

Committee(s) Port Health and Environmental Services Committee	Date(s): 26/11/2019
Subject: Update on the impact of the UK leaving the EU (Brexit) on Port Health & Public Protection	Public
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Summary

The UK is due to leave the European Union on 31 January 2020. Until Parliament agrees a deal (or not), the final outcome remains unknown in relation to the functions undertaken by the Port Health & Public Protection Division (PH&PP), particularly at the borders.

All appropriate actions have been taken to reduce the risks associated with Brexit from red to amber. This risk is unlikely to change until the Brexit position is clearer.

The Port Health Service has now received sufficient funding from the Food Standards Agency (FSA) to cover all its Brexit related expenditure until 31 March 2020. In addition, the Animal Health Service has generated sufficient income to cover all its Brexit preparations.

Recommendation(s)

Members are asked to:

- Note the report.

Main Report

Background

1. Following the outcome of the referendum held in June 2016 in which the UK voted to leave the EU, on 29 March 2017 the UK triggered Article 50 of the Treaty of Lisbon. This gave formal notice of withdrawal from the EU, which was planned for the 31 October 2019. However, the date has been now pushed back until the 31 January 2020 unless the Withdrawal Agreement Bill has been enacted and parliament agrees an earlier exit date.

2. The other significant event is that a General Election has now been agreed for the 12th December 2019. This has meant that the Government entered in to the period known as purdah on the 7 November the effect of which is that, by convention, the Government will not announce anything “new” so no new contracts, big decisions or announcements can be made during this period. This also affects communications with Government agencies (Defra, FSA etc.) that PH&PP have worked closely with when preparing for Brexit.
3. This is the sixth report to your Committee on this issue and you have previously agreed six key principles that form the basis of the approach officers have been taking when representing the City Corporation in discussions with Government and its agencies. (Appendix 1: City Corporation - Six Key Brexit Principles)
4. Brexit is on the Departmental Risk Register and more recently has been classified as a Corporate Risk. The latter includes the ‘impact of Brexit on the movement of goods through the Port Health Authority/functions’. The Department have now taken all appropriate actions to reduce the risk associated with Brexit from red to amber. This risk is unlikely to change until the Brexit position is clearer.
5. The Port Health Service has now received sufficient funding from the FSA to cover all its Brexit related expenditure until 31 March 2020. The Animal Health Service has generated sufficient income to cover all its Brexit preparations.
6. In the last Parliament, the Remembrancer’s Office through Mark Field (the then MP for the City), tabled a series of written parliamentary questions to Ministers to enable a better understanding of the Government’s approach towards import controls in the event of no-deal, funding for ports, and the movements of pets in a no-deal scenario.
7. Since the UK voted to exit the EU PH&PP officers have and continue to engage closely with Government and its agencies as well as with other interested organisations.

Current Position

Withdrawal Agreement & Political Declaration

8. Boris Johnson's Government negotiated a new 'deal' with the European Union in October 2019, which is formed of a Political Declaration and a Withdrawal Agreement.
9. The main differences between Boris Johnson’s and Theresa May’s (November 2018) Withdrawal Agreement relates to the Protocol on Ireland/Northern Ireland. The new ‘deal’ will mean that the UK will no longer be in a single customs territory or union with the EU. In addition, the UK will no longer be legally bound to continue with level playing field commitments at the end of the transition period.

