

Consultation on the proposed revision of existing fees for statutory services delivered by the Animal & Plant Health Agency (APHA)

Date: 26 October 2015



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Any enquiries regarding this publication should be sent to us at

chargingenquiries@apha.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 revision of existing fees for statutory services delivered by APHA.
Duration	6 weeks
Contact	chargingenquiries@apha.gsi.gov.uk
Note	The proposals in this consultation are regarding only statutory services that were delivered by the former Animal Health and Veterinary Laboratories Agency (AHVLA). For correctness, the name of the new Agency (APHA) has been used where applicable

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Section 1 - About this consultation

Topic of this consultation

1.1 This consultation covers proposals to revise existing fees for six statutory services currently delivered by the Animal and Plant Health Agency (APHA) across England, Scotland and Wales.

Scope of this consultation

1.2 The principal purpose of this consultation is to seek views on proposals for revising existing fees, in accordance with a refined cost-recovery model, to achieve Full Cost Recovery (FCR). The refined cost-recovery model includes a method of charging for staff travel time which can be applied in a fair and consistent manner without disproportionately disadvantaging customers who live a greater distance from APHA locations. We are also seeking further information on the impact of any fee revision on businesses, including small businesses (11-49 employees) and micro businesses (1–10 employees). The 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)

Geographical Coverage

1.3 Fee revisions will apply equally across England, Scotland and Wales.

Audience

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

Body responsible for consultation

1.5 This consultation is being undertaken by APHA in partnership with Defra, the Scottish Government and the Welsh Government.

Duration

1.6 The consultation started on 26 October 2015 and will last 6 weeks until 7 December 2015.

How to respond or make an enquiry

1.7 To submit your consultation response, please complete the consultation questionnaire in one of the following ways:

Online - If you have access to the internet, the easiest way to complete the questionnaire is online, via the link: <https://consult.defra.gov.uk/apha/apha-seeks-views-on-revised-fees-for-statutory-se>

Email - You may also email completed questionnaires to us at chargingenquiries@apha.gsi.gov.uk

Paper - If you do not have internet or email access, or you wish to receive a paper copy of the questionnaire for any other reason, please write to us to request a copy at the address below.

Responses can be sent by email to chargingenquiries@apha.gsi.gov.uk or by post to:

APHA Charging Project Team
Animal and Plant Health Agency
Spur 9, Block C
Government Buildings
Whittington Road
Worcester
WR5 2LQ

Responses should be received by 7 December 2015. Responses received after the closing date will not be considered.

After the consultation

1.8 In line with APHA'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.**

1.9 Any confidentiality disclaimer generated by your IT system in email responses will not be treated as such a request. Respondents should also be aware that there may be circumstances in which APHA 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 Consultations”

1.10 This consultation is in line with the “Code of Practice on Consultations”¹. This is a further consultation following development of the policies, after the public consultation held on these measures in 2012. APHA has reviewed all operational processes in respect of the six statutory services and propose to apply a revised FCR model.

1.11 Ongoing engagement has taken place with stakeholders since the previous consultation. In 2014 stakeholders were provided with the opportunity to share views on these proposals through Defra's 'Dialogue App' tool, and via a mailbox, with a presentation on the proposals placed on the APHA website. The feedback we have received from stakeholders has helped to shape our proposals and this consultation. Therefore please note that a consultation period of 6 weeks applies.

¹ <https://www.gov.uk/government/publications/consultation-principles-guidance>

Section 2 – Background information

Animal & Plant Health Agency (APHA).

2.1 APHA is an Executive Agency of Defra and also works on behalf of the Scottish Government and the Welsh Government. We also provide services to the Food Standards Agency, other government departments, the farming industry, international bodies and commercial customers worldwide. The Agency was formed on 1 October 2014, following the merger of Bee Inspectorate, Plant Health and Seeds Inspectorate, Plant Variety and Seeds Group, the GM Inspectorate from Food and Environment Research Agency (FERA) and Animal Health and Veterinary Laboratories Agency (AHVLA).

Stakeholder engagement and pre-consultation work carried out prior to the formation of APHA was conducted under the name Animal Health and Veterinary Laboratories Agency (AHVLA). The proposals in this consultation are regarding only statutory services that were delivered by the former AHVLA. For correctness, the name of the new Agency (APHA) has been used where applicable.

2.2 APHA's role is to safeguard animal health and welfare as well as public health, protect the economy and enhance food security through research, surveillance, inspection and disease eradication.

2.3 APHA primarily works to prevent, control and identify endemic, exotic, new and emerging animal disease across Great Britain (GB) through inspection and surveillance work on farms, at markets, other livestock-related premises, and through specialist veterinary laboratory and scientific services.

2.4 APHA research and surveillance work forms an important part of the evidence base used to support policy-making throughout GB and abroad. We are also a key adviser to policy decisions taken within Defra, the Scottish Government and the Welsh Government.

2.5 APHA is responsible in GB for delivery of policies set by Defra, the Scottish Government and the Welsh Government for the prevention, control and eradication of notifiable disease, upholding public health on farms and maintaining the welfare of farmed livestock.

APHA's range of functions include:

- identifying and controlling endemic and exotic diseases and pests in animals, plants and bees, and surveillance of new and emerging pests and diseases

- scientific research in areas such as bacterial, viral, prion and parasitic diseases and vaccines, and food safety; and act as an international reference laboratory for many farm animal diseases
- ensuring high standards of welfare in farmed animals
- facilitating trade in animals and in products of animal origin
- protecting endangered wildlife through licensing and registration
- managing a programme of apiary (bee) inspections, diagnostics, research and development, and training and advice
- regulating the safe disposal of animal by-products to reduce the risk of potentially dangerous substances entering the food chain

2.6 Many of the activities APHA is responsible for delivering, relate to statutory requirements and in some areas end-users are already charged a fee for the provision of these services. Further details can be found at:

<http://webarchive.nationalarchives.gov.uk/20140707135733/http://www.defra.gov.uk/ahvla-en/tests-and-services/charges-for-ahvla-services/>

Rationale for intervention

2.7 The HM Treasury guidance “Managing Public Money”² explains that it is UK 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.

In July 2012 Defra, on behalf of the Scottish Government and Welsh Government conducted a [public consultation](#)³ on increasing the statutory fees for services delivered in relation to Bovine embryos, Bovine semen, Porcine semen (collectively known as Artificial Breeding Controls (ABC)), Poultry Health Scheme, Border Inspection Posts (BIPs), Convention on International Trade in Endangered Species (CITES) and *Salmonella* National Control Programmes (NCP) to achieve FCR.

A phased increase to fees was chosen for ABC, Poultry Health Scheme and BIPs with the first step (to 50%) made in June 2013, moving towards 100% FCR later. Fees were phased so that businesses could adjust to these higher charges. In June

² Managing Public Money (July 2013) HM Treasury http://www.hm-treasury.gov.uk/d/mpm_whole.pdf

³

<http://webarchive.nationalarchives.gov.uk/20130123162956/http://www.defra.gov.uk/consult/2012/07/16/ahvla-fee-revision/>

2013 fees for services delivered under the *Salmonella* NCP, which were already at FCR, were amended in line with costs.

A phased increase was also chosen for CITES fees, with the first step made in June 2013, however with a longer timescale planned for the move to 100% FCR. For this reason CITES fee revisions are not currently subject to public consultation.

The fees are set out in three Statutory Instruments⁴ for England, Wales and Scotland, hereafter referred to as the 'Animal Health Fees Regulations'.

Following the refinement of the Agency's FCR model (in line with HM Treasury guidance and set out in Annex 7) and efficiency work undertaken, the proposed revision of the fees (including staff travel time charges) differ in some cases to the 100% FCR amounts originally forecast in the 2012 public consultation. The Agency is consulting on the revised proposed fees which are set out in Section 3.

