

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

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

10 August 2021

Dear Councillor,

RIVER TEES PORT HEALTH AUTHORITY: FRIDAY 3 SEPTEMBER 2021

Would you please note that a meeting of the River Tees Port Health Authority will be held on Friday 3 September 2021 at 10.00am in the Council Chamber, in the Redcar & Cleveland Leisure and Community Heart, Ridley Street, Redcar TS10 1TD.

A G E N D A

	<u>Pages</u>
1. Apologies for Absence.	
2. Declarations of Interest.	
3. To confirm the Minutes of the meeting held on 4 June 2020	1 - 6
4. Reports of the Corporate Director for Adults and Communities:	
a. Performance Summary for River Tees Port Health Authority May 2021 to July 2021	7 – 11
b. EU Exit Update	12 - 14

5. Reports of the Deputy Treasurer:
 - a. Revised Budget 2021/22 and Medium-Term Financial Plan 15 – 20
 - b. 2021/22 Financial Position Update 21 - 25
6. Any items that the Chair certifies as urgent.

Yours sincerely,

S NEWTON
CLERK TO THE AUTHORITY

4 June 2021

RIVER TEES PORT HEALTH AUTHORITY

The annual meeting of the River Tees Port Health Authority was held on Friday 4 June 2021 in the Redcar & Cleveland Leisure and Community Heart.

PRESENT Councillors R Cook, D Coupe I Delgarno, D Dowson, C Foggo, L Hall, S Kay, M Perry, J Walker, A Waters and A Watson

OFFICIALS S Fenwick, E Grunert, N Luxford and S Ziolkowski
(Redcar and Cleveland Borough Council).

1. **NOMINATION FOR MEMBERSHIP OF THE AUTHORITY 2021/22**

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 2021/22.

RESOLVED that the following nominations be agreed:

Councillor R Cook	Hartlepool Borough Council
Councillor M Young	Hartlepool Borough Council
Councillor D Coupe	Middlesbrough Borough Council
Councillor T Furness	Middlesbrough Borough Council
Councillor J Walker	Middlesbrough Borough Council
Councillor A Waters	Middlesbrough Borough Council
Vacancy	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 C Foggo	Redcar and Cleveland Borough Council
Councillor M Flecher	Redcar and Cleveland Borough Council
Councillor S Kay	Redcar and Cleveland Borough Council
Councillor Quartermain	Redcar and Cleveland Borough Council

4 June 2021

2. **TO ELECT A CHAIRMAN FOR THE AUTHORITY FOR THE ENSUING MUNICIPAL YEAR 2021/22**

RESOLVED that Councillor R Cook (Hartlepool Borough Council) be elected as Chairman for 2021/22

Councillor Cook then took the Chair.

3. **TO ELECT A VICE CHAIRMAN FOR THE AUTHORITY FOR THE ENSUING MUNICIPAL YEAR 2021/22**

RESOLVED that Councillor J Walker (Middlesbrough Borough Council) be elected as Vice Chairman for 2021/22

4. **APOLOGIES FOR ABSENCE** were submitted on behalf of Councillors T Furness, J O'Donnell, C Quartermain and M Young.

5. **DECLARATIONS OF INTEREST**

None received.

6. **MINUTES**

RESOLVED that the minutes of the meeting held on 5 March 2021 be confirmed and signed by the Chair as a correct record.

7. **EU EXIT UPDATE**

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

The report highlighted changes to the port health services that would be carried out during 2021 and 2022.

RESOLVED that the information in the report be noted.

8. **RIVERTEES 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.

4 June 2021

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

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

9. **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.

10 **RIVER TEES PORT HEALTH AUTHORITY CORPORATE RISK REGISTER**

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. This would also ensure that the Authority complied with the Accounts and Audit Regulation 2015 made by virtue of the Local Audit and Accountability Act 2014 which required authorities to provide arrangements for the management of risk.

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.

4 June 2021

RESOLVED that the Corporate Risk Management Strategy and Risk Register be approved.

11. **RIVER TEES PORT HEALTH AUTHORITY ENFORCEMENT POLICY 2021**

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 2021 be approved.

12 **RIVER TEES PORT HEALTH AUTHORITY SAMPLING POLICY 2021**

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 the policy had been reviewed and no amendments had been made.

RESOLVED that the Sampling Policy for 2021 be approved.

