

Assessment of Business Impact

1. The policy issue and rationale for Government intervention

The UK harmonised with the EU pet travel scheme (Regulation 998/2003) in January 2012, following the expiry of a transitional regime. A GB-wide Non-Commercial Movement of Pet Animals Order (2011) was subsequently introduced. The requirements introduced in these regulations apply only to the non-commercial movement of pet animals; animals imported for sale or rehoming are not covered by this regime.

The EU pet travel scheme enables owners to travel with their pets and return to the UK without entering quarantine. In order to facilitate this movement whilst safeguarding UK citizens and animals against high-impact zoonotic diseases certain requirements are placed on all travellers. In the UK these disease control measures keep us free of rabies and the *Echinococcus multilocularis* tapeworm. Disease freedom provides public good type benefits (non-rival and non-excludable) and provides a rationale for government intervention.

It was indicated at harmonisation that the EU intended to review and consolidate the existing pet travel regime. The UK was fully involved in the subsequent negotiations and a new pet travel Regulation (576/2013) was published in June 2013, due to come into effect on the 29th December 2014. This Regulation repeals and replaces Regulation 998/2003. The fundamentals of the regime remain unchanged, but the new Regulation includes a number of provisions intended to clarify the animal health requirements that apply to the non-commercial movement of pet animals and improve compliance and traceability.

2. Policy objectives and intended effects

The new EU pet travel Regulation (576/2013) makes a number of minor adjustments to the regime. The intended effects of these changes are to improve the enforcement regime across the EU, increase levels of compliance and introduce a new pet passport. This new passport will be more difficult to forge and easier to trace. In general the changes will improve the effectiveness of the regime and further reduce the risk of disease spread through the international movement of pets.

3. Policy options considered, including alternatives to regulation

This is an EU measure which has been negotiated since 2012 and will be directly applicable from 29th December 2014. An amendment to the GB Non-Commercial Movement of Pet Animals Order 2011 will be required to give effect to a small number of changes and update the list of enforcement bodies and offences.

The only viable policy option is to introduce the changes. The full list of changes and a description of their impact is set out in the annex table.

4. Expected level of business impact

The annex table sets out the full list of proposed changes. Only a few of these have an impact on business and will be considered here:

4.1 Additional compliance checks (annex table items 3 and 11):

Commercial carriers undertake compliance checking of pets on behalf of the government. No obligation is placed on these transport companies to carry pets; these businesses do this voluntarily in order to access the pet travel market and will charge pet owners for this service. Where a carrier elects to transport pets the Non-Commercial Movement of Pet Animals Order 2011 requires them to be approved by the Animal Health and Veterinary Laboratories Agency (AHVLA) (with the exception of those operating between GB and the ROI).

A condition of this approval is that they check all pets declared to them to ensure they are compliant with the EU Regulation. These checks are administrative in nature and are conducted by individuals employed by the transport companies. Only pets entering GB are checked; in the case of ferry and rail travel these checks take place prior to embarkation (e.g. in France or Belgium) whilst those entering by air are checked on arrival.

Under the current regime pet checkers will confirm that the microchip number entered on the pet passport matches that in the pet. They will then confirm that the pet has received the necessary vaccinations and treatments and has served out the correct 'waiting period' prior to entry.

We have approached both Eurotunnel and Heathrow Airport to request further information on their checking procedures; these two organisations check the largest number of pets arriving by rail and air respectively. Heathrow have confirmed that at present it takes between 5-10 minutes to check an EU pet passport.

As a result of changes to the EU Regulation additional information entered into the pet passport will need to be checked by the carriers' pet checkers. The details of these are set out in the table below.

Annex Table No	Description of check	Annual Number of checks	Time taken (mins)
3.	<p>Where an owner is travelling with more than five pets that are registered to attend a show, competition or training event the carrier will need to:</p> <ol style="list-style-type: none"> 1. Check the date of birth of the pet to ensure they are aged over six months (this information will be provided in the pet passport). 2. Ensure the owner has signed an accompanying declaration (format will be provided by AHVLA). 	<p>Only a small number of these movements take place each year. This is something we will explore further in our consultation. We assume 500 a year for current purposes.</p>	1-2
11.	<p>The carrier will need to confirm that the pet was at least 12 weeks old at the time of rabies vaccination. Details of the pet's date of birth and date of rabies vaccination are included in the pet passport.</p>	<p>All pets will need to be checked in this way. In 2013 171,545 pets were presented to carriers.</p>	0.5

The estimate for the number of consignments of more than five pets travelling to attend a competition, show or sporting event is based on anecdotal information from carriers and stakeholders. We will use our consultation to gain further data in relation to these movements.

