

Committee(s): Port Health & Environmental Services	Dated: 29 November 2022
Subject: Annual Review of Charges – Animal Health	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	n/a
What is the source of Funding?	n/a
Has this Funding Source been agreed with the Chamberlain’s Department?	n/a
Report of: Juliemma McLoughlin, Executive Director – Environment	For decision
Report author: Susie Pritchard – Assistant Director – Animal Health & Welfare Gavin Stedman – Director Port Health & Public Protection	

Summary

The Animal Health Team enforce animal health and welfare across Greater London and carry out inspections of activities involving animals under contract for 30 Local Authorities. This report proposes to introduce a tiered charge for the contracted services of the Animal Health Team, based on the number of operators requiring inspection. A change to how costs are recovered for enforcement work is also proposed in order to reduce financial risk. A 5% increase on inspection fees is proposed for 2023/24.

Approval is also sought for a 3% increase to be applied to the Schedule of Charges in respect of services provided at the Heathrow Animal Reception Centre (HARC), for the forthcoming financial year 2023/24.

Recommendation(s)

Members are asked to:

1. Approve the proposed new Animal Health Service contract fee structure.
2. Approve a 5% increase for 2023/24 inspection fees, included in Appendix 1 of this report, with effect from 1 April 2023.
3. Approve a 3% increase for HARC fees through the proposed Byelaws contained in Appendix 2 of this report, and, recommend to the Court of Common Council that the Byelaws be made, and that the Comptroller and City Solicitor be instructed to seal the Byelaws accordingly.

Main Report

Background

Animal Health Team

1. The City's Animal Health Team consists of highly experienced Veterinary Officers and Animal Health Inspectors, with responsibility for the enforcement of certain animal health and welfare legislation across Greater London. The majority of their work is focussed on the licensing of activities involving animals (pet shops, dog and cat boarding, dog breeding, hiring of horses and animal exhibits). The City offers an Animal Health agency contract service to other Local Authorities who do not have their own function-specific teams, or sufficient skills and knowledge. The team is currently contracted by 30 Local Authorities across Greater London and the Home Counties.
2. Local Authorities pay a contract fee of £1,300 pa, which covers the teams' handling of any enquiries received by the authority, and support with legal cases brought by the authority, from the point of investigation to attendance at court. Each inspection of an operator conducting an activity involving animals incurs an individual fee for that activity. There are no other additional charges.
3. The overall Animal Health and Welfare Service is 'full cost recovery plus' due to the income generated by the non-statutory functions of the Heathrow Animal Reception Centre. The statutory functions, including contracted services of the Animal Health Team, are not operated on a full cost recovery model in isolation from HARC.
4. In 2022/23, a 2% increase on inspection charges was approved, reflecting inflation and increasing costs of travel.

HARC

5. The charges for holding animals and provision of other services at the Heathrow Animal Reception Centre (HARC) require review towards the end of each year to enable an appropriate variation to be applied with effect from the following April. This advance consideration is necessary because the major proportion of the charges is in respect of quarantine animals and allied services and has to be introduced as an "additional byelaw" to the principal byelaws for the Centre. This takes somewhat longer than a more simplistic, discretionary fee increase. The second, smaller element of the charges is not byelaw controlled and relates to non-quarantine (export and boarding) charges but for practical and operational reasons the two are dealt with together.
6. The main source of income at HARC, the Pet Travel Scheme, is a non-statutory function and is thus open to competition from commercial enterprises. New operators of Live Animal Border Control Posts are able to seek designation at Heathrow airport. The phased development plan presented to

the Committee in January and May 2022 details our intentions to mitigate a risk of loss of throughput as a result of new competition.

7. There was zero increase to fees in 2022/23 due to high levels of income in 2021/22 and the continuing high demand for Pet Travel Scheme services.
8. Whilst the Animal Health and Welfare Service continues to generate a surplus, both costs and risk have increased. Last year, no increase on fees was made. However, energy costs continue to rise and are substantial for HARC due to its 24-hour opening and the need to temperature-control animal accommodation.

