



RIVER TEES PORT HEALTH AUTHORITY
FRIDAY, 8 DECEMBER 2023 AT 10.00 AM
CIVIC CENTRE, RIDLEY STREET, REDCAR TS10 1TD

CONTACT
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28 November 2023

CIRCULATION

Councillors Coupe, Creevy, W Davies, Furness, Griffiths, Hall, Harrison, L Hurst, Johnson, C Jones, L Myer, J Neal, Rowling, Scott, Storey, D Taylor and J Walker
Managing Director (Head of Paid Service)
Executive Director of Adults and Communities
The Press [except for Confidential item(s)]

A G E N D A

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Friday, 1 September 2023

RIVER TEES PORT HEALTH AUTHORITY

A meeting of the River Tees Port Health Authority was held on Friday, 1 September 2023 at the Civic Centre, Ridley Street, Redcar.

PRESENT Councillor E Johnson (In the Chair)
Councillors W Davies, D Coupe, R Creevy, W Davies, A Griffiths, L Hall, B Harrison, P Rowling, S Scott and J Walker,

OFFICIALS S Connolly, D Dobson, and S Ziolkowski.

17. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors T Furness, C Jones, L Myer, M Storey and D Taylor,

18. **DECLARATIONS OF INTEREST**

None noted.

19. **TO CONFIRM THE MINUTES OF THE MEETING HELD ON 9 JUNE 2023**

RESOLVED that the minutes of the River Tees Port Health Authority held on 9 June 2023 be confirmed and signed by the Chair as a true record.

20. **CHANGES TO COMMITTEE MEMBERSHIP - RIVER TEES PORT HEALTH AUTHORITY**

The Clerk presented a report which advised of the following change of membership to the River Tees Port Health Authority that had been received from Stockton Borough Council for the year 2023/24:

Councillor Lynn Hall to replace Councillor Vanessa Sewell

RESOLVED that the change of membership from Stockton-on Tees Borough Council be approved.

21. **EU EXIT UPDATE**

The Executive Director of Adults and Communities presented a report updating Members on the potential impacts on the River Tees Port Health Service (RTPHA) following Brexit's exit from the European Union, which covered issues relating to the Government's updated Target Operation Model.

RESOLVED that the information in the report be noted.

Friday, 1 September 2023

22. **BORDER TARGET OPERATING MODEL**

The Executive Director of Adults and Communities presented a report which reminded Members that the draft Target Operating Model was published for consultation in April 2023. This document detailed the timelines and checks to be introduced to protect the UK borders from sanitary and phytosanitary risks.

This report therefore gave an update on Border Target Operating Model (BTOM) that was published on 29 August 2023.

RESOLVED that the information in the report be noted.

23. **FEES AND CHARGES**

The Executive Director of Adults and Communities presented a report which set out the proposed fees and charges for imports of fishery products from outside the EU for 2023/24.

RESOLVED that the proposed fees and charges be approved.

24. **REPORT OF THE TREASURER**

The Treasurer updated the Board on the financial position of the Authority at the end of June 2023 (Period 03) and highlighted variances against the 2023/24 approved budget.

RESOLVED that the information in the report be noted.



Member Report

Performance Summary for River Tees Port Health Authority Aug 2023 to October 2023

Public

To: River Tees Port Health Authority
From: Corporate Director for Adults and Communities
Portfolio: Health, Housing and Welfare
Priority: All priorities
Ward(s): ALL

Date: 08 December 2023
Decision type: For information
Forward Plan reference: N/A

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 01 August 2023 to 31 October 2023.

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	Aug 23	Sept 23	Oct 23	Grand Total
Hartlepool	9	1	4	14
Middlesbrough	12	7	18	37
Redcar & Cleveland	136	119	132	387
Stockton	110	100	94	304
Grand Total	267	227	248	742

2.4

Ship Inspections and Issue of Ship Sanitation Certificates

All requests for renewal of a Ship Sanitation Certificate were attended to. Whilst all UK Covid restrictions have been lifted, 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.

2.5 Ship Inspections

Authority	Aug 23	Sept 23	Oct 23	Grand Total
Hartlepool				
Exemption	0	1	1	2
Routine	0	0	0	0
Control	0	0	0	0
Middlesbrough				
Exemption	1	3	2	6
Routine	0	0	0	0
Control	0	0	0	0
Redcar & Cleveland				
Exemption	4	3	3	10
Routine	0	0	0	0
Control	0	0	0	0
Stockton				
Exemption	5	1	1	7
Routine	0	0	0	0
Control	0	0	0	0
Total	10	8	7	25

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

For all unsatisfactory water sample results the agent/ships master is given advice on appropriate action that is needed, if the ship remains in the port for a longer period retesting can be undertaken otherwise the ship will leave the Port and require a further test at the next appropriate port.

