

## EXPLANATORY MEMORANDUM AND REGULATORY IMPACT ASSESSMENT

### ANIMAL HEALTH, WALES

#### THE ZONOSSES AND ANIMAL BY-PRODUCTS (FEES) (WALES) REGULATIONS 2007

##### PART 1 – EXPLANATORY MEMORANDUM

1. This Explanatory Memorandum (EM) has been prepared by the Office of the Chief Veterinary Officer and is laid before the National Assembly for Wales.
2. A copy of the Instrument is submitted with this EM.

##### Description

3. This instrument provides the Minister for Rural Affairs with powers to charge farmers and operators of private laboratories in order to recover costs incurred by government in providing the following services:
  - Official sampling and testing for *Salmonella* in breeding flocks of domestic fowl; and
  - Approval of private laboratories to carry out testing under the Poultry Breeding Flocks and Hatcheries (Wales) Order 2007 and the Animal By-Products (Wales) Regulations 2006.

##### Matters of special interest to the Subordinate Legislation Committee

4. There are no matters of special interests to the Committee.

##### Legislative background

5. The Poultry Breeding Flocks and Hatcheries (Wales) Order 2007 (2007 No. 1708 (W.147)) that came into force on 30 June 2007 sets out the requirements for registration and sampling in the National Control Programme (NCP) for breeding flocks. It also sets out new requirements for the monitoring and control of *Salmonella* in breeding flocks contained in EU Regulations (EC) No 2160/2003 and (EC) No 1003/2005. These Regulations set a target of not more than 1% of adult breeding flocks being infected with *Salmonella* of public health significance by the end of 2009. The NCP for *Salmonella* applies to breeding flocks of domestic fowl (*Gallus gallus*) in the UK from 1 January 2007.
6. In order to chart progress towards meeting the reduction target specified in the EC legislation, each breeding flock will be required to provide official control samples on three occasions during the production cycle. Official control samples will then be tested at the National Reference Laboratory. Charges are made to recover costs incurred by Animal Health in its role in managing the collection of official samples on behalf of the Minister for Rural Affairs and by the Veterinary Laboratory Agency (VLA) in examining any samples received.

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7. The proposed fees regulations will also allow for the VLA and the Welsh Ministers to recover the cost of services in respect of the approved laboratory scheme. Under this scheme, private laboratories are authorised to test operator samples for *Salmonella* under the NCP (as required under EU Regulations (EC) No 2160/2003 and (EC) No 1003/2005) and *Salmonella*, *Enterobacteriaceae*, *Clostridium Perfringens* and other organisms, as required under the Animal By-Products (Wales) Regulations 2006.
8. Welsh Ministers make this instrument under section 56(1) and (2) of the Finance Act 1973. This permits a Government department to require the payment of fees or other charges for the provision of any services or facilities or the issue of any authorisation, certificate or other document, in pursuance of any Community obligation. The powers are vested in Welsh Ministers by section 59(5) of the Government of Wales Act 2006. As an instrument made under the Finance Act 1973, the Regulations are subject to Treasury consent, which was received on 6 July 2007.
9. These Regulations will follow the negative resolution procedure. This means the instrument is made and laid before the Assembly but should not be brought into force until at least 21 calendar days from the date of laying. However, in addition, there is at least a 40-calendar days period, that also commences from the date of laying, whereby a Member may table a motion seeking the annulment of the instrument. Unless an annulment motion is tabled, there shall be no debate of the instrument in Plenary.
10. Failure to bring the Zoonoses and Animal By-Products (Fees) (Wales) Regulations 2007 into would mean that the Minister could not recover the costs incurred for the services provided as described in paragraph 3.

#### **Purpose and intended effect of the legislation**

11. A new fees regulation is needed so that the Welsh Assembly Government is able to recover costs associated with the Poultry Breeding Flocks and Hatcheries (Wales) Order 2007 and the Animal By-Products (Wales) Regulations 2006.
12. The fees currently charged do not cover the full cost of recovery for the services provided on behalf of the Minister for Rural Affairs. The proposed new Regulations will allow for increased fee levels.
13. The Regulations give the Minister for Rural Affairs the powers to charge fees at an appropriate level on the basis of certain criteria. The fees will be published on the Welsh Assembly Government website and will not appear on the face of the Regulations themselves. This will allow the fees to be revised without the need for a new statutory instrument and so it will be easier to update the fees in line with inflation and other increases in costs.
14. The objective is to provide the Minister for Rural Affairs with powers to set fees at a level to achieve full cost recovery, to avoid providing either a subsidy, or a source of taxation, through the administration of this scheme. The fees will therefore be amended to reflect more clearly the charges that are applicable under the current legislation and to take account of administrative costs.

