

Committee(s): Port Health and Environmental Services Committee	Dated: 14/11/2023
Subject: Update on the impact of the Border Target Operating Model on Port Health & Public Protection	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	5, 6, 7
Does this proposal require extra revenue and/or capital spending?	N
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
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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. 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.
2. There have been numerous updates to this Committee on the implications of leaving the EU on the regulatory landscape in respect of the ports, with the last written update being 30 May 2023.
3. The Government has now published the final Border Target Operating Model, and has pushed the dates for implementation back by three months implementing the three major milestones, as follows:
 - **31 January 2024** - 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 checked centrally in a hub rather than at PHA level.

- **31 April 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 become real for the 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.

Implications for London Port Health Authority

4. Since the final Border Target Operating Model (BTOM) release in August 2023, government has continued to release information, such as the Risk Matrix in respect of all EU and RoW Products of Animal Origin (POAO), but check rate data has still not been confirmed.
5. There is no final confirmation on the charging framework, although at this late stage it is likely to remain a locally charged service on medium risk goods, and representations are being made to government about ensuring a set mandatory fee for low risk goods entering the UK. Port Health Authorities (PHAs) should operate on a full cost recovery basis..
6. Once the new border regime is fully detailed, the Port Health Service will be able to reconfigure its service delivery approach to meet the demands of the BTOM. Early observations are that officers will be conducting greater numbers of documentary checks on consignments, and the numbers of physical examinations will reduce. However, overall the number of checks for the service are predicted to increase.
7. Officers have responded to a consultation on behalf of LPHA and Heathrow Animal Reception Centre (HARC) on siting of Border Control Posts (BCPs) away from the border where geographical constraints exist. It is likely to have limited impact upon LPHA. Risks to HARC exist where the government proceed with this step with no strategy established for the siting of BCPs for live animals.
8. Defra wrote to all PHAs on 10 October 2023 confirming that they are committed to assisting PHAs with associated staffing costs under the new burdens' doctrine. Recognising the recruitment timeline, they gave permission to begin recruitment and other operational preparations for the implementation of the BTOM. Costs will be funded until 30 April 2024, after which PHAs should commence charging to recover staffing and associated costs. To provide some operational flexibility and help PHAs stabilise under the new regime, additional funding will be made available between 30 April 2024 and 31 July 2024 in circumstances where PHAs are unable to recover full costs.
9. Representations have been made that this is unlikely to be enough to de-risk PHAs to a sufficient extent. Due to the uncertainties in the data, we will need to take a pragmatic approach, but there is a real risk of under resourcing. The alternative is

over resourcing, which will place financial pressure on PHAs. LPHA have made representations that government should consider underwriting the next financial year, at least to provide some security. If an underwriting is not in place, authorities may under recruit or may not offer longer term contracts, which may affect recruitment and the general ability to deliver the new border controls from the dates of implementation.

10. There is now an urgent need to start considering resourcing requirements to ensure adequate staffing is in place to cope with the demands of the new model. In absence of any reliable, centrally held throughput data officers have been in contact with importers to discuss their likely requirements. However this approach is hampered by the fact that importers do not yet have access to the detailed information they require in order to allow them to accurately categorise their products into the risk categories.
11. Therefore LPHA will have to estimate demand for resource at each port with an established or new BCP by taking a median estimate of the likely low and medium risk throughput for RoW and EU goods to arrive at a staffing level. Initially this may be an increase to our existing establishment (currently 59FTE) of 25-35 staff spread across various roles from Support Assistants though to Professional Officers and additional management capacity.

Corporate & Strategic Implications

12. **Strategic implications** – These proposals aim to achieve the following Corporate Plan aims of:
 - Businesses are trusted and socially and environmentally responsible, and;
 - We have the world's best legal and regulatory framework and access to global markets.
 - We are a global hub for innovation in finance and professional services, commerce and culture.
13. **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, 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.
14. **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.
15. **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.

- 16. **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 are known, and its impacts are determined.
- 17. **Equalities implications** – None identified following a test of relevance.
- 18. **Climate implications** – None
- 19. **Security implications** – None

Conclusion

- 20. The release of the BTOM is welcome progress however additional information is required before the full implications of the new regime is fully understood. Further reports will be presented to this Committee when the implications are known.
- 21. The Port Health Service continues to have dialogue with government and its agencies, other PHAs, port operators and the trade 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.

Background Papers

- Updates on the impact of the UK leaving the EU (Brexit) on Port Health & Public Protection – Reports to Port Health & Environmental Services Committees 2016 – 2023.

2018 6 March 2018 16 July 2018 27 November 2018	2019 24 September 2019 26 November 2019	2020 3 March 2020 21 July 2020 22 September 2020 24 November 2020
2021 20 January 2021 16 March 2021 18 May 2021 13 Jul 2021 27 September 2021 23 November 2021	2022 18 January 2022 22 July 2022 10 October 2022 29 November 2022	2023 24 January 2023 30 May 2023

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