

To: The Chairman and Members of the River
Tees Port Health Authority

Contact: Mrs S A Fenwick
Direct line: (01642) 444413

17 February 2022

Dear Councillor,

RIVER TEES PORT HEALTH AUTHORITY: FRIDAY 4 MARCH 2022

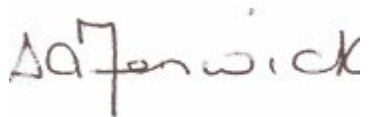
Would you please note that a meeting of the River Tees Port Health Authority will be held on Friday 4 March 2022 at 10.00am in the **Council Chamber, in the Middlesbrough Town Hall.**

A G E N D A

	<u>Pages</u>
1. Apologies for Absence.	
2. Declarations of Interest.	
3. To confirm the Minutes of the meeting held on 3 December 2021	1 - 2
4. Reports of the Corporate Director for Adults and Communities:	
a. Performance Summary for River Tees Port Health Authority November 2021 to January 2022	3 – 7
b. EU Exit Update	8 – 14
c. Review of current Fees and Charges	15 - 18
5. Reports of the Deputy Treasurer:	
a. 2021/22 Financial Position Update and 2022/23 budgets	19 - 25

6. Any items that the Chair certifies as urgent.

Yours sincerely,

A handwritten signature in dark ink that reads "S Fenwick". The signature is written in a cursive style with a large 'S' and a distinct 'F'.

S FENWICK
DEPUTY CLERK TO THE AUTHORITY

3 December 2021

RIVER TEES PORT HEALTH AUTHORITY

A virtual meeting of the River Tees Port Health Authority was held on Friday 3 December 2021 in Middlesbrough Town Hall.

PRESENT Councillor J Walker (Vice Chair)
Councillors Coupe, Dalgarno, Dowson, Foggo, Furness, Hall, Perry and Watson

OFFICIALS D Dobson, L Evans, S Fenwick, E Grunert and S Ziolkowski - Redcar and Cleveland Borough Council.

APOLOGIES FOR ABSENCE were submitted on behalf of Councillors Branson, Cook, Kay, Mrs O'Donnell and Stokell.

12. **MINUTES**

RESOLVED that the minutes of the meeting held on 3 September 2021 be confirmed as a correct record.

13. **PERFORMANCE SUMMARY FOR RIVER TEES PORT HEALTH AUTHORITY – AUGUST TO OCTOBER 2021**

The Corporate Director of Adults and Communities presented a report which gave a summary of the performance of the River Tees Port Health Authority from August to October 2021. - **NOTED**

14. **EU EXIT UPDATE**

The Corporate Director of Adults and Communities presented a report which updated Members on the potential impacts on the Port Health Services from Britain's exit from the EU during 2021.

The report also highlighted changes to the port health services that would be carried out during 2021.

Members were advised that on 18 November 2021, DEFRA had informed all Port Health Authorities that they would be introducing import controls in a phased sequence between July and November 2022.

The Port Health Service had been awarded Transition Funding by DEFRA in November 2020 to prepare for the new controls on EU imports and any residual monies not spent would be carried over into 2021/22.

3 December 2021

Members were advised that from a financial perspective, the service would be able to charge for all consignments of official controls from July 2022, on cost recovery basis and Defra had confirmed that any shortfall incurred from changes to estimated imports would be fully covered financially in 2021/22.

The service has placed an additional funding bid with Defra to cover any additional shortfall from changes to the implementation of Official Controls, and Members were advised that the service had been awarded £200,000.

RESOLVED that the information in the report be noted.

15. **2020/21 FINANCIAL POSITION UPDATE**

The Treasurer presented a report which updated Members on the financial position of the Authority at the end of October 2021 (Period 07) and highlighted any variances against the 2020/21 approved budget.

Members were reminded that the budget was revised and subsequently approved by the Board on the 3 September 2021 and replaced the previous budget, due to the postponement of the BCP and the significant effect on the budget. This budget did not require funding from the riparian Authorities. The Authority should be self-funding once the Border Control Post (BCP) was in full operation with an approved expenditure budget of £720,050.

The Authority's budget for 2021/22 was set based upon the service plan set out by Redcar and Cleveland Borough Council on the assumption that the transition to the BCP would be complete by January 2022.

The budget had increased significantly compared to 2020/21 because of the transition to a BCP however, there has been a further postponement to a full BCP.

The Treasurer also advised that based on the forecasted figures as set out in the report, the Authority would have an underspend of £43,850. This forecast was based on current information but also includes the expected receipt of a grant of £414,250 from DEFRA and the use of £94,000 from reserves. The position would be closely monitored by Officers during the remainder of the financial year.

RESOLVED that the financial position of the Authority at the end of October 2021 (Period 7) and the variances against the 2020/21 budget be approved.



Member Report

Performance Summary for River Tees Port Health Authority November 2021 to January 2022

Public

To: River Tees Port Health Authority **Date:** 04 March 2022

From: Corporate Director for Adults and Communities **Decision type:** For information

Portfolio: Health, Housing and Welfare **Forward Plan reference:** N/A

Priority: All priorities

Ward(s): ALL

1 What is the recommendation?

1.1 For information purposes only.

2 What part of the Corporate Plan does this report deliver and how, and what options have been considered?

2.1 This report provides an overview of the performance from 1 November 2021 to 31 January 2022.

2.2 Shipping movements through the River Tees

Shipping movements are consistent throughout the year with Stockton, and Redcar and Cleveland having the most berths and as such the most visits by ships. The Stockton (North Tees) side of the river mainly deals with petrochemicals, including oil, gas and other chemicals, and Redcar and Cleveland hosts the container and ro-ro (roll on-roll off) berths.

2.3

Authority	Nov 21	Dec 21	Jan 22	Grand Total
Hartlepool	3	5	1	9
Middlesbrough	10	8	20	38
Redcar & Cleveland	113	101	117	331
Stockton	127	117	120	364
Grand Total	253	231	258	742

2.4 Ship Inspections and Issue of Ship Sanitation Certificates

All requests for renewal of a Ship Sanitation Certificate were attended to, under strict COVID procedures. The service has carried out its own risk assessment where

officers wear a face mask throughout their visit, have access to hand gel and gloves, and request crew to open cupboards and doors where possible to reduce contact with common touch points. Social distancing is also observed where possible. Staff also have access to Lateral Flow Testing if the ship requests testing prior to boarding.

Any additional controls required by the ship are also adhered to, such as temperature monitoring of staff upon arrival at the ship.

2.5 Ship Inspections

Authority	Nov 21	Dec 21	Jan 22	Grand Total
Hartlepool				
Exemption	0	0	0	0
Routine	0	0	0	0
Control	0	0	0	0
Middlesbrough				
Exemption	3	1	0	4
Routine	0	0	0	0
Control	0	0	0	0
Redcar & Cleveland				
Exemption	3	1	5	9
Routine	0	0	0	0
Control	0	0	0	0
Stockton				
Exemption	2	3	3	8
Routine	0	0	0	0
Control	0	0	0	0
Total	8	5	8	21

2.6 Water Samples – ship and jetty supplies

All requests for water samples are attended to where there is availability for the laboratory to collect the samples within an appropriate time frame. The laboratory can collect samples Monday to Friday; Tuesday, Wednesday and Thursday are dedicated free pick-up times, and Monday and Friday are ad-hoc collections which incur an additional charge to the ship.

Any unsatisfactory samples are provided with advice and information and a recommendation to resample at their next port of call.

2.7 Ship Water Samples

	Nov 21	Dec 21	Jan 22	Total
SATISFACTORY	11	4	10	25
UNSATISFACTORY	0	0	0	0
Grand Total	11	4	10	25

2.8 Imported Food and Feed

Following the implementation of Philis (Port Health Interactive Live Information System), every manifest is electronically checked for any imported food and feed requiring official controls. Philis automatically detains those products requiring official controls and the importer notified of these holds.

All official controls are carried out within relevant timescales, this varies depending on the type of product and regulation requirements.

