

**Meeting:** Harbour Committee    **Date:** 28<sup>th</sup> June 2021

**Wards affected:** All

**Report Title:** Tor Bay Harbour Authority Revenue Outturn 2020/21

**Cabinet Member Contact Details:** Not a Cabinet function

**Director/Assistant Director Contact Details:**

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## 1. Purpose of Report

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- 1.1 This report provides Members with the details of the Tor Bay Harbour Authority final expenditure and income figures against budget targets for 2020/21

## 2. Reason for Proposal and its benefits

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- 2.1 The Tor Bay Harbour Authority budget for 2020/21, based on a 2.0% increase in harbour charges, was approved by Council on 24<sup>th</sup> September 2019. Appendix 1 reports the final outturn against this budget and subsequent amendments noted by Committee throughout the year.

## 3. Recommendation(s) / Proposed Decision

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The Committee is asked to note:

- i. the final outturn as reported at Appendix 1 to this report.
- ii. the Harbour Master's use of delegated powers to waive certain harbour charges during 2020/21 which amounts to £12,841.77.

### Appendices

Appendix 1: Harbour Revenue Accounts 2020-21

### Background Documents

None

# Supporting Information

## 1. Introduction

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- 1.1 The Tor Bay Harbour Authority budget for 2020/21, based on a 2.0% increase in harbour charges, was approved by Council on 24<sup>th</sup> September 2019.
- 1.2 Appendix 1 reports the final outturn against this budget and subsequent amendments noted by Committee throughout the year.

## 2. Options under consideration

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- 2.1 Not applicable

## 3. Financial Opportunities and Implications

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- 3.1 The final outturn against the revised budget is summarised below:

	<b>Original Budget 2020/21 £000</b>	<b>Revised Budget 2020/21 £000</b>	<b>Outturn 2020/21 £000</b>
Operational Surplus/(Deficit)	0	(164)	(185)

- 3.2 Following Harbour Committee's approval of the Harbour budget, the Council budget process implemented additional pressures of around £100k on the Harbour account by way of a £50k increase in the General Fund contribution and an uplift in the charge for internal support services. (A reduction in the General Fund contribution, effectively reversing this impact, will apply from 2021/22.)
- 3.3 The Covid-19 pandemic had a significant impact on income levels which were partially offset by a £200k allocation of government support grant.
- 3.4 **Prudential Borrowing**  
The harbour's liability for prudential borrowing at the end of 2020/21 was:

<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	£481,058
Haldon Pier (Torquay Harbour)	£1,200,000	2010/11	£825,855
Brixham Harbour New Fish Quay Development	£4,750,000	2011/12	£3,673,231
Torquay Inner Harbour pontoons (Inner Dock)	£800,000	2014/15	£657,278
Brixham Harbour Jetty	£840,000	2020/21	£829,476
<b>TOTAL</b>			<b>£6,466,898</b>

### 3.5 Debt position

The debt position at the end of 2020/21 was:

	<b>Corporate Debtor System</b>		<b>Harbour Charges</b>	
	< 60 days	> 60 days	< 60 days	> 60 days
Debt outstanding	£26k	£79k	£6k	£42k
Bad Debt Provision	£13k			

### 3.6 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, after funding the 2020/21 revenue deficit and capital spends, the Reserve is largely depleted. There are further calls on the Reserve through ongoing capital schemes and potential revenue deficits in future years.

## 4. Legal Implications

- 4.1 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.

## 5. Engagement and Consultation

- 5.1 Feedback from harbour users and liaison forums  
Feedback from Committee members

## 6. Purchasing or Hiring of Goods and/or Services

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6.1 Not applicable

## 7. Tackling Climate Change

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7.1 Not applicable

## 8. Associated Risks

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8.1 There is a risk that, due to the low level of the harbour reserve, the Harbour will require General Fund assistance in future years.

8.2 If quayside facilities and services do not remain aligned with user need/requirements then there is a risk that incomes will decline.

## Equality Impacts

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Not applicable

## 9. Identify the potential positive and negative impacts on specific groups

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9.1 Not applicable

## 10. Cumulative Council Impact

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10.1 Not applicable

## 11. Cumulative Community Impacts

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11.1 Not applicable