



Friday, 5 June 2015

## **HARBOUR COMMITTEE**

A meeting of **Harbour Committee** will be held on

**Monday, 15 June 2015**

commencing at **5.30 pm**

The meeting will be held in the Meadfoot Room, Town Hall, Castle Circus,  
Torquay, TQ1 3DR

### **Members of the Committee**

Mr Stewart	Councillor Sykes
Mr Buckpitt	Councillor Winfield
Councillor Amil	Councillor Carter
Councillor Bye	Councillor Stringer
Councillor Cunningham	Councillor Ellery
Councillor O'Dwyer	

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For information relating to this meeting or to request a copy in another format or language please contact:

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# HARBOUR COMMITTEE AGENDA

1. **Election of Chairman/woman**  
To elect a Chairman/woman for the 2015/16 Municipal Year.
2. **Apologies**  
To receive apologies for absence, including notifications of any changes to the membership of the Committee.
3. **Election of Vice-Chairman/woman**  
To elect a Vice-Chairman/woman for the 2015/16 Municipal Year.
4. **Minutes** (Pages 1 - 4)  
To confirm as a correct record the Minutes of the meeting of the Committee held on 23 March 2015.
5. **Declarations of interest**
  - (a) To receive declarations of non pecuniary interests in respect of items on this agenda  
**For reference:** Having declared their non pecuniary interest members may remain in the meeting and speak and, vote on the matter in question. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.
  - (b) To receive declarations of disclosable pecuniary interests in respect of items on this agenda  
**For reference:** Where a Member has a disclosable pecuniary interest he/she must leave the meeting during consideration of the item. However, the Member may remain in the meeting to make representations, answer questions or give evidence if the public have a right to do so, but having done so the Member must then immediately leave the meeting, may not vote and must not improperly seek to influence the outcome of the matter. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.  
  
(**Please Note:** If Members and Officers wish to seek advice on any potential interests they may have, they should contact Governance Support or Legal Services prior to the meeting.)
6. **Urgent items**  
To consider any other items that the Chairman decides are urgent.
7. **Harbour Committee Terms of Reference** (Pages 5 - 6)  
To note the Harbour Committee's Terms of Reference as set out in the Council's Constitution.
8. **Appointment of Harbour Appointments Sub Committee** (Page 7)  
To appoint a Harbour Appointments Sub-Committee for the 2015/16 Municipal Year.

- |            |   |                 |
|------------|---|-----------------|
| <b>9.</b>  | <b>Harbour Asset Review Working Party</b><br>To appoint the Harbour Asset Review Working Party for the 2015/16 Municipal Year.  | (Page 8)        |
| <b>10.</b> | <b>Harbour Budget Review Working Party</b><br>To appoint the Harbour Budget Review Working Party for the 2015/16 Municipal Year.  | (Page 9)        |
| <b>11.</b> | <b>Pilotage Review Working Party</b><br>To appoint a Pilotage Review Working Party with the following Terms of Reference.<br><br>To review the Pilotage arrangements for the Tor Bay Harbour and to recommend amendments to the Pilotage direction as and when appropriate. | (Page 10)       |
| <b>12.</b> | <b>Tor Bay Harbour Authority Revenue Outturn 2015/16</b><br>To note the Report on the Harbour Authority Outturn for 2015/16.  | (Pages 11 - 16) |
| <b>13.</b> | <b>Torquay/Paignton and Brixham Harbour Liaison Forums</b><br>To note the minutes of the above Harbour Liaison Forums.  | (To Follow)     |
| <b>14.</b> | <b>Tor Bay Harbour Authority Quarterly Budget Monitoring Report</b><br>To consider the Tor Bay Harbour Authority Quarterly Budget Monitoring Report.  | (Pages 17 - 24) |
| <b>15.</b> | <b>Performance Report - Tor Bay Harbour Authority</b><br>To consider a report on the performance of the Tor Bay Harbour Authority.  | (To Follow)     |
| <b>16.</b> | <b>Tor Bay Harbour Authority Audit Plan</b><br>To approve the Audit Plan for the Tor Bay Harbour Authority Business Unit for 2015/16.   | (Pages 25 - 32) |
| <b>17.</b> | <b>Quarterly Accident and Incident Data for Tor Bay Harbour</b><br>For Members to note the latest accident statistics for the Harbour Authority's operational area.   | (Page 33)       |



## Minutes of the Harbour Committee

23 March 2015

-: Present :-

Councillor Amil (Chairwoman)

Councillors Ellery (Vice-Chair), Faulkner (J), Hytche, McPhail and Stringer and Mayor Oliver

External Advisors: Mr Stewart, Mr Buckpitt, Mr Ellis and Capt Lloyd

(Also in attendance: Jason Buck for Item 53 only and Councillor Morey)

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### 48. Apologies

An apology for absence was received from Councillor James.

### 49. Minutes

The Minutes of the meeting of the Harbour Committee held on 15 December 2015 were confirmed as a correct record and signed by the Chairman.

### 50. Urgent items

The Committee considered the items in Minute 51, and not included on the agenda, the Chairman being of the opinion that they were urgent by reason of special circumstances i.e. the matter having arisen since the agenda was prepared and it was unreasonable to delay a decision until the next meeting.

### 51. Presentation to retiring Members

The Chairman acknowledged the years of service given to Tor Bay Harbour and the Harbour Committee by Councillor's Faulkner (J), Hytche, James and McPhail as they would not be standing for re-election in May 2015.

Members thanked them for their valued hard work and expertise over the years and presented them with a token of appreciation.

### 52. Working Party Update on Paignton Development Opportunity

The Executive Head of Tor Bay Harbour Authority advised Members that due to the magnitude of the decision and the closeness of the elections, more time was required before a report would be brought back to Committee in June 2015.

**53. Oxen Cove Development**

Members considered a report which identified an alternative use for Oxen Cove as employment space to support the marine sector and provide employment in Torbay.

The Harbour Committee's Asset Review Working Party met on 5 March 2015 and agreed to recommend that Oxen Cove should be considered for use as employment space to support the marine industry.

Members noted that a community consultation event should be held in Brixham with wider stakeholders.

Resolved:

- (i) that the Harbour Committee recommends to Council and the Mayor, that Oxen Cove should be considered for use as employment space to support the marine industry, in line with the aspirations contained within the Port Masterplan.

**54. Review of the delegated powers of the Executive Head of Tor Bay Harbour Authority**

The Executive Head of Tor Bay Harbour Authority informed the Committee that harbour customers and the wider community, would expect the harbour authority to be fit for purpose and to regularly review the powers delegated to its senior management.

Resolved:

That having reviewed the powers delegated to the Executive Head of Tor Bay Harbour Authority as set out in Appendix 1 and Appendix 2 of the submitted report, the Harbour Committee found no reason to refer any proposed changes to the Council for determination.

**55. Tor Bay Harbour Business Plan**

The Committee considered a report which sought agreement of the Business Plan for the Tor Bay Harbour Authority business unit for 2015/2016.

