

## **POLICY NOTE**

### **THE SEED (FEES) (SCOTLAND) REGULATIONS 2018**

**S.S.I. 2018/152**

#### **Introduction**

1. The above instrument was made in exercise of the powers conferred by sections 16(1), (1A), (2) (3) (4), (5) and 36 of the Plant Varieties and Seeds Act 1964 (“the Act”) and all other enabling powers. The instrument is subject to negative procedure.

#### **Policy objectives**

2. The purpose of this instrument is to update the provisions for the charging of seed certification (in relation to seed marketing) and associated licensed activities and it revokes and replaces the Seeds (Fees etc.) (Scotland) Regulations 2017 (“the 2017 Regulations”).

#### **Purpose of the Seed (Fees) (Scotland) Regulations 2018**

3. A fundamental principle of the Scottish Government accounting procedure and practice is that each statutory service should have its own financial objective, have separate costing and be charged for and that the financial objective of a statutory service should normally be full cost recovery for all the services it provides. This includes field inspection of crops, testing of seed and the training and examination of people who undertake these activities.

4. The fees are reviewed annually, to ensure that if any changes are required, they are implemented as far as possible that year and not allowed to accumulate over a number of years, resulting in large increases.

5. The review of fees for 2018 indicated that to achieve full cost recovery for certification fees, courses and exams, a 3.0% increase would be required which is in line with CPI at the time of the review. Due to a succession of bad harvests, causing difficulties for seed testing, and a review of staff costing, the seed testing fees were required to be increased by 8%.

6 Encouraged by the level of uptake of the online applications system for seed certification (MySEEDS) and having seen early efficiencies from its use last year, Scottish Government are keen to see others benefit and therefore are proposing a 5% decrease in the costs for online applications as an incentive.

7. The instrument also revokes regulation 3 of the Seed (Miscellaneous Amendments) (Scotland) Regulations 2017 to remove a provision that amended the 2017 Regulations.

#### **Consultation**

8. Section 16(1) of the Act requires the Scottish Ministers to consult with representatives of such interests as appear to them to be appropriate.

9. All relevant members of the seed trade have been informed that the Consultation will be online from the 13th February - 8<sup>th</sup> May, and are invited to participate.

10. As well as consulting with key stakeholders (NFU Scotland, AIC Scotland, and Scottish Seed Trade Association etc.) and other interested parties, a copy of the consultation was placed on the Scottish Government Website.

<https://consult.gov.scot/agriculture-and-rural-communities/seed-testing/>

### **Financial Effects**

11. Ten companies / individuals from a cross section of business throughout Scotland took part in Business and Regulatory Impact Assessment (BRIA) interviews. They were asked about the services provided, the costs and the impact the proposed increases would have on their business.

Overall findings showed that the increase in fees is slightly more than increase of other costs, but most view the fees as a fair way of Scottish Government recovering cost. The industry feel that the service provided by SASA and the knowledge base available are value for money.

12. As the proposed fee increase will result in full cost recovery, there will be no additional cost to the government or tax payer.

### **Transposition Note**

13. A transposition note has not been prepared as no EU Directive is involved.

### **Timing**

14. This instrument will come into force on 1<sup>st</sup> July 2018.

**Graham Hall**  
ARD, SASA  
Ext 45984