

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

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

23 August 2022

Dear Councillor,

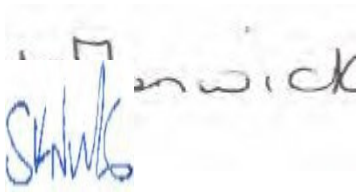
RIVER TEES PORT HEALTH AUTHORITY: FRIDAY 2 SEPTEMBER 2022

Would you please note that a meeting of the River Tees Port Health Authority will be held on Friday 2 September 2022 at 10.00am in the **Council Chamber, Civic Centre, Ridley Street, Redcar.**

A G E N D A

	<u>Pages</u>
1. Apologies for Absence.	
2. Declarations of Interest.	
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4. Presentation – Overview of River Tees Port Health Authority	10-30
5. Reports of the Corporate Director for Adults and Communities:	
a. Performance Summary for River Tees Port Health Authority May 2022 to July 2022.	31-34
b. EU Exit Update.	35-43
6. Reports of the Deputy Treasurer:	
a. 2022/23 Financial Position Update.	44-48
b. Revised Budget 2022/23 and Medium-Term Financial Plan.	49-53
6. Any items that the Chair certifies as urgent.	

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'S Fenwick', written over a faint, light-colored rectangular stamp or watermark.

S FENWICK
DEPUTY CLERK TO THE AUTHORITY

10 June 2022

RIVER TEES PORT HEALTH AUTHORITY

The annual meeting of the River Tees Port Health Authority was held on Friday 10 June 2022 in the Civic Centre, Redcar.

PRESENT Councillor Branson (Chair)
Councillors Creevy, Dowson, Fletcher, Hall, Kay, Perry, Thomson and Watson.

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

1. **NOMINATION FOR MEMBERSHIP OF THE AUTHORITY 2022/23**

The Clerk to the River Tees Port Health Authority presented a report which advised Members of the nominations to the River Tees Port Health Authority that had been received from the constituent Riparian Authorities for the municipal year of 2022/23.

RESOLVED that the following nominations be agreed:

Councillor T Cassidy	Hartlepool Borough Council
Councillor R Creevy	Hartlepool Borough Council
Councillor D Branson	Middlesbrough Borough Council
Councillor B Cooper	Middlesbrough Borough Council
Councillor D Coupe	Middlesbrough Borough Council
Councillor T Furness	Middlesbrough Borough Council
Councillor J Walker	Middlesbrough Borough Council
Councillor I Dalgarno	Stockton-on-Tees Borough Council
Councillor L Hall	Stockton-on-Tees Borough Council
Councillor J O'Donnell	Stockton-on-Tees Borough Council
Councillor M Perry	Stockton-on-Tees Borough Council
Councillor A Watson	Stockton-on-Tees Borough Council
Councillor D Dowson	Redcar and Cleveland Borough Council
Councillor M Fletcher	Redcar and Cleveland Borough Council
Councillor S Kay	Redcar and Cleveland Borough Council
Councillor C Quartermain	Redcar and Cleveland Borough Council
Councillor P Thomson	Redcar and Cleveland Borough Council

2. **TO ELECT A CHAIRMAN FOR THE AUTHORITY FOR THE ENSUING MUNICIPAL YEAR 2022/23**

RESOLVED that Councillor D Branson (Middlesbrough Borough Council) be elected as Chairman for 2022/23.

Councillor Branson then took the Chair.

10 June 2022

3. **TO ELECT A VICE CHAIRMAN FOR THE AUTHORITY FOR THE ENSUING MUNICIPAL YEAR 2022/23**

RESOLVED that Councillor L Hall (Stockton-on-Tees Borough Council) be elected as Vice Chairman for 2022/23

4. **APOLOGIES FOR ABSENCE**

Apologies for absence were submitted on behalf of Councillors Cassidy, Cooper, Coupe, Dalgarno, Furness, Hall, O'Donnell and Walker.

5. **DECLARATIONS OF INTEREST**

None received.

6. **MINUTES**

RESOLVED that the minutes of the meeting held on 4 March 2022 be confirmed and signed by the Chair as a correct record.

7. **PERFORMANCE SUMMARY FOR RIVER TEES PORT HEALTH AUTHORITY FEBRUARY TO APRIL 2022**

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 1 February 2022 to 30 April 2022:– **NOTED**

8. **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.

RESOLVED that the information in the report be noted.

9. **RIVER TEES PORT HEALTH AUTHORITY – CONSTITUTION**

The Corporate Director of Adults and Communities presented the River Tees Port Health Authority's Constitution.

Members were advised that the Constitution was reviewed annually and when any significant amendments were required to ensure the effective and lawful operation of the River Tees Port Health Authority. Updates had been made to staff structure and management responsibilities.

RESOLVED that the constitution of the River Tees Port Health Authority be approved.

10 June 2022

10. **RIVER TEES PORT HEALTH AUTHORITY MEMORANDUM OF UNDERSTANDING**

The Corporate Director of Adults and Communities presented the River Tees Port Health Authority's Memorandum of Understanding.

