



**RIVER TEES PORT HEALTH AUTHORITY
FRIDAY, 12 DECEMBER 2025 AT 10.00 AM
CIVIC CENTRE, RIDLEY STREET, REDCAR TS10 1TD**

CONTACT
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2 December 2025

CIRCULATION

Councillors G Allen (Chair), I Blades, C Cawley, D Coupe, W Davies, M Dodds, M Fairley, T Furness, P Gavigan, P Grogan, L Hall, I Hart, L Hurst, S Hussain, E Johnson, M Mazi and P Weston
All Members of the Council (for information)
Managing Director (Head of Paid Service)
The Press [except for Confidential item(s)]

A G E N D A

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Friday, 5 September 2025

RIVER TEES PORT HEALTH AUTHORITY

A meeting of the River Tees Port Health Authority was held on Friday, 5 September 2025 at the Civic Centre, Ridley Street, Redcar TS10 1TD.

PRESENT Councillor G Allen (Chair), J Coulson (substituting for Councillor Mazi) D Coupe, P Gavigan, P Grogan, L Hall, I Hart, S Hussain and P Weston.

OFFICIALS L Evans, S Fenwick, E Grunert and Dobson.

18 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors I Blades, C Cawley, W Davies, M Dodds, M Fairley, T Furness, L Hurst and Mazi.

19 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

20 **TO CONFIRM THE MINUTES OF THE MEETING HELD ON 13 JUNE 2025**

RESOLVED that the minutes of the meeting held on 13 June 2025 be confirmed as a correct record.

21 **PERFORMANCE SUMMARY FOR RIVER TEES PORT HEALTH AUTHORITY - 01 MAY 2025 TO 31 JULY 2025**

The Executive Director for Growth, Enterprise and Environment presented a report which gave a summary of the performance of the River Tees Port Health Authority from 1 May 2025 to 31 July 2025. - **NOTED**

22 **CURRENT AND EMERGING RISKS REPORT**

The Executive Director of Growth, Enterprise and Environment submitted a report which gave details of several current and emerging risks from imported factors that have an impact on the River Tees Port Health Authority.

Friday, 5 September 2025

The risks included Foot and Mouth Disease, African Swine Fever, and Pestes de Petits Ruminants, Lumpy Skin Disease and African Swine fever full details of which were set out in the report.

Members were advised that the service continued to monitor the new and emerging risk to the service and regularly liaised with DEFRA, the Animal and Plant Health Agency (APHA), and the Food Standards Agency (FSA).

RESOLVED that the information in the report be noted.

23 **2025/26 FINANCIAL POSITION UPDATE**

The Treasurer updated the Board on the financial position of the Authority at the end of June 2025 (Period 03) and highlighted variances against the 2025/26 approved budget.

RESOLVED that the information in the report be noted.

24 **ANY ITEMS THAT THE CHAIR CERTIFIES AS URGENT**

None



Member Report

Performance Summary for River Tees Port Health Authority August 2025 to October 2025

Public

To: River Tees Port Health Authority **Date:** 12 Dec 2025

From: Corporate Director - Growth Enterprise Environment **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 01 August 2025 to 31 October 2025.

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 25	Sept 25	Oct 25	Grand Total
Hartlepool	8	11	7	26
Middlesbrough	13	11	10	34
Redcar & Cleveland	113	102	103	318
Stockton	103	87	83	273
Grand Total	237	211	203	651

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 25	Sept 25	Oct 25	Grand Total
Hartlepool				
Exemption	1	0	0	1
Routine	0	0	0	0
Control	0	0	0	0
Middlesbrough				
Exemption	0	1	0	1
Routine	0	0	0	0
Control	0	0	0	0
Redcar & Cleveland				
Exemption	3	2	3	8
Routine	0	0	0	0
Control	0	0	0	0
Stockton				
Exemption	1	0	3	4
Routine	0	0	0	0
Control	0	0	0	0
Total	5	3	6	14

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 Sample Results

Type of sample	Outcome	Aug 25	Sept 25	Oct 25	Total
Ship Bacteriological	Satisfactory	3	7	2	12
	Unsatisfactory	1	0	0	1
Ship Legionella	Satisfactory	3	2	2	7
	Unsatisfactory	1	1	0	2
Jetty Water	Satisfactory	1	0	9	10
	Unsatisfactory	0	0	0	0
	Grand Total	9	10	13	32

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 25	Sept 25	Oct 25	Total
Fishery products	121	90	135	346

2.10 Product of Animal Origin (POAO)

Imports of POAO are risk rated, low, medium and high. Low risk products include pasteurised dairy products, ambient stable goods, and pet food. Medium risk products include meat and fishery products. High risk products include live animals and germinal products.

