

Statement on Economic Impacts: Interim Licencing Regime for the Release of Gamebirds on or within a 500m buffer zone of European sites.

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This document is a summary of Defra's analysis based on our regulatory impact assessment of the interim licencing regime for the release of gamebirds on or within a 500m buffer zone of European sites. Defra's initial conclusion is that the interim licencing regime is a non-qualifying provision, which would normally not require a regulatory impact assessment or independent scrutiny. However, in order to ensure that the potential impacts of the interim regime are properly assessed and understood, Defra has completed a full regulatory impact and has requested that this document be reviewed by the independent Regulatory Policy Committee (RPC).

The IA is currently being reviewed by the RPC, who will assess the quality of the evidence and analysis and, if appropriate, provide guidance on how the IA can be improved. Defra will publish the full regulatory impact assessment in due course, following advice from RPC. RPC will also make public their opinion on Defra's regulatory impact assessment once it is published. The analysis within this document is subject to change pending final validation from the RPC. Final validation by RPC is expected before July 2021.

What is the issue being addressed?

The Government is required, under its obligations outlined in the Conservation of Habitats and Species Regulations 2017, as amended, to take appropriate steps to avoid significant disturbance or deterioration of European sites. European sites are protected sites of significant importance for nature conservation. In order to ensure that Defra was meeting its legal obligations, Defra commissioned a review that considered the existing legislative arrangements regulating the release of the common pheasant and red-legged partridge on and around these protected sites.

Following the review, and in order to take a precautionary approach, the Secretary of State committed to put in place an interim licensing regime for the June 2021 releases of common pheasant and red legged partridge within European sites and within a 500m buffer zone around the sites. All existing regulatory protections for European sites, including Natural England's Sites of Special Scientific Interest (SSSI) consenting regime, remain in place. The interim licencing regime is to provide an additional, precautionary layer of protection whilst we improve our understanding of the impacts of releases and improve our understanding of the impacts of releases and consider the wider regulatory framework for avoiding detrimental impacts to these sites.

Summary: Analysis & Evidence

The figures presented here are subject to validation by the Regulatory Policy Committee.

There will be an economic impact for people who run businesses offering recreational shooting of common pheasant and red-legged partridges (commonly referred to as 'shoots') where these businesses currently release these birds on or around European Sites in England. We estimate that there are between 517-708 shoots in England (see below) to which the interim licencing regime would apply. The impact will be felt by shoot owners as they adapt their operations to meet the conditions in the general licence. There will also be a cost to government in administering the licencing regime. The total economic impact over the appraisal period of four

years is for an overall total cost estimated at £2.4m. The low to high range is £1.4m-5.4m. This assessment is informed by the following estimates:

Familiarisation costs; all shoots releasing gamebirds on or around European sites in England will need to familiarise themselves with the new regime. This group is made up of shoots which have release pens on or within 500m of European sites in England, estimated to be between 517 and 708 shoots¹.

We anticipate this cost to be low. This is because we have worked closely with stakeholders to draw some of the proposed conditions and recommendations from existing industry guidelines where it was appropriate for us to do so. Shoots that comply with the general licence conditions will not need to apply to operate under the licence and will be able to operate under the conditions set out for the duration of the period that the interim licence is in place. The cost per shoot for reading/understanding of requirement under the licence is expected to range between £46 and £200².

Administrative costs; we may also require individual and general licence users to provide NE with information about their releases and the consent that they are operating under. We anticipate the cost in time associated with calculating the required information and providing it to NE to be low. This is because the information being asked for is linked to the conditions of the licence; an individual will have gathered the necessary information as part of the familiarisation process to understand whether they comply with the licence conditions.

Based on Natural England estimates³, the cost per shoot for an annual data return is between £23 and £100. The estimates present a maximum cost as they assume that an advisor is employed to undertake the work. As with familiarisation costs we estimate between 517 and 708 shoots incurring this cost.

Individual licence costs; For shoots unable to use the general licence, there will be the option to apply for an individual licence. This group is made up of the 1.2% of shoots operating on or within 500m of European sites which release >1000 birds/ha in England⁴. This is estimated to be 81-110 shoots.