Type of sample	Outcome	Aug 23	Sept 23	Oct 23	Total
Ship Bacteriological	Satisfactory	5	9	3	17
	Unsatisfactory	0	0	0	0
Ship Legionella	Satisfactory	3	5	9	17
	Unsatisfactory	1	2	5	8
Jetty Water	Satisfactory	0	5	7	12
	Unsatisfactory	0	0	0	0
Grand Total		9	21	24	54

During October a vessel arrived into the Tees that had previously failed for Legionella contamination in the water system. The levels detected were deemed to be grossly contaminated and therefore posed a risk to both the crew and contractors on board. Advice was provided on hyperchlorination of the system, however, follow up samples also failed with extremely high levels.

Relevant stakeholders were consulted, including the Port Medical Officer, the Maritime and Coastguard Agency (MCA) the Food, Water and Environment Laboratory (FWE), the Harbour Master and the ships agent, to determine the best course of action to protect the personnel on board. The MCA determined the vessel was unfit to sail and detained it pending specialised cleaning and disinfection of the tanks and water system.

Following further cleaning and disinfection by an independent company and further samples, results were favourable with no Legionella found in the samples taken. The vessel was released from detention and allowed to sail 9 days after it was first detained.

2.8 Imported Food and Feed

All official controls are carried out within relevant timescales, and 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.

	Aug 23	Sept 23	Oct 23	Total
Fishery products	101	124	136	361

The service also processed 253 Aquaculture Statements. Aquaculture statements are required for farmed fish.

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

Teesport is not approved for imports of POAO from outside the EU.

2.11 **Organics**

The service has certified a total of 1 consignment of organic imports between August to October. This was Wine from Chile.

2.12 **Plastic Kitchenware from China and Hong Kong**

The service did not receive any consignments of plastic kitchenware during August to October.

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

The service received two consignments of high-risk food not of animal origin during August to October. Both were tea from China.

2.14 **Infectious disease notifications**

There were no incidents of infectious disease notifications between August and October.

2.15 **Teesside Airport**

There have been no imports of food or feed through the airport between August and October.

2.16 **Policies and Plans**

All policies and plans were updated and approved at the June Board meeting.

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

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River Tees Port Health Authority

Border Target Operating Model - final



Public

To: River Tees Port Health Authority **Date:** 08 December 2023

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 River Tees Port Health Service (RTPHA) following Britain's exit from the European Union including implementation of the Border Target Operating Model (BTOM).

2 What is the background to this report?

2.1 The Border Target Operating Model was published in August 2023. This document details the timelines and checks to be introduced to protect the UK borders from sanitary and phytosanitary risks.

Sanitary and phytosanitary (SPS) measures are quarantine and biosecurity measures which are applied to protect human, animal or plant life or health from risks arising from the introduction, establishment and spread of pests and diseases and from risks arising from additives, toxins and contaminants in food and feed.

2.2 Border Target Operation Model Update (BTOM)

The main changes to the final BTOM that has just been published are that the proposed timeline for the implementation of checks have been delayed by three months.

The new, three major milestones in the final published TOM are;

- **31 January 2024** - The introduction of health certification on imports of medium risk animal products, plants, plant products and high-risk food (and feed) of non-animal origin from the EU.
 - **There are no checks to be carried out by the River Tees Port Health Authority (PHA) on these documents.**
- **30 April 2024** - The introduction of documentary and risk-based identity and physical checks on medium risk animal products, plants, plant products and high-risk food (and feed) of non-animal origin from the EU. At this point imports of Sanitary and Phytosanitary goods from the rest of the

world will begin to benefit from the new risk-based model including removal of health certification and routine checks on low-risk products as well as a reduction in physical and identity checks on medium risk animal products.