4 June 2021

13. **RIVER TEES PORT HEALTH AUTHORITY SERVICE PLAN 2021/22**

The Corporate Director of Adults and Communities presented a report which sought approval to the River Tees Port Health Authority Service Delivery Plan for 2021/22

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.

Members were advised that a Service Plan must be produced in accordance with the Food Standards Agency Framework Agreement for Official Feed and Food Controls by Local Authorities.

RESOLVED that the River Tees Port Health Authority Service Plan for 2021/22 be approved.

14. **PERFORMANCE SUMMARY FOR RIVER TEES PORT HEALTH AUTHORITY FEBRUARY TO APRIL 2021**

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

15. **FINANCIAL POSITION FOR 2020/21 & UNAUDITED ACCOUNTS**

The Treasurer presented a report which advised of the performance against the budget for the River Tees Port Health Authority for the 2020/21 financial year on revenue activities.

Members were advised that the Authority had agreed a net revenue budget of £124,350 at its meeting on 6 March 2020. The report also outlined the financial position and performance of the Authority as at 31 March 2021, together with the statutory approval process for the accounts of the River Tees Port Health Authority and the external audit of the accounts.

RESOLVED that:

1. The statement of performance against the budget for 2020/21 and the reasons for budget variations be noted;
2. The transfer of £32,000 of unutilised transition grant to reserves to fund further transitional costs in the next financial year be approved;

4 June 2021

3. The transfer of £10,118 of underspend on current operations to reserves to mitigate the risks associated with the transition to a Border Control Post (BCP) and any other unforeseen costs be approved;
4. Approval be given to the Chair of the Board to sign Section 1, the Annual Governance Statement of the Annual Return to enable it to be forwarded to PKF Littlejohn LLP by the return deadline of 7 July 2021;
5. The unaudited accounts for the River Tees Port Health Authority for 2020/21 be approved; and,
6. Approval be given to the Chair of the Board to sign Section 2, the Accounting Statements of the Annual Return to enable it to be forwarded to PKF Littlejohn LLP by the return deadline of 7 July 2021.

16. **DATES AND TIMES OF FUTURE MEETINGS OF THE RIVER TEES PORT HEALTH AUTHORITY 2021/22**

The Clerk advised Members of the dates and times of future meetings of River Tees Port Health Authority for 2020/21 - **NOTED**



Member Report

Performance Summary for River Tees Port Health Authority May 2021 to July 202

1

Public

To:	River Tees Port Health Authority	Date:	3 rd Sept 2021
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 May 2021 to July 2021.

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 21	Jun 21	Jul 21	Grand Total
Hartlepool	9	16	16	41
Middlesbrough	26	30	26	82
Redcar & Cleveland	372	375	384	1131
Stockton	464	444	476	1384
Grand Total	871	865	902	2638

2.4 Ship Inspections and Issue of Ship Sanitation Certificates

All requests for renewal of a Ship Sanitation Certificate were attended to, under strict COVID procedures. The service has carried out its own risk assessment where officers wear a face mask throughout their visit, have access to hand gel and gloves, and request crew to open cupboards and doors where possible to reduce contact with common touch points. Social distancing is also observed where

possible. Staff also have access to Lateral Flow Testing if the ship requests testing prior to boarding.

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

2.5 Ship Inspections

Authority	May 21	Jun 21	Jul 21	Grand Total
Hartlepool				
Exemption	0	0	0	0
Routine	0	0	0	0
Control	0	0	0	0
Middlesbrough				
Exemption	3	0	0	3
Routine	0	0	0	0
Control	0	0	0	0
Redcar & Cleveland				
Exemption	4	3	5	12
Routine	0	0	0	0
Control	0	0	0	0
Stockton				
Exemption	2	5	3	10
Routine	0	0	0	0
Control	0	0	0	0
Total	9	8	8	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 is able to collect samples Monday to Friday upon request.

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 21	Jun 21	Jul 21	Total
SATISFACTORY	15	2	9	26
UNSATISFACTORY	0	2	4	6
Grand Total	15	4	13	32

2.8 Imported Food and Feed

Every manifest is checked for imported food and feed and any imports that require official controls are carried out within relevant timescales, this varies depending on the type of product and regulation requirements.

