

EXPLANATORY MEMORANDUM TO

THE ANIMALS (SCIENTIFIC PROCEDURES) ACT 1986 (FEES) ORDER 2024

2024 No. 362

1. Introduction

- 1.1 This explanatory memorandum has been prepared by the Home Office and is laid before Parliament by Command of His Majesty.
- 1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Declaration

- 2.1 Lord Sharpe of Epsom, Parliamentary Under Secretary of State for the Home Office, confirms that this Explanatory Memorandum meets the required standard.
- 2.2 William Reynolds, Deputy Director of the Animals in Science Regulation Unit, at the Home Office, can confirm that this Explanatory Memorandum meets the required standard.

3. Contact

- 3.1 Rebecca Newman, Animals in Science Regulation Unit at the Home Office. Email: Rebecca.Newman1@homeoffice.gov.uk can be contacted with any queries regarding the instrument.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

- 4.1 This Order prescribes an increase to the licence fees payable under the Animals (Scientific Procedures) Act 1986 (ASPA) to come into effect on 6th April 2024.
- 4.2 This Order revokes the Animals (Scientific Procedures) Act 1986 (Fees) Order 2020.
- 4.3 The Order, in accordance with HM Treasury guidance, only increases the fees to fully recover the costs that are directly incurred as part of the regulatory process.

Where does the legislation extend to, and apply?

- 4.4 The territorial extent of this instrument is England, Scotland, and Wales.
- 4.5 The territorial application of this instrument is the same as its extent.

5. Policy Context

What is being done and why?

- 5.1 Under ASPA, the Regulator (The Animals in Science Regulation Unit – ASRU) charges annual fees for licences that permit individuals and establishments to use animals in scientific procedures.
- 5.2 Licence fees for ASRU licence holders were last increased on 6th April 2020, and prior to that in 2019. The fees, which must comply with HM Treasury fees and

charges principles, should cover all of ASRU's direct and indirect costs of licensing and inspection.

- 5.3 ASRU anticipates a deficit of £556,063 for 2024/25 if fees remain at the current rates. This is largely due to increases in pay, pensions, and other costs associated with the delivery of regulatory activities (e.g., travel fares, IT hosting etc.) in line with inflation. In order to cover the deficit, to ensure that ASRU continues to meet the statutory obligations of ASPA, and maintain the regulatory framework and service to fee payers, the following fee increases are necessary:
- To increase the establishment licence fee from £915 to £1007
 - To increase the personal licence fee from £299 to £329
- 5.4 To ensure that ASRU's budget forecast is effective from the start of the new financial year, the new fees will be levied from 6th April 2024.
- 5.5 ASRU fees are collected from licence-holders retrospectively, so the new fees will be payable in April 2025. The licence-holders have all been properly informed of this proposal. The public are not affected by the proposed fees increase.
- 5.6 Officials have sought feedback on proposals for a fee-increase from leaders of the key industry associations. Feedback from these sector-based organisations indicates that an 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.

6. Legislative and Legal Context

How has the law changed?

- 6.1 ASPA provides for the regulation of scientific procedures using animals. Under ASPA, anyone carrying out such procedures, and the establishments in which such procedures are carried out, must be licensed. Regulations made under section 8 of the Act provide that a fee must be paid for such licences. A fees order was last made in 2020. That Order is revoked by this instrument.

Why was this approach taken to change the law?

- 6.2 This is the only possible approach to make the necessary changes.

7. Consultation

Summary of consultation outcome and methodology

- 7.1 This Order was not subject to a public consultation as the fee charging structure is not being changed, and the increase is to ensure compliance with principles of full cost recovery, in line with HM Treasury guidance. However, current licence-holders have been informed of the proposed fee increase, to enable them to factor the change into their own budgets.

8. Applicable Guidance

- 8.1 Guidance on the provision to charge fees is provided in the Guidance on the Operation of ASPA, published in March 2014¹.

¹ <https://www.gov.uk/guidance/guidance-on-the-operation-of-the-animals-scientific-procedures-act-1986>

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

- 9.1 A full Impact Assessment is submitted with this memorandum and will be published alongside the Explanatory Memorandum on the legislation.gov.uk website on the laying date.

Impact on businesses, charities, and voluntary bodies

- 9.2 The impact on business, charities or voluntary bodies is set out in the Impact Assessment. The ongoing costs to the private sector lie in a range of £4.4 million to £5.1 million over five years, with the key non-monetised benefits being the continuation of both the regulatory standards and the level of service provided by ASRU. Ensuring ASRU is able to continue to fully deliver its purpose of regulating under ASPA is vital in both assuring the ongoing protection of animals used in scientific testing, and in facilitating the development and advancement of the UK life science sector.
- 9.3 The impact on the public sector will be full cost-recovery by the Regulator to recoup the costs of providing regulatory services.

Regulating Small Business

- 9.4 The legislation applies to activities that are undertaken by small businesses.
- 9.5 The number of people (i.e. the number of personal licence holders) working within an establishment is generally correlated directly to business size. To minimise the impact of the requirements on small businesses, the existing fees model ensures financial impacts on establishments remain proportionate to their size by charging establishments per licensed person.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

- 10.1 The fee structure and level of fees will be reviewed annually.
- 10.2 The instrument does not include a statutory review clause as the significant annualised impact on business is less than +/- £10 million net annualised.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 11.1 This order would raise existing fees by 10%. Such a fee increase is required to assure continued delivery of the statutory requirements under ASPA by ASRU, which is supported by the Home Office. ASRU operates on a full-cost recovery basis. The fee increase primarily relates to an increase in pay, pension, and other associated costs in line with inflation.
- 11.2 The fee increase will also allow for the required number of inspectors to be retained, necessary to fulfil the statutory duties under ASPA.

12. European Convention on Human Rights

12.1 The Parliamentary Under Secretary of State for the Home Office, Lord Sharpe, has made the following statement regarding Human Rights:

‘In my view the provisions of the Animals (Scientific Procedures) Act 1986 (Fees) Order 2024 are compatible with the convention rights’.

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023.