

Impact Assessment, The Home Office

Title: Increase the licence fees, in respect of the Animals (Scientific Procedures) Act 1986, for Financial Year 2024/25

IA No: HO IA 0480

RPC Reference No: N/A

Other departments or agencies:

Date: 7 February 2024

Stage: FINAL

Intervention: Domestic

Measure: Secondary legislation

Enquiries:
ASRUpolicy@homeoffice.gov.uk

RPC Opinion: RPC Opinion Status

Business Impact Target: Non qualifying provision

Cost of Preferred (or more likely) Option (in 2019 prices)

Net Present Social Value NPSV (£m)	0.0	Business Net Present Value BNPV (£m)	-22.0	Net cost to business per year EANDCB (£m)	4.7
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What is the problem under consideration? Why is government intervention necessary?

Animals in Science Regulation Unit's (ASRU) financial forecast highlights that expenditure will exceed income by £560,000 in 2024/25. Only the government can provide the regulatory framework set out under the Animals (Scientific Procedures) Act 1986, which regulates the production, supply, care and use of animals for experimental and other scientific purposes. The administrative and inspectorate function which serves the public interest is provided by ASRU. Self-funding is required to maintain regulatory standards and service levels. If this is not achieved, incomplete information on these activities may result, which could lead to a reduction in animal welfare.

What is the strategic objective? What are the main policy objectives and intended effects?

The primary objective is for ASRU to continue to cover its costs through the fee increase and ensure the continued delivery of the statutory requirements of the Animals (Scientific Procedures) Act 1986. This is in line with HMT guidance on Managing Public Money¹. The policy objectives include:

- ASRU achieving full cost-recovery over the next five financial years.
- ASRU maintaining the current regulatory standards
- Minimising the negative effects that the fee rise has on business.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Non-regulatory options are not appropriate because this is a tightly regulated activity.

Option 1: 'Do nothing'. This option does not achieve the government's objective.

Option 2: Increase the personal and establishment licence fees. The personal license fee would rise from £299 to £329, an increase of £30 (10%). The establishment license fee would rise from £915 to £1007, an increase of £92 (10%). **This is the government's preferred option** as it meets the strategic and policy objectives, and allows ASRU to operate effectively on a full cost recovery basis.

Main assumptions/sensitivities and economic/analytical risks

Discount rate (%)

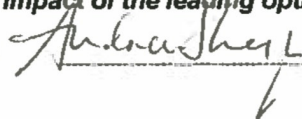
3.5%

The main assumptions with this fee increase are that there will remain 136 establishment licences and approximately 16,000 personal licences in the foreseeable future. Any large deviances from this number of licences will result in ASRU operating in deficit. ASRU achieving full-cost recovery also rely on staffing in ASRU remaining largely the same over the next five financial years.

Will the policy be reviewed? It will be reviewed. **If applicable, set review date:** 12/2024

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister Lord Sharpe of Epsom



Date:

27/2/24

¹ Managing Public Money May 2023 (publishing.service.gov.uk)

Summary: Analysis & Evidence

Policy Option 2

Description: Increase the licence fees as outlined in Table 1

FULL ECONOMIC ASSESSMENT

Year(s):	Price Base	2019/20	PV Base	2019/20	Appraisal	5	Transition	1
Estimate of Net Present Social Value NPSV (£m)						Estimate of BNPV (£m)		
Low:	0.0	High:	0.0	Best:	0.0	Best BNPV	-5.4	

COSTS, £m	Transition Constant Price	Ongoing Present Value	Total Present Value	Average/year Constant Price	To Business Present Value
Low	0.0	5.0	20.4	4.4	4.4
High	0.0	5.8	23.7	5.1	5.1
Best Estimate	0.0	5.4	22.0	4.7	4.7

Description and scale of key monetised costs by 'main affected groups'

The increase in licence fees will cost the private sector between £5.0 and £5.8 million, with a central estimate of £5.4 million (PV). This is to cover the expenditure of ASRU. As this is an economic transfer, it is not included in the total costs, however it is included as a cost to business.

Other key non-monetised costs by 'main affected groups'

There are no other significant costs to business or the public sector of this change. Licence holders already pay a fee for a licence and it is only the level of the fee that has changed.