Members were advised that the Memorandum of Understanding set out the understanding of River Tees Port Health Authority (RTPHA) under the management of Redcar and Cleveland Borough Council (RCBC), and the riparian authorities, Stockton-on-Tees Borough Council, Middlesbrough Council and Hartlepool Borough Council, of the principles that would underlie the relations between them.

The Memorandum of Understanding was reviewed annually and when any significant amendments were required to ensure the effective and lawful operation of the River Tees Port Health Authority.

On this occasion the document had been reviewed and no amendments had been made.

RESOLVED that the River Tees Port Health Authority's Memorandum of Understanding be approved.

11. **RIVER TEES PORT HEALTH AUTHORITY RISK MANAGEMENT**

The Corporate Director of Adults and Communities presented the River Tees Port Health Authority Corporate Risk Management Strategy and Risk Register.

Members were advised that the Authority must have a risk management strategy and risk register to ensure that risk was managed effectively.

Members were advised that the risk management strategy was presented annually and on this occasion, there had been minor changes to the responsible person in the register following changes in staff roles.

RESOLVED that:

1. The Corporate Risk and Opportunity Register for the River Tees Port Health Authority be approved.
2. Arrangements be made for a tour of the new Port facilities.
3. A presentation on the responsibilities of the River Tees Port Health Authority be given at the next meeting.

10 June 2022

12. **RIVER TEES PORT HEALTH AUTHORITY ENFORCEMENT POLICY 2022**

The Corporate Director of Adults and Communities presented a report which advised that the River Tees Port Health Authority must have an Enforcement Policy to ensure that it acted fairly and consistently when taking enforcement action and that it had an established framework for enforcement decisions.

Members were advised that the Enforcement Policy was reviewed annually and when significant amendments were required to ensure effective and lawful operation of the River Tees Port Health Authority.

On this occasion the policy had been reviewed and no amendments had been made.

RESOLVED that the River Tees Port Health Authority Enforcement Policy 2022 be approved.

13. **RIVER TEES PORT HEALTH AUTHORITY SAMPLING POLICY 2022**

The Corporate Director of Adults and Communities presented a report which advised that it was the policy of the River Tees Port Health Authority to carry out sampling of food, feed, water and relevant products to protect public and animal health and to ensure fair trade.

The Sampling Policy was reviewed annually and when significant amendments were required to ensure all sampling was carried out in accordance with legal requirements.

Members were advised that on this occasion minor amendments had been made due to the name change of Public Health England to the UK Health Security Agency.

RESOLVED that the Sampling Policy for 2022 be approved.

14. **RIVER TEES PORT HEALTH AUTHORITY SERVICE PLAN 2022/23**

The Corporate Director of Adults and Communities presented a report which sought approval to the River Tees Port Health Authority Service Delivery Plan for 2022/23.

Members were advised that the Service Plan ensured that national priorities and standards were addressed and delivered locally. It enabled Officers to follow the principles of good regulation, focused on key delivery outcomes and issues, and provided information to stakeholders, including businesses and consumers.

10 June 2022

Members were advised that following a recent change in Government Policy, EU goods would continue to enter the UK for free without paying port fees or undergoing additional checks. The next anticipated date for review of this policy was last 2023.

RESOLVED that the River Tees Port Health Authority Service Plan for 2022/23 be approved.

15. **FINANCIAL POSITION FOR 2021/22 & UPDATE FOR 2022/23
FINANCIAL POSITION**

The Treasurer presented a report which advised of the performance against the budget for the River Tees Port Health Authority for the 2021/22 financial year on revenue activities.

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 products of animal origin arriving through Teesport, which would also require an increase to 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 2021/22 budget was produced for the Authority to approve in September 2021. Further delays to BCP checks commencing were announced resulting in an assumed start date of 1 July 2022.

In December 2021, DEFRA provided RTPHA with compensatory funding which had been sufficient to cover additional costs associated with preparing for the introduction of BCP checks but had not adequately covered 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 to make up this shortfall. This request was agreed at the Authority Board on 4 March 2022.

On 28 April 2022, it was announced by the Minister for Brexit Opportunities and Government Efficiency that no further import controls on EU goods will be introduced in the 2022/23 financial year and that Businesses could stop their preparations for July immediately. This announcement had created significant financial uncertainty for the RTPHA.

10 June 2022

Prior to this announcement on 28 April 2022, the RTPHA had recruited additional officers, in line with the expected introductory timescales, to support the anticipated significant increase in BCP checks expected from 1 July 2022. Furthermore, it was expected that RTPHA would be able to levy fees and charges for these BCP checks. Whilst the checks on products arriving from outside the EU will still commence from 1 July 2022, the significant proportion of products arriving were expected to arrive from the EU and therefore RTPHA is now facing a significant financial shortfall in terms of the value of income expected to be received, which was expected to fund the costs of resourcing these checks.