Resolved:

- i) that the draft Tor Bay Harbour Business Plan 2015/2016, as set out in Appendix 1 to the submitted report be approved; and
- ii) that the Executive Head of Tor Bay Harbour Authority and the Chairman of the Harbour Committee agree the final detail of the Tor Bay Harbour Business Plan 2015/2016, and sign the Acceptance Statement in Section 9.

**56. Operational Moorings Policy**

The Committee considered a report to amend the Harbour Authority's operational moorings and facilities policy. The Committee were advised that the policy sought to ensure that a consistent, fair and equitable approach was applied to new, existing and potential facility customers that use Tor Bay Harbour and the harbour estate. It also aimed to ensure that the policy and associated conditions were fully understood and recognised as being reasonable.

Resolved:

That the Tor Bay Harbour operational Moorings and Facilities Policy – Version 10 as set out in Appendix 1 of the submitted report, be approved.

**57. Torquay/Paignton and Brixham Harbour Liaison Forums**

Members noted the Minutes of the Torquay/Paignton and Brixham Harbour Liaison Forum meetings held on 6 March 2015 and 16 March 2015.

**58. Tor Bay Harbour Authority Quarterly Budget Monitoring Report**

The Committee noted a report on the quarterly Budget Monitoring.

The Committee noted the amended outturn positions of the combined harbour account and adjustments to the Reserve Funds as shown in Appendix 1 of the submitted report and noted the Harbour Master's use of delegated powers to make decisions in relation to the budget allocated to Tor Bay Harbour.

Members noted the Harbour Masters use of their delegated powers to waive certain harbour charges , which this financial year amounted to £3,021.31 (excluding VAT), and which have been spread across both harbour accounts. No additional charges had been levied.

**59. Harbour Committee Work Programme**

Members considered a report which outlined the Committee's Work Programme for the 2015/16 Municipal Year.

**Resolved:**

The Harbour Committee work programme for 2015/16, as set out in the submitted report, be approved.

**60. Performance of the Tor Bay Harbour Authority Business Unit (SPAR.Net)**

The Committee noted the submitted report outlining the performance of the Tor Bay Harbour Authority Business Unit. The Executive Head of Tor Bay Harbour Authority informed Members where performance was on target or below target.

Members noted that Brixham Harbour Fish Toll income had recovered slightly.

**61. Tor Bay Harbour Asset Management Plan**

The Committee considered the submitted report to review and approve the Tor Bay Harbour Authority Asset Management Plan.

The Executive Head of Tor Bay Harbour Authority advised the Committee that the Asset Review Working Party had met on 5 March 2015 and reviewed the Asset Management Plan in accordance with their terms of reference.

**Resolved:**

That the Tor Bay Harbour Authority Asset Management Plan 2015/16 as set out in Appendix 1 of the submitted report be approved.

**62. Quarterly Accident and Incidents for Tor Bay Harbour**

Members received a briefing note which provided a quarterly update of the current accident statistics for the Harbour Authority's operational area up until March 2015.

Members noted there had been 3 fatalities with the harbour limits but the deaths were not connected to harbour operations or harbour safety.

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Chairman

## Harbour Committee Terms of Reference – June 2015

### Terms of Reference:

To determine all matters relating to the strategic management of the Council's function as a Harbour Authority, in line with the Tor Bay Harbour Port Masterplan and ~~Maritime Strategy~~, the Council's Policy Framework. Specifically the Committee will:-

1. Manage all of the Harbour's financial matters in accordance with approved financial procedures and the Council's aspirations for the harbour to be self financing as outlined in the Tor Bay Harbour Port Masterplan~~Harbour and Maritime strategy~~ and including (but not limited to):
  - a. the setting of harbour charges from time to time (including in-year changes to the schedule) normally following consultation with the relevant Harbour Liaison Forums;
  - b. approving the annual revenue budgets within the ring-fenced harbour accounts;
  - c. receiving quarterly budget monitoring reports and to approve variances as appropriate; and
  - d. monitoring the harbour reserve funds and to seek to ensure that the funds are kept above an appropriate minimum contingency level and ensure the harbour remains self-financing;

providing that no decision by the Harbour Committee shall impact adversely on the Council's general fund or capital budget.
2. To act as Duty Holder for the purposes of the Port Marine Safety Code;
3. Approve and monitor a business plan for Tor Bay Harbour, in line with the Council's policy framework, and address any issues relating to performance;
4. Review these terms of reference annually and request the Council to make any necessary amendments and/or additions;

### Membership:

9 members of the Council plus up to five external non-voting advisors appointed by the Committee on a four year term (maximum term as an advisor = 2 x 4 years) and one non-voting advisor who is a private sector representative of the Board of the Torbay Economic Development Company

(Group Leaders will be asked to take account of the geographical spread of members in making appointments to the Committee)

Conservative (~~6~~5)

Liberal Democrat (2)

Independent~~Non-Coalition~~ Group (12)

- |   |  |
|---|--|
| <ol style="list-style-type: none"> <li>5. Review annually the powers delegated to the Executive Head <del>of Business ServicesTor Bay Harbour Authority</del> – Tor Bay Harbour Master and refer any proposed changes to the Council for determination. The Committee itself shall not authorise any changes;</li> <li>6. Consider any other matters referred to the Committee by the Executive Head <del>of Business ServicesTor Bay Harbour Authority</del>;</li> <li>7. Establish any sub-committee or working parties as the Committee sees fit, in particular a Harbour Appointments Sub-Committee for the recruitment of advisors;</li> <li>8. Recommend the format, composition and governance of the Harbour Liaison Forums and keep the arrangements under review;</li> <li>9. To provide strategic direction to the Executive Head <del>of Business ServicesTor Bay Harbour Authority</del> and the Mayor in relation to those assets within Tor Bay Harbour and the harbour estate that are managed by Tor Bay Harbour Authority.; and</li> <li>10. Appoint advisors following receipt of recommendations from the Harbour Appointments Sub-Committee and the Board of Torbay Economic Development Company Ltd. Appointments will be merit based and be in accordance with the Local Protocol for members of the Harbour Committee.</li> </ol> |  |
|---|--|

The suggested amendments to the existing Terms of Reference (March 2015) are shown above as tracked changes.

