

PORTFOLIO HOLDER – SAFER AND STRONGER COMMUNITIES

DATE	24 th June 2021
REPORT OF	Councillor Ron Shepherd – Portfolio Holder Safer and Stronger Communities
RESPONSIBLE OFFICER	Neil Beeken, Commercial Regulatory Manager
SUBJECT	New Fees and Charges for services undertaken by Port Health within Regulation and Enforcement Services
STATUS	Open
FORWARD PLAN REF NO.	PHET 06/21/02

CONTRIBUTION TO OUR AIMS

The income that would be achieved if the options detailed within Appendix 1 were implemented would benefit the Council in the delivery of its budget and medium-term financial plan and therefore contribute to the delivery of:

- A stronger economy and a stronger community
- All people in North East Lincolnshire will feel safe and are safe
- All people in North East Lincolnshire will benefit from sustainable communities

EXECUTIVE SUMMARY

This report seeks approval of new fees and charges for services undertaken within Port Health to ensure that the Council achieves full cost recovery, maintains its income base and generates income to support provision of services within the agreed budget envelope.

RECOMMENDATIONS

It is recommended that the Portfolio Holder:

1. Approves the new Fees and Charges, as set out in Appendix 1 of this report and authorises the Commercial Regulatory Manager to immediately so implement.

REASONS FOR DECISION

1st January 2021 marked the end of the European Union (EU) Exit transition period, resulting in additional controls being placed on the movement of goods between the UK and EU.

NELC Commercial Regulatory Team provide Export Health Certificates (EHCs) for the movement of food products (mainly fish) destined for EU or non-EU countries and carry out import controls for products arriving from outside the UK into Grimsby & Immingham, with a phased introduction of such controls on EU origin products underway.

There has been a substantial and anticipated increase in demand for EHCs since our departure from the EU, for which we had prepared through recruitment and investment in

systems/accommodation. In addition to this, we have experienced multiple requests to amend or reissue EHCs which places additional pressure on the service. It is proposed to introduce additional administration charges to ensure the Council achieves full cost recovery for providing the service. These proposed charges can be found in Appendix 1.

Grimsby is a major national and international food manufacturing, storage, and distribution hub, with consignments leaving the borough at all times through the day/night. The service has been approached to provide EHCs outside of core working hours to facilitate the movement of goods including live, chilled, and frozen fishery products. Officers will be remunerated for agreeing to provide this service and therefore the Council wish to recover this additional cost from the businesses, which will also impact on service delivery during normal working hours.

From 1st October 2021, all product of animal origin (POAO) imports from the EU and European Economic Area (EEA – e.g. Iceland, Norway, Faroes Islands) will require health certification and prenotification of arrival on the UK's import control system. Port Health Authorities such as NELC will be required to check these documents and must ensure they have the appropriate staffing and resource in place to do so. We are awaiting instruction from the Central Competent Authorities on the proposed charging regime; however, we are aware other Port Health Authorities are proposing their own charges in the absence of any clear instruction from central government. We too are proposing to do the same and these proposed charges can be found in Appendix 1.

Research recently undertaken on 2021/22 fees (detailed in Appendix 2) across local and Port Health Authorities confirms that some already charge businesses for EHC amendments and out of hours services to ensure they receive full cost recovery. In addition to this, we have also reviewed fees and charges in relation to Import controls to ensure full cost recovery.

1. BACKGROUND AND ISSUES

Activities within the service are often driven by legislation or national guidance, which sets the fees and charges for such regulatory activity. Others are set locally but must adhere to strict cost recovery principles.

1.2 Charges for Commercial Regulatory Team

- 1.2.1 A list of proposed new fees and charges is provided in Appendix 1. During 2021-2022, a further review of fees and charges will be undertaken as there is currently a high degree of uncertainty in respect of demand levels given the impact of EU Exit on trade flows.
- 1.2.2 In addition, phased introduction of import controls for EU origin products may lead to interim charging arrangements for 'documentary screening' of imports between 1st October – 1st January 2022. Further legislation or national guidance is anticipated prior to 1st January 2022 which may see an introduction of new harmonised fees and charges for UK Port Health Authorities.
- 1.2.3 However, in the interim period between 1st October 2021 and 1st January 2022 we are proposing to implement our own local charges to recover the cost of the new documentary screening process. This decision has been made following discussions with other Port Health Authorities and in the absence of any guidance or harmonised charging information for these additional controls from the Central Competent Authorities.

2. RISKS AND OPPORTUNITIES

Failure to set new fees to adequately recover costs of providing both statutory and business critical discretionary services would have a detrimental impact on the service budget. It may also impair the capacity of the service to deliver other statutory functions for which fees & charges are not applied, such as routine compliance checks for food safety law, or investigating breaches of health and safety law in certain commercial premises for which NELC is the enforcing authority.