Tea, coffee, wine and vodka are the main imported food items from outside the EU, a small amount of feed is also imported. The quantity of plastic kitchenware from China and Hong Kong continues to reduce as importers find alternative products that do not require any official controls.

Used cooking oil continues to be a big importer, it is transported to Greenergy at Stockton, for conversion into biofuel.

- 2.9 The Service continues to concentrate on food and feed that currently requires Official Controls as well as monitoring for additional controls due to be implemented in July 2022.

Importers and agents have been signposted, by the Service, to the government website which hosts all the guidance they require. [Business Guidance](#)

We are also providing advice and information via our website and on request where additional advice is required. Link www.teesporthealth.co.uk

Containers/ trailers described ambiguously, for example, “foodstuff”, are still being detained and a request for commercial documents to ascertain their contents is made. Once received and checked the container/trailer is released and can continue to its destination. Advice is also provided at this stage, to ensure future descriptions are accurate, to prevent further detention of goods.

- 2.10 Additional advice and information is also being provided to importers and agents on the future Official Controls, that will be in place from July 2022, September 2022, and November 2022.

[Import goods into the UK: step by step - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

2.11 IUU (Illegal Unreported Unregulated Checks)

Imports of fish from the EU require catch certificate endorsement and/or a processing statement check. We are working with importers and agents to ensure these are pre-notified at least 24 hours before arrival at Teesport and manifested correctly.

Most Tees imports are containers and trailers with processed fishery product, such as tinned tuna, fish fingers and surimi (mixed fish sticks) on board.

	Nov 21	Dec 21	Jan 22	Total
Fishery products	174	94	100	368

2.12 **Product of Animal Origin (POAO)**

Four consignments of Pet Food from China arrived at the Tees on a diverted vessel at the end of December. Officers are working with Border Force to ensure the goods are transhipped to another port approved for the import of third country POAO.

We continue to advise and educate our importers on the forthcoming controls to be implemented on POAO from the EU from July, September, and November 2022.

2.13 **Organics**

The service has certified a total of 3 consignments (wine) of organic imports between November 2021 and January 2022.

One organic consignment did not submit a declaration and as this could not be done retrospectively (it must be done at the Port of Origin prior to export), the consignment could not be verified or certified as organic. The importer agreed to remove all organic labelling from the product and the consignment was subsequently released for free circulation as non-organic product.

2.14 **Health Entry Documents for High-Risk Food not of Animal Origin (HRFNAO)**

The service has received 2 Common Health Entry Documents for High-Risk Food not of Animal Origin for imports of tea from China. These were satisfactory checks.

2.15 **Infectious disease notifications**

COVID19 has been the only infectious disease notification into Port Health in the last few months. We have had six vessels with positive cases of COVID reported and advice was provided regarding isolation and testing. We have also been contacted by agents for advice around crew with symptoms.

We continue to liaise with the Harbour Masters Office to provide advice and information to crew and their agents around all suspected infectious disease notifications. This includes liaison with regional Health Protection Team (Health Security Agency) where necessary.

2.16 **Vaccination of Seafarers**

Since we have provided assistance with vaccination of seafarers, a total of 303 seafarers have had at least one vaccination with some being able to get their second vaccination too.

2.17 **Policies and Plans**

All policies and plans will be updated at the start of the financial year and will be presented at the next Board Meeting. All current documents are available on the Tees Port Health website at www.teesporthealth.co.uk

2.18 **Other relevant information**

PD Ports continue with infrastructure changes to the existing facility, as well as building the additional Border Control Post capacity. This will enable segregation and storage for additional imports, as well as increased capacity for the Service to

make use of. Due to delays in delivery of materials and isolation of construction staff, the facility is planned to be completed by mid-April 2022.

3 Who has been consulted and engaged?

3.1 Senior Officers of the Riparian Authorities.

4 What are the risks and resource implications?

4.1 There are no risks associated with this report.

5 Appendices and further information

5.1 There are no appendices with this report.

6 Background papers

6.1 No background papers other than published works were used in writing this report.

7 Contact Officer

7.1 Name: Sue Ziolkowski
Position: Principal Environmental Health Officer
Address: Belmont House, Rectory Lane, Guisborough TS14 7FD
Telephone: 01287 612404
Email: susan.ziolkowski@redcar-cleveland.gov.uk

River Tees Port Health Authority

EU Exit Update



Public

To: River Tees Port Health Authority **Date:** 04 March 2022

From: Corporate Director of Adults and Communities **Decision:** Committee

Portfolio: River Tees Port Health Authority

Outcome: Public Health

1 What is the purpose of this report?

- 1.1 To update members on the potential impacts on the Port Health Service following Britain's exit from the European Union. Board members last received an update report on 3rd December 2021.

2 What is the background to this report?

- 2.1 The UK officially left the EU on 31st December 2020 and the UK has since implemented its own border controls using a phased approach.

2.2 History of Implementation

From 1st January 2021

Additional checks have been carried out on processed fishery products which include submission of a processing statement and associated catch certificates.

From 1st October 2021

The implementation of Official Controls from 1 October 2021 were put back following a government announcement on 14th September 2021 specifying a new timetable for introducing full import controls for goods being imported into the UK from the EU. The requirements due to be introduced from 1 October 2021, and 1 January 2022 were put back to 1 July 2022.

- 2.3 On 18th November 2021, Defra informed all Port Health Authorities (See Appendix A) that they will be introducing import controls in a phased sequence between 1st July 2022 and 1st November 2022.

2.4 From 1st January 2022

All importers are required pre-notify all Products of Animal Origin (POAO) on IPAFFS (Import of Products, Animals, Food and Feed System) from 1st January 2022. This pre-notification does not require any action by the Port Health Authority.

Defra is providing reports of all Tees notifications for the Authority to collate and scrutinise to enable us to plan adequately for the implementation of official controls.

- 2.5 **From 1st July 2022**, certification and physical and identity checks will be introduced

for:

- all remaining regulated animal by-products
- all meat and meat products
- all remaining high-risk food not of animal origin.

From 1st September 2022, certification and physical checks will be introduced for all dairy products.

From 1st November 2022, certification and physical checks will be introduced for all remaining regulated products of animal origin, including composite products and fish products.

- 2.6 Due to the amount of POAO predicted to enter the Tees from the EU, and the potential for increase in trade directed from other ports such as Dover, the Port Operator (PD Ports) has applied to APHA (Animal and Plant Health Agency) for approval to receive imports of POAO as soon as the facility is fully operational. The building is currently under construction with a completion date of mid-April 2022.

The service is working closely with Defra, APHA and the Port Operator to ensure it complies with APHA's audit requirements for POAO. This development is additional to the existing facility for High-Risk Food Not of Animal Origin, handed over in late 2020.

- 2.7 The Port Health Service has a duty to provide a service to the Port to ensure all food and feed entering the Tees is safe for consumption, and if the Port applies to change its status, the Port Health Service must provide official controls, to ensure food and feed is safe for import.
- 2.8 The service was awarded additional funding from Defra in November 2021 £200,228 (Appendix A). This funding is to retain staff already recruited for the implementation of Official Controls, and to recruit additional staff up to 31/03/2022, as well as non-staffing resources, such as IT equipment and access to IT systems. The funding did not cover staff already in post to deliver baseline Port Health functions i.e. 2.4 FTE.
- 2.9 The Port Health Service is keeping up to date with all stakeholders during this transition and implementation period on the potential impacts, and likely changes that may occur. The Service has been assigned a DEFRA Readiness Officer to assist during the transition period.

3 Who will this benefit and how?

- 3.1 By keeping up to date with current implementation timetables we will ensure that the Authority is kept fully up to date and prepared for the future development of the Port Health Service.

4 Who have we consulted?

- 4.1 Senior Officers of the Riparian Authorities.

5 How will it deliver our priorities and improve our performance?

- 5.1 By keeping up to date with implementation timetables and planned changes we will be fully prepared for any eventuality.