Heathrow have indicated that they believe the new requirement for checks will result in a 'negligible' increase in the amount of time necessary to check a pet passport. We have not yet received a response from Eurotunnel but intend to pose questions to the carriers more widely during our consultation. The cost to business of additional compliance checking is estimated as follows:

Item 3

$$((500 \times 2) / 60) \text{hrs} \times £16.38/\text{hr} = £273$$

Item 11

$$((172,000 \times 0.5) / 60) \text{hrs} \times £16.38/\text{hr} = \underline{£23,478}$$

$$\text{Total } £23,751$$

Data: As advised by Heathrow the pay rate used is broadly similar to local authority animal health officers. £16.38/hr includes a 30% uplift to cover employer NI, pension contribution and holiday pay. The time taken in minutes to make these new checks is as shown in the above table. The number of checks undertaken is about 500 and 172,000 for the two checks described (source: AHVLA management information).

The main carriers are large businesses and it should also be noted that many of them are not British companies (e.g. Eurotunnel, Brittany Ferries and Norfolk Line) and that for movements other than by plane the checking of pets is undertaken outside the UK, before embarkation. This covers at least three-quarters of the above movements and hence checks. Nevertheless, these foreign companies operate in part in the UK and employ UK citizens (although not necessarily in checking pets). The additional checking costs are therefore included in this assessment.

4.2 Veterinarians to keep additional records (annex table item 5):

Pet passports are produced by AHVLA and issued by Official Veterinarians (OVs – private sector vets authorised by AHVLA). In 2013 a total of 68,175 pet passports were issued to 1,938 separate veterinary practices. We would expect that the majority of these businesses are either small or micro enterprises.

The new EU Regulation requires issuing veterinarians to record information relating to the pet passport and retain it for at least three years. The following information is required:

- The pet passport number;
- The microchip number, location and date of reading/application;
- The name, species, breed, sex, colour, date of birth and any notable or discernible features or characteristics of the pet animal;
- The name and contact information of the owner.

Discussions with the British Veterinary Association, British Small Animal Veterinary Association and the Royal College of Veterinary Surgeons have indicated that these records may already be kept by veterinarians as part of normal good practice. Our proposed approach is to include this requirement in the information and training provided to those OVs who are authorised to issue passports. Defra have no plans to introduce this requirement through legislation and if any OV was found to be in breach of this provision then this would be addressed by AHVLA who can require an OV to undergo refresher training or remove their authorisation to issue pet passports. This is therefore a non-regulatory change and no costs for this have been included in this assessment.

4.3 Minimum qualifications for the implantation of microchips (annex table item 7):

Under the existing Regulation all cats, dogs and ferrets entering the country must be microchipped. This microchip number provides the link between the animal and the pet passport and enables the pet checker to confirm that the animal described in the passport is the one presented to them for checking.

The new EU Regulation stipulates that where a Member State permits individuals other than a veterinarian to implant a microchip for the purposes of pet travel they must lay down rules on the minimum qualifications required. We have confirmed with the EU Commission that

this means trained to a specified level of competence rather than formally examined and certified.

The microchip is the first step in preparing the animal for travel; following microchipping the animal must be vaccinated and a pet passport issued. We can therefore reasonably assume that where an owner wishes to take their pet abroad and it has not already been microchipped, they will visit their vet to have the microchip implanted at the same time as the animal is vaccinated and a pet passport is issued. Microchipping will be a one-off occurrence as the pet will not need to be microchipped for any subsequent trips overseas.

