

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