Members expressed significant concerns at the short-notice nature of the changes to the planning arrangements of the Board, the human impact this had on staff recruited to the Authority and the significant financial deficit which the Authority now faced. It was felt that the four Riparian Authorities were also unable, due to significant financial challenges in their respective budgets, to make additional contributions to the Authority via a levy. The River Tees Port Health Authority agreed to write to the Secretary of State to express these concerns.

RESOLVED that:

1. The financial performance against budget for 2021/22 and the reasons for the budget variations be noted;
2. The transfer of an underspend of £38,634 in 2021 to reserves for use in 2022/23 be approved, to help mitigate the risks associated with the continued delayed transition to a Border Control Post and any other unforeseen costs;
3. The unaudited accounts for the River Tees Port Health Authority for 2021/22 be approved;
4. Approval be given to the Chair of the Board to sign Section 1, the Annual Governance Statement of the Annual Return, following an internal audit by the end of June, to enable it to be forwarded to PKF Littlejohn LLP by the return deadline of 1 July 2022;
5. Approval be given to the Chair of the Board to sign Section 2, the Accounting Statements of the Annual Return, following an internal audit by the end of June, to enable it to be forwarded to PKF Littlejohn LLP by the return deadline of 1 July 2022;

2022

6. The Deputy Treasurer's update on the financial position for 2022/23 which had arisen due to DEFRA's announcement on 28 April 2022 that BCP checks on produces arriving from the European Union would not be required from 1 July 2022 as previously anticipated, be noted.
7. The River Tees Port Health Authority write to the Secretary of State for DEFRA outlining the committee's concerns relating to the funding issues faced by the Authority as a result of the Government's policy change in implementing BCP checks.

26. **DATES AND TIMES OF FUTURE MEETINGS OF THE RIVER TEES PORT HEALTH AUTHORITY 2022/23**

The Clerk advised Members of the dates and times of future meetings of River Tees Port Health Authority for 2022/23:-**NOTED**



Member Report

Performance Summary for River Tees Port Health Authority May 2022 to July 2022

Public

To: River Tees Port Health Authority **Date:** 2nd Sept 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 May 2022 to 31 July 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	May 22	Jun 22	Jul 22	Grand Total
Hartlepool	1	1	5	7
Middlesbrough	20	13	8	41
Redcar & Cleveland	118	117	113	348
Stockton	105	83	96	284
Grand Total	244	214	222	680

2.4 Ship Inspections and Issue of Ship Sanitation Certificates

All requests for renewal of a Ship Sanitation Certificate were attended to. Whilst the majority of Covid restrictions have been lifted, Covid rates are still high in the UK and officers continue to take precautions prior to boarding a vessel.

All ships must supply a Declaration of Health prior to officers boarding; any sign of infectious disease on board will be risk assessed prior to boarding. We continue to check documentation remotely to reduce contact and time on board the vessel.

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	May 22	Jun 22	Jul 22	Grand Total
Hartlepool				
Exemption	0	0	0	0
Routine	0	0	0	0
Control	0	0	0	0
Middlesbrough				
Exemption	1	2	0	3
Routine	0	0	0	0
Control	0	0	0	0
Redcar & Cleveland				
Exemption	4	1	2	7
Routine	0	0	0	0
Control	0	0	0	0
Stockton				
Exemption	1	1	4	6
Routine	0	0	0	0
Control	0	0	0	0
Total	6	4	6	16

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

	May 22	Jun 22	Jul 22	Total
SATISFACTORY	20	7	5	32
UNSATISFACTORY	1	1	0	2
Grand Total	21	8	5	34

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, and wine 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 be minimal.

2.9 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 products, such as tinned tuna, fish fingers and surimi (mixed fish sticks) on board.

	May 22	Jun 22	July 22	Total
Fishery products	87	107	97	291

2.10 Product of Animal Origin (POAO)

Border Force referred a container to Port Health after their investigations identified bongo drums that had been made with animal skins. The importer couldn't provide the correct documentation, the drums were therefore removed and destroyed by Border Force.

2.11 Organics

The service has certified a total of 6 consignments of organic imports between May 2022 and July 2022. These included coffee, cane molasses and wine.

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

The service received 5 high risk food imports in the last 3 months. These included 4 consignments of spices from Ethiopia, and one of tea from China.

One of the spices was failed on import due to high levels of aflatoxin, the other three passed testing and were released to the importer.

2.13 Infectious disease notifications

We had one vessel that arrived in the Tees with multiple positive cases of Covid on board. The vessel requested us to board to carry out an inspection and take water samples. Fortunately, the vessel was in for a number of days and we were able to board when only one crew was still testing positive. The crew member was asked to

remain in his cabin throughout the visit and officers asked that the vessel was thoroughly cleaned and disinfected prior to officers boarding.

Other stakeholders such as the Mission to Seafarers, and shipping agents were provided with advice around essential visits only to minimise the risk of spread.

2.14 Policies and Plans

All policies and plans have been updated and approved by the board at the previous meeting. All current documents are available on the Tees Port Health website at www.teesporthealth.co.uk

2.15 Other relevant information

PD Ports has completed the construction of the Import Facility at the port and the Animal and Plant Health Agency (APHA) have undertaken their final approvals visit.