BENEFITS, £m	Transition Constant Price	Ongoing Present Value	Total Present Value	Average/year Constant Price	To Business Present Value
Low	0.0	5.4	22.1	4.7	0.0
High	0.0	5.4	22.1	4.7	0.0
Best Estimate	0.0	5.4	22.1	4.7	0.0

Description and scale of key monetised benefits by 'main affected groups'

The increase in the licence fee paid is a transfer payment (and is thus excluded from the total benefits) from the private to the public sector for regulatory services provided. The increase is to continue to cover IT investment and ASRU staff costs. The annual benefit to the public sector is estimated to be £5.4 million (PV) over five years.

Other key non-monetised benefits by 'main affected groups'

The main benefit to the private sector is the maintenance of both the regulatory standard and the level of service provided by ASRU. There is also a benefit to the public where ASRU provide complete information on a yearly basis to society through annual reporting. It was not possible to monetise either of these benefits. Without the fee increase the level of service may fall and incomplete information may result.

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m:										
Cost, £m	4.7	Benefit, £m	4.7	Net, £m	0.0					
Score for Business Impact Target (qualifying provisions only) £m:					-0.1					
Is this measure likely to impact on trade and investment?					N					
Are any of these organisations in scope?			Micro	Y	Small	Y	Medium	Y	Large	Y
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)					Traded:	N/A	Non-Traded:	N/A		

PEOPLE AND SPECIFIC IMPACTS ASSESSMENT (Option 2)

Are all relevant Specific Impacts included?	N/A	Are there any impacts on particular groups?	N
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Evidence base

A. Strategic objective and overview

A.1 Strategic objective

1. HMT guidance on Managing Public Money¹ sets out that full cost recovery is the standard approach to setting charges for public services.
2. The policy objectives include ASRU achieving full cost-recovery over the next five financial years, ASRU maintaining the current regulatory standards, Minimising the negative effects that the fee rise has on business.

A.2 Background

3. Animals (Scientific Procedures) Act 1986 (as amended 2012) (ASPA 1986) regulates the production, supply, care and use of animals for experimental and other scientific purposes. ASPA 1986 was amended in 2012 following an EU Directive, 2010/63/EU . The withdrawal of the UK from the EU has not changed the requirement for administration and enforcement of ASPA 1986 and related work requirement of the Home Office regulator.
4. ASRU is the regulator and provides the administrative and inspectorate function on behalf of the Home Office for England, Wales and Scotland. Northern Ireland have separate regulatory arrangements under devolution. There are 37 staff members within ASRU, as well as 3 additional staff in the recruitment process, to make 40 by end of 2023. The unit is currently running at 20 per cent vacancy rate as 50 is considered the full cohort.
5. The ASRU issues establishment licences to places where the production, supply, care and use of animals for experimental and other scientific purposes can be undertaken, requires that project licences are issued for programmes of work and requires that those who perform the regulated procedures are the holders of personal licences.
6. There are currently 136 licensed establishments. The majority are universities and pharmaceutical companies (or contract research organisations undertaking research on their behalf). There are approximately 2,350 project licences, and approximately 16,000 personal licences live at any time.
7. Licensing and inspection costs are recovered through annual fees levied on establishments licensed under the terms of section 8 of ASPA 1986². The charges levied on each establishment are reflective of the resource required to provide the regulatory services.
8. ASRU financial forecast highlights that expenditure will exceed income by £560,000 in 2024/25. Self-funding is required to maintain regulatory standards and service levels. If this is not achieved, incomplete information on these activities may result, which could lead to a reduction in animal welfare.

A.3 Groups affected

9. Any establishment, individual or programme requiring the use of animals in research and testing. The licensing system ensures that animal research and testing is only undertaken where no practicable alternatives exist and under rigorous controls where animal welfare must be of the utmost priority. The place at which the work is carried out must hold an 'establishment licence' (PEL); the programme of work in which the procedures are carried out must be authorised in a 'project licence' (PPL); those carrying out procedures must hold a 'personal licence' (PIL), which ensures that those working with the animals are qualified and suitable.

¹ Managing Public Money May 2023 (publishing.service.gov.uk): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1174979/Managing_Public_Money_-_May_2023_.pdf

² Animals (Scientific Procedures) Act 1986 (legislation.gov.uk): <https://www.legislation.gov.uk/ukpga/1986/14/section/8>

A.4 Consultation

Within government

10. The fee increase has been discussed with ASRU's operational management team. Wider ASRU (i.e inspectors and support staff) are aware of a potential increase but have not been involved in any formal consultation.
11. The business case was produced with input from ASRU's finance lead who provided the figures and key rationale for the increase.
12. The minister is also aware of a potential increase but nothing has been present formally at this stage.

