Charges

Is the decision a key decision? Yes

When does the decision need to be implemented? 21 December 2020

Cabinet Member Contact Details: Not a Cabinet function

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1. Proposal and Introduction

- 1.1 The Torbay Council Constitution delegates the power to set a budget and determine fees and charges to the Tor Bay Harbour Authority, the statutory harbour authority for Tor Bay.
- 1.2 The Committee is asked to approve the budget and level of harbour charges for Tor Bay Harbour, having considered the budgetary implications set out in this report.

2. Reason for Proposal and associated financial commitments

- 2.1 The Harbour Committee is required annually to approve the Harbour Authority revenue budget and to set the level of fees and charges levied.
- 2.2 This proposal commits the Harbour Authority financially to £3,413,000 expenditure from the revenue budget but assumes a £200,000 reduction in the contribution to the General Fund. An anticipated operating surplus of £44,000 will begin to rebuild the level of the Harbour Reserve.

Recommendation(s) / Proposed Decision

3.1 The Harbour Committee is requested to:

- a. APPROVE the recommendation made by the Budget Review Working Party to increase harbour fees and charges by an representative average of 2.0% (Appendix 1);
- b. APPROVE the proposed Harbour Authority budget for 2020/21 (Appendix 2)
- c. DIRECT the Budget Review Working Party to continue to monitor the revenue budget and to in due course to recommend a budget for 2022/23.

Appendices

1. Proposed Tor Bay Harbour Schedule of Fees and Charges 2021/22.
2. Proposed Tor Bay Harbour revenue budget 2021/22.

Background Documents

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

Schedule of Tor Bay Harbour Charges 2020/21
Tor Bay Harbour Act 1970
Tor Bay Harbour (Torquay Marina Act &c.) Act 1983

Section 1: Background Information

1. What is the proposal / issue?

The Council constitution requires the Harbour Committee on behalf of the Harbour Authority to annually set and approve a balanced revenue budget and to set the level of fees and charges accordingly.

It is proposed to raise fees and charges by an average of 2%, rounded up/down to the nearest £, particularly for those fees collected on slipways or areas where the carriage of change could be an issue.

Whereas at present most mooring fees are charged to the 0.1m of every individual vessel, it is proposed to simplify the charging structure by introducing 'banding' by length so that, for example, all vessels between 6-8m would pay the same rate. This banding concept is in use throughout many other harbours, and has the benefit of reducing the administration of moorings considerably. It also does not penalise owners who replace their vessel with a larger boat so long as it does not step up into another band. This banding structure is already in use for commercial fishing vessels.

Harbour dues and mooring fees are now charged separately, based on customer feedback who found the compound charge difficult to deconstruct.

Jet ski pod fees have risen by £100 rather than 2% after a review of other harbours' fees highlighted that our charges were significantly below market value.

2. What is the current situation?

Torbay Council's Revenue Budget and General Fund continue to face significant financial pressures and all council business units including the Harbour Authority have been asked to make further savings or increase revenue to help reduce the deficit. Over recent years the Harbour Authority have made increasing contributions to the General Fund, which in 2020 was £902,000 (approximately 28% of income).

In 2018 the Harbour Committee was concerned that any further raise in contribution to the General Fund would put the Harbour Authority at considerable financial risk given the variability in fish toll incomes which in the last 3 years have varied by £200,000 [2017: £1.1m; 2020: £900k forecast].

The Budget Review Working Party met 23 October to consider the in-year financial position and to set a budget for 2021/22 which can be found at Appendix 2. It also agreed the broad principles for the 2021/22 schedule of fees and charges (Appendix 1).

