

Consultation on the proposed revision of fees for statutory services delivered by the Animal Health and Veterinary Laboratories Agency (AHVLA)

Date: 16 July 2012

© Crown copyright 2012

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/ or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or e-mail: psi@nationalarchives.gsi.gov.uk

This document/publication is also available on our website at:

www.defra.gov.uk/consult

Any enquiries regarding this document/publication should be sent to us at:

AHfeesconsultation@defra.gsi.gov.uk

Overview

Intended audience	This is a public consultation and is open to anyone to respond.
National Coverage	England, Scotland and Wales
Purpose	A consultation seeking views on revising fees for statutory services delivered by AHVLA.
Duration	16th July to 10th September 2012
Contact	AHfeesconsultation@defra.gsi.gov.uk

Contents

Section 1 - About this consultation	1
Section 2 – Background Information	4
Section 3 – Summary of statutory services	9
Annex 1: Changes in fees – Bovine Embryos	23
Annex 2: Changes in fees – Bovine Semen	25
Annex 3: Changes in fees – Porcine Semen	26
Annex 4: Changes to fees – Poultry Health Scheme	28
Annex 5: Changes in fees – <i>Salmonella</i> National Control Programmes.....	29
Annex 6: Changes in fees – Border Inspection Posts	32
Annex 7 Changes in fees – CITES.....	33
Annex 8: Fee methodology	36

Section 1 - About this consultation

Topic of this consultation

1.1 This consultation covers proposals to revise fees for statutory services currently delivered by the Animal Health and Veterinary Laboratories Agency (AHVLA) across England, Scotland, Wales and Northern Ireland (the latter for services delivered under the Control of Trade in Endangered Species (CITES) only).

Scope of this consultation

1.2 The principal purpose of this consultation is to seek views on proposals for revising existing fees to achieve full cost recovery and to seek further information on the impact of any fee increases on businesses, including small and micro businesses. The seven statutory services where fees are being reviewed are listed in box 1.

Box 1: Statutory services

1. Bovine Embryos
2. Bovine Semen
3. Porcine Semen
4. Poultry Health Scheme (PHS)
5. *Salmonella* National Control Programmes (NCP)
6. Border Inspection Posts (BIPs)
7. Control of Trade in Endangered Species (CITES)

Geographical Extent

1.3 Fee revisions will apply in England, Scotland, Wales and Northern Ireland (the latter for CITES only).

Impact Assessment

1.4 Impact Assessments (IAs) covering the proposals as they relate to each of the services are presented as separate annexes A-G. The IAs are available to view by following the link to the consultation papers at www.defra.gov.uk/consult .The IAs provide further background on each individual service and the currently available evidence on impacts to business and the wider environment. It is recommended that consultees review them, alongside this consultation document.

Audience

1.5 A list of stakeholders who have been invited to give their views has been published with this consultation. Other interested parties are welcome to make comments.

Body Responsible for Consultation

1.6 This consultation is being undertaken by Defra, the Welsh Government, the Scottish Government, AHVLA, and the Northern Ireland Executive (the latter for CITES only). The consultation is being managed by Defra.

Duration

1.7 The consultation started 16th July 2012 and will last 8 weeks until 10th September 2012.

How to respond or make an enquiry

1.8 Enquiries and responses may be directed to one of the following:

By post:

AHVLA Fees Consultation Team

Area 5A, 9 Millbank

c/o 17 Smith Square

London

SW1P 3JR

You can also download and complete the questionnaire electronically from www.defra.gov.uk/consult and email your response to:

AHfeesconsultation@defra.gsi.gov.uk

Responses should be received by 10th September 2012

Responses received after the closing date will not be counted.

After the consultation

1.9 In line with Defra's policy of openness, at the end of this consultation period copies of the responses we receive will be published in a summary of the responses to this consultation. **If you do not consent to this, you must clearly request that your response be treated as confidential.**

1.10 Any confidentiality disclaimer generated by your IT system in email responses will not be treated as such as request. Respondents should also be aware that there may be circumstances in which Defra will be required to communicate information to third parties on request, in order to comply with its obligations under the Freedom of Information Act 2000.

Compliance with the Code of Practice on Consultation

1.11 This consultation is in line with the “Code of Practice on Consultations”. Please note that a consultation period of 8 weeks applies.

Section 2 – Background Information

About AHVLA

2.1 The Animal Health and Veterinary Laboratories Agency (AHVLA) is an executive agency of Defra, working across Great Britain on behalf of England, Scotland and Wales (and NI in relation to CITES). The agency's purpose is:

Supporting a healthy and sustainable food and farming industry across Great Britain, and safeguarding society from animal health related threats by:

- Providing evidence and trusted expert advice for decision making on issues of animal welfare and animal and human health;
- Ensuring the most effective, economic and timely prevention of, and response to disease and implementation of decisions about animal health and welfare.

2.2 AHVLA delivers a wide range of services for different government administrations. This ranges from field activity on-farm through to specialist laboratory and scientific services. It includes facilitating trade in animals and animal products; research, consultancy and specialist advice; surveillance and the management of disease controls; and national and international reference responsibilities for certain exotic and zoonotic diseases. The agency also has the capability to respond to disease emergencies both in the field in GB and also through the reference laboratory function to support management of disease in Northern Ireland, the EU and worldwide.

2.3 The economic situation and the need to cut the deficit have resulted in increased downward pressure on public spending. All departments and agencies are facing similar cuts and need to think of new ways of working to continue to deliver in this difficult environment. The funding for AHVLA as a result of the UK Government's Spending Review will continue to decrease over the period to 2015. In order to maintain delivery levels and address the funding reduction as much as possible, AHVLA will need to make efficiencies, reduce the infrastructural cost base and look to revise charges for services provided in line with Government policy¹.

2.4 Many of the activities AHVLA is responsible for delivering relate to statutory requirements and in some areas end-users are already charged a fee for these services. The statutory areas where a fee is already charged are:

- Bovine Embryos
Bovine Semen
- Porcine Semen
- Poultry Health Scheme (PHS)
- *Salmonella* National Control Programmes (NCPs)

¹Managing Public Money (October 2007) HM Treasury http://www.hm-treasury.gov.uk/d/mpm_whole.pdf

- Border Inspection Posts (BIPs)
- Control of Trade In Endangered Species (CITES)

Rationale for intervention

2.5 Whilst government already charges businesses for some services, the fees have not (in the majority of cases) been revised for some time. This has resulted in a subsidy for users and a financial cost to the general taxpayer. Government intervention is necessary to remove the subsidy and relieve the burden on the general taxpayer. The proposal therefore is to revise existing fees to businesses to achieve full cost recovery levels, in line with government policy.

