



**RIVER TEES PORT HEALTH AUTHORITY
FRIDAY, 13 DECEMBER 2024 AT 10.00 AM
CIVIC CENTRE, RIDLEY STREET, REDCAR TS10 1TD**

CONTACT
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3 December 2024

CIRCULATION

Councillors W Davies (Chair), D Coupe, M Dodds, T Furness, P Gavigan,
P Grogan, L Hall, I Hart, B Harrison, L Hurst, Hussain, E Johnson, J Neal,
C Richardson and P Rowling
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, 6 September 2024

RIVER TEES PORT HEALTH AUTHORITY

A meeting of the River Tees Port Health Authority was held on Friday, 6 September 2024 at the Civic Centre, Ridley Street, Redcar TS10 1TD.

PRESENT Councillor Grogan (In the Chair)
Councillors P Gavigan, T Gray, P Grogan, L Hall,
I Hart and S Hussain.

OFFICIALS D Dobson, L Evans, S Fenwick, E Grunert and S
Ziolkowski

MINUTES SILENCE

Members and Officers stood for a minutes silence as a mark of respect for Middlesbrough Councillor Jeanette Walker, who sadly passed away recently. Councillor Walker was a long standing member on the River Tees Port Health Authority.

41 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors D Coupe, W Davies (Chair), M Dodds, T Furness, B Harrison, L Hurst, E Johnson, J Neal and P Rowling.

42 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

43 **TO CONFIRM THE MINUTES OF THE MEETING HELD ON 14 JUNE 2024**

RESOLVED that the minutes of the meeting held on 14 June 2024 be confirmed as a correct record subject Councillor Gavigan and Rowlings name being removed from the list of those present.

44 **PERFORMANCE SUMMARY FOR RIVER TEES PORT HEALTH AUTHORITY MAY 2024 TO JULY 2024**

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 May to July 2024: - **NOTED**.

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45 **BORDER TARGET OPERATING MODEL**

The Executive Director for Growth, Enterprise and Environment presented a report which updated Members on the implementation of the Border Target Operating Model (BTOM) on the River Tees Port Health Authority (RTPHA) following Britain's exit from the European Union.

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

Sanitary and phytosanitary (SPS) measures were quarantine and biosecurity measures which were 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.

Members were advised of the final milestone in the BTOM; which would take place on 31 October 2024 was the Safety and Security declarations for EU imports that were due come into force. Alongside this, the UK would introduce a reduced dataset for imports and use of the UK Single Trade Window would remove duplication where possible across different pre-arrival datasets. Members were advised that there would be no impact to the River Tees Port Health Authority for the implementation of these checks.

RESOLVED that the information in the report be noted.

46 **REVIEW OF CURRENT FEES AND CHARGES**

The Executive Director of Growth, Enterprise and Environment presented proposed amendments to the fees and charges for Quarters 3 and 4 of 2024/25.

Members were reminded that fees and charges were reviewed annually to reflect the actual cost of the service. The last time the fees were reviewed was in March 2024. The charges applied to products of animal origin were calculated using estimated timescales; timings to carry out checks have since been re-evaluated and calculated according to actual timescales, now that the new checks have been implemented since 30 April 2024.

The report also highlighted a new charge proposed for imports of Products of Animal Origin (POAO); a late notification fee.

Commission Implementing Regulation (EU) 2019/1013 on prior notification of consignments of certain categories of animals and goods entering Great Britain states that the operator responsible for a

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consignment shall give prior notification, to the competent authority of the border control post of first arrival, at least one working day before the expected arrival of the consignment.

Many importers were not complying with this legal requirement and research has shown that many of the major ports have implemented a late notification fee.

This fee would be charged for all imports that were not notified one working day prior to arrival.

Imports into Tees have a minimum of a 16 hour crossing time from the EU, therefore allowing ample time for compliance with prenotification requirements.

Members were also advised that where logistical constraints prevent compliance with the time limit set out above, the PHA may apply a period of prior notification of at least four hours before the expected arrival of the consignment. Tees does not have any derogations in place but would consider any applications made by importers or their agents.

RESOLVED that the changes to the current fees and charges be approved.

47 **2024/25 FINANCIAL POSITION UPDATE**

The Treasurer presented a report which updated Members on the financial position of the Authority at the end of July 2024 (Period 04) and highlighted any variances against the 2024/25 approved budget.