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### Implementation

15. The instrument was made on 28 August 2007 and is intended to come into force on 24 September 2007. The equivalent Regulations in England came into force on 15 August 2007. However, it is not proposed to conduct any sampling on holdings in Wales until after the Regulations are made. Therefore, whilst there will be no serious legal or other implications for Welsh Ministers should the intended target dates making the Regulations not be achieved, it is desirable that any delay be as short as possible.

### Consultation

16. No formal consultation was conducted, as the issue is very specialised with a limited range of stakeholders. Regular meetings were held with key stakeholders involved in the implementation of NCPs for *Salmonella* in the UK. This group included key figures within the bodies representing the farmers affected by the proposed legislation as well as representatives from several of the biggest poultry breeding companies. These stakeholders were used as the main vehicle for discussions on the proposed fees regulations – from initiation, through discussions of the impacts, to ideas to minimising the cost to farmers.

### Regulatory Impact Assessment (RIA)

17. A RIA has been carried out in relation to this Instrument and is set out in **Part 2**.

### Compliance

18. The information in this Memorandum has been cleared with the Directorate of Legal Services (DLS) and the Constitutional Affairs and Legislative Management Division (CALM).
19. The regulations will not introduce any new procedures or regulatory requirements with which the relevant businesses are not already complying. Fees will be levied through the existing mechanisms.

**THE ZONOSSES AND ANIMAL BY-PRODUCTS (FEES) (WALES) REGULATIONS  
2007**

**PART 2 – REGULATORY IMPACT ASSESSMENT**

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**Introduction**

1. This Regulatory Impact Assessment considers various options for achieving the policy objectives set out in paragraphs 11–14 in **Part 1**.

**Consultation**

2. A formal consultation was not carried out. Through the relevant legislation and the guidance for the laboratory approval scheme, which was consulted upon at the time of introduction, the services for which fees must be set are clear. Samples to confirm the salmonella status of breeding flocks have previously been taken from hatcheries but with the introduction of the new Poultry Breeding Flocks and Hatcheries (Wales) Order 2007 these samples will be taken from the breeding flock holdings themselves. Accordingly it is proposed that fees be collected from the breeding flock holding operator instead of from the hatchery owner. The move from hatcheries to breeding flock holdings has been considered in a consultation on the implementation of the Poultry Breeding Flocks and Hatcheries (Wales) Order 2007 and the application of fees to follow where the sampling takes place is not considered to be a new issue. As fees must be set at the level indicated to achieve full cost recovery, it was not considered that consultation on the proposed new fees regulation was appropriate as current guidance states that consultation is not necessary where decisions to be taken would not be changed as a result of the comments received. Businesses directly affected, and relevant industry organisations, will be notified suitably in advance of the regulations coming into force. These groups will have the opportunity to comment on the levels of charges proposed each time they are due to be updated.

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### Options

3. Four main options have been identified.

**Option 1 – Produce a new fees regulation but continue to charge fees outlined in the previous Fees Order**

**Option 2 – Produce a new fees regulation with revised fees set out in a schedule.**

**Option 3 – Produce new regulations providing the Minister for Rural Affairs with powers to publish fees, determined for each of the activities in the order on the basis of the cost to Government, on an appropriate website.**

**Option 4 – Do nothing.**

#### Option 1

4. Whilst the 'previous Fees Order' was implemented in England and Scotland, it was not implemented in Wales. This option is not, therefore, available to the Welsh Assembly Government.

#### Option 2

5. This would not introduce any new procedures or regulatory requirements with which the relevant businesses are not already complying. However, the increase in fees would allow the Welsh Assembly Government to achieve full cost recovery for 2007. While the fees in the schedule would represent full cost recovery for 2007, this would not be achieved in subsequent years, as has been the case with previous orders, until another new order is produced.