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

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

2.9 The Service continues to concentrate on food and feed that requires Official Controls.

Despite the Government providing advice about the changes from 1st January 2021, many of our importers and their agents appear to remain unaware of the current requirements and are incorrectly describing products on the electronic manifesting system. Importers and agents have been signposted, by the Service, to the government website which hosts all the guidance they require.

<https://www.gov.uk/transition>

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

2.10 Additional advice and information is also being provided to importers and agents on the future Official Controls, that will be in place from October 2021 and January 2022. [Import goods into the UK: step by step - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/import-goods-into-the-uk-step-by-step)

2.11 IUU (Illegal Unreported Unregulated Checks)

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

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

	May 21	June 21	Jul 21	Total
Fishery products	154	164	143	452

2.12 Product of Animal Origin (POAO)

No third country imports have arrived at the Tees. We are advising and educating our importers on the forthcoming controls to be implemented on POAO from the EU from 1st October 2021.

2.13 Organics

The service has certified a total of 8 organic consignments of organic imports between May 2021 and July 2021.

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

The service has received one Common Health Entry Documents for High-Risk Food not of Animal Origin for import of tea from China. This was a satisfactory check.

2.15 Infectious disease notifications

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

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

2.16 Vaccination of Seafarers

During July, after being approached by shipping agents, we made enquiries into the possibility of vaccination of seafarers that arrived at the Tees. Under normal circumstances booking is made online and an NHS number is required, however, we were able to agree a workaround and were able to liaise with the Riverside Vaccination Centre, and the Nightingale Vaccination Centre in Sunderland to get seafarers vaccinated for free.

To date five vessels have had some or all crew vaccinated, with a total of 31 seafarers getting vaccinated. The Mission to Seafarers is also in discussion with the NHS Trust to provide a pop-up vaccination clinic at the North Tees Mission.

2.17 Policies and Plans

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

2.18 Other relevant information

PD Ports have started infrastructure changes to the existing facility, as well as starting building the additional Border Control Post capacity. This will enable segregation and storage for additional imports, as well as increased capacity for the Service to make use of.

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:** 3rd Sept 2021

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

Portfolio: River Tees Port Health Authority

Outcome: Public Health

1 What is the purpose of this report?

- 1.1 To update members on the potential impacts on the Port Health Service following Britain's exit from the European Union. Board members last received an update report on 5th December 2020.

2 What is the background to this report?

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

2.2 From 1st January 2021

Additional checks have been carried out on processed fishery products which include submission of a processing statement and associated catch certificates. Officers are checking to ensure that the statements are correctly completed and that catch certificates are authentic.

The majority of fish entering into Teesport is processed within the EU in an approved premise and due to current harmonised regulations, such products are not deemed to be high risk.

2.3 From 1st October 2021

All Products of Animal Origin (POAO) from the EU will need to have a documentary screening check, carried out by Port Health Officers and Official Veterinary Inspectors (OVI); these checks can be carried out remotely.

2.4 From 1st January 2022

All POAO from the EU will have to have a documentary check, and a percentage of these will also require an identity and physical check. An identity check confirms that the container and its contents match commercial documents. A physical check requires a physical examination of the product. Samples may also be taken and sent for examination. A dedicated and approved facility is required for this purpose; this will be in addition to the facility built for the import of High-Risk Food Not of Animal Origin.

2.5 Due to the amount of POAO predicted to enter the Tees, and potential for increase in trade directed from other ports such as Dover, the Port Operator (PD Ports) has made the decision to apply to APHA (Animal and Plant Health Agency) for approval to receive imports of POAO from October 2021. The Port has had agreement in principle for the design of the new facility at the port and building has started with a completion date of mid December.

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

2.6 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.

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

2.8 From a financial perspective, the service will be able to charge for all consignments of official controls from January 2022, on a cost recovery basis. Defra has confirmed in a letter to the Service that any shortfall incurred from changes to estimated imports will be fully covered financially in 2021/22.

2.9 The service is working closely with Defra with regards to further funding requirements to ensure the service does not incur any shortfall.

2.10 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 with 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 The resource implications are being fully funded by the award of the Transition grant by DEFRA.

7 What will be the impact on equality and diversity?

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

8 What will be the impact on our carbon footprint?

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

9 Are there any legal considerations?

9.1 There are no legal considerations at this time.

10 What are the risks involved?

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

11 What options have been considered?

11.1 The report is for information purposes.

12 Recommendations

12.1 For information only.

13 Appendices and further information

13.1 There are no appendices with this report.

14 Background papers

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

15 Contact officer

Name: Sue Ziolkowski

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

Telephone: (01287) 612404

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

Member Report

Revised Budget 2021/22 and Medium-Term Financial Plan

Public

To:	River Tees Port Health Authority	Date:	3 September 2021
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 revised 2021/22 budget and the associated funding requirements based upon the information in Appendix 1.