RESOLVED the information in the report be approved and noted.

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

There were no urgent items.



Member Report

Performance Summary for River Tees Port Health Authority August 2024 to October 2024

Public

To: River Tees Port Health Authority **Date:** 13 Dec 2024

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 2024 to 31 October 2024.

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 24	Sept 24	Oct 24	Grand Total
Hartlepool	4	4	5	13
Middlesbrough	12	13	9	34
Redcar & Cleveland	126	123	130	379
Stockton	104	100	106	310
Grand Total	246	240	250	736

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 24	Sept 24	Oct 24	Grand Total
Hartlepool				
Exemption	0	0	1	1
Routine	0	0	0	0
Control	0	0	0	0
Middlesbrough				
Exemption	0	1	1	2
Routine	0	0	0	0
Control	0	0	0	0
Redcar & Cleveland				
Exemption	2	2	1	5
Routine	0	0	0	0
Control	0	0	0	0
Stockton				
Exemption	1	3	4	8
Routine	0	0	0	0
Control	0	0	0	0
Total	3	6	7	16

2.6 Water Samples – ship and jetty supplies

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

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

2.7 Ship Water Sample Results

Type of sample	Outcome	Aug 24	Sept 24	Oct 24	Total
Ship Bacteriological	Satisfactory	5	2	14	21
	Unsatisfactory	0	0	0	0
Ship Legionella	Satisfactory	4	2	7	13
	Unsatisfactory	2	1	0	3
Jetty Water	Satisfactory	0	0	1	1
	Unsatisfactory	0	0	0	0
	Grand Total	11	5	22	38

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.

Our main imports are Products of Animal Origin (POAO) from within the EU, the majority being supermarket pre-packed foods. These are split into Medium and Low risk foods. Around 34% are medium risk products including pre-packed meats, salami, cheeses made from raw milk, and fishery products, and 66% low risk, including yogurts, pet food, pasteurised milk products (milk, milk drinks and cheeses).

Other imports include fishery products for Illegal Unreported Unregulated Checks for wild caught fish, high risk food not of animal origin, organic imports, and food contact items.

2.9 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 24	Sept 24	Oct 24	Total
POAO	1897	1962	2287	6146

2.10 IUU (Illegal Unreported Unregulated Checks)

Imports of fish from the EU require catch certificate endorsement and/or a processing statement check. 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 24	Sept 24	Oct 24	Total
Fishery products	64	86	125	275

2.11 Organics

The service has certified a total of 5 consignment of organic imports between August to October 2024. These were coffee and wine imports.

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

The service received one consignments of high-risk food not of animal origin during August to October 2024. This was Tea from China.

2.13 Plastic Kitchenware from China and Hong Kong

The service received no consignments of plastic kitchenware during August to October 2024.

2.14 Infectious disease notifications

There were no incidents of infectious disease notifications between August to October 2024.

2.15 Teesside Airport

There have been no imports of food or feed through the airport between August to October 2024.

2.16 Policies and Plans

All policies and plans have been reviewed and updated where required and were presented at the June 2024 Board meeting. They are now 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

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Member Report

2024/25 Financial Position Update

Public

To:	River Tees Port Health Authority	Date:	13 December 2024
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 October 2024 (Period 07) and to highlight any variances against the 2024/25 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 8th March 2024 the Authority approved a balanced 2024/25 budget, which is based on the budgeted drawdown from reserves of £30,800 and a £157,650 funding contribution from the Teesside Riparian Authorities. At the meeting on 6th September 2024 Members were updated on an improved forecast position with reserves drawdown (£30,800) no longer anticipated as a result of improved volume of product of animal origin sales relative to budget and also including plans to increase unit rates charged from October 2024 (which were agreed at the September meeting).

3.2 Projected Outturn 24/25

As noted, as planned in the detailed budget paper 8th December 2023, 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 24/25 have been updated, as noted, based on the data experienced since inception and plans (including agreed fee increases from 1st October) for the remainder of 24/25.

Data continues to be in the early stages of becoming trend, as such forecasts and expectations and estimates will change as we move through the first year of implementation.

