

Committee(s)	Dated:
Port Health & Environmental Services	6 March 2018
Subject: Update on the impact of the UK leaving the EU (Brexit) on Port Health & Public Protection	Public
Report of: Director of Markets & Consumer Protection	For Decision
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Summary

The UK is due to leave the European Union on 29 March 2019, although it is anticipated that there will be a transition period before final withdrawal.

Whilst negotiations are underway between the UK and EU concerning the terms of the UK's departure, the outcome remains unclear in relation to the functions undertaken by the Port Health & Public Protection Division (PH&PP), particularly at the borders.

This report outlines the current position relating to Brexit, and the representations made by PH&PP in line with the key principles previously agreed by your Committee for negotiation with government and relevant agencies. Action has been taken internally and externally to protect and promote your Committee's interests, and further work will be undertaken to highlight the potential impact of Brexit on PH&PP, particularly by collaboration with other interested parties to promote, and lobby for, common policies.

Recommendations

Members are asked to:

- Note the progress made to date.
- Approve the 'next steps' outlined in paragraphs 17 and 18, with a further report to be provided later in 2018.

Main Report

Background

1. Following the outcome of the referendum held in June 2016 in which the UK voted to leave the European Union, on 29 March 2017 the UK triggered Article 50 of the Treaty of Lisbon. This gave formal notice of withdrawal from the EU, which is due to take place on 29 March 2019. It is likely that there will be a transition period of up to two years.

2. An independent report was commissioned by PH&PP to identify areas of concern regarding the current level of control and the operational implications of potential post-Brexit changes on the work of the Division, particularly in relation to border controls it undertakes at London's ports and at Heathrow Animal Reception Centre (HARC). A summary of the review and its recommendations were reported to your Committee in September 2017.
3. Your Committee agreed that the following key principles should form the basis of the City Corporation's negotiations with government and relevant agencies concerning the functions undertaken by PH&PP:
 - a. The same, or an improved, level of consumer protection should be sought for public, animal and environmental health in terms of any proposed changes to regulatory controls after the UK leaves the EU.
 - b. Any changes to the current legislation should be commensurate with the risk posed by different activities and trades, as it is recognised that some enforcement requirements could be streamlined.
 - c. The UK should continue to recognise EU controls in order to avoid resourcing implications at the UK border; and this would **best** be done as part of a reciprocal agreement with mutual recognition, as this would be more sustainable politically, promote regulatory alignment, and facilitate UK-EU trade.
 - d. Full cost recovery for local authorities and port health authorities to enforce relevant legislation is essential, and this should be extended to include those areas not already covered, particularly if they have to undertake additional controls as a result of Brexit.
 - e. The current checks at UK and EU borders on third country imports should be maintained to facilitate free movement of goods within the EU, and between the EU and the UK, and the UK should maintain access to existing IT and rapid alert arrangements.
4. A further briefing note concerning communications and Brexit was circulated to your Committee on 17 November 2017.
5. The purpose of this report is to update your Committee on the action taken to promote the above principles and to represent PH&PP interests in discussions with government.

Current Position

6. Although negotiations are underway between the UK and the EU, there is still little indication of how animal and port health border controls will be undertaken post-Brexit. However, the government has stated that 'The UK's ambition is to work towards a comprehensive future agreement with the EU, which includes

securing the freest and most frictionless trade possible in goods and services to the benefit of all.'

7. On 1 February the European Commission issued a formal 'Notice to Stakeholders' entitled 'Withdrawal of the United Kingdom and EU Food Law'. The gist of this document is that unless a withdrawal agreement is reached, the UK will become a 'third country'.
8. This would mean that exports to the EU from the UK will be subject to border controls at the point of entry to the EU, and potentially that imports from the EU would be subject to checks at the UK Border in the same way as those from third countries are currently. A significant increase in the work of port health authorities around the country would result, especially at the Channel ports. Given the current trade pattern in the London Port Health area of jurisdiction (the tidal Thames and lower Medway), a 25% increase in workload is estimated.
9. If controls are put in place at South Coast sea ports this may lead to an increase in animals being flown into the U.K. It is difficult to quantify as this will depend on the problems encountered in using the ports, and how Customs clearance processes are undertaken post-Brexit. Furthermore, the existing trade from the EU Member States, which represents around 15% of throughput at HARC, may no longer receive automatic clearance as currently, which enables animals to be collected by their owners within an hour of arrival. Full Customs clearance can take four hours or more and will put extra pressure on HARC at busy periods, as it is already over capacity.

Representations and action by PH&PP

10. In line with the principles outlined above, representations have been made to protect and promote your Committee's interests. This has been done internally and externally, as detailed below.

Internal:

11. A working group has been set up by the Port Health & Public Protection Director and is chaired by him. Membership comprises representatives of the Remembrancer (Parliamentary), the Director of Communications (Corporate Affairs and Media) and the Director of Economic Development. The purpose of the group is to ensure a consistent approach to Brexit by City Corporation representatives; to promote and protect all the City Corporation's many and varied interests in Brexit; and to ensure that Departments affected are aware of the latest developments and outcomes of negotiations.

12. The following actions have been undertaken:

- **Remembrancer:** Amendments tabled on the EU (Withdrawal) Bill including a specific one on Port Health; representation to select committees, including Communities and Local Government Inquiry into Brexit and Local Government (Appendix 1); input to the Trade Bill and a

follow-up letter to the Minister for International Trade; stakeholder engagement and monitoring of debates. More recently, the House of Lords EU Energy and Environment Sub-Committee has asked the City Corporation to answer some questions.