6 What are the resource implications (financial, human resources)?

- 6.1 Failure to monitor and plan effectively may result in a financial impact to the Port Health Authority, and subsequently may impact the Riparian Authorities if additional contributions are required.

7 What will be the impact on equality and diversity?

- 7.1 There are no equality and diversity issues as part of this report.

8 What will be the impact on our carbon footprint?

- 8.1 There is no direct impact on the carbon footprint as a result of this report.

9 Are there any legal considerations?

- 9.1 There are no legal considerations at this time.

10 What are the risks involved?

- 10.1 Failure to plan, implement and provide additional resources means the Port will not be approved for imports of Product of Animal Origin (POAO). Failure to gain status means a substantial amount of cargo will be diverted to other ports. This will not only put additional pressure on other ports but may have a negative impact on Teesport for trade and subsequently employment of port and service staff.

11 What options have been considered?

- 11.1 The report is for information purposes.

12 Recommendations

- 12.1 For information only.

13 Appendices and further information

- 13.1 Appendix A – Port Health Transition Fund Determination Letter

14 Background papers

- 14.1 Border Operating Model <https://www.gov.uk/government/publications/the-border-operating-model>

15 Contact officer

Name: Sue Ziolkowski

Address: River Tees Port Health Authority, Belmont House, Rectory Lane,
Guisborough, TS14 7FD

Telephone: (01287) 612404

Email: susan.ziolkowski@redcar-cleveland.gov.uk



Department
for Environment
Food & Rural Affairs

Seacole Building,
2 Marsham St
London
SW1P 4DF

T: 03459 335577
bbtp-pha-readiness@defra.gov.uk
www.gov.uk/defra

Mr J Sampson
Managing Director
Redcar and Cleveland Borough Council
Belmont House
Rectory Lane
Guisborough
TS14 7FD

Date: 25th November 2021

Dear Mr Sampson,

PORT HEALTH TRANSITION FUND GRANT DETERMINATION (2021): No 31/5827

I am writing to inform you that Defra intends to issue grant funding to your local authority under a Section 31 non-ring-fenced transfer process (Local Government Act 2003) to support with the delivery of new port health authority functions. The Grant Determination document is attached to the end of this letter and contains information on the purpose of the grant and the list of allocations. In line with the Section 31 process, we will publish the Grant Determination on gov.uk once the payments have been made.

The total funding for this grant is £17,528,588.00 in the financial year 2021-22. This will be paid to local authorities in the form of a single non-ring-fenced grant on 1 December 2021 to cover costs arising within this financial year. Any funding requirements for financial year 2022-2023 will be taken forward as part of a separate process involving each local authority. The funding allocations reflect the declared requirements of the local authorities via a formal bidding process.

Confirmation of receipt

My team have been working closely with the local authorities on this funding process and we are aware of the urgent need for this funding to support their preparations. To make the payments on 1 December, we need confirmation that your local authority is content to receive the funding allocation set out in Annex A to the Grant Determination attached below. Could you please send an email to bbtp-pha-readiness@defra.gov.uk confirming you are content to receive this funding **by Friday 26 November**.

Arrangements for keeping in touch

Formal reporting to the Department for Environment, Food and Rural Affairs on progress is not a condition of this Grant. However, the department is asking local authorities to continue to consider providing voluntary reports at each transition stage, confirming activity that has taken place or been funded, and to continue engaging with Defra on their readiness through established communication means.

Enquiries

For all enquiries, please contact: bbtp-pha-readiness@defra.gov.uk or your relevant port health engagement manager.

Yours sincerely,



Joanne Bradshaw
Director
Biosecurity, Borders & Trade Programme

Telephone: 07525 011969
Email: joanne.bradshaw@defra.gov.uk

REVENUE grant determination (non-ringfenced) PORT HEALTH TRANSITION FUND GRANT DETERMINATION (2021): No 31/5827

The Minister of State for Rural Affairs, Access to Nature and Biosecurity (“the Minister of State”), in exercise of the powers conferred by section 31 of the Local Government Act 2003, makes the following determination:

Citation

1) This determination may be cited as the Port Health Transition Fund Determination (2021) [No31/5827].

Purpose of the grant

2) The purpose of the grant is to provide local authorities in England with the funding they require to deliver new sanitary checks on imports of animal products from territories subject to special transitional import arrangements (EEA states, the Faroe Islands, Greenland, Switzerland) that will now be introduced from July 2022. The funding covers three types of costs that will be incurred by local authorities in the 2021-22 financial year:

- Salary costs of recruited staff, to enable authorities to retain them in post
- Recruitment and salary costs for new staff where required and agreed
- Certain non-staff costs relating to accommodation, equipment, systems etc.

Determination

3) The Minister of State determines as the authorities to which grant is to be paid and the amount of grant to be paid, the authorities and the amounts set out in Annex A.

Treasury consent

4) Before making this determination in relation to local authorities in England, the Minister of State obtained the consent of the Treasury.

Signed by authority of the Minister of State for Rural Affairs, Access to Nature and Biosecurity.



Joanne Bradshaw
Director
Biosecurity, Borders & Trade Programme
1 December 2021

ANNEX A

England Total 21/22 £			17,528,588.00
Ecode	Class	Local Authority	2021/22 £
E2231	SD	Ashford Borough Council	2,131,184.00
E1204	UA	Bournemouth, Christchurch and Poole Council	123,515.00
E0102	UA	Bristol Council	293,516.00
E5010	LB	City of London	1,696,000.00
E2234	SD	Dover District Council	7,692,480.00
E3538	SD	East Suffolk District Council	1,639,934.00
E5041	LB	Hillingdon London Borough	786,313.00
E2002	UA	Kingston Upon Hull City Council	9,126.00
E2337	SD	Lancaster City Council	126,189.00
E1435	SD	Lewes District Council	292,792.00
E4302	MD	Liverpool City Council	416,156.00
E4203	MD	Manchester City Council	23,350.00
E2003	UA	North East Lincolnshire Council	637,669.00
E4503	MD	North Tyneside Metropolitan Borough Council	85,572.00
E2437	SD	North West Leicestershire District Council	53,120.00
E1101	UA	Plymouth City Council	175,385.00
E1701	UA	Portsmouth City Council	1,040,369.00
E0703	UA	Redcar and Cleveland Borough Council	200,228.00
E1544	SD	Uttlesford District Council	105,690.00



River Tees Port Health Authority

Review of Current Fees and Charges

Public

To: River Tees Port Health Authority (RTPHA) **Date:** 4 March 2022
From: Corporate Director of Adult Care and Health **Decision:** Committee

Portfolio: River Tees Port Health Authority

Outcome: Business Compliance

1 What is the purpose of this report?

1.1 To present to RTPHA Board members the proposed amendments to the fees and charges for 2022/23

2 What is the background to this report?

2.1 The fees and charges must be reviewed annually to reflect the actual cost of the service to our customers. The last time the fees were reviewed was for 2021/22. The current review has considered the time taken for carrying out chargeable activities, any increase as a consequence of the national annual pay award, increases to on-costs, and changes to third party charges for analyst fees, transport costs etc.

2.2 Members are asked to approve the fees and charges for 2022/23

2.3 All staff hourly rates have been increased by 2.75% to reflect the predicted national annual pay award.

2.4 The fees and charges for 2022/23 have been calculated using the hourly rate of each officer involved in the process. This year we are fortunate to have administrative support to carry out a lot of our paperwork duties prior to and following official checks. This has meant that some fees and charges have been reduced for 2022/23

2.5 New fees and charges have been implemented for 2022/23. These are fees for non-compliance against official controls. Following non-compliance, additional time and paperwork is required to ensure these foodstuffs do not enter the country and are either destroyed, or re-dispatched depending on the reason for refusal.

2.6

2.7 Under the legislation, authorities must have access to enough revenue to carry out the necessary checks. It is, however recognised that this may not be possible on an in-year basis. It is acceptable that authorities structure their charging regime based on estimates and adjust on an annual basis to ensure the fees reflect full cost recovery over the longer term.