A summary of the financial position (at the end of October 2024) is set out in the table below:

	Budget 2024/25	Actual as at Period 04 31/07/2024	Projected Outturn 2024/25	Variance Budget to Outturn
Expenditure				
Employee Costs	183,600	116,134	214,650	31,050
Other operating costs	232,950	198,279	299,415	66,465
Total Costs	416,550	314,413	514,065	97,515
Income including grants	(228,100)	(197,253)	(523,850)	(295,750)
Net Expenditure	188,450	117,160	(9,785)	(198,235)
Riparian Contributions	(157,650)	(157,650)	(157,650)	0
Net	30,800	(40,490)	(167,435)	(198,235)

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

Employee Costs – a forecast overspend of £31,050 (Sept 24: £26,400). This represents an additional staff member recruited in Q1 24/25 and a second staff member out to recruitment (assumed in post from February 2025) to support meeting the additional demand experienced since the recently opened BTOM.

Other Operating Costs – a forecast overspend of £66,465 (Sept 24: £66,465). This is demand driven, additional veterinary service provision (£66,965) to cover an additional two days in the week and on a Saturday. This will continue to be monitored as the year progresses.

Income - £295,750 (Sept 24: £273,500) more than budget as a result of;

- £292,250 product of animal origin income. Full year forecast income has been modelled based upon volume experienced in the opening months of implementation and is subject to fee rates increasing from 1st October 2024 (to be discussed at this Board meeting). Forecast will be updated as trend data develops.
- £4,000 reduced catch certification based on run rate experienced in the opening four month of the financial year.
£8,400 DEFRA income to support the cost of the Official Veterinarian before cost recovery was implemented.

Further analysis can be seen in Appendix 1.

As a result of the above net improved variations, the net contribution to reserves, after Riparian contributions (£157,650) is currently estimated to be £167,435 (Sept 24: £149,835), compared to the budgeted drawdown in reserves of £30,800.

The expected outturn position for 24/25 will continue to be closely monitored over the coming months. As previously noted, it is suggested a reserves policy is discussed and agreed as income and cost data grows. Amongst other factors this will need to

consider expected reliance on one main customer for income generation, recurring costs, longer term commitments and any potential exceptional costs.

3.3 2025-26 Financial Plan and beyond

A plan for beyond 25/26 will be prepared and presented as income streams and costs become clearer. The 25/26 budget plan is drafted for this Board meeting, a longer term outlook will be presented when sufficient data is available.

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 October 2024

11 Contact officer

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Appendix 1

	Budget 2024/25	Actual 2024/25	Projected Outturn 2024/25	Variance
Basic Pay	143,350	88,824	166,500	23,150
NI Contributions	14,750	9,288	17,750	3,000
Other Pay	-	926	950	950
Overtime	6,500	5,228	9,100	2,600
Superann Contributions	14,600	10,323	19,000	4,400
Other Allowances	2,750	3,256	2,750	-
Car Allowances	1,650	141	500	1,150
	183,600	116,134	214,650	31,050
Training Expenses	500	-	-	500
Tools & Equipment Purchase	1,050	427	1,050	-
Clothing, Uniforms & Laundry	500	205	500	-
Printing & Stationery	100	-	100	-
Photocopier Usage	50	-	50	-
Services - Professional Fees	209,600	181,490	276,565	66,965
Mobile Phones	750	310	750	-
Computer Software	18,000	15,610	18,000	-
Subscriptions	1,250	-	1,250	-
General Supplies and Services	-	238	-	-
Public Liability Insurance	1,150	-	1,150	-
	232,950	198,279	299,415	66,465
Other Income				
Government Grants - DEFRA/FSA	-	8,400	8,400	8,400
	-	8,400	8,400	8,400
Fees - Environmental Health & Pest control				
Product of Animal Origin	120,000	126,323	412,250	292,250
Catch Certification	69,000	34,133	65,000	4,000
Sanitation Certificates	27,850	15,395	27,500	350
High Risk Products Imports	500	750	250	250
Organic Certificates	1,100	990	800	300
RTPHA Permits (annual fee)	700	-	700	-
Plastic Declaration	700	46	700	-
Water Sampling	8,250	8,410	8,250	-
	228,100	188,853	515,450	287,350
Net Expenditure	188,450	117,160	9,785	198,235
Other Grants & Contributions - Other Organisations				
RTPHA - Middlesbrough Council	23,648	23,648	23,648	-
RTPHA - Stockton Council	48,872	48,872	48,872	-
RTPHA - Hartlepool Council	3,152	3,152	3,152	-
RTPHA - Redcar & Cleveland Council	81,978	81,978	81,978	-
Total Due from Riparian Authorities	157,650	157,650	157,650	-
Net	30,800	40,490	167,435	198,235



Member Report

Budget 2025/26 and Medium-Term Financial Plan

Public

To:	River Tees Port Health Authority	Date:	13 December 2024
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 2025/26 budget proposals and the associated funding requirements based upon the information in the Appendices and informed by the latest financial outturn forecast for 2024/25.
- 2) Note the estimated planned position on reserves for 2024/25 and 2025/26

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 2025/26 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 2024/25 financial position.

