

Communities Scrutiny Panel

DATE	22/02/2024
REPORT OF	Carolina Borgstrom –Director of Economy, Environment & Infrastructure
SUBJECT	Update on Grimsby & Immingham Border Control Post
STATUS	Open

CONTRIBUTION TO OUR AIMS

North East Lincolnshire's Council Plan 2023-26 sets out our aspiration to create stronger economies and stronger communities as well as enabling people to live in a safe environment and have their say about things that are important to them and participate fully in their communities.

The Council has statutory responsibilities as a Port Health Authority to ensure the compliance of certain goods imported through Grimsby and Immingham ports. These border control arrangements maintain UK standards in public health, biosecurity and are significant to the local area, its businesses and the Council.

Maintaining border control arrangements will allow established supply chains of national importance to continue using our local ports in the sectors of food, feed and other animal products.

It will further protect local employment, improve national resilience in relation to import of food and provide ancillary local economic opportunities relating to supply chain opportunities, storage and logistics.

EXECUTIVE SUMMARY

This report provides an update to the long-anticipated changes to the Grimsby & Immingham Border Control Post (BCP) as a result of the Government's planned implementation of a new Border Target Operating Model (BTOM) introducing controls on imports from the EU for the first time. An operational BCP requires both physical infrastructure and a Port Health Authority (PHA) service capable of implementing official controls on the types of imports that a port operator wishes to handle.

MATTERS FOR CONSIDERATION

For the Scrutiny Panel to note the decisions taken already to prepare for BTOM implementation and to consider the local implications of the gradual transition to new border control arrangements during 2024.

1. BACKGROUND AND ISSUES

- 1.1 The current UK food & feed import control regime is being replaced as a new Border Target Operating Model (BTOM) is implemented, introducing controls on certain EU/EFTA imports for the first time, as well as aligning those controls with those already in place for equivalent Rest of World (RoW) goods. This is a consequence of diverging from harmonised animal and public health rules with the EU as part of the UK's exit from the Union.
- 1.2 To maintain the established food and feed supply chains from EU/EFTA countries using Grimsby & Immingham as a point of UK entry requires new Border Control Post (BCP) facilities, designated for all relevant product types – this includes the full range of animal products as well as high risk food and feed not of animal origin. Maintaining approved Border Control facilities to serve Grimsby and Immingham Port will ensure globally sourced seafood can continue to arrive through our ports for the benefit of Grimsby Food Cluster and support the Council outcome of a stronger economy.
- 1.3 Immingham is the UK's most significant route of entry of fishery products, accounting for a third of all UK seafood imports by volume. Grimsby is also in the top 10 UK ports in terms of fish import tonnage. The picture in relation to imports of other controlled commodities is not yet clear but will be significant for EU products of animal origin, whether intended for human consumption or not.
- 1.4 A fully designated BCP at Immingham also provides an alternative route of entry to the UK for RoW goods currently unable to use our local ports because the current BCP is only designated to receive frozen fishery products for human consumption. This could provide additional commercial demands for local storage, processing and logistical businesses.
- 1.5 The new BTOM has been delayed five times since the initial implementation date in 2021. The previous iteration was due to be introduced from 1st July 2022 and resulted in new BCP physical infrastructure being constructed at Immingham by the port operator (Associated British Ports). NELC's Port Health service also expanded to implement controls as required, before the Government announced an indefinite delay to implementation in April 2022. As a result, ABP felt they were not in a position to open the BCP facility for existing RoW trade only, so the site has remained 'mothballed' ever since.
- 1.6 In April 2022, the BCP at Immingham was on the cusp of receiving designation from the Animal & Plant Health Agency (APHA) for all categories of relevant products. This means they were satisfied that the facilities met the legal requirements and the Port Health Authority (NELC) had made sufficient arrangements to perform the required official controls on the goods in question. It is important to note that some of those arrangements (such as official portal veterinarians (OVs) or some Port Health staffing) will not have been retained as they were not required for the existing Grimsby-Immingham BCP operation during the delay to BTOM implementation.