Efficiencies

2.6 Through increased utilisation of staff and other efficiency drivers, AHVLA has been able to reduce the costs associated with the delivery of statutory services. In addition, all existing work areas, including areas where charges are applied, are subject to the agency's broad ongoing programme of process improvements and efficiency savings. Some examples of areas where AHVLA has already achieved efficiencies are set out below:

- The rationalisation of administrative functions as a result of the introduction of a new IT system. The latest phase of the system was released in September 2011 and, although the roll-out and implementation of some areas is still on-going, a saving of approximately 90 Full Time Equivalent (FTE) posts has been made thus far;
- A review of the management structure of Field Delivery services across AHVLA. In England, there are now four regions (reduced from eight) responsible for this work: each region is managed by an Operations Director. In Wales, one Operations Director is now responsible for all field delivery work carried out (reduced from two Directors). In Scotland, one Operations Director is now responsible for all field delivery work carried out (reduced from four Divisional Managers);
- The rationalisation of AHVLA Laboratory services work was put in train to cease laboratory testing at Thirsk, Truro and Langford, by 31st March 2012; and Aberystwyth, Carmarthen, Luddington, Preston and Winchester, by 31st March 2013. As well as cost savings of around £2.4m per year, there are advantages to delivering through a smaller network of larger laboratories. AHVLA will be able to reintroduce weekend testing, which will improve test turnaround time.
- Centralisation of the Export Health Certification process to one of AHVLAs Specialist Service Centres in Carlisle achieved an efficiency of over 40% in terms of administrative resource and a 50% reduction in veterinary input. During 2011/12, an increase in demand of some 20% in export certification work was seen. By the development of new and innovative working practices, in partnership with exports, this work has been absorbed whilst maintaining delivery targets and customer service standards.

2.7 In addition to the areas where AHVLA has already delivered efficiencies, the agency also has an ongoing programme of efficiency initiatives, examples of which are listed below:

- On-boarding of Shared Services –services undertaken previously ‘in house’ by the former VLA, including HR and Finance, are being transferred to Defra’s Shared Service Directorate, thereby releasing resources and reducing costs within the agency
- The Agency’s Centralisation Project is reviewing all of the delivery work areas undertaken by AHVLA with the aim of identifying whether there are further administrative functions that can be centralised. Dependent of the outcome of this project, there is potential for resource and associated efficiency savings;
- Estates rationalisation has been achieved by surrendering properties at lease end or lease break, closing surplus operating bases and identifying rationalisation opportunities and efficiencies. Over the past 18 months, AHVLA have vacated 15 former Animal Health regional offices, with the alternative accommodation being provided within other Defra/Agency and former VLA laboratories. On completion of these and other ongoing projects, the rationalisation will have achieved over £1.5 million gross savings per annum

2.8 Since charges were originally introduced for statutory services, we have worked collaboratively with stakeholders to review and enhance processes in order to ensure efficiency and quality improvements. Some examples of these enhancements are provided below:

- **Bovine semen** - processes have been enhanced for users by offering a discounted service for high volumes of specimens for testing and an on line status report so that firms can track progress.
- **Poultry Health Scheme** – a new laboratory testing regime has been introduced which should lead to more reliable results in identifying disease and require less call out (so reduced costs to users) from AHVLA Veterinary Officers and Official Veterinarians.
- **Border Inspection Posts)** - AHVLA has reduced the costs associated with operating a BIP by moving away from running a 24 hour service to operating a ‘when needed’ service. AHVLA has also introduced a programme of audit inspections and this is leading to improved consistency and standards in BIPs.
- **CITES** – internal procedures have been reviewed and amended to ensure a greater focus on delivery and faster processing of applications, including a reduction in the number of applications referred to the scientific authorities. New systems enabling email applications and on line payments have also been introduced.
- **Salmonella National Control Programmes** - the UK poultry industry has an excellent record of Salmonella control. The industry assurance schemes in the broiler and layer sectors are a good example of Government, AHVLA and industry led initiatives which contribute to the UK maintaining one of the lowest *Salmonella* prevalence rates across Europe and reducing costs of farmers (food business operators). AHVLA will continue to work with industry to explore further the possibility of amalgamating AHVLA official sampling visits.

2.9 As part of an ongoing programme of process improvement and efficiency savings, we will continue to consider ways of streamlining the services provided and charged for, with the aim of further reducing costs and limiting where possible any future fee increases. AHVLA is for example considering replacing a number of IT systems, including to support the CITES licensing service. The aim is to move to a 'self-service' approach for customers, which should increase the speed of application processes and improve the customer experience. More detailed information on this specific proposal can be found in the CITES impact assessment at annex G. In addition to reviewing in-house processes, we are also keen to continue working in partnership with stakeholders, in order to try and identify and introduce further changes to how services are delivered and provide improved value for money.

Government policy on charging for publicly provided services

2.10 "Managing Public Money" explains that it is government policy to charge for many publicly provided goods and services. Charging for services relieves the general taxpayer of costs, so that they are properly borne by users who benefit from a service. This allows for a more equitable distribution of public resources and enables lower public expenditure and borrowing.

2.11 The norm is to charge at full cost. Some exceptions are noted in Box 2.

Box 2: Exceptions to full cost charging

- **Subsidised services:** where ministers decide to spend public resources on lowering costs for some or all consumers of public services, e.g. free prescriptions for children;
- **Taxation:** where Parliament authorises charges above cost, e.g. vehicle excise duty;
- **Information services:** where charges are generally low or minimal as a matter of policy, e.g. most freedom of information (Fol) requests;
- Certain discretionary services provided in **competition** with the private sector, where a commercial rate is normally charged, e.g. letting out public space for private use;
- **Levies:** licences to operate using public goods, often set to recover associated costs such as supervision by a regulator e.g. gambling licences.

2.12 AHVLA, in line with Government policy, is required to review the fees to ensure that the full costs of service provision are met by businesses benefiting from these services. This must be achieved without compromising the Government's ability to meet its international obligations as set out in the individual scheme regulations.

Calculation of fees

2.13 The charges detailed at annexes 1-7 within this document reflect the full cost of providing each service in 2012/13. Charges are based on a field unit price (staff time and cost taken to undertake the activity) plus an overhead cost (which includes elements such as accommodation and IT costs). A more detailed explanation of how costs have been calculated is provided at annex 8 of this document.

2.14 It is important to note that whilst it is government policy to charge for some services, government also still continues to fund a wide range of activities related to animal and health welfare, such as research and development, surveillance and enforcement.

2.15 As part of this review, in addition to looking at revising fees, consideration has also been given to ensuring the way in which we charge is consistent and fair across the different service areas. This has resulted in proposed changes to the method of calculation for some activities and changes to the charging structure in some areas. The proposed changes are outlined in section III of this consultation document and more detailed descriptions of the changes can also be found in the IAs presented separately at annexes A-G.

