

<b>Committee(s):</b> Port Health and Environmental Services Committee	<b>Dated:</b> 30/05/2023
<b>Subject:</b> Update on the impact of the Border Target Operating Model on Port Health & Public Protection	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	5, 6, 7
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>£ N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of:</b>  Juliemma McLoughlin, Executive Director Environment	<b>For Information</b>
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## Summary

This report provides an update to Members on the current position in respect of the new United Kingdom (UK) regime for checks on imported food, feed and live animals from the European Union (EU) and Rest of World (RoW).

## Recommendation(s)

Members are asked to note the report.

## Main Report

### Background

1. The City of London Corporation is the London Port Health Authority (LPHA) for 94 miles of the tidal Thames, from Teddington lock to the outer estuary. The LPHA covers the ports at London Gateway, Tilbury, Tilbury 2, Purfleet, Thamesport, Sheerness and London City Airport – and over 60 other docks and wharves.

2. The Port Health Service has a statutory responsibility for the inspection of all food and feed that enters the UK through the ports of London, and the Medway. These border controls currently focus on food and feed entering the UK from all countries, except those originating from the EU. However, with the implementation of the provisions relating to the UK's withdrawal from the EU it became necessary to implement Sanitary and Phytosanitary (SPS) checks on goods entering the UK from the EU.
3. The City also operates the Heathrow Animal Reception Centre (HARC), which is the Border Control Post for live animals at Heathrow Airport. Checks are also undertaken on pets imported through the airport, under the Pet Passports Travel Scheme. In addition, the service has a statutory duty to enforce animal health and welfare legislation for the importation, welfare and transit of live animals
4. There have been numerous updates to this committee on the implications of leaving the EU on the regulatory landscape in respect of the ports and HARC. Early on the City adopted the Six Key Brexit Principles which would guide officers in their conversations with government, see Appendix 1.
5. The history of the implementation of SPS controls on food, feed and live animals from the EU is punctuated with several false starts since leaving on 31<sup>st</sup> January 2020, the past committee papers will tell the story of preparing, resourcing, training staff then regrettably letting them go when checks were delayed.

### **Imported Food and Feed Regime – Draft Border Target Operating Model**

6. On 5 April 2023 the Cabinet Office started a consultation process with Port Health Authorities and other stakeholders on a new border control regime. The consultation closed on 19 May 2023. Appendix 2 is the response made by the Port Health Service to government. The Draft Border Target Operating Model (BTOM) is a high-level plan that outlines the new regime for SPS checks on all food, feed and live animals entering the UK.
7. For SPS controls, the new model contains the following three key elements:
  - **A new global risk-based approach:** live animals, germinal products, products of animal origin, animal by-products, plants and plant products will be categorised as high, medium or low risk, with controls appropriately weighted against the risks posed both by the commodity and the country of origin;
  - **Simplified and digitised health certificates:** digitised phytosanitary certificates from 2023 with take-up depending on our trade partners' readiness.
  - **Use trust:** pilot schemes with industry where authorised importers of plants, plant products and some animal products may be eligible for streamlined controls.

8. The development of the UK Single Trade Window (STW) will underpin this new approach to controls. This will provide a single digital gateway for both importers and exporters to provide the data needed to trade and apply for licences and authorisations for trusted trader schemes.

9. The Government propose to implement the model through three major milestones:

- **31 October 2023** - The introduction of health certification on imports of medium risk animal products, plants, plant products and high-risk food and feed of non-animal origin from the EU.

*This change will have limited impact, it is likely that health certificates will be voluntary and check centrally in a hub rather than at PHA level.*

- **31 January 2024** - The introduction of documentary and risk-based identity and physical checks on medium risk animal products, plants, plant products and high-risk food and feed of non-animal origin from the EU. At this point, imports of SPS goods from the rest of the world will fall into line with those from the EU.

*This is the significant change, where EU and RoW food and feed gain parity, at this point the new model of documentary, identification and physical checks is implemented, and checks will start at all new points of entry in addition to existing points. This is where the resource implications will impact PHAs, importers and other stakeholders.*

- **31 October 2024** - Safety and Security declarations for EU imports will come into force from 31 October 2024. Alongside this, the government will introduce the UK Single Trade Window, which will remove duplication where possible across different pre-arrival datasets.