Current Position

Animal Health and Welfare Service

9. Budgeted income for the Animal Health and Welfare Service in 2022/23 was £5.054M. The overall projected net outturn for 2022/23 is a surplus of £0.714M.
10. Current budgeted income for the Animal Health and Welfare Service in 2023/24, taking into account the proposed increases in charges in this report, is £5.105M. The overall projected net outturn for 2023/24 is a surplus of £0.870M before energy cost increases.

Proposals

Animal Health Team

11. The Local Authorities which contract the City to carry out their licensing work vary from those with just 3 or 4 operators, to those with more than 70. The wide difference can be down to several factors such as the location of the local authority or their response to addressing unlicensed operators.
12. To more accurately reflect the workload that results from each Local Authority, and increase transparency, it is proposed that a tiered contract charge is put in place for 2023/24. Local Authorities with few operators would see a small decrease in their annual contract fee, and authorities with very high operator numbers would see a small increase. Fees will be based on the number of operators at the start of each quarter and charged quarterly. This structure would be more aligned with plans to grow the number of contracts and move towards improved cost recovery for this part of the Animal Health and Welfare Service.
13. The average number of operators is 20 per Local Authority. The current range is 4 to 76. The proposed contract fee will have 4 tiers:

No. operators	Contract Fee (£)	No. contracts at this fee	Total income (£)
0-5	1,250	5	6,250
6-15	1,350	11	14,850
16-29	1,450	7	10,150
30+	1,500	7	10,500
2022/23 income: £39,000		2023/24 income: £41,750	

14. The contract fee is currently inclusive of basic support for enforcement action taken by contracted authorities. Fees for work in excess of this basic level of support, such as evidence collection, statement writing, and court appearances are claimed by the City as expenses through the court and this presents some financial risk to the City. It is proposed that Local Authorities are instead charged the hourly rate for Inspectors/Veterinary services for this work, which in turn they can recover through the courts.

15. A 5% increase to inspection fees is proposed for 2023/24 and these are included in Appendix 1. This increase is proposed to offset the additional cost of travel by Inspectors and of the pay review.

HARC

16. A 3% increase in HARC fees is proposed for 2023/24. The current financial position of the service, taking into account the proposed increase in fees, is outlined in paragraph 10. A 3% increase in HARC fees is intended to offset additional energy costs and other risks, whilst ensuring that fees remain competitive for our commercial customers. Fees for HARC services are charged in the main to airlines and pet shipping agents, who in turn may pass these costs onto their customers, trade consignees or pet owners.

17. The charge for reptiles (Section 1 part 4 of the Byelaws) has been edited to include reptiles and amphibians. Single species amphibian shipments are frequent and the current byelaws do not have a clear charge for these.

Corporate & Strategic Implications

1. Strategic implications – These proposals aim to achieve the following Corporate Plan aims of 1. People are safe and feel safe; 5. Businesses are trusted and socially and environmentally responsible, and; 7. We are a global hub for innovation in finance and professional services, commerce and culture.
2. Resource implications – The proposal has been designed to maintain current income and allow for more efficient cost recovery for court fees.
3. Legal implications - The Comptroller and City Solicitor comments:

The statutory provision under which these charges are now made is Section 30 of the City of London (Various Powers) Act 1987 (which was an enactment removing the need for Ministerial approval of the HARC Byelaws), which provides

... “the charges imposed by such Byelaws shall be such as to secure so far as is possible, that taking one year with another, the aggregate amount raised by such charges is equivalent to the reasonable costs incurred by the Corporation in operating the Animal Reception Centre”. The need for increases to be reasonable is especially important here, since, unusually, the Byelaws machinery which implements the new charges is not subject to any public notification procedure or to confirmation by the appropriate Minister.

4. Risk implications – The risk of unrecovered legal fees is eliminated for Animal Health Team contracted services. The proposed increase in the HARC schedule of fees aims at balancing the increased risks from energy costs and new BCP operators, against ensuring fees are competitive.
5. Equalities implications – None
6. Climate implications – None
7. Security implications - None

Conclusion

The proposal presents no risk to the current income of the team and provides a better customer service by reflecting the bespoke resource requirements of our contracted authorities. Risk of unrecovered legal fees is eliminated. Members are asked to approve the proposal, following which the team will undertake stakeholder engagement to introduce the fee structure for 2023/24.