3.	<p>What options have been considered?</p> <p>2 options have been considered:</p> <p>a. Increase the schedule of fees and charges by a representative 2.0% average to account for inflationary pressures – this is the recommended option</p> <p>b. Make no change to the level of harbour charges and accept reduced levels of revenue – NOT recommended as this would place the budget in a deficit position</p>
4.	<p>What is the relationship with the priorities within the Partnership Memorandum and the Council’s Principles?</p> <p>The proposal is for a representative 2.0% increase in fees and charges and seeks to reconcile the need to set a balanced budget with the need to <i>encourage a thriving economy</i> while making appropriate <i>adaptations for climate change</i></p>
5.	<p>How does this proposal/issue contribute towards the Council’s responsibilities as corporate parents?</p> <p>Not applicable</p>
6.	<p>How does this proposal/issue tackle poverty, deprivation and vulnerability?</p> <p>Price increases have been set at the minimum level necessary to deliver a balanced budget and thus attempts to minimise financial pressures to harbour users</p>
7.	<p>How does the proposal/issue impact on people with learning disabilities?</p> <p>The schedule of fees and charges has been reformatted to make it easier to read and is less confusing to comprehend</p>
8.	<p>Who will be affected by this proposal and who do you need to consult with? How will the Council engage with the community? How can the Council empower the community?</p> <p>All recreational and commercial maritime users will be affected since this report amends upwards the feeds and charges levied by the Harbour Authority.</p> <p>The Torquay & Paignton and the Brixham Harbour Liaison Fora were consulted 16th December.</p>

Section 2: Implications and Impact Assessment

9.	<p>What are the financial and legal implications?</p> <p>There are no legal implications that arise as a result of this report.</p> <p>Financially the General Fund will receive £200,000 less pa than previously, but to do otherwise would prohibit the Harbour Authority from setting a balanced budget now that reserves are now depleted.</p>
10.	<p>What are the risks?</p> <p>There is a high risk that the budget will not be met due to the variability in fish tolls. This risk cannot be mitigated under the current paradigm.</p> <p>There is a moderate risk that unforeseen expenditure e.g. to fix storm damage could deplete the Harbour Reserves to the point it can no longer be self-financing. In that instance any deficit would require a General Fund precept thus reducing the overall contribution to the General Fund. This can only be mitigated by increasing the reserves to the 20% agreed minima but this is not possible under the current budget model.</p> <p>There is a low risk that boat owners will relocate their vessel or business to other harbours which are cheaper. This has been mitigated by analysing the regional market to ensure that our prices are competitive.</p> <p>There is a low risk that the scale of the General Fund contribution could attract a challenge under the Local Authority Accountability Act which would require substantial administrative effort to rebut.</p>
11.	<p>Public Services Value (Social Value) Act 2012</p> <p>Not applicable</p>
12.	<p>What evidence / data / research have you gathered in relation to this proposal?</p> <p>Fees and charges set by neighbouring harbours have been reviewed, and Harbour Liaison Fora have been consulted</p>
13.	<p>What are key findings from the consultation you have carried out?</p> <p>Harbour users broadly accept the financial position and the need for moderate contributions to the General Fund but there is annually increasing resistance from the Harbour Users that this should continue given the increasing dilapidation evidenced around the harbour.</p>

14.	Amendments to Proposal / Mitigating Actions None

Equality Impacts

15.	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people		Increased harbour costs will place disproportionate pressure on young people who may have less disposable income than older workers	
	People with caring Responsibilities		Increased harbour costs will place disproportionate pressure on carers whose income is low compared to other industry norms	
	People with a disability		Increased harbour costs will place disproportionate pressure on disabled people whose income is below average	
	Women or men			Neutral
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			Neutral
	Religion or belief (including lack of belief)			Neutral
	People who are lesbian, gay or bisexual			Neutral
	People who are transgendered			Neutral

	People who are in a marriage or civil partnership		Neutral
	Women who are pregnant / on maternity leave	Increased harbour costs will place disproportionate pressure on this cohort as their income is reduced	
	Socio-economic impacts (Including impact on child poverty issues and deprivation)	Cumulative effect of the above will have an adverse affect	
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	Price rises will discourage take up of maritime activities which in general increase fitness	
16.	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	None identified	
17.	Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	None identified	