*This is likely to have a limited impact, on the proviso that all new ICT systems are ready to link up to the governments new single trade window. We are aware that our software suppliers are in conversation with government on these matters.*

10. Under the new regime, controls will be applied to goods proportionately based upon their risk categorisation:

- **High risk** (predominantly live animals, germinal products and goods under safeguard measures) will require pre-notification, simplified health certificates, documentary checks and a higher degree of physical and ID checks.
- **Medium risk** will require pre-notification, simplified health certificates, documentary checks and be subject to risk-based identity and physical checks at the border. Some will be set at 1% physical and identity

checks, although other goods will be considerably higher based on specific risks.

- **Low risk** will have minimal routine border controls applied. The proposal is for there to be no health certification or routine physical border checks, only a pre-notification data set and commercial documentation will be required for all low-risk animal products.

Consignmen t Risk (Country risk x commodity risk)	Example Animal Products	Health Certificates	Pre- notification requirements	Indicative checks %			Indicative Checks % Under the current regime
				 Doc	ID	Physical	Check rates(across 5 risk categories)***
High Risk	 Live animals and commodities covered under safeguard measures	Export Health Certificate required	Full Pre-notification requirements	100%	100%*	100%*	100% Identify 100% Physical
Medium Risk	 Raw, chilled, frozen meat/ meat products/ dairy; ABP for use in animal feed; medium risk fishery products imported as products of animal origin	Export Health Certificate required	Full Pre-notification requirements	100%	1% - 30%**	1% - 30%**	100% Identify 15-30% Physical
Low Risk	 Processed, shelf-stable products such as composites and canned meat products, processed animal by-products and certain fish products	No Export Health Certificate required	Pre notification data to allow traceability	0%	0%	0%	100% Identify 1-5% Physical

11. If risks increase or decrease and commodities need to move between risk categories, traders will be given 3 months' notice so they can adapt their processes as needed, unless urgent protective action is required. The ability to apply emergency control measures on any commodities which pose an imminent risk to human or animal health will be retained.

### Accredited Trusted Trader Scheme

12. The Accredited Trusted Trader scheme is proposed to be piloted. This scheme would allow frequent importers of products of animal origin and animal by-products to potentially reduce the need for routine physical checks at the Border Control Posts (BCPs) by taking responsibility for carrying out routine checks and sampling to ensure the protection of biosecurity, animal and public health whilst being closely regulated by government.

### Implications for London Port Health Authority

13. At this stage it is too early to fully understand the implications of the BTOM. Key information and data have not yet been released to allow the Port Health Service to make judgements on future resource requirements.

14. The Risk Matrix above requires further details in respect of all EU and RoW Products of Animal Origin (POAO) sub-categorisation. Officers have not had sight of robust detailed EU consignment throughput data from the Cabinet

Office, therefore it is too early to estimate demand for resource from each port operator with an established or new BCP.

15. There is no final confirmation on the charging framework, although at this late stage it is likely to remain a locally charged service, for now. Additionally, it is not yet known if 'capped fees' would be introduced to ensure consistency across all Port Health Authorities (PHAs).
16. Once the new model is fully explained and details are provided, the Port Health Service will be able to reconfigure its service delivery approach to meet the demands of the new model. Early observations are that officers will be conducting greater numbers of documentary checks on consignments, and the numbers of physical examinations will reduce. If pilots of trusted trader schemes are shown to be successful, then these are likely to take some work from PHAs over the medium to long term. The number of staff on establishment is likely to increase to meet demands, but the number and the nature of contracts are not yet known.
17. The Port Health Service is working closely with the Association of Port Health Authorities (APHA) to respond to the consultation, and LPHA has taken a leading role amongst PHAs in organising a well-attended co-ordination workshop on 20 April..
18. The Service's Management Team have divided the Cabinet Office workshops and information sessions between them to ensure that our views are represented and that we have a visible presence for key stakeholders. Officers are also in bi-monthly consultation with the Defra Engagement Team.
19. In addition, the Service have an officer seconded to Defra 3 days per week on a cost recovery basis to help influence and shape the new BTOM. They are a useful sounding board for colleagues in Defra about the practical application of different policy approaches.