	Aug 25	Sept 25	Oct 25	Total
POAO	2021	1686	1708	5415

2.11 Organics

The service has certified a total of 5 consignments of organic imports between August and October 2025.

2.12 Plastic Kitchenware from China and Hong Kong

The service did not receive any consignments of plastic kitchenware during August and October 2025.

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

The service received 11 consignments of high-risk food not of animal origin during August and October 2025.

2.14 Infectious disease notifications

There were no incidents of infectious disease notifications between August and October 2025.

2.15 Teesside Airport

There have been no imports of food or feed through the airport between August and October 2025.

2.16 Policies and Plans

All policies and plans have been reviewed and updated where required and were presented at the June 2025 Board meeting. They are available to view on our website at www.teesporthealth.co.uk

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
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Member Report - For Information

Current and Emerging Risks

Public

To: River Tees Port Health Authority
Date: 12 Dec 2025
From: Growth, Enterprise & Environment Scrutiny
Decision type: For Information
Portfolio: Health, Housing and Welfare
Forward Plan Reference: N/A
Priority: All Priorities

1.	Summary of report
1.1.	There are a number of current and emerging risks that have an impact on River Tees Port Health Authority (RTPHA). These risks include Foot and Mouth Disease (FMD), African Swine Fever (ASF), and Pestes de Petits Ruminants (PPR). Great Britain (GB) is currently 'disease free' from these three animal diseases and the Government has introduced additional controls to ensure GB retains this.
2.	What are the objectives of the report and how do they link to the Council's priorities?
2.1.	To inform Members of the current and emerging risks to GB from imported food and feed, in particular Foot and Mouth Disease, African Swine Fever, Pestes des Petit Ruminants, and Lumpy Skin Disease.
3.	Background

3.1.	The Department for Environment, Food and Rural Affairs (DEFRA) monitors all new and emerging risks that may enter GB that may have an impact on food, feed and animals. Diseases such as FMD can have a huge impact on the farming community and the food and feed entering the UK.
3.2.	According to the National Audit Office, the last FMD outbreak in the UK cost the public sector over £3 million and the private sector more than £5 billion. It is therefore extremely important to monitor these new and emerging risks and put measures in place quickly to prevent the spread of such diseases. <u>The 2001 Outbreak of Foot and Mouth Disease - NAO report</u>
3.3.	<p>Foot and Mouth Disease (FMD)</p> <p>FMD is an infectious and sometimes fatal viral disease that primarily affects even-toed ungulates (hooved animals), including domestic and wild cattle. The virus causes a high fever lasting two to six days, followed by blisters inside the mouth and near the hoof that may rupture and cause lameness.</p> <p>The FMD virus can be transmitted in a number of ways, including close-contact, animal-to-animal spread, long-distance aerosol spread, or inanimate objects, typically fodder and motor vehicles.</p>
3.4.	There remains current restrictions in place are for imports of animal and animal products from Slovakia and Hungary. All other restrictions have been lifted.
3.5.	<p>Pestes des Petites Ruminants</p> <p>Pestse des petits ruminants virus (PPR) is a highly contagious viral disease of sheep and goats and infection has been noted in antelope, camels and water buffalo. Cattle and pigs can be affected too but tend not to develop clinical signs. Outbreaks result in morbidity and mortality rates as high as 90%.</p> <p>PPRV is transmitted through direct contact of infected and susceptible animals, via aerosolised bodily fluids over short distances, or through contaminated feed, water, pastures and animal housing.</p>
3.6.	RTPHA was notified of an outbreak in Greece and Romania in September 2024, Bulgaria in December 2024, and Hungary in January 2025. The main commodities affected are live animals, and raw milk and milk products. The service has a small number of these products where increased checks are required.
3.7.	<p>Lumpy Skin Disease</p> <p>An outbreak of Lumpy Skin Disease (LSD) was confirmed 21 June 2025 on a cattle farm in Sardinia; as a result, Italy lost its LSD-free status.</p> <p>Lumpy skin disease affects cattle, water buffalo and some exotic species including antelope and giraffes. It can cause severe illness in susceptible animals and outbreaks can cause trade and movement restrictions. It does not affect people or food safety.</p>
3.8.	Following the outbreak of Lumpy Skin Disease, imports of Bovine commodities, including raw milk and milk products were suspended until safeguard declarations and heat treatments were agreed and implemented.