- **The PHA will be required to carry out these checks following full approval of the Border Control Post (BCP) for the commodity types.**
- **31 October 2024** - Safety and Security declarations for EU imports will come into force. Alongside this, the UK will introduce a reduced dataset for imports and use of the UK Single Trade Window will remove duplication where possible across different pre-arrival datasets.
 - **There will be no impact to the PHA for the implementation of these checks.**

2.3 **Controls that will be applied to live animals, germinal and animal products based on risk categorisation.**

Controls will be applied to goods proportionately based upon their risk categorisation:

- **Import of consignments categorised as high risk** (predominantly live animals, germinal products and goods under safeguard measures) will require pre-notification, simplified health certificates, documentary checks and identity and physical checks at the border. In most cases, live animals will be subject to 100% identity and physical checks. Some exceptions to the requirement for 100% checks for animals are set out below. These include lower check rates for some types of high health equines (e.g. race horses) from low risk countries, some zoological animals and some live aquatic animals.
- **Import of consignments categorised as medium risk** will require pre-notification, simplified health certificates, documentary checks and be subject to risk-based identity and physical checks at the border. Some will be set at 1% physical and identity checks, although other goods will be considerably higher based on specific risks. A Trusted Trader scheme for medium risk consignments will be piloted in 2024.
- **Import of consignments categorised as low risk** will have minimal routine border controls applied. There will be no requirement for health certification or routine physical border checks, although there will be provision for intelligence-led intervention on low-risk products. Provision of a pre-notification data set and commercial documentation will be required for all low-risk animal products. Goods classified as low risk would still need to enter via a port that has a Border Control Post (BCP) designation for that type of commodity.

Detail on the import risk categories are available to view via the government website at <https://www.gov.uk/government/publications/risk-categories-for-animal-and-animal-product-imports-to-great-britain> for EU products and at <https://www.gov.uk/government/publications/risk-categories-for-animal-and-animal-product-imports-from-non-eu-countries-to-great-britain/tom-risk->

[categories-for-animal-and-animal-product-imports-from-non-eu-countries-to-great-britain-summary-tables](#) for non-EU products.

2.4 **Trusted Trader Schemes**

Data, technology and trusted relationships will be used to deliver robust upstream compliance that allows processes to be moved away from the border and improve the flow of goods. Trusted Trader schemes can play a role in protecting public health and food safety while reducing burdens on industry.

For animal products the government is proposing to pilot a scheme in 2024, to develop trader assurances, on biosecurity and food safety risks, that is equivalent to official controls. The aim is to build on existing systems and data that traders have in place to allow us to hold them to the UK's high biosecurity and food safety standards while offering certain facilitations from official controls. Overall, they will need to have the same, or higher, assurance compared to that provided by the standard official controls.

2.5 **Impact on Tees PHA**

Current predictions show that more than half of Teesport imports will be deemed to be low risk and as such no checks will be carried out. The number of medium risk imports is currently predicted to be in the order of 5,000 consignments per annum. The service is therefore not expected to require an increase in the number of operational staff other than recruitment of Official Veterinarian Services, to satisfy the new BTOM requirements.

2.6 **Funding Update**

The service received a letter from Defra regarding recruitment and funding intentions. Defra set the following principles:

- Begin recruitment and other operational preparations for the implementation of the BTOM now. These costs will be funded until 30 April 2024, after which PHAs should commence charging to recover staffing and associated costs. Note - if employment starts before November 2023 and earlier funding is needed, then you should discuss with the PHA Engagement Team and cases will be considered on an individual basis before being signed off by Defra.
- To provide some operational flexibility and help PHAs stabilise under the new regime, additional funding will be available between 30 April 2024 and 31 July 2024 in circumstances where you are unable to make the charges to recover your full costs. These costs will have to be submitted to Defra with a clear justification as to why the funds are required.
- Further detailed criteria will be set out shortly and will be included in the next call for bids as part of the ongoing transitional funding.

2.7 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 that will lead to the implementation of the BTOM at Tees Port.

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 PHA's for funding for the BTOM

14 Background papers

14.1 The Border Target Operating Model – August 2023

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1180789/Final_Border_Target_Operating_Model_gov.uk_version.pdf



PHA Border Target
Operating Model (BTC)

15 Contact officer

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Member Report

2023/24 Financial Position Update

Public

To: River Tees Port Health Authority **Date:** 8 December 2023

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 is the purpose of this report?

- 1.1 To update the River Tees Port Health Authority Board (the Board) on the financial position of the Authority at the end of Sept 2023 (Period 06) and highlight any variances against the 2023/24 approved budget.
- 1.2 To update members on estimated reserves levels.

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 is critical to the ongoing operations of the Port Health Service. As such no other options are available.

