



**Meeting:** Harbour Committee

**Date:** 17<sup>th</sup> December 2018

**Wards Affected:** All wards in Torbay

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

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

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## 1. Purpose

- 1.1 This report updates members with income and expenditure projections for 2018/19. It also identifies the overall budgetary position for Tor Bay Harbour Authority as at end of November 2018 to enable appropriate action to contain expenditure and maintain reserves at sufficient levels.
- 1.2 The Committee is requested to note
- a. the amended outturn projections of the harbour accounts and adjustments to the Reserve Funds shown in Appendix 1;
  - b. the Head of Torbay Harbour Authority's use of delegated powers to make decisions in relation to the budget allocated to Tor Bay Harbour;
  - c. that no waiver of harbour charges has been approved to date under the Harbour Master's use of delegated powers for 2018/19.

## 2. Summary

- 2.1 The Tor Bay Harbour Authority budget for 2018/19 was approved 5<sup>th</sup> December 2017.
- 2.2 Fish toll levels continue to exceed the level at the same point last year. The surplus income is funding substantial maintenance works to the mooring infrastructure at Brixham Harbour. Marina rental income is exceeding the forecasts. Further details are at Appendix 1.
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## Supporting Information

### 3. Position

- 3.1 The projected outturn at Appendix 1 reflects budget amendments made within the Head of Torbay Harbour Authority's delegated powers. Details of each amendment can be found in the associated note.
- 3.2 Following publication of the projected medium term financial position at the September meeting of the Harbour Committee, discussions were held with the Assistant Director of Assets and Business Services and Head of Finance to determine measures to balance the pressures on the Harbour Account and the Council's General Fund. The recommendations were reported to the Harbour Budget Review Working Party in November and are detailed in the separate Harbour Charges and Budget 2019/20 report.
- 3.3 A recommendation directly impacting on the 2018/19 accounts is that any operating surplus for the year be paid over in full as an additional contribution to the General Fund.
- 3.4 The performance against budget is summarised below:

	<b>£000</b>
Original Budget (deficit) 2018/19	(22)
Revised Budget (surplus) 2018/19	18
Projected Surplus 2018/19*	57
<i>* to be transferred to the General Fund</i>	

- 3.5 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	585	1,967	(ii)
North Quay Brixham Fendering	300	90	300	(iii)
Victoria Breakwater	3,853	110	3,893	(iv)
Harbour Light Restaurant Redevelopment	600	59	600	(v)

- (i) Pontoons in place and installation of power and fingers will be completed imminently.
- (ii) Awaiting MMO licence approval.
- (iii) Fenders are on order and awaiting delivery.
- (iv) Works commence in the last week of November 2018
- (v) Existing tenants have now vacated and works expected to commence April 2019.

3.6 The Harbour's liability for prudential borrowing is detailed below. Note that the 2018/19 repayment is not made until 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	£593,871
Haldon Pier (Torquay Harbour)	£1,200,000	2010/11	£907,857
Brixham Harbour New Fish Quay Development	£4,750,000	2011/12	£3,893,021
Torquay Inner Harbour Pontoons (Inner Dock)	£800,000	2014/15	£702,716
	<b>TOTAL</b>		<b>£6,312,841</b>

3.5 Debt position at the end of November 2018:

	<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	£301k	£60k	£32k	£71k
Bad Debt Provision	£37k			

The outstanding corporate debt includes a recently raised invoice for the 2017/18 marina rental.

3.6 Under the Council's Scheme of Delegation the Harbour Master can vary the approved Schedule of Harbour Charges in such manner as shall be considered reasonable, keeping a proper written record of all variations approved. These must be reported at least twice a year to the Harbour Committee.

## **Appendices**

Appendix 1 Harbour Revenue Accounts for 2018/19

## **Additional Information**

None