### **Recommendation**

**That the amended Harbour Committee Terms of Reference, as shown above, be passed to the Monitoring Officer, Mayor and Group Leaders or Council, for approval.**

Kevin Mowat, Executive Head of Business Services

15<sup>th</sup> June 2015

## Appointment of Harbour Appointments Sub Committee

The Terms of Reference for the Harbour Committee state that the Committee membership will be :-

*“9 members of the Council plus up to five external non-voting advisors appointed by the Committee on a four year term and one non-voting advisor who is a private sector representative of the Board of the Torbay Economic Development Company. .... Appointments will be merit based and be in accordance with the Local Protocol for members of the Harbour Committee”*

The Committee is asked to consider appointments to the Harbour Appointments Sub Committee (a minimum of three Councillors). In June 2014, it was resolved that a Harbour Appointments Sub-Committee, comprising of six members of the Harbour Committee (the Chair, Vice-Chair and four other Councillors), be appointed with the following Terms of Reference :-

*“to consider ad hoc applications for external advisor positions on the Harbour Committee and recommend to the Harbour Committee the persons who should be appointed to those posts as and when vacancies arise. And to determine the rolling programme for advisors tenure”*

Although not specifically stated in the Terms of Reference for the Harbour Committee it is a Harbour Committee recommendation that External Advisers should be limited to two 4-year terms, which is in line with good governance best practice. The table below shows the current position in respect of External Advisers :-

Advisor	Appointing Body	Date Appointed	4 year term ends
David Buckpitt	Harbour Committee	5 Dec 2011	End of Dec 2015
Michael Stewart	Harbour Committee	17 Dec 2012	End of Dec 2016
Paul Lloyd	Harbour Committee	23 Sept 2013	End of Sept 2017
Michael Ellis	Harbour Committee	16 Dec 2013	End of Dec 2017
Vacant	Harbour Committee		
Vacant	EDC	N/A	N/A

**June 2015**

# Agenda Item 9

## **Harbour Asset Review Working Party**

The Terms of Reference for the Harbour Committee state that the Committee should :-

*“determine all matters relating to the strategic management of the Council’s function as a Harbour Authority..... and ..... provide strategic direction to the Executive Head of Tor Bay Harbour Authority and the Mayor in relation to those assets within Tor Bay Harbour and the harbour estate that are managed by Tor Bay Harbour Authority”*

The Committee is asked to consider appointments to the Harbour Asset Review Working Party. In June 2014 it was resolved that a Harbour Asset Review Working Party, comprising of four members of the Harbour Committee (the Chair plus three others) and two of the External Advisors to the Committee, be appointed with the following Terms of Reference :-

- a) To review all assets within Tor Bay Harbour and the Harbour Estate;*
- b) To establish how each asset is performing; and*
- c) To identify any assets that are surplus.*

**June 2015**

## Harbour Budget Review Working Party

The Terms of Reference for the Harbour Committee state that the Committee should :-

*“manage all of the Harbour’s financial matters in accordance with approved financial procedures and the Council’s aspirations for the harbour to be self financing as outlined in the Harbour and Maritime Strategy and including (but not limited to):*

- (a) the setting of harbour charges from time to time (including in-year changes to the schedule) normally following consultation with the relevant Harbour Liaison Forums;*
- (b) approving the annual revenue budgets within the ring-fenced harbour accounts;*
- (c) receiving quarterly budget monitoring reports and to approve variances as appropriate; and*
- (d) monitoring the harbour reserve funds and to seek to ensure that the funds are kept above an appropriate minimum contingency level and ensure the harbour remains self-financing”*

The Committee is asked to consider appointments to the Harbour Budget Review Working Party (membership in 2014/15 included at least two Councillors plus the Chairman plus two External Advisors). Members are advised that the Harbour Budget Review Working Party was formed in 2009 with the following Terms of Reference :-

*“to scrutinise the draft Tor Bay Harbour Authority budget prior to presentation to the Harbour Committee and to review the full range of harbour charges, including commercial customers using the Torquay Harbour Town Dock and other harbour facilities”*

In June 2014, it was agreed that Harbour Budget Review Working Party Terms of Reference should be amended to the following :-

*“to scrutinise the draft Tor Bay Harbour Authority budget prior to presentation to the Harbour Committee and to review the full range of harbour charges. Also, to assist officers to monitor and review the budget ahead of each quarterly Harbour Committee meeting”*

**June 2015**

# Agenda Item 11

## **Pilotage Review Working Party**

The Terms of Reference for the Harbour Committee state that the Committee should :-

2. *'act as Duty Holder for the purposes of the Port Marine Safety Code;'*
7. *'establish any sub-committee or working parties as the Committee sees fit'*

In June 2014 the Harbour Committee agreed that a Pilotage Review Working Party, comprising of two of the External Advisors, be appointed with the following Terms of Reference :-

*"to work alongside Officers to review the Pilotage arrangements for Tor Bay Harbour and to recommend to the Harbour Committee any amendments to the Pilotage Directions as and when appropriate"*

**June 2015**



**Meeting: Harbour Committee**

**Date: 15<sup>th</sup> June 2015**

**Wards Affected: All Wards in Torbay**

**Report Title: Tor Bay Harbour Authority Revenue Outturn 2014/15**

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

**Supporting Officer Contact Details: Kevin Mowat**  
**Executive Head of Business Services**  
**Tor Bay Harbour Master**

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**Pete Truman**

**Principal Accountant**

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## 1. Purpose 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 2014/15.

## 2. Proposed Decision

2.1 That the report is noted.

## Supporting Information

### 3. Position

3.1 The Tor Bay Harbour Authority budget for 2014/15, based on a 3.0% increase in harbour charges, was approved by Council on 16<sup>th</sup> December 2013.

3.2 Subsequent amendments to the budget and variation to the Reserve Account have been noted by the Harbour Committee throughout the year.

3.3 The final outturn against the revised budget is summarised below:

	<b>Original Budget 2014/15 £000</b>	<b>Revised Budget 2014/15 £000</b>	<b>Outturn 2014/15 £000</b>
Tor Bay Harbour Authority Surplus/(Deficit)	(44)	(140)	(60)

- 3.4 Details of expenditure and income with explanations of material variances are provided at Appendix 1. The outturn figures form part of the Council's Statement of Accounts that are currently being prepared for audit.
- 3.5 The Committee is asked to note the Harbour Master's use of delegated powers to waive certain harbour charges, which at the end of this financial year amounted to £5,916.62 (excl VAT) and which were spread across both harbour accounts.
- 3.6 The Harbour's liability for prudential borrowing is detailed in the following table:

<b>Capital Scheme</b>	<b>Amount Borrowed</b>	<b>Start of Repayments</b>	<b>Principal outstanding at 31<sup>st</sup> March 2015</b>
Town Dock (Torquay Harbour)	£1,140,000	2008/09	£792,089
Haldon Pier (Torquay Harbour)	£1,200,000	2010/11	£1,051,901
Brixham Harbour New Fish Quay Development	£4,750,000	2011/12	£4,278,815
Torquay Inner Harbour pontoons (Inner Dock)	£800,000	2014/15	£782,246
<b>TOTAL</b>			<b>£6,905,051</b>

- 3.7 The Tor Bay Harbour Authority debt position at 31<sup>st</sup> March 2015 is set out in the table below:-

	<b>Corporate Debtor System</b>		<b>HMS</b>	
	Unpaid by up to 60 days	Unpaid over 60 days	Unpaid by up to 60 days	Unpaid over 60 days
Debt outstanding	£23k	£17k	£1,213k	£17k
Bad Debt Provision	£50k			

During the year the harbour charges were migrated onto the Council's corporate debtor system with income now being recognised at the point of invoicing replacing the previous cash accounting basis. The large element of unpaid debt up to 60 days relates to invoices raised in advance of the 2015/16 charging year. A prudent provision for bad debts has been set aside at year-end although it is anticipated outstanding charges will be substantially settled.