3 What is the background to this report?

- 3.1 At its meeting on 3 March 2023 the Authority approved a balanced 2023/24 budget, based on the budgeted drawdown from reserves of £35,920 and a £141,680 funding contribution from the Teesside Riparian Authorities. At the update meeting on 1 September 2023 Members were updated on a slightly improved forecast position reducing expected drawdown from reserves by £26,624 as a result of increased fee income and additional Food Standards Agency income partially offset by slight increase in employee costs.

3.2 Projected Outturn 23/24

A summary of the financial position (at the end of September 2023) is set out in the table below:

	Budget 2023/24	Actual as at Period 06 30/09/2023	Projected Outturn 2023/24	Variance Budget to Outturn
Expenditure				
Employee Costs	171,500	76,974	171,934	434
Other operating costs	96,200	8,949	96,200	0
Total Costs	267,700	85,923	268,134	434
Income including grants	(90,100)	(61,670)	(119,350)	(29,250)
Net Expenditure	177,600	24,252	148,784	(28,816)
Riparian Contributions	(141,680)	0	(141,680)	0
Net	35,920	24,252	7,104	(28,816)

The main variances when comparing to budget to projected outturn are as follows:

Employee Costs – a forecast overspend of £434 – pay award is being finalised and expected to be in line with budget assumptions.

Other Operating Costs – currently expected to be in line with budget.

Income - £29,250 more than budget as a result of;

- £20,250 increased estimate for fees income.
- £9,000 additional Food Standards Agency grant income officer time for import surveillance.

As a result of the above improved variations, the planned drawdown from reserves is expected to be £7,104, compared to the budgeted drawdown in reserves of £35,920.

Further analysis can be seen in Appendix 1.

4 Who will this benefit and how?

- 4.1 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.

5 Who have we consulted?

5.1 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.

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

6.1 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.

7 What will be the impact on equality and diversity?

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

8 What will be the impact on our carbon footprint?

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

9 Are there any legal considerations?

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

10 Appendices and further information

10.1 Appendix 1 – Budget Monitoring Position June 2023

11 Contact officer

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Appendix

1

BUDGET MONITORING POSITION 2023/24 POSITION AT END OF SEPTEMBER 2023

		Budget 2023/24	Actual 2023/24	Projected Outturn 2023/24	Variance
R1000	Basic Pay	133,550	64,319	136,423	2,873
R1001	NI Contributions	13,400	6,605	13,777	377
R1002	Other Pay	-	879	879	879
R1003	Overtime	6,500	2,310	3,784	2,716
R1006	Superann Contributions	13,600	6,994	14,380	780
R1063	Other Allowances	2,850	2,750	2,850	-
R3400	Car Allowances	1,600	375	1,600	-
		171,500	76,974	171,934	434
R1650	Training Expenses	500	-	500	-
R4000	Tools & Equipment Purchase	1,000	956	1,000	-
R4200	Clothing, Uniforms & Laundry	500	-	500	-
R4300	Printing & Stationery	100	-	100	-
R4305	Photocopier Usage	50	-	50	-
R4400	Services - Professional Fees	83,450	6,794	83,450	-
R4507	Mobile Phones	700	180	700	-
R4531	Computer Software	7,600	1,018	7,600	-
R4701	Subscriptions	1,200	-	1,200	-
R4960	Public Liability Insurance	1,100	-	1,100	-
		96,200	8,949	96,200	-
	Other Income				
R9000	Government Grants - DEFRA/FSA	-	3,428	9,000	9,000
R9420	Other Income	5,350	-	5,350	-
		5,350	3,428	14,350	9,000
R9305	Fees - Environmental Health & Pest control				
R9305	No Account Sub	-	6,663	-	-
B0607	Product of Animal Origin	-	-	-	-
B0608	Catch Certification	51,500	38,839	67,000	15,500
B0376	Sanitation Certificates	22,300	13,920	27,050	4,750
B0377	High Risk Products Imports	500	43	500	-
B0378	Organic Certificates	1,050	180	1,050	-
B0379	RTPHA Permits (annual fee)	700	-	700	-
B0380	Plastic Declaration	700	-	700	-
B0381	Water Sampling	8,000	5,453	8,000	-
		84,750	65,098	105,000	20,250
	Net Expenditure	177,600	24,252	148,784	28,816
R9102	Other Grants & Contributions - Other Organisations				
B0382	RTPHA - Middlesbrough Council	21,252	-	21,252	-
B0383	RTPHA - Stockton Council	43,920	43,920	43,920	-
B0384	RTPHA - Hartlepool Council	2,834	2,834	2,834	-
B0385	RTPHA - Redcar & Cleveland Council	73,674	-	73,674	-
	Total Due from Riparian Authorities	141,680	46,754	141,680	-
	Net	35,920	22,502	7,104	28,816



