

## **EXECUTIVE NOTE**

### **THE PLANT HEALTH (IMPORT INSPECTION FEES) (SCOTLAND) AMENDMENT REGULATIONS 2010 SSI 2010/405**

#### **Introduction**

1. The above instrument is made by the Scottish Ministers in exercise of powers conferred by sections 56(1) and (2) of the Finance Act 1973. The instrument is subject to negative resolution procedure.

The Plant Health (Scotland) Order 2005 does not contain powers to charge fees. The present instrument is made under section 56(1) and (2) of the Finance Act 1973 which permits Scottish Ministers to require the payment of fees or other charges for the provision of any services or facilities or the issue of any authorisation, certificate or other document, in pursuance of any Community obligation

#### **Policy Objective**

2. The Plant Health (Import Inspection Fees) (Scotland) Regulations 2005 (SSI 2005/216) provide for fees to be charged for certain plant health examinations, namely documentary checks, identity checks and plant health checks (physical inspections), on certain plants and plant products imported into Scotland from third countries. Usually 100% checks are required, but trades which are normally free of quarantine pests and diseases can qualify for reduced checks, and reduced fees.

3. The purpose of introducing the Amendment Regulations is to amend the list of reduced fees in Schedule 2 of the 2005 Regulations (regulation 4(3) refers).

#### **EU Legislative Background**

4. Council Directive 2000/29/EC on protective measures against the introduction into the European Community of organisms harmful to plants or plant products and against their spread within the Community<sup>1</sup> (“the Plant Health Directive”) establishes the Community plant health regime. The Directive is implemented in Scotland, for non-forestry matters, by the Plant Health (Scotland) Order 2005 (SSI 2005/613). Similar but separate legislation operates in England, Wales and Northern Ireland.

5. Council Directive 2002/89/EC amends the Plant Health Directive to clarify the existing requirement for mandatory examinations on certain plants and plant produce being imported into the EU and the obligation to charge fees for these inspections.

#### **Policy background**

6. Each year Scotland imports from non-EU countries about 120 consignments of plants and plant products which pose a risk of introducing new plant pests and diseases to European crops and ecosystems. Scottish Government inspectors check these imports to ensure they comply with EC rules and to minimise the plant health risks. In broad terms these checks cover plants, potatoes, the major fruit other than bananas and grapes, cut flowers and some leafy vegetables.

7. The Plant Health Directive requires charges to be made to cover the costs of those inspections, either through adoption of a scale of minimum charges set out in the Directive, or

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<sup>1</sup> This Directive can be found at <http://europa.eu.int/eur-lex/en/search/index.html>.

through a national system based on calculation of specified costs. Charges for these inspections, based on the minimum charges set out in the Directive, were introduced in Scotland in May 2005, under the Plant Health (Import Inspection Fees)(Scotland) Regulations 2005 (SSI 2005/216).

8. Under the Directive, the required level for import inspections is specified at 100%, except for certain trades subject to the Directive's "reduced checks" provision in Article 13d which allows lower levels of physical checks to be agreed on the basis of past experience of compliance. Where "reduced checks" apply, paragraph 2 of Article 13d of the Directive states that a proportionally reduced fee should be collected for every imported consignment. (Paragraph 2 of Article 13d also states that implementing measures may be adopted by comitology procedure to specify the level of the reduced fee, but no such measures have been adopted.) The trades eligible for reduced levels of inspection are subject to an annual review by the European Commission. These Regulations implement in domestic law the latest changes agreed by the Commission Working Group held on 25 June 2010, namely amending the frequency of plant health checks in 11 trades (two of these now require 100% inspections)

9. The standard fees are unchanged by the present Regulations, which simply amend the trades subject to reduced checks or change the level of reduction for certain trades.

### **Action in England and Wales**

10. Fluctuations in the Euro / Sterling exchange rate have caused plant health import inspection charges in the UK to slip below the EU minimum level. The Food and Environment Research Agency has taken the decision to increase fees for England and Wales to rectify this, at the same time as implementing the changes to reduced rate checks.

11. It is a fundamental principle of Scottish Government accounting procedure and practice that fees and charges for all statutory and commercial services should achieve full cost recovery. The Scottish Government is considering moving to full cost recovery for plant health import inspections instead of the EU minimum charges. With this review under way, we are not revalorising the fees at this time.

### **Timing**

12. The reduced level of inspection for these 11 trades will apply from 1 January 2011 until revised by the Commission.

### **Impact**

13. These Amendment Regulations do not have any impact on businesses in Scotland. None of the plant health imports into Scotland qualify for reduced checks and we do not expect this to change in the foreseeable future. A Regulatory Impact Assessment has therefore not been carried out.

Scottish Government  
Rural Directorate  
November 2010