Public consultation

13. ASRU have consulted with leaders of the industry associations³ and raised as an agenda item at the Regulated Sector stakeholder meeting on 14th November 2023. Feedback suggested that a licence fee increase would not be controversial as there is an understanding that it is needed to maintain the quality-of-service ASRU is able to provide

B. Rationale for intervention

14. On 1 April 2015, ASRU started operating on a full-cost recovery basis in line with HM Treasury fees and charges principles⁴. The fee increase is required to ensure the regulator continues to be able to recover all costs, on a full recovery basis.
15. The financial forecast for ASRU indicates that expenditure will exceed income by £560,000 in 2024/25. This is primarily due to the recruitment of four new staff, increases in pension costs, and investment in IT which has already been made and agreed through Cabinet Office / Government Digital, and other costs which have arisen. Increasing fees will also ensure that existing staffing levels can be maintained so establishments should not see any deterioration in the service provided.
16. The economic rationale for the continued intervention in this case is to maintain existing regulatory standards and service levels. Previous economic assessments have identified that the market would not function on price alone and this position has not changed. If there was no intervention, there would be incomplete information on regulatory standards which could lead to a reduction in animal welfare.
17. ASRU's purpose as a regulatory body is to provide greater information to society about the safeguards for animals used in research. The economic argument is that if fees cannot be increased to full-cost recovery level, the service provided to the licence holders and society will be compromised. This means that without the fee increase, the scope of the information and monitoring gained, which is valued by society and consumers, will revert back to a form of incomplete information because of the inability to maintain the same regulatory standards.

C. Policy objective

18. The primary objective is for ASRU to cover their costs through the fee increase. The set of objective outcomes to measure policy success could be:
 - ASRU achieving full cost-recovery over the next five financial years.

³ The Establishment Licence Holders Committee; Laboratory Animals Science Association (LASA); UK Bioscience Sector Coalition (UKBSC) and the Government's independent advisory body on animals in science (ASC)

⁴ Managing Public Money May 2023 (publishing.service.gov.uk):

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1174979/Managing_Public_Money_-_May_2023_.pdf

- ASRU maintaining the current regulatory standards.
 - Minimising the negative effects that the fee rise has on business.
19. ASRU maintaining a cost-recovery position would be measured through actual income and expenditure, where the difference between these should be close to zero.
20. ASRU maintaining their current regulatory standards would be compared to the benchmark of 2016's figure of a 99 per cent licence application process target success rate. Success should mean no change in regulatory standards. The fees were last raised in April 2020. The objectives remain the same as the 2020 impact assessment for that increase.

D. Options considered and implementation

21. Two options have been considered:
- **Option 1 'Do nothing'** Make no changes. This does not achieve the government's objective. It does not allow ASRU to operate effectively on a full cost recovery basis.
 - **Option 2 Increase the licence fees.** The proposed licence fees are:

Table 1: Proposed licence fees (£), 2024/25

Licence	Current Fee	Proposed Fee	Change
Establishment	915	1007	+92 (10%)
Project	0	0	No Change
Personal	299	329	+30 (10%)

Source: ASRU internal information

Preferred option and implementation date

22. Two options have been considered: **Option 2 is the government's preferred option as it meets the strategic and policy objectives.** Option 2 will increase the fees charged for establishment and personal licences. The estimates are based upon the assumption that the current level of regulation will continue.
23. Option 2 would allow ASRU to operate effectively on a full cost-recovery basis. The full-cost recovery would allow ASRU to maintain their level of regulation. No new regulation is proposed and there is no increase in regulatory activity as a result of the fee increase being proposed. To achieve full cost recovery, ASRU has taken a staged approach to increasing the fees so as not to impose the entire cost on licence holders in a single increase. Fees were raised last year to facilitate this approach.
24. The Home Office is working on the assumption that the statutory instrument containing the fee increase will be laid before Parliament on 6 April 2024 and will come into force immediately.

Non-regulatory option

25. ASRU have considered alternatives to a fee increase and discussed these with stakeholders at a stakeholder meeting in November 2023.
26. One non-regulatory option discussed is to make efficiency gains within the current framework. This has been done as far as possible, and to make further improvements the fee increase will be needed to allow ASRU to maintain full headcount and progress with the reform programme.
27. Another non-regulatory option is to 'slim down' the service provided to the sector. Feedback from stakeholders suggest this would not be a viable option and would risk a reduction to the protections put in place for animals used in science.