The application to become a Border Control Post is now with APHA for review. They were unable to provide a timescale for the completion of the approvals process.

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:** 02 Sept 2022

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

Portfolio: Health, Housing and Welfare

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 10th June 2022.

2 What is the background to this report?

- 2.1 The UK officially left the EU on 31st December 2020 and the government has since put various plans in place to implement border controls, however these plans have now been delayed four times.

The UK government intends to publish a new Target Operating Model (TOM) in autumn 2022 that will set out the new regime of border import controls, which would be introduced at the end of 2023.

The Department for Environment, Food and Rural Affairs (Defra) has been consulting with Port Health Authorities, and the Trade, on what this TOM is going to look like.

2.2 Impacts to the Port Health Service

The service has followed Defra's advice through the transition periods and recruited additional staff to resource the new controls that were due to be implemented on 1st July 2022.

We have received transition funding from Defra since 2021 to prepare for new border controls and in July we were notified that Defra have taken the decision to cease the existing funding arrangements at the end of July 2022 (Appendix A). They will continue to work with PHA's to assess and cover the costs incurred from this change in line with the New Burdens Doctrine, including any costs incurred during the time needed to make the assessment.

2.3 Redeployment of existing staff

The additional staff who were employed in readiness for the implementation of the new controls in July 2022 have been successfully redeployed into posts elsewhere in Redcar & Cleveland Borough Council.

2.4 Border Control Post Update

PD Port will continue with its application, which began in 2021, to become a Border Control Post (BCP) it is anticipated that new trade, from outside of Europe, will be generated following the new status of the Port being secured from Animal and Plant Health Agency (APHA).

2.5 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.

2.6 Funding Update

The service was awarded additional funding from Defra in July 2022 of £46,230 (Appendix B). This funding is to cover the cost of both staff and non-staff costs incurred throughout July 2022.

2.7 Further funding is to be made available by Defra for any costs incurred through August whilst Port Health Authorities (PHA's) complete the process of making arrangements to reduce staffing levels to those required to operate until the new TOM is implemented.

2.8 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 keep up to date with the changing situation may put the service at unnecessary financial risk.

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 – Defra Letter to Chief Executive
Appendix B – Port Health Transition Funding Confirmation July 2022

14 Background papers

14.1 None

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
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SW1P 4DF

bbtp-pha-
readiness@defra.gov.uk
www.gov.uk/defra

Wednesday 20 July 2022

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

Dear Mr Sampson,

I would like to thank you and your team for your continued engagement and support in the preparation for EU checks from July, the subsequent decision to delay these import controls, and the day-to-day service you deliver.

As you are aware, we are reviewing the proposals for checks on EU-GB imports of animal products, and government will set out a new Target Operating Model (TOM) this Autumn. In line with the TOM we are currently reviewing the scope and timetable for delivery of the future checks regime, therefore, we can no longer guarantee the volume of work for the additional port health staff that have been brought in to conduct the regime of checks that was due to come in from July 2022. Given our duty to protect the public purse, it would not be appropriate for Government to continue funding these roles. We have therefore taken the decision to cease the existing funding arrangements at the end of July. We will immediately start working with your PHA to assess and cover the costs you incur from this change in line with the New Burdens Doctrine, including any costs incurred during the time needed to make the assessment.

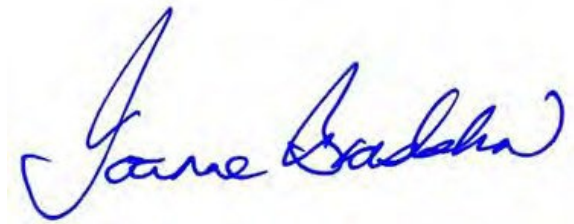
Our Secretary of State has approved for us to continue funding a number of Port Health roles, to support agencies managing biosecurity risks at the border until new controls are in place. This will include supporting Border Force with intelligence-led checks on personal imports and working with the Animal and Plant Health Agency (APHA), managing Ukrainian pets and other targeted activity. We anticipate that these roles may run to the end of 2023, but we will need to secure funding for 2023/24. These opportunities may not be spread evenly across England, as they will be designed in response to localised needs. **We currently expect four of these roles to be in your authority.**

Tomorrow (21 July) my team will meet with the leads for all affected authorities and ensure they are aware of the decision and have enough information to support you in managing next steps. We recognise that the costs and impacts for each authority will differ, and we will arrange individual sessions with your leads, on an ongoing basis. These will include discussing opportunities for staff and the information required against any additional cost.

I recognise the feedback and concerns raised by Port Health and Local Authorities, especially around the importance of retaining skilled staff to prepare for any future regime and the impact this may have for individuals, however, I must balance this with the need to protect public finances. If you have any questions or there is anything further we can do to support you with next steps, please contact the team on bbtp-pha-readiness@defra.gov.uk.

