

## **CABINET**

<b>DATE</b>	21st December 2022
<b>REPORT OF</b>	Councillor Shepherd – Portfolio Holder for Safer Communities
<b>RESPONSIBLE OFFICER</b>	Sharon Wroot – Executive Director (Environment, Economy and Resources)
<b>SUBJECT</b>	Update on Border Control Post
<b>STATUS</b>	Open  Appendix – NOT FOR PUBLICATION – contains Exempt Information within Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended)
<b>FORWARD PLAN REF NO.</b>	CB 12/22/03

### **CONTRIBUTION TO OUR AIMS**

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 are significant to the local area, its businesses and the Council.

Maintaining an 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.

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 seeks to update on the current position in respect of the Border Control Post facility operated by Port Health as part of Regulation and Enforcement Services.

### **RECOMMENDATIONS**

It is recommended:

1. That Cabinet notes the changes to the delivery and operation of the Grimsby & Immingham Border Control Post to new facility at Unit 20,

Grimsby Seafood Village, as set out in this report and the attached Special Urgency Officer Decision Record.

## **REASONS FOR DECISION**

Whilst the national position on a replacement border control regime is yet to emerge, Cabinet support of this recommendations is sought to allow the continued delivery of a Border Control Post which underpins a significant proportion of the local economy which provides employment in the local area.

### **1. BACKGROUND AND ISSUES**

- 1.1 Grimsby/Immingham port is the largest UK port by tonnage and a key foundation for the South Humber Bank economy. The port is also a significant entry point for the UK's frozen fish imports.
- 1.2 Most of Immingham's non-EU fishery product imports (around 90%) transit to Grimsby for cold storage or direct delivery to manufacturer. The port and the seafood sector has shaped the local economy for decades and the Grimsby food manufacturing cluster today produces 70 to 80 percent of the UK's processed fish.
- 1.3 The food manufacturing cluster is a corner stone of the local economy and the largest provider of much needed entry level employment opportunities in the area.
- 1.4 As part of EU exit preparation, Associated British Ports (ABP) were provided grant assistance to construct a new Border Control Post (BCP) facility in Immingham to cater for the expected larger trade throughput. Construction of these facilities were completed in 2022.
- 1.5 On the 28th April 2022, a further delay to the implementation of border checks on EU goods was announced by Government, with a new expected date by the end of 2023.
- 1.6 ABP has signalled their intention not to open the new BCP until full introduction of border control checks is in place in 2023, when details of the new regime are known and a sustainable cost recovery model is established for a larger multi-disciplined facility.
- 1.7 Grimsby and Immingham Ports have traditionally been served by a small BCP situated for historical reasons in Grimsby. Until the recent delay to introduction of import checks on EU products, the plan was to move any activity currently taking place at the Grimsby BCP to the new Immingham facility on 1st July 2022. In preparation, commitments were made to use the Grimsby BCP land for an extension to offshore wind operations with a contract in place for the demolition the Grimsby BCP by July 2022.

- 1.8 The above events potentially left Grimsby and Immingham without a Border Control Post facility from 1st July 2022 until a decision around opening the new Immingham facility is to be made, expected in 2023/24.
- 1.9 The Local Authority currently receive around £400-500k a year income from port health fees which covers the staffing cost of around 10 FTE together with associated service delivery costs.
- 1.10 To safeguard local economic growth, employment and reduce the risk of Council financial pressures, there was an urgent need to deliver a temporary BCP solution in Grimsby port.
- 1.11 NELC has worked in close partnership with ABP and the Seafood sector to develop an interim proposal.
- 1.12 Following this, an officer decision (attached at Appendix 1) was made under special urgency rules to enter into a lease in respect to Unit 20, Grimsby Seafood Village, in order to operate these premises as a Border Control Post. As required in the Council's Constitution, this decision record is referred to Cabinet for noting.
- 1.13 This has now been agreed and NELC entered a 5-year lease agreement (with a two-year break clause) with the Grimsby Seafood Village operators from 1<sup>st</sup> August 2022 for the unit and will cover all lease costs whilst operational.