E. Appraisal

General assumptions and data

28. A social discount rate of 3.5 per cent is used to obtain present value, see HM Treasury (2020, updated 2023) Green Book⁵. Any estimate quoted Present Value (PV) or the Net Present Value (NPV) is discounted using this rate. The appraisal is over a five-year period.
29. Occupational wages are taken from the Annual Survey of Hours and Earnings (ASHE) for 2021⁶, Table 14.5a published in 2022 by the Office for National Statistics. Gross median hourly wages are used in the estimate.

Proposed changes to establishment and personal fees

Table 2, Establishment Fee (£ and £'000), 2024/25.

Fee considered £	Fee Change £	Volume of licences expected	Revenue (£'000)	Expenditure (£'000)	Net surplus or deficit (£'000)
955	40	136	129.9	137.0	-7.1
985	70	136	134.0	137.0	-3.0
1007	92	136	137.0	137.0	0
1030	115	136	140.1	137.0	3.1

Table 3, Personal Fee (£ and £'000), 2024/25.

Fee considered £	Fee Change £	Volume of licences expected	Revenue (£ million)	Expenditure (£ million)	Net surplus or deficit (£ million)
315	16	16,000	5.0	5.3	-0.2
329	30	16,000	5.3	5.3	0.0
345	46	16,000	5.5	5.3	0.2

Note: the chosen fees (Establishment and Personal) are highlighted in bold. All figures are rounded to the nearest 100.

30. Tables 2 and 3 show that the volume of licences are held at 136 and 16,000 respectively for establishments and personal categories. Estimated expenditure was subtracted from the estimated income (volume of application x fee) and the fee that resulted in a positive figure closest to zero was accepted as the optimal fee level. For the personal fee, the fee chosen resulted in a net deficit of £36,000. This is because this forecast assumes that the full anticipated cohort of staff will be and remain in place for the entirety of the financial year; this is unlikely however due to recruitment run rate and attrition. It is expected that this deficit will be offset by periods of lower-than-expected staffing.

Preferred option

31. The government's preferred option (Option 2) is to increase the fees charged for establishment and personal licences. The estimates are based upon the assumption that the current level of regulation will continue.

⁵ The Green Book and accompanying guidance and documents - GOV.UK (www.gov.uk): <https://www.gov.uk/government/collections/the-green-book-and-accompanying-guidance-and-documents>

⁶ Employee earnings in the UK: 2021 - Office for National Statistics (ons.gov.uk): <https://www.ons.gov.uk/releases/employeeearningsintheuk2021>

COSTS

Set-up costs

Private sector familiarisation costs

32. Familiarisation costs apply to organisations as they need to know what their future fees are going to be. Familiarisation costs are estimated across the five-year appraisal period. It has been assumed that 100 per cent of establishments (organisations that are in scope for payment of a licence fee) will read the guidance, which is approximately 350 words and includes the details of the fee changes.
33. Data for the volume of licences and the number of ASRU employees are taken from the ASRU Fees Business Case 2024/25, (2023).

Table 4, Familiarisation costs: staff volumes and gross wage for administrative staff, private and public sector (£), 2023.

Category	SOC ⁽³⁾	Gross wage ⁽³⁾	Low	Central	High
ASRU admin staff ⁽¹⁾	411	13.24	37	40	50
Stakeholder business admin staff ⁽²⁾	41	12.35	435	750	1,550

Note: No veterinarian or practising staff are involved in the administration of the fees. For virtually all institutions, this is done by administrative staff.

Source: (1) Animal and Scientific Regulatory Unit (ASRU), Fees Business Case 2024/25, (2023) and internal management information.

(2) ASRU internal information

(3) Annual Survey of Hours and Earnings⁷, Table 14.5a, 2021, October, ONS, London.

Table 5, Reading speed assumptions used for familiarisation costs, 2019.

Scenario	Number Words	Speed (wpm)	Time (mins)	Comp	Re-read time (mins)	Allowance (mins)	Total time (mins)
High	400	240	1.7	0.6	0.67	1.00	3.00
Central	350	400	0.9	0.8	0.18	0.50	2.00
Low	300	1000	0.3	0.85	0.00	0.00	0.00

Notes: wpm = words per minute. Comp = comprehension. Units are minutes unless otherwise specified.