3.9.	France and Spain have also lost their disease-free status, and safeguard measures have been implemented on specific imports.
3.10.	<p>African Swine Fever</p> <p>African Swine Fever (ASF) is a highly contagious and deadly disease in pigs and wild boar that can be transmitted through infected meat but poses no risk to human health. An outbreak of ASF could have a significant impact on the UK's £8 billion pig industry, as well as its annual pork and pork product exports worth £600 million. It is estimated that an outbreak could cost the UK between £10 million to £100 million should it ever occur.</p>
3.11.	In September 2022 legislation was introduced to prevent the import of illegal pork products from the EU, including health marking on packaging to ensure it comes from a country authorised to export to the UK. Further measures were implemented in September 2024 to prohibit personal imports of pork and pork products over 2kg.
3.12.	ASF presents a big problem to ports where ferry traffic is the main route of entry. Dover in particular has a big problem with illegal imports due to the amount and type of traffic coming through these short straits.
3.13.	<p>Impacts to RTPHA</p> <p>The service has a small number of low risk imports that require additional checks; this has not had an impact on service delivery.</p>
3.14.	The service continues to monitor the new and emerging risk to the service and regularly liaises with DEFRA, the Animal and Plant Health Agency (APHA), and the Food Standards Agency (FSA).
4.	Appendices and background papers
4.1.	<p>Further information about current issues relating to imports of animal products can be found at the link below.</p> <p>Imports, exports and EU trade of animals and animal products: topical issues - GOV.UK</p>
5.	Contact officer
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Member Report

2025/26 Financial Position Update

Public

To:	River Tees Port Health Authority	Date:	12 December 2025
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 September 2025 (Period 06) and to highlight any variances against the 2025/26 approved budget.

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 13th December 2024 the Authority approved a balanced 2025/26 budget, which is based on a surplus, to be added to reserves of £21,250 and a £157,650 funding contribution from the Teesside Riparian Authorities.

3.2 Projected Outturn 25/26

The Border Target Operating Model (BTOM) became operational at the end of April 2024 with imports split into categories of goods that are low, medium and high risk.

The forecast income and costs for 25/26 have been updated for increased run rate on product of animal origin income (c £236k, Sept 25 forecast: £48k) to reflect increased income achieved in year. Increased income is partly offset by associated additional veterinary costs, additional overtime, and final pay award estimates (c £62k, Sept 25 forecast: £48k). The net impact is a c £179k improvement versus the initial budget (c £21k surplus).

The forecast assumes that the Governments announcement regarding a trade deal with the EU earlier in the year, and expected change to the Border Target Operating Model, has no impact on the 2025/26 financial year given the relatively short time frame now remaining.

A summary of the financial position (at the end of September 2025) is set out in the table below:

	Budget 2025/26	Actual	Projected Outturn 2025/26	Variance Budget to Outturn
Expenditure				
Employee Costs	242,350	124,701	255,950	13,600
Other operating costs	396,900	147,452	445,000	48,100
Total Costs	639,250	272,153	700,950	61,700
Income including grants	(660,500)	(416,311)	(900,805)	(240,305)
Net Expenditure	(21,250)	(144,158)	(199,855)	(178,605)
Riparian Contributions	(157,650)	(23,648)	(157,650)	0
Net	(178,900)	(167,806)	(357,505)	(178,605)

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

Employee Costs – a forecast overspend of £13,600. This increase reflects updated overtime cost expectation to support meeting the demand of BTOM.

Other Operating Costs – a forecast overspend of £48,100. This is demand driven, including additional veterinary service provision (£25,000) to cover the increase in checks following the outbreaks of animal related diseases in the EU, and increased computer licence cost (c. £11k). This will continue to be monitored as the year progresses.

Income - £240,305 more than budget as a result of additional product of animal origin income which was largely unknown.

Further analysis can be seen in Appendix 1.

As a result of the above, the net contribution to reserves, after Riparian contributions (£157,650) is currently estimated to be £357,505, a £178,605 improvement on budget (budget £178,900).

The expected outturn position for 25/26 will continue to be closely monitored over the coming months as future government policy becomes clearer.

3.3 Estimated Reserves and 26/27 budget

Estimated Reserves 31/3/26

The estimated reserves balance of RTPHA are a key indicator of financial strength and the estimated position of these reserves as at 31 March 2026 is set out below. Reserves are projected to increase from their opening balance of £380,414 to around £738,000 (including current surplus and Riparian contributions).

