

**Tyne Port Health Authority
Report to the Joint Board
Date: Tuesday 6 February 2018**

Subject: Draft Budget for 2018/19

Reporting Officer: Janice Gillespie,
Responsible Financial Officer to the Authority

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PART 1

1.1 Purpose:

The purpose of this report is to present the draft budget for the forthcoming financial year 2018/19 to the Joint Board for consideration and seek approval of it.

1.2 Recommendation

It is recommended that the Joint Board:

- a) Consider the draft budget for the financial year 2018/19 for the Authority as attached to this report;
- b) Approve the contributions for the financial year 2018/19 from the four riparian authorities as attached to this report and that the Responsible Financial Officer be authorised to call for payment; and
- c) Approve the draft budget for the financial year 2018/19 for the Authority as attached to this report

2.0 Information

2.1 Background

The Tyne Port Health Authority is constituted in accordance with the Tyne Port Health Authority Order 2010. Article 9 of that Order provides that the Authority be funded by contributions for the specified riparian authorities in the following proportions-

North Tyneside Council	33%
South Tyneside Council	33%
Gateshead Council	13%
Newcastle-upon-Tyne City Council	21%

The Tyne Port Health Authority is a “smaller relevant body” under the Accounts and Audit Regulations 2015 by virtue of the Local Audit and Accountability Act 2014 for the purposes of auditing of accounts. As such the Authority has a responsibility for ensuring that its financial management is adequate and effective.

Formulation of a draft budget for the forthcoming financial year and due consideration of it by the Joint Board is a key aspect of the financial controls in place.

The proposed budget for 2018/19 is attached in Appendix 1. The key movements to note are:

- Pension provision has been reduced due to additional former employees having deceased.
- The port & river inspection budget has been reinstated for 2018/19 to meet the bi-annual constitutional commitment.
- The support services budget is included as an estimated allocation. Support service allocations have not been completed by the host Authority however these will either remain unchanged or will reduce.
- The analysts fees budget has been increased to reflect actual activity at the port.
- Since the strategic partnering arrangements with Capita commenced on 1 November 2012 salary budgets and car mileage are include within the Tyne Port Health Authority budget as a third party payment.

Reserve Position

The balances of the Tyne Port Health Authority budget are held in reserve.

The forecast balance held in reserve as at 31 March 2018 is £106,986. The draft budget for 2018/19 is financed using a contribution from reserve of £7,665 in line with the 3 year plan to reduce the reserve to £100,000 by the end of financial year 2019/20 which is considered to be a reasonable level given the profile of the budget. The reserve is forecast to reduce slightly below £100,000 at the end of 2018/19 however to maintain the reserve at £100,000 and fund all expenditure in 2019/20 an increase in precepts yet to be determined will be required in 2019/20.

The draft budget for 2018/19 would result in an increase of 7.5% in the precepts paid by the riparian authorities.

3.0 Decision Options

The options available to the Joint Board are:

Option 1

To agree with the recommendations set out in Section 1.2 of the report.

Option 2

To agree with the recommendations set out in Section 1.2 of the report with amendment.

Option 3

To instruct the Responsible Financial Officer to undertake further work to be reconsidered by the Joint Board.

Option 1 is the recommended option.

4.0 Appendices:

Appendix 1 – Draft budget for the forthcoming financial year 2018/19 including proposed funding contributions from the four riparian authorities.

5.0 Contact Officers:

Janice Gillespie, Responsible Financial Officer to the Authority – Tel: 0191 643 5701
Richard Gray, Senior Accountant, North Tyneside Council – Tel 0191 643 7033
Colin MacDonald, Clerk to the Authority – Tel 0191 643 6620
Stephen Ballantyne, Legal Manager: Monitoring Officer Support and Employment –
North Tyneside Council – Tel 0191 643 5329

6.0 Background Information:

The following background papers have been used in the compilation of this report and are available for inspection at the offices of the author of the report:

Tyne Port Health Authority Order 2010.
Local Audit and Accountability Act 2014.
The Accounts and Audit Regulations 2015.
Code of Audit Practice, National Audit Office April 2015
Governance and Accountability for Local Councils, A Practitioners' Guide (England) 2014, JPAG.

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

1.0 Finance and Other Resources:

The overall impact of the budget changes highlighted in the report is that the precepts payable by each authority are increased by 7.5% from the previous year. This is due to the budgeted contribution from reserve in 2018/19.

2.0 Legal

There are no direct legal implications arising from this report. The report outlines the legal responsibilities the Authority has as a smaller relevant body under the Accounts and Audit Regulations 2015 and the need for adequate financial controls and the manner in which financial contributions are provided for under the Tyne Port Health Authority Order 2010.