Business efficiencies

2.8 The proposed revision of fees for the statutory services within this consultation has been underpinned by a review of processes to identify efficiencies and improvements.

2.9 Between April 2010 and March 2014 APHA delivered overall savings of over £46m against its baseline costs, which equates to savings of almost 20% in 4 years.

These savings have come from a variety of areas including:

- A reduction in staff of the equivalent of over 700 full time employees between April 2010 and March 2014 which is around 23% of the workforce. There will also be additional reductions to come in the next 2 years as the effects of the projects and reorganisations mentioned below progress through to delivery.
- "Administration and back office functions" costs have been reduced through the Agency's efficiency programme to reduce its operating costs. This includes staffing reductions that have been made through several voluntary early release schemes.
- Additionally the creation and expansion of Specialist Service Centres (SSCs) has centralised certain administration functions (e.g. International Trade, Wildlife Licensing & Registration Service) within the Agency, improving

⁴ The Animal Health (Miscellaneous Fees) Regulations 2013
The Animal Health (Miscellaneous Fees) (Wales) Regulations 2013
The Animal Health (Miscellaneous Fees and Amendments) (Scotland) Regulations 2013

service delivery to customers as well as delivering further headcount savings made through exit schemes.

- Restructuring several times to improve service delivery to customers, rationalising the number of operational regions in England, Wales and Scotland and the number of administrative teams to support that structure. Operational regions have reduced from 16 to 6 (Wales, Scotland, and England North, Midlands, South East and South West), with associated reductions in duplication of workloads and economies of scale in terms of cost savings.
- By vacating 15 properties in the last 3 years (from closure or moving into other shared offices). A significant review of its land and buildings requirement is being completed in conjunction with some of the Full Time Equivalent (FTE) staffing level reviews that are ongoing and will bear significant savings from the last quarter of 2014/15 and into the following years.
- The Agency is notionally charged by Defra for IT infrastructure, support and service, as well as for Estates, Procurement, Legal and HR. These have been driven downwards and are expected to continue to contribute savings through Defra initiatives on the property and estates and IT front, and through decisions taken by APHA to decommission IT systems, vacate and free up additional estates.
- APHA continues to review its delivery models for the different functions that it delivers. Laboratory services have already been partly rationalised with the first phase being completed by March 2013. The delivery of scanning surveillance is also changing with the creation of a smaller footprint driven by the Surveillance 2014 project, which is a new surveillance animal disease system, and will further rationalise estates and centralise workloads to increase efficiencies.
- APHA is continuing to build up its 'Lean⁵ delivery' capability, which makes sure its business processes are as efficient as possible and has already refined delivery in several significant areas of the business. This work is continuing across the Agency as it prepares to deliver more services directly to end users.

2.10 As part of an ongoing programme of process improvement and efficiency savings, we will continue to consider ways of streamlining the services provided and

⁵ Lean is an approach to improving and streamlining business processes

charged for, with the aim of further reducing costs and limiting where possible any future fee increases and ensuring best value for service users.

Calculation of fees

2.11 The Agency remains committed to improving the efficiency and effectiveness of service provision so that charges offer better value. This also includes designing a fair and transparent approach to charging for the travel time associated with delivery of those services. The charges detailed at Annexes 1-6 within this document reflect the best estimate of full cost of providing each service in 2015/16. These charges include salary costs, non pay running costs, and indirect costs attributable to the service being delivered. A more detailed explanation of how costs have been calculated is provided at Annex 7 of this document.

2.12 Each of the charging areas has been reviewed utilising Lean methodologies to improve the efficiency of each step. Each step has been assessed and the time taken to perform it has been calculated and this forms the basis for the staff time charge out rates for each fee. Staff travel time will be charged at an actual rate up to a capped total of 90 minutes per visit, including the return journey. Any travel time over and above 90 minutes will be publicly subsidised.

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

Options under consideration

2.14 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**
Fees would be maintained at current levels. This is not considered a realistic option because it does not achieve the desired outcome of full recovery of costs, but provides a baseline against which other options can be assessed.
- **Option 1: Revise current fees to FCR rates as per previous (summer 2012) consultation in 2015/16.**
- Under this option fees would be increased to the FCR levels proposed in the 2012 consultation. Travel time would be charged at the standard rate for the officer undertaking the work, with no upper limit. The majority of activity fees would be substantially higher than current.

- **Option 2: Revise current fees to new FCR rates in 2015/16**

Further to consultation with HMT, the Agency has revised its FCR methodology to ensure that only the proportion of cost which results from the chargeable activities are included in the calculation of the fees. E.g. costs relating to the emergency resilience aspect of the Agency's work, including a significant proportion of our corporate estate, have been excluded from the revised cost recovery model as these costs are not directly attributable to the chargeable activity.

Under this option fees would be updated based on the revised FCR methodology, including charging for travel time. The majority of activity fees would reduce below current rates and option 1 rates, however fees would increase in some circumstances. Where the fixed fees for a service have reduced considerably, this is due to;

- The revised FCR methodology as described above.
- The change in fee structure, whereby, with the exception of BIPs, all Authorised Veterinarian or Authorised Technician time is charged as a variable fee, i.e. the fixed fee element only includes Administrative Officer time in relation to the activity.

Annexes 1-6 provide a comparison of fees under each option.

Option 2 is the preferred option as this provides FCR based on the Agency's revised methodology, limited changes to the current fees and reduced rates charged for officer time.

Key risks

2.15 The main risks identified are summarised as:

If FCR and the revised fee structure is **not** implemented,

- The Agency will continue to partially subsidise these services, which could impact on our ability to deliver other critical work.
- The Agency will not be able to implement efficiencies which drive down the cost of delivering some services. For example, reduced fees for customers who have multiple Poultry Health Scheme memberships.

If FCR and the revised fee structure **is** implemented, the key risks include:

Option 1

- Reduced demand for services if some market sectors become unprofitable. Some businesses may pass on the costs to their customers which could result in reduced demand and falling profits, potentially making some businesses unviable.
- Higher fees may result in an increase in non-compliance rates. Through this consultation we wish to gain a better understanding of the potential impact of proposed fees on rates of compliance.

Option 1 and 2

- A potential cumulative impact on some users of the services. 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.

Summary of proposed fee structure

2.16 Annexes 1–6 provide the proposed fee structure for each service. The fee structure is summarised as follows.

For Bovine embryos, Bovine semen, Porcine semen, Poultry Health Scheme and *Salmonella* NCP:

- A fixed admin fee which covers the administrative cost of delivering the specific activity, **plus**;
- A variable fee, charged per 15 minutes for veterinary or technical staff time in relation to the specific activity, **plus**;
- A variable fee, based on the journey time, for veterinary or technical staff travel time in relation to the specific activity. A maximum ceiling of 90 minutes applies, including the return journey, **plus**;
- A fixed fee for any laboratory services provided (where applicable).

For Bovine semen and Porcine semen only:

- APHA laboratory services for testing of samples are provided on a commercial basis, and do not form part of the statutory fee schedules.

For services at Border Inspection Posts:

- A fixed fee which covers the full cost of delivering the specific activity during normal office hours, **plus**;

- Where applicable, an out of hours surcharge, charged in addition to the fixed fee when work is completed outside of normal working hours, **plus**;
- Where applicable, a variable fee, charged per 15 minutes for veterinary or technical staff time in relation to the specific activity when avoidable delays are incurred (e.g. incorrect paperwork).

Proposed timing for introducing revised fees

2.17 The proposal is to implement the revised fees in 2015/16, subject to the necessary legislation being in place.

2.18 The Agency will monitor the introduction of revised fees on an ongoing basis and review with Defra, Scottish Government and Welsh Government at the end of year 1.