## **7. Consultation**

7.1 The Harbour Outturn position has been shared with the Harbour Liaison Forums.

## **8. Risks**

8.1 There are no risks associated with this report.

## **Appendices**

Appendix 1 – Harbour Revenue Accounts Outturn 2014/15

## **Additional Information**

None

HARBOUR REVENUE ACCOUNT - OUTTURN 2014/15

TOR BAY HARBOUR AUTHORITY

Expenditure	2014/15 Original Budget £ ,000	2014/15 Revised Budget £ ,000	2014/15 Outturn £ ,000	Note
Harbour Salaries and Wages	622	568	560	1
Operations and Maintenance :-				
Repairs and Maintenance	243	250	262	2
Rent Concessions	4	6	5	
Other Operating Costs	518	517	555	3
Management and Administration :-				
Internal Support Services	153	153	149	
External Support Services	42	42	42	
Other Administration Costs	138	197	195	4
Capital Charges	524	525	498	5
Contribution to/from Patrol Boat Operation	6	0	(7)	
Contribution to General Fund - Cash Dividend	148	148	148	
Contribution to General Fund - Asset Rental	125	125	152	6
	<b>2,523</b>	<b>2,531</b>	<b>2,560</b>	
<b>Income</b>				
Rents and Rights :-				
Property and Other Rents/Rights	484	490	536	7
Marina Rental	397	397	397	
Operating Income :-				
Harbour Dues	149	120	127	8
Visitor and Slipway	56	55	60	
Mooring fees	184	180	190	8
Torquay Town Dock	265	265	265	
Torquay Inner Dock	126	176	176	9
Fish Toll Income	650	530	565	10
Recharged Services	55	81	105	11
Boat and Trailer parking	38	44	46	
Other Income	75	101	114	12
	<b>2,479</b>	<b>2,439</b>	<b>2,581</b>	
Interreg Grants received	0	65	79	13
Contribution to Reserve	0	(113)	(127)	14
Provision for Impairment of Contract Debt	0	0	(34)	15
<b>Operating Surplus /(Deficit)</b>	<b>(44)</b>	<b>(140)</b>	<b>(60)</b>	

RESERVE FUND			
Opening Balance as at 1st April		860	
Interest Receivable		6	
Net Surplus / (Deficit) from Revenue Account		(60)	
Withdrawal - Capital Financing		(159)	16
Withdrawal - Children's Services corporate funding		(86)	17
Contribution from Revenue Account		127	18
Expected Closing Balance as at 31st March		<b>688</b>	
<i>Withdrawals earmarked post 1st April 2015</i>		(112)	

**£483k** based on 20% of budgeted turnover to meet any deficit in the revenue budget or winter storm damage. The balance is earmarked for harbour related capital projects.  
Details of the Reserve and a full schedule of capital projects is included at Appendix 2 to the report.

## HARBOUR REVENUE ACCOUNT 2014/15 - OUTTURN 2014/15

### NOTES

#### TOR BAY HARBOUR AUTHORITY

- 1 Original budget reflected a revised staffing structure implemented to achieve the imposed General Fund contributions. The administration staffing structure has yet to be finalised and costs are not fully reflected in year. Savings identified within the Original Budget in respect of "Green Book" payments were not achieved because of a corporate decision to defer the proposed changes to the existing arrangements. Further pressure on the salary budgets arose from an increase in the Pension Fund rate but were met in the current year from vacancies in current posts. As previously reported there was a reduction in employee costs due to the waiving of superannuation contributions by some employees. The effect of this is now reflected within the Outturn.
- 2 The program for maintenance at Torquay and Paignton Harbours was stripped back by a figure of £48k to achieve the identified savings targets. This provision has been transferred to the Reserve (see note 14) to part fund the contribution to the General Fund in 2015/16. The additional costs at outturn include costs recharged within the "Recharged Services" income line and periodic costs relating to the Moorings contract at Brixham.
- 3 The effect of the harbour rating review was not fully reflected within the approved budget. Additional costs were incurred for waste disposal and craneage at Brixham harbour. These are offset by revenue streams within "Recharged Services" and "Other Income" (see notes 11 & 12).
- 4 The budget was revised to reflect the Interreg European funding program and a related Cruise Ship Study, which will be reclaimed in part within the overall Interreg grant process.
- 5 Capital Charges now solely reflect the costs of prudential borrowing. Other charges have now been rationalised within the Asset Rental Charges element of the General Fund contribution (see note 6).
- 6 The Asset Rental Charges contribution to the General Fund has now absorbed non-prudential borrowing costs previously reflected within Capital Charges (see note 5).
- 7 It was previously anticipated that the forecast rental income might not be achieved at Paignton harbour. Levels for Paignton harbour were subsequently adjusted and targets were exceeded at Torquay and Brixham harbours.
- 8 Income from Dues and Moorings was initially affected by a decrease in occupancy levels but a restructuring of harbour charges has led to a small increase in mooring fee income.
- 9 The budgeted income target for the new Torquay inner harbour berths (Torquay Inner Dock) was prudently based on a 75% ~ 80% occupancy level but a 100% occupancy has been achieved.

- 10 The anticipated level of Fish Toll income was reduced throughout the year to reflect the income levels to date and industry projections. The position improved over the last few weeks of the year to give a healthier final position. The previous five years have produced incomes of (most recent first) £588k, £675k, £739, £557k and £474k.
- 11 New line showing the recovery of utilities and other services costs.
- 12 The budgeted income from advertising could not be realised in 2014/15 but other income streams were generated. Budget targets were exceeded at outturn for winter storage, cargo dues and licence fee income.
- 13 The first three claims for European Interreg funding have been received in relation to various projects and supporting consultancy costs. The grant income has been transferred to the reserve to repay funding of the original costs in previous years (see note 14).
- 14 Contribution to the Reserve in respect of European Interreg funding received (see note 13) and savings in the maintenance program at Torquay and Paignton harbours (see note 2).
- 15 A prudent provision has been made to reflect amounts raised on the new invoicing and accounting system in respect of 2015/16 charges. It is anticipated that the provision will be adjusted back after settlement of invoices in the new year.
- 16 Additional costs of the Torquay Inner Harbour Pontoon capital scheme (Inner Dock) were met from the reserve instead of increasing the prudential borrowing liability. A further withdrawal was required to fund a shortfall in the ferry pontoons capital scheme.
- 17 The Council approved, in November 2014, the funding of a Children's Services 5 year Strategy by borrowing funds from various sources, including the harbour reserve. It has been accepted that this withdrawal is a loan to another Council department and is due to be repaid between 2017/18 and 2018/19.
- 18 Transfer of Interreg grants received in respect of projects carried out in previous years (see notes 2, 13 & 14).