Reserves	£
Balance at 1st April 2025	380,414
Estimated surplus for the year	199,855
Riparian contributions	157,650

Estimated balance 31st March 2026 737,919

26/27 Budget: A separate paper is prepared in relation to the 26/27 Budget.

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 September 2025

11 Contact officer

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Appendix 1

	Budget 2025/26	Actual 2025/26	Projected Outturn 2025/26	Variance
Basic Pay	189,900	96,312	193,050	3,150
NI Contributions	27,300	11,851	24,700	- 2,600
Overtime	2,000	4,602	8,600	6,600
Superann Contributions	19,900	11,803	23,600	3,700
Other Allowances	2,750	-	5,500	2,750
Car Allowances	500	133	500	-
	242,350	124,701	255,950	13,600
Training Expenses	500	228	-	- 500
Tools & Equipment Purchase	1,100	442	1,050	- 50
Clothing, Uniforms & Laundry	500	-	500	-
Printing & Stationery	100	-	100	-
Photocopier Usage	50	-	50	-
Services - Professional Fees	372,850	120,577	410,000	37,150
General Supplies and Services	-	1,443	50	50
Mobile Phones	750	300	750	-
Computer Software	18,550	24,462	30,000	11,450
Subscriptions	1,300	-	1,300	-
Public Liability Insurance	1,200	-	1,200	-
	396,900	147,452	445,000	48,100
Fees - Environmental Health & Pest control				
Product of Animal Origin	553,500	359,633	789,055	235,555
Catch Certification	66,950	30,266	66,950	-
Sanitation Certificates	28,350	14,822	28,350	-
High Risk Products Imports	250	2,264	2,500	2,250
Organic Certificates	800	400	800	-
RTPHA Permits (annual fee)	700	1,140	1,150	450
Plastic Declaration	700	-	-	- 700
Water Sampling	9,250	7,786	12,000	2,750
	660,500	416,311	900,805	240,305
Net Expenditure	- 21,250	- 144,158	- 199,855	- 178,605
Other Grants & Contributions - Other Organisations				
RTPHA - Middlesbrough Council	23,648	23,648	23,648	-
RTPHA - Stockton Council	48,872	-	48,872	-
RTPHA - Hartlepool Council	3,152	-	3,152	-
RTPHA - Redcar & Cleveland Council	81,978	-	81,978	-
	157,650	23,648	157,650	-
Total Due from Riparian Authorities	157,650	23,648	157,650	-
Net	- 178,900	-167,806	- 357,505	- 178,605



Member Report

Budget 2026/27 and Medium-Term Financial Plan

Public

To:	River Tees Port Health Authority	Date:	12 December 2025
From:	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 2026/27 budget proposals and the associated funding requirements based upon the information in the Appendices and informed by the latest financial outturn forecast for 2025/26.
- 2) Note the estimated planned position on reserves for 2025/26 and 2026/27
- 3) Approve distribution of reserves in 2025/26 based on expected reserves as noted

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 2026/27 is set based on this report. The Authority is required to meet the statutory deadline of setting a balanced budget by 7th 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 2025/26 financial position.

3 What is the purpose of this report?

- 3.1 To recommend a budget for approval by the Authority for the 2026/27 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 2026/27

- 4.2 The financial landscape facing local authorities continues to be extremely challenging and change programmes and significant cost cutting measures introduced in recent years have continued to evolve 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 operational at the end of April 2024.
- 4.4 The BTOM represented a significant change from plans in earlier years where it was expected all imports would be checked. Imports are split into categories of goods that are low, medium and high risk.
- 4.5 Estimated income from the BTOM in 2026/27 have been prepared based on revenue streams in 2025/26 to date, which may vary depending in particular on utilisation by one main customer. Staffing and variable costs have been estimated based upon 2025/26 experience and forecast volumes and are subject to revision accordingly.
- 4.6 A new trade deal was announced with the EU during 2025. It is anticipated this will result in the majority of Product of Animal Origin income ceasing once implemented. With reduced demand, we expect a reduction in associated delivery costs for which we have begun reviewing and costing for future years. Whilst implementation dates are yet to be finalised, current estimates indicate implementation at the earliest from 01 April 2027, after the 2026/27 financial year.
- 4.7 **Key Budget Assumptions for 2026/27**

Salary costs

Salary costs increase from £255,950, in 2025/26 to £260,550 in 2026/27, to reflect estimated inflationary salary increases.