Member Report

Budget 2024/25 and Medium-Term Financial Plan

Public

To:	River Tees Port Health Authority	Date:	8 December 2023
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 2024/25 budget proposals and the associated funding requirements based upon the information in the Appendices and informed by the latest financial outturn forecast for 2023/24.
- 2) Note the estimated planned position on reserves for 2023/24 and 2024/25

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

- 2.1 The functions of the Authority discharge each of the Teesside 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.
- 2.5 The Treasurer is recommending that the budget for the River Tees Port Health Authority for 2024/25 is set based on this report. 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.
- 2.6 The budget for approval also needs to be considered in the context of the 2023/24 financial position.

3 What is the purpose of this report?

- 3.1 To recommend a budget for approval by the Authority for the 2024/25 financial year, which proposes the funding levels required from each of the four contributing local authorities and considers the level of reserves held by the Authority.
- 3.2 To consider this budget in the context of the medium-term financial position. 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 2024/25

- 4.2 The financial landscape facing local authorities 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 over the medium to long term.
- 4.3 Following a number of delays to the changes to import controls following the UK's exit from the EU over recent years, a revised format, the Border Target Operating Model (BTOM), was announced which is expected to be operational at the end of April 2024.
- 4.4 The BTOM represents a significant change from plans in earlier years where it was expected all imports would be checked. The current plan is that imports will be split into categories of goods that are low, medium and high risk.
- 4.5 Estimated income from the BTOM in 2024/25 have been prepared based on analysis of historic consignment data by the Principal Environment Health Officer, which may vary and change including schemes such as the 'trusted trader scheme' take effect, reducing cost for the importer. Staffing and variable costs have been estimated based upon these volumes and are subject to revision accordingly.

4.6 Key Budget Assumptions for 2024/25

Salary costs

Salary costs increase have been from £171,850 in 2023/24 to £183,600 in 2024/25, to reflect estimated inflationary salary increases.

Given the changes in the level of checks required when comparing previous planned import controls to the planned BTOM, it is expected that the service will continue to operate with 4.4 FTE's (together with Vet services noted below). Additional staff recruited ahead of previous import controls absorbed into RCBC structure are expected to remain in those posts.

Staffing and associated costs will be revisited accordingly depending on demand.

The budget for 2024/25 includes an estimated pay award of 5.0%, albeit the local government pay award has not been considered yet and may be influenced by a recently announced increase in the National Living Wage of 9.8% to £11.44 per hour.

4.7 **Non-pay budgets**

Non pay budgets have increased from £96,200 to £232,950.

All non-pay budgets for 2024/25 have been fully reviewed and the total non-pay budget has increased to £233k to reflect increased costs of a vet, an updated Service Level Agreement (SLA) forecast from Redcar and Cleveland Borough Council, IT licence costs and estimated inflationary increases.

Professional Fees are expected to increase from £83,450 to £209,600.

This is as a result of:

- The utilisation of a vet on an hourly rate from April 2023 (£104k). A small proportion of this may be recoverable from DEFRA up to the implementation of the BTOM.
- Increased SLA cost from £74,550 to £96,350 (The details of this can be seen at Appendix 1) reflecting;
 1. Additional FTE admin/IT recharges
 2. Increased Accounts Payables and Accounts Receivable support
 3. Estimated inflationary salary increases

Remaining overheads are expected to incur inflationary increases.

4.8 **Product of Animal Origin Income**

This is a new income stream from 2024/25, which at this stage is estimated to be £120,000. However, this income projection is subject to some estimation and will require close monitoring during the next 18-month period.

It is expected that income from the new import controls will commence on 30 April 2024. Consignments will be split into low, medium and high risk with a fee expected per consignment based on this classification. The Principal Environment Health Officer has analysed a significant proportion of transactions through RTPHA over recent periods and it is estimated that around 3,500 annual consignments will be chargeable in the medium category (meat and fish product) (£50 per consignment) in the first year of operation. Estimated volumes on the low consignment (yogurt, cheese, milk etc) category (up to £10 per consignment) are not available at this point.