2.8 It should be noted that not all service requirements are chargeable, the following is a list of services that we provide that are not cost recoverable.

- Responding to service requests.
- Investigating infectious diseases, including providing advice for Covid positive cases on vessels.
- Food hygiene and standards inspections to the businesses at the Port.
- Invasive species monitoring (Health Security Agency) - ongoing continual project.
- Arranging Covid vaccinations for seafarers.
- Attending relevant meetings and liaising with riparian officers and other stakeholders.

3 Who will this benefit and how?

3.1 This review and amendments will ensure our customers are getting a value for money service and that our costs are based on time taken to carry out official controls with on costs and associated analyst fees, where applicable.

4 Who have we consulted?

4.1 This report has been prepared in consultation with relevant stakeholders and officers at the Riparian Authorities.

5 How will it deliver our priorities and improve our performance?

5.1 The review will ensure we provide a value for money service to our customers.

6 What are the resource implications (financial, human resources)?

6.1 There are no resource implications following this review.

7 What will be the impact on equality and diversity?

7.1 There are no equality and diversity issues as part of this report.

8 What will be the impact on our carbon footprint?

8.1 There is no direct impact on the carbon footprint as a result of this report.

8.2

9 Are there any legal considerations?

9.1 We have a duty to review our fees and charges to provide a quality service to our customers that provides value for money.

10 What are the risks involved?

10.1 There are no risks involved in this review.

11 What options have been considered?

11.1 The only other option available was to leave our fees and charges at the current rate. With the national annual pay award and increases in analyst fees, it would not make good financial management to leave the fees and charges at the current rate.

12 Recommendations

12.1 It is recommended that Members agree the changes to the current fees and charges.

13 Appendices and further information

13.1 Appendix A - Current and Proposed charges for 2022/23

14 Background papers

14.1 There are no background papers.

15 Contact officer

Name: Sue Ziolkowski

Address: River Tees Port Health Authority, Belmont House, Rectory Lane,
Guisborough, TS14 7FD

Telephone: (01287) 612404

Email: susan.ziolkowski@redcar-cleveland.gov.uk

Appendix A - Current and proposed fees and charges

Description	Current 2021/22	Proposed 2022/23
Bacteriological - 1st sample	£71.96	£75.96
Bacteriological - additional samples	£35.50	£35.77
Legionella - 1st sample	£100.92	£106.09
Legionella - additional sample	£64.46	£65.90
High risk Food Not of Animal Origin		
Documentary Check	£60.78	£39.30
Sampling check	£133.71	£119.04
Non- compliance fee		£137.79
Plastic Kitchenware		
Documentary Check (5 lab reports)	£48.62	£39.30
Additional 5 lab reports	£12.16	£11.48
Sampling check	£133.71	£119.04
Non- compliance fee		£137.79
Product of Animal Origin		
Up to 6 tonnes	£50.00	£52.49
>6 to <46 tonnes	£8.00 per tonne	£8.75
>46 tonnes	£370.00	£402.39
Sampling		£110.11
Non- compliance fee		£150.23
IUU Catch Certificates		
Documentary check - low risk		
1-5 certificates	£24.31	£27.13
6-10 certificates	£48.62	£54.26
11-20 certificates	£72.93	£81.39
21 + certificates	£97.24	£108.51
Documentary check - high risk		
1-5 certificates	£48.62	£54.26
6-10 certificates	£72.93	£81.39
11-20 certificates	£97.24	£108.51
21 + certificates	£121.55	£135.64
Non- compliance fee		£137.79
Sanitation Certificates (set by APHA)	£100.00	£110.00
	£135.00	£150.00
	£205.00	£220.00
	£265.00	£285.00
	£340.00	£365.00
	£400.00	£425.00
Organic Certification	£45.00	£45.00
Non- compliance fee		£137.79



River Tees Port Health Authority

2021/22 Financial Position Update and 2022/23 budgets

To: River Tees Port Health Authority **Date:** 4 March 2022

From: Rob Davisworth - Treasurer **Decision:** Committee

Portfolio: Health & Social Well Being

Outcome: Business Improvement

1 What is the purpose of this report?

- 1.1 To update Members and the four Teesside councils (known as the Riparian authorities) on the expected financial position of RTPHA (the Authority) at the end of the financial year at March 2022, to highlight any variances against the 2021/22 approved budget and request each Riparian Authority make a financial contribution to address the forecast financial shortfall which is now forecast to emerge for 2021/22 as per the legislative shares for these requirements.
- 1.2 To provide advanced notice to Riparian Authorities of the need to set a further levy for 2022/23 based on the current uncertainty over the timing of changes to the operational role of the RTPHA and implementation of official controls, the fees and charges levied to importers of products of animal origin and the uncertain level of the financial support to be provided by DEFRA in 2022/23 for these transitional changes.

2 What is the background to this report?

- 2.1 At its meeting on 5 March 2021 the Authority approved a balanced budget position for 2021/22, with no request for funding from the Riparian Authorities. In previous years the net budget of the RTPHA had been part funded by contributions from the Riparian authorities, and their respective shares are set based on a legislative breakdown linked to the land areas occupied by each Borough along the river Tees. The decision not to raise a levy from the Riparian Authorities was based on the assumption that official controls would be implemented and the Authority would commence its role acting as a Border Control Post (BCP) from April 2021, whereby the Authority would be responsible for undertaking more detailed inspections of products of animal origin, for which additional fees and charges could be passed on to food exporters bringing products through Teesport. During 2020/21 DEFRA had provided the authority with funding of £179,000 to prepare for the transition to BCP status. Furthermore, in November 2020, DEFRA had written to the Authority to reassure the Authority that any financial loss incurred by the Authority as a result of the conversion to this status would be met in full by DEFRA.
- 2.2 The original gross expenditure budget of the Authority in 2021/22, approved on 5 March 2021 was increased significantly compared to 2020/21 because of the significant additional costs of operating a Border Control Post (BCP). It is envisaged that once the Authority becomes a BCP, that the bulk of these costs can be recovered through the enhanced fees payable by importers of products of animal origin into the port from both third countries, and from the EU. However, until the official controls commence and it is approved as a BCP there will be uncertainties around income estimates that will need to be closely monitored from the point of implementation.

- 2.3 In 2020/21, DEFRA awarded the Authority grant of £179,000 to prepare for the implementation of the BCP status. At the end of the 2020/21 financial year, the Authority had invested £85,000 in preparedness for BCP status, in particular through the upfront investment in software and licenses for staff to undertake their expected duties as part of the BCP status. The £94,000 balance of this funding was carried into the Authority's reserves at the end of 2020/21 and will be used in 2021/22 to support the balancing of the 21/22 budget.
- 2.4 A revised budget was subsequently approved by the Board on 3 September 2021 which updated the original budget approved on 5 March 2021, due to the postponement of official controls and implementation of the Border Control Post, and the significant effect on the budget (in terms of reduced fee and charge income due to the postponement of these changes). The Authority's revised budget for 2021/22 was re-set based upon on the assumption that the transition to the BCP would be completed by January 2022. This revised budget did not at that stage require funding from the Riparian Authorities, because it was expected at this time that the Authority should be self-funding once the BCP Status is in full operation with an approved expenditure budget of £720,050. However, this status has been continually delayed throughout 2021/22 and is not now expected to be commenced until July 2022 at the earliest, and even then, the full status and ability to charge for various types of checks will be staggered through to November 2022.
- 2.5 **Appendix 1** provides a detailed comparison of the approved operating budget for the Authority, which is analysed by individual type of spending against the actual to date expenditure and income.
- 2.6 It was understood, on presentation of revised budget in September to the Board, that an overall shortfall of £414,250 would be funded by additional grant from DEFRA. This understanding was based on a letter received from DEFRA in November 2020 that any financial losses caused by the transition to BCP status would be covered by DEFRA. This letter was written at a point in time when it was anticipated the BCP status would be implemented between April and July 2021. As part of this letter DEFRA recognised the financial costs of preparing for BCP status, ensuring adequate staffing, veterinary and systems resource would need to be in place in advance of the BCP status being commenced.
- 2.7 The 2021/22 original and revised budgets have therefore been prepared on the assumption that BCP status would be enacted during 2021/22 financial year, and any financial loss incurred by the Authority would be met in full by DEFRA. DEFRA contacted the Authority in November 2021 and stated that the next round of transitional grant funding would in fact be £200,000, the basis for which the funding would be awarded for the additional costs incurred by the Authority during 2021/22 for maintaining additional staff in preparation for the implementation of official controls, and any additional equipment purchased for these additional staff. However, this funding stopped short of compensating the Authority for lost income against the original and revised budget, which was expected to commence at some point during 2021/22. This has resulted in a shortfall of £214,000 in DEFRA grant funding. The shortfall has therefore arisen as a result of DEFRA restricting the funding it is prepared to fund to additional costs for staff already recruited for the implementation of Official Controls that were planned to be in place for Border Control Post.