The rising energy costs and risk of reduced throughput are partly offset by the proposed 3% increase to the HARC schedule of fees. The proposal recognises, however, that fees must continue to be competitive for our commercial customers and 3% is considered an appropriate balance.

Appendices

Appendix 1; Animal Health Inspection fees

Appendix 2: HARC fees

Background Papers

N/A

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Appendix 1

LEVEL OF CHARGES 1st April 2023 - 31st March 2024- all fees are subject to VAT at the current rate		Cost 2022-2023	Cost 2023-2024
Contract Charge	Charged quarterly on all contracts	1,300.00	1,250.00 - 1,500.00
Animal Boarding Est (Kennel / Cattery)	New Licence application or 1st inspection by C of L - combined (dogs & cats)	327.42	343.79
	Renewal Licence application Inspection - combined (dogs & cats)	263.16	276.32
	New Licence application or 1st inspection by C of L - single species (dogs or cats)	248.88	261.32
	Renewal Licence Inspection - single species (dogs or cats)	183.60	192.78
	Unannounced mid licence visit	120.36	126.38
	reassessment of star rating visit	120.36	126.38
	Complaint Visit 1st hour including travel and report writing	120.36	126.38
	Complaint / visit additional charge per hour	53.04	55.69
Home boarder	Renewal Licence Inspection	120.36	126.38
	New Licence application or 1st inspection by C of L	151.98	159.58
	Unannounced mid licence visit	120.36	126.38
	Complaint Visit 1st hour including travel and report writing	120.36	126.38
	Complaint visit additional charge per hour	53.04	55.69
	reassessment of star rating visit	120.36	126.38
Franchisee arrangers licence	Assessment of an existing arranger / Franchisee	120.36	126.38
	Assessment of a new application or 1st inspection by C of L of an arranger /Franchisee	151.98	159.58
	Assessment of a hobby host as part of a arranger /franchisee licence	120.36	126.38
	Unannounced mid licence visit	120.36	126.38
	Complaint Visit 1st hour including travel and report writing	120.36	126.38
	Complaint visit additional charge per hour	52.00	54.60
	reassessment of star rating visit	120.36	126.38
Dog Day Care	Renewal Licence Inspection	183.60	192.78
	New Licence application or 1st inspection by C of L	229.50	240.98
	Unannounced mid licence visit	120.36	126.38
	Complaint Visit 1st hour including travel and report writing	120.36	126.38
	Complaint visit additional charge per hour	52.00	54.60
	reassessment of star rating visit	120.36	126.38
Dog Breeding Establishment	New applicant vet inspection with kennel units	336.60	353.43
	Renewal applicant inspection with kennel units	263.16	276.32
	New applicant vet inspection domestic dwelling	263.16	276.32
	Renewal applicant inspection breeding in a domestic dwelling	183.60	192.78
	Unannounced mid licence visit	120.36	126.38
	Complaint Visit 1st hour including travel and report writing	120.36	126.38
	Complaint visit additional charge per hour	52.00	54.60
	reassessment of star rating visit	120.36	126.38
*Riding Establishment	Existing licence inspection veterinary fee + fee per horse	226.44	237.76
	New premises licence inspection veterinary fee + fee per horse	340.68	357.71
	Annual vet inspection veterinary fee + fee per horse	109.14	114.60
Example of charge per horse in a yard with 60 horses	Fee per horse for the first 10 horses	15.00	15.75
	Fee per horse for next 11-50 horses	10.00	10.50
1st 10 horses @ £15 = £150	Fee per horse 51 horses & over	8.00	8.40
horses 11-50 @ £10 = £400	Complaint Visit 1st hour including travel and report writing	120.36	126.38
horses 51-60 horses @ £8 = £80	Complaint visit additional charge per hour	52.00	54.60
	Unannounced mid licence visit (on top of annual vet inspection)	120.36	126.38
	reassessment of star rating visit	120.36	126.38
Pet Vending / Sale of pets	New Licence or new premises to City of London application Inspection -	327.42	343.79
	Renewal Licence application Inspection -	263.16	276.32
	Unannounced mid licence visit	120.36	126.38
	reassessment of star rating visit	120.36	126.38
	Complaint Visit 1st hour including travel and report writing	120.36	126.38
	Complaint visit additional charge per hour	52.00	54.60
Dangerous Wild Animals	New applicant or new premises to City of London vet inspection commercial / outside premises	336.60	353.43
	Renewal applicant vet inspection commercial / outside premises	263.60	276.78
	New applicant or new premises to City of London vet inspection domestic dwelling	257.04	269.89
	Renewal applicant vet inspection domestic dwelling	183.60	192.78
	DWA on Location - 1st hour including travel and report writing	120.36	126.38
	DWA on location visit additional charge per hour	52.00	54.60
	Complaint Visit 1st hour including travel and report writing	120.36	126.38
	Complaint visit additional charge per hour	52.00	54.60
Illegal Imports outside of CofL jurisdiction	Collection and Detention	225.42	236.69
	Mileage at 65p per mile	0.45	0.47
Zoos	Periodical / Informal / Special (Full Day)(Vet)	529.38	555.85
	Periodical / Informal / Special (Full Day)(AHI)	368.22	386.63
	Periodical / Informal / Special (Half Day)(Vet)	322.32	338.44
	Periodical / Informal / Special (Half Day)(AHI)	188.70	198.14
	Veterinary 14.1a exemption inspection	368.22	386.63
Circus / Animal for Exhibit on location	DWA on Location (Exhibit) - 1st hour including travel and report writing	120.36	126.38
	DWA on location visit additional charge per hour	52.00	54.60
Animal for Exhibition	New Licence or 1st Inspection by City of London application Inspection -	327.42	343.79
	Renewal Licence application Inspection -	263.16	276.32
	Complaint Visit 1st hour including travel and report writing	120.36	126.38
	Complaint visit additional charge per hour	52.00	54.60
Shows-Exhibitions-AGO- Markets	Inspection (Full day per officer)	368.22	386.63
	Inspection (Half day per officer)	183.60	192.78
Animal Keepers Farm stock (Hobby Domestic Address)	Inspection Visit	120.36	126.38
Animal Keepers / non Domestic address (Half Day)	Inspection Visit	183.60	192.78
Animal Keepers / non domestic address (full day)		367.20	385.56
Daily Rate	1 x veterinary officer £72 per hour	504.00	529.20
Daily Rate	1 x Animal Health Inspector £52 per hour	364.00	382.20
* RCVS Veterinary Surgeon.			
AHI = Animal Health Inspector			
Unless stated all inspections include travelling costs and report writing		No. operators	Contract Fee
		0-5	£1,250
		6-15	£1,350
		16-29	£1,450
		30+	£1,500