Source: readingsoft.com, see: <http://www.readingsoft.com/index.html>

34. The reading times were estimated using standard tables from readingsoft.com (see Table 5). Because of lower comprehension a slow reader may need to re-read the guidance. An allowance has been made for a person who may be dyslexic or where English is not their first language. The volumes and wages used are given in Table 4.
35. The familiarisation costs are estimated as:
- The number of private sector businesses x gross wage x time taken.*
36. The familiarisation costs for private sector organisations are estimated to be in a range of £0 to £600, with a central estimate of £200. There are very small familiarisation costs ranging from £0 to £600 and these occur in year one only.

⁷ Employee earnings in the UK: 2021 - Office for National Statistics (ons.gov.uk): <https://www.ons.gov.uk/releases/employeeearningsintheuk2021>

Public sector familiarisation costs

37. Public sector familiarisation costs are estimated in the same way as private sector familiarisation costs. ASRU staff volume is reported as 40 FTEs (see Table 4).
38. The total familiarisation costs for the public sector are estimated to be in a range of £0 to £19, with a central estimate of £10. The public sector familiarisation costs are negligible, with the high estimate only about £19 in year one only.

Total familiarisation costs

39. Total familiarisation costs are estimated to be in a range of £0 to £600, with a central estimate of £200.

Ongoing and total costs (Private and Public)

Private sector fee increases

40. Establishments and individuals require a licence to undertake regulated work with animals. Licence applicants are charged a fee to cover the cost of administering the application, inspecting and monitoring the institution and to cover the other regulatory costs associated with the licence application.
41. Private sector fee changes are calculated as:
The proposed fee change (the difference between the current fee and proposed fee) x volume of expected applications for each type of licence fee (personal, project and establishment).
42. Private sector fee changes are detailed in Table 6 with the current fee, proposed fee, fee change and the estimated volume of application using the central estimate.
43. As this represents an economic transfer between regulated individuals and organisations, and the government regulator, these costs are not considered in the total costs – only the direct costs to business.

Table 6, Licence fee, Option 2, summary impacts (£ and, £ million PV), 2024/25.

Application Volume	Current Fee (£)	Proposed Fee (£)	Change in Fee (£)	Annual Impact £	5 Year £ million (PV)
Establishment Fee Applications: <u>136</u>	915	1007	92	12,500 (136 x 92)	0.1
Project Fee Applications: <u>2,350</u>	0	0	0	0	0.0
Personal Fee Applications: <u>16,000</u>	299	329	30	480,000 (16,000 x 30)	2.2
Total				492,500	2.3

Note: Central estimate. Figures may not sum due to rounding.

44. The total ongoing cost to the private sector is forecasted to be between £5.0 and £5.8 million, with a central estimate of £5.4 million (PV) in FY 2024/25. This has been used as the estimate for the five year appraisal period.

Total costs

45. The total cost of this proposal to increase the fees for establishment and personal licences required for undertaking regulated work with animals is forecasted to be £5.4 million (PV) in FY 2024/25. This has been used as the estimate for the five year appraisal period.

BENEFITS

Ongoing and total benefits (Private and Public)

46. As this is an economic transfer, there is no direct benefit associated with the license fee change. The non-monetised benefit is the safe and effective operation of the regulator. The value of this economic transfer is considered to be equal to the cost to business, between £5.0 and £5.8 million over the appraisal period, with a central estimate of £5.4 million (PV) in FY 2024/25.

NPSV, BNPV, EANDCB

47. The Net Present Value (NPV) is defined as: the total benefit minus the total cost, both of which are discounted over the appraisal period. The NPV is estimated to be -£200 over a five-year period.
48. The Business Net Present Value (BNPV) is defined as: the total direct benefit to business minus the total direct cost to business, both of which are discounted over the appraisal period. The BNPV is estimated to be -£5.4 million over a five year period.
49. The Equivalent Annual Net Direct Cost to Business (EANDCB) provides an average estimate of the net direct cost to business in each year of the policy. The EANDCB is estimated to be -£4.7 million every year, over a five year period.

Impact on small and micro-businesses

50. There are no official statistics⁸ that are available to indicate the population of small businesses that may be impacted by this policy change. A register of establishments is held by ASRU. After excluding government establishments and large employers, for example a university, ASRU estimate that there may be up to 12 micro or small establishments and a maximum of 15 medium businesses within the 136 licensed establishments.
51. Given the type of regulated work undertaken by licensed establishments, on the grounds of animal safety and welfare plus public re-assurance it is not possible to offer any form of exemption for small and medium sized businesses. All establishments (including micro, small and medium businesses) that work in this are already subject to regulation and pay an annual fee for their licence.
52. Providing an exemption to micro, small and medium size businesses does not apply. This is because micro, small and medium sized businesses already have to deal with a regulatory framework and administer their part in the scheme. The proposal is to increase the fee to allow ASRU to cover costs. There is no proposal to increase regulatory activity or increase the administrative burden on micro, small and medium sized businesses.

