Amending guidance explaining how to apply for a County Parish Holding number

Rural Payments Agency (RPA)

RPC rating: fit for purpose

Description of proposal

The Department states that 'new rules have been introduced to adhere to EU legislation'.

The way that livestock keepers in England can apply to register temporary use of any land to keep livestock has changed. Keepers can now apply for a temporary land association (TLA) to be used with an existing permanent County Parish Holding (CPH) number, or apply for a temporary CPH number where the land in question will be used to keep livestock for less than a year.

Registration that was previously verbal now requires submission of a signed application form containing details of all the land to be used by a farm business. The guidance on how to apply for both permanent and temporary CPH numbers has been revised and published on gov.uk.

The RPA states that responsibility for administering this measure has moved from the Rural Payments Agency (RPA) to the Animal and Plant Health Agency (APHA). This EANDCB validation has, nonetheless, been submitted by the RPA because the RPC and Better Regulation Executive (BRE) have determined that the measure was jointly administered by both the RPA and the APHA.

Impacts of proposal

During 2017, the RPA issued approximately 9,000 CPH numbers to livestock keepers. Of these, the RPA states that around 60% of the people who contacted the agency to register their holding were 'hobby keepers' who were, typically, responsible for one or possibly two animals, and did not keep livestock on a commercial basis; this estimate is based on the agency's anecdotal experience, rather than a sample of applicants or other statistical approach.

To familiarise themselves with how to register their holding, livestock keepers would read the new online guidance. This guidance is in line with EU requirements.

Costs

The regulator states that the guidance itself does not introduce any additional costs on businesses, other than the one-off 'familiarisation costs' of the time it takes to read and understand it; this is because registration of a premises only has to be completed once.

The guidance is just under 2,000 words long. The average reading speed for adequate levels of comprehension for an adult is between 200 and 300 words per minute. Assuming the slower rate, it would take one person 10 minutes to read and understand the guidance. Providing data from the ONS' 2016 Annual Survey of Hours and Earnings, the regulator states that the 'Full Economic Cost' of time for Managers and Proprietors in Agricultural Related Services is £18.60 per hour. The cost per person of reading the guidance is, therefore, calculated at around £3.

The RPA assumes that one person from each of the 9,000 holdings, which applied for a CPH number during 2017, read the guidance, meaning that the total one-off cost to businesses in England is around £27,000. It is not clear, however, why the '60%' of holdings, not operating on a commercial basis, are included in the calculated cost to business.

The regulator states – reasonably - that is not proportionate to carry out further analysis to refine these assumptions, as the estimated unit cost per business is very low and the number of businesses affected is also small.

The additional costs to business from this measure are less than £50,000 and, therefore, rounds to zero for the BIT score.

Quality of submission

The regulator's submission is fit for purpose, and the RPC validates the regulator's BIT score of zero for this measure.

The RPA's specific calculated £27,000 'total one-off cost to business' is, however, likely to be inaccurate; this is because the regulator has not only included the 40% of businesses affected by the measure, but all 9,000 livestock keepers. Thus the regulator has mistakenly included 'hobby keepers' in its calculated 'business net present value'. The RPC, therefore, believes that the 'business net present value' is lower than the £27,000 figure provided. If, however, this error were corrected, the

BIT score would still round to zero and, for this reason, the RPC is able to validate the BIT score.

Other comments

The IA could have been improved by:

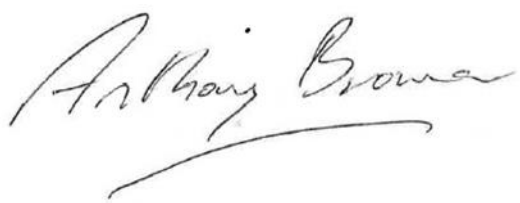
1. Making greater use of data to support its assumptions (where it would be proportionate to do so); for example, to evidence the claim that 'around 60%' of people registering their holding do not keep livestock on a commercial basis.
2. Giving a clearer explanation of the differences in process, and potentially the cost to business, between permanent CPH number allocation and temporary CPH number allocation.
3. Further justification of the claim that costs to business will be limited to year 1.

Regulator assessment

Classification	Qualifying regulatory provision (IN)
Equivalent annual net direct cost to business (EANDCB)	£0 million
Business net present value	-£0.03 million

RPC assessment

Classification	Qualifying regulatory provision (IN)
EANDCB – RPC validated	£0 million
Business Impact Target (BIT) Score	£0 million
RPC rating	Fit for purpose



Anthony Browne, Chairman