



Charge Rates 2023-24

Seafood Hubs

April 2023

Purpose of the presentation

- Presentation of the cost data for Seafood Hubs proposed hourly charge rates for 2023-24 with effect from 27th March 2023
- To clarify and provide transparency on:
 - Direct and indirect essential support costs
 - Process to calculate hourly rates
- Outline future expectations which may influence the shape and cost of EHC delivery
- Answer any questions on the above process

Background to Calculation

- The Certification hubs were set up to provide a more efficient means of providing Export Health Certification (EHC) primarily for the seafood sector as a result of requirements following EU exit.
- Initially in 2020, FSS and SG worked with the 3 Hubs to come up with some estimate of resource required. Since then 1 Hub has left.
- An hourly rate is prepared using the associated estimated costs below:
 - Salaries of the staff directly involved in the delivery of the EHCs
 - Other direct costs involved in the delivery of EHCs
 - Other staff costs associated with the support in the delivery of EHCs
 - Other indirect cost associated with the delivery of EHCs

What information used?

- All cost figures used are from the 2023-24 forecasted budget for FSS resources expected to be used in the delivery of the EHC service to Hubs.
- Foundation of the annual hours is taken from past trends between 28th March 2022 to 29th January 2023 plus period 11 and 12 Business Agreement hours to 26th March 2023. Certain hours are plussed up (this means 1 double time hour = 2 hours in our model).
- This has been approved by the Senior Leadership Team for FSS as a process.
- Supported by FSS Board and Ministers as the basis for effective use of public funds.

2023-24 Charge rate

FSS Charge

	2022-23	2023-24	Variance
Hourly rate	43.21	47.90	4.69

- Rate in 2023-24 has increase as a result of the increase in salaries of 5% for 2022-23 and we have allowed for a 2% increase in salaries for 2023-24
- Salaries account for 91% of the total costs and accordingly have a big impact

Overheads

2022-23	2023-24	Variance
6.14	9.14	3.00

- Increase in the overhead is due to increase in salaries and the reduction in hours included in the model

Hours

- Hours for 2023-24 rate calculation were actuals for period 1 to 10 and financial year 2022-24 and business agreement for periods 11 and 12

7,141 hours

Official controls hourly rates 2023-24

	Total
Direct	276,775
Indirect Costs	65,256
Total Costs	342,030
Chargeable Hours	7,141
Charge rate	47.90

Direct Costs

	Cost 2023-24
Salaries	259,400
Laundry/equipment	1,000
Front-line travel	8,600
Other support costs	7,775

Direct Costs total for 2023-24 = £276,775

- 94% of the direct costs are for salaries
- 6% for support costs for the above

Indirect costs

	Total
Salaries	52,354
Additional Specific Costs	12,902

Indirect Costs total 2023-24 = £65,256

Conclusion

- The hourly charge rate for Export Health Certificates to £47.90 per hour with effect from Monday 27th March

Other points to consider

- FSS commit to undertake a review of this model after six months and report its findings to industry
- The business agreement process will remain a monthly review item to ensure best match between Hubs needs and FSS resourcing options as year 3 of the hubs evolves further
- FSS remain committed to a partnership approach to continuous improvement in the EHC process and the search for further joint efficiencies whilst seeking 100% accuracy of EHC completion and submission