3. OTHER OPTIONS CONSIDERED

- 3.1 One option considered was for charges for the service to remain as is. This is not recommended as the current charging framework does not account for all the additional costs of providing certain aspects of the services, especially their provision outside of normal working hours and therefore the Council would not achieve full cost recovery.
- 3.2 A further option considered was to wait for the Central Competent Authorities to advise on a charging mechanism from 1st October, however this is not recommended as we are close to that date and businesses should be given the appropriate time to prepare. If charging information is received from the Central Competent Authorities, the Council will align costs to any harmonised charging mechanism. Any announcements from Central Competent Authorities are not likely to cover export health certification services, as this remains a discretionary function of local authorities and therefore requires a locally applied charging mechanism.
- 3.3 To only provide a service inside core working hours was also considered, however this would place limitations on businesses in relation their operational hours and potentially impact on trade flows through the ports.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

There are potential reputational implications for the Council resulting from the decision to set new local charges.

5. FINANCIAL CONSIDERATIONS

- 5.1 Fees and charges are set to ensure that the costs of providing services are recovered, after accounting for inflation, and that they are fair, legal, and competitive in comparison to the local and regional market.
- 5.2 For some activities, such as the Port Health service, consideration of fees and charges was applied nationally and internationally to ensure the services are competitive.
- 5.3 Any increases in income from the proposed changes in fees and charges will help offset inflationary cost increases and help the Council achieve a balanced budget.

6. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

There are no impacts on climate change and the environment as a direct result of this report.

7. CONSULTATION WITH SCRUTINY

Not applicable

8. FINANCIAL IMPLICATIONS

The proposed fees and charges aim to achieve full cost recovery and meet the respective income budget incorporated within the Council's Medium Term Financial Plan.

9. LEGAL IMPLICATIONS

- 9.1 The Council is able to make charges for discretionary and other services under a range of statutory provisions. This is permitted by s93 Local Government Act 2003 and further underpinned by the Localism Act 2011.
- 9.2 In making such charges the Council must be mindful that the income received from such charges does not exceed the cost of provision. The above report suggests that the necessity to raise charges has been tempered by prudence by, in the main, taking into account inflationary increases with an eye of rising staff and other fixed costs.
- 9.3 Constitutionally the Portfolio Holder is permitted to approve modifications to existing policies affecting the services within his portfolio, including those having a borough wide application.
- 9.4 A regular periodic review of charges generally is considered both good practice and necessary.

10. HUMAN RESOURCES IMPLICATIONS

There are no direct HR implications arising from the contents of this report.

11. WARD IMPLICATIONS

Affects all wards

12. BACKGROUND PAPERS

None

13. CONTACT OFFICER

Neil Beeken, Commercial Regulatory Manager Tel: 01472 324773

Councillor Ron Shepherd

Portfolio Holder – Safer & Stronger Communities

APPENDIX 1: PROPOSED NEW CHARGES FOR REGULATION AND ENFORCEMENT SERVICES

PORT HEALTH SERVICES FEE	PROPOSED NEW FEE	NOTES
Export Health Certificate (EHC) administration fee (to amend already issued EHC)	£55 per certificate	Cost recovery for discretionary service
Out of hours fee for EHC Monday to Friday between the hours of 19:00 – 07:00	£220	Cost recovery for discretionary service Out of hours EHC fee applicable where officer presence is required outside of normal working hours
Out of hours fee for EHC Friday 19:00 – Monday 07:00	£220	Cost recovery for discretionary service Out of hours EHC fee applicable where officer presence is required outside of normal working hours
Out of hours fee for EHC Bank Holidays	£220	Cost recovery for discretionary service Out of hours EHC fee applicable where officer presence is required outside of normal working hours
Import documentary screening	£55	Cost recovery for service, fee to be implemented from 1 st October 2021
(Import) Admin for CHED not presented on IPAFFS	£15 per CHED entered	Cost recovery for service, fee to be implemented from 1 st October 2021
(Import) Late notification fee	£55	Cost recovery for service, fee to be implemented from 1 st October 2021

(Import) Non-compliance charge	£110 per rejected consignment	Cost recovery for service, fee to be implemented from 1 st October 2021															
(Import and Export) Additional document (non-manipulation certificate)	£55 per document	Cost recovery for service, fee to be implemented from 1 st October 2021															
(Import) Illegal, Unreported and Unregistered Fishing Documentary checks	<p>Sliding scale fee based on number of catch certificates:</p> <table border="1"> <thead> <tr> <th>No. of certificates</th><th>Low risk</th><th>High risk</th></tr> </thead> <tbody> <tr> <td>1-5</td><td>£22</td><td>£44</td></tr> <tr> <td>6-10</td><td>£39</td><td>£68</td></tr> <tr> <td>11-20</td><td>£51</td><td>£79</td></tr> <tr> <td>21+</td><td>£63</td><td>£91</td></tr> </tbody> </table>	No. of certificates	Low risk	High risk	1-5	£22	£44	6-10	£39	£68	11-20	£51	£79	21+	£63	£91	<p>Cost recovery together with national guidance on charging levels from Association of Port Health Authorities and benchmarking against other Port Health Authority charges.</p> <p>Fee to be implemented from 1st October 2021</p>
No. of certificates	Low risk	High risk															
1-5	£22	£44															
6-10	£39	£68															
11-20	£51	£79															
21+	£63	£91															
(Import) Sample administrative fee	<p>£15 per sampling activity</p> <p>(in addition to any costs associated with transport and analysis costs)</p>	Cost recovery for service, fee to be implemented from 1 st October 2021															