#### Option 3

6. As with option 2 above, this option would allow the Welsh Assembly Government to achieve full cost recovery for 2007. However this option provides increased flexibility and longevity to the proposed fees regulation. By using the regulations simply to give Government powers to determine fees on the basis of the costs attributed to the services provided it will be possible to update the level of fees annually by amending the fees published on the appropriate website without the need to produce new legislation. Details of the charges will be made available in other formats for operators without easy Internet access. This simplified process removes significant Government costs and administrative effort associated with the development of new legislation and ensures that Government can ensure that fees track more effectively other prices in the economy. At present fees are amended on an ad-hoc basis. This means that Government is able to achieve full cost recovery only in the first year that the order is in place and that when revised fees are published they represent a significant increase in a single year.
7. Option 3 would allow a mechanism to be established that would see the published fees revised on a regular and agreed timescale which would provide increased certainty for businesses and Government with regard to the level of fees levied and collected. The level of fees proposed at each revision (likely to be annually) would be discussed fully with affected parties.

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8. **This is the Welsh Assembly Government's proposed option and is reflected in the draft statutory instrument.**

### Option 4

9. This option would mean that no new fees order would be introduced. As a result the Welsh Assembly Government would not be able to recover any costs with regard to official control sampling for *Salmonella* in breeding flocks and the Laboratory Authorisation scheme. Furthermore, the laboratory authorisation scheme would have to be amended as a laboratory can only be considered for authorisation if appropriate payment of fees accompanies its application.
10. The Welsh Assembly Government, Defra and the other devolved administrations have agreed to recover fees for these services and so this option is not considered to be feasible.

### Benefits

#### Option 1

11. No perceived benefits in terms of cost recovery.

#### Option 2

12. Will ensure cost recovery for 2007 by revising the present fees in line with current input costs and allow for the recouping of administrative costs.

#### Option 3

13. As option 2, but with the benefit that fees could be updated regularly in line with increases in input costs without significant administrative costs.

#### Option 4

14. No perceived benefit in terms of cost recovery.

### Costs to business

#### Businesses affected

15. The businesses affected would be those to whom the fees set out in the fees regulations are directly applicable. These include registered owners of breeding flocks of domestic fowls and laboratories approved to test for *Salmonella* under Poultry Breeding Flocks and Hatcheries Order (Wales) 2007 and for *Salmonella*, *enterobacteriaceae* and *clostridium perfringens* under Animal By-Products Regulations (Wales) 2006.
16. In the UK there are around 620 breeding flock holdings with an estimated 2000 flocks which would be subject to the new sampling and testing regime. 5% of these flocks are located in Wales.
17. There is one laboratory in Wales that is approved currently under the approved laboratory scheme. Laboratories may decide to pass the costs solely on to their customers who submit samples to them for testing under these Orders (breeding

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flock owners and renderers) or to spread the costs over all customers using their services. This would include, for example, those submitting samples under the various Government and industry codes of practice for the control of *Salmonella*.

### Compliance costs

18. The existing and proposed fees are set out in the following table. The activities in column one are listed as they appear in Regulation 3(2) in the proposed fees regulation. In this table, as in the proposed fees regulation, “the European Regulation” means Regulation (EC) No 2160/2003 and “the Regulations” means the Animal By-Products Regulations (Wales) 2006. Full details of how the proposed charges are derived can be found in **Annex A**.

<b>Activities</b>	<b>Proposed 2007 charge (£)</b>
(a) Taking or supervising the taking of official control samples	Base fee £32 plus investigation fee of £23 per ½ hour (or part thereof).
(b) Examining official control samples	18.50
(c) Processing of an application for approval of a laboratory under Regulation 21 of the Regulations or Article 12 of the European Regulation	12.50
(d) Processing of the approval documentation further to an application referred to in (c).	29.50
(e) Processing of an annual renewal application from an approved laboratory	29.50
(f) Inspecting a laboratory, for the purpose of Regulation 21 of the Regulations or Article 12 of the European Regulation, for	
i) 1 test e.g. Salmonella PBFHO or Salmonella ABPR	613.50
ii) 2 tests e.g. Salmonella PBFHO and Salmonella ABPR	632.50
iii) 3 tests e.g. all ABPR, or 2 of ABPR with Salmonella PBFHO	651.50
iv) 4 tests e.g. all ABPR and Salmonella PBFHO	670.50
(g) Administering a quality control test, under Regulation 21 of the Regulations or Article 12 of the European Regulation, for	
i) Salmonella (PBFHO, poultry)	32.00
ii) Salmonella (ABPR, isolation and culture)	32.00
iv) Enterobacteriaceae (ABPR, isolation and culture)	57.00
iii) Clostridium Perfringens (ABPR, isolation and culture)	57.00