**Meeting: Harbour Committee**

**Date: 15<sup>th</sup> June 2015**

**Wards Affected: All wards in Torbay**

**Report Title: Tor Bay Harbour Authority Budget Monitoring 2015/16**

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

**Supporting Officer Contact Details: Kevin Mowat  
Executive Head of Business Services  
Tor Bay Harbour Master**

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## **1. Purpose**

- 1.1 This report provides Members with projections of income and expenditure for the year 2015/16 compared with approved budgets.
- 1.2 This report identifies the overall budgetary position for Tor Bay Harbour Authority as at end of May 2015 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 positions of the two harbour accounts and adjustments to the Reserve Funds shown in Appendix 1.
- 1.4 The Committee is asked to note the Executive Head of 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 Tor Bay Harbour Master's use of delegated powers to waive certain harbour charges, which so far this financial year has amounted to £631.40 (excl VAT). No additional charges have been levied.

## **2. Summary**

- 2.1 The Tor Bay Harbour Authority budget was approved by the Harbour Committee on 15<sup>th</sup> December 2014.
- 2.2 This is the first budget monitoring report presented to the Harbour Committee for

the financial year 2015/16.

- 2.3 Additional Support Service charges have been incurred but this is more than offset by early signs of buoyant income levels from the Torquay Town Dock and Inner Dock.

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## Supporting Information

### 3. Position

- 3.1 The projected outturn at Appendix 1 reflects amendments to the budget made within the Executive Head of Business Services' 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 2015/16	(51)
Projected Outturn 2015/16	(29)

- 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>	
Environment Agency grant funding for Torquay Harbour – Haldon & Princess Piers	1,272	737	1,272	(i)

- (i) An initial application for external funding from the Environment Agency was successful and the grant of approximately £1.3m is currently being used for Phase 2, which commenced in the autumn of 2011 and further work followed in winter 2012. Additional underwater repairs were undertaken on Princess Pier late in 2014. Further underwater repairs to both Princess and Haldon Piers (circa £700k in value) are scheduled to take place during 2015 and the Princess Pier element of this work is now underway. Work towards a further bid of funding from the Environment Agency is ongoing. In May 2014, a Partnership Funding Bid was submitted to the Local Enterprise Partnership (LEP) for £4.57m towards essential flood defence work for these Piers. Although this initial bid was not successful, the bid was resubmitted to the LEP in October 2014.

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

<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	£792,089
Haldon Pier (Torquay Harbour)	£1,200,000	2010/11	£1,051,901
Brixham Harbour New Fish Quay Development	£4,750,000	2011/12	£4,278,815
Torquay Inner Harbour pontoons (Inner Dock)	£800,000	2014/15	£782,246
<b>TOTAL</b>	<b>£7,890,000</b>		<b>£6,905,051</b>

3.5 The Tor Bay harbour Authority debt position at the end of May 2015 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	£21k	£30k	£70k	£272k
Bad Debt Provision	£50k			

The large element of Harbour Charges unpaid debt up to 60 days relates to invoices raised in advance of the 2015/16 charging year. A prudent provision for bad debts has been set aside at year-end although it is anticipated outstanding charges will be substantially settled.

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, the Executive Head of Tor Bay Harbour Authority, in consultation with the Chairman of the Harbour Committee, has produced a list of Harbour Reserve Funds projects attached as Appendix 2. The Committee is asked to note this list and the obvious ongoing need for healthy Harbour Reserve Funds.

- 3.8 In December 2013, the Harbour Committee was reminded that Torbay Council’s General Fund budget was facing a significant shortfall of some £22m over the period 2014/15 through 2015/16 and that all Council business units had been asked to make further savings and/or look at income opportunities to help reduce the corporate deficit. Consequently, the Harbour Committee agreed to make an additional contribution to the Council’s General Fund to the equivalent value of £150,000 for the years 2014/15 and 2015/16. Since December 2013 further pressure has been placed on the Council’s overall budget position, the Executive Head of Tor Bay Harbour Authority, and the Chair of the Harbour Committee were asked to consider a further contribution to the Council’s General Fund of £160,000 for 2015/16.
- 3.9 The additional request for funding outlined in 3.8 above was considered by the Harbour Committee in September following advice from the Budget Review Working Party. Consequently, it was concluded that the additional contribution could be achieved when the Harbour Committee set the 2015/16 harbour budget. However, the Harbour Committee’s Budget Review Working Party was very clear that such a contribution should be viewed as a **one-off event** and was not in their opinion something that could be sustained.
- 3.10 It has been brought to the attention of the Harbour Committee that, 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.
- 3.11 The Committee is reminded of a withdrawal from the Reserve Fund of £86k (10%) effective from the 1<sup>st</sup> April 2015. The Council agreed this action in November 2014 when they approved the funding of a Children’s Services 5 year Strategy by borrowing funds from various sources, including the harbour reserve. It has been accepted that this withdrawal is a loan to another Council department and will be repaid between 2017/18 and 2018/19. This should be seen as a good use of a Council reserve fund as it represents a contribution towards a ‘spend to save’ investment scheme.

## Appendices

- |            |                                      |
|------------|--------------------------------------|
| Appendix 1 | Harbour Revenue Accounts for 2015/16 |
| Appendix 2 | Harbour Reserve Funds Project List   |

**Additional Information**

None

**HARBOUR REVENUE ACCOUNTS 2015/16 - BUDGET MONITORING**

**TORQUAY and PAIGNTON HARBOURS**

<b>Expenditure</b>	<b>2015/16 Original Budget £ ,000</b>	<b>2015/16 Profiled Budget £ ,000</b>	<b>2015/16 Actual to Date £ ,000</b>	<b>2015/16 Projected Outturn £ ,000</b>	Notes
Harbour Employee Costs	641	107	94	641	1
Operations and Maintenance :-					
Repairs and Maintenance	228	37	14	228	
Rent/User charges Concessions	5	1	18	23	2
Other Operating Costs	477	122	80	477	
Management and Administration :-					
Internal Support Services	151	137	162	162	3
External Support Services	42	0	0	42	
Other Administration Costs	86	14	24	86	
Capital Charges	497	0	0	497	
Contribution to Patrol Boat Operation	2	0	0	2	
Contribution to General Fund - Cash Dividend	145	0	0	145	
Contribution to General Fund - Asset Rental	315	0	0	315	
	<b>2,589</b>	<b>418</b>	<b>392</b>	<b>2,618</b>	
<b>Income</b>					
Rents and Rights :-					
Property and Other Rents/Rights	511	116	122	511	
Marina Rental	397	40	40	397	
Operating Income :-					
Harbour Dues	143	122	122	133	4
Visitor and Slipway	52	13	13	52	
Mooring fees	174	174	183	184	4
Town Dock	270	270	289	289	5
Torquay Inner Harbour pontoons	183	183	208	208	5
Fish Tolls	510	85	90	510	
Boat and Trailer parking	35	35	41	41	
Recharged Services	67	11	3	67	
Other Income	100	60	60	100	
Contribution from Reserves	96	0	0	96	
	<b>2,538</b>	<b>1,109</b>	<b>1,172</b>	<b>2,588</b>	
<b>Operating Surplus /(Deficit)</b>	<b>(51)</b>	<b>691</b>	<b>780</b>	<b>(29)</b>	