Appendix 2

ADDITIONAL BYELAWS RELATING TO THE HEATHROW ANIMAL RECEPTION CENTRE

1 April 2023 – 31 March 2024

(2022/23 rates shown in brackets)

Minimum charge for any one consignment (excluding those listed under point 2.0, 2.1 and 5): £192 (£186)

Processing and handling fee for all shipments that terminate at Heathrow: £23 (£22)

ANIMALS CHARGE PER CONSIGNMENT

1. a. Mammals £192 (£186) for up to 24 hours, £48 (£47) per day or part thereof after 24 hours

2.0 Dogs, Cats and Ferrets under the Pet Travel Scheme Non-commercial movement of Pet Animals Order 2011

In order to meet the “pre-check” requirements (where applicable) all documentation must be submitted to the HARC no later than 72 hours prior to the animal’s departure.

- If a documentation ‘pre-check’ has been completed and approved by HARC, the consignment will be charged at the minimum charge of £192 (£186) for the first animal. Where the consignment consists of more than one animal, a handling fee of £48 (£47) per animal thereafter.
- PETS that have NOT received a documentation ‘pre-check’ or arrive against the advice of HARC, will be charged at £263 (£255) for the first animal. Where the consignment consists of more than one animal, a handling fee of £48 (£47) per animal thereafter.

a. PETS checked at aircraft (Assistance Animals)

- If a documentation ‘pre-check’ has been completed and approved by HARC, Assistance Animals will be charged at £237 (£230) plus a 1-hour collection charge of £185 (£180) = £422 (£410) for the first animal. Where the consignment consists of more than one animal, a fee of £48 (£47) per animal thereafter.
- Assistance Animals that have NOT received a documentation ‘pre-check’ or arrive against the advice of HARC, will be charged at £484 (£470) for the first animal. Where the consignment consists of more than one animal, a fee of £48 (£47) per animal thereafter.

