City of London Corporation Committee Report

Committee(s): Port Health & Environmental Services Committee	**Dated:** 3/11/2026
Subject: UK-EU Sanitary and Phytosanitary (SPS) Agreement - Update	**Public report:** For Information
This proposal: • Delivers Corporate Plan 2024-29 outcomes • Provides statutory duties	• 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
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Summary

This report updates Members on the delivery of Sanitary and Phytosanitary (SPS) border controls under the Border Target Operating Model (BTOM), together with developments relating to a future UK-EU SPS agreement.

The London Port Health Authority (LPHA) continues to deliver official controls on imported food and feed under the current BTOM framework. The future UK-EU SPS agreement may materially change the volume and nature of checks and the associated cost-recovery model. Detailed implementing requirements have not yet been published by Government.

The LPHA will therefore continue engaging with Government and stakeholders while further detail is awaited.

Recommendation(s)

Members are asked to:

- Note the current position and the potential operational implications of a future UK-EU SPS agreement

Main Report

Background

1. The UK left the EU in 2020, requiring a new Sanitary and Phytosanitary (SPS) border control model to replace previous EU arrangements.

2. The Border Target Operating Model (BTOM) established a risk-based approach to SPS controls on goods imported into Great Britain from both the EU and the Rest of World (RoW). The BTOM applies to animals, their products and high-risk feed and food of non-animal origin.

3. From 31 January 2024, health certification was introduced for specified medium-risk imports from the EU, alongside pre-notification requirements for other relevant goods.

4. From 30 April 2024, documentary and risk-based identity and physical checks were introduced for medium and high-risk goods from the EU. Existing controls on imports from the RoW were also adjusted as part of the global risk-based regime.

5. The implementation of a new SPS regime is directly linked to negotiations on issues such as freedom of movement, security, energy and long standing issues such as fishing rights.

6. A new SPS regime is not expected before mid 2027 and we do not yet know the full impact of the regime. Current BTOM arrangements will remain in place until that time.

Current position

7. The City of London Corporation is the London Port Health Authority (LPHA), and delivers official controls at designated Border Control Posts (BCPs) and other approved control locations within its jurisdiction. In relation to imported food and feed, activity includes processing import notifications, documentary checks, identity and physical checks, sampling, decisions on consignments and enforcement action where non-compliance is identified.

8. The LPHA works with Government agencies including DEFRA, the Animal Plant Health Agency (APHA), the Food Standards Agency (FSA), HM Revenue and Customs (HMRC), port operators, laboratories, importers and agents to manage food and feed consignments and maintain and support the flow of compliant trade.

9. Currently, imported food and feed controls are delivered on a full cost-recovery basis. The level and composition of activity are therefore directly relevant to workforce planning, operating costs and income.

10. Following the wider UK-EU reset, the Government has announced its intention to establish a new SPS agreement with the EU. The stated direction is to reduce friction in agri-food trade while maintaining appropriate protections.

11. Detailed policy, legal and operational requirements remain under development. Matters requiring clarity include certification, inspection frequencies, product scope, regulatory alignment, BCP designation, charging, assurance arrangements and transition periods.

12. DEFRA's published implementation date for the new UK-EU SPS agreement is mid 2027. LPHA, other Port Health Authorities and stakeholders recognise and have communicated to DEFRA the importance of reasonable and clear preparation and transition timelines towards implementation. This date should therefore be treated as a planning assumption rather than a confirmed implementation date at this stage.

Key Data

SPS Consignment Activity (1 October 2025 to 31st September 2026)	**Number**
Total SPS-controlled consignments received	129,418
SPS-controlled consignments from the EU	110,218
SPS-controlled consignments from RoW	19,200
Percentage from the EU	85%
Percentage from RoW	15%

Corporate & Strategic Implications

13. Financial Implications
    - The total fees and charges income budget for 2026/27 is £7.990m.
    - Of this, c£3.9m is expected to be delivered from checks on EU food and feed imports with the remaining c£4m coming from other controls.

- It is likely that the EU income stream of c£3.9m would reduce to virtually nil under the new UK-EU SPS Agreement.

- This reduction in income may be partly offset by an increase in income from checks on RoW products. But this is currently unknown and the scale of this will be relatively small.

- The remaining shortfall would need to be met through cost reductions, including ensuring that resources meet throughput needs.

- Government has indicated that new burdens financial support will be available to support the changes. While this has not yet been confirmed in writing, there is precedence from the previous support given to implement the BTOM.

14. Risk and Resource Implications

- Transition period uncertainty poses the risk of biosecurity gaps where compliance by EU importers is reduced knowing that the border regime will change. In addition, staffing levels fall as staff seek new opportunities prior to the change. In both scenarios impacting on the ability of the LPHA to deliver BTOM controls until the implementation date of the UK-EU SPS Agreement. This is especially relevant given the frequency of emerging animal health risks in EU member states.

- The above is compounded if there are delays to the implementation of the SPS agreement. Historically border control changes have been delayed and altered numerous times before implementation.

- The new SPS agreement forms part of a wider package of negotiations which are interdependent. So, the regime may be delayed or may not be implemented if agreement cannot be reached on the wider package.

- The LPHA is managing this risk through continued delivery of statutory controls, stakeholder engagement, monitoring of Government announcements and scenario planning. Existing standard operating procedures will remain aligned with current law and will be amended when the future legal framework is sufficiently clear.

15. Legal, Equity, Climate & Security Implications

- No immediate legal changes, equalities or climate impacts have been identified at this stage.

- Security considerations relate primarily to maintaining GB biosecurity standards.

Conclusion

16. The BTOM remains the current framework for risk-based SPS import controls. The LPHA continues to deliver these controls and protect public, animal and environmental health while facilitating compliant trade.

17. The LPHA awaits detailed DEFRA guidance on legislative amendments, operational requirements and transition times.

18. The Service will continue to plan prudently and will report back to the Committee when the operational and financial implications are clearer.

Appendices

None

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