10. The revised Political Declaration on the future EU-UK relationship agreed in October 2019 changed the previous version agreed in November 2018 in several ways. Among the revisions in the new declaration, references to building on provisions in the November 2018 Withdrawal Agreement relating to the envisaged UK-EU single customs territory and the level playing field provisions that came with it (common standards in employment, environmental, state aid and competition policy) have been removed. These provisions are also no longer in the Withdrawal Agreement. References to close UK alignment with EU rules and to a trading relationship that is “as close as possible” are also removed.
11. The concern is that moving provisions from the Withdrawal Agreement to the Political Declaration, which is not binding, could bring about divergence between EU and UK legislation earlier, and a potential relaxation in standards. However, it is important to note that both the Withdrawal Agreement and Political Declaration could see another change depending on the outcome of the General Election

Port Health

12. Currently food and feed imported into the UK from a third country is subject to Official Controls relevant to the risk that the food or feed represents; risk includes the type of product, country of origin, volume imported and previous history. These products must be imported through a Border Control Post, which is within the Customs Boundary. EU Products are not currently subject to Official Controls, but this may change depending on the outcome of the Brexit negotiations.
13. The ability for the UK to reach an agreement over its withdrawal from the EU is still uncertain. If an agreement can be reached, the impact on LPHA is likely to be minimal. However, we may still leave the EU with ‘no deal’ and the Port Health service is preparing for this. As part of the preparations we have carried out a Change Impact Assessment based on a 10%, 25% and 50% increase in work/drop in efficiency as new systems and processes settle in.
14. The Port Health service has been robust in its negotiations and has secured further funding (£116.5k) from the FSA to support its ‘no deal’ Brexit preparations in 19/20. The service has already received £146k for 2018/19 and £400k for 2019/20. The funding has been used to increase staff resource to meet future demands.
15. As the service operates on a cost recovery basis, it is important that it secures appropriate funding for 2020/21 to ensure that it does not pick up any staffing legacy costs, as it is uncertain whether trade will be displaced post Brexit to LPHA ports from other UK ports that do not have the capacity or facilities to undertake official control on high risk food and feed.

Animal Health

16. The issues with live animal imports are not as serious as those over imported food and feed, however the key concerns, which have been raised previously at this Committee include:
 - a. The Pet Travel Scheme
 - b. Companies displaced from the UK to the EU
 - c. The Convention of the International Trade in Endangered Species (CITES)
 - d. Transit animals
 - e. Increased Customs clearance times
17. As it is still unclear as to whether there will be an increase or decrease in resources required at HARC, a number of fixed term contract employees have been recruited and depending on the outcome, their contracts could be terminated or extended. In the shorter term, an increase in throughput is anticipated post Brexit.

Corporate & Strategic Implications

18. The actions taken to date and the above proposals are in accordance with previous decisions taken by your Committee, the PH&PP Business Plan, the Departmental/Corporate Risk Registers.
19. 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.

Implications

20. Sufficient funding has been received from Government departments to cover the costs of additional staffing and undertaking a range of functions to support Imported Food and Feed Controls at the borders. The Department will continue to identify and make a case for further funding to support Brexit related work.

Conclusion

21. Officers continue to represent the interests of your Committee to protect City Corporation interests in relation to the implications of Brexit. Plans and preparations have been made to cover a no deal scenario.

Appendices

- Appendix 1: City Corporation - Six Key Brexit Principles

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.
- Update on the impact of the UK leaving the EU (Brexit) on Port Health & Public Protection – report to Port Health & Environmental Services Committee, 6 March 2018.
- Update on the impact of the UK leaving the EU (Brexit) on Port Health & Public Protection – report to Port Health & Environmental Services Committee, 16 July 2018.
- Update on the impact of the UK leaving the EU (Brexit) on Port Health & Public Protection – report to Port Health & Environmental Services Committee, 27 November 2018.
- Update on the impact of the UK leaving the EU (Brexit) on Port Health & Public Protection – report to Port Health & Environmental Services Committee, 24 September 2019.

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Appendix 1: City Corporation - Six Key Brexit Principles

The City Corporation has agreed and is promoting the following principles in relation to biosecurity and Brexit:

- 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.
- 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.
- 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.
- 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.
- 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.
- To control public health and animal health risks effectively, and to prevent the potential spread of zoonosis, monitoring, checks and controls on high risk food, feed and animals should be undertaken at first point of entry into the UK, i.e. at its borders.