- **Head of Media (Public Services):** Arrangements were made for appearances in national media and for articles in trade magazines in connection with PH&PP issues, and these continue to be addressed whenever possible. More broadly, the City Corporation's concerns about the impact of Brexit on the Square Mile appear in the media on a day-to-day basis.
- **Head of Corporate Affairs:** A substantial amount of time and resource is being dedicated to engaging politically on the challenges presented by Brexit for the UK based financial and professional services industry and other sectors. Support is provided to the Policy and Resources Chairman to ensure that she is fully briefed on the implications across the City Corporation's interests and that she is engaging politically with the relevant politicians at the right time.

External

13. There has been PH&PP engagement with a wide range of stakeholders including the following:

- Hosting a visit to the Heathrow Animal Reception Centre by the Secretary of State for Environment, Food and Rural Affairs.
- Two meetings with MPs - the Chairman of the International Trade Committee and former Secretary of State for Environment, Food and Rural Affairs. These were held jointly with the International Meat Traders Association (IMTA).
- Engagement with relevant government departments and agencies, notably with Cross Government Border Co-ordination. The City Corporation is hosting a meeting on behalf of this group on 26 February and an oral update will be provided to your Committee.
- Discussions with trade groups, including IMTA, the UK Major Ports Group, London's port operators and other industry bodies.
- Hosting and chairing the English major ports/airports Port Health group.
- Representation on the Chartered Institute of Environmental Health Brexit Expert Panel and liaison with other professional organisations such as the British Veterinary Association and the Chartered Institute of Trading Standards to promote consumer interests.

14. Whilst it is difficult to gauge the outcome of all the engagement and lobbying that has been undertaken, there appears to be a greater recognition amongst

government departments that without a favourable trade deal, there could be difficulties for importers and exporters, as well potential delays at the UK borders if additional controls need to be undertaken on products from the EU, and there are insufficient resources to do so.

15. On 18 February the House of Commons Environment, Food and Rural Affairs Committee published a report entitled: 'Brexit: Trade in Food', to which PH&PP contributed. It is encouraging that some of the principles outlined in paragraph 3 above are referred to amongst the key recommendations and conclusions, some of which are as below:

- The agriculture industry needs clarity as to the government's long-term vision and future support.
- The UK has an international reputation for high animal welfare, environmental and food standards. These must not be sacrificed on the altar of cheap imports.
- Non-British EU veterinary surgeons are critical to the UK veterinary workforce. The government must set out how it intends to ensure working rights for non-EU vets currently working in the UK..... (N.b. all the City Corporation's vets are from other EU Member states).
- Delays at border inspection posts lead to increased costs, and are a threat to perishable goods. It is imperative that the government sets out to ensure that the right IT systems and infrastructure are in place....
- The UK government must not allow imports that have not been produced to the UK's high standards.

16. Ultimately, it is for relevant government departments and agencies, as the 'Central Competent Authorities' to implement new policies and border control arrangements once post-Brexit agreements are finalised. The City Corporation will work with government departments and industry to ensure that any changes are introduced in a timely manner.

Next steps

17. It has become clear during the above discussions that trade organisations, professional bodies, academics and other groups have similar concerns to the City Corporation about the potential impact of Brexit. A meeting has been arranged with the Remembrancer's and Director of Communications representatives on 28 February to consider whether collaboration with other interested parties could be improved, and how joint working could raise the profile of your Committee's concerns.

18. By collaborating with other organisations, agreeing common position and policy statements, then lobbying jointly, there is the potential to have a greater input to future government policy and border control arrangements. All representations will be in accordance with Committee and corporate policies. A further report will be made to your Committee later in 2018.

Corporate & Strategic Implications

19. The actions outlined above are in accordance those contained in the Departmental Risk Register and also conform to objectives in the Business Plan.
20. As far as financial implications are concerned, there is still insufficient information available to make an assessment of how any proposals will affect PH&PP budgets. However, as part of the ongoing monitoring of Brexit these will be kept under review, and outline proposals have been drawn up to recruit more Port Health staff to meet additional demands.
21. The Government's Brexit related legislation is being monitored by the Remembrancer who will continue to facilitate appropriate representations being made and support PH&PP where possible.
22. The Corporate Affairs Team coordinates the senior political engagement across the City Corporation to ensure consistency in engagement and messaging, related to Professional and Financial services and Culture predominantly. Ultimately, the top line City Corporation position is to support the three Ts: 'Transition, Trade, Talent,' as, under its umbrella, it can encompass all the more technical positions which different departments of the organisation may have.

Conclusion

23. There are a range of potential impacts on PH&PP resulting from the UK leaving the EU, particularly for Animal Health & Port Health. A considerable amount of effort has been made to address these issues with government departments and agencies. This work will continue in collaboration with other interested parties.

Appendices

- Appendix 1: Communities and Local Government Select Committee Inquiry into Brexit and Local Government – Memorandum from the City of London Corporation, December 2017.

Background Papers

- Impact of the UK leaving the EU (Brexit) on Port Health & Public Protection – report to Port Health & Environmental Services Committee, 19 September 2017.
- House of Commons Environment, Food and Rural Affairs Committee: 'Brexit: Trade in Food', Third Report of the Session 2017-19, 18 February 2018.

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