Options under consideration

2.16 For the purposes of this consultation exercise, three options for delivering the government's policy of full cost recovery are under consideration:

- **Option 0: No intervention.** Under this option fees would be maintained at current levels. This is not considered a realistic option but provides a baseline against which other options can be assessed.
- **Option 1: Increase fees to full cost recovery during 2012/13.** Under this option fees would be increased to full cost recovery from October 2012.
- **Option2: Phased fee increases to full cost recovery.** Under this option fees would be increased in incremental steps to reach full cost recovery during 2013/14 or 2014/15.

Section 3 – Summary of statutory services

Bovine Embryos

3.1 Specific controls are in place to monitor the conditions under which bovine embryos are collected, identified and traced. These controls both help guard against diseases which could be transferred via embryos and facilitate trade. AHVLA, has responsibility for licensing bovine embryo (collection, production and transfer) teams and storage centres.

3.2 The Bovine Embryo (Collection, Production and Transfer) (Fees) Regulations 1995 set fees to cover these services. These fees have not been updated since 1995.

3.3 As at August 2011, there were 18 bovine embryo collection and production teams in the UK approved for Inter-union trade.

3.4 The income recovered from the beneficiaries of these services (2010/11) is currently less than 23% of the cost to Government of providing the service based on 2011/12 estimates.

Statutory Income	Cost of service provision
£4,000	£18,000

Options under consideration

3.5 This section summarises the three options under consideration and proposals for increased fees to achieve full cost recovery for bovine embryo services. Further details of the proposals and current evidence on impacts to business from increased fees are provided in the separate IA at Annex A and it is recommended that consultees review this. Annex 1 within this document sets out both the proposed full cost recovery fee and phased fee for 2012/13 for each bovine embryo related service delivered by AHVLA.

Option 0: No intervention

This option would maintain partial recovery of the cost of service provision. The taxpayer would continue to subsidise the service at around £14,000 per year. This is not an acceptable option as it does not deliver full cost recovery but does provide a baseline against which the other options can be assessed.

Option 1: Increase fees to full cost recovery during 2012/13

Under this option, current fees would increase directly to full cost recovery in October 2012, with the costs borne by those who benefit rather than being subsidised by taxpayers. These changes would present an additional financial burden to users of the service of £7,000 for the six month period October 2012-March 2013, rising to £14,000 for the 2013/14 financial year and each full financial year thereafter.

Option 2: Phased fee increases over 2 years to achieve full cost recovery in 2013/14.

Under this option, current fees would be increased to the midpoint between the current charge and full cost recovery in October 2012 and increased to full cost recovery in October 2013. The phasing in of fee increases would provide businesses with a transitional period to full cost recovery. It would also provide time for AHLVA to work with businesses to establish more efficient working practices which could lead to a reduction in the fee increase in year 2 to achieve full cost recovery. This option would present an additional financial burden to industry of £3,500 for the six month period October 2012 – April 2013; £10,500 for financial year 2013/14; and £14,000 for each year thereafter.

Proposed changes to fee calculations

3.6 Existing fees comprise a fixed administration cost and a fixed Veterinary Officer (VO) element (calculated on the basis of average VO time). AHVLA propose to move to a fixed administration fee plus a variable fee for VO time which would be based on the actual VO time taken. This proposal would create a fairer approach as users of the services would only pay for actual VO time taken rather than a fixed average cost.

Bovine Semen

3.7 Controls on bovine semen are necessary to prevent the spread of certain animal diseases transmitted through semen and which prevent economic wellbeing of the livestock industry. The services that AHVLA currently provide to industry are licensing of artificial insemination (AI) centres, and approval and sampling of donor animals.

3.8 The Bovine Semen (England) Regulations 2007 (as amended), Bovine Semen (Scotland) Regulations 2007 and Bovine Semen (Wales) Regulations 2008, set out the services for which a fee is payable i.e. Licensing the collection, processing and storage of bovine semen established under Council Directive 88/407/EEC (as amended) for trade with other EU Member States, and a second tier for domestic (UK) trade. Fees have not been updated since their introduction in 2001.

3.9 As at March 2012, there were three main companies requiring AHVLAs services in this area.

3.10 The income recovered from the beneficiaries of these services (2010/11) is currently less than 54% of the cost to Government of providing the service based on 2011/12 estimates.

Statutory Income	Cost of service provision
£128,000	£212,000

Options under consideration

3.11 This section summarises the three options under consideration and proposals for increased fees to achieve full cost recovery for bovine semen services. Further details of the proposals and current evidence on impacts to business from increased fees are provided in the separate IA at Annex B and it is recommended that consultees review this. Annex 2 within this document sets out both the proposed full cost recovery fee and phased fee for 2012/13 for each bovine semen related service delivered by AHVLA.

Option 0: No intervention

This option would maintain partial recovery of the cost of service provision. The taxpayer would continue to subsidise the service at around £84,000 per year. This is not an acceptable option as it does not deliver full cost recovery but does provide a baseline against which the other options can be assessed.

Option 1: Increase fees to full cost recovery during 2012/13

Under this option, current fees would increase directly to full cost recovery in October 2012, with the costs borne by those who benefit rather than being subsidised by taxpayers. These changes would present an additional financial burden to users of the service of around £42,000 for the six month period October 2012 – April 2013, rising to £84,000 for the 2013/14 financial year and each year thereafter.

Option 2: Phased fee increases over 2 years to achieve full cost recovery in 2013/14.

Under this option, current fees would increase to the midpoint between the current charge and full cost recovery in October 2012 and increase to full cost recovery in October 2013. The phasing in of fee increases would provide businesses with a transitional period to full cost recovery. It would also provide time for AHLVA to work with businesses to establish more efficient working practices which could lead to a reduction in the fee increase in year 2 to achieve full cost recovery. This option would present an additional financial burden to industry of £17,000 for the six month period October 2012- April 2013; £59,000 for 2013/14; and £84,000 for each year thereafter.

Proposed changes to fee calculations

3.12 Current fees are comprised of technical inspection/sampling of a donor animal by a vet. AHVLA propose to charge a fixed rate to cover administration costs and then charge Veterinary Officer time at an agreed rate, based on actual time taken on activity. Users of the service will have the option of using an Official Veterinarian to take samples etc, as their costs may well be lower than the cost of using an AHVLA Veterinary Officer.

Porcine Semen

3.13 Controls on porcine semen are necessary to prevent the spread of certain animal diseases transmitted through semen and which prevent economic wellbeing of the

livestock industry. AHVLA are currently responsible for inspecting and approving collection centres, sampling/testing donors animals and approving eligible donors.