Section 3 – Summary of statutory services

There are six activity areas in which APHA is proposing to revise charges.

To compare the expected level of business impact across the options presented, we have calculated on the following basis:

- Volumes will remain at or close to 2014/15 volumes.
- The typical time taken to complete the veterinary or technical work involved has been used.
- A 45 minutes total has been used for travel to the premises and return, based on the average current journey times and taking the 90 minute ceiling into consideration.

The basis of the calculations for the estimates of a 'typical total fee' is detailed in each annex.

3.1 Bovine embryos

3.1.1 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. APHA has responsibility for licensing Bovine embryo (collection, production and transfer) teams and storage centres.

3.1.2 The Animal Health Fees Regulations set fees to cover these services. This was the first fee update since 1995, and the first of a 2-part phased increase to achieve FCR.

3.1.3 As of March 2015, there were 8 Bovine embryo collection and production teams in the UK approved for Inter-union trade.

3.1.4 There is currently a system of approval/registration and inspection of premises to ensure that businesses are compliant with regulations.

3.1.5 Fees for statutory services in relation to Bovine embryos are charged under section 10(3)(c) of the Animal Health and Welfare Act 1984.

Options under consideration

3.1.6 This section summarises the options under consideration and proposals for revised fees to achieve FCR for Bovine embryo services.

Option 0: No intervention

Current fees continue to be charged at current rates and the Government continues to partially subsidise these activities to business utilising taxpayers money. This is not considered a realistic option because it does not achieve the desired outcome of full recovery of costs, but provides a baseline against which other options can be assessed.

Option 1: Revise current fees to 2012 consultation FCR rates in 2015/16

Fees are increased to the rates set out in the consultation (i.e. uprated to 100%) that took place in 2012. Travel time would be charged at the standard rate for the officer undertaking the work, with no upper limit.

Option 2: Revise current fees to new FCR rates in 2015/16

Fees are collected at the revised FCR rates as shown in Annex 1, including fees for travel with a 90 minute upper ceiling. Any travel time over and above 90 minutes will be publicly subsidised.

Option 2 is the preferred option as this provides full recovery of costs based on the revised methodology, limited changes to the current fees and reduced rates charged for officer time. This option also incorporates a fair and consistent way of charging for travel time. This is altogether viewed as the fairest method of charging customers for the current cost of delivering this service

Structure of fees

3.1.7 The fee structure proposed for Bovine embryo services includes:

- A fixed admin fee which covers the administrative cost of delivering the specific activity, **plus**;
- A variable fee, charged per 15 minutes for veterinary staff time in relation to the specific activity, **plus**;
- A variable fee, based on the journey time for veterinary staff travel time in relation to the specific activity (a maximum ceiling of 90 minutes applies, including the return journey)

Expected level of business impact

3.1.8 The introduction of fees through Option 2 would result in an overall increase in costs to the Bovine embryo industry of approximately £3,100 a year relative to the

baseline. This is in comparison to an anticipated increase of £11,000 through Option 1.

3.1.9 See Annex 1 for details of the specific fees proposed, and a comparison of options.

3.1.10 There are no additional costs to business associated with receiving, processing and paying invoices as these are existing charges for which invoices are currently issued.

3.2 Bovine semen

3.2.1 Controls on Bovine semen are necessary to prevent the spread of certain animal diseases transmitted through semen which can affect the economic wellbeing of the livestock industry. APHA licences Artificial Insemination Centres, approves and samples donor animals, and controls the conditions under which semen is collected, identified and traced.

3.2.2 The Animal Health Fees Regulations set fees to cover these services. This was the first fee update since 2001 and the first of a 2-part phased increase to achieve FCR.

3.2.3 As of March 2015, there were 3 main companies representing the Bovine semen sector in GB.

3.2.4 There is currently a system of approval/registration and inspection of premises to ensure that businesses are compliant with regulations.

3.2.5 Fees for statutory services in relation to Bovine semen are charged under section 10(3)(c) of the Animal Health and Welfare Act 1984.

Options under consideration

3.2.6 This section summarises the options under consideration and proposals for revised fees to achieve FCR for Bovine semen services.

Option 0: No intervention

Current fees continue to be charged and the Government continues to partially subsidise these activities to business utilising taxpayers' money. This is not considered a realistic option because it does not achieve the desired outcome of FCR, but provides a baseline against which other options can be assessed.

Option 1: Revise current fees to 2012 consultation FCR rates in 2015/16

Fees are increased to the rates set out in the consultation (i.e. uprated to 100%) that took place in 2012. Travel time would be charged at the standard rate for the officer undertaking the work, with no upper limit.

Option 2: Revise current fees to new FCR rates in 2015/16

Fees are collected at the revised FCR rates as shown in Annex 2, including fees for travel with a 90 minute upper ceiling. Any travel time over and above 90 minutes will be publicly subsidised.

Option 2 is the preferred option as this provides FCR based on the revised methodology, limited changes to the current fees and reduced rates charged for officer time. This option also incorporates a fair and consistent way of charging for travel time. This is altogether viewed as the fairest method of charging customers for the current cost of delivering this service.

Structure of fees

3.2.7 The fee structure proposed for Bovine semen services includes:

- A fixed admin fee which covers the administrative cost of delivering the specific activity, **plus**;
- A variable fee, charged per 15 minutes for veterinary staff time in relation to the specific activity, **plus**;
- A variable fee, based on the journey time, for veterinary staff travel time in relation to the specific activity (a maximum ceiling of 90 minutes applies, including the return journey).
- APHA laboratory services for testing of samples are provided on a commercial basis, and do not form part of the statutory fee schedules.

Expected level of business impact

3.2.8 The introduction of FCR fees through Option 2 would result in an overall increase in costs (including laboratory fees) to the Bovine semen industry of

approximately £80,000 a year relative to the baseline. This is in comparison to an anticipated increase of £75,000 through Option 1.

3.2.9 See Annex 2 for details of the specific fee structure, and a comparison of options.

3.2.10 There are no additional costs to business associated with receiving, processing and paying invoices as these are existing charges for which invoices are currently issued.

3.3 Porcine semen

3.3.1 Controls on Porcine semen are necessary to prevent the spread of certain animal diseases transmitted through semen which can adversely affect the economic wellbeing of the livestock industry. The Agency licences Artificial Insemination Centres, approves and samples donor animals, and controls the conditions under which semen is collected, identified and traced.

3.3.2 The Animal Health Fees Regulations set fees to cover these services. This was the first fee update since 2007 and the first of a 2-part phased increase to achieve FCR.

3.3.3 As of March 2015, there were 5 companies representing the Porcine semen sector in GB.

3.3.4 There is currently a system of approval/registration and inspection of premises to ensure that businesses are compliant with regulations.

3.3.5 Fees for statutory services in relation to Porcine semen are charged under section 10(3)(c) of the Animal Health and Welfare Act 1984

Options under consideration

3.3.6 This section summarises the options under consideration and proposals for revised fees to achieve FCR for Porcine semen services.

Option 0: No intervention

Current fees continue to be charged and the Government continues to partially subsidise these activities to business utilising taxpayers' money. This is not considered a realistic option because it does not achieve the desired outcome of FCR, but provides a baseline against which other options can be assessed.

Option 1: Revise current fees to 2012 consultation FCR rates in 2015/16

Fees are increased to the rates set out in the consultation (i.e. uprated to 100%) that took place in 2012. Travel time would be charged at the standard rate for the officer undertaking the work, with no upper limit.

Option 2: Revise current fees to new FCR rates in 2015/16

Fees are collected at the revised FCR rates as shown in Annex 3, including fees for travel with a 90 minute upper ceiling. Any travel time over and above 90 minutes will be publicly subsidised.