2.8 Given continued delays in the creation of the BCP status, all associated costs with the Authority's operations have been reviewed in detail to see where cost reductions can be made in 2021/22, without compromising the readiness of the Authority to operationally discharge its responsibilities at the point the BCP status goes live. The revised 2021/22 projection indicates a revised financial shortfall which will need to be met from contributions from the Riparian Authorities of £116,000, which will be payable before 31 March 2022.

Compared to the revised budget set out in September, this is primarily driven by;

-£214k Reduced DEFRA grant income to be received
 -£225k Reduced product of animal origin income (due to BCP delay)

Partly offset by;

-£144k Reduced professional fees for veterinary costs
 -£125k Reduced salary costs due to delays in recruitment
 -£18k Reduced computer software cost (licences not needed/delayed)
 -£35k Reduced other costs prior to go-live of the BCP status

2.9 A summary of the current revised projected financial position is set out in the table below:

	Revised Budget 2021/22	Revised Forecast at 31/12/2021	Variance Budget to Outturn
Expenditure			
Employee Costs	355,350	230,300	(125,050)
Other operating Costs	364,700	170,350	(194,350)
Total Costs	720,050	400,650	(319,400)
Income including grants	(414,250)	(200,250)	214,000
Income from other sources	(305,800)	(83,800)	222,000
Net Expenditure	0	116,600	(116,600)

2.10 **Variance Analysis:**

The major variances between the projected outturn position for 2021/22 and the revised budget approved in September 2021 all relate to the Governments postponement of the implementation of official controls and lower than anticipated funding of financial losses from DEFRA.

Employee Costs - Salary related budgets are projected to underspend by £125,050 due to the postponement of the start dates for the additional technical staff required for the BCP.

Other Operating Costs— There is a projected underspend on non-pay costs of £226,040 and this is mainly due to the reduction in the required number of vets as a direct result of the postponement of official controls, but also relates to a reduction in the value of the service level agreement.

Income – The Authority is forecasting an under achievement of income of £436,000 relating to reduced income in relation to consignments of Products of Animal Origin (POAO) because of the delay of official controls. Members should be aware of the possible fluctuations that may occur. The nature of most of the Authority’s income is demand led and therefore income levels continue to be closely monitored. The forecast is not expected to change materially between now and the end of the financial year. The forecast also includes an additional DEFRA grant. This has been reduced from £414,250 to £200,250 during the period, with DEFRA only funding costs associated with additional staff and resources, not those associated with continuing operations. It was previously thought that DEFRA have assured officers that this shortfall will be funded by grant in 2021/22.

2.11 Income is critical to ensuring a balanced outturn position for the service and so the income position is closely monitored to ensure that any issues can be identified as soon as possible.

2.12 **Overall Financial Position 2021/22** – Based on the projected outturn figures set out above, the Authority will require a contribution from the Riparian Authorities for 2021/22 of £116,600 and is marginally less than the value of the contribution required from Riparian Authorities in 2020/21. This allocation is split across the following statutory basis:

Local Authority	Percentage share %	21/22 Contribution £	Compared to 20/21 Contribution £
Redcar and Cleveland Borough Council	52%	60,632	64,661
Stockton Borough Council	31%	36,146	38,549
Middlesbrough Borough Council	15%	17,490	18,653
Hartlepool Borough Council	2%	2,332	2,487
Total	100%	116,600	124,350

2.13 2022/23 Budget

Members of the Authority will receive a separate more detailed budget report outlining the financial estimates and uncertainties for 2022/23, which they will be asked to approve on Friday 4 March 2022. At this stage there remains uncertainty about:

- The timing of the implementation of official controls (and indeed whether this start date will be further delayed from 1 July 2022);
- The need to ensure adequate staffing and veterinary resource is available in advance of the implementation of the BCP Checker status;
- Further clarity is required from DEFRA on the level of funding available to fund additional upfront costs in readiness for the implementation of official controls between April and July 2022. DEFRA have already asked for indicative estimates for these costs, however the Authority remains uncertain about the level of grant funding which will be made available.

- 2.14 It is therefore necessary to give the Riparian Authorities advanced notice that a further levy contribution will be required by the Authority for 2022/23 which at this stage is proposed to be set at the same level as the 2021/22 levy notified in this paper. A more comprehensive budget analysis for 2022/23 will be provided on 4 March 2022. The Authority will continue to seek to ensure that from 2023/24 the Authority's budgets can be entirely self-financing, however this is largely dependent on the timing of the implementation of the official controls, the demand for these checks from importers of products into Teesport and the transitional funding to be received from DEFRA from 2022/23.

3 Who will this benefit and how?

- 3.1 Timely, accurate and up to date financial information is a key characteristic of good corporate governance. Members need to have these details and be aware of any issues against the agreed budget when making decisions on service delivery, staffing, training, and other regulatory matters.
- 3.2 A well-managed and responsive service which uses its financial assets properly will create and maintain a better relationship with external stakeholders.

4 Who have we consulted?

- 4.1 The revised budget was set in consultation with Members, the Treasurer and Clerk for the Authority and the Environmental Health (Commercial) team at Redcar and Cleveland Borough Council.
- 4.2 The financial position and any issues in year have been discussed between principal environmental health officers of the riparian authorities and finance staff as required. Any critical issues or pressing budget matters would be discussed and consulted with the Chair and Vice Chair as appropriate.

5 How will it deliver our priorities and improve our performance?

- 5.1 The approved budget ensures that RTPHA can discharge its functions on behalf of the riparian authorities.
- 5.2 Finance is an integral element in delivering quality services and improving performance.

6 What are the resource implications (financial, human resources)?

- 6.1 The resource implications are outlined in the main body of the report.

7 What will be the impact on equality and diversity?

- 7.1 There are no equality and diversity issues as part of this report.

8 What will be the impact on our carbon footprint?

- 8.1 There is no direct impact on the carbon footprint because of this report.

9 Are there any legal considerations?

- 9.1 There are no specific legal issues to consider because of this report.

10 What are the risks involved?

- 10.1 The information in the report acts as a management control to ensure that the financial activities of the Authority are being managed properly and resources used effectively. Without setting a budget and providing monitoring information the Authority would not be able to ensure that value for money is secured in pursuit of its objectives. Decisions made may be poorly informed or the wrong decision made without accurate and up to date information.

11 What options have been considered?

- 11.1 The report is predominantly for information purposes although there are always options as to whether to use reserves for another specific purpose.

12 Recommendations

- 12.1 It is recommended that members note the financial position of the Authority as set out in this report and at Appendix 1, and approve the requested contributions from Riparian Authorities as per the statutory contributory split outlined in the report. Note the impact on the 2022/23 budgets and a further indicative request for contributions subject to a more detailed budget report being presented to the Authority Board.

13 Appendices and further information

- 13.1 Appendix 1 – Updated Budget detail and Projected Outturn position for 2021/22.

