



Meeting: Harbour Committee

Date: 18th March 2019

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 February 2019 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. the Harbour Master's use of delegated powers to waive certain harbour charges which to date amounts to £6,250

2. Summary

- 2.1 The Tor Bay Harbour Authority budget for 2018/19 was approved 5th December 2017.
- 2.2 Fish toll levels have fallen back over the winter months but will still produce the second highest annual yield on record. Marina rental income is exceeding the forecasts. Surplus income is funding substantial maintenance works to the mooring infrastructure at Brixham Harbour and additional fish market waste costs. Full details are at Appendix 1.

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 2018 and detailed in the separate Harbour Charges and Budget 2019/20 report presented to Harbour Committee in December 2018.
- 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:

	£000
Original Budget (deficit) 2018/19	(22)
Revised Budget (surplus) 2018/19*	57
Projected Deficit 2018/19*	44
<i>* to be transferred to the General Fund</i>	

- 3.5 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	263	280	280	(i)
Oxen Cove Jetty	1,967	585	1,967	(ii)
North Quay Brixham Fendering	300	90	300	(iii)
Victoria Breakwater	3,853	1,455	3,893	(iv)
Harbour Light Restaurant Redevelopment	600	75	600	(v)

- (i) Additional costs relating to the ferry pontoon will be covered by an insurance claim.
- (ii) MMO licence approval has now been obtained.
- (iii) Fenders are on order and awaiting delivery.
- (iv) Works commenced in the last week of November 2018
- (v) The property is fully vacated and planning submissions are expected in April 2019.

3.6 The Harbour's liability for prudential borrowing is detailed below.

Capital Scheme	Amount Borrowed	Start of Repayments	Principal outstanding
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
	TOTAL		£6,312,841

3.5 The debt position of the Harbour at the end of February 2019 is set out 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	£26k	£48k	£28k	£14k
Bad Debt Provision	£37k			

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. For 2018/19 waivers approved to date total £6,250.

Appendices

Appendix 1 Harbour Revenue Accounts for 2018/19

Additional Information

None