Option 2 is the preferred option as this provides full recovery of costs based on the revised methodology, limited changes to the current fees and reduced rates charged for officer time. This option also incorporates a fair and consistent way of charging for travel time. This is altogether viewed as the fairest method of charging customers for the current cost of delivering this service.

Structure of fees

3.3.7 The fee structure proposed for Porcine semen services includes:

- A fixed admin fee which covers the administrative cost of delivering the specific activity, **plus**;
- A variable fee, charged per 15 minutes for veterinary staff time in relation to the specific activity, **plus**;
- A variable fee, based on the journey time, for veterinary staff travel time in relation to the specific activity (a maximum ceiling of 90 minutes applies, including the return journey).
- APHA laboratory services for testing of samples are provided on a commercial basis and do not form part of the statutory fee schedules.

Expected level of business impact

3.3.8 The introduction of FCR fees through Option 2 would result in an overall increase in costs (including laboratory fees) to the Porcine semen industry of approximately £59,000 a year relative to the baseline. This is in comparison to an anticipated increase of £54,000 through Option 1.

3.3.9 See Annex 3 for details of the specific fee structure, and a comparison of options.

3.3.10 There are no additional costs to business associated with receiving, processing and paying invoices as these are existing charges for which invoices are currently issued.

3.4 Poultry Health Scheme

3.4.1 The Poultry Health Scheme provides a system of registration and approvals which allows establishments to export live birds and hatching eggs without the risk of spreading certain diseases inimical to the poultry industry.

3.4.2 The Animal Health Fees Regulations set fees to cover these services. This was the first fee update since 2005 and the first of a 2-part phased increase to achieve FCR.

3.4.3 As of March 2015, there were 37 companies representing 245 premises that are members of the Poultry Health Scheme.

3.4.4 There is currently a system of approval/registration and inspection of premises to ensure that businesses are compliant with the relevant legislation. Defra and Scottish Government approve private laboratories to undertake testing of operator samples.

3.4.5 Fees for statutory services in relation to the Poultry Health Scheme are charged under section 56 of the Finance Act 1973.

Options under consideration

3.4.6 This section summarises the options under consideration and proposals for revised fees to achieve FCR for Poultry Health Scheme services.

Option 0: No intervention

Current fees continue to be charged and the Government continues to partially subsidise these activities to business utilising taxpayers' money. This is not considered a realistic option because it does not achieve the desired outcome of FCR, but provides a baseline against which other options can be assessed.

Option 1: Revise current fees to 2012 consultation FCR rates in 2015/16

Fees are increased to the rates set out in the consultation (i.e. uprated to 100%) that took place in 2012. Travel time would be charged at the standard rate for the officer undertaking the work, with no upper limit.

Option 2: Revise current fees to new FCR rates in 2015/16

Fees are collected at the revised FCR rates as shown in Annex 4, including fees for travel with a 90 minute upper ceiling. Any travel time over and above 90 minutes will be publicly subsidised.

Option 2 is the preferred option as this provides FCR based on the revised methodology, limited changes to the current fees and reduced rates charged for officer time. This option also incorporates a fair and consistent way of charging for travel time. This is altogether viewed as the fairest method of charging customers for the current cost of delivering this service.

Structure of fees

3.4.7 The fee structure proposed for Poultry Health Scheme services includes:

- A fixed admin fee which covers the administrative cost of delivering the specific activity, **plus**;
- A variable fee, charged per 15 minutes for veterinary staff time in relation to the specific activity, **plus**;
- A variable fee, based on the journey time, for veterinary staff travel time in relation to the specific activity (a maximum ceiling of 90 minutes applies, including the return journey).
- Separately, fixed fees for services provided to operators of laboratories.

Expected level of business impact

3.4.8 The introduction of FCR fees through Option 2 would result in lower overall costs to the Poultry industry (including laboratory operators) of approximately £9,000 a year relative to the baseline. This is in comparison to an anticipated an overall increase in costs to the Poultry industry (including laboratory operators) of £15,000 per year through Option 1.

3.4.9 See Annex 4 for details of the specific fee structure, and a comparison of options.

3.4.10 There are no additional costs to business associated with receiving, processing and paying invoices as these are existing charges for which invoices are currently issued.

3.5 *Salmonella* National Control Programmes

3.5.1 The *Salmonella* National Control Programmes (NCPs) safeguard public health by reducing the incidence of *Salmonella* at the farm level in the breeding chicken, laying chicken, broiler chicken and turkey sectors and throughout the food chain. The Agency undertakes inspection, official sampling and sample examination activities, as well as private laboratory proficiency testing. Defra and Scottish Government approve private laboratories to undertake testing of operator samples. These are statutory services, underpinned by EU legislation, which mitigate against disease spread and facilitate and encourage trade.

3.5.2 *Salmonella* NCP fees were introduced in 2007, and updated to FCR in 2010. The Animal Health Fees Regulations subsequently revised fees for these services in line with costs in 2013.

3.5.3 In 2014 APHA made 801 sampling visits to NCP premises.

3.5.4 Fees for statutory services in relation to the *Salmonella* NCP are charged under section 56 of the Finance Act 1973.

Options under consideration

3.5.5 This section summarises the options under consideration and proposals for revised fees to achieve FCR for *Salmonella* NCP services.

Option 0: No intervention

Current fees continue to be charged. Government would partially subsidise some *Salmonella* NCP activities to business utilising taxpayers' money where costs of delivery have increased. This is not considered a realistic option because it does not achieve the desired outcome of FCR, but provides a baseline against which other options can be assessed.

Option 1: Revise current fees to 2012 consultation FCR rates in 2015/16

Option 1 is not applicable for *Salmonella* NCP, as the rates implemented following the previous consultation were at FCR, based on methodology and costs of delivering the service at that time.

Option 2: Revise current fees to new FCR rates in 2015/16

Fees are collected at the revised FCR rates as shown in Annex 5, including fees for travel with a 90 minute upper ceiling. Any travel time over and above 90 minutes will be publicly subsidised.

This is the only valid option for *Salmonella* NCP as this provides FCR based on the revised methodology, including reduced rates for officer time. This also incorporates a fair and consistent way of charging for travel time. This is altogether viewed as the fairest method of charging customers for the current cost of delivering this service.

Structure of fees

3.5.6 The fee structure proposed for *Salmonella* NCP services includes:

- A fixed admin fee which covers the administrative cost of delivering the specific activity, **plus**;
- A variable fee, charged per 15 minutes for technical staff time in relation to the specific activity, **plus**;
- A variable fee, based on the journey time, for technical staff travel time in relation to the specific activity (a maximum ceiling of 90 minutes applies, including the return journey), **plus**;
- A fixed fee for any laboratory services provided by APHA (where applicable).
- Separately, fixed fees for services provided to operators of laboratories wishing to seek approval to undertake testing of operator samples under these programmes.

3.5.7 Currently, operators of laboratories are charged a fixed fee for approval of their laboratories, or annual renewal of laboratory approvals. Although the proposal

is to increase this fee, it is intended that the renewal of laboratory approvals will only be required once every 2 years (biennial) in the future. The increase in this fee is owing to a review of the processes and staff involved in this work, which has highlighted that we are not currently recovering full costs of this service.

Expected level of business impact

3.5.8 The introduction of FCR fees through Option 2 would result in an overall increase in costs to the poultry industry of approximately £8,000 a year relative to the baseline, based on typical visit and travel times.

3.5.9 See Annex 5 for details of the specific fee structure, and a comparison of options.

3.5.10 There are no additional costs to business associated with receiving, processing and paying invoices as these are existing charges for which invoices are currently issued.