A copy of this letter has also been sent to Jill Mortimer MP.

Yours sincerely,

A handwritten signature in blue ink that reads "Joanne Bradshaw". The signature is fluid and cursive, with the first name "Joanne" being larger and more prominent than the last name "Bradshaw".

Joanne Bradshaw
Director
Biosecurity, Borders & Trade Programme

Telephone: 07525 011969

Email: joanne.bradshaw@defra.gov.uk



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

Date: 08 August 2022

Dear Mr. Sampson,

PORT HEALTH TRANSITION FUND GRANT DETERMINATION (2022): No 31/6240

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 financial implications of preparing for the new regime of sanitary checks on EU-GB imports of animal products. 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 £46,230 to cover costs for the period 1-31 July 2022. This will be paid to local authorities in the form of a single non-ring-fenced grant as soon as possible in August 2022.

Funding allocations (up to the end of July 2022) were agreed by accounting for the declared requirements of the local authorities via a formal bidding process. As a result of the delay announcement, Defra took the decision to only fund salary and non-salary costs for PHA staff already recruited, or for already committed recruitment and spends (i.e., not future recruitment). To this end, my team have worked with the latest evidence available to them.

Confirmation of receipt

My team have been working closely with the local authorities on your preparations and we are aware of the urgent need for this funding. To make the payments as early as possible in May, 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 by **close of play on 10 August** confirming you are content to receive this funding **week commencing 15 August 2022**.

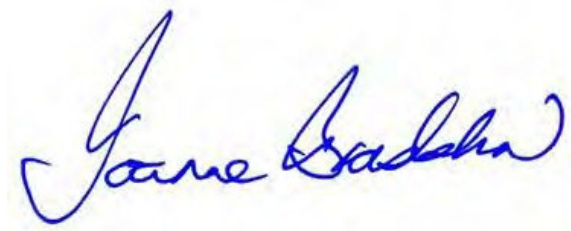
Arrangements for keeping in touch

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, 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 (2022): No.
31/6240**

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 Grant Determination (2022) [No 31/6240].

Purpose of the grant

2) Current funding arrangements for English Port Health Authorities (PHAs) / Local Authorities were in place from 1 April-30 June 2022. Following the decision to delay the implementation of EU-GB SPS import controls, and in line with the New Burdens Doctrine, PHAs require funding for costs incurred in July.

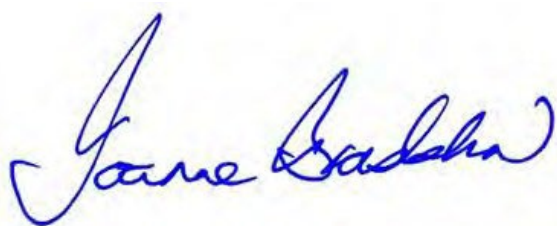
Determination

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, and Trade Programme
08 August 2022

ANNEX A

		England PHA Bids - July 2022 Costs	Total: £1,959,866
Ecode	Class	Local Authority	
E2231	SD	Ashford Borough Council	£454,906
E1204	UA	Bournemouth, Christchurch and Poole Council	£14,956
E0102	UA	Bristol City Council	£23,127
E5010	LB	City of London	£151,500
E2234	SD	Dover District Council	£792,971
E3538	SD	East Suffolk District Council	£214,449
E5041	LB	Hillingdon London Borough	£100,351
E2337	SD	Lancaster City Council	£5,861
E1435	SD	Lewes District Council	£19,200
E4302	MD	Liverpool City Council	£8,448
E2003	UA	North East Lincolnshire Council	£25,897
E4503	MD	North Tyneside Metropolitan Borough Council	£4,390
E2437	SD	North West Leicestershire District Council	£3,422
E1101	UA	Plymouth City Council	£13,541
E1701	UA	Portsmouth City Council	£80,618
E0703	UA	Redcar and Cleveland Borough Council	£46,230



River Tees Port Health Authority

2022/23 Financial Position Update

Public

To: RTPHA **Date:** 2 September 2022

From: Deputy Treasurer **Decision:** Committee

Portfolio: Health & Social Well Being

Outcome: Business Improvement

1 What is the purpose of this report?

- 1.1 To update Members on the financial position of the Authority at the end of July 2022 (Period 04) and to highlight any variances against the 2022/23 approved budget.