3.14 The Porcine Semen (Fees) (England) Regulations 2007, the Porcine Semen (Fees) (Scotland) Regulations 2007 and in Wales the Artificial Insemination (Cattle and Pigs) (Fees) Regulations 1987 set out charges for licensing the collection, processing and storage of porcine semen established under Council Directive 90/429/EEC (as amended) for trade with other EU member States, and a second tier for domestic (UK) trade. Fees in this area have not been revised since 2007.

3.15 Seven businesses currently use AHVLA services in this area and in 2011, the number of semen consignments exported to the EU and a third country was 93.

3.16 The income recovered from the beneficiaries of these services (2010/11) is currently less than 61% of the cost to Government of providing the service based on 2011/12 estimates.

Statutory Income	Cost of service provision
£51,000	£83,000

Options under consideration

3.17 This section summarises the three options under consideration and proposals for increased fees to achieve full cost recovery for porcine semen services. Further details of the proposals and current evidence on impacts to business from increased fees are provided in the separate IA at Annex C and it recommended that consultees review this. Annex 3 within this document sets out both the proposed full cost recovery fee and phased fee for 2012/13 for each porcine semen related service delivered by AHVLA.

Option 0: No intervention

This option would maintain partial recovery of the cost of service provision. The taxpayer would continue to subsidise the service at around £32,000 per year. This is not an acceptable option as it does not deliver full cost recovery but does provide a baseline against which the other options can be assessed.

Option 1: Increase fees to full cost recovery during 2012/13

Under this option, current fees would increase directly to full cost recovery in October 2012, with the costs borne by those who benefit rather than being subsidised by taxpayers. These changes would present an additional financial burden to users of the service of £16,000 for the 6 month period October 12 – April 2013, and £32,000 for 2013/14 and each full financial year thereafter.

Option 2: Phased fee increases over 2 years to achieve full cost recovery in 2013/14.

Under this option, current fees would increase to the midpoint between the current charge and full cost recovery in October 2012 and increase to full cost recovery in October 2013. The phasing in of fee increases would provide businesses with a transitional period to full cost recovery. It would also provide time for AHLVA to work with businesses to establish more efficient working practices which could lead to a reduction in the fee increase in year 2 to achieve full cost recovery. This option would present an additional financial burden to industry of £8,000 for the six month period October 2012 - April 2013; £24,000 in 2013/14; and £32,000 in 2014/15 and each full financial year thereafter.

Proposed changes to fee calculation

3.18 Current fees are comprised of technical inspection/sampling of a donor animal by a vet. AHVLA propose to charge a fixed rate to cover administration costs and then charge Veterinary Officer time at an agreed rate, based on actual time taken on activity. Users of the service will have the option of using an Official Veterinarian to take samples etc, as their costs may well be lower than the cost of using an AHVLA Veterinary Officer.

Poultry Health Scheme

3.19 Any holdings that wish to export live birds or hatching eggs to the EU and third countries must be members of the Poultry Health Scheme. The Poultry Health Scheme is operated by AHVLA and offers a system of registration and approval enabling establishments to comply with EU legislation and therefore be eligible to export birds and eggs.

3.20 The Poultry Health Scheme (PHS) (Fees) Regulations 2011, the Poultry Health Scheme (Fees) (Wales) Regulations 2011 and the Poultry Health Scheme (Fees) (Scotland) Regulations 2012 provide the legal basis for setting the fees for the approvals of the Poultry Health Scheme established under Council Directive 2009/158/EC and the Trade in Animals and Related Products Regulations 2011, Trade in Animals and Related Products Regulations (Scotland) Regulations 2012 and Trade in Animals and Related Products Regulations (Wales) Regulations 2011. Fees for services provided by AHVLA have not been updated since 2005.

3.21 As at March 2012, there were 31 companies (representing 215 holdings/locations) that were members of the Poultry Health Scheme. In 2010, the number of consignments of live birds and hatching eggs exported from GB to the EU and third countries was 2,564 with an export value of approximately £127,000,000.

3.22 The income recovered from the beneficiaries of these services (2010/11) is currently less than 24% of the cost to Government of providing the service, based on 2011/12 estimates.

Statutory Income	Cost of service provision
£25,000	£104,000

Options under consideration

3.23 This section summarises the three options under consideration and proposals for increased fees to achieve full cost recovery for services AHVLA provide under the Poultry Health Scheme. Further details of the proposals and current evidence on impacts to business from increased fees are provided in the separate IA at Annex D and it is recommended that consultees review this. Annex 4 within this document sets out both the proposed full cost recovery fee and phased fee for 2012/13 for each service AHVLA deliver under the Poultry Health Scheme.

Option 0: No intervention

This option would maintain partial recovery of the cost of service provision. The taxpayer would continue to subsidise the service at around £79,000 per year. This is not an acceptable option as it does not deliver full cost recovery but does provide a baseline against which the other options can be assessed.

Option 1: Increase fees to full cost recovery during 2012/13

Under this option, current fees would increase directly to full cost recovery in October 2012, with the costs borne by those who benefit rather than being subsidised by taxpayers. These changes would present an additional financial burden to users of the service of £38,850 for the six month period October 2012-April 2013, rising to £77,700 for the 2013/14 financial year and each full financial year thereafter.

Option 2: Phased fee increases over 2 years to achieve full cost recovery in 2013/14.

Under this option current fees would increase to the midpoint between the current charge and full cost recovery in October 2012 and increase to full cost recovery in October 2013. The phasing in of fee increases would provide businesses with a transitional period to full cost recovery. It would also provide time for AHLVA to work with businesses to establish more efficient working practices which could lead to a reduction in the fee increase in year 2 to achieve full cost recovery. This option would present an additional financial burden to industry of £19,400 for the six month period October 2012 – April 2013; £58,200 for financial year 2013/14; and £77,700 in 2014/15 and each full financial year thereafter.

Proposed changes to fee calculation

3.24 Existing fees are comprised of a fixed administration cost and a fixed Veterinary Officer (VO) element (calculated on the basis of average VO time). AHVLA propose to move to a fixed administration fee plus a variable fee for VO time which will be based on

the actual VO time taken. This proposal would create a fairer approach as users of the services would only pay for actual VO time taken rather than a fixed average cost.

Salmonella National Control Programmes

3.25 The *Salmonella* National Control Programmes (NCPs) safeguard public health by reducing the incidence of *salmonella* at the farm level, in laying chicken, breeding chicken, broiler and turkey flocks, and throughout the food chain. AHVLA's role (on behalf of the Competent Authority) is to collect and examine official samples, in order to verify progress in achieving *salmonella* reduction targets agreed by each Member State.