3.6 Border Inspection Posts (BIPs)

3.6.1 All live animals (except accompanied pets) imported from beyond the EU are subjected to a veterinary inspection at the BIP on entry to the UK. This is to mitigate against the introduction and spread of disease and to ensure that animal welfare has not been compromised before or during transportation.

3.6.2 BIP fees were introduced in 1997, and prior to 2013 were updated in 2012 (where possible) to the EU minimum fee. The Animal Health Fees Regulations currently sets fees to cover these services. This was the first of a 2-part phased increase.

3.6.3 In 2014/2015 GB imported around 9,200 consignments of live animals from third countries.

3.6.4 Live animals may only enter the EU at specifically approved points of entry, called Border Inspection Posts, where they are subject to checks by the Agency.

3.6.5 Fees for statutory services in relation to BIPs are charged under section 56 of the Finance Act 1973.

Options under consideration

3.6.6 This section summarises the options under consideration and proposals for revised fees to achieve FCR for BIPs services.

Option 0: No intervention

Current fees continue to be charged and the Government continues to partially subsidise these activities to business utilising taxpayers' money. This is not considered a realistic option because it does not achieve the desired outcome of FCR, but provides a baseline against which other options can be assessed.

Option 1: Revise current fees to 2012 consultation FCR rates in 2015/16

Fees are increased to the rates set out in the consultation (i.e. uprated to 100%) that took place in 2012. Travel time does not apply to BIPs.

Option 2: Revise current fees to new FCR rates in 2015/16

Fees are collected at the revised FCR rates as shown in Annex 6.

Option 2 is the preferred option as this provides FCR based on the revised methodology, limited changes to the current fees and reduced rates charged for officer time. This is altogether viewed as the fairest method of charging customers for the current cost of delivering this service.

Structure of fees

3.6.7 The fee structure proposed for BIP services includes:

- A fixed fee which covers the full cost of delivering the specific activity during normal office hours, **plus**;
- Where applicable, an out of hours surcharge, charged in addition to the fixed fee when work is completed outside of normal working hours. This is designed to cover the cost of travel to the BIP, and increased staff rates required to complete the work, **plus**;
- Where applicable, a variable fee, charged per 15 minutes for veterinary or technical staff time in relation to the specific activity when avoidable delays

are incurred – for example incorrect paperwork completed by customer which requires telephone enquiries to be made.

3.6.8 Out of hours surcharges apply for every load subject to inspection undertaken (whether in whole or in part):

- during a weekend
- after 17.00 hours but before 08.30 hours on a weekday
- during a public holiday.

(“load” means one or more consignments of animals from the same country of origin that have arrived on the same means of transport and presented by a person responsible for their importation for checking at the BIP at the same time).

Expected level of business impact

3.6.9 We anticipated that, based on 2012/13 volumes of inspections at Border Inspection Posts, the introduction of FCR fees through Option 2 would result in an overall increase costs to the imports industry of approximately £133,000 a year relative to the baseline. This is in comparison to an anticipated increase of £352,000 through Option 1. Volumes of veterinary inspections at Border Inspection Posts in subsequent years have decreased. We therefore anticipate lower overall costs to the imports industry of approximately £344,000 a year, relative to the baseline.

3.6.10 See Annex 6 for details of the specific fee structure, and a comparison of options.

3.6.11 There are no additional costs to business associated with receiving, processing and paying invoices as these are existing charges for which invoices are currently issued.

Section 4 - Consultation

4.1 This written consultation builds on informal engagement with stakeholders from the representative associations during the development of the fees for each of the services.

Stakeholder engagement and pre consultation work carried out prior to the formation of APHA on 1 October 2014 was conducted under the name of AHVLA.

4.2 Ongoing engagement has taken place since 2012 when a formal consultation was undertaken on uprating fees to FCR. In 2014 stakeholders were provided with

the opportunity to share views on these proposals through Defra's 'Dialogue App' tool, and via a mailbox, with a presentation on the proposals placed on the now archived AHVLA website.

<http://webarchive.nationalarchives.gov.uk/20140707135733/http://www.defra.gov.uk/ahvla-en/tests-and-services/charges-for-ahvla-services/>

The feedback we received from stakeholders has helped to shape this consultation.

4.3 The main purpose of this consultation is to engage all stakeholders likely to be affected by the proposed revision of fees for these statutory services, and in particular to seek:

- Comments on the options summarised in this document, and to propose other options that could deliver Government's objectives of FCR and
- Further evidence for the impact assessment for each of the services. This information will help to ensure we have the best available evidence on which to make decisions on implementation of FCR.

4.4 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 responses to these questions either electronically or by post. Any additional information you can provide to support your responses would be useful in making an accurate assessment of the impacts of the proposals. We are consulting widely, including businesses affected by the changes and individuals, groups and organisations that may have an interest in any of the statutory services.

4.5 To ensure all interested parties have an opportunity to comment, the consultation document and a list of consultees is available online at:

<https://consult.defra.gov.uk/>

4.6 To help make our proposed fees as clear as possible, Annexes 1-5 provide:

- A comparison of fees for each individual element of the fee structure, across the three options presented in this document.
- An example of a typical total fee that a customer paid in 2014/15 for each activity.
- A best estimate of a typical total fee that a customer would expect to pay in 2015/16 for each activity under option 1 and the preferred option 2.
- An example of a typical total fee that a customer would expect to pay for a single activity on each service, compared across the three options presented in this document.

Each example or typical fee includes 2 hours of travel time (capped at 90 minutes in Option 2) and 1.5 hours of visiting officer time.

4.7 Annex 6 provides an example of a typical total fee that a customer would expect to pay for the BIP out of hours service, compared across the options presented in this document.

Annex 1: Proposed schedule of Fees – Bovine embryos

Services for Bovine embryo sector	Option 0	Option 1	Option 2	Current Fees (Option 0)	Proposed Fees (Option 1)	Proposed Fees (Preferred Option 2)
<i>Fixed Fees</i>	<i>The fixed fees below, will be subject to the additional cost of veterinary staff time and travel time (capped) as shown in the variable fees table.¹</i>			Typical total fee ² in 2014/15	Best estimate of Typical total fee ² in 2015/16	Best estimate of Typical total fee ² in 2015/16
Considering an application for approval or re-approval of: - a Bovine embryo transfer team - a store under regulation 13 - a store under regulation 16 - a store and its supervisor under regulations 16 & 19 -a single Bovine embryo collection or production team (with no inspection of a laboratory) -a single Bovine embryo collection or production team (with an inspection of a laboratory)	£60 £60 £60 £60 £168 £131	£17 £126 £126 £126 £189 £189	£28 ³	£138 £138 £138 £138 £246 £209	£339 £448 £448 £448 £511 £511	£250
Considering an application for approval of an additional laboratory or store from the same applicant when the inspection is done on the same day Less than 8km away More than 8km away	£27 £86	£42 £126	£9 ³	£105 £164	£364 £448	£231
Considering an application for re-approval of a laboratory or a store following any alterations	£71	£115	£25	£149	£437	£247

Carrying out routine inspection of records of a single Bovine embryo production, collection or transfer team and re-inspection of a single laboratory or store	£70	£106	£17	£148	£428	£239
Carrying out routine inspection of records of each additional Bovine embryo production, collection or transfer team, and re-inspection of each additional laboratory or store	£41	£63	£4	£119	£385	£226
<i>Variable Fees (charged in addition to fixed fees)</i>						
Time spent by an Authorised Veterinarian in relation to the activities above (per 1/4 Hour)	£13	£23	£16			
Time spent by an Authorised Veterinarian travelling to and from premises for the purpose of the activities above (per 1/4 Hour)	Not currently charged	£23	£21 (Max 90 min)			

¹ Fixed fees for options 0 and 1 contain Authorised Veterinarian time spent in the office, e.g. pre/post visit preparatory and paperwork. Fixed fees for option 2 only contain administrative officer time in relation to the activity, all Authorised Veterinarian time for option 2 is charged as a variable fee.