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 Tees Valley Council's obligations around Port Health duties and finance is an integral element in delivering quality services and improving performance.
- 2.2 Timely, accurate and up to date financial planning information is a key characteristic of good corporate governance. Members need to have these details and be aware of any issues against the agreed budget and medium-term financial plan when making decisions on service delivery, staffing, training, and other regulatory matters.
- 2.3 A well-managed and responsive service which uses its financial assets properly will create and maintain a better relationship with external stakeholders.
- 2.4 The report is instrumental in terms of setting the strategic financial direction for the Authority going forwards. This is a statutory duty for Members to plan to manage their financial affairs, so no options are available.

3 What is the purpose of this report?

- 3.1 To recommend a revised budget for approval by the Authority for the 2021/22 financial year, which confirms the funding levels required from each of the four contributing local authorities and reflects the recent Government announcement to delay the full transition to a Border Control Post (BCP) until January 2022.
- 3.2 To consider this budget in the context of a Medium-Term Financial Plan (MTFP) for the Authority covering the period 2021/22 to 2024/25. This will assist the Authority with its own planning processes but will ensure that there is clarity about the resources needed from individual local authorities over the medium term.

4 What is the background to this report?

- 4.1 At its meeting on 5 March 2021, the Authority approved the initial 2021/22 budget and MTFP however, following the Government's announcement that the BCP will be further delayed to January 2022, it is prudent for Members to approve a revised budget at this time.
- 4.2 The Treasurer is recommending that the revised budget for the River Tees Port Health Authority for 2021/22 is set based on the level of service required as appropriate to the BCP being delayed until January 2022.
- 4.3 **Revised Budget for 2021/22**
- 4.4 The Board approved a budget for 2021/22 and MTFP in March based on the transition to a BCP in October 2021. Following the UK exit from the EU and subsequent delays in the full transition to a BCP, the Government has recently announced a further delay to January 2022. Therefore, the Treasurer is recommending the Board approve a revised budget that reflects the latest funding position and uses more up to date information. This medium-term financial plan has been calculated using the current information available to officers and is based on an in-depth analysis into the types and quantities of imported food and feed Products Of Animal Origin (POAO) into the port from both third countries, and from the EU. This analysis of data has been used during discussions with DEFRA, but Members should note, there are still some uncertainties around income estimates that will need to be closely monitored throughout the year.
- 4.5 Compared to the original budget, salary related budgets have increased by £82,050 due to the need for additional technical staff as recommended by DEFRA to operate the BCP effectively. The additional posts will be part funded from estimated operational income and DEFRA have assured officers that additional grant will be provided to fund the gap.
- 4.6 Non-pay budgets have reduced by £315,800 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 January 2022. In addition, the contribution to provision for bad debts has been reduced in line with the reduction in income. This budget also includes the transfer of £94,000 from reserves to partly fund the shortfall. This is the element of under-utilised DEFRA grant from the previous year.
- 4.7 The overall budget for income has decreased by £648,000 predominantly relating to the potential income in relation to consignments of POAO because of the delay of the BCP and includes information provided by DEFRA. Members should be aware of the possible fluctuations that may occur. The nature of most of the Authority's income is demand led and therefore income levels will be closely monitored, and forecasts may need to be amended as we progress through the next financial year.
- 4.8 The overall shortfall in 2021/22 to be funded by additional government grant is £414,250.
- 4.9 All full year effects of the above changes have been reflected in the subsequent years of the MTFP.
- 4.10 At the end of 2020/21 the amount held by the Authority in its general reserves was £141,018. Of this, £47,018 is held as a buffer and acts as protection against unexpected or unbudgeted costs and £94,000 relates to under-utilised transition grant provided by DEFRA. The revised budget requires the £94,000 to be utilised in 2021/22 to help balance the budget. However, this budget does not allow for any replenishment of reserves so given the increased activity, it is important to

closely monitor the financial position and review the reserve position accordingly.