The Regulation permits veterinarians to implant microchips with no additional training. However, we are proposing to permit non-veterinarians to implant microchips and in these cases this individual will need to be trained (or be a veterinary nurse registered with the RCVS or be eligible under a 'grandfather' clause). We have assumed that an average of one person per veterinary practice will require such training; this will be explored further in the consultation. In 2013 1,938 practices issued pet passports. This will mainly be a one-off cost, although there may be a small number of people requiring training in subsequent years as staff leave and are replaced. Implantation training is provided by Lantra, the Skills Sector Council for land based and environmental industries.

This proposal extends only to pets that have not already been microchipped and whose owners wish to take them abroad before returning to the UK. Furthermore, with the advent of compulsory microchipping of dogs in England (being mainly undertaken by breeders and dog charities - see impact assessment Defra 1372) and Wales, the number of pets in scope will be relatively small (mainly cats and ferrets) and many eligible veterinary practices may decide that the investment in staff training is not justified, particularly as vets themselves can undertake the procedure without further training, in which case no additional cost will be incurred. The costs outlined below are therefore the maximum cost of this measure and our consultation will enable us to establish more accurate figures.

Cost of attendance on Lantra microchipping course:

£130 x 2000 attendees =	£260,000
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Time spent on course (including 1 hour travel time):

$\text{£}12.23/\text{hr} \times 5\text{hrs} \times 2000 \text{ attendees} = \underline{\text{£}122,300}$

Total $\text{£}382,300$

Data: Lantra charge £130 for attendance on micro chipping course lasting about 4 hours. An average of 1 employee per veterinary practice that issues passports and prepares pets for international travel gives about 2,000 attendees. These are assumed to be trained during the first year but in practice this might be spread over a longer period. The hourly pay rate relates to a veterinary nurse (ASHE 2013, SOC 6131) and includes 30% uplift for employers NI contribution, pension contribution and holiday pay.

5. Movement of unvaccinated pets

The new EU pet travel Regulation includes a derogation (article 8) which will allow the movement of unvaccinated pets between two rabies-free member states, following joint application to and approval by the Commission.

This derogation has not been considered in this assessment as its extent and terms of use are crucially dependent upon the Commission drawing up an Implementing Act which will include a list of eligible countries and outline the procedure for entering into bilateral agreements.

Following publication of this Implementing Act we will develop an implementation proposal that will fully consider the impact of our preferred approach. If a decision is taken to not make full use of the derogation any impacts will be assessed appropriately.

6. Total Business Costs

The total business costs estimated in this assessment are as follows:

Description	Para above	Annex table item	Cost £'000
Additional compliance checking	4.1	3 and 11	24
Microchip implantation training	4.3	7	382
Total			406

7. Uncertainty around cost estimates

Business cost estimates will be researched further but on the whole we have made reasonably generous estimates. For example, the take-up of microchip training by non-vets could easily be significantly lower as vets themselves can undertake micro chipping without this training and the number of pets in scope is relatively low owing to forthcoming requirements for the compulsory microchipping of dogs (over 90% of pets entering GB in 2013 on UK pet passports were dogs). The number of travels with more than five pets to shows, competitions and sporting events is rather uncertain. However, if the number of these movements is ten times higher than we assumed, the overall cost estimate would rise to about £409,000.

On the other hand the number of pets travelling internationally has been increasing in the last couple of years, although there are now signs that numbers are stabilising. If, however, the number of pets travelling each year were to increase by 20% then the cost estimate would rise to about £411,000.

8. Benefits

The benefits of the measures outlined above are to clarify scheme rules, improve compliance and further reduce the risk of disease transmission. Training for those implanting microchips will ensure that animals are properly treated during this procedure. These benefits cannot be quantified and monetised.

Annex Table

New provisions under Pet Travel Regulation (576/2013) and their impacts

Those measures affecting business shown in grey

	Description of proposal	Current Arrangements	Nature of impact:	Impact on:
1.Intra EU checking	Competent Authority (CA) to carry out non-discriminatory checks on intra-EU movements.	UK already does this	None	Not applicable
2.Third country checking	CA to keep record of total number of checks and non-compliance.	UK already does this	None	Not applicable
3a. Travel for attendance at shows, competitions and training events.	At present where more than five pets are travelling they must be accompanied by a 'fit and healthy to travel' certificate. Under the new Regulation in cases where the pets are aged over six months and are attending a show, sporting event or training they will not require this additional documentation.	These pets must travel with a 'fit and healthy to travel' certificate.	Additional compliance check to ensure that pets are over six months old and a declaration to be signed confirming that pets are attending show. These pet owners will no longer need to travel with a 'fit and healthy' certificate.	Carriers and pet owners travelling with more than five pets