² Typical total fees, including fixed and variable cost elements.

³ Ranges are no longer present for these fees, as the administrative procedure is the same. The variable fee for Authorised Veterinarian time will differ.

Example of actual sum charged. This is a combination of the fixed admin fee plus variable fees using the table above.

Approval of a single Bovine embryo collection team with inspection of one laboratory, if the veterinary work took 1.5 hours, and travel time was 1 hour each way:

Option 0 - £131 fixed admin fee + £78 (1.5 Hrs) Authorised Veterinarian time (variable fee) = **£209**

Option 1 - £189 fixed admin fee + £138 (1.5 Hrs) Authorised Veterinarian time (variable fee) + £184 (2 Hrs) Travel time (variable fee) = **£511**

Option 2 - £28 fixed admin fee + £96 (1.5 Hrs) Authorised Veterinarian time (variable fee) + £126 (1.5 Hrs) Travel time (variable fee) = **£250**

Annex 2: Proposed schedule of Fees – Bovine semen

Services for Bovine semen sector	Option 0	Option 1	Option 2	Current Fees (Option 0)	Proposed Fees (Option 1)	Proposed Fees (Preferred Option 2)
<i>Fixed Fees</i>	<i>The fixed fees below, will be subject to the additional cost of veterinary staff time and travel time (capped) as shown in the variable fees table¹.</i>			Typical total fee ² in 2014/15	Best estimate of Typical total fee ² in 2015/16	Best estimate of Typical total fee ² in 2015/16
Considering an application for approval of a Bovine animal for use in a domestic collection centre or at unlicensed premises ³	£38	£48	£20	£116	£370	£242
Considering an application for approval of a Bovine animal for use in an EU collection centre ³						
Bovine animal aged 6 months or under	£187	£213		£265	£535	
Bovine animal aged over 6 months and in the same sex group	£187	£213	£26 ⁴	£265	£535	£248
Bovine animal aged over 6 months and in a mixed sex group	£368	£394		£446	£716	
Considering an application for a licence to operate an:						
- EU or Domestic storage centre	£63	£82	£27	£141	£404	£249
- EU quarantine centre	£114	£189	£29	£192	£511	£251
- EU or Domestic collection centre	£146	£189	£27	£224	£511	£249

Conducting an examination of a Bovine semen centre	£14	£17	£17	£92	£339	£239
Conducting a routine examination of approved Bovine animals ³	NA ⁵	£50 £150	£23 ⁴	NA ⁵	£372 £472	£245
Domestic EU						
Variable Fees (charged in addition to fixed fees)						
Time spent by an Authorised Veterinarian in relation to the activities above (per 1/4 Hour)	£13	£23	£16			
Time spent by an Authorised Veterinarian travelling to and from premises for the purpose of the activities above (per 1/4 Hour)	Not currently charged	£23	£21 (Max 90 min)			

¹ Fixed fees for options 0 and 1 contain Authorised Veterinarian time spent in the office, e.g. pre/post visit preparatory and paperwork. Fixed fees for option 2 only contain administrative officer time in relation to the activity, all Authorised Veterinarian time for option 2 is charged as a variable fee. ² Typical total fees, including fixed and variable cost elements.

³ Laboratory fees are included in the fixed admin fees in options 0 and 1. In option 2, laboratory fees are not included as these are not part of the statutory service.

⁴ Ranges are no longer present for these fees, as the administrative procedure is the same. The variable fee for Authorised Veterinarian time will differ.

⁵ This fee was omitted from the current statutory instrument which sets these fees.

Example of actual sum charged. This is a combination of the fixed admin fee plus variable fees using the table above.

Considering an application for approval of a Bovine animal aged under 6 months for use in an EU collection centre, if the veterinary work undertaken by an Authorised Veterinarian took 1.5 hours and travel time was 1 hour each way:

Option 0 - £187 fixed admin fee + £78 (1.5 Hrs) Authorised Veterinarian time (variable fee) = **£265**

Option 1 - £213 fixed admin fee + £138 (1.5 Hrs) Authorised Veterinarian time (variable fee)+ £184 (2 Hrs) Travel time (variable fee)= **£535**

Option 2 - £26 fixed admin fee + £96 (1.5 Hrs) Authorised Veterinarian time (variable fee) + £126 (1.5 Hrs) Travel time (variable fee)= **£248 + laboratory fees**

Current Laboratory Example Prices 2015/16

Fees incurred for laboratory testing of samples are not included in the above table option 2. APHA provides these laboratory services on a commercial basis; therefore these are not part of APHA's statutory fee schedule and are charged in addition to the fees listed above.

Description	Fee per test	Description	Fee per test
<i>Brucellosis</i> SAT Antibody	£10.40	BVD/MD ELISA	£3.40
<i>Enzootic Bovine leukosis</i> ELISA or AGIDT Antibody	£11.65	<i>Campylobacter fetus</i> ssp. <i>Venerealis</i> culture	£35.35
IBR/IPV cELISA Antibody	£7.25	<i>Trichomonas foetus</i>	£43.20
BVD/MD IPX Antibody	£19.45		
BVD/MD SNT Antigen	£38.10		
<i>Campylobacter fetus</i> ssp. <i>Venerealis</i> identification	£80.25		

Annex 3: Proposed Schedule of Fees – Porcine semen

Services for Porcine semen sector	Option 0	Option 1	Option 2	Current Fees (Option 0)	Proposed Fees (Option 1)	Proposed Fees (Preferred Option 2)
<i>Fixed Fees</i>	<i>The fixed fees below, will be subject to the additional cost of veterinary staff time and travel time (capped) as shown in the variable fees table¹</i>			Typical total fee ² in 2014/15	Best estimate of Typical total fee ² in 2015/16	Best estimate of Typical total fee ² in 2015/16
Considering an application for the approval of boars for the purpose of the collection of semen subject to Domestic trade ³ Intra-EU trade ³	£92 £201	£112 £221	£31 ⁴	£170 £279	£434 £543	£253
Routine testing of boars on an artificial insemination centre from which semen is subject to Domestic trade ³ Intra-EU trade ³	£140 £201	£160 £221	£23 ⁴	£218 £279	£482 £543	£245
Considering an application from an operator for an artificial insemination centre licence or approval	£29	£58	£27	£107	£380	£249
Considering an application for approval of an alteration to licensed premises (in accordance with conditions attached to the licence)	£29	£58	£25	£107	£380	£247
Routine examination of artificial insemination centre	£9	£17	£17	£87	£339	£239
Variable Fees(charged in addition to fixed fees)						

Time spent by an Authorised Veterinarian in relation to the activities above (per 1/4 Hour)	£13	£23	£16
Time spent by an Authorised Veterinarian travelling to and premises for the purpose of the activities above (per 1/4 Hour)	Not currently charged	£23	£21 (Max 90 min)

¹ Fixed fees for options 0 and 1 contain Authorised Veterinarian time spent in the office, e.g. pre/post visit preparatory and paperwork. Fixed fees for option 2 only contain administrative officer time in relation to the activity, all Authorised Veterinarian time for option 2 is charged as a variable fee.

² Typical total fees, including fixed and variable cost elements

³ Laboratory fees are included in the fixed admin fees in options 0 and 1. In option 2, laboratory fees are not included as these are not part of the statutory service.

⁴ Ranges are no longer present for these fees, as the administrative procedure is the same. The variable fee for Authorised Veterinarian time will differ.

Example of actual sum charged. This is a combination of the fixed admin fee plus variable fees using the table above.