### Breeding Flock Holdings

19. Official control samples are those which are collected and tested under the control of an authorised government official. These are collected to provide official verification that the target for the control of *Salmonella* in breeding flocks is being met. Official sampling is required at three intervals during the production cycle of a

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breeding flock: near the beginning of lay within 4 weeks of moving to the laying accommodation; the middle of lay; and near the end of lay within the last 8 weeks of production.

20. The Animal Health will arrange for official samples to be collected from each adult breeding flock annually. There are three options for collecting the official samples.
  - a) Animal Health visits and collects the samples.
  - b) Animal Health visits and supervises the sampling.
  - c) Animal Health authorises a competent person to take official samples under instruction.
21. As a minimum, each holding of a breeding flock operator should receive at least one visit from a member of Animal Health staff each year for sampling and auditing purposes. Given the structure of the industry, on a risk-based approach it is anticipated that two of these samples could be taken under option (c) in most cases.
22. So, while all official samples will be under control of the competent authority, it is anticipated that under normal circumstances Animal Health will be actively involved in the collection of only one of these three samples. Charges will be applied only where Animal Health staff visit the holding for sampling and auditing purposes. The VLA will examine all official samples collected.
23. Under the Poultry Breeding Flocks and Hatcheries Order 1993 official samples were taken from hatcheries and tested by “an officer of the Minister” every 28 days in the case of grandparent flocks and every 56 days in the case of parent flocks. In practice a hatchery supplied with eggs from grandparent flocks could expect 12 visits per annum. A hatchery supplied by eggs from parent flocks could expect 6 visits per annum. In practice more visits had to be carried out at some hatcheries in order to sample all the flocks supplying eggs to the hatcheries. Official sampling under the Poultry Breeding Flocks and Hatcheries (Wales) Order 2007 will now move from the hatchery to the breeding flock holding.

#### *Overall Cost*

24. According to figures from the GB Poultry Register, in December 2006 there were 620 breeding flock holdings in GB, of which 29 were in Wales. Assuming that on average each holding keeps 4 flocks then around 116 flocks would be subject to the new sampling and testing regime.
25. In order to estimate costs under the proposed fees regulation, the assumption is that each breeding flock would require a visit by Animal Health once in each production cycle for the purpose of collecting or supervising the collection of the official samples and that one production cycle lasts roughly one year. Animal Health charges are based on the costs of visits rather than the total number of samples taken and it is anticipated that Animal Health would collect or supervise the collection of official samples from all the flocks on a holding at a single visit. Since the start of the NCP for breeding flocks in January 2007 Animal Health staff have gained valuable experience in carrying out visits to breeding flock holdings to collect or supervise the collection of official control samples. It is now estimated that visits to holdings by Animal Health staff will take between three and six hours. Therefore, a range of costs for Animal Health component of the charge for official testing has



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been produced below. The lower cost assumes that a visit takes three hours (meaning a visit charge £170). The higher cost assumes that a visit last six hours (meaning a visit charge of £308). All official samples would be examined by the VLA at a cost of £18.50 per sample tested.

26. Accordingly, the projected cost for official control sampling in Wales would range from **£8,932 per annum** to **£19,720 per annum** for sampling. The cost for examination of all official samples collected is estimated at **£6,438 per annum**. Therefore, the estimated total combined cost to business in Wales for official sampling and testing of breeding flock under the proposed fees regulations ranges from **£15,370 per annum** to **£26,158 per annum**. The average cost for each holding would range from **£530** to **£902 per annum**.

### **Small Firms Impact Test**

27. The proposed fees will apply equally across the industry, which includes small businesses, and are not considered to be discriminatory.

### **Issues of equity and fairness**

28. There is no unequal impact by gender, age, or by race. It is not expected that any impact on particular income groups will be significant. The revised fees will be set at levels to achieve full cost recovery and are therefore considered to be no more onerous than when originally introduced in 1993.

### **Competition Assessment**

29. We do not believe there will be a competitive impact as a result of these proposals. Although there may be minor differences in the costs on some businesses due to the date that the order will come into force, over the long-term costs will fall equally on all firms directly affected. It is not considered that the proposed regulations will affect the market structure or erect barriers to entry for new firms.

