



Meeting: Harbour Committee

Date: 19th March 2018

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: Adam Parnell

Tor Bay Harbour Master

 **Telephone: 01803 292429 (Ext 2724)**

 **E.mail: adam.parnell@torbay.gov.uk**

Pete Truman

Principal Accountant

 **Telephone: Ext 7302**

 **E.mail: Pete.Truman@torbay.gov.uk**

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 February 2018, to enable appropriate action to contain expenditure and maintain reserves at appropriate levels.
- 1.3 The Committee is asked to note 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 Assets and 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 £4,919.45

2.0 Summary

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

- 2.3 Fish tolls remain buoyant and will exceed last year's record levels. Marina rental income has exceeded the provision made in the previous year's accounts. It is proposed to apply the in-year enhanced income levels to fund new and current capital schemes as well as a contingency to the Reserve in anticipation of storm damage costs, potential salvage costs and future year revenue deficits.

Supporting Information

2. Position

- 3.1 The projected outturn at Appendix 1 reflects amendments to the budget made within the Executive Head of Assets and 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	51

- 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	
Torquay Outer Harbour Pontoons	220	15	271	(i)
Oxen Cove Jetty	1,500	1	1,500	(ii)
North Quay Brixham Fendering	75	12	75	(iii)

- (i) Works have commenced on the project which will replace damaged pontoons and afford better wave breaking facilities. The overall scheme has been enhanced at additional cost.
- (ii) External funding for the Landing Jetty is yet to be confirmed.
- (iii) Works have yet to commence pending approval of external funding.

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

Capital Scheme	Amount Borrowed	Start of Repayments	Principal outstanding
Town Dock (Torquay Harbour)	£1,140,000	2008/09	£646,732
Haldon Pier (Torquay Harbour)	£1,200,000	2010/11	£946,255
Brixham Harbour New Fish Quay Development	£4,750,000	2011/12	£3,995,900
Torquay Inner Harbour pontoons (Inner Dock)	£800,000	2014/15	£723,954
		TOTAL	£6,312,841

3.5 The Tor Bay harbour Authority debt position at the end of February 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	£33k	£26k	£44k	£20k
Bad Debt Provision	£37k			

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 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.

3.8 The Harbour Committee Budget Working Party initially considered a schedule of budget reductions/income generating proposals by the Executive Head of Assets and 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.

- 3.9 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

Additional Information

None