



**Meeting: Harbour Committee**

**Date: 18<sup>th</sup> June 2018**

**Wards Affected: All wards in Torbay**

**Report Title: Tor Bay Harbour Authority Budget Monitoring 2018/19**

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

**Supporting Officer Contact Details: Adam Parnell**

**Head of Torbay Harbour Authority  
Tor Bay Harbour Master**

 **Telephone: 01803 853321/851854**

 **E.mail: [adam.parnell@torbay.gov.uk](mailto:adam.parnell@torbay.gov.uk)**

**Pete Truman**

**Principal Accountant**

 **Telephone: 10803 207302**

 **E.mail: [pete.truman@torbay.gov.uk](mailto:pete.truman@torbay.gov.uk)**

---

## **1. Purpose**

- 1.1 This report provides Members with projections of income and expenditure for the year 2018/19 compared with approved budgets.
- 1.2 This report identifies the overall budgetary position for Tor Bay Harbour Authority as at end of April 2018 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 Head of Torbay 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 no waiver of harbour charges has been approved under the Harbour Master's use of delegated powers to date for 2018/19.

## **2. Summary**

- 2.1 The Tor Bay Harbour Authority budget was approved by the Harbour Committee on 5<sup>th</sup> December 2017
- 2.2 This is the first budget monitoring report presented to the Harbour Committee for

the financial year 2018/19.

- 2.3 The Head of Torbay Harbour Authority has re-assessed the achievable level of fish tolls and has increased the income targets for both Brixham Fish Quay and for landings at Torquay Harbour. Part of this increase is being applied to fund revised staffing levels.

---

## Supporting Information

### 3. Position

- 3.1 The projected outturn at Appendix 1 reflects amendments to the budget made within the Head of Torbay 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>£000</b>
Original Budget (deficit) 2017/18	(22)
Projected Surplus 2018/19	28

- 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>	
Torquay Outer Harbour Pontoons	263	263	263	(i)
Oxen Cove Jetty	1,967	136	1,967	(ii)
North Quay Brixham Fendering	75	12	75	(iii)

3.4 The Harbour's liability for prudential borrowing is detailed in the following table, (the repayment instalment due for 2018/19 will be made later in the year):

<b>Capital Scheme</b>	<b>Amount Borrowed</b>	<b>Start of Repayments</b>	<b>Principal outstanding</b>
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
	<b>TOTAL</b>		<b>£6,312,841</b>

3.5 The Tor Bay harbour Authority debt position at the end of May 2018 is set out in the table below:-

	<b>Corporate Debtor System</b>		<b>Harbour Charges</b>	
	Unpaid by up to 60 days	Unpaid over 60 days	Unpaid by up to 60 days	Unpaid over 60 days
Debt outstanding	£26k	£79k	£62k	£326k
Bad Debt Provision	£37k			

The outstanding Harbour Charges debt largely reflects take of payment of user charges by instalments and the overall figure will reduce throughout the year.

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 Committee is asked to note 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 £657,000 by 2017/18. 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 £173,000 over 2018/19 and 2019/20 which was subsequently increased by £117,000 in 2018/19. The Working Party made a counter offer of £223,000 which was accepted with £145,000 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 2018/19

## **Additional Information**

None