4.11 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 revised budget being recommended for approval today has been compiled using the information available at this time but the main risk to the service in financial terms relates to the uncertainty of the significant changes associated with transitioning to a BCP. In addition, a legal claim for malpractice against the officers employed by RTPHA may pose a further risk and although insurance cover is held through the Council, this may not cover all eventualities and therefore some financial reserves should be held as a contingency and this budget means that £47,018 will be held in reserves for these potential issues. The probability of this happening though is extremely remote.

4.12 In setting the level of reserves for 2021/22, we have also considered whether there are any operational requirements that may need to be funded from reserves. The options considered include additional training opportunities and purchase of specialist equipment, but we have reflected some of this in the budget for the year.

4.13 **Medium Term Financial Plan (MTFP)**

4.14 The MTFP for the Authority has also been updated to reflect the latest data available to officers and the summary of the revised budget for 2021/22 and the medium-term financial plan for the subsequent three financial years is set out below. The detailed spend and income budget can be seen at Appendix 3.

	Budget 2020/21	Revised Budget 2021/22	Proposed Budget 2022/23	Proposed Budget 2023/24	Proposed Budget 2024/25
Expenditure					
Employee Costs	100,050	355,350	512,950	527,000	541,500
Other Operating Costs	56,350	364,700	653,800	659,400	665,100
Total Costs	156,400	720,050	1,166,750	1,186,400	1,206,600
Income	(32,050)	(720,050)	(1,166,750)	(1,186,400)	(1,206,600)
Net Expenditure	124,350	0	0	0	0
Riparian Funding					
Middlesbrough BC	18,653	0	0	0	0
Stockton BC	38,549	0	0	0	0
Hartlepool BC	2,487	0	0	0	0
Redcar & Cleveland BC	64,661	0	0	0	0
Total Funding	124,350	0	0	0	0
Net	0	0	0	0	0
Reserves	36,900	47,018	47,018	47,018	47,018
Bad Debt Provision	250	21,650	29,900	30,350	30,800

4.15 : **Financial Assumptions**

The MTFP for the period 2021/22 to 2024/25 has been developed around some core assumptions. Some of these have already been set out above in explaining the basis for the 2021/22 budget. However, it is worth setting these out again as any future discussion on the MTFP would need to focus on these issues.

- Staffing costs are based on the existing structure as in 2020/21 however adjustment has been made to take account of additional new posts required to cover the increased workload associated with the BCP, as advised by DEFRA. A 2.75% pay increase has been assumed in future years.
- Non-pay budgets have also been revised to consider the increase in staff numbers and the associated costs together with an assumption relating to the required veterinary service contract. General inflationary increases have been assumed at 1.5% for subsequent years and 2.75% increase on support services has been included in the MTFP.
- Income levels are based on quantitative data currently available and an in-depth analysis into the types and quantities of imported food and feed POAO into the port from both third countries and from the EU, including information supplied by DEFRA.
- The RTPHA will be able to self-fund the service and the other riparian authorities will not need to maintain the previous levels of contributions.
- There will be no call on earmarked reserves over the MTFP period from 2022/23 onwards. Any increases or decreases to this position will need formal ratification by Members and an annual review will be undertaken by the Treasurer regarding the level that is deemed prudent.

4.16 : The net cost will increase significantly in 2021/22 and over the remainder of the medium-term and there should not be any requirement for the riparian authorities to contribute however, this will be monitored and any changes to this will be notified in a timely manner. Members do not need to formally approve the MTFP, but any comments or views are welcome on both the content and the frequency of future reporting.

5 Who will this benefit and how?

5.1 Timely, accurate and up to date financial planning information is a key characteristic of good corporate governance. Members need to have these details and be aware of any issues against the agreed budget and medium-term financial plan when making decisions on service delivery, staffing, training, and other regulatory matters.

5.2 A well-managed and responsive service which uses its financial assets properly will create and maintain a better relationship with external stakeholders.

6 Who have we consulted?

6.1 The original budget for 2021/22 and the medium-term financial plan have been set in consultation with the Treasurer and Clerk for the Authority, the Environmental Health (commercial) team at Redcar and Cleveland Council and DEFRA.

6.2 The financial position, 2021/22 budget and medium-term financial plans 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 2021/22 and MTFP:

Appendix 1 – Detailed Proposed Budget.

13 Background papers

13.1 Budget Report 2020/21 – submitted to meeting on 06/03/2020.
Financial Position Update PD10 – submitted to meeting on 05/03/2021.