14 Background papers

- 14.1 None

15 Contact officer

Name: Rob Davisworth, Treasurer to RTPHA
Address: Financial Services, Redcar & Cleveland Borough Council
Kirkleatham Street, Redcar, TS10 1RT
Telephone: 07585 307384
Email: robert.davisworth@redcar-cleveland.gov.uk

Appendix 1

					APPENDIX 1
RIVER TEES PORT HEALTH AUTHORITY					
BUDGET MONITORING POSITION 2021/22					
POSITION AT END OF DECEMBER 2021					
		Original Budget 2021/22	Revised Budget 2021/22	Projected Outturn 2021/22 04/01/2022	Variance
R1000	Basic Pay	220,450	290,800	183,600	-107,200
R1001	NI Contributions	20,450	27,350	16,900	-10,450
R1003	Overtime	2,500	3,250	7,000	3,750
R1006	Superann Contributions	22,500	29,650	19,300	-10,350
R1063	Other Allowances	2,600	2,700	2,700	0
R3400	Car Allowances	4,800	1,600	800	-800
		273,300	355,350	230,300	-125,050
R1650	Training Expenses	3,000	1,000	500	-500
R2004	R & M of Building		0	0	0
R4000	Tools & Equipment Purchase	10,000	10,000	1,000	-9,000
R4200	Clothing, Uniforms & Laundry	1,200	1,500	200	-1,300
R4300	Printing & Stationery	100	100	100	0
R4305	Photocopier Usage	50	50	50	0
R4400	Services - Professional Fees	558,800	375,300	230,950	-144,350
R4507	Mobile Phones	1,400	700	700	0
R4531	Computer Software	34,500	43,200	25,400	-17,800
R4810	Internal Recharges - Supplies & Services		0	0	0
R4610	Subsistence		0	0	0
R4701	Subscriptions	1,700	1,700	1,700	0
R4960	Public Liability Insurance	3,000	3,750	3,750	0
R4964	Contribution to Bad Debt	57,250	21,400	0	-21,400
R4995	Transfer to / (from) Reserves	9,500	-94,000	-94,000	0
		680,500	364,700	170,350	-194,350
	Other Income				
R9101	Other Grants & Contributions - Other Local Authorities		0	0	0
R9000	Port Health Transition Fund		-414,250	-200,250	214,000
R9000	Foods Standards Agency		0	-3,000	-3,000
			-414,250	-203,250	211,000
R9305	Fees - Environmental Health & Pest control				
B0607	Product of Animal Origin	-902,000	-225,000	0	225,000
B0608	Catch Certification	-21,000	-50,000	-50,000	0
B0376	Sanitation Certificates	-21,000	-21,000	-18,600	2,400
B0377	High Risk Products Imports	-300	-300	-1,500	-1,200
B0378	Organic Certificates	-2,000	-2,000	-500	1,500
B0379	RTPHA Permits (annual fee)	-2,300	-2,300	-3,000	-700
B0380	Plastic Declaration	-200	-200	-200	0
B0381	Water Sampling	-5,000	-5,000	-7,000	-2,000
		-953,800	-305,800	-80,800	225,000
	Total Payable	0	0	116,600	116,600



Member Report

Budget 2022/23 and Medium-Term Financial Plan

Public

To:	River Tees Port Health Authority	Date:	4 March 2022
From:	Deputy Treasurer	Decision type:	Key - Budget
Portfolio:	Health, Housing and Welfare	Forward Plan reference:	N/A
Priority:	All priorities		
Ward(s):	All		

1 What are the recommendations?

1.1 It is recommended that Board Members:

- 1) Approve the 2022/23 budget and the associated funding requirements based upon the information in the Appendices.
- 2) Discuss the financial assumptions used to prepare the 2023/24 Budget and any adjustments that may be required.

2 Background

- 2.1 The functions of the Authority discharge each of the Tees Valley Council's obligations around Port Health duties and finance is an integral element in delivering quality services and improving performance.
- 2.2 Timely, accurate and up to date financial planning information is a key characteristic of good corporate governance. Members need to have these details and be aware of any issues against the agreed budget and medium-term financial plan when making decisions on service delivery, staffing, training and other regulatory matters.
- 2.3 A well-managed and responsive service which uses its financial assets properly will create and maintain a better relationship with external stakeholders.
- 2.4 The report is instrumental in terms of setting the strategic financial direction for the Authority going forwards. This is a statutory duty for Members to plan to manage their financial affairs, so no options are available.
- 2.5 At its meeting on 5 March 2021, the Authority approved the initial 2021/22 budget and MTFP. At this meeting it was assumed that the implementation of Border Control Post (BCP) checks would be implemented from 1 April 2021, which would trigger a significant expansion in the checking requirements of checking products of animal origin arriving through Teesport, which would increase the resources to facilitate these checks and the scope to levy fees & charges on importers of these products. However, following the Government's announcement that the BCP would be further delayed to January 2022, a revised budget was produced for Members to

approve in September 2021, for the 2021/22 financial year. Subsequent to this, further delays to BCP opening have been announced and are currently expected to commence in July 2022 at the earliest, with full status and ability to charge for various types of checks staggered through to November 2022. Furthermore, the expected compensatory funding from DEFRA has been sufficient to cover additional costs associated with preparing for the introduction of BCP checks, but has not adequately covered for the anticipated fee and charge income budgeted to be generated from 2021/22. On that basis, Finance and Operational Officers in Teesside councils were formally notified on 13 January 2022 that the Authority would need to belatedly request contributory funding from the Teesside Authorities for 2021/22, subject to agreement from the Authority Board on 4 March 2022.

- 2.6 The Treasurer is recommending that the budget for the River Tees Port Health Authority for 2022/23 is set based on the increased level of service required as appropriate to a Border Control Post (BCP). The Authority is required to meet the statutory deadline of setting a balanced budget by 11th March for the next financial year, as set out under the Local Government Act 2003.
- 2.7 The budget for approval also needs to be considered in the context of the 2021/22 financial position.

3 What is the purpose of this report?

- 3.1 To recommend a budget for approval by the Authority for the 2022/23 financial year, which confirms the funding levels required from each of the four contributing local authorities.
- 3.2 To consider this budget in the context of a Medium-Term Financial Plan (MTFP) for the Authority covering the period 2022/23 to 2023/24. This will assist the Authority with its own planning processes and will seek to ensure that there is some clarity about the resources needed from individual local authorities over the medium term.

4 What is the background to this report?

4.1 Budget for 2022/23

- 4.2 As the Board is aware, as in 2021/22 the financial landscape facing local authorities at present continues to be extremely challenging and thus change programmes and significant cost cutting measures have been introduced in recent years to ensure the financial sustainability of these organisations over the medium to long term. As part of the implementation of the BCP, the Authority is having to increase its operational resources in readiness for an expansion in the level of checking activity, however there is uncertainty around the precise timescales of when these checks will be fully introduced. The development of the 2022/23 budget for the Port Health Authority is therefore set in this context and is constrained by affordability issues for the contributing authorities.
- 4.3 Since Redcar and Cleveland Borough Council has taken the lead role on the Port Health function, efficiencies have been achieved by co-locating this team with the Council's environmental health (Commercial) team.
- 4.4 The 2022/23 budget is prepared based on the following key assumptions;
- BCP operations, and product of animal origin income, commence based on the latest expectation set by the government (phased between July and November 2022)
 - DEFRA grants are received to cover agreed costs to the value of £100k

- Staff are recruited, and trained, based on current expected opening of BCP's.

4.5 As the port is transitioning to a BCP following the UK exit from the EU, there are significant changes in next year's budget and 2023/24. The budget has been calculated using the most up to date information available to officers at this time and are based on an in-depth analysis into the types and quantities of imported food and feed Products Of Animal Origin (POAO) into the port from both third countries, and from the EU, in one month. This analysis of data has been used during discussions with DEFRA. Members should note, as in 2021/22, there are some uncertainties around income estimates that will need to be closely monitored and potentially budgets revised as we progress through 2022/23.