### **Post Implementation Review**

30. Annual accounts will be produced (by Defra) to assess progress against the target of full cost recovery for the provision of the relevant services. It is intended that the level of fees will be reviewed annually.

**Detailed breakdown of how proposed charges are derived****Summary of charges**

The activities in the first column are listed as they appear in Regulation 3(2) in the proposed fees regulation. In this table, as in the proposed fees regulation, “the European Regulation” means Regulation (EC) No 2160/2003 and “the Regulations” means the Animal By-Products Regulations 2006.

<b>Activity</b>	<b>Proposed 2007 charge (£)</b>
Taking or supervising the taking of official control samples	Base fee £32 plus investigation fee of £23 per ½ hour (or part thereof).
Examining official control samples	18.50
Processing of an application for approval of a laboratory under Regulation 21 of the Regulations or Article 12 of the European Regulation	12.50
Processing of the approval documentation further to an application referred to in (c).	29.50
Processing of an annual renewal application from an approved laboratory	29.50
Inspecting a laboratory, for the purpose of Regulation 21 of the Regulations or Article 12 of the European Regulation, for	
i) 1 test e.g. Salmonella PBFHO or Salmonella ABPR	613.50
ii) 2 tests e.g. Salmonella PBFHO and Salmonella ABPR	632.50
iii) 3 tests e.g. all ABPR, or 2 of ABPR with Salmonella PBFHO	651.50
iv) 4 tests e.g. all ABPR and Salmonella PBFHO	670.50
Administering a quality control test, under Regulation 21 of the Regulations or Article 12 of the European Regulation, for	
i) Salmonella (PBFHO, poultry)	32.00
ii) Salmonella (ABPR, isolation and culture)	32.00
iii) Enterobacteriaceae (ABPR, isolation and culture)	57.00
iv) Clostridium Perfringens (ABPR, isolation and culture)	57.00

**Note** - this fees regulation covers activities required under the Poultry Breeding Flocks and Hatcheries Order (Wales) 2007 (PBFHO) (which implements Commission Regulation (EC) No 2160/2003) and the Animal By-products (Wales) Regulations 2006 (ABPR). The PBFHO and ABPR annotations are used in this Annex to identify whether the charges proposed relate to either PBFHO or ABPR requirements.

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### **Basis for published charges**

The proposed fees regulations will give powers to Welsh Ministers to determine fees for the activities undertaken on their behalf with regard to sampling and testing official control samples required under Regulation (EC) 2160/2003 and the authorisation of approved laboratories under the Animal By-Products (Wales) Regulations 2006 or/and Regulation (EC) No 2160/2003.

The applicable fees will be published on the Welsh Assembly Government website. The charges are derived on the basis of the following principles of the HM Treasury Fees and Charges Guide (2004)

- The financial objective should be full cost recovery for the services provided. In principle the full cost should be recovered each year.
- The full cost should be calculated on an accruals basis. It is the total cost of all the resources used in providing the service (direct and indirect costs, including a full proportional share of overhead costs and any selling and distribution expenses, insurance, depreciation and cost of capital, etc, both cash and “non-cash” costs).
- The costs should be actual whenever possible, with estimates (e.g. based on periodic surveys) used only when the actual information is not available (or only available at disproportionate cost). Whenever possible, the method of assessing costs should be that used for the operating cost statement of departments’ resource accounts (or other public bodies’ annual accounts). Where necessary, a method of apportioning overhead costs should be determined and applied consistently

The items that make up the costs of the services that are intended to be recovered by the charges specified in the proposed fees legislation cover:

- (a). Travel costs in relation to sampling, supervision, inspection and testing.
- (b). Personnel costs in relation to sampling, supervision, inspection, testing and any application.
- (c). Accommodation costs in relation to sampling, supervision, inspection, testing and any application.
- (d). equipment costs in relation to sampling, supervision, inspection, testing and any application.

The details of the proposed charges are set out in the following pages including information about the purpose of each charge and how each charge is derived. Some rounding (to the nearest 50 pence) has been applied to the proposed charges to simplify invoicing and collection.