Considering an application for the approval of boars for the purpose of the collection of semen for EU trade, if the veterinary work took 1.5 hours, and travel time was 1 hour each way:

Option 0 - £201 fixed admin fee + £78 (1.5 Hrs) Authorised Veterinarian time (variable fee) = **£279**

Option 1 - £221 fixed admin fee + £138 (1.5 Hrs) Authorised Veterinarian time (variable fee) + £184 (2 Hrs) Travel time (variable fee) = **£543**

Option 2 - £31 fixed admin fee + £96 (1.5 Hrs) Authorised Veterinarian time (variable fee) + £126 (1.5 Hrs) Travel time (variable fee) = **£253 + laboratory fees**

Current Laboratory Example Prices 2015/16

Fees incurred for laboratory testing of samples are not included in the above table option 2. APHA provides these laboratory services on a commercial basis; therefore these are not part of APHA's statutory fee schedule and are charged in addition to the fees listed above.

Description	Fee per test
<i>Brucellosis</i> RBT Antibody	£6.70

<i>Aujeskys</i> ELISA Antibody	£7.65
<i>Classical Swine Fever</i> ELISA Antibody	£7.75

Annex 4: Proposed Schedule of Fees – Poultry Health Scheme

Services for Poultry Health Scheme Sector	Option 0	Option 1	Option 2	Current Fees (Option 0)	Proposed Fees (Option 1)	Proposed Fees (Preferred Option 2)
<i>Fixed Fees for Poultry Health Scheme members</i>	<i>The fixed fees below, will be subject to the additional cost of veterinary staff time and travel time (capped) as shown in the variable fees table¹</i>			Typical total fee ² in 2014/15	Best estimate of Typical total fee ² in 2015/16	Best estimate of Typical total fee ² in 2015/16
Registration as a poultry health scheme member	£61	£61	£55	£383	£383	£277
First year approval where inspection carried out by an Authorised Veterinarian of scheme member's: -						
Flock or hatchery	£210	£323	£27	£288	£645	£249
Combined flock and hatchery on one site	£233			£311		
Annual re-approval where inspection carried out by an Authorised Veterinarian of scheme member's: -						
Flock or hatchery	£178	£223	£56	£256	£545	£278
Combined flock and hatchery on one site	£183			£261		
Additional site re-approval where a scheme member applies at the same time for multiple sites, and the inspection is carried out by an Authorised Veterinarian: -						
Flock or hatchery	£178	£223	£37 ³	£256	£545	£259
Combined flock and hatchery on one site	£183			£261		

Annual re-approval where the inspection is carried out by an OV of a scheme member's: -						
Flock or hatchery	£74	£87	£54	£74	£87	£54
Combined flock and hatchery on one site	£78			£78		
Additional site re-approval where a scheme member applies at the same time for multiple sites, and inspection is carried out by an OV of a scheme member's: -						
Flock or hatchery	£74	£87	£29 ³	£74	£87	£29
Combined flock and hatchery on one site	£78			£78		
<i>Variable Fees (charged in addition to fixed fees)</i>						
Time spent by an Authorised Veterinarian in relation to the activities above (per 1/4 Hour)	£13	£23	£16			
Time spent by an Authorised Veterinarian travelling to and from premises for the purpose of the activities above (per 1/4 Hour)	Not currently charged	£23	£21 (Max 90 min)			
<i>Fixed Fees payable by the operator of a laboratory</i>						
Processing an application for an initial laboratory approval or a renewal of a laboratory approval	£43	£43	£73 ⁴			
Proficiency test in respect of <i>Salmonella</i> bacteriology (<i>pullorum</i> , <i>gallinarum</i> and <i>arizonae</i>)	£131	£131	£146			
Proficiency test in respect of <i>Salmonella</i> serology (<i>pullorum</i> , <i>gallinarum</i>)	£336	£336	£321			
Proficiency test in respect of <i>Mycoplasma</i> chicken serology (<i>gallisepticum</i>)	£336	£336	£321			
Proficiency test in respect of <i>Mycoplasma</i> culture (<i>gallisepticum</i> and <i>meleagridis</i>)	£281	£281	£389			

Proficiency test in respect of <i>Mycoplasma</i> turkey serology (<i>gallisepticum</i> and <i>meleagridis</i>)	£336	£336	£387
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¹ Fixed fees for options 0 and 1 contain Authorised Veterinarian time spent in the office, e.g. pre/post visit preparatory and paperwork. Fixed fees for option 2 only contain administrative officer time in relation to the activity, all Authorised Veterinarian time for option 2 is charged as a variable fee.

² Typical total fees, including fixed and variable cost elements.

³ Reduced administrative fee applied to multiple sites when memberships are renewed on the same date.

⁴ Renewal of laboratory approvals will be every 2 years (biennial) in future rather than annual.

Poultry Health Scheme

Example of actual sum charged. This is a combination of the fixed admin fee plus variable fees using the table above.

Annual re-approval of a scheme member's flock or hatchery, if the inspection was by an Authorised Veterinarian and took 1.5 hours, and travel time was 1 hour each way:

Option 0 - £178 fixed admin fee + £78 (1.5 Hrs) Authorised Veterinarian time (variable fee) = **£256**

Option 1 - £223 fixed admin fee + £138 (1.5 Hrs) Authorised Veterinarian time (variable fee) + £184 (2 Hrs) Travel time (variable fee) = **£545**

Option 2 - £56 fixed admin fee + £96 (1.5 Hrs) Authorised Veterinarian time (variable fee) + £126 (1.5 Hrs) Travel time (variable fee) = **£278**

Annex 5: Proposed schedule of Fees – *Salmonella* NCP

Services for <i>Salmonella</i> NCP Sectors		Option 0	Option 1	Option 2	Current Fees (Option 0)	Proposed Fees (Option 1)	Proposed Fees (Preferred Option 2)
<i>Fixed fees</i>		<i>The fixed fees below, will be subject to the additional cost of technical staff time and travel time (capped) as shown in the variable fees table¹</i>			Typical total fee ² in 2014/15	Best estimate of Typical total fee ² in 2015/16	Best estimate of Typical total fee ² in 2015/16
Taking an official control sample from a chicken laying flock		£60	£60	£32	£132	£228	£170
Taking an official control sample from a chicken or turkey breeding flock		£96	£96	£52	£168	£264	£190
Taking an official control sample from a chicken broiler flock		£89	£89	£72	£161	£257	£210
Taking an official control sample from a turkey fattening flock		£87	£87	£72	£159	£255	£210
<i>Variable fees (charged in addition to fixed fees)</i>							
Time spent by an Authorised Technician in relation to the activities above (per 1/4 Hour)		£12	£12	£9			
Time spent by an Authorised Technician travelling to and from premises for the purpose of the activities above (per 1/4 Hour)		Not currently charged	£12	£14 (Max 90 mins)			
<i>Fixed fees payable by the operator of a laboratory</i>							
Processing an application for an initial laboratory approval or a renewal of a laboratory approval		£43	£43	£73 ³			
Conducting inspections and quality assurance based on the number of tests for which the laboratory is approved	One test	£753	£753	£350			
	Two tests	£778	£778	£361			
	Three tests	£802	£802	£372			
	Four tests	£826	£826	£384			

Salmonella NCP

Fixed fees for APHA laboratory services			
Examination of an official control sample in a laboratory (per sample)	£20	£20	£14
Conducting collaborative testing for <i>Salmonella</i> as required to obtain and maintain approval as a testing laboratory (4 per distribution)	£37	£37	£34
Conducting tests on seven dust and faecal samples taken from each flock	£140	£140	£99
Conducting bacteriological sampling and testing of the caeca and oviducts of 300 birds from each flock	£3,823	£3,823	£2,470
Conducting bacteriological sampling and testing of the shell and the content of 4,000 eggs from each flock	£3,601	£3,601	£3,080

¹ Fixed fees for options 0 and 1 contain Authorised Technician time spent in the office, e.g. pre/post visit preparatory and paperwork. Fixed fees for option 2 only contain administrative officer time in relation to the activity, all Authorised Technician time for option 2 is charged as a variable fee.