3b. Where more than five pets are travelling but do not qualify under 3a (above)	Where more than five pets are travelling for reasons other than those outlined above, or where they are aged under six months they will no longer fall within the scope of the pet travel Regulation.	These pets must travel with a 'fit and healthy to travel' certificate.	Must comply with Directive 92/65	AHVLA and pet owners travelling with more than five pets
4. New interpretation of non-commercial movement	Where a pet is not under the direct control of their owner or an authorised person during the whole journey (for example where the pet is in the hold of an aircraft and the owner is in the cabin or they need to travel on different flights) it is necessary for the movements to not be separated by more than five days. A declaration will be required.	A similar provision and requirement for a declaration exists within the current regime but a time-frame is not specified.	In cases where the owner or an authorised person cannot travel within five days of the pet it will be necessary for the pet to be transported in accordance with the trade requirements established under Directive 92/65.	AHVLA and certain pet owners. This provision will only apply for movements into the UK from third countries by air (less than 3% of all pet movements).
5. Requirement for vets to keep records	Veterinarians must keep a record of information relating to pet passport details.	Professional code of good practice requires record keeping but does not specify the keeping of records in respect to pet passports.	To issue a pet passport a vet must be an Official Veterinarian (private sector vet specifically authorised by AHVLA). This new requirement for record keeping will be included in the training and guidance provided to these vets.	Veterinary practices but implemented in a non-regulatory way

6. New model for pet passport	New format and more secure passport to be introduced	Current passport will last for life of pet or until it is full.	Veterinary practices may be charged for passports (but may pass on cost to pet owners). Charging (and hence cost to business) is not part of this regulation.	Charging for passports covered in earlier assessment (RPC13-FT-DEFRA-2000)
7. Requirement for microchip training	Minimum qualifications for those (other than vets) implanting microchips	No qualification currently needed.	Training for those implanting microchips.	Cost for those attending course
8. Quarantine for non-compliance	Non-compliant pets to be held in quarantine until they are compliant with the Regulation or for a maximum of four months.	Where non-compliant pets cannot currently be brought into compliance they may (theoretically) be held in quarantine indefinitely.	Pets that could potentially be held for more than 4 months in quarantine will now be held for maximum of 4 months.	This may bring benefits to some pet owners who have brought non-compliant pets into the country.

<p>9. Movement of unvaccinated pets</p>	<p>A derogation is provided in the EU Regulation which allows for the direct movement of unvaccinated pets between two Member States.</p> <p>The Commission intend to adopt, by means of an implementing act, a list of countries or regions which are authorised to enter into discussions to allow such movements. We expect the implementing act to also include further details on any conditions applicable to these agreements.</p> <p>Until the Commission adopt the implementing act we will not know whether any other countries have met the eligibility criteria or what the terms of the derogation will be. For this reason this derogation will not be considered in this assessment.</p> <p>Following publication of this Implementing Act we will develop an implementation proposal that will fully consider the impact of our preferred approach. If a decision is taken to not make full use of the derogation any impacts will be assessed appropriately.</p>			
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10. Provision of information	Additional information on qualification for microchip implantation and list of approved vaccinations.	Currently this information is not included in the guidance provided to pet owners looking to travel with their pets.	Availability of relevant information	Defra, AHVLA and pet owners.
11. Minimum age for vaccination	Minimum age of 12 weeks will be introduced across the EU.	Vaccine must be administered in line with marketing authorisation in the Member State where it is administered (this may be lower than 12 weeks).	Additional compliance check for the carriers who will need to confirm that 12 weeks elapsed from date of birth to vaccination.	Carriers and pet owners. Note: we are not aware of any vaccinations available in the UK which give full protection before 12 weeks of age.
12. Military and search and rescue dogs	Military and search and rescue dogs will be able to enter away from a Travellers Point of Entry providing that they undergo compliance checks and a permit has been previously agreed with AHVLA.	Similar arrangements are already in place between these organisations and AHVLA.	None.	Not applicable