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### Details of each charge proposed

#### (a). Taking or supervising the taking of official control samples

##### *Purpose of charge*

This charge covers duties carried out by Animal Health on behalf of Welsh Ministers, in visiting and collecting or supervising the collection of official control samples from breeding flock holdings for the purpose of verifying progress towards *Salmonella* reduction targets specified in Regulation (EC) 2160/2003 and Regulation (EC) 1003/2005.

<b><i>Proposed 2007 Charge:</i></b>
Base fee £32 plus investigation fee of £23 per ½ hour (or part thereof).

##### *How the charge is derived:*

The charge is based on two components

i). The base charge is a fixed fee that covers costs that are associated with the supervision of or the taking of official control samples on all holdings. Costs are derived from estimates of the time taken to process an application (e.g. organising visits, systems inputs, checking test results etc.) by the various grades of staff involved. These estimates of time have been multiplied by the Animal Health charge-out rate. The Animal Health charge-out rates are based upon the average employment costs for each grade of Animal Health staff (includes salary, employer's NIC and employer's pension contributions) plus overheads and notional costs (taken from the Animal Health budgets for 2006/07). These rates are then adjusted for productivity. An hourly rate is then calculated by dividing the annual rate by 215 working days and 7.4 hours per day. The 215 working days are arrived at by taking 260 weekdays and adjusting for holiday and estimated other non-delivery time (e.g. training and sick).

The other costs relating to the 'Basic Application Fee' are based upon estimates of DFSSD invoice processing costs, management time, development and maintenance time and VLA charges (for animal testing only - VLA to charge separately in this case). An estimate of the total annual cost has been calculated and spread over the estimated number of tests required per annum to produce a fixed charge. This current fixed cost has been calculated on an estimate of 500 breeding flocks being tested. The fixed charge is sensitive to any fluctuation in volume.

ii) The additional investigation fee is a time based charge calculated on a per test basis, and include all relevant travel time as well as onsite sampling time. This charge will vary from breeding flock to breeding flock. The rate for this part of the charge is based on the hourly rate of an Animal Health Officer (AHO) who would be conducting the official visit for the purpose of supervising the collection of official samples.

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### (b). Examining official control samples

#### *Purpose of charge*

This charge covers duties performed by the VLA, on behalf of Welsh Ministers, in examining the official control samples collected by Animal Health under (a). This examination will determine the presence or absence of *Salmonella* in the sample. A single charge is applicable for the examination by the VLA of all official samples supplied to them.

<b>Proposed 2007 Charge:</b>
£18.50

#### *How the charge is derived:*

This is a new test. The cost derives from an average time to perform the test plus necessary test consumables and reagents. The cost of staff time is based mainly on the approved rate for a VLA grade F in the Laboratory Testing Department (£45.87 per hour).

### (c). Processing an application for approval of a laboratory under Regulation 21 of the Regulations or Article 12 of the European Regulation

#### *Purpose of charge*

This charge covers duties performed in administering an application for a private laboratory to be authorised under the approved laboratory scheme. This charge only applies where the laboratory is not included in the scheme at the time of the application (i.e. this charge is additional to the annual charge for renewing membership of the scheme)

<b>Proposed 2007 Charge</b>
£12.50

#### *How the charge is derived:*

This charge is based on an official at the AO grade spending 0.5 hours to complete this initial administration of an application. The AO hourly rate is £25.21, which includes salary costs (pay, pension and National Insurance contribution (NIC)), accommodation and general overheads.

The charge has been rounded down to the nearest 50 pence

### (d). Processing of the approval documentation further to an application referred to in (c).

#### *Purpose of charge*

This charge covers processing a successful application from a private laboratory under the approved laboratory scheme. This charge would be levied only in the first year of the approval. The annual renewal charge (e) is not applicable where the fee for processing of the approval documentation further to an application referred to in (c) is

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levied. This charge covers administrative costs for the first year in which the laboratory is part of the approved laboratory scheme.

<b><i>Proposed 2007 Charge</i></b>
£29.50

*How the charge is derived:*

This charge is based on an official at the AO grade spending 1 hour 10 minutes to complete the administration of a successful application. The AO hourly rate is £25.21, which includes salary costs (pay, pension and NIC), accommodation and general overheads.

The charge has been rounded up to the nearest 50 pence.

#### (e). Processing of an annual renewal application from an approved laboratory

*Purpose of charge*

This charge covers processing an application from a private laboratory to renew membership of the approved laboratory scheme. This charge would be levied for each year that the laboratory would wish to remain part of the approved laboratory scheme.

