

Reducing the frequency of certification body inspections at intensive pig and poultry farms regulated under the Environmental Permitting Regulations

Department for Environment, Food and Rural Affairs

Environment Agency

RPC rating: validated

Description of proposal

In 2010, the Environment Agency (EA) introduced the Pig and Poultry Assurance Scheme. The scheme aims to reduce regulatory burdens by reducing the number of EA visits and associated EA fees for farms that are members of an appropriate quality assurance framework. Under the scheme, a third party certification body (CB) inspects member farms and collects information on the EA's behalf. Visits usually take place at the same time as another assurance scheme, such as Red Tractor or the Lion Code for eggs. Every three years, farms are also inspected by the EA. Before the change, this meant that, every three years, these farms would receive two visits in one year. In April 2016, the EA revised the scheme to remove the requirement for a CB inspection in the same year as the EA inspection.

Impacts of proposal

There are currently 927 pig and poultry farms in the scheme. Taking into account the different fees for the three CBs and depending upon whether the visits are standalone or joint (with other assurance bodies), the annual charge for an annual visit by the CBs is £232,920. The annual charge for a '2 in 3 year visit' by the CBs is £167,360, giving an annual saving of £65,560 each year.

In addition, there are time savings for farmers. Based on inspection data, the EA estimates a total of 678 hours saved over a three-year period, or 226 hours per year. Based on ONS Annual Survey of Hours and Earnings data, this saving is monetised at £5,842.

Finally, the EA's assessment includes, as a cost to business, the lost fee income to the CBs, resulting from the reduction in visits, at an estimated £21,853 each year.

Quality of submission

The EA has produced a clear and proportionate assessment. The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of -£0.1 million. This will be a qualifying regulatory provision that will be accounted for under the business impact target.

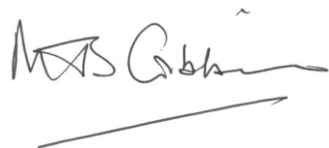
The EA should note that the lost fee income to CBs should not be included in the EANDCB or NPV since it comes under “resources used in complying with regulation”, as described in RPC case histories.¹ The exclusion of this impact from the estimates does not affect the rounded EANDCB figure.

Departmental assessment

Classification	Qualifying regulatory provision (OUT)
Equivalent annual net cost to business (EANCB)	-£0.1 million
Business net present value	£0.88 million

RPC assessment²

Classification	Qualifying regulatory provision (OUT)
EANCB – RPC validated	-£0.1 million
Business impact target score	- £0.5 million



Michael Gibbons CBE, Chairman

¹ <http://regulatorypolicycommittee.weebly.com/case-histories.html>

² For reporting purposes, the RPC validates EANCB and BIT score figures to the nearest £100,000.