<b>RESERVE FUND</b>	
Opening Balance as at 1st April	688
Interest Receivable	5
Net Surplus / (Deficit) from Revenue Account	(29)
Contribution to Revenue Account	(96)
Anticipated withdrawals in year	(28)
Expected Closing Balance as at 31st March	<b>540</b>

Note: In line with Harbour Committee minute 398 (5) December 2011 the minimum Reserve level at year end 2015/16 is **£488k** based on 20% of budgeted turnover to meet any deficit in the revenue budget or winter storm damage. The balance is earmarked for harbour related capital projects.  
Details of the Reserve and a full schedule of capital projects is included at Appendix 2 to the report.

### Appendix 2 - Tor Bay Harbour Authority - Reserve Funds Project List

Harbour Committee Minute 398 (5) - December 2011

*“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.”*

	<b>£</b>
Consolidated Reserve Balance at 31st March 2014	688,000
Anticipated interest for year	5,000
Withdrawals in year	(28,000)
Projected Surplus/(Deficit) for year	(29,000)
Projected Consolidated Reserve Balance at 31st March 2015	636,000
Planned contributions in 2015/16 to General Fund	(96,000)
Projected Consolidated Reserve Balance at 1st April 2015	540,000
less: 20% of Budgeted Turnover	(488,000)
<b>= Balance for Projects</b>	<b>52,000</b>
<b>Total costs of proposed Projects (as listed below).</b>	<b>859,900</b>
<i>Shortfall in Reserve funding available</i>	<i>(807,900)</i>

Projects	Brixham	Torquay & Paignton	Timeframe
Tor Bay Harbour - HMS software upgrade	£25,000	£25,000	Short
Torquay harbour - Haldon Pier fender replacement		£60,000	Short
Torquay harbour - Beacon Quay Wi-Fi		£7,000	Short
Socio-economic Impact Study *	£5,000	£5,000	Short
Brixham harbour - new work boat	£45,000		Short

Torquay harbour - Haldon Pier brow		£80,000	Medium
Torquay harbour - Old Fish Quay refurbishment		£200,000	Medium
Brixham harbour – photo-voltaic solar panels on roof	£48,000		Medium
Torquay harbour – office/welfare improvements		£24,900	Medium
Torquay harbour - Inner Harbour Slipway repairs		£75,000	Medium
Torquay harbour - South Pier cathodic protection		£30,000	Medium
Tor Bay Harbour Patrol Boat replacement	£25,000	£25,000	Medium
Torquay harbour - new dinghy park & seaward slipway feasibility study		£30,000	Medium
Torquay harbour - Haldon Pier crane		£50,000	Long
Torquay harbour - Fuel Station refurbishment		£100,000	Long
<b>TOTALS</b>	<b>£148,000</b>	<b>£711,900</b>	

Capital Projects over £25k to be listed on the Council’s Capital Plan which is approved by full Council.

\* Interreg funding opportunity (FLIP)

KEY  
Capital  
Revenue



Current financial year  
0 to 12 months  
12 to 24 months  
24 to 60 months

2015-16  
Short  
Medium  
Long



**Meeting: Harbour Committee**

**Date: 15<sup>th</sup> June 2015**

**Wards Affected: All wards in Torbay**

**Report Title: Tor Bay Harbour Authority Audit Plan – 2013~2018**

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

**Supporting Officer Contact Details: Kevin Mowat**  
**Executive Head of Business Services**  
**Tor Bay Harbour Master**  
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✉ **Email: [Kevin.Mowat@torbay.gov.uk](mailto:Kevin.Mowat@torbay.gov.uk)**

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## 1. Purpose

- 1.1 Tor Bay Harbour Authority is a function of Torbay Council and all local authorities and other relevant bodies are subject to the Local Government Act 1972 Section 151 and the Accounts and Audit Regulations 2011 which require that the Authority make provision for Internal Audit. Consequently, the Council must maintain an adequate and effective system of Internal Audit of its accounting records and of its system of Internal Control in accordance with the proper practices in relation to internal control.
- 1.2 Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal auditing is a catalyst for improving an organisation's effectiveness and efficiency by providing insight and recommendations based on analyses and assessments of data and business processes.
- 1.3 The key objective of the Audit Plan is to deliver a framework of audit tasks that will provide the Harbour Committee with the assurances outlined in 1.2 above. By adopting a risk based, systematic approach to internal auditing the Harbour Committee will be able to assist the Tor Bay Harbour Authority business unit to meet the overall objectives of the service. Furthermore, it will also provide assurance to Torbay Council that the strategic management of Tor Bay Harbour, undertaken by the Harbour Committee, meets their aspirations for their harbour authority function.
- 1.4 The Tor Bay Harbour Audit Plan attached as Appendix 1 has been prepared with the help of the Devon Audit Partnership using a risk based approach and priority assessment including consultation at both strategic and operational levels to ensure

that the content of the plan is aligned to the Harbour Authority's needs, goals and objectives and satisfies the statutory assurance requirements. The number of Audit Days for each audit entity will vary depending on risk, available resources and previous audit reports.

- 1.5 Internal auditors are not responsible for the execution of harbour authority activities but through a robust Audit Plan, they can provide advice to harbour management and the Harbour Committee about how to better execute their responsibilities. As part of its governance role the Harbour Committee will receive a copy or executive summary of all internal audit reports relating to Tor Bay Harbour.

## 2. **Proposed Decision**

- 2.1 **That the Committee consider and agree in principle the amended Tor Bay Harbour Audit Plan for 2013~2018 shown in Appendix 1.**

## 3. **Action Needed**

- 3.1 The Executive Head of Business Services needs to ensure that the agreed Audit Plan is implemented.

## 4. **Summary**

- 4.1 To inform the Harbour Committee of the arrangements and work plan for the Audit of the Tor Bay Harbour Authority business unit between 2013 and 2018.
- 4.2 To ensure key issues are communicated to and actioned by the Committee to ensure risks are managed and the Internal Control Framework is sound.
- 4.3 To ask the Committee to endorse the outline Audit Plan for 2013~2018 and advise of any areas of concern they feel would benefit from Audit input.
- 4.4 The Devon Audit Partnership will undertake the majority of the audits and their work will be in accordance with the guidelines set down in the Public Sector Internal Audit Standards. Audits are planned and performed to obtain all the information and explanations considered necessary to gain assurance as to the level of control within the business unit. Audit findings and recommendations are however based on restricted samples of transactions / records and discussions with relevant officers.