<b><i>Proposed 2007 Charge</i></b>
£29.50

*How the charge is derived:*

This charge is based on an official at the AO grade spending 1 hour 10 minutes to complete the administration of an annual renewal. The AO hourly rate is £25.21, which includes salary costs (pay, pension and NIC), accommodation and general overheads.

The charge is levied at the same rate as for charge (d) as many of the functions of this service are the same.

The charge has been rounded up to the nearest 50 pence

#### (f). Inspecting a laboratory for the purpose of Regulation 21 of the Regulations or Article 12 of the European Regulation

*Purpose of charges*

This charge covers duties performed by the VLA in arranging and carrying out inspections of approved laboratories. Inspections will be scheduled on a regular basis (every two to three years) or in response to a laboratory's failure to correctly identify a succession of quality assurance samples. The VLA carries out the inspection and Defra provides administrative support to this function.

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	<b>Proposed 2007 Charge</b>		
	<i>VLA cost</i>	<i>Admin cost</i>	<b>Final charge</b>
Inspection of a laboratory for			
i) 1 test e.g. Salmonella PBFHO or Salmonella ABPR	£588.50	£25.00	<b>£613.50</b>
ii) 2 tests e.g. Salmonella PBFHO and Salmonella ABPR	£607.50	£25.00	<b>£632.50</b>
iii) 3 tests e.g. all ABPR, or 2 of ABPR with Salmonella PBFHO	£626.50	£25.00	<b>£651.50</b>
iv) 4 tests e.g. all ABPR and Salmonella PBFHO	£645.50	£25.00	<b>£670.50</b>

### *How the charge is derived*

The charge is made up of two parts. Most of the cost covers VLA activities but a smaller amount covers administrative costs. Costs have been rounded to the nearest 50 pence.

i). The VLA part of the charge is derived to take account of the time taken by VLA Band C staff to prepare for, attend and carry out the inspection and produce a report following the inspection. The charge includes travelling time to the customer and return, inspection time, consideration time, writing the report and answering customer queries.

ii) The administrative part of the charge is based on an official at the AO grade spending one hour to liaise with VLA inspectors to arrange the laboratory visit, issue paperwork regarding the visit and keep a record of the outcome of the visit. This results in an administration charge of £25.21 per visit, which is rounded down to £25.00. The AO hourly rate is £25.21, which includes salary costs (pay, pension and National Insurance contribution), accommodation and general overheads.

### (g). Administering a quality control test under Regulation 21 of the Regulations or Article 12 of the European Regulation

#### *Purpose of charges*

This charge covers duties performed by the in managing a quality assurance scheme for approved laboratories. VLA issue samples to laboratories that are required to examine the sample to determine the presence or absence of specific organisms and then return results to VLA.

The charges below relate to a single distribution of a QA sample for each organism listed. As noted in the main section of the RIA one QA sample per organism will be distributed when a laboratory first applies to join the scheme. Thereafter 4 QA samples will be distributed to approved laboratories each year for each organism for which they are approved.

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	<b>Proposed 2007 Charge</b>		
	<i>VLA cost</i>	<i>Admin cost</i>	<b>Final charge</b>
i) Salmonella (PBFHO)	£30.00	£2.00	<b>£32.00</b>
ii) Salmonella (ABPR)	£30.00	£2.00	<b>£32.00</b>
iii) Enterobacteriaceae (ABPR)	£55.00	£2.00	<b>£57.00</b>
iv) Clostridium Perfringens (ABPR)	£55.00	£2.00	<b>£57.00</b>

*How the charge is derived:*

The charge is made up of two parts. Most of the cost covers VLA activities but a small amount covers administrative costs.

- i). The VLA cost derives from staff time at the approved rate/hour for the appropriate grade (which includes all salary costs and overheads), and test consumables and reagents. The cost of staff time is based on the approved rate for a VLA grade E in the Quality Assurance Unit (£47.76 per hour).
- ii). The administrative part of the charge is based on an official at the AO grade spending five minutes per sample issued to check that each sample has been issued and to note the results of each sample completed. This results in an administration charge of £2.10 per QA sample – which is rounded down to £2.00. The AO hourly rate is £25.21, which includes salary costs (pay, pension and National Insurance contribution), accommodation and general overheads.