² Typical total fees, including fixed and variable cost elements.

³ Renewal of laboratory approvals will be every 2 years (biennial) in future rather than annual.

Example of actual sum charged. This is a combination of the fixed admin fee plus variable fees using the table above.

Taking an official control sample from a chicken laying flock

If the sampling visit took 1.5 hours, travel time was 1 hour each way, and 5 samples were taken:

Option 0 - £60 fixed admin fee + £72 (1.5 Hrs) Authorised Technician time (variable fee) + £20 x 5 laboratory fee = **£232**

Option 1 - £60 fixed admin fee + £72 (1.5 Hrs) Authorised Technician time (variable fee) + £96 (2 Hrs) Travel time (variable fee) + £20 x 5 laboratory fee = **£328**

Option 2 - £32 fixed admin fee + £54 (1.5 Hrs) Authorised Technician time (variable fee) + £84 (1.5 Hrs) Travel time (variable fee) = £170 + £14 x 5 laboratory fee = **£240**

Annex 6: Proposed Schedule of Fees – Border Inspection Posts

Services for Imports Sector	Option 0	Option 1	Option 2
<i>Fixed fees for checking consignments</i>			
Poultry and small game birds	£44	£42	£65
Poultry – Regular egg imports	£44	£42	£38
Ratites	£44	£42	£65
Captive birds	£44	£42	£64
Live fish, Aquatic animals, Bees	£40	£74	£32
Rabbits, Rodents	£40	£74	£29
Other insects, Invertebrates, Reptiles, Amphibians	£40	£74	£26
Pets unaccompanied by a declaration	£44	£42	£57 ¹
Equidae	£54	£54	£62 ¹
Farmed livestock including cattle, sheep, goats, camelids, pigs and wild boar	£54	£54	£146 ¹
Animals not covered by any other category	£44	£42	£55 ¹
Surcharge for Out of Hours service – Evenings	£80	£80	£140 ³
Surcharge for Out of Hours service – Weekend	£80	£80	£185 ³

Border Inspection Posts

<i>Variable Fees – Additional time fees for consignment checks²</i>			
Standard Hours - Authorised Veterinarian (per 1/4 Hour)	Not currently charged	Not currently charged	£11
Standard Hours - Authorised Technician (per 1/4 Hour)	Not currently charged	Not currently charged	£9
Out of Hours Evening - Authorised Veterinarian (per 1/4 Hour)	Not currently charged	Not currently charged	£17
Out of Hours Weekend - Authorised Veterinarian (per 1/4 Hour)	Not currently charged	Not currently charged	£23

¹ EU minimum fees are included on relevant consignment types as per Council regulation 882/2004 (EC).

² Additional time charged per 15 minutes for veterinary or technical staff time in relation to the specific activity when avoidable delays are incurred (e.g. incorrect paperwork supplied and additional phone calls need to be made).

³ Proposed surcharges for out of hours work are designed to cover the cost of travel to the BIP, and increased staff rates required to complete the work.

Example of actual sum charged for out of hours service

Importing 10 consignments of Live fish, Aquatic animals or Bees

If the consignments were presented in one 'load' out of hours on a weekday:

Option 0 - £400 (£40 x 10 consignments) fixed fee + £80 Out of Hours surcharge = **£480**

Option 1 - £740 (£74 x 10 consignments) fixed fee + £80 Out of Hours surcharge = **£820**

Option 2 - £320 (£32 x 10 consignments) fixed fee + £140 Out of Hours surcharge = **£460**

Annex 7: Fee methodology

FCR Model

The FCR charges for option 2 detailed at Annexes 1-6 are based on charge out rates for 2014/15. These have been calculated as follows:

Salary Costs + Non-Pay Running costs + Indirect Costs + Specific fees = Fee

The cost elements explained below are included in our fees to recover costs associated with the delivery of each service.

Salary Costs include:

- Basic salary – This is the cost incurred to pay a member of staff of a particular grade to undertake part of the activity associated with this service. Typically each service will have a variety of members of staff performing a role to deliver it.
- Permanent allowances – These are allowances paid to certain members of staff for a variety of reasons these include such things as on call allowances to undertake duties out of hours.
- Employer related National Insurance – The portion of national insurance that is paid by the Agency for each member of staff associated with delivering the service
- Pension. – The portion of the employers' contribution that is paid by the Agency for staff pensions for each member of staff associated with delivering this service.

We have taken the total annualised salary costs per grade (excluding things like overtime etc.) and divided this by the total full time equivalent (FTE) per grade at a point in time, to calculate the average hourly salary for each grade.

Non-Pay Running costs (NPRC), include:

- Accommodation – These are a portion of the costs associated with providing the work space for the staff associated with providing the service.
- Veterinary consumables– These are costs to cover the provision of disposable equipment provided to members of staff, such as gloves, over shoes, sampling equipment etc.
- General overheads – These costs to cover the general running of the Agency and includes such items as the provision of office equipment, printing, insurance and legal expenses.
- ICT costs – These costs include laptops and mobile phones.

- Training – This includes costs associated with learning and development.

These are overhead costs attributable to the provision of our chargeable activities apportioned as a percentage per grade.

Travel and subsistence overheads are not included under NPRC when calculating the hourly working rate. They are only applicable to the travel time rate calculation.

Indirect costs

These are APHA corporate support teams. In calculating the portion of these costs associated to this service it has been assumed that all staff in APHA benefit equally from the support these services provide to them. Therefore the costs of delivering these have been spread in proportion to grade across all staff employed by APHA.

- Health and Safety – This is the costs associated with managing Health and Safety activities, such as the identification and management of Bio Risks, accident reporting systems, risk assessments and health surveillance.
- Communications
- Corporate Office
- Human Resources
- Finance and Procurement – These are costs associated with managing budgets and ensure that services used by the Agency are selected within the regulations and provide best value for the tax payer.
- Relationship Management
- Estates Management – These are costs associated with managing Agency buildings and facilities. This does not include costs associated with providing workspace for those delivering the service.
- Information Management – Costs associated with maintaining records.

Specific Fees include:

- Software costs – The cost of maintaining any software required specifically to undertake this service.
- Variable postage costs (where used) dependent upon the option chosen by the customer

Charging of Variable and Fixed Fees

Each fee structure in Annexes 1-6 consists of variable and fixed components which make the total fee charged per activity.

Where the activity involves an Agency Authorised Veterinarian or Technician undertaking a visit, the customer will be charged a variable fee per each completed 15 minutes of work, in addition to the fixed administration charge. The customer will be charged for travel time based on the journey time in addition to this. If the activity involves any laboratory work provided by the Agency, the fees for this work will be charged in addition.

For services provided at Border Inspection Posts, a fixed fee is charged per Common Veterinary Entry Document (CVED). If the work takes longer due to a delay caused by the customer (e.g. incorrectly completed paperwork) the variable fee will be charged in addition to the fixed fee for each completed 15 minutes of work. If the work is completed out of hours an additional fee applies.

For *Salmonella* NCP and Poultry Health Scheme fixed fees are charged for laboratory work and for services provided to operators of private laboratories.

When a customer receives a request for payment or invoice, the Agency will provide clear information on the components which make up the total fee charged for each service, for example a request for payment may contain the following components;

- Fixed fee
- Authorised Veterinarian Time
- Travel Time

Travel time

The Agency will charge customers travel time up to a capped ceiling of 90 minutes for a return journey from the nearest APHA Field Services Office.