It is not expected RTPHA will have any high fee consignments for livestock products.

A 'trusted trader scheme' is to be introduced in late 2024 where importers who are accepted onto the scheme will benefit from a reduction in import controls, and therefore a reduction in fees paid to RTPHA. At present this figure is a best estimate which will be updated as more accurate volumes and data becomes available.

4.9 **Other income**

The budgeted other income lines have been reviewed and revised, increasing estimated revenue streams from £85k to £108k in 2024/25 budget. The nature of most of the Authority's income continues to be demand led and therefore income levels will be closely monitored, and forecasts may need to be amended as we progress through 2024/25.

- 4.10 On the basis of these assumptions, it is estimated that the overall contribution by Riparian authorities will need to increase from £141,700 in 23/24 to £157,650 in 24/25 to cover the projected 2024/25 (an increase of 11.3%).

4.11 The current amount held by the Authority in its general reserves is £206k, and this is expected to be £199k at the end of 2023/24 financial year. The budget proposals are therefore based on a planned drawdown from reserves of £30,799. The level of reserves held act as a protection against unexpected or unbudgeted costs. The Authority will review its reserve balances over the medium term, once recurring operational income and costs of the TOM arrangements are clearer.

4.12 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 2024/25 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 the implementation of the BTOM.

4.13 **Medium Term Financial Plan**

Given the uncertainty around initial volume and mix upon implementation and impact of schemes including trusted trader scheme, a longer-term financial plan has not been possible, however the progress in implementing BTOM in April 2024 will inform financial assumptions from 2025/26, and the Board will be kept fully informed of these assumptions.

4.17 A summary of the proposed budget for 2024/25 is set out below. The detailed spend and income budget can be seen at Appendix 3.

	<i>Projected Outturn 2023/24</i>	<i>Proposed Budget 2024/25</i>
<u>Expenditure</u>		
<i>Employee Costs</i>	171,850	183,600
<i>Other operating Costs</i>	96,200	232,950
<i>Total Costs</i>	268,050	416,550
<i>Income</i>	(119,350)	(228,100)
<i>Net Expenditure</i>	148,700	188,450
<u>Funding</u>		
<i>Middlesbrough BC</i>	21,252	23,648
<i>Stockton BC</i>	43,920	48,872
<i>Hartlepool</i>	2,834	3,153
<i>Redcar & Cleveland BC</i>	73,674	81,978
<i>Total Funding</i>	141,680	157,650
<i>Net</i>	7,020	30,799
<i>Reserves B/fwd.</i>	206,381	199,381
<i>Loss for the period</i>	(148,700)	(188,450)
<i>Riparian contributions</i>	141,700	157,650
<i>Reserves C/fwd</i>	199,381	168,581

4.18 Financial Assumptions

The budget for the period 2024/25 has been developed around some core assumptions. Some of these have already been set out above in explaining the basis for the 2024/25 budget. However, it is worth setting these out again as any future discussion on the MTFP would need to focus on these issues.

- A 5.0% pay increase has been assumed in 2024/25 – which may need to be revisited in light of a recent increase in the National Living Wage to be implemented from 1 April 2024 and the eventual local government pay award for 2024/25.
- Non-pay budgets have assumed BTOM implementation in April 2024 and will be revised accordingly should plans and dates change, including areas such as veterinary service provision.
- 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.
- A long-term financial aim of the RTPHA is to seek to become more self-sustainable and operate within the fees and charges it collects to cover its operational costs and overheads. However, the implementation of the BTOM has taken some years to take place, with previous planned monitoring arrangements withdrawn at short notice and at significant cost. Therefore, the delivery of this objective will need to be closely assessed.

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 2024/25 budget 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 budget for 2024/25 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, 2024/25 budget 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 2024/25 :

Appendix 1 – RCBC Central Support Services.

Appendix 2 – RTPHA Fees & Charges.

Appendix 3 – Detailed Proposed Budget.