2 What is the background to this report?

- 2.1 At its meeting on 4 March 2022 the Authority approved a balanced budget position after £123,200 funding from the riparian Authorities, with plans to be self-funding in 2023/24, with no reliance on riparian authority funding from 2023/24.
- 2.2 The Authority's budget for 2022/23 was set based upon the service plan set out by Redcar and Cleveland Borough Council who manage the delivery of Port Health Services to the Tees Valley area and on the assumption that the transition to a Border Control Port (BCP) would be complete by July 2022. However, the Government have announced a delay to at least the end of 2023, so the Board is also receiving a revised budget report at this meeting.
- 2.3 The original 2022/23 budget had increased significantly compared to 2021/22 because of the expected transition to a BCP from 1 July 2022.
- 2.4 **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.
- 2.5 A summary of the financial position (at the end of July) is set out in the table below:

	Original Budget 2022/23	Actual as at Period 04 31/07/2022	Projected Outturn 2022/23	Variance Budget to Outturn
Expenditure				
Employee Costs	456,650	130,157	280,800	(175,850)
Other operating Costs	586,900	37,746	203,100	(383,800)
Total Costs	1,043,550	167,903	483,900	(559,650)
Port Health DEFRA Funding	(100,000)	(210,799)	(320,001)	(220,001)
Income including grants	(820,350)	(26,487)	(75,700)	744,650

Net Expenditure/ (Income)	<u>123,200</u>	<u>(69,743)</u>	<u>88,199</u>	<u>(35,001)</u>
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2.7 Key Issues

The major variance between the projected outturn position for 2021/22 and the original budget approved in March 2021 are as follows:

Employee Costs - Salary related budgets have decreased by £175,850 due to the planned redeployment of staff, who were initially recruited in recent months, from their substantive posts supporting the BCP, to other posts working directly for Redcar and Cleveland Borough Council. This redeployment has been commenced as a result of commencement of the BCP status being deferred until at least the end of 2023. Costs incurred for these incremental staff incurred in 2022/23 through to the end of August are been covered by additional DEFRA funding which is been allocated on a month-by-month basis.

Other Operating Costs– Non-pay costs have reduced by £383,800 and this is mainly due to the reduction in the required number of vets as a direct result of the postponement of a fully functioning BCP until at least the end of 2023 together with a reduction in the value of the service level agreement.

Income – income has decreased by £744,650 relating to no income from consignments of Products of Animal Origin (POAO) because of the delay of opening the BCP. This is partly offset by increased income from DEFRA to cover incremental staffing and operational costs in readiness for BCP opening.

2.8 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.

2.8 A breakdown of the operational income received up to the end of July for the 2022/23 financial year is provided below and further analysis is available in **Appendix 1**:

2.9

Account	Description	Type of Service	2019/20 Full Year Income £	2020/21 Full Year Income £	2021/22 Full Year Income £	2022/23 Period 04 Year To Date Income £	2023/23 Forecast Full Year Income £
R9305	Fees – Environmental Health & Pest control	Products of Animal Origin (POAO)	0	0	0	0	0
		Catch Certificates	0	0	42,941	16,221	44,000
		Sanitation Certificates	23,518	8,260	22,022	6,130	21,650
		Other Fees & Charges	14,170	4,115	14,517	4,496	10,050
Total Fee Income			37,688	12,375	79,481	26,847	75,700
Grants			262	0	0	0	0
Total Income			37,950	12,375	79,481	26,847	75,700

2.10 **Overall Financial Position** – Based on the projected outturn figures set out above, the Authority would have a net expenditure position of £88,199. This forecast is based on actual expenditure and operational income up to the end of July but also includes the expected receipt of a grant income from DEFRA for July and August. The position will be closely monitored throughout the rest of the year and officers are in discussions with DEFRA on a regular basis to understand next steps and future plans for the BCP.

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 original 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 question any variances from the original budget as they think appropriate.

13 Appendices and further information

13.1 Appendix 1 – Budget detail and Projected Outturn position for 2022/23.

14 Background papers

14.1 Budget Report 2022/23.

15 Contact officer

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RIVER TEES PORT HEALTH AUTHORITY

BUDGET MONITORING POSITION 2022/23

POSITION AT END OF JULY PERIOD 04

		Budget 2022/23	Actual	Projected Outturn 2022/23	Variance
R1000	Salaries - Basic Pay	356,200	106,742	225,150	(131,050)
R1001	Salaries - National Insurance	33,200	11,021	23,650	(9,550)
R1003	Salaries - Overtime	26,150	1,461	4,300	(21,850)
R1006	Salaries - Superannuation	36,750	10,720	23,350	(13,400)
R1063	Other Allowances	2,750	0	2,750	0
R3400	Car Allowances	1,600	212	1,600	0
		456,650	130,157	280,800	(175,850)
R1650	External Training	1,000	0	1,000	0
R4000	General Equipment	15,000	7,830	10,000	(5,000)
R4200	Clothing & Uniforms	5,000	100	1,000	(4,000)
R4300	Printing & Stationery	100	0	100	0
R4305	Photocopier	50	0	50	0
R4400	Professional Fees	515,650	28,182	179,900	(335,750)
R4507	Mobile Phones	700	240	700	0
R4531	Computer Software	43,850	1,393	7,500	(36,350)
R4701	Subscriptions	1,750	0	1,750	0
R4960	Insurance	3,800	0	1,100	(2,700)
		586,900	37,746	203,100	(383,800)
B0607	Products of Animal Origin	(744,650)	0	0	744,650
B0608	Catch Certification	(44,000)	(16,221)	(44,000)	0
B0376	Sanitation Certificates	(21,650)	(6,130)	(21,650)	0
B0377	High Risk Products Imports	(300)	(39)	(300)	0
B0378	Organic Certificates	(2,050)	(465)	(2,050)	0
B0379	RTPHA Permits (annual fee)	(2,350)	(684)	(2,350)	0
B0380	Plastic Declaration	(200)	0	(200)	0
B0381	Water Sampling	(5,150)	(3,307)	(5,150)	0
		(820,350)	(26,847)	(75,700)	744,650
R9000	Government Grants (Shortfall funded by DEFRA)	(100,000)	(210,799)	(320,001)	(220,001)
	Total	123,200	(69,743)	88,199	(35,001)