4.6 Salary related budgets have increased by £226k due to the planned recruitment of additional staff over the period to reflect the increased workload in relation to the BCP transition. In addition, a 2.75% pay award has been assumed as the local government pay award has not been finalised at the time of writing this report. The additional posts will be funded from estimated operational income.

If the implementation of the BCP checks are delayed, management will manage staffing, and costs, wherever possible to cap the proposed contribution required by Riparian authorities and seek to maximise recovery of costs from DEFRA where permitted under DEFRA's scheme of arrangement for compensating the Authority for additional costs. Additional funding from DEFRA has not yet been fully confirmed but will be bid for through the process DEFRA has established.

4.7 All non-pay budgets for 2022/23 have also been fully reviewed and the total non-pay budget has increased by £417k to £587k with much of this being allocated to the requirement for an enhanced level of veterinary services to manage the increased checking requirements. At this stage, the Council has not secured employment of the required number of vets and instead will be using contractors to provide this service, recruiting two months prior to BCP opening. It may be that this is revised in future years whereby the Council employs the veterinary personnel direct, but this will need to be investigated further to find the most efficient and effective option. The Service Level Agreement from Redcar and Cleveland Borough Council for management and support services to the Authority is estimated to be £150k, a £10k increase on 21/22 projected outturn including the staffing recharge for Principal Environmental Health Officers and the various central support costs including finance, democratic services, transactional processing and IT. The increase reflects the estimated increase in workload and details of this can be seen at Appendix 1.

4.8 The overall budget for income has increased by £636k predominantly relating to the expected income in relation to BCP posts opening. This new income in 2022/23 is estimated to be in the region of £745k and assumes the following commencement dates;

- 1st July 2022 – Meat Products and animal by-products
- 1st September 2022 - Dairy
- 1st November 2022 - Fish

Staff will be recruited/contracted, and costs will be incurred leading up to these dates, if pushed back further costs will be managed wherever possible and updated forecast provided accordingly.

If BCP opening is pushed back three months the estimated reduction in revenue income would need to be offset by grant funding from DEFRA and the careful management of operational costs, including delays in recruitment and management of variable costs.

However the Authority should note that these operational costs are likely to be largely fixed once staff and vets are in post and cannot be adjusted easily. At this stage the Authority has not had clarity from DEFRA over the extent to which DEFRA will fund these losses during this transitional phase. Whilst we believe DEFRA will cover some additional costs, they are unlikely to fully fund the entire loss made by the Authority and therefore at this stage it is considered necessary to request a contribution from the Riparian authorities.

- 4.9 There will also be income in relation to fishing Catch Certificates, estimated at £44,000. These are estimates based on an in-depth analysis into the types and quantities of imported food and feed POAO into the port from both third countries, and from the EU. This analysis of data has been used during our discussion with DEFRA as we have been preparing for the operation of the Service post EU exit. Members should be aware of the possible fluctuations that may occur. The nature of most of the Authority's income is demand led and therefore income levels will be closely monitored, and forecasts may need to be amended as we progress through the next financial year.
- 4.10 Income budgets for 23/24 have been increased in line with RCBC's budget setting principles, and the Authority's fees and charges have been increased by 2.75% except those fees that are prescribed by APHA and DEFRA. The POAO figures have been estimated based on best information available at this time.
- 4.11 Based on the assumptions noted, it is estimated there would be a £123,200 deficit in year requiring a contribution from Riparian authorities as detailed in 4.17 to support operations. This figure would be reviewed and updated as the year progresses.
- 4.12 In 2020/21, DEFRA awarded the Authority grant of £179,000 to prepare for the implementation of the BCP status. At the end of the 2020/21 financial year, the Authority had invested £85,000 in preparedness for BCP status, in particular through the upfront investment in software and licenses for staff to undertake their expected duties as part of the BCP status. The £94,000 balance of this funding was carried into the Authority's reserves at the end of 2020/21 and will be used in 2021/22 to support the balancing of the 21/22 budget.
- 4.13 The current amount held by the Authority in its general reserves is £47k and this amount is held as a buffer and acts as protection against unexpected or unbudgeted costs. The reserve level usually equates to being able to run the service for approximately 2 months, which for this year's budget would equate to around £210k. The Authority will need to seek to build its reserve balances over the next few years once the full operational activities of the BCP arrangements have commenced. In the interim period (over the next years) therefore, the Authority will need to consider the adequacy of reserves levels within the context of the additional costs required to be prepared for the onset of the BCP checks, the level of transitional funding available from DEFRA and the contributions required from the Riparian authorities. These issues will be closely monitored and reported on a quarterly basis to Riparian authorities.
- 4.14 Given the significant changes and uncertainties in 2022/23 and beyond, the budget will continue to be tightly controlled. The 2021/22 financial position is currently forecasting a contribution from Riparian authorities due to delays in BCP's opening during the year.
- 4.15 It is good practice to review the level of reserves at the start of each financial year and compare these against the risks faced by the Authority. The budget being recommended for the 2022/23 financial year is compiled using the information available at this time but the main risk to the service in financial terms continues to relate to the uncertainty of the significant changes associated with transitioning to a BCP and opening of BCP's themselves.

4.16 Medium Term Financial Plan

Given the delays experienced in 21/22 into 22/23 it was thought preparing any plan longer than 23/24 was not appropriate until such a point that BCP posts are open and a run rate around income and expected costs is clearer. A high-level budget for 23/24 has been prepared based on latest expectation.

4.17 A summary of the proposed budget for 2022/23 and 2023/24 is set out below. The detailed spend and income budget can be seen at Appendix 3.

	<i>Budget 2021/22</i>	<i>Proposed Budget 2022/23</i>	<i>Proposed Budget 2023/24</i>
<u>Expenditure</u>			
<i>Employee Costs</i>	230,300	456,650	469,200
<i>Other operating Costs</i>	264,350	586,900	642,650
<i>Utilisation of surplus/deficit</i>	-94,000		50,000
<i>Total Costs</i>	400,650	1,043,550	1,161,850
<i>Income</i>	(80,800)	(820,350)	(1,161,850)
<i>Government Grants (shortfall funded by DEFRA)</i>	(203,250)	(100,000)	
<i>Net Expenditure</i>	116,600	123,200	-
<u>Funding</u>			
<i>Middlesbrough BC</i>	17,490	18,480	0
<i>Stockton BC</i>	36,146	38,192	0
<i>Hartlepool</i>	2,332	2,464	0
<i>Redcar & Cleveland BC</i>	60,632	64,064	0
<i>Total Funding</i>	116,600	123,200	0
<i>Net</i>	0	0	0
<i>Reserves B/fwd.</i>	141,018	47,018	47,018
<i>Transfers In/Out</i>	(94,000)	-	50,000
<i>Reserves C/fwd</i>	47,018	47,018	97,018

4.18 Financial Assumptions

The budgets for the period 2022/23 and 2023/24 have been developed around some core assumptions. Some of these have already been set out above in explaining the basis for the 2022/23 budget. However, it is worth setting these out again as any future discussion on the MTFP would need to focus on these issues.

- Staffing costs are based on the existing structure as in 2021/22 however significant adjustment has been made to take account of 6 new posts required to cover the increased workload associated with the BCP. Any staff reductions in terms of the RCBC structure would not affect RTPHA activities given the

conclusion that staff resources are the minimum needed to provide the service. A 2.75% pay increase has been assumed in future years.

- Non-pay budgets have also been revised to consider the increase in staff numbers and the associated costs together with a significant assumption relating to the required veterinary service contract. General inflationary increases have been assumed at 1.5% for subsequent years and 2.75% increase on support services has been included in the MTFP.
- Income levels are based on quantitative data currently available and an in-depth analysis into the types and quantities of imported food and feed POAO into the port from both third countries, and from the EU.
- The RTPHA will expect to be self-funding from 2023/24, however this assumption will need to be closely monitored and reported to the Authority during 2022/23.