14 Contact officer

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

Appendix 1

Account Code	Description	Original Approved 21/22 Budget	Revised 21/22 Budget	Difference Budget
R1000	Salaries - Basic Pay	220,450	290,800	70,350
R1001	Salaries - National Insurance	20,450	27,350	6,900
R1003	Salaries - Overtime	2,500	3,250	750
R1006	Salaries - Superannuation	22,500	29,650	7,150
R1063	Other Allowances	2,600	2,700	100
R3400	Car Allowances	4,800	1,600	(3,200)
		273,300	355,350	82,050
R1650	External Training	3,000	1,000	(2,000)
R4000	General Equipment	10,000	10,000	0
R4200	Clothing & Uniforms	1,200	1,500	300
R4300	Printing & Stationery	100	100	0
R4305	MFD Recharge (Printing)	50	50	0
R4400	Services – Veterinary Contract Fees	400,000	218,350	(181,650)
R4400	Analysts Fees	5,200	5,200	0
R4400	External Audit Fees	400	400	0
R4400	SLA Agreement	153,200	151,350	(1,850)
R4507	Mobile Phones	1,400	700	(700)
R4531	Computer Software	34,500	43,200	8,700
R4701	Subscriptions	1,700	1,700	0
R4960	Insurance	3,000	3,750	750
R4964	Contribution to bad debt provision	57,250	21,400	(35,850)
R4995	Transfer to / (from) Reserves	9,500	(94,000)	(103,500)
		680,500	364,700	(315,800)
B0607	Products of Animal Origin	(902,000)	(225,000)	677,000
B0608	Catch Certification	(21,000)	(50,000)	(29,000)
B0376	Sanitation Certificates	(21,000)	(21,000)	0
B0377	High Risk Products Imports	(300)	(300)	0
B0378	Organic Certificates	(2,000)	(2,000)	0
B0379	RTPHA Permits (annual fee)	(2,300)	(2,300)	0
B0380	Plastic Declaration	(200)	(200)	0
B0381	Water Sampling	(5,000)	(5,000)	0
		(953,800)	(305,800)	648,000
R9000	Government Grants (Shortfall funded by DEFRA)	0	(414,250)	(414,250)
	Total Budget	0	0	0
	Amount held in Reserves	108,400	47,018	(61,382)
	Bad Debt Provision	57,500	21,650	(35,850)



River Tees Port Health Authority

2021/22 Financial Position Update

Public

To: RTPHA **Date:** 3 September 2021

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 2021 (Period 04) and to highlight any variances against the 2021/22 approved budget.

2 What is the background to this report?

- 2.1 At its meeting on 5 March 2021 the Authority approved a balanced budget position with no need to request funding from the riparian Authorities. The Authority should be self-funding once the Border Control Post (BCP) is in full operation with an approved expenditure budget of £953,800.
- 2.2 The Authority's budget for 2021/22 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 the BCP would be complete by October 2021. However, the Government have announced a delay to January 2022, so the Board is also receiving a revised budget report at this meeting.
- 2.3 The budget has increased significantly compared to 2020/21 because of the transition to a BCP.
- 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 2021/22	Actual as at Period 04 31/07/2021	Projected Outturn 2021/22	Variance Budget to Outturn
<u>Expenditure</u>				
Employee Costs	273,300	69,323	355,350	82,050
Other operating Costs	680,500	13,087	364,700	(315,800)
Total Costs	953,800	82,410	720,050	(233,750)
Income including grants	(953,800)	(21,394)	(720,050)	233,750
Net Expenditure	0	61,016	0	0

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 increased by £82,050 due to the need for additional technical staff as recommended by DEFRA to operate the BCP effectively. The additional posts will be funded from estimated operational income but, should there be a shortfall DEFRA have assured officers that additional grant will be provided to fund any gap.

Other Operating Costs– Non-pay costs have reduced by £315,800 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 January 2022. In addition, the contribution to provision for bad debts has been reduced in line with the reduction in income. This budget also includes the transfer of £94,000 from reserves to partly fund the shortfall. This is the element of under-utilised DEFRA grant from the previous year.