2.1 Dogs, Cats and Ferrets not under the Pet Travel Scheme

a. Dogs, Cats and Ferrets imported under licence to authorised quarantine kennels £192 (£186) for up to 24 hours, £48 (£47) per animal per day or part thereof after 24 hours

b. Dogs, Cats and Ferrets being moved into the U.K. under Commercial Rules

£192 (£186) for up to 12 hours and £48 (£47) per animal ½ day or part thereof after 12 hours

3. Birds £68 (£66) per box per day, £192 (£186) minimum charge

Pet birds: £48 (£47) per bird for up to 24 hours.

Birds of prey £19 (£18) per bird for up to 24 hours, £192 (£186) minimum charge

Transit commercial bird consignments should be booked through to have a maximum stay at Heathrow of 24 hours. Any transit commercial bird consignments that stay more than 24 hours will be charged at £48 (£47) per box per day, or part thereof.

Bird Quarantine £387-£1339 (£376-£1300) plus laboratory testing fees.

Fees are dependent on size of consignment and housing requirements.

Faecal Sampling and Bird Autopsy costs as per current Animal & Plant Health Agency rates.

Larger consignments to be negotiated see Part 2, Section 6

4. Reptiles and Amphibians £192 (£186) for up to 24 hours, £233 (£226) per day or part thereof after 24 hours.

Transit commercial reptile or amphibian consignments should be booked through to have a maximum stay at Heathrow of 24 hours. Any transit commercial reptile or amphibian consignments that stay more than 24 hours and require transferring from their containers will incur the additional special handling charge detailed below.

Additional special £233 (£226) minimum per consignment £68 (£66) per day, or part thereof handling for any consignment after 24 hours.

5. Fish/Aquatic Invertebrates/Invertebrates/Semen/Fish and Bird Eggs £2.11 (£2.05) per box, £37 (£36) minimum charge.

A surcharge of £694 (£674) will be added to the above for any transit consignment that has landed without an “OK to forward” from the on-going airline.

6. Security

A charge of £24 (£23) will be made in respect of any consignment, which requires security screening prior to leaving the ARC.

7. Not on Board

Requests for collection of animals from aircraft, which are subsequently not found on board will be charged at normal collection charge (see Part 2, Section 5).

PART 2
CHARGES FOR ANCILLIARY SERVICES

1. Destruction including disposal of livestock or goods - £43 (*£42*) per kilogram. Minimum charge £93 (*£90*).

Travelling containers are the owner's property and should be collected with the animal. If they are no longer required, they will be disposed of for a fee of £19 (*£18*) per box.

2. Cleansing and disinfecting aircraft, animal holding facilities, vehicles, loose boxes etc. - £376 (*£365*) per hour (including disposal of special waste).
3. Identification of species for DEFRA/HM Revenue and Customs/Border Agency - £180 (*£175*) per hour. Assisting on off airport operations - £93 (*£90*) per hour/£587 (*£570*) per day.
4. Re-crating or repair to crates - quotations on request.
5. Collection and delivery of animals and birds to and from the Animal Reception Centre by an Animal Reception Centre member of staff - £185 (*£180*) per hour or £93 (*£90*) per consignment if no extra waiting time.
6. Long term rates for government agencies and non-government agencies i.e. RSPCA, to be negotiated.
7. Modification of containers to International Air Travel Association (IATA) standards:-

Space Bars/Battens - £52 (*£50*) per box
Air Holes - £24 (*£23*) per box
Water Pots - £24 (*£23*) per box

(If these services are carried out on the airport an additional fee of £93 (*£90*) applies for 'delivery' of the service).
8. Use of Large Animal Facility (per pallet) £378 (*£367*)
9. Special handling e.g. re-oxygenation of fish/re-packaging reptiles/additional administrative functions £93 (*£90*) per hour plus cost of materials.