### **Heathrow Animal Reception Centre (HARC)**

20. Live Animals will be categorised as high risk under the BTOM. In most cases, live animals will be subject to 100% identity and physical checks. Some exceptions to the requirement for 100% checks are planned for animals such as high- health equines (e.g. race horses) from low-risk countries, some zoological animals and some live aquatic animals.
21. Currently there are temporary controls undertaken at the point of destination for live animals arriving from EU countries. A species-by-species risk analysis will consider whether some checks could continue to be undertaken inland. This might mean they would need additional controls or processes.

22. Further BCPs are expected to come online throughout 2024 and checks on live animals will move to these where required. Officers are in discussion with government about the role of HARC, and how it's role may be expanded to meet the additional needs generated through the imposition of new controls.
23. The latest indications are that adaptations to the live animal controls will not be implemented until late 2024 as there are already processes in place for the movement of live animals.
24. HARC continues to engage with government bodies and stakeholders regarding the future regime for live animals to ensure that animal welfare and health is maintained. Appendix 3 is the response made by HARC to the draft BTOM.

### **Corporate & Strategic Implications**

25. **Strategic implications** – These proposals aim to achieve the following Corporate Plan aims of:
  5. Businesses are trusted and socially and environmentally responsible, and;
  6. We have the world's best legal and regulatory framework and access to global markets.
  7. We are a global hub for innovation in finance and professional services, commerce and culture.
26. **Financial implications** – It is not possible to determine the financial impact of the government's proposals at this stage whilst both the resource implications and charging regime remain uncertain. Although the details of the charging regime are still to be confirmed, it is anticipated that it will allow the service to operate on a full cost recovery basis. Defra have previously provided grant funding for additional staffing and other costs in preparation for checks on EU goods. We expect them to make further grant funding available for PHAs and the Port Health Service will bid for such funding to bridge the gap between the need to staff the implementation of the new model and the income being realised by the Port Health Service.
27. **Resource implications** – Staffing levels and operational cover will need to be considered when the Port Health Service has all of the information to allow decisions to be made on service provision and resourcing.
28. **Legal implications** – The new model will not remove the requirements for PHAs to control food, feed and live animals at the border, therefore failure to provide the service would have reputational implications.
29. **Risk implications** – Brexit – Impact on Port Health and Animal Health is a red risk for the Department. This position will be maintained until full details of the new border regime and its impacts are determined.

30. **Equalities implications** – None identified following a test of relevance.

31. **Climate implications** – None

32. **Security implications** – None

## **Conclusion**

33. The release of the BTOM is welcome progress however additional information is required before the full implications of the new border operating model is fully understood. Further reports will be presented to this Committee when the implications are known.

34. The Port Health & Public Protection Division continues to have dialogue with government and its agencies, and other stakeholders to ensure that the City of London remains abreast of developments, promotes the City of London Corporations Six Key Brexit Principles, and continues to lead and shape the narrative around an effective, efficient and safe UK border operating model, that protects public, animal and environmental health.

## **Appendices**

Appendix 1: City Corporation - Six Key Brexit Principles

Appendix 2: Port Health's response to the BTOM consultation

Appendix 3: HARC's response to the BTOM consultation.

## **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 Committees 2016 – 2022.
  - 6 March 2018
  - 16 July 2018
  - 27 November 2018
  - 24 September 2019
  - 26 November 2019
  
  - 3 March 2020
  - 21 July 2020
  - 22 September 2020
  - 24 November 2020
  - 20 January 2021
  - 16 March 2021

- 18 May 2021
- 13 Jul 2021
- 27 September 2021
- 23 November 2021
  
- 18 January 2022
- 22 July 2022
- 10 October 2022
- 29<sup>th</sup> November 2022

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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.

**Appendix 2: Port Health - Response to Government on the Draft Border Target Operating Model**

Response to be inserted

**Appendix 3: HARC - Response to Government on the Draft Border Target Operating Model**

Response to be inserted