

Report – Port Health and Environmental Services Committee

Animal Health and Welfare Service – Annual Review of Charges

To be presented on Thursday, 15th January 2026

To the Right Honourable The Lady Mayor, Aldermen and Commons of the City of London in Common Council assembled.

SUMMARY

The purpose of this report is to seek approval of the increase to be applied to the Schedule of Charges in respect of services provided at the Heathrow Animal Reception Centre (HARC) with effect from April 2026.

Your Port Health & Environmental Services Committee propose an increase in fees of 5% to 20% to be applied to the Schedule of Charges in respect of services provided at the Heathrow Animal Reception Centre, alongside the introduction of higher fees for services delivered to airlines that do not use HARC for all of their live animal throughput into Heathrow, the outcome being that airlines using the alternative Border Control Post (BCP) for most animal imports and only using HARC for the species that cannot be handled by this BCP are to be charged at a higher rate for those services.

RECOMMENDATION

That the Court of Common Council:-

- 1) Approve the Heathrow Animal Reception Centre Byelaws, with additional fees for non-HARC designated airlines, with effect from 1 April 2026; and
- 2) Approve the proposed Byelaws contained in the Appendix to this report and request that the Comptroller and City Solicitor be instructed to seal the Byelaws accordingly.

MAIN REPORT

Background

1. The City of London Corporation operates the Heathrow Animal Reception Centre (HARC) to fulfil its statutory duties for animal health and welfare in relation to imports into Greater London under the Animal Health Act 1981. The Port Health and Public Protection division recovers its costs for these duties through charges to airlines and agents, which are set through byelaws.

2. 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 position was determined following a review of the mechanisms for charging for the service, reported to Port Health and Environmental Services Committee 24 September 2024.
3. HARC operates in a commercial environment, competing to deliver airline services with private entities. The charges of the competing BCPs are taken into consideration when setting fees for the year ahead.

Current Position

4. HARC competes with a private entity BCP at Heathrow, which provides services only for the easiest and most profitable animal imports such as dogs and cats, birds, reptiles and small mammals. Whereas HARC is designated for all species, the competing BCP is not. High volume consignments generate greater income and in the case of live animals, it is most commercially viable to deliver services for dogs and cats. Services for aquatics, horses and farm livestock for example, require significant space within the cargo areas of Heathrow and the lower volume of these means that the cost of processing these consignments is not fully recovered under the current fee structure. Airlines choosing to use HARC only for aquatics (for example) are now effectively being subsidised as the City cannot fully recover the cost of processing these consignments against other live animals imported through that airline.

Proposals

5. It is proposed to introduce higher charges for airlines which do not hold a current Service Level Agreement for the handling of their pet imports. This would allow for improved and fairer cost recovery, and mean that the airlines using the alternative BCP will no longer benefit from below-cost prices when using HARC for more challenging and expensive imports.
6. An assessment has been made of the proportion of the HARC building, equipment and staffing costs that are required to process the range of animal cargo imported at Heathrow, noting that price sensitivity can be variable as airline logistics play a significant part in the options available for shippers, and these can change seasonally. The proposed higher fees take into account the requirement for cost recovery, and the likely market response.
7. The Comptroller and City Solicitor will prepare the necessary revised Byelaws that reflect the proposed charges as contained in Appendix 1 and will subsequently seal these should the Court give them their approval.

Corporate & Strategic Implications

8. Strategic Implications

These proposals aim to achieve the following Corporate Plan aims of 1) Providing Excellent Services, by protecting and promoting public, animal, and environmental health (including our borders), consumer protection, and providing the Corporation's Licensing Service; and 2) Dynamic Economic Growth, by promoting the UK as a place that is open, innovative, and sustainable.

9. Financial Implications

The proposal aims to improve the cost recovery on services offered to non-HARC airlines. It is difficult to determine the probable outcome in response to these price changes, but it is considered necessary to ensure fair cost recovery and remove the incentive for airlines to take advantage of a subsidised rate for more expensive animal imports.

10. Resource Implications – None identified.

11. Legal Implications

The Comptroller and City Solicitor has reviewed the statutory obligations and related fees and charges and recommends the above proposal.

12. Risk Implications

Frequent changes to fees will impact on stakeholder's ability to accurately quote their customers for future imports. There is a potential for non-HARC airlines to redirect or cease their imports into Heathrow.

13. Equalities Implications – None identified following a test of relevance.

14. Climate Implications – None identified.

15. Security Implications – None identified.

Conclusion

16. This proposal has taken into account the competitive position of HARC and price sensitivities of the services provided. The resulting increase in income projected for 2026/27 will further move the service towards a position of cost recovery. We therefore **recommend** that this Honourable Court approve the increase in HARC fees, alongside the introduction of higher fees for services delivered to airlines that do not use HARC for all of their live animal throughput into Heathrow, through the proposed Byelaws contained in Appendix 1 of this report, and that the Comptroller and City Solicitor be instructed to seal the Byelaws accordingly.

Appendix (one):

- Appendix 1 – Byelaws Relating to the Heathrow Animal Reception Centre

All of which we submit to the judgement of this Honourable Court.

DATED this 25th day of November 2025.

SIGNED on behalf of the Committee.

Deputy Peter Dunphy MBE

Chairman, Port Health and Environmental Services Committee