5 Who will this benefit and how?

- 5.1 Timely, accurate and up to date financial planning information is a key characteristic of good corporate governance. Members need to have these details and be aware of any issues against the agreed budget and medium-term financial plan when making decisions on service delivery, staffing, training, and other regulatory matters.
- 5.2 A well-managed and responsive service which uses its financial assets properly will create and maintain a better relationship with external stakeholders.

6 Who have we consulted?

- 6.1 The original budget for 2022/23 and 2023/24 have been set in consultation with the Treasurer and Clerk for the Authority, and the Environmental Health (commercial) team at Redcar and Cleveland Council.
- 6.2 The financial position, 2022/23 budget and 2023/24 have been discussed between environmental health managers of the Riparian authorities and finance staff as required. In general, there are no major issues in terms of what is being proposed within this report however, with any significant change there are risks and uncertainties that mean the financial position should be monitored closely and Members will be updated on a regular basis.

7 What are the risks and resource implications (financial, human resources)?

- 7.1 The information in the report acts as a management control to ensure that the financial activities of the Authority are being managed properly and resources used effectively. Without setting a budget and providing robust financial planning information the Authority would not be able to ensure that value for money is secured in pursuit of its objectives. Also, decisions made may be poorly informed or the wrong decision made without accurate and up to date information.
- 7.2 The resource implications are outlined in the main body of the report.

8 What will be the impact on equality and diversity?

- 8.1 There are no equality and diversity issues as part of this report.

9 What will be the impact on our carbon footprint?

9.1 There is no direct impact on the carbon footprint because of this report.

10 Are there any legal considerations?

10.1 There are no specific legal issues to consider because of this report.

11 What is the reason for the recommended option?

11.1 Not applicable for this report.

12 Appendices and further information

12.1 Supplementary information for the proposed budget for 2022/23 and 2023/24:

Appendix 1 – RCBC Central Support Services.

Appendix 2 – RTPHA Fees & Charges.

Appendix 3 – Detailed Proposed Budget.

13 Background papers

13.1 Budget Report 2021/22 – submitted to meeting on 05/03/2021.

Financial Position Update – submitted to meeting on 04/03/2022.

14 Contact officer

14.1 Name: David Dobson
Position: Deputy Treasurer to RTPHA
Address: Kirkleatham Street, Redcar, TS10 1RT
Telephone: (01642) 771154
Email: David.dobson@redcar-cleveland.gov.uk

River Tees Port Health Authority Analysis of Central Support Service Charges

The anticipated recharge for Services provided by Redcar & Cleveland Borough Council for each financial year is as follows:

Service Provided	Basis of Calculation	20/21 Budget £	21/22 Projected outturn £	22/23 Budget £	23/24 Budget £
Accountancy - budget setting; budget monitoring; preparation of reports; attendance at meetings; annual returns, financial systems maintenance and control.	David Dobson (2020/21 45 Days)	4,450	10,300	10,600	10,900
	Anthony Robson (2020/21 50 Days)	3,450	8,000	8,200	8,450
		7,900	18,300	18,800	19,350
Democratic Services - agenda collation, preparation, production and distribution; attendance at meetings; production and distribution of minutes; member services.	Sue Fenwick (135 Hours)	3,400	3,500	3,600	3,700
Principal Environmental Health Officer – management of operational requirements of the service; preparation of reports; provision of training to members and officers; attendance at meetings.	Sue Ziolkowski (40% of post)	20,400	20,340	20,900	21,480
Principal Environmental Health Officer – as above but potential requirement for 1 full time equivalent post.	(60% of post)	0	30,510	31,350	32,220
AR/AP - payment and processing of both debtors and creditors invoices	Invoice based	2,400	24,000	24,500	25,000
HR & Payroll - recruitment; contract maintenance; system maintenance; absence monitoring etc.	2 employees	1,300	3,600	6,225	8,550
LSP - general support services e.g., mail sorting, collection and distribution; reception facilities; caretaking services.	2 employees	250	650	1,175	1,600
Admin Buildings - heating; lighting; water; rates; cleaning etc.	2 employees (9. 1sq.m)	5,300	32,700	33,600	34,500
IT - IT support	2 employees	1,900	5,200	9,000	12,350
Internal Audit – Sign off annual review before submission to BDO		350	700	700	700
Total (rounded to nearest £50)		43,200	139,500	149,850	159,450

Appendix 2

Income Type	Basis for charge	21/22 Revised Budget	21/22 Projected Outturn	22/23 Proposed Budget	Increase from Budget 21/22 to 22/23
Product of Animal Origin	DEFRA Recommendation	225,000	0	744,650	519,650
Catch Certification	DEFRA Recommendation	50,000	50,000	44,000	(6,000)
Sanitation Certificates	APHA Recommendation	21,000	18,600	21,650	650
High Risk Products Imports	Officer time & analyst fees	300	1,500	300	0
Organic Certificates	DEFRA Recommendation	2,000	500	2,050	50
RTPHA Permits (annual fee)	DEFRA Recommendation	2,300	3,000	2,350	50
Plastic Declaration	Officer time & analyst fees	200	200	200	0
Water Sampling	Officer time & analyst fees	5,000	7,000	5,150	150
		305,800	80,800	820,350	514,550

River Tees Port Health Authority - Budget 22/23 Draft Budget plus 23/24 plan

Account Code		21/22 January 22 projected outturn	22/23 Budget	23/24 Budget
R1000	Salaries - Basic Pay	183,600	356,200	366,000
R1001	Salaries - National Insurance	16,900	33,200	34,100
R1003	Salaries - Overtime	7,000	26,150	26,900
R1006	Salaries - Superannuation	19,300	36,750	37,750
R1063	Other Allowances	2,700	2,750	2,850
R3400	Car Allowances	800	1,600	1,600
		230,300	456,650	469,200
R1650	External Training	500	1,000	1,000
R4000	General Equipment	1,000	15,000	15,200
R4200	Clothing & Uniforms	200	5,000	5,050
R4300	Printing & Stationery	100	100	100
R4305	MFD Recharge (Printing)	50	50	50
R4400	Services – Veterinary Contract Fees	85,850	360,100	405,150
R4400	Analysts Fees	5,200	5,300	5,400
R4400	External Audit Fees	400	400	400
R4400	Publicity	0	0	0
R4400	Court Evidence Costs	0	0	0
R4400	SLA Agreement	139,500	149,850	159,450
R4503	Postage	0	0	0
R4507	Mobile Phones	700	700	700
R4531	Computer Software	25,400	43,850	44,500
R4610	Subsistence	0	0	0
R4701	Subscriptions	1,700	1,750	1,800
R4960	Insurance	3,750	3,800	3,850
R4964	Contribution to bad debt provision	0	0	0
R4995	Transfer to / (from) Reserves	(94,000)	0	50,000
		170,350	586,900	692,650
R9305	Fees - Environmental Health & Pest control			
Government grants		(203,250)	(100,000)	0
B0607	Products of Animal Origin	0	(744,650)	(1,083,950)
B0608	Catch Certification	(50,000)	(44,000)	(45,300)
B0376	Sanitation Certificates	(18,600)	(21,650)	(22,300)
B0377	High Risk Products Imports	(1,500)	(300)	(300)
B0378	Organic Certificates	(500)	(2,050)	(2,100)
B0379	RTPHA Permits (annual fee)	(3,000)	(2,350)	(2,400)
B0380	Plastic Declaration	(200)	(200)	(200)
B0381	Water Sampling	(7,000)	(5,150)	(5,300)
		(284,050)	(920,350)	(1,161,850)
	Total Budget	116,600	123,200	0
	Reserves at the start of the year B/F	141,018	47,018	47,018
	Transfers In/Out Reserves	-94,000	0	50,000
	Reserves at the end of the year C/F	47,018	47,018	97,018

	21/22	22/23	23/24
Contributions required based on agreed Option 2c) as per Board meeting 26/3/2010			
Middlesbrough 15%	17,490	18,480	0
Stockton 31%	36,146	38,192	0
Hartlepool 2%	2,332	2,464	0
Redcar & Cleveland Borough Council 52%	60,632	64,064	0
	116,600	123,200	0