- 1.7 In late August 2023, the final version of the BTOM was published by government, outlining a new revised border control regime, which would apply controls on EU/EFTA origin goods for the first time as well as changing the way RoW goods were assessed at the border. Imports would be categorised as low, medium or high risk depending on their nature and origin. Different levels of checks would be applied depending on the risk categorisation. The revised implementation dates (31st October 2023, 31st January 2024) were pushed back again by 3 months.
- 1.8 On 31st January 2024, the first phase of implementation commenced, with importers of EU/EFTA being required to provide full pre-notification details of arrivals to the UK via the Government's import control system, IPAFFS (Import of Products, Animals, Food & Feed System), with imports classed as medium or high risk requiring the provision of health certification as well. Imports classed as low risk will still be required to pre-notify but will not require health certification. DEFRA (Department of Environment, Food & Rural Affairs) are undertaking some surveillance of the import notifications, with the intention to provide feedback to PHAs and industry. There are no requirements of PHAs at this point to undertake any additional checks (official controls) on EU/EFTA imports. PHAs including NELC have stressed to DEFRA the importance of having access to the EU/EFTA notifications to help with preparations, but currently they are unavailable to PHAs.
- 1.9 The 30th April 2024 marks the main BTOM implementation date, unless there is a further delay by government. This will see relevant EU/EFTA imports restricted to entering the UK via a port with an appropriately designated BCP, 100% documentary checks and a range of percentage rates for identity and physical checks commensurate with the nature of the goods, risk category and country of origin. Where possible, commercial documents and verifiable health certification will be provided electronically, allowing remote documentary checks to take place, this should be the case for all EU/EFTA imports. Until specific agreements with other countries are in place, most RoW imports will remain accompanied by 'wet stamp & signature' hard copy health certificates. All identity and physical checks must take place at the BCP.
- 1.10 Preparations are underway to review the BCP facilities at Immingham and re-establish the necessary Port Health arrangements to suit the likely demands and import types. There will be additional easements in place from 30th April until at least the end of October 2024 to allow a pragmatic introduction of checks and allow a gradual scaling up of PHA import control service if there are insufficient resources in place from Day 1.
- 1.11 There have been two main factors that have adversely affected NELC's preparations for BTOM implementation (in common with other PHAs) –
 1. a lack of reliable data on existing volumes and types of existing EU/EFTA imports using Grimsby & Immingham port.

- 1.12 details on how the new import control regime implementation will impact on Port Health service provision, when elements are still being developed. The costs of import control delivery are recovered through charges to the importer. The uncertainties over precise demands and the potential changes to demands or supply routes once additional controls are applied means confidence that full cost recovery is being achieved is unlikely to be established for 12-18 months. Recruitment to technical and administration posts is likely to be required. In addition, office accommodation costs at the BCP are yet to be finalised with ABP. Whilst there is some DEFRA funding available to support PHA transition to the new regime, that is currently due to be withdrawn by the end of July 2024, which does pose a financial risk to NELC if service provision expenditure exceeds cost recovery income. This will be closely monitored in the early stages of the regime but is a common issue facing all PHAs who are operating or due to operate a BCP. PHAs are free to set their own cost recovery charges and the port operator (ABP) will also be applying BCP user charges to cover their operational costs. It is worth noting that large variations between ports may lead to 'BCP shopping' with trade flows switching ports with lower combined charges. One of the minimum requirements to allow BCP designation for imports of fresh meat or offal intended for human consumption as well as animal by-products will be input from an Official Veterinarian (OV). We have had no need for routine OV involvement until now and there is a national shortage of suitably qualified vets who are available. PHAs can directly employ OVs or contract that provision from an external provider. Due to the uncertainties over import control demands it has not been possible to undertake a full procurement exercise for the provision of these services.
- 1.13 The decision has been taken to reinstate Port Health OV provision from a contracted agency provider with which NELC already has an established relationship and who was the preferred provider following the original OV procurement exercise undertaken in 2021-22 for the previous BTOM incarnation. From Monday 5th February 2024, the agency OV will be embedded within the Port Health service, providing expertise and training to existing staff as part of our BTOM transformation, as well as contributing towards the full designation of Grimsby-Immingham BCP. It is intended that a full procurement exercise will be repeated in late 2024 when service demands are better understood to ensure NELC retains value for money in relation to this specialist resource.
- 1.14 A final BCP designation inspection by Animal and Plant Health Agency (APHA) and Food Standards Agency auditors will take place at the new Immingham facilities on 29th February 2024. Once they submit their findings to DEFRA, it may take 6-8 weeks before BCP designation is confirmed, which will be very close to the 30th April target date for checks to commence. It is anticipated that ABP will make the facility available for operational testing from March onwards. NELC Port Health are also assisting Cabinet Office with intended national 'end-to-end' BTOM test exercises involving three different EU/EFTA commodities being imported through Immingham.

2. RISKS AND OPPORTUNITIES

- 2.1 **RISK:** Ideally the implementation of a new border control regime would not be proceeding with these levels of uncertainty and lack of detailed information on which to base projections. This does therefore present risks in terms of having insufficient Port Health resources in place to effectively deliver the required official import controls. These should be mitigated by intended flexibilities and pragmatic application of controls in the first 6 months of BTOM operation, as well as DEFRA funding up to the end of July 2024.
- 2.2 **RISK:** Whilst permanent resourcing arrangements are being determined, it is likely we will need to draw more heavily on existing qualified staff from the multi-disciplined team. This will have implications for some other statutory functions, most notably inland food hygiene and standards enforcement. Mitigation could be established by using DEFRA support funding to pay for agency officers to carry out food inspections of commercial premises.
- 2.3 **RISK:** There is an initial financial risk that service delivery costs exceed cost recovery income. Conversely charges may exceed delivery costs substantially, thereby having a punitive effect on businesses. Close monitoring will take place to ensure that if adjustments to charges are required, they are considered and implemented swiftly, however the true picture may take some time to emerge.
- 2.4 **OPPORTUNITY:** A fully designated BCP presents the opportunity for importers to switch UK points of entry previously unavailable. The East Coast currently only has 2 BCPs with full product range designation – Felixstowe and London Gateway. Providing alternative routes further north may assist logistical operations and prove advantageous for the food, feed and other relevant sectors. That could lead to economic investment in related ancillary industry, such as warehousing, cold storage, logistics and further processing activities, benefiting North East Lincolnshire.
- 2.5 **OPPORTUNITY:** As well as the potential for new sectors to become established locally, the successful delivery of new BCP facilities for BTOM implementation also secures the local seafood cluster in maintaining existing supply chains as well as offering an alternative to those currently importing through other UK ports.
- 2.6 **OPPORTUNITY:** BCP Immingham is intended to be a multi-agency facility, with both Border Force and APHA (for plant health checks) being based there as well. This will allow a much closer working relationship between NELC Port Health and Trading Standards teams and other border enforcement partners, together with a much more coordinated operational partnership with ABP.

3. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

- 3.1 Port Health Authorities are the main delivery agent of import control for biosecurity and public health reasons, so although overall responsibility for

BTOM implementation rests with DEFRA and Cabinet Office, there may well be a focus on PHAs if and when problems arise. This may result in negative reputational implications for North East Lincolnshire Council depending on the circumstances of any emerging issues.

- 3.2 Conversely, we have gained a positive reputation within the trade for being one of the more approachable PHAs, so if this can be maintained as we move forward then a positive case for importing through Grimsby and Immingham could be established across multiple import sectors.
- 3.3 Collaborative working with the Communications team will produce a Communications Strategy to help advise traders and embed the new regime as it is implemented, as well as handle the inevitably higher number of queries as controls are applied.

4. FINANCIAL CONSIDERATIONS

- 4.1 The current import control regime is fully financed through cost recovery charges paid by importers (or their agents). The charges are set using statutory minimum charging rates based on tonnage of individual consignments, set out in Retained EU legislation, supplemented by additional fees payable if additional work is required (e.g. laboratory costs for specialist testing of specific commodities or follow up work if non-compliance is identified or suspected). DEFRA have indicated that PHAs are free to apply charges as they see fit as long as it meets full cost recovery and the criteria for costs that can be recovered set out in retained EU law.
- 4.2 It is therefore proposed that for medium and high-risk imports, NELC's charging regime will continue as for the existing import controls, with the only change being for low risk imports that will only be subject to a level of surveillance rather than routine checks. It is suggested that a low fixed charging rate be applied to all low risk consignments.
- 4.3 A decision on whether this approach meets full cost recovery or requires adjustment (up or down) is estimated to be only possible once a period of time has elapsed and full expenditure costs for delivering the regime is known. This could be 12-18 months. It is anticipated that the gross income will significantly increase in line with the much greater range and numbers of consignments subject to control. However, service costs will also increase, whether that be staffing including OV provision, accommodation, equipment, goods and services required to deliver BTOM for Grimsby & Immingham ports.
- 4.4 DEFRA are providing support funding for PHAs to assist with their transition to delivering the new regime, which NELC are successfully accessing, however this funding is currently scheduled to be withdrawn at the end of July 2024, after which we will be solely reliant upon cost recovery income, unless Government

extends the support further. It is anticipated that it will not be possible to confidently ascertain whether cost recovery is being achieved at that point.

5. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

5.1 No implications for Children and Young People are anticipated.

6. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

6.1 No direct implications however providing alternative routes into the UK for RoW goods through fully designating Immingham BCP will potentially lead to carbon reductions and environmental benefits through shortening supply chains to more northern based UK destinations.

7. FINANCIAL IMPLICATIONS

7.1 In the opinion of the author, this report does not contain recommended changes to policy or resources (people, finance or physical assets). As a result, no monitoring comments have been sought from the Council's Monitoring Officer (Chief Legal Officer), Section 151 Officer (Director of Finance) or Strategic Workforce Lead.

8. LEGAL IMPLICATIONS

8.1 In the opinion of the author, this report does not contain recommended changes to policy or resources (people, finance or physical assets). As a result, no monitoring comments have been sought from the Council's Monitoring Officer (Chief Legal Officer), Section 151 Officer (Director of Finance) or Strategic Workforce Lead.

9. HUMAN RESOURCES IMPLICATIONS

9.1 In the opinion of the author, this report does not contain recommended changes to policy or resources (people, finance or physical assets). As a result no monitoring comments have been sought from the Council's Monitoring Officer (Chief Legal Officer), Section 151 Officer (Director of Finance) or Strategic Workforce Lead.

10. WARD IMPLICATIONS

10.1 No specific ward implications.

11. BACKGROUND PAPERS

Original Cabinet Report (Dec 2022)



9 Border Control
Point Cabinet Repo

[Grimsby and Immingham Port Health Charges | NELC \(nelincs.gov.uk\)](https://nelincs.gov.uk)

[Final Border Target Operating Model.pdf \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

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