3.26 The Zoonoses and Animal By-Products (Fees) (England) Amendment Regulations 2010, the Zoonoses and Animal By-Products (Fees) (Scotland) Amendment Regulations 2010 and the Zoonoses and Animal By-Products (Fees) (Wales) Amendment Regulations 2010 provide the legal basis for AHVLA to recover full costs incurred for some of the implementation requirements of the *Salmonella* NCPs. This includes the collection and examination of routine official samples, as set out in Regulation (EC) 2160/2003; voluntary additional testing, as allowed under Regulation (EC) 1237/2007; and services provided to maintain a Defra approved private laboratory network, as required under Regulation (EC) 2160/2003 and (EC) 884/2004. Fees for services provided by AHVLA were last updated in 2010.

3.27 Between April 2011 and January 2012, 420 businesses were invoiced for NCP related services (373 for NCP sampling requirements and 47 approved laboratories).

3.28 The income recovered from the beneficiaries of these services (2010/11) is currently less than 56% of the cost to Government of providing the service, based on 2011/12 estimates.

Statutory Income	Cost of service provision
£174,000	£309,000

Options under consideration

3.29 This section summarises the three options under consideration and proposals for increased fees to achieve full cost recovery for services AHVLA deliver under the *Salmonella* NCPs. Further details of the proposals and current evidence on impacts to business from increased fees are provided in the separate IA at Annex E. Annex 5 within this document sets out both the proposed full cost recovery fee and phased fee for 2012/13 for each NCP related service delivered by AHVLA.

Option 0: No intervention

This option would maintain partial recovery of the cost of service provision. The taxpayer would continue to subsidise the service at around £135,000 per year. This is not an

acceptable option as it does not deliver full cost recovery but does provide a baseline against which the other options can be assessed.

Option 1: Increase fees to full cost recovery during 2012/13

Under this option, current fees would increase directly to full cost recovery from October 2012, with the costs borne by those who benefit rather than being subsidised by taxpayers. These changes would present an additional financial burden to users of the service of £67,954 for the six month period from October 2012 – April 2013, and £135,908 for 2013/14 financial year and each full financial year thereafter.

Option 2: Phased fee increases over 2 years to achieve full cost recovery in 2013/14.

Under this option, an increase in fees for the administration of the collection and examination of NCP official samples would be phased in (50% of the increase required to achieve full cost recovery from October 2012 and 100% full cost recovery in October 2013). Fees for the maintenance of a Defra approved private laboratory network would be increased to full cost recovery from October 2012 (inflationary increases only). These changes would present an additional financial burden to users of the service of £51,652 for the six month period October 2012 –April 2013; £121, 607 for the 2013/14 financial year; and £135,908 for 2014/15 onwards.

Proposed changes to fee calculation

3.30 Currently all sectors are charged the same flat rate. We propose to introduce sector specific charges for each of the Salmonella NCPs (laying flocks, breeder flocks, broiler flocks and turkey fattening and breeding flocks). Fees would be based on AHVLA administration time spent organising visits (sector specific) and actual time spent of farm. This proposal would remove the element of cross subsidy that currently exists and ensure that charges are more fairly distributed to all food business operators.

3.31 The layer sector is not currently charged the full cost of bacteriological testing of official samples. Currently this sector pays (£15.30 per sample) for the bacteriological culture testing bootswab component but the second component (dust test) is subsidised by Government. We propose to charge the layer section the full cost of official sampling in future, meaning they would now pay for two bacteriological tests; the bootswab and dust test at £15.30 per sample (i.e. £30.60 in total).

Border Inspection Posts

3.32 In order to safeguard against the introduction of animal diseases that could seriously damage our livestock and ecosystems, all live animals (other than accompanied pets) imported from third countries into the EU are subject to a veterinary health check. AHVLA is responsible for carrying out these checks at specifically approved points of entry know as Border Inspection Posts (BIPs).

3.33 Council Directive 91/496/EEC requires that all live animals (other than accompanied pets) are inspected by an official veterinarian on entry into the EU at a Border Inspection Post. Council Regulation 882/2004 (EC) requires that the costs for carrying out these checks are recovered from the importer; Member States can either charge a minimum fee for each consignment imported into the EU (Annex V, Section b, Chapter 111 of 822/2004 (EC)), or they can establish their own charges based on the actual costs of inspections. AHVLA has charged for the import of live animals from outside the EU since 1997 through the Animal (Third Country Imports) (Charges) Regulations 1997 and fees have not been updated since 1997.

3.34 In 2010, over 5,000 organisations and individuals imported a live animal into the GB from a third country and the total value of imports was around £110m.

3.35 The income recovered from the beneficiaries of these services (2010/11) is currently less than 26% of the cost to Government of providing the service, based on 2012/13 forecasts.

Statutory Income	Cost of service provision
£250,000	£953,000

Options under consideration

3.36 This section summarises the options under consideration and proposals for increased fees to achieve full cost recovery for the Border Inspection service that AHVLA provides. Further details of the proposals and current evidence on impacts to business from increased fees are provided in the separate IA at Annex F and it is recommended that consultees review this. Annex 6 within this document sets out the both the proposed full cost recovery fee and EU minimum fee for 2012/13 for Border Inspection Post services provided by AHVLA.

Council Regulation 882/2004 (EC) requires that the costs for carrying out the checks under Council Directive 91/496/EEC are recovered from the importer. This Regulation also lays down a minimum fee for each consignment imported into the EU. At present this is set at €55 compared to a current UK charge of up to £25. This Regulation is directly binding on all UK administrations so whilst moving to full cost recovery is being considered, we intend in the interim to increase the current charges to this minimum in order to comply with EU legislation. We will therefore be increasing charges to the EU minimum level with effect from 16th October 2012. The options set out below consider changes to charges for Border Inspection services beyond the EU minimum.

Option 0: No intervention

This option would maintain partial recovery of the cost of service provision. The taxpayer would continue to subsidise the service at around £703,000 per year. This is not an

acceptable option as it does not deliver full cost recovery and does not comply with EU legislation but does provide a baseline against which the other options can be assessed.

Option 1: Increase fees to full cost recovery during 2012/13

Under this option, current fees would increase directly to full cost recovery (where costs are more than the EU minimum fee) from October 2012, with the costs borne by those who benefit rather than being subsidised by taxpayers. These changes would present an additional financial burden to users of the service of £352,000 for the six month period from October 2012 – April 2013; and £703,000 for 2013/14 financial year and each full financial year thereafter.

