

EXPLANATORY MEMORANDUM TO

The Scrapie (Fees) (Amendment) Regulations (Northern Ireland) 2016

S.R. 2016 No. 137

1. Introduction

- 1.1. This Explanatory Memorandum has been prepared by the Department of Agriculture and Rural Development to accompany the above-named Statutory Rule (“the Regulations”) which is laid under the negative resolution process before the Northern Ireland Assembly.
- 1.2. The Department of Agriculture and Rural Development has made the above named Statutory Rule under powers conferred on it by section 56(1), (2) and (5) of the Finance Act 1973(3) and section 2(2) of the European Communities Act 1972. It will come into operation on 1st April 2016.

2. Purpose

- 2.1. The Scrapie Monitored Flocks Scheme (SMFS) was introduced in August 1993 to facilitate those sheep and goat owners who wish to maintain a breeding flock or herd for EU intra-Community trade purposes. Participation in the SMFS is a pre-requisite for farmers in the north who wish to trade with other Member States, including the south. The Scheme provides a system of approval for flocks to meet EC Regulation 999/2001 (as amended), which lays down the rules for the prevention, control and eradication of certain transmissible spongiform encephalopathies in sheep and goats.
- 2.2. The SMFS operates on a full cost recovery basis, with participants required to pay to the Department fees relating to inspection and administration costs associated with the operation of the Scheme. For new members, a registration and flock inspection fee is payable, with subsequent fees charged to existing members for annual membership renewal and flock audit.

3. Background

- 3.1. In compliance with Managing Public Money Northern Ireland (MPMNI) and with the approval of the Department of Finance and Personnel, DARD is obliged to recover the full costs for the operation of the SMFS.
- 3.2. The Scrapie (Fees) Regulations (Northern Ireland) 2008 provide the Department with the statutory basis for the charging of fees relating to the operation of the SMFS. Any adjustment to the fees schedule has required

new fees legislation. Although SMFS fees are reviewed on an annual basis, an uplift is introduced approximately every third year when the additional revenue to be generated makes this worthwhile. This is due to the significant cost to the Department of introducing new legislation compared to the modest additional income that would be generated by a yearly incremental uplift. The fees for the 2010/11, 2011/12 and 2012/13 financial years were established under 2010 legislation and the current fees, which were set out in the Scrapie (Fees) (Amendment) Regulations (NI) 2013, have applied to the 2013/14, 2014/15 and the 2015/16 financial years. The existing legislation needs to be amended to enable the Department to update the fees to a level that will achieve full cost recovery in the 2016/17 financial year.

4. Consultation

- 4.1. A 6 week public consultation was carried out from 2 December 2015 to 20 January 2016. A total of five responses were received and a consultation response document was prepared.

5. Equality Impact

- 5.1. In accordance with DARD's obligations under Section 75 of the Northern Ireland Act 1998, the equality implications of the proposed Regulations have been assessed. A screening exercise was carried out on the proposed legislation. The outcome was that an Equality Impact Assessment was not considered necessary as the Department considers that the Regulations will not result in any equality differentials amongst Section 75 groups.

6. Regulatory Impact

- 6.1. A Regulatory Impact Assessment was carried out and published as part of the 6 week public consultation.
- 6.2. The fees apply equally across the sheep and goat industry, and do not introduce any new procedures or regulatory requirements with which the relevant businesses are not already complying. Fees will continue to be levied through the existing mechanisms.
- 6.3. The Department is content that the legislation meets commitments to Better Regulations.

7. Financial Implications

- 7.1 The amending legislation will enable DARD Animal Health Division to recover SMFS operational costs on a full recovery basis, in line with

Treasury guidance and government policy, with participants required to pay the Department fees relating to inspection and administration costs associated with the operation of the Scheme. For new members a registration and flock inspection fee is payable, with subsequent fees charged to existing members for annual membership renewal and flock audit

- 7.2. The Department of Finance and Personnel has considered and agreed the fees uplift

8. Section 24 of the Northern Ireland Act 1998

- 8.1. The Regulations deal with charges for animal disease control and do not have any human rights implications, nor are they incompatible with EU law. The Regulations are therefore deemed to comply with the requirements of section 24 of the Northern Ireland Act 1998.

9. EU Implications

- 9.1. Not applicable.

10. Parity or Replicatory Measure

- 10.1. From 1 January 2009 Scotland's Rural College (SRUC) has administered a Scrapie Monitoring Scheme for Britain as part of its programme of Premium Sheep and Goat Health Schemes (PSGHS). The College charges a membership fee of £50 per flock/herd for existing PSGHS members and £72 for non-PSGHS members, which is reduced by £10 if the flocks/herds are already part of other PSGHS schemes such as the Maedi Visna Scheme (fees effective from 1 April 2015). These fees are purely for administrative services - any charges for an Official Veterinarian (OV) to carry out inspections and provide certification of Scrapie monitoring are agreed privately between the OV and the flock/herd owner.
- 10.2. The Department of Agriculture Food and the Marine (DAFM) in the Republic of Ireland operates a similar scheme to facilitate trade by breeders. At present DAFM charges fees at €100 per annum for membership and €30 for initial registration. These charges have remained unchanged for several years but DAFM are currently undertaking a review of their scheme, which may impact on the amounts payable. The scheme in the south differs from the Department's SMFS in that participants must be members for three years before they can commence trade

11. Additional Information

11.1. Not applicable.

12. Contact

12.1. Alastair McIlroy at the Department of Agriculture and Rural Development.
Telephone: 028 90 524698 or e-mail: alastair.mcilroy@dardni.gov.uk