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## **Supporting Information**

### 5. **Position**

- 5.1 The Council's Audit Committee deals with the local authority's corporate responsibility under the Accounts and Audit Regulations 2011 to include in their annual statement of accounts an Annual Governance Statement. This Statement also requires an annual review of the Internal Control Environment and an annual review of Internal Audit. The statement is wide ranging and includes an assessment of risks, Corporate Governance and the delivery of the Council's functions. Internal Audit work forms an element of the evidence required but it is the management of

the organisation that is responsible for the internal control framework and for providing the assurance required.

- 5.2 As part of Torbay's commissioning model, Internal Audit provision is commissioned from Devon Audit Partnership. The Partnership is a shared service between Torbay, Plymouth and Devon County Councils, which delivers Internal Audit services to the partner authorities, and it replaced the previous three separate internal audit sections with effect from 1 April 2009.
- 5.3 On 22<sup>nd</sup> June 2009 the Harbour Committee received report number 147/2009, which provided detailed results of the Internal Audit Report of the Harbour and Marine Services business unit, concluded in May 2009. The key objective of the 2009 audit was to provide assurance to the Council's Audit Committee that the strategic management of Tor Bay Harbour, undertaken by the Harbour Committee and delivered by the Harbour & Marine Services business unit (now the Tor Bay Harbour Authority business unit), met the overall objectives of the service. However, at the time it was considered entirely appropriate that the Harbour Committee should also receive and note the Internal Audit of the Harbour & Marine Services business unit.
- 5.4 In 2009 it was the Audit Report's opinion that the administrative, financial and risk management systems and controls within the Harbour Authority were generally well managed. The 2009 Audit Report did not find any area requiring urgent improvements in controls or in the application of controls and none of the recommendations were considered as being an immediate or high priority. The Council was found to be meeting its legal responsibilities and obligations as a Harbour Authority.
- 5.5 The scope and content of the May 2009 Audit Report was of necessity wide ranging and this led the Executive Head of Business Services (previously the Executive Head of Tor Bay Harbour Authority) to consider a more systematic and targeted approach to future internal audits. In June 2011, the Harbour Committee approved the first formal Audit Plan specifically for Tor Bay Harbour Authority and the Committee now reviews that plan in June each year.
- 5.6 Recent audits undertaken as part of the agreed Audit Plan include an Audit Report of the Harbour Authority's Asset Management function, which was concluded in March 2014 and an overview of the results was presented to the Harbour Committee in September 2014. In addition, in March 2015, an audit of the Harbour Authority's approach to Risk Management was concluded and the Audit Report is expected to be presented to the Committee in September 2015.
- 5.7 The audit plan for 2013 ~ 18 (Appendix 1) has been prepared and identified, with the help of Devon Audit Partnership, by :-
- Adopting a risk based priority audit planning tool to identify those areas where audit resources can be most usefully targeted. This involves scoring a range of systems, services and functions across the whole of the business unit using a number of factors/criteria e.g. materiality, control environment, sensitivity, time since last review etc. The final score, or risk factor for each area, together with a priority ranking, then determines a schedule of priorities for audit attention.

- Discussions and liaison with Devon Audit Partnership and harbour staff regarding the risks that threaten the achievement of the service objectives, including the introduction of new systems and corporate initiatives.
  - Taking into account results of previous internal audit reviews.
  - Taking into account Internal Audit's knowledge and experience of the risks facing the Harbour Authority.
  - Consideration of risks identified in the Harbour Authority's strategic and operational risk registers.
- 5.8 The audit plan is matched to available resources and should be delivered within the budget available.
- 5.9 Resource implications are related to staff time both within the service and within departments who may be required to make officers available to answer audit queries and provide information in respect of any audit review or investigation. Currently the Port Marine Safety Code compliance audit requires the procurement of an external "Designated Person". However, this situation is being reviewed in consultation with the Devon Audit Partnership who have offered to provide this service.
- 5.10 Members and employees, in their roles and responsibilities, are asked to be vigilant in preventing and detecting fraud, corruption and irregularity. In addition, Members and employees have a responsibility to lead by example in ensuring adherence to legal requirements, Standing Orders, Financial Regulations and all procedures and policies including both Members and Officers Codes of Conduct.
- 5.11 The Devon Audit Partnership has due regard for section 17 of the Crime and Disorder Act 1998, ensuring that they consider crime and disorder reduction and community safety in the exercise of all of their duties and activities. Part of their role includes being one of the major contacts within the Council's Fraud & Corruption and Whistle-blowing Policies that detail how potential irregularities and frauds will be investigated and reported.
- 6. Possibilities and Options**
- 6.1 The issues raised in this report are predominantly for information and as such there is no requirement to consider alternative options.
- 6.2 There is a statutory requirement for a continual internal audit of the Council's processes and internal controls. Whilst there are options surrounding the risk assessments, those being used are the accepted approaches for this style of risk assessment and may vary from those which are applied to the Council 's services generally but in certain cases there are no alternative options if the Council is to meet external requirements.
- 6.3 Internal Audit reports provide one element of assurance to the Harbour Committee but the Tor Bay Harbour Authority management team provide another source of assurance and should provide evidence to support the view that Internal Controls

and wider corporate governance are adequate. External reviews provide another source of assurance.

## **7. Preferred Solution/Option**

- 7.1 That the Committee agrees in principle to the amended Tor Bay Harbour Audit Plan for 2013~2018 shown in Appendix 1.

## **8. Consultation**

- 8.1 The draft audit plan has been subject to consultation with the Executive Head of Business Services and the business unit's management team.

## **9. Risks**

- 9.1 The report is predominantly for information and therefore there are no risks associated with the recommendations.
- 9.2 The adoption of a clear Harbour Authority Audit Plan will enhance the Council's reputation for transparency and accountability in respect of its delivery of its harbour authority function. It also reflects best practice.
- 9.3 Although the plan has been matched to available resources, if those resources are stretched or unavailable there remains a risk that audit reviews could slip thereby increasing the future risk to the Harbour Authority. Such situations will be managed within the overall audit resources available to the Devon Audit Partnership with audit resources being moved between client Councils to better manage the risk and to address the issue identified. Conversely, the impact of such an event on the other client Councils could necessitate resources being moved away from Torbay but it is hoped that allowing a contingency will help to manage this.
- 9.4 It should be recognised that ultimately it is the responsibility of management to establish systems of internal control to ensure that activities are conducted in a secure, efficient and well-ordered manner. It does not matter how good the systems of internal control are, it is not possible to guarantee that a fraud will not occur, although it is hoped any irregularity would be quickly identified and resolved. However, the work undertaken by Internal Audit should give the business unit, and the Harbour Committee, assurance that with the testing undertaken, no fraud was found and that all systems were operating effectively within the limitations reported at the time. Only by constant appliance of the Council's Standing Orders, Financial Regulations and operating instructions can this risk be fully minimised.