Option 2: Phased fee increases over 2 years to reach full cost recovery in 2013/14

Under this option, fees for veterinary checks at Border Inspection Posts would be increased to the EU minimum in 2012 and to full cost recovery (where more than the EU minimum fee) in October 2013. The phasing in of fee increases would provide businesses with a transitional period to full cost recovery and provide time for us to work with importers to establish more efficient working practices which could lead to a reduction in future fee increases. These changes would present an additional financial burden to users of the service of £259,000 for the six month period October 2012 –April 2013; £518,000 for the 2013/14 financial year and each full financial year thereafter.

CITES

3.37 The purpose of the Convention of International Trade in Endangered Species (CITES) is to ensure that no species of wild fauna or flora becomes or remains subject to unsustainable exploitation because of international trade. In the UK, AHVLA is responsible for issuing the licences required by EU regulations^{2 3} for trading in CITES listed species.

3.38 The Control of Trade in Endangered Species (Fees) Regulations 2009 set charges to cover the costs of issuing licences to control the trade in endangered species of wild fauna and flora. Fees were last updated in 2009.

3.39 The income recovered from the beneficiaries of these services (2010/11) is currently less than 43% of the cost to Government of providing the service based on 2012/13 forecasts.

² Council Regulation (EC) No. 338/97 of 9 December 1996 on the protection of species of wild fauna and flora by regulating trade therein.

³ Commission Regulation (EC) No. 865/2006 of 4 May 2006 laying down detailed rules concerning the implementation of Council Regulation (EC) No. 338/97 of 9 December 1996 on the protection of species of wild fauna and flora by regulating trade therein.

Statutory income	Cost of service provision
£420,000	£700,000 ⁴

Options under consideration

3.40 This section summarises the three options under consideration and proposals for increased fees to achieve full cost recovery for the CITES licensing service AHVLA provides. Further details of the proposals and current evidence on impacts to business from increased fees are provided in the separate IA at Annex G and it is recommended that consultees review this. Annex 7 within this document sets out the both the proposed full cost recovery fee and phased fees for 2012/13 for each CITES service AHVLA deliver.

Option 0: No intervention

This option would maintain partial recovery of the cost of service provision. The taxpayer would continue to subsidise the service at around £280,000 per year. This is not an acceptable option as it does not deliver full cost recovery but does provide a baseline against which the other options can be assessed.

Option 1: Phased fee increases over 3 years to achieve full cost recovery in 2014/15

Under this option, current fees would be increased by 25% in October 2012 and then increased to full cost recovery in October 2014. The phasing in of fees would allow AHVLA time to review and consider options for improving IT systems and streamlining the way scientific advice is provided, both of which could result in a reduction in the operating costs of the licensing service.. Under option 1, for the six month period October 2012-March 2013 an additional £40,000 will be transferred to the users of the service, rising to £70,000 for the 2013/14 financial year and leaving £48,000 to be funded from general tax receipts. For the six month period October 2014 - March 2015, a further £140,000 will be transferred to users of the services above the current level. This will rise to £260,000 for the 2015/16 financial year thereafter.

Option 2: Increase fees to full cost recovery during 2012/13

Under this option, current fees would increase directly to full cost recovery in October 2012, with the costs borne by those who benefit rather than being subsidised by taxpayers. Under option 2, an additional £140,000 will be transferred to service users between October 2012 – March 2013, rising to £260,000 from 2013/14 and for each full financial year thereafter.

⁴ This figure excludes the costs of enforcement related activities undertaken by AHVLA in relation to CITES licensing

Proposed changes to fee calculation

3.41 Existing fees do not distinguish between animal and plant permits/certificates. We propose to introduce a new fee structure which differentiates between animals and plants and reflects the different costs in providing scientific advice for the two categories.

3.42 In addition, for each application we also propose to introduce a £1.50 charge for each additional permit or certificate issued after the first. This is to cover the administrative costs associated with their production and would replace the current provision for the charging of fees for certain multiple permits or certificates (Article 4 of the 2009 regulations).

Timing of introducing new fees

3.43 The aim is to implement the revised fees from October 2012, subject to the necessary legislation being in place.

3.44 In developing the options for each service, we have considered whether to phase in the new fees over two years (three years for CITES), or to introduce them in full once the required legislation is in place. Our preferred option for all areas (except for the *Salmonella*) National Control Programmes is to phase in the revised fees for each service thereby providing time for businesses to absorb the increases and to work with us over the next year to develop more cost effective services.

3.45 Please note, that in some instances the full cost recovery charge is less than the existing fee. Where this has occurred we have assumed that the full cost recovery charge will not be phased in and will apply with immediate effect i.e from October 2012.

3.46 It is recognised that our preferred option for the *Salmonella*) National Control Programmes differs to the phased-in approach being taken for other charges we will explore this issue further with stakeholders during the consultation. However it is important to acknowledge that the *Salmonella* NCPs and accompanying Fees Regulation have been in place for several years. When first introduced, it was agreed with industry that the related charges would be at full cost recovery. A three year phasing in period has already been applied to allow businesses time to adjust their financial planning and the poultry sector has previously benefited from concessions, such as Government not charging industry for the first year of each NCPs implementation.

The phased option would mean that during 2012/13:

- NCP fees would increase directly to full cost recovery;
- BIP fees would be kept at the EU minimum;
- Bovine embryo, bovine semen, porcine semen and PHS fees would be increased to midway between the existing fee and full cost recovery and existing CITES fees would be increased by 25%. Further increases needed to achieve full cost recovery

in the following year (s) would depend on the outcome of our ongoing work to develop more cost effective services.

Key risks

3.47 The main risks identified in the seven impact assessments (annexes A-G) for each of the services are summarised as:

- If full cost recovery is not implemented, AHVLA may need to find savings in the areas covered in this document to deliver savings required under the Comprehensive Spending Review, with potential impacts on the current level of service and reduced animal and human health protection. Alternatively, reductions may need to be found elsewhere in the AHVLA programme. For example disease surveillance, which could potentially increase the risk that animal disease introductions may be missed and result in eradication actions increasing in frequency and cost, costs that would be borne by businesses and government.

3.48 If full cost recovery is implemented, the key risks include:

- Reduced demand for services if some market sectors become unprofitable. Some businesses may pass on the increased costs to their customers. This could potentially result in reduced demand and falling profits in turn making some businesses unviable.
- A potential cumulative impact on some users of the services. For example, increases to charges related to Border Inspection Posts are likely to affect some sub sectors trading in CITES goods. More detail on the relationship between the charging areas under consideration in this consultation can be found in the IAs at Annexes A-G. Other fees and charges may also be increased or introduced over time in line with the Government's policy to recover the full cost of services delivered, where appropriate. Some of these charges may also impact on those subject to the charges under consideration in this consultation document.
- Increased fees could potentially result in an increase in non-compliance rates. Through this consultation we wish to gain a better understanding and collect more evidence by which to predict the impact of proposed fees on rates of compliance.

