

Health and Safety Executive Senior Management Team Paper		SMT/09/77	
Meeting date:	5 August 2009	FOI status:	Open
Type of Paper:	Below the line	Trim Reference:	2009/273081
Exemptions:	None		

Consultation on the review of the charging structure for Pesticides

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Issue

1. To seek the Senior Management Team's agreement to consult on the revision of the existing fees and charges structure to recover the costs of the pesticides regulatory regime from the crop protection industry.

Recommendation

2. The Senior Management Team is asked to:
 - i. agree to the Chemicals Regulation Directorate (CRD) undertaking a consultation with its stakeholders on the revised fee proposals.
 - ii. agree that a 6 week consultation period is sufficient.

Timing

3. It is planned to commence the consultation in August.

Summary

4. The consultation will suggest very few changes since the last consultation in March 2008. Annex A summarises the proposals but in summary 7 fees will be reduced and 3 new fees associated with setting, modifying or deleting maximum residue levels are proposed.

Background

5. It is a longstanding government policy that the full costs of the pesticides regime should be recovered from the industry. A further principle is that the cost of the service should be met directly by the recipient of that service. CRD undertakes an annual review of its charging structure to ensure that these principles are met. The annual review considers fee rates in the light of the actual costs of the work undertaken. At the same time the charging structure is reviewed and any opportunities for improvement are investigated.

Argument

6. Current fees have been in force since 1 March 2007. However a consultation proposing a revised fee structure was undertaken in March 2008. This prompted only a handful of minor comments and Ministerial agreement was gained in August 2008 to implement the proposals. Unfortunately we were unable to secure the necessary legal resource to bring in the required legislation to enact the fees and this has continued to be the case until recently. Having reviewed our charging structure again we would wish to bring in both the changes proposed in the last consultation and those identified in this current review.
7. We would again expect very few comments from our stakeholders, particularly as the financial impact on the industry is low. It is for this reason - and the fact that there have already been significant delays - that we would prefer to reduce the length of the consultation. Following the consultation and the evaluation of any responses we will seek Ministerial approval for the revised fees and would aim to bring the fees in to force at the earliest opportunity.

Financial Implications

8. The proposals represent an overall increase against current fees but they are lower than those on which we consulted in March 2008. As a result of the proposals we would expect additional fee income of around £200k to £300k per annum. It should be noted however that most of the increase will be off-set by a reduction in the industry levy. The net charge to the industry would therefore be in the region of £50k to £100k. The financial impact of the proposals have been cleared by PFPD.

Costs and Benefits

9. The proposals contained in the consultation paper will provide a charging structure which is transparent, equitable and with the flexibility to match fees to the varied application types that CRD handles. It will provide a more consistent and simplified approach and aims to recover the full costs directly from the recipient of the service.

Action

10. Subject to SMT approval, CRD will:
 - i. consult with stakeholders and evaluate responses.
 - ii. gain Ministerial approval to new fee proposals.
 - iii. liaise with legal colleagues to produce and implement a revised Statutory Instrument.

ANNEX A

FEES FOR PRODUCT APPLICATIONS

Co-ordination	Fee from previous consultation	Proposed fee for new consultation	Change
Withdrawal	£100	£100	None
Sift – non electronic	£275	£275	None
Sift – electronic	£175	£175	None
Co-ordination	£1,500	£1,500	None
Parallel co-ordination	£710	£710	None
Off - Labels	£1,085	£1,085