3 What is the purpose of this report?

- 3.1 To recommend a budget for approval by the Authority for the 2025/26 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 2025/26

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 represents 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 2025/26 have been prepared based on early indicative revenue streams in 24/25, analysis of historic consignment data by the Principal Environment Health Officer, which may vary and change including schemes such as the 'trusted trader scheme' possibly taking 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 2025/26

Salary costs

Salary costs increase have been from £214,650 in 2024/25 to £242,350 in 2025/26, to reflect estimated inflationary salary increases and additional support to service demand.

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 increase FTE's to 6.3 (together with Vet services noted below) with additional business support staff.

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

The budget for 2025/26 includes an estimated pay award of 3.0%, 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.

4.7 **Non-pay budgets**

Non pay budgets have increased from £299,415 to £396,900.

All non-pay budgets for 2025/26 have been fully reviewed and the total non-pay budget has increased to £397k to reflect additional vet cost and estimated overtime, updated Service Level Agreement (SLA) forecast from Redcar and Cleveland Borough Council and estimated inflationary increases.

Professional Fees are expected to increase from £276,550 to £372,850.

This is as a result of:

- The planned utilisation of two vets on an hourly rate from April 2025 (2* £104k) plus estimated overtime to support increased demand for services.
- Increased SLA cost from £96,350 to £123,350 (The details of this can be seen at Appendix 1) reflecting;
 1. Increased Accounts Payables and Accounts Receivable support (based on expected increase in sales volume)
 2. Additional FTE admin/IT recharges (based on increased FTE)
 3. Estimated inflationary salary increases

Remaining overheads are expected to incur inflationary increases.

4.8 **Product of Animal Origin Income**

This income stream commenced in May 2024, this income projection is subject to some estimation and will require close monitoring through the remainder of 2024/25 and into 2025/26.

Consignments are split into low, medium and high risk with a fee per consignment based on this classification. Budget for 25/26 is based on achieving c. £45k 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.

The trusted trader scheme currently in the pilot stage does not provide for reduced checks at the border and if implemented in full, would have no impact on the RTPHA revenues.

4.9 **Other income**

The budgeted other income lines have been reviewed and revised, increasing estimated revenue streams from £103k to £107k in 2025/26 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 2025/26.

4.10 The current amount held by the Authority in its general reserves is £207k, and this is expected to be £375k 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 of Product of Animal Origin Income. It is suggested that the Authority builds reserves to this level through retaining any future surplus. The Authority will review its reserve balances over the medium term, once recurring operational income and costs of the TOM arrangements are clearer.

4.11 On the basis of the assumptions outlined above, it is proposed Riparian contributions are prudently retained in the budget at the same level in 2025/26, £157,650 (2024/25

£157,650), and that refunds are provided at the end of 2025/26 when/if reserves exceed level to be set by the Board. This allows time for more data, over a full years cycle, to evidence trend and provide assurance around income and cost levels.

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 2025/26 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 BTOM revenues and costs and reliance on one main customer.

4.13 **Medium Term Financial Plan**

Given the continuing uncertainty around volume and mix and impact of schemes including trusted trader scheme, a longer-term financial plan cannot be accurately prepared. It is proposed that longer term plans are prepared once at least 18 months of data are available and clarification regarding any schemes are received.

4.14 A summary of the proposed budget for 2025/26 is set out below. The detailed spend and income budget can be seen at Appendix 3.