APPENDIX 2: FEES AND CHARGES OF LOCAL AND PORT HEALTH AUTHORITIES 2021/2022

EXPORT HEALTH CERTIFICATION

Local Authority / Port Health Authority	Cost per certificate	Extras
<i>North East Lincolnshire Council current fee</i>	<i>£110 (exc VAT)</i>	<i>£110 for each amendment request</i>
<i>North East Lincolnshire Council proposed new fee</i>	<i>£55 administration fee to amend existing certificate</i>	
North Lincolnshire Council	Standard service £114.17 (exc. VAT)	<p>Same day service £168.33 (exc. VAT)</p> <p>Additional charge for the amendment of existing certificates once issued: provision of a duplicate certificate: £54.17 (exc. VAT) / £65 (inc. VAT)</p> <p>Issue of Exemption Certificate under Illegal Unreported and Unregulated (IUU) Fishing Regulation (EC) No. 1005/2008: £22.50 (exc. VAT)</p>
Lancaster City Council	£167.10 to outside of UK and £150 to Northern Ireland	EHC fee plus mileage at 45p per mile
East Riding of Yorkshire Council	£79	<p>Fee is based on hourly rate for Grade 10. After second hour an actual hourly officer rate will apply. Rounded to nearest 50p</p> <p>EHC visits out of office hours will be increased to cost x 1.25. Rounded to nearest £1 / 50p</p>
Hull & Goole Port Health Authority	£85	
Mersey Port Health Authority	£105.00 for the first hour	<p>£40 per additional hour</p> <p>Water sampling £300 per visit out of hours</p>
Dover District Council	£68	Operate Monday to Friday 09:00 – 17:00 only

		£68 – first 2 hours (minimum), £32 per hour or part thereafter
--	--	--

CATCH CERTIFICATES

Local Authority / Port Health Authority	Number of certificates	Low Risk	High Risk
<i>North East Lincolnshire Council proposed new Fees</i>	1-5	£22	£44
	6-10	£39	£68
	11-20	£51	£79
	21+	£63	£91
Suffolk Coastal Port Health Authority	Number of certificates	Low Risk	High Risk
	1-5	£23.88	£47.24
	6-10	£41.15	£71.12
	11-20	£53.60	£82.80
	21+	£65.28	£94.74
London Port Health Authority/City of London	Number of certificates	Low Risk	High Risk
	1-5	£22.53	£45.07
	6-10	£39.43	£67.60
	11-20	£50.70	£78.87
	21+	£61.97	£90.13
Southampton City Council	Number of certificates	USA, Canada, NZ	Other Countries
	1-5	£31.00	£50.00
	6-10	£45.00	£76.00
	11-20	£58.00	£87.00
	21+	£70.00	£100.00
Hull & Goole Port Health Authority	Number of certificates	Low Risk	High Risk
	1-5	£25.50	£49.00
	6-10	£42.50	£73.50

	11-20	£55.50	£85.50
	21+	£67.50	£98.00
Mersey Port Health Authority	Number of certificates	Low Risk	High Risk
	1-5	£24.00	£47.50
	6-10	£42.50	£70.00
	11-20	£53.00	£78.75
	21+	£65.00	£92.50
Dover District Council	Number of certificates	Low Risk	High Risk
	1-5	£21	£47
	6-10	£37	£63
	11-20	£47	£80
	21+	£58	£87

OTHER FEES AND CHARGES

Local Authority / Port Health Authority	Late Notification Fee	Non-compliance Fee	Document check	Other
<i>North East Lincolnshire Council proposed new Fees</i>	£55	£110	£55	<i>£15 Sample administrative fee</i> <i>£15 Admin for CHED-Ps entered onto IPAFFS</i> <i>£55 Additional document (non-manipulation fee)</i>
Dover District Council	£50	£128		
Suffolk Coastal Port Health Authority		£120.65	£54.86	

London Port Health Authority/London Gateway	£86.52	£126.88	£52.12	£14.50 Admin for CHED-Ps entered onto IPAFFS £87.08 Additional document (non manipulation fee)
Hull & Goole Port Health Authority		£90 (IUU)	£60	
Mersey Port Health Authority		<p>£120 - Issuance of an OFFC 2009 Regulation 32 (2) or 32 (3) Rejection Options and Destruction notice</p> <p>£300 - Consignment check and supervisory fee for overseeing re-export, destruction etc.</p> <p>£25 - Late Notification Letter issued for all documentation not pre-notified as set out in legislation.</p>	£53.50	£25 Admin for CHED-Ps entered onto IPAFFS