13 Background papers – none

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

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

Service Provided	Basis of Calculation	23/24 Initial Budget £	23/24 Projected outturn £	24/25 Budget £
Accountancy – budget setting; budget monitoring; preparation of reports; attendance at meetings; annual returns, financial systems maintenance and control.	Finance Manager (2024/25 45 Days)	11,000	11,000	11,550
	Senior Accounting Support Office (2023/24 50 Days)	8,550	8,550	9,000
		19,550	19,550	20,550
Democratic Services - agenda collation, preparation, production and distribution; attendance at meetings; production and distribution of minutes; member services.	Sue Fenwick (135 Hours)	3,744	3,744	3,950
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)	21,945	21,945	28,950
Principal Environmental Health Officer – as above but potential requirement for 1 full time equivalent post.	(60% of post)	-	-	-
AR/AP - payment and processing of both debtors and creditors invoices	Invoice based	5,200	5,200	11,850
HR & Payroll - recruitment; contract maintenance; system maintenance; absence monitoring etc.	4.4 employees	2,496	2,496	3,200
LSP - general support services e.g., mail sorting, collection and distribution; reception facilities; caretaking services.	4.4 employees	468	468	600
Admin Buildings - heating; lighting; water; rates; cleaning etc.	4.4 employees (9. 1sq.m)	15,000	15,000	19,350
IT - IT support	4.4 employees	5,408	5,408	6,950

Internal Audit – Sign off annual review before submission to BDO		728	728	950
Total (rounded to nearest £50)		74,550	74,550	96,350

Income Type	Basis for charge	23/24 Budget	23/24 Projected Outturn	24/25 Proposed Budget
Product of Animal Origin	Officer time & analyst fees	0	0	120,000
Catch Certification	Officer time & analyst fees	51,500	67,000	69,000
Sanitation Certificates	APHA Recommendation	22,300	27,050	27,850
High Risk Products Imports	Officer time & analyst fees	500	500	500
Organic Certificates	DEFRA Recommendation	1,050	1,050	1,100
RTPHA Permits (annual fee)	Set in statute	700	700	700
Plastic Declaration	Officer time & analyst fees	700	700	700
Water Sampling	Officer time & analyst fees	8,000	8,000	8,250
		84,750	105,000	228,100

	23/24	23/24	24/25
	Budget	Projected Outturn	Budget
Salaries - Basic Pay	133,550	133,400	143,350
Salaries - National Insurance	13,400	13,800	14,750
Salaries - Overtime	6,500	3,800	6,500
Salaries - Superannuation	13,600	14,400	14,600
Other Allowances	2,850	2,750	2,750
Car Allowances	1,600	1,600	1,650
	171,500	171,850	183,600
External Training	500	500	500
General Equipment	1,000	1,000	1,050
Clothing & Uniforms	500	500	500
Printing & Stationery	100	100	100
MFD Recharge (Printing)	50	50	50
Services – Veterinary Contract Fees	0	0	104,000
Analysts Fees	8,000	8,000	8,300
External Audit Fees	900	900	950
Publicity			
Court Evidence Costs			
SLA Agreement	74,550	74,550	96,350
Postage	0	0	0
Mobile Phones	700	700	750
Computer Software	7,600	7,600	18,000
Subsistence			
Subscriptions	1,200	1,200	1,250
Insurance	1,100	1,100	1,150
Contribution to bad debt provision	0	0	0
Transfer to / (from) Reserves	0	0	0
	96,200	96,200	232,950
Government Grants	0	0	0
Other income	(5,350)	(14,350)	0
Fees - Environmental Health & Pest control			
Products of Animal Origin	0	0	(120,000)
Catch Certification	(51,500)	(67,000)	(69,000)
Sanitation Certificates	(22,300)	(27,050)	(27,850)
High Risk Products Imports	(500)	(500)	(500)
Organic Certificates	(1,050)	(1,050)	(1,100)
RTPHA Permits (annual fee)	(700)	(700)	(700)
Plastic Declaration	(700)	(700)	(700)
Water Sampling	(8,000)	(8,000)	(8,250)
	(84,750)	(105,000)	(228,100)
Total Budget	177,600	148,700	188,450
Reserves at the start of the year B/F	206,382	206,381	199,381
Estimated loss for the year	(177,600)	(148,700)	(188,450)
Riparian financial contributions	141,680	141,700	157,650
Reserves at the end of the year C/F	170,462	199,381	168,581
Contributions required based on agreed Option 2c) as per Board meeting 26/3/2010	23/24	23/24	23/24
Middlesbrough 15%	21,855	21,255	23,648

Stockton 31%	43,927	43,927	48,872
Hartlepool 2%	2,834	2,834	3,153
Redcar & Cleveland Borough Council 52%	73,684	73,684	81,978
	141,700	141,700	157,650