

## POLICY NOTE

### THE ANIMAL BY-PRODUCTS AND ANIMAL HEALTH (MISCELLANEOUS FEES) (SCOTLAND) REGULATIONS 2023

#### SSI 2023/XXX

The above instrument was made in exercise of the powers conferred by:

- section 10 of the Animal Health and Welfare Act 1984
- paragraph 7 of schedule 4, and paragraph 21 of schedule 7 of the European Union (Withdrawal) Act 2018,

The instrument is subject to *affirmative procedure*.

#### Summary Box

This instrument provides for modified fees for some statutory services provided by the Animal and Plant Health Agency (APHA) on behalf of Scottish Ministers to deliver government policy of full-cost recovery for those services.

#### Policy Objectives

1. The purpose of the instrument is to introduce changes to the APHA fees structure to modify the statutory fees to achieve Full Cost Recovery (FCR) for delivery of statutory services provided for Animal By-Products, Salmonella Control Programmes, Artificial Breeding Controls, checks on live animals at Border Control Posts and the Poultry Health Scheme for work carried out to allow operators to trade domestically and/or internationally.
2. APHA is responsible in Scotland for delivering a number of services (summarised below) aimed at facilitating trade in animals and plants, preventing the introduction and spread of animal diseases, safeguarding public health and carrying out various services in the area of animal health. Charging for services is consistent with the principle that businesses using and benefiting from the service provided should bear the cost of its provision. All of the fee changes included in this instrument have been calculated by APHA to ensure that the costs of services should be borne by users who benefit directly from the service provided.
3. The fees associated with these services no longer represent full cost recovery, as the fees have not been uplifted for a number of years. Therefore, there has been a compound effect over the fees in the relevant instruments.
4. The fee changes and increases relate to the collection of APHA's costs relating to the work being performed. There is no profit element. The fees are calculated using the true cost to APHA and are not uplifted using inflationary rates. In order to mitigate any impact on businesses the fee changes (other than for checking consignments of live animals at a border control post) will be phased in over a 2 year period.

5. The charging provisions modified include:

**Animal By-Products (ABPs) fees** – for approving and inspecting premises carrying out operations involving the handling of ABPs under retained EC Regulation 1069/2009 which lays down health rules as regards ABPs.

**Salmonella National Control Programme (NCP) (Zoonoses) fees** – activities, including inspection services, in relation to the control of Salmonella in accordance with the Salmonella National Control Programme for poultry and retained Regulation (EC) 2160/2003.

**Poultry Health Schemes (PHS)** – registration, approval, inspection and proficiency testing services for the poultry health scheme for verification of compliance with animal health rules applicable to poultry and hatching eggs to be exported from Great Britain to certain countries and territories

**Bovine semen fees:** Regulation 7 and schedule 4 of the new SSI set out fees payable to the Scottish Ministers on demand for activities conducted by the Scottish Ministers for the purposes of the Bovine Semen (Scotland) Regulations 2007.

**Porcine semen fees:** Regulation 8 and schedule 5 of the new SSI set out fees payable to the Scottish Ministers on demand for activities conducted by the Scottish Ministers for the purposes of the Artificial Insemination of Pigs (Scotland) Regulations 1964 or the Artificial Insemination of Pigs (EEC) Regulations 1992.

**Bovine embryo (collection, production and transfer) fees:** Regulation 9 and schedule 6 of the new SSI set out fees payable to the Scottish Ministers on demand for activities conducted by the Scottish Ministers for the purposes of the Bovine Embryo (Collection, Production and Transfer) Regulations 1995.

**Checking consignments of live animals from third countries at border control posts (BCP) fees:** inspections services for traded consignments of live animals in accordance with the Trade in Animals and Related Products (Scotland) Regulations 2012 (TARP).

Provision for charging for the supply of blank pet passport identification documents, for issue and completion by a veterinarian under Article 22 of Regulation (EU) 576/2013 in respect of the non-commercial movement of pet animals within the EU, is not re-enacted in these Regulations. Since the UK's exit from the EU, these documents are no longer supplied.

## **Consultation**

6. In 2015 Defra, on behalf of the Scottish Government and Welsh Government, conducted a public consultation on increasing the statutory fees to achieve Full Cost Recovery (FCR) for delivery of some statutory services.
7. In 2018, following formal stakeholder engagement, Animal By-Products (ABP) were introduced at 50% FCR, moving onto 100% FCR in 2019, after 12 months. FCR does not include any profit and only relates to the activities that relate to the business to which the fees relate.
8. APHA currently receives fee income (£2.6m) for statutory services delivered to business through the chargeable schemes. Due to a number of resourcing pressures the fees for these schemes have not been refreshed since at least 2018 and are failing to achieve full-cost recovery, with a deficit of £0.9m.
9. In August 2022 APHA announced that it was committed to working towards achieving full cost recovery for the statutory services it provides and that a review of all fees was being conducted. APHA has engaged with key business representatives, outlining the desire to review fees and aim to publicise these changes by April 2023. These representatives have in turn raised awareness of this tentative proposal within their sectors. APHA will re-engage with these representatives with a detailed package of proposed changes to seek evidence of their impact and where risks are significant, design mitigations (e.g., phasing of fee increases).

## **Impact Assessments**

10. There are no children's, equality, data protection, environmental or island community impact issues.

## **Financial Effects**

11. The Cabinet Secretary for Rural Affairs and Islands confirms that no BRIA is necessary as the instrument is not considered to have any, or any significant, financial effects on the Scottish Government, local government or on business.

Scottish Government  
Agriculture and Rural Economy Directorate

2 May 2023