## **2. RISKS AND OPPORTUNITIES**

- 2.1 There is a strategic risk around continued provision of a BCP for Grimsby and Immingham on the Council's register which is kept under regular review by the Leadership Team.
- 2.2 There is a financial risk to NELC by committing to pay rent and repair costs and equipment installation costs. Some of this is being managed by using existing DEFRA grant money in the short term and in the longer term (January 2023 onwards) through cost recovery charges.
- 2.3 As a Port Health Authority we are legally able to recover costs incurred from delivering official controls on relevant imports from importers. Once settled operational costs and the future UK regime for financing of official import controls are known, we will review fees and charges to achieve a cost neutral model.
- 2.4 Failure to secure a solution for the BCP provision a significant potential to damage the local economy. Raw materials and finished products for the seafood industry arrive in Grimsby through multiple routes, including via the closest major port of Immingham. This increases the resilience of the food cluster should there be disruption to other supply chains. As this situation has arisen out of a change to government policy, there is a higher expectation for the Local Authority to provide a resolution. Failure to do so is

likely to have negative reputational impact on local relationships with both businesses and residents.

### **3. OTHER OPTIONS CONSIDERED**

- 3.1 **Option 1** - Putting in place arrangements to allow imports selected for physical checks to be transferred to alternate BCP as an interim solution to guarantee no disruption to trade.
- 3.2 This would provide some reassurance to trade by maintaining current routes into Immingham and limit displacement. However, transit costs would be financially challenging for operators and not a viable long-term option. As it would be a different port health authority, it would result in loss of income for NELC of a£400-£500k a year and loss of a skilled staff group.
- 3.3 **Option 2** - Do not intervene in the provision of BCP at all.
- 3.4 This would be a substantial risk to the local economy, weaken the strength of the 'Place' to the seafood industry, as well as loss of cost recovery income of £400-500k a year.

### **4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS**

- 4.1 There are reputational implications for the Council across the various issues highlighted in this report.
- 4.2 The positive implications of supporting this is that the council are seen to be reacting swiftly to protect the local economy. However, the onus of maintaining this facility and the financial liability to be recovered through cost recovery is now rests more heavily on the council.
- 4.3 The Council's communications team are fully engaged, and regular communications take place with the relevant stakeholders.

### **5. FINANCIAL CONSIDERATIONS**

- 5.1 Initial costs associated with this decision are covered by the s.31 DEFRA grant money awarded to NELC to prepare for EU-exit. This will fund any immediate required structural work, rent and operating cost for this facility until such time that an effective cost recovery model can be implemented subject to any conditionality or concession given in connection with such funds.
- 5.2 If the Border Control Post were not retained, the council could see itself with significant liabilities and immediate loss of income pressure which would need to be mitigated.

### **6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS**

There are no direct issues relating to Children and Young people in this report.

## **7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

The recommended option supports the Authority's environmental priorities by:

- Leading North East Lincolnshire towards consuming resources more efficiently and supporting and developing the green economy and infrastructure, by reducing the distance trade will travel.

## **8. CONSULTATION WITH SCRUTINY**

Communities Scrutiny panel has been consulted on this report.

## **9. FINANCIAL IMPLICATIONS**

- 9.1 Initial one-off costs associated with this decision are covered by DEFRA grant.
- 9.2 Ongoing revenue costs are to be met from within the existing Border Control Post service revenue budget.
- 9.3 The service would face significant liabilities and immediate loss of income of around £400-500k should the facility not be operational which would need to be mitigated elsewhere within the council.

## **10 LEGAL IMPLICATIONS**

- 10.1 Under normal circumstances the responsibility to provide and maintain a border control posts facility is with the port operator, if they want certain products to enter their port, however, there is no legal duty to provide such facilities.
- 10.2 The unique circumstances relating to Grimsby and Immingham and the existing demand for the border control post and how it affects the local economy is thought to justify NELC to take this position on.

## **11 HUMAN RESOURCES IMPLICATIONS**

Maintaining a border control post in NELC will safeguard a number of roles which are multidisciplinary and contribute to other statutory responsibilities and official activity. If the decision was taken to not maintain the border inspection post, then it is likely that redundancies would be needed, leading to requisite processes involving staff, Unions and HR.

## **12. WARD IMPLICATIONS**

No implications specific to individual wards.

**13. BACKGROUND PAPERS**

Officer Decision Record – Border Control Post dated 17 June 2022 – This Appendix is NOT FOR PUBLICATION – contains Exempt Information within Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended)

**14. CONTACT OFFICER(S)**

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