F. Proportionality

53. The level of analysis used in this impact assessment is reasonable considering the proposed fee change. The data used within this IA is well-evidenced and the analysis follows the method of prior years. The analysis carried out proportionate to the complexity and risk profile of the IA is sufficient.

G. Risks

Option 2 – To increase the establishment and personal licence fees.

54. There are few risks to this policy as there has been a robust assessment of costs carried by ASRU, Home Office Finance and validation of the business case by HM Treasury. The assumptions and

⁸ Inspection of the Business Population Estimates, 2022, published by the Department of Business, Energy and Industrial Strategy (2022) show data on Higher Education and on Veterinary Activities but they do not indicate institutions that undertake work that is regulated by ASRU.

estimates made are cautious and prudent so there is unlikely to be any significant deviation in cost from the estimates given. One risk is that the volume of staff in the private sector who may have a familiarisation cost is not known with certainty. However, given the low cost of familiarisation cost in the private sector this is not a significant concern.

55. Additionally, the assumption over the number of establishment licences of +/- 5 establishments from the central estimate was based on expert advice. This was under the advice of the ASRU policy team using knowledge that this year there was a removal of old establishments on the system and the central estimate is lower than the previous year. The variation of 10 per cent used previously in the last fee increase IA was deemed too wide ranging for establishments, where there is little fluctuation.

H. Direct costs and benefits to business calculations

Table 7, Option 2, Summary of Costs and Benefits across Low, Central and High Estimates (£m)

Summary of Costs and Benefits	Low 5 yr impact (£m)	Central 5 yr impact (£m)	High 5 yr impact (£m)
Costs			
Set-up costs			
Private sector set-up costs	0.0	0.0	0.0
Public Sector set-up costs	0.0	0.0	0.0
Total set up costs	0.0	0.0	0.0
Ongoing costs			
Private sector ongoing costs	5.0	5.4	5.8
Public sector ongoing costs	0.0	0.0	0.0
Total ongoing costs	0.0	0.0	0.0
Total costs	0.0	0.0	0.0
Benefits			
Private sector benefits	0.0	0.0	0.0
Public sector benefits	5.0	5.4	5.8
Total benefits	0.0	0.0	0.0
Net Present Social Value	-	0.0	1.7
Business Net Present Value		-5.4	
Equivalent Annual Net Direct Cost to Business		0.0	

Source: Animal and Scientific Regulatory Unit (ASRU), Fees Business Case 2024/25, (2023) and internal management information.

I. Wider impacts

56. By achieving full cost-recovery ASRU can maintain all services and expected service levels, and without cost to the Exchequer.

J. Trade Impact

57. This policy will not have any impact on trade.

K. Monitoring and evaluation plan

58. The government plans to implement these changes on 6 April 2024. These changes will apply across the UK. The effectiveness of the new regime would be monitored by ASRU staff. The data and any other factors noted by the regulator will be used in the monitoring and evaluation. ASRU will reassess the level of increase for financial year 2025/26.

Impact Assessment Checklist

Mandatory specific impact test - Statutory Equalities Duties	Complete
<p>Statutory Equalities Duties</p> <p>The public sector equality duty requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations in the course of developing policies and delivering services.</p> <p>The SRO has agreed these summary findings.</p>	Yes

Economic Impact Tests

<p>Small and Micro-business Assessment (SaMBA)</p> <p>The SaMBA is a Better Regulation requirement intended to ensure that all new regulatory proposals are designed and implemented so as to mitigate disproportionate burdens. The SaMBA must be applied to all domestic measures that regulate business and civil society organisations, unless they qualify for the fast track. [Better Regulation Framework Manual] or [Check with the Home Office Better Regulation Unit]</p>	<p>Yes</p> <p>Providing an exemption to micro-, small and medium businesses does not apply. This is because micro-, small and medium sized businesses already have to deal with a regulatory framework and administer their part in the scheme. The proposal is to increase the fee to allow ASRU to cover costs. There is no proposal to increase regulatory activity or increase administrative burden on micro-, small and medium sized businesses.</p>
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