



Meeting: Harbour Committee

Date: 21st September 2020

Wards Affected: All

Report Title: Tor Bay Harbour Authority Revenue Outturn 2019/20

Is the decision a key decision? No

When does the decision need to be implemented? N/A

Cabinet Member Contact Details: Not a Cabinet function

Supporting Officer Contact Details:

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Pete Truman, Principal Accountant, 01803 207302, pete.truman@torbay.gov.uk

1. Proposal and Introduction

1.1 This report provides Members with the details of the Tor Bay Harbour Authority final expenditure and income figures against budget targets for 2019/20

2. Reason for Proposal and associated financial commitment

2.1 The Tor Bay Harbour Authority budget for 2019/20, based on a 2.0% increase in harbour charges, was approved by Council on 17th December 2018. Appendix 1 reports the final outturn against this budget and subsequent amendments noted by Committee throughout the year.

3. Recommendation(s) / Proposed Decision

3.1 The Committee is asked to note:

a. the final outturn as reported at Appendix 1 to this report.

b. the Harbour Master's use of delegated powers to waive certain harbour charges during 2019/20 which amounts to £5,574.74;

Appendices

Appendix 1: Harbour Revenue Accounts 2019-20

Background Documents

Report Clearance

Report clearance:	Reviewed & approved by:	Date:
Chief Executive	Anne-Marie Bond	
Monitoring Officer	Amanda Barlow	
Chief Finance Officer	Martin Phillips	
Director Place	Kevin Mowat	

Section 1: Background Information

1. What is the proposal / issue?

The Tor Bay Harbour Authority budget for 2019/20, based on a 2.0% increase in harbour charges, was approved by Council on 17th December 2018. Appendix 1 reports the final outturn against this budget and subsequent amendments noted by Committee throughout the year.

2. What is the current situation?

Outturn Summary

The final outturn against the revised budget is summarised below:

	Original Budget 2019/20	Revised Budget 2019/20	Outturn 2019/20
	£000	£000	£000
Operational Surplus/(Deficit)	67	(29)	(15)
Gainshare* – General Fund	(42)	0	0
Gainshare* – Harbour Reserve	(25)	0	0
Shortfall in General Fund contribution*	0	0	(50)
Net Surplus/(Deficit) 2019/20	0	(29)	(65)

*No surplus was generated for gain share. However, the General Fund budget approved by full Council includes an additional £50k from the Harbour Account which will be required. The balance of this contribution is shown separately and will impact the Harbour Reserve.

Prudential Borrowing

The harbour's liability for prudential borrowing at the end of 2019/20 was:

Capital Scheme	Amount Borrowed	Start of Repayments	Principal outstanding
Town Dock (Torquay Harbour)	£1,140,000	2008/09	£538,680
Haldon Pier (Torquay Harbour)	£1,200,000	2010/11	£867,749
Brixham Harbour New Fish Quay Development	£4,750,000	2011/12	£3,785,534
Torquay Inner Harbour Pontoons (Inner Dock)	£800,000	2014/15	£680,506
TOTAL			£5,872,469

Debt position

The debt position at the end of 2019/20 was:

	Corporate Debtor System		Harbour Charges	
	< 60 days	> 60 days	< 60 days	> 60 days
Debt outstanding	£44k	£38k	£6k	£20k
Bad Debt Provision	£14k			

Reserves

In 2011 the Harbour Committee set a reserve target of 20% of budgeted turn-over. This has been missed for a number of consecutive years and it is now very likely that the Reserve will be depleted by 2022.

3. What is the relationship with the priorities within the Partnership Memorandum and the Council's Principles?

A safe, efficient and self-financing harbour positively contributes to the following priorities:

- A Thriving Economy
- A Council Fit for the Future

5. How does this proposal/issue contribute towards the Council's responsibilities as corporate parents?

N/A

6. How does this proposal/issue tackle poverty, deprivation and vulnerability?

Tor Bay harbour is a regional focus for maritime-related employment: it is a thriving maritime recreational and leisure hub of national renown and also accommodates the largest fishing port in England and Wales by value of catch landed.

A healthy, safe and efficient Bay is also a key driver for non-maritime sectors such as tourism, environment, R&D etc

7. How does the proposal/issue impact on people with learning disabilities?

	No discernible impact
8.	<p>Who will be affected by this proposal and who do you need to consult with? How will the Council engage with the community? How can the Council empower the community?</p> <p>All harbour stakeholders, including maritime and non- maritime businesses are affected.</p> <p>Consultation is effected through regular harbour stakeholder liaison forums who are empowered to provide feedback via the Harbour Committee to the Council</p>

Section 2: Implications and Impact Assessment

9.	<p>What are the financial and legal implications?</p> <p>The deficit for 2019/20 will be met from the Harbour Reserve. There are further calls on the Reserve through ongoing capital schemes and potential revenue deficits in future years.</p> <p>The Harbour finances are currently not being run in accordance with the DfT's Ports Good Governance Guidance (March 2018). While not a statutory publication this is considered national 'best practice' for the ports industry.</p>
10.	<p>What are the risks?</p> <p>There is a risk that harbour reserves will be depleted by 2022 and thereafter there is a risk that the Harbour will require a General Fund precept to retain a balanced budget.</p> <p>If quayside facilities and services do not remained aligned with user need/requirements then there is a risk that incomes will decline.</p>
11.	<p>Public Services Value (Social Value) Act 2012</p> <p>N/A</p>
12.	<p>What evidence / data / research have you gathered in relation to this proposal?</p> <p>Feedback from harbour users and liaison forums Feedback from Committee members Feedback from fishing industry leaders Previous Harbour Committee reports</p>
13.	<p>What are key findings from the consultation you have carried out?</p>

	There is disquiet amongst harbour stakeholders that despite high revenue incomes the harbour budget is likely to be in deficit at year end
14.	Amendments to Proposal / Mitigating Actions None