Staffing and associated costs will be revisited accordingly depending on demand and planning for implementation of the new trade deal as the picture becomes clearer over coming months.

The budget for 2026/27 includes an estimated pay award of 3.0%, albeit the local government pay award has not been finalised yet.

4.8 **Non-pay budgets**

Non pay budgets have increased from £445,000 to £459,300.

All non-pay budgets for 2026/27 have been fully reviewed and the total non-pay budget has increased to £459k to reflect in the main estimated inflationary increases in cost base including associated with vet cost and updated Service Level Agreement (SLA) forecast from Redcar and Cleveland Borough Council.

Professional Fees are expected to increase from £410,000 to £427,750.

This is almost entirely as a result of estimated inflationary increases in 2025/26 costs.

Remaining overheads are expected to incur inflationary increases.

4.9 **Product of Animal Origin Income**

This income stream commenced in May 2024, this income projection is subject to some estimation and will continue require close monitoring through the remainder of 2025/26 and into 2026/27.

Consignments are split into low, medium and high risk with a fee per consignment based on this classification. Budget for 26/27 is based on achieving c. £65k income per month plus an assumed inflationary increase in fee rate.

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

4.10 **Other income**

The budgeted other income lines have been reviewed and revised, increasing estimated revenue streams from £112k to £115k in 2026/27 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 2026/27.

4.11 **Reserves**

The current amount held by the Authority in its general reserves is £380k, and this is expected to be c £738k at the end of 2024/25 financial year. The budget proposals indicate a surplus with no drawdown from reserves. The level of reserves held act as a protection against unexpected or unbudgeted costs. The Authority is heavily reliant on one main customer regarding Product of Animal Original Income.

The original budget for 2025/26 estimated closing reserves of £554k.

The 2026/27 budget estimates a further £207k surplus.

Given the knowledge that a new trade deal is to be introduced, which will reduce income and recurring costs it is suggested that a distribution of reserves is applied in 2025/26 for £175,000. This will take estimated closing reserves to c £563k, slightly higher than the levels estimated in the budget set, £554k. It is also estimated that these levels will comfortably cover any costs associated with reducing operations (past experience is that DEFRA has supported elements of exceptional one off costs with nothing confirmed at this stage) and a high level model of 27/28 figures by officers indicates that current Riparian levels of contributions will support in year operational running costs.

The Authority will review its reserve balances further through 2026/27 as the Trade Deal implementation becomes clearer.

- 4.12 On the basis of the assumptions outlined above, it is proposed Riparian contributions are prudently retained in the budget at the same level in 2026/27, £157,650 (2025/26 £157,650). This allows time for the Trade Deal to be finalised and recurring cost and timing of implementation to be worked through.

4.13 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 2026/27 financial year is compiled using the information available at this time and considering the possible impact of no future POAO sales and associated costs in future years.

4.14 **Medium Term Financial Plan**

Given the continuing uncertainty around timing of implementation of the new EU Trade Deal, Officers have looked at the high level assumption around no POAO income in 27/28 with reduced associated costs. Once timing of implementation is clearer, a detailed budget will be prepared and presented.

4.14 A summary of the proposed budget for 2026/27 is set out below. The detailed spend and income budget can be seen at Appendix 3.

	Projected Outturn 2025/26	Proposed Budget 2026/27
<u>Expenditure</u>		
Employee Costs	255,950	260,550
Other operating Costs	445,000	459,300
Total Costs	700,950	719,850
Income	- 900,800	- 927,300
Net Expenditure/(Surplus)	- 199,850	- 207,450
 <u>Funding</u>		
Middlesbrough BC	23,648	23,648
Stockton BC	48,872	48,872
Hartlepool BC	3,153	3,153
Redcar and Cleveland BC	81,978	81,978
Total Funding	157,650	157,650
 Net (Surplus)	- 357,500	- 365,100
 Reserves B/fwd	380,414	562,914
Surplus for the period	199,850	207,450
Riparian contributions	157,650	157,650
Distribution	- 175,000	
Reserves C/fwd	562,914	928,014

4.15 Financial Assumptions

The budget for the period 2026/27 has been developed around some core assumptions. Some of these have already been set out above in explaining the basis for the 2026/27 budget. However, it is worth setting these out again as any future discussion on the MTFP would need to focus on these issues.

- A 3.0% pay increase has been assumed in 2026/27 – which may need to be revisited for National Living Wage changes to be implemented from 1 April 2026 and the eventual local government pay award for 2026/27.
- Income levels are based 2025/26 experience to date 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 remains to become more self-sustainable and operate within the fees and charges it collects to cover its operational costs and overheads. The draft 26/27 budget implies a surplus before Riparian contributions. The delivery of this objective continue to be closely assessed as the new EU Trade Deal is implemented.

