

Committee(s): Port Health & Environmental Services Committee	Dated: 24/09/2024
Subject: Heathrow Animal Reception Centre – Byelaws and Fee Structure Review	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	Providing Excellent Services Dynamic Economic Growth
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: Katie Stewart - Executive Director, Environment	For Information
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Summary

The City operates Heathrow Animal Reception Centre (HARC) to fulfil its statutory duties for animal health and welfare in relation to imports into Greater London. The Port Health and Public Protection division recovers its costs for these duties through charges to airlines and agents, which are set through byelaws.

Further charges are collected for discretionary services that the City must provide at HARC to operate effectively as a Border Control Post (BCP), but which are not strictly required to be carried out by the enforcement authority. Although these fees are not statutory of themselves, because HARC was set up under the Animal Health Act 1981 (and predecessor legislation) the only means it has for levying any charges is through the byelaw procedure. This may not have been clearly stated in the past, but a review of the legislation by the City Solicitor’s has confirmed the position.

Recommendations

Members are asked to:

1. Note the legislative explanation for why all charges for services at HARC are controlled under the Byelaws.
2. Note the provision for the maximum charge to be listed under the Byelaws, allowing reductions to be applied.

Main Report

Background

The City operates HARC to fulfil its statutory duty to protect the UK from the threat of exotic, zoonotic pathogens such as rabies, and other diseases that could seriously harm human health, animal health, food and feed, and the environment. Because of its volume of flights, Heathrow is a strategically vital point of entry for live animals into the UK, in terms of both biosecurity and trade.

The Animal Health Act 1981 gives the City its responsibility for animal health and welfare in relation to imports into Greater London, as well as its power to “charge for the use of a wharf (...) such sums as may be imposed by byelaws”.

Current Position

Byelaws listing HARC's fees for “wharf” services are usually published annually (although there is no requirement to do so as the byelaws will remain in place unaltered if no changes are made).

The byelaws are approved by Port Health and Environmental Services Committee and ratified by the Court of Common Council. Charges are reviewed towards the end of each financial year to enable an appropriate variation to be applied with effect from the following April.

In 2021/22, the Department for Environment, Food and Rural Affairs (Defra) implemented a decision to designate multiple Live Animal BCPs at Heathrow Airport, effectively creating competition for HARC. HARC has been responding to this competition but to further facilitate this, it has been proposed by Members that the service considers separating the byelaws and discretionary services fees to allow discretionary fees to be adjusted more frequently.

Review of Fee Structure

As the only legal mechanism for levying any charge at HARC is through the byelaw framework this will have to continue to be used for both statutory and non-statutory charges, but in reviewing the legislation it has been noted that whereas in the past we have worded and used the byelaws as imposing a singular fixed charge, they could be worded so as to provide for a maximum charge which could provide for operational flexibility to amend the charges without changing the byelaws.

It would be proposed that the upper charge limit would be set by the byelaw process as at present and the list of charges published; there would be provision for downward only changes to be made (subject to the committee's approval) as well as specific provision to account for service level agreements as may be agreed with bulk operators.

The Animal Health & Welfare Service will continue to review its charges annually and will bring a further paper to this Committee in November 2024 for decision, which will reflect this advice.

Corporate & Strategic Implications

1. Strategic implications – The proposals referred to in this update aim to achieve the following Corporate Plan aims of:

Providing Excellent Services

- Protect and promote public, animal, and environmental health (including at our borders) and consumer protection.
- Provide our Licensing Service.

Dynamic Economic Growth

- Promote the UK as a place that is open, innovative, and sustainable.

2. Financial implications – The proposal aims to increase responsiveness to changes in the market, facilitating a reduction to be applied to some fees where appropriate.
3. Resource implications – None identified.
4. Legal implications – The City Solicitor has reviewed the statutory obligations and related fees and charges and has recommended the above proposal.
5. Risk implications – Frequent changes to fees will impact on stakeholders' ability to accurately quote their customers for future imports. For this reason, reduction in fees will only be applied in exceptional circumstances.
6. Equalities implications – None identified following a test of relevance.
7. Climate implications – None
8. Security implications – None

Conclusion

Members are asked to note the above advice.

Background Papers

N/A

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