

Meeting: Harbour Committee **Date:** 15 June 2026

Wards affected: All Wards

Report Title: Tor Bay Harbour Budget Monitoring – Q4 2025/26

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1. Purpose of Report

- 1.1 This report updates the Committee on the 2025/26 outturn position for Tor Bay Harbour Authority as at the end March 2026, comparing the year end spend against the annual budget for 2025/26 – as approved on 2nd December 2024.

2. Reason for Proposal and its benefits

- 2.1 As a standing agenda item, a quarterly report is presented to each Committee meeting to enable appropriate oversight of spend against the budget. This helps to understand any spending pressures and the mitigating actions necessary in order to manage spend and maintain reserves at appropriate levels. This is the final quarterly report for the 2025/26 financial year.

3. Recommendation(s) / Proposed Decision

- 3.1 That the Harbour Committee note the revenue outturn position and adjustment to the reserve for Tor Bay Harbour Authority for 2025/2026 as set out in Appendix 1 to the submitted report.

Appendices

Appendix 1: Harbour Revenue Account 2025-26 – Outturn 2025/26

Supporting Information

1. Introduction

- 1.1 The 2025/26 Tor Bay Harbour Authority annual budget was approved by the Committee on 2nd December 2024. This is the final monitoring report for the 2025/26 financial year and covers the period up to the end of March 2026.

2. Options under consideration

- 2.1 Appendix 1 to this report provides a summary of the Harbour revenue account, showing the outturn position for 2025/26 as at the end of March 2026, with associated notes and a summary of the adjustments to the reserves.

3. Financial Opportunities and Implications

- 3.1 At the end of the financial year there was a final surplus on the Harbour revenue account of £204k, compared with the balanced budget set in December 2024. This is an improved position from the £28k underspend forecast at Q3 and significant variances will be highlighted further within the report. We will continue to review areas of significant variance and consider how to improve the accuracy of projections throughout the year.
- 3.2 Fish toll income is the most significant income for Harbours, accounting for over 30% of its total income. Although the budget was increased by £200k for 2025/26, projections through the year showed that income was expected to exceed budget – with a variance of £200k projected. By year-end total fish toll income had exceeded budget by £387k and is the primary reason for the overall year end surplus. Total income was £4,562k, with income across other areas such as moorings, pontoon booths and rent coming in close to, or slightly better than budgeted, resulting in a positive variance of £405k over budget.
- 3.3 This income has offset overspends in a number of expenditure budgets, the most significant relating to repairs and maintenance (R&M) and security costs, where additional costs have been necessary to ensure the Harbour is safe and secure for users and the wider community. Whilst the outturn position on the latter is in line with projections, the final R&M position was much better than projected, although some of these cost will be incurred within the following year.
- 3.4 Staffing is the largest expenditure budget and although a material overspend was forecast early in the year, tight control and management has resulted in a year end overspend of just £10k (1% of the budget).
- 3.5 Another contributing factor to the overall Harbour Authority year end surplus was the underspend against the conservancy budget. Dredging costs had been estimated at £100k

but this work (and associated costs) have not occurred in the 2025/26 year. The same amount of £100k has been included within the budget for 2026/27.

- 3.6 The Harbours contribution to Torbay Council's general fund was in line with budget at £657k, held at the same level as previous years. There is a general understanding (supported by previous reports and minutes) that this figure represents both a cash dividend and asset rental fee, but further work continues to review this contribution and provide more detail to the Committee.
- 3.7 £462k of one-off spend was planned in 2025/26, to be funded from the Harbours reserve, which had a balance of £1,459k at the start of the year. Commitments totalling £362k were identified as part of the 2025/26 budget setting process and included replacement of Harbour chillers (£160k) and replacement of Brixham Harbour moorings, (£100k). A full list can be found in Appendix 1 (notes) and shows how the addition of repairs to Millenium Bridge increased this spend by further £130k. However, the majority of these commitments have not occurred as planned or have been funded from within budget, so there has been no drawdown from reserves in 2025/26. Reserves are still available to fund outstanding work that takes place in 2026/27 and this will be reported on within future budget monitoring reports. The table below summarises estimated movements at budget setting and in-year, compared with the improved final outturn position.

Drawdown from Reserves	Budget 2025/26 £k	Projection Q3 £k	Outturn 2025/26 £k
Balance at 1/4/25	(1,069)	(1,459)	(1,459)
Projected Outturn deficit/(surplus)	0	(27)	(204)
Interest received	(10)	(66)	(58)
Budgeted contribution from reserves for one-off spend	332	462	0
Est balance at year end 31/3/26	(747)	(1,090)	(1,721)

3.8 The Harbour's outstanding borrowing liability is as follows:

Capital Scheme	Amount Borrowed	Start of Repayments	Principal Outstanding 01/04/25	Principal Outstanding 31/03/26
Town Dock (Torquay Harbour)	£1,140,000	2008/09	£273,007	£253,506
Town Docks (Torquay Harbour) - replacement	£1,201,000	2024/25	£1,132,797	£1,063,059
Haldon Pier (Torquay Harbour)	£1,200,000	2010/11	£638,767	£586,674
Brixham Harbour New Fish Quay Development	£4,750,000	2011/12	£3,171,404	£3,031,588
Torquay Inner Harbour pontoons (Inner Dock)	£800,000	2014/15	£553,226	£524,167
Brixham Harbour Jetty	£840,000	2020/21	£783,850	£771,502
TOTAL			£6,553,051	£6,230,497

3.9 The Harbour's aged debt position is set out below, with debt largely reflecting the payment by instalments. The figures for 0-60 days will vary depending on the timing of invoices raised, but the values of debt up to 120 days old is low and demonstrates how well new debt is managed and reflects the sustained recovery activity taking place.

	Corporate Debtor System & Harbour Charges			
	<60 days	61-120 days	121-365 days	>365 days
Debt outstanding	£5k (was 210k at Q3)	£18k (was £5k at Q3)	£148k (was £191k at Q3)	£139k (was £252k at Q3)
Bad debt provision	£153k (was £80k)			

3.10 The value of debts over 121 days old has reduced significantly since Q3 and key accounts are now under structured repayment plans and are actively managed. Although debts levels have reduced still the total debt over 121 days is almost £300k. The bad debt provision was increased in the final quarter of the year to recognise the value of these debts, and the associated risks of non-recovery - particularly with those debts older than one year. This cost was met from the revenue account and the reason for the overspend against the Admin and General expenses budget.

4. Legal Implications

4.1 Not applicable

5. Engagement and Consultation

5.1 The service continues to listen to feedback from:

- Harbour users and liaison forums
- Committee members
- Fishing industry leaders

6. Procurement Implications

6.1 Not applicable

7. Protecting our naturally inspiring Bay and tackling Climate Change

7.1 Not applicable

8. Associated Risks

8.1 Spend relating to commitments that have not materialised is likely to be incurred in 2026/27 and put additional pressure on budgets. This will be monitored though the year and surpluses from underspends in 2025/26 have been transferred to Harbour reserves to offset this spend in future years.

9. Identify the potential positive and negative impacts on specific groups

9.1 Not applicable

10. Cumulative Council Impact

10.1 Not applicable

11. Cumulative Community Impacts

11.1 Not applicable