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 2026/27 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 2026/27 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, 2026/27 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 2026/27 :

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	25/26 Budget and Projection	26/27 Budget
Accountancy - budget setting; budget monitoring; preparation of reports; attendance at meetings; annual returns.	Finance Manager 45 days	11,900	12,250
	Accountant 50 days	9,250	9,550
		21,150	21,800
Democratic Services - agenda collation, preparation, production and distribution; attendance at meetings; production and distribution of minutes; member services.	Sue Fenwick (135 Hours)	4,050	4,150
Principal Environmental Health Officer - management of operational requirements of the service; preparation of reports; provision of training to members and officers; attendance at meetings.	Susan Ziolkowski (50%)	29,050	36,650
AP/AR - payment and processing of both debtors and creditors invoices	Invoice based	29,600	30,500
HR & Payroll - recruitment; contract maintenance; system maintenance; absence monitoring etc.	6.3 employees	3,850	3,950
LSP - general support services eg. mail sorting, collection and distribution; reception facilities; caretaking services.	6.3 employees	700	700
Admin Buildings - heating; lighting; water; rates; cleaning etc.	6.3 employees	24,850	25,600
IT	6.3 employees	8,925	9,200
Internal Audit - Signing off of annual		1,150	-
Total (rounded to nearest £50)		123,350	132,550

Income Type	Basis for charge	25/26 Proposed Budget	25/26 Projected Outturn	26/27 Proposed Budget
Product of Animal Origin	Officer time & analyst fees	553,500	789,050	812,700
Catch Certification	Officer time & analyst fees	66,950	66,950	68,950
Sanitation Certificates	APHA Recommendation	28,350	28,350	29,200
High Risk Products Imports	Officer time & analyst fees	250	2500	2600
Organic Certificates	DEFRA Recommendation	800	800	800
RTPHA Permits (annual fee)	Set in statute	700	1150	700
Plastic Declaration	Officer time & analyst fees	700	0	0
Water Sampling	Officer time & analyst fees	9,250	12,000	12,350
		660,500	900,800	927,300

Appendix 3

	25/26 Budget	25/26 Projected Outturn	26/27 Budget
Salaries - Basic Pay	189,900	193,050	199,400
Salaries - National Insurance	27,300	24,700	25,650
Salaries - Overtime	2,000	8,600	8,850
Salaries - Superannuation	19,900	23,600	23,400
Other Allowance	2,750	5,500	2,750
Car Allowances	500	500	500
	242,350	255,950	260,550
Training Expenses	500	0	500
Tools and Equipment - Purchase	1,100	1,050	1,100
Protective Clothing	500	500	500
Printing & Stationery	100	100	100
Photocopier Charges - Usage	50	50	50
Services - Professional Fees - Official Vets	239,200	264,000	271,900
Analysts Fees	9,250	19,150	19,700
External Audit Fees	1,050	3,500	3,600
SLA Agreement	123,350	123,350	132,550
Comms - Mobile Telephones	750	800	800
Computing - Purchase of Software	18,550	30,000	25,900
Subscriptions	1,300	1,300	1,350
Public Liability Insurance	1,200	1,200	1,250
	396,900	445,000	459,300
Product of Animal Origin	-553,500	-789,050	-812,700
Catch Certification	-66,950	-66,950	-68,950
Sanitation Certificates	-28,350	-28,350	-29,200
High Risk Products Imports	-250	-2,500	-2,600
Organic Certificates	-800	-800	-800
RTPHA Permits (annual fee)	-700	-1,150	-700
Plastic Declaration	-700	0	0
Water Sampling	-9,250	-12,000	-12,350
	-660,500	-900,800	-927,300
Total Budget	-21,250	-199,850	-207,450
Reserves at start of year b/f	375,159	380,414	562,914
Estimated (loss)/surplus	21,250	199,850	207,450
Riparian financial contributions	157,650	157,650	157,650
Distribution/dividend	-	175,000	
Reserves at end of year c/f	554,059	562,914	928,014
Contributions required based on agreed option 2c) as per Board meeting 26/3/2010			
Middlesbrough	15%	23,648	23,648
Stockton	31%	48,872	48,872
Hartlepool	2%	3,153	3,153
RCBC	52%	81,978	81,978
Total		157,650	157,650