Assumptions

3.49 The main assumptions made in reviewing costs and the fees needed to achieve full cost recovery are:

- Service cost calculations for 2012/13 are based on the assumption that volumes (e.g. no of consignments, applications etc) will remain at or close to 2010/11 volumes. Significant changes could lead to a change in the full cost recovery position and hence future fees may go up or down.

- There will be a minimal increase in the administrative burden on businesses because although fees will increase the administrative process remains unchanged.

Consultation

3.50 This written consultation builds on informal discussions with some of the representative industry associations during the development of the impact assessments for each of the services.

3.51 The main purpose of this consultation is to inform all stakeholders likely to be affected by the proposed revisions to fees for the statutory services, and in particular to seek:

- Comments on the options summarised in this document and given in more detail in the separate impact assessments for each service (annexes A-G), and to propose other options that could deliver the government's objectives of full cost recovery and;
- Comments on and further evidence for the impact assessments for each of the services as set out in the separate annexes. This information will help to ensure we have the best available evidence on which to make decisions on implementation on full cost recovery.

3.52 Annexes 1 to 7 within this document set out the proposed fees for activities under each of the seven areas based on both full cost recovery and a phased approach. This data is taken from the impact assessments which are presented as separate annexes (A-G) to the consultation document.

3.53 The consultation questionnaire sets out specific questions to help us make informed assessments of the risks associated with the proposed options for each of the services. We would welcome your answers to these questions submitted via the downloadable questionnaire. Any additional information you can provide to support your answers would be useful in making an accurate assessments of the impacts of the proposals.

3.54 We are consulting widely, including businesses affected by the changes and individuals, group and organisations who may have an interest in any of the statutory services.

3.55 To help ensure interested businesses, other organisations and individuals have an opportunity to comment, the consultation document and separate annexes are available on the Defra website at: www.defra.gov.uk/consult

3.56 A list of consultees is provided at annex H on the Defra website at: www.defra.gov.uk/consult

Any interested parties, who are not included on the consultee list, are invited to submit evidence via the questionnaire.

Annex 1: Changes in fees – Bovine Embryos

Service	Proposed phased fee 12/13	Proposed full cost recovery fee 2012/13
Veterinary Officer (VO) time per 30 mins	£22.75	£45.50
Approval of Bovine Embryo (BE) collection or production team with inspection of one laboratory	£131.26 + VO time	£188.57 + VO time
Approval of BE collection or production team with no inspection of laboratory	£168.28	£188.57
Approval of additional laboratory	£85.99 + VO time	£125.71 + VO time
Approval of additional laboratory when inspection done at same time as and within 8km of any other inspection under the principal regulation	£26.63 + VO time	£41.90 + VO time
Approval of BE transfer team	£17.36	£17.36
Approval of storage centre	£42.52 + VO time	£125.71 + VO time
Approval of Storage centre when inspection done at same time as and within 8km of any other inspection under the principal regulations	£26.63 + VO time	£41.90 + VO time
Application for alteration to approved premises	£71.06 + VO time	£114.94 + VO time
Routine inspection of records of team with one store	£70.24 + VO time	£105.86 + VO time

Routine inspection of additional laboratory or store	£40.95 + VO time	£62.86 + VO time
Routine inspection of each additional laboratory or store at the same time as and within 8km of any other inspection under the principal regulations	£36.36 + VO time	£62.86 + VO time

Annex 2: Changes in fees – Bovine Semen

Service	Proposed phased fee 12/13	Proposed full cost recovery fee 2012/13
Veterinary Officer (VO) time per 30 mins	£22.75	£45.50
Bovine animal approval licence- domestic	£38.34 + VO time	£47.80+ VO time
Bovine animal approval licence (EC) - under 6 months or over 6 months in same sex group* (OV testing 1 st & 2 nd series)	£187.11 + VO time	£213.08 + VO time
Bovine animal approval licence (EC) - under 6 months or over 6 months in mixed sex group* (OV testing 1 st & 2 nd series)	£368.11 + VO time	£394.08 + VO time
EC quarantine centre licence	£113.91 + VO time	£188.57 + VO time
EC Domestic collection centre licence	£145.69 + VO time	£188.57 + VO time
EC Domestic storage centre licence	£63.35 + VO time	£82.41 +VO time
Routine examination of licensed animal (Domestic)	£33.84 + VO time	£49.68 + VO time
Routine examination of licensed animal (EC)	£140.13 + VO time	£148.81 + VO time
Routine examination of licensed animal (Domestic/ EC)	£13.92 + VO time	£17.36 + VO time

Annex 3: Changes in fees – Porcine Semen

Service	Proposed phased fee 12/13	Proposed full cost recovery fee 2012/13
Veterinary Officer (VO) time per 30 mins	£22.75	£45.50
Application for approval of 6 boars (Domestic average) for the collection of semen which will not be subject to intra-community trade	£91.88 + VO Time	£112.06 + VO time
Application for approval of each additional boar examined at the same time	£19.50	£19.50
Application for approval of 21 porcine animal (s) (EU average) for collection of it's/ their semen – EU approval only	£400.28 + VO time	£420.46 + VO time
Application for such tests on each additional boar tested at the same time	£25.65	£25.65
Application for an artificial insemination centre licence	£28.86 + VO time	£57.72 + VO time
Application for approval of alteration to licensed premises (in accordance with conditions attached to the licence)	£28.86 + VO time	£57.72+ VO time
Examination of artificial insemination centre	£8.68 + VO time	£17.36 + VO time
Up to a maximum of 10 boars	£201.18 + VO time	£221.36 + VO time
Each additional boar on premises tested at same time	£25.65	£25.65

Up to a maximum of 10 boars	£139.68 + VO time	£190.36 + VO time
Each additional boar on premises tested at same time	£19.50	£19.50

Annex 4: Changes to fees – Poultry Health Scheme

Service	Proposed phased fee 12/13	Proposed Full cost recovery fee 2012/13
Costs that have to be incurred by users		
Veterinary Officer (VO) time per 30 mins	£22.75	£45.50
Application for registration (new and renewal)	£60.76	£60.76
1 st membership + visit by VO to Flock	£209.98 + VO time	£322.96 + VO time
1 st membership + visit by VO to Hatchery	£209.98	£322.96 + VO time
1 st membership + visit by VO to Flock and Hatchery	£232.98 + VO time	£322.96 + VO time
Costs where users can mitigate the impact of FCR by using an Official Veterinarian		
Renewal membership + visit by VO to Flock	£177.96 + VO time	£223.29 + VO time
Renewal of membership + visit by VO to Hatchery	£177.96 + VO time	£223.29 + VO time
Renewal of membership + visit by VO to Flock and Hatchery	£183.14 + VO time	£223.29 + VO time
Membership + visit by OV to Flock or hatchery	£74.40 + OV charge	£86.80 + OV charge
Membership + visit by OV to Flock and Hatchery	£78.40 + OV charge	£86.80 + OV charge