	Projected Outturn 2024/25	Proposed Budget 2025/26
<u>Expenditure</u>		
Employee Costs	214,650	242,350
Other operating Costs	299,415	396,900
Total Costs	514,065	639,250
Income	- 523,850	- 660,500
Net Expenditure/(Surplus)	- 9,785	- 21,250
<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)	- 167,435	- 178,900
Reserves B/fwd	207,724	375,159
Surplus for the period	9,785	21,250
Riparian contributions	157,650	157,650
Reserves C/fwd	375,159	554,059

4.15 Financial Assumptions

The budget for the period 2025/26 has been developed around some core assumptions. Some of these have already been set out above in explaining the basis for the 2025/26 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 2025/26 – which may need to be revisited in light of a recent increase in the National Living Wage to be implemented from 1 April 2025 and the eventual local government pay award for 2025/26.
- Income levels are based on small amounts of 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. The draft 25/26 budget implies a small surplus before Riparian contributions. Should this be achieved a longer term strategy will be developed. The delivery of this objective will need to continue 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 2025/26 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 2025/26 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, 2025/26 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 2025/26 :

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	24/25 Initial Budget £	24/25 Projected outturn £	25/26 Budget £
Accountancy – budget setting; budget monitoring; preparation of reports; attendance at meetings; annual returns, financial systems maintenance and control.	Finance Manager (2025/26 45 Days)	11,550	11,550	11,900
	Senior Accounting Support Office (2025/26 50 Days)	9,000	9,000	9,250
		20,550	20,550	21,150
Democratic Services - agenda collation, preparation, production and distribution; attendance at meetings; production and distribution of minutes; member services.	Sue Fenwick (135 Hours)	3,950	3,950	4,050
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 (50% of post)	28,950	28,950	29,050
AR/AP - payment and processing of both debtors and creditors invoices	Invoice/income based	11,850	11,850	29,590
HR & Payroll - recruitment; contract maintenance; system maintenance; absence monitoring etc.	6.3 employees	3,200	3,200	3,850
LSP - general support services e.g., mail sorting, collection and distribution; reception facilities; caretaking services.	6.3 employees	600	600	700
Admin Buildings - heating; lighting; water; rates; cleaning etc.	6.3 employees (9.1sq.m)	19,350	19,350	24,850
IT - IT support	6.3 employees	6,950	6,950	8,925
Internal Audit – Sign off annual review before submission to BDO		950	950	1,150
Total (rounded to nearest £50)		96,350	96,350	123,350

Income Type	Basis for charge	24/25 Budget	24/25 Projected Outturn	25/26 Proposed Budget
Product of Animal Origin	Officer time & analyst fees	120,000	412,250	553,500
Catch Certification	Officer time & analyst fees	69,000	65,000	66,950
Sanitation Certificates	APHA Recommendation	27,850	27,500	28,350
High Risk Products Imports	Officer time & analyst fees	500	250	250
Organic Certificates	DEFRA Recommendation	1,100	800	800
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	8,250	8,250	9,250
		228,100	515,450	660,500

	24/25 Budget	24/25 Projected Outturn	25/26 Budget
Salaries - Basic Pay	143,350	165,550	189,900
Salaries - National Insurance	14,750	17,750	27,300
Salaries - Overtime	6,500	9,100	2,000
Salaries - Superannuation	14,600	19,000	19,900
Other Allowance	2,750	2,750	2,750
Car Allowances	1,650	500	500
	183,600	214,650	242,350
Training Expenses	500	0	500
Tools and Equipment - Purchase	1,050	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	104,000	170,215	239,200
Analysts Fees	8,300	9,000	9,250
External Audit Fees	950	1,000	1,050
SLA Agreement	96,350	96,350	123,350
Comms - Mobile Telephones	750	750	750
Computing - Purchase of Software	18,000	18,000	18,550
Subscriptions	1,250	1,250	1,300
Public Liability Insurance	1,150	1,150	1,200
	232,950	299,415	396,900
Government Grants- DEFRA/SFA	-	-8,400	-
	-	-8,400	-
Product of Animal Origin	-120,000	-412,250	-553,500
Catch Certification	-69,000	-65,000	-66,950
Sanitation Certificates	-27,850	-27,500	-28,350
High Risk Products Imports	-500	-250	-250
Organic Certificates	-1,100	-800	-800
RTPHA Permits (annual fee)	-700	-700	-700
Plastic Declaration	-700	-700	-700
Water Sampling	-8,250	-8,250	-9,250
	-228,100	-515,450	-660,500
Total Budget	188,450	-9,785	-21,250
Reserves at start of year b/f	207,724	207,724	375,159
Estimated (loss)/surplus	-188,450	9,785	21,250
Riparian financial contributions	157,650	157,650	157,650
Reserves at end of year c/f	176,924	375,159	554,059