Income - income has decreased by £233,750 predominantly relating to the potential income in relation to consignments of Products of Animal Origin (POAO) because of the delay of the BCP and includes information provided by DEFRA. Members should be aware of the possible fluctuations that may occur. The nature of most of the Authority's income is demand led and therefore income levels will be closely monitored. Forecasts may need to be amended as we progress through the financial year. The forecast also includes an additional DEFRA grant required to fund the shortfall of £414,250. DEFRA have assured officers that this shortfall will be funded by grant in 2021/22.

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 2021/22 financial year is provided below and further analysis is available in **Appendix 1**:

2.9

Account	Description	Type of Service	2018/19 Full Year Income £	2019/20 Full Year Income £	2020/21 Full Year Income £	2020/21 Period 04 YTD Income £
R9305	Fees – Environmental Health & Pest control	Products of Animal Origin (POAO)	0	0	0	0
		Catch Certificates	0	0	0	6,452
		Sanitation Certificates	21,620	23,518	8,260	8,920
		Other Fees & Charges	11,537	14,170	4,115	6,022
Total Fee Income			33,157	37,688	12,375	21,394
Grants			1,500	262	0	0
Total Income			34,657	37,950	12,375	21,394

2.10 **Overall Financial Position** – Based on the projected outturn figures set out above, the Authority would have a break-even position. 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 for £414,250 from DEFRA and the use of £94,000 from reserves. DEFRA have assured officers that the shortfall due to transition to a BCP will be fully funded by Government grant. The position will be closely monitored throughout the rest of the year and officers are in discussions with DEFRA on a regular basis.

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 2021/22.

14 Background papers

14.1 Budget Report 2021/22 & Medium-Term Financial Plan.

15 Contact officer

Name: Maggie Burns, Deputy Treasurer to RTPHA
Address: Financial Services, Redcar & Cleveland Borough Council
Kirkleatham Street, Redcar, TS10 1RT
Telephone: (01642) 771154
Email: Maggie.burns@redcar-cleveland.gov.uk

RIVER TEES PORT HEALTH AUTHORITY

BUDGET MONITORING POSITION 2021/22

POSITION AT END OF JULY PERIOD 04

		Budget 2021/22	Actual	Projected Outturn 2021/22	Variance
R1000	Salaries - Basic Pay	220,450	55,131	290,800	70,350
R1001	Salaries - National Insurance	20,450	5,050	27,350	6,900
R1003	Salaries - Overtime	2,500	3,123	3,250	750
R1006	Salaries - Superannuation	22,500	5,800	29,650	7,150
R1063	Other Allowances	2,600	0	2,700	100
R3400	Car Allowances	4,800	219	1,600	(3,200)
		273,300	69,323	355,350	82,050
R1650	External Training	3,000	150	1,000	(2,000)
R4000	General Equipment	10,000	442	10,000	0
R4200	Clothing & Uniforms	1,200	82	1,500	300
R4300	Printing & Stationery	100	0	100	0
R4305	MFD Recharge (Printing)	50	0	50	0
R4400	Professional Fees	558,800	6,847	375,300	(183,500)
R4507	Mobile Phones	1,400	0	700	(700)
R4531	Computer Software	34,500	4,411	43,200	8,700
R4701	Subscriptions	1,700	1,155	1,700	0
R4960	Insurance	3,000	0	3,750	750
R4964	Contribution to bad debt provision	57,250	0	21,400	(35,850)
R4995	Transfer to / (from) Reserves	9,500	0	(94,000)	(103,500)
		680,500	13,087	364,700	(315,800)
B0607	Products of Animal Origin	(902,000)	0	(225,000)	677,000
B0608	Catch Certification	(21,000)	(6,452)	(50,000)	(29,000)
B0376	Sanitation Certificates	(21,000)	(8,920)	(21,000)	0
B0377	High Risk Products Imports	(300)	(995)	(300)	0
B0378	Organic Certificates	(2,000)	(315)	(2,000)	0
B0379	RTPHA Permits (annual fee)	(2,300)	(2,316)	(2,300)	0
B0380	Plastic Declaration	(200)	(49)	(200)	0
B0381	Water Sampling	(5,000)	(2,347)	(5,000)	0
		953,800	(21,394)	(305,800)	648,000
R9000	Government Grants (Shortfall funded by DEFRA)	0	0	(414,250)	(414,250)
	Total for Cost Centre	0	61,016	0	0
	Amount held in Reserves	108,400	141,018	47,018	(61,382)
	Bad Debt Provision	57,500	250	21,650	(35,850)