Annex 5: Changes in fees – *Salmonella* National Control Programmes

Service	Proposed phased fee 12/13	Proposed full cost recovery fee 2012/13
AHVLA on farm (time based) sampling time and travel time	£23.64 per ½ hour (or part of ½ hour) spent	£23.64 per ½ hour (or part of ½ hour) spent
Laying flocks - caged Laying flocks – Free range	£60.65	£60.65
Breeding flocks	£86.00	£95.81
Broiler flocks	£82.43	£88.86
Fattening Turkeys by AHO	£81.72	£87.44
Breeding Turkeys by AHO	£81.72	£87.44
Examination of official samples	£15.30 per sample	£15.30 per sample
The following charges are subject to zero or inflationary increases only and as such will not be subject to phasing in		
Processing application for approval of a laboratory Regulation 21 of the 2011 Regulations, or Article 12 of the European Regulation,	n/a	£18.50
Processing annual renewal application from an approved laboratory	n/a	£43.50
Inspecting a laboratory, for the purpose of Article 12 of Regulation , for a) one test b) two tests c) three tests	n/a	a) £604.50 + Defra charge £37.50; total £642 b) £624.00 + Defra charge; total £661.50

d) four tests		c) £643.50 + Defra charge; total £681.00 d) £663.00 + Defra charge; total £700.50
Administering a quality control test, under Regulation 21 of the 2005 Regulations, or Article 12 of the European Regulation for a) <i>Salmonella</i> CSPO single distribution (CSPO x4 distribution) ABPR single distribution (ABPR x4 distribution) b) Enterobacteriaceae ABPR single distribution (ABPR x4 distribution) c) Clostridium Perfringens ABPR single distribution (ABPR x4 distribution)	n/a	£37.00 £148.00 £37 x 4 £37.00 £148.00 £37 x 4 £68.00 £272.00 £68 x 4 £68.00 £272.00 £68 x 4
The following are three “Optional Tests” for Layer Flocks permitted under Regulation (EC) 1237/2007. (“Clearance Testing” to confirm or prove freedom from <i>Salmonella</i> after a “positive” official control test.)		
Conducting tests under point 4(b) (i) of part D of Annex II to the European Regulation ⁵ Enhanced Environmental Testing to detect <i>Salmonella</i>	n/a (no change to current charge)	£107.10 (7x 15.30)
⁶ Conducting tests under point 4(b) (ii) of part D of Annex II to the European Regulation		

⁵ EU Regulation (EC) 2160/2003, replaced by Annex I of Regulation (EC) 1237/2007

⁶ *For 2011/12 a 4.5% increase this was not previously increased during last revision of Fees

Testing internal organs from 300 carcasses for the presence of <i>Salmonella</i>	n/a	£3,560.
⁷ Conducting tests under point 4(b) (iii) of part D of Annex II to the Regulation (EC) 2160/2003, a) Testing 4000 eggs for the presence of <i>Salmonella</i>	n/a	£2,310

⁷ For 2011/12 a 3.3% increase this was not previously increased during last revision of Fees

Annex 6: Changes in fees – Border Inspection Posts

Service	EU minimum fee ⁸	Proposed full Cost recovery fee 2012/13
Equidae	£48.71	£53.70
Pigs and wild boar	£48.71	£53.70
Sheep, Goats, Alpaca and Cria	£48.71	£53.70
Poultry, rabbits and small game birds	£48.71	£42.42
Pets (unaccompanied pets)	£48.71	£42.42
Captive birds and rodents	£48.71	£42.42
Animals not covered by any other category	£48.71	£42.42
Live fish, aquatic animals and reptiles	£48.71	£73.52
Bovine animals	£48.71	£53.70
Ratites (Flightless birds)	£48.71	£42.42
Bees and other insects	£48.71	£73.52
Dangerous Zoo animals	£48.71	£42.42
Ungulates (Hoofed mammals)	£48.71	£42.42
Out of hours	£80.00	£80.00

⁸ EU minimum fee based on conversion rate of £1 = €1.1292 as published at September 2011 for use in 2012. Before minimum charges are introduced AHVLA will agree sterling equivalent of €55 on a specific date and publicise this as the rate for the year

Annex 7 Changes in fees – CITES

Service	Proposed fee 2012/13 at phase 1 of option 1 Animals	Proposed full cost recovery fee 2012/13 Animals	Proposed fee 2012/13 at phase 1 of option 1 Plants	Proposed full cost recovery fee 2012/13 Plants
Certificate of origin	£31	£119	£31	£169
Commercial use certificate - Article 10	£31	£68	£31	£121
Pre-issued certificate under Article 63 of the Commission Regulation (certificates for certain breeders or traders in dead specimens)	Discontinued	Discontinued	Discontinued	Discontinued
Re-export certificate	£37	£37	£59	£179
Pre-issued re-export certificate under Article 18 of the Commission Regulation (biological samples)	£44	£44	£59	£181
Pre-issued re-export certificate under Article 19 of the Commission Regulation (dead specimens)	£44	£44	£59	£181
Export permit	£63	£63	£74	£213

Import permit	£67	£67	£74	£153
Pre-issued export permit under Article 18 of the Commission Regulation	£72	£72	£74	£120
Pre-issued export permit under Article 19 of the Commission Regulation	£72	£72	£74	£120
Pre-issued export permit under Article 29 of the Commission Regulation (nursery permits)	£72	£72	£74	£120
Personal ownership certificate under Article 37 of the Commission Regulation	£74	£212	£74	£212
Sample collection certificate	£74	£212	£74	£212
Travelling exhibition certificate	£74	£212	£74	£212
Movement certificate - Issued under Article 9	£88	£133	£88	£182

Scientific institution certificate - Issued under Article 60	£146	£146	£195	£195
CITES registration	£221	£500	£221	£500

Annex 8: Fee methodology

The full cost recovery charges detailed at annexes 1-7 are based on charge out rates for 2012/13. These have been calculated as follows:

- Salary grades (including pension and national insurance) of full time equivalent employees by grade were multiplied by a historical percentage of utilisation i.e time charged to direct activities. This gives a charge for direct employment costs per grade (of staff).
- Added to this charge is an element of indirect costs or overheads (all other costs of the business) based on the ratio of direct costs per grade to the total direct costs.
- Direct and indirect costs per grade are added together and then divided by the expected hours of direct activity per grade.
- This gives a charge out rate per hour which is used to calculate charges depending on the time taken by grade to undertake those activities that relate to each charge.