Using the costs per hour provided by NE (£23-£100), the cost associated with applying for an individual licence from Natural England is anticipated to be between £115 and £500.

Table 1: Cost to business associated with applying for an individual licence

Activity	Hours	Cost		
		Lower	Mid	Upper
a) Download, completion and submission of licence	3	£69	£184.5	£300
b) Receipt of licence and awareness raising	2	£46	£123	£200
Total	5	£115	£308	£500

¹ Data provided directly to Defra by the shooting industry. Data is based on an unpublished summary of data collected via shooting industry membership surveys.

² These figures are based on unpublished Natural England estimates for the time and cost for users to familiarise themselves with licences.

³ These figures are based on unpublished Natural England estimates for the time and cost for users to familiarise themselves with licences.

⁴ Data provided directly to Defra by the shooting industry. Data is based on an unpublished summary of data collected via shooting industry membership surveys.

Additional expenditure: Additional expenditure may result from changing operations to comply with the interim licencing conditions (e.g. moving gamebird pens, feeding stations and other infrastructure).

The average cost of adapting a shoot is £18,862, based on responses from the consultation. Not all shoots would need to adapt their operations to comply with the general licence. Half of shoots that responded to the consultation told us that they would consider applying to Natural England for a bespoke individual licence to cover their operations. Note also that the consultation respondents are not a representative sample. It is likely that those responding to the consultation are more impacted by the proposed new regime (i.e. they have more incentive to respond to the consultation) than those who did not respond. Consequently, the magnitude of impact on the industry may be overestimated.

Lost profit for those shoots which are forced to cease operations. This will only impact those who are unable to use the general or individual licence and are unable/unwilling to amend their operations to comply with the general licence. Note that it is possible that some of the loss in profit will be offset by the over 90% (according to unpublished industry estimates) of shoots in England that do not release common pheasant and / or red-legged partridge on or around European sites areas increasing their production to serve the market.

For those who are unable to use the general or individual licence and are unable/unwilling to amend their operations to comply with the general licence, the remaining option is to cease operations. The businesses ceasing to operate will be those for whom adapting is not financially optimal (the annual revenue they would forgo by ceasing to operate is not high enough to merit the adaption cost).

In this case, the cost to these businesses would be the loss in profit otherwise derived from the shoot activity.

We do not have data on the average profit of this group. Instead we use a range, based on farm business survey data (Defra internal data, 2021). The average profit used is £2,905, and the lower bound profit is set to zero given that data suggests these businesses make a loss. The upper bound profit is £11,049.

Cost to HMG. Data on the cost of processing individual licences was proved by Natural England, based on the application prices for individual licences for European sites.

Table 2: Costs to HMG for processing an individual licence:

Activity	Hours	Cost (2021 prices)
Receipt of licence processing	0.5	£17
Assessment of application	4	£136
Updating internal systems and issue licence	1	£34
Manage annual data return	0.5	£17
Total	6	£204

Assume cost/hour of staff £34 (NE most recent official cost of 2013 £29, adjusted for inflation)

Results - Summary of impact of this proposal

The figures presented here are subject to validation by the Regulatory Policy Committee.

Table 3 - Equivalent Annual Net Direct Cost to Business (EANDCB) - in £million

EANDCB	Annualised	2019 Prices	2020 Base Year
Direct Business Costs	0.4	0.4	0.4
Direct Business Benefits	0.0	0.0	0.0
Net Direct Cost to Business	0.4	0.4	0.4

Table 4– Business Net Present Value - in £million

Business NPV	2019 Prices	2020 Base Year
Total Business Costs	1.5	1.5
Total Business Benefits	0.0	0.0
Net Total Business Impact	-1.5	-1.5

Table 5 – Net Present Social Value - in £million

NPSV	2019 Prices	2020 Base Year
Total Costs	2.5	2.4
Total Benefits	0.0	0.0
Net Impact	-2.5	-2.4