## **Appendices**

Appendix 1            Tor Bay Harbour Authority Audit Plan – 2013 ~ 2018

## **Additional Information**

The following documents/files were used to compile this report:

Report 147/2009    Harbour and Marine Services Internal Audit Report - May 2009

Report 90/2010 Torbay Council's Internal Audit Plan 2010/11

Report June/2014 Tor Bay Harbour Authority Audit Plan – 2013 ~ 2018

**Appendix 1**

**Rolling Audit Plan for Tor Bay Harbour Authority – 2013 ~ 2018**

Audit Entity (Name)	Audit Entity Description (Coverage)	Audit Type	Priority Score (linked to risk assessment)	Last Audited	Next Scheduled Audit
Port Marine Safety Code	Compliance with the Code – audit undertaken by independent “designated Person” (not currently Devon Audit Partnership)	Operational Risk	63.13	November 2014	November 2015 2 – 3 days
Risk Management	Risk Management – Operational & Business; Insurances; Health & Safety; Business Continuity / Contingency Planning.	Operational Risk	60.60	March 2015 (Report pending)	2014/15
Strategic Management	Governance (includes significant partnerships); Harbour Committee Terms of Reference & Roles and Responsibilities; Strategic Management; Long Term Planning; Government Policy Response; Energy Management; Sustainability; Value for Money; Harbour Bye Laws.	Strategic Risk	56.69	May 2009	2015/16
Business Unit Management	Business Unit Management; Procurement and Payments; Financial Planning and budget setting, monitoring and forecasting; Performance Management; Staff Development; Personnel and Establishment; Sickness Absence; Quality Management; Fundamental Financial Accounting and Asset controls; Equality and Diversity.	Operational Risk	44.90	See Note 3	2016/17

Cont.....

Audit Entity (Name)	Audit Entity Description (Coverage)	Audit Type	Priority Score (linked to risk assessment)	Last Audited	Next Scheduled Audit
Income	Harbour Charges; Other Income including Rents and Fish Tolls; Cash Handling; Re-charges; Debt Management.	Material System	46.63 (old score)	Sept – Dec 2011	2017/18
IT System Administration & Security	Harbour Management Software (HMS); IT Audit; IT Security; Security of IT Infrastructure and Disaster Recovery; Information Governance including CCTV.	Material System	45.28 (old score)	September 2012	Not yet agreed
Asset Management	Harbour Estate and Asset Management; Capital Project planning, management and evaluation; Accommodation Planning.	Operational Risk	67.05 (old score)	March 2014	Not yet agreed

Note 1

For all audit entities the associated risks and controls related to the coverage areas examined will be determined including any risk / control issues relating to fraud and corruption.

Note 2

Reactive fraud and corruption investigation will be undertaken in the event of an incident at Tor Bay Harbour Authority or where routine audit activity uncovers a potential irregularity.

Note 3

2017/18 will be the final year of the initial rolling audit plan conceived in 2011. The content and prioritisation of the rolling plan is reconsidered at least annually; however, a new rolling audit plan will be devised in 2017/18 for commencement in 2018/19.

Note 4

Prior to 2008/09, the audit of the harbour business unit was undertaken by harbour location covering the financial controls in that location.



## Tor Bay Accident / Incident List

Date	ID Code		Accident Category	Name
30/05/2015	TOR0633CLO	I	Pollution - Water	Diesel Slick Grenville House Slipway to Marina
27/05/2015	TOR0642CLO	I	Equipment failure (Vessel)	Passenger Vessel Silver Sea Engine Failure
25/05/2015	TOR0638CLO	I	Equipment failure (Vessel)	Windhover Pick Up Gear Parted
23/05/2015	TOR0639INV	I	Pollution - Water	Minor Deisel plume Paignton Harbour
10/05/2015	TOR0629CLO	I	Pollution - Water	Fuel Berth Diesel Spill
05/05/2015	TOR0641INV	I	Fall from height	Contractor Fall From Height
02/05/2015	TOR0628INV	I	Capsizing/Listing	Speedboat Capsizing Loss of Life
30/04/2015	TOR0635CLO	I	Slip, trip, fall same level	Elderly Ladies Fall Near Passenger Pontoon
27/04/2015	TOR0636CLO	I	Pollution - Water	Diesel Slick near Marina
19/04/2015	TOR0640CLO	I	Equipment failure (Vessel)	Mysha Lucy Engine Failure
14/04/2015	TOR0634CLO	I	Slip, trip, fall same level	Dart Venturer Injured Passenger
26/03/2015	TOR0632CLO	I	Equipment failure (Vessel)	Sailing Yacht " Sandell" Mooring Failure
19/03/2015	TOR0631CLO	I	Equipment failure (Vessel)	Rozella
18/03/2015	TOR0625ACT	I	Other nautical safety	MFV Elouise - Unexploded Ordnance
11/03/2015	TOR0623ACT	I	Drowned, asphyxiated or exposed to harmful substance	Body recovered from Torre Abbey Sands
10/03/2015	TOR0637CLO	I	Pollution - Water	Diesel Slick Grenville House to Marina Bridge
23/02/2015	TOR0622ACT	I	Drowned, asphyxiated or exposed to harmful substance	Body recovered from Livermead beach
17/02/2015	TOR0621ACT	I	Drowned, asphyxiated or exposed to harmful substance	Body found Goodrington beach
09/02/2015	TOR0624ACT	I	Capsizing/Listing	Capsize on mooring 'Blue Dolphin'
02/02/2015	TOR0618CLO	I	Flooding/Foundering	Vessel sunk - 'Red Shank'
02/02/2015	TOR0619ACT	I	Flooding/Foundering	Vessel 'Pennywise' sunk on mooring
01/02/2015	TOR0620INV	I	Contact - Fixed object	MFV Lloyd Tyler - old wooden fender caught in prop
10/01/2015	TOR0617ACT	I	Pollution - Water	Diessel bloom
10/01/2015	TOR0627CLO	I	Equipment failure (Port)	Mooring failure
02/01/2015	TOR0615ACT	I	Equipment failure (Vessel)	Vesel 'Mary Gurine' sunk on berth
01/01/2015	TOR0616ACT	I	Flooding/Foundering	MFV 'Bumble Bee' sunk alongside quay wall
28/12/2014	TOR0613ACT	I	Flooding/Foundering	Storage barge (ex MFV) - sunk in MFV basin
28/12/2014	TOR0614ACT	I	Equipment failure (Vessel)	Owners pick-up line failure
19/12/2014	TOR0612ACT	I	Pollution - Water	Diesel bloom
10/12/2014	TOR0655CLO	I	Pollution - Water	Diesel Bloom
02/12/2014	TOR0611ACT	I	Equipment failure (Vessel)	Vessel 'Liberty Lass' listing on berth
01/12/2014	TOR0654CLO	I	Pollution - Water	Diesel Bloom

**Number of Accidents listed = 32**