Member Report

Revised Budget 2022/23 and Medium-Term Financial Plan

Public

To: River Tees Port Health Authority **Date:** 2 September 2022

From: Deputy Treasurer **Decision type:** Key - Budget

Portfolio: Health, Housing and Welfare **Forward Plan reference:** n/a

Outcome: All priorities

Ward(s): All

1 What are the recommendations?

1.1 It is recommended that Members should:

1. Approve the revised 2022/23 budget and the associated funding requirements based upon the information in Appendix 1.
2. Approve external audit appointment process for five-year period 2022-23 to 2026-27

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

2.1 The management of the Authority's budget and its external audit process is critical to the ongoing operations of the Port Health Service. It is imperative that the Authority maintain a balanced budget and remain financially sustainable. The Authority is statutorily required to be externally audited to validate that the Authority's financial position is reflected as a true and fair view. As such no other options are available.

3 What is the purpose of this report?

- 3.1 To recommend a revised budget for approval by the Authority for the 2022/23 financial year, which continues to assume the required funding levels required from each of the four contributing local authorities following the Government announcement on 28 April 2022, that no further import controls on EU goods will be introduced in 2022/23 financial year and that Businesses stop their preparations for July immediately.
- 3.2 To outline initial expected position in 2023/24 which is subject to several variables at present.
- 3.3 To agree audit appointment process for the next five-year period.

4 What is the background to this report?

4.1 Revised Budget 2022-23

At its meeting on 4 March 2022, the Authority approved the initial 2022/23 budget and MTFP. At this meeting it was assumed that the implementation of Border Control Post (BCP) checks would be implemented between July and November 2022.

Subsequent to this, as updated at the last meeting on 10 June 2022, Central Government announced in April 2022 that the introductory date for BCP checks of 1 July 2022 and subsequent phased introductions of checks on other products has now been delayed until at least the end of 2023. This very short-notice announcement created significant financial uncertainty for the RTPHA.

Prior to the announcement on 28 April 2022, the RTPHA had recruited additional officers, in line with the planned commencement of a BCP, to support the anticipated significant increase in checks on various imported products expected from 1 July 2022. It was expected that RTPHA would be able to levy fees and charges for these BCP checks. Whilst the checks on products arriving from outside the EU can commence (at this point relevant certification is not received), the significant proportion of products arriving were expected to arrive from the EU and therefore RTPHA is now facing a significant financial shortfall in terms of the value of income expected relative to initial budgeted estimates provided to the Board on 4 March 2022, to fund the costs of resourcing these checks.

4.2 Update since 10 June 2022 Board Meeting

Following on from June's update to Board, Redcar and Cleveland Borough Council have continued to actively liaise with DEFRA in order to understand short, medium and longer term plans and expected financial impact on the operation.

At the request of the Board, a letter was sent to the Secretary of State for DEFRA on 28 June 2022 from Councillor Branson, to set out the concerns of the Board regarding the short notice announcement that the BCP Status would not commence from 1 July 2022 and the significant financial issue this created for the Authority, for which DEFRA financial support would be required. A response was received on 20 July 2022 confirming that checks planned for July 2022 would cease and that work would continue to assess and cover costs incurred after July.

A paper was submitted by DEFRA on behalf of impacted port health authorities to the Cabinet Office during June. In addition to previously agreed funding covering additional incremental costs following delay for the quarter to June 2022, DEFRA have agreed to fund additional costs for the month of July 2022 (£46,230 submitted) with August cost to be funded in line with 'New Burdens Doctrine, which is expected to be a similar level of financial support as received for July. This grant funding is included in the revised 2022/23 budget detailed below.

4.3 Redeployment of staff

Since the previous update, Redcar and Cleveland Council have completed a far-reaching review to seek to urgently redeploy staff into posts in Redcar and Cleveland Borough Council. As such, 8 staff that had originally been recruited to work for RTPHA have been relocated to posts within the Council. The revised 2022/23 budget

reflects these posts transferring from September 2022. From September 2022, this will mean 4 staff will continue to work for RTPHA, with the Principal Environmental Health Officer charged through the Service Level Agreement.

4.4 Revised budget position

The revised budget position indicates a projected surplus outturn for 2022/23 after Riparian Authority contribution of £35,001.

The key assumptions driving this are as follows:

1. A request to DEFRA for funding for the period of August 2022 for approximately £45k (request for submission not yet received) is received.
2. Staff relocated to posts complete a successful transition to working for Redcar and Cleveland Borough Council.
3. No income is received in the remainder of the financial year in relation to checks on products received from outside the EU (certificate for delivering such services not yet granted).
4. Costs associated with final staff member not yet redeployed continues to be funded from DEFRA.
5. Other budgeted income received at year-end is in line with the original budget plan.
6. Costs are managed in line with revised budget.

4.5 Variances in Revised Budget

The main variances when compared to the revised budget are as follows:

Employee Costs - underspend of £175,850 – salary related budgets reduced due to staff redeployed following announcement that BCP post will not open in 2022/23.

Other Operating Costs - underspend of £383,800 – the underspend relates primarily to a 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 - £744,650 lower than budget relating to no income assumed from consignments of Products of Animal Origin (POAO) because of the delay of opening the BCP. All other income streams assumed in line with budget. No sales for checks of products of animal origin arriving from outside the EU are currently assumed, as RTPHA continues to await relevant certification from the Government.

Further analysis of the 2021/22 final outturn position can be seen in Appendix 1.

4.6 2023-24 Financial Plan

At this point, there is no further clarification from DEFRA/Central government around when/if, the BCP operation might commence operation in 2023/24. As such a revised detailed forecast for that period has not been presented.

If the BCP does not become operational during that period, revenue in relation to worldwide income would need to increase, or costs be reduced, by c. £130k such that the current level of Riparian Authority Financial support is no longer required in future years.

The 2023/24 financial plan will continue to be reviewed with a final budget position

agreed in March 2023.

4.7 External Auditor Appointment

The current 5-year appointment of the RTPHA External Auditor - PKF Littlejohn – which was entered into via the Small Authorities Audit Appointments (SAAA) ends in 2022. Under the Local Audit (Smaller Authorities) Regulations 2015, and in the interest of efficiency and maximising the use of public resources, we propose that we again opt in with SAAA such that they complete relevant procurement exercise to appoint auditors for the next 5-year period.

5 Who will this benefit and how?

- 5.1 The production of this financial information will ensure that the Authority will be compliant with the current legislation and proper practices in terms of financial management. As such it will cover the Riparian authorities and all the Tees Valley population in terms of a fit for purpose River Tees Port Health organisation.

6 Who have we consulted?

- 6.1 The report has been prepared in consultation with the Directors of Resources and Public Health for Redcar and Cleveland Borough Council, and the individual port health officers at each of the riparian authorities.

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

- 7.1 Investment in Port Health services has been earmarked as an ongoing priority by the Tees Valley Chief Executives. In addition, the debate on funding levels for local councils has been the driver for improved operational performance and the delivery of a value for money service.

8 What will be the impact on equality and diversity?

- 8.1 There will be no impact on equality and diversity from this report.

9 What will be the impact on our carbon footprint?

- 9.1 There is no impact from this report on our carbon footprint.

10 Are there any legal considerations?

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

11 Appendices and further information

- 11.1 Supplementary information for the proposed budget for 2022/23
Appendix 1 – Detailed Proposed Revised Budget

12 Contact officer

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Appendix 1

		Original Approved 22/23 Budget	Revised 22/23 Budget	Difference Budget
R1000	Basic Pay	356,200	225,150	(131,050)
R1001	NI Contributions	33,200	23,650	(9,550)
R1003	Overtime	26,150	4,300	(21,850)
R1006	Superannuation Contributions	36,750	23,350	(13,400)
R1063	Other Allowances	2,750	2,750	-
R3400	Car Allowances	1,600	1,600	-
		456,650	280,800	(175,850)
R1650	Training Expenses	1,000	1,000	-
R4000	Tools & Equipment Purchase	15,000	10,000	(5,000)
R4200	Clothing, Uniforms & Laundry	5,000	1,000	(4,000)
R4300	Printing & Stationery	100	100	-
R4305	Photocopier Usage	50	50	-
R4400	Services - Professional Fees incl. SLA	515,650	179,900	(335,750)
R4507	Mobile Phones	700	700	-
R4531	Computer Software	43,850	7,500	(36,350)
R4701	Subscriptions	1,750	1,750	-
R4960	Public Liability Insurance	3,800	1,100	(2,700)
		586,900	203,100	(383,800)
R9000	Port Health DEFRA funding	(100,000)	(320,001)	(220,001)
R9305	Environmental Health	(820,350)	(75,700)	744,650
		(920,350)	(395,701)	524,649
	Total Payable	123,200	88,199	(35,001)
	Contribution from Riparian Authorities	(123,200)	(123,200)	-
R4995	Transfer to Reserves	0	(35,001)	(35,001)

Contributions based on Board agreement.	Budget 2022/23	Revised 2022/23	Variance
Middlesbrough 15%	(18,480)	(18,480)	-
Stockton 31%	(38,192)	(38,192)	-
Hartlepool 2%	(2,464)	(2,464)	-
Redcar & Cleveland Borough Council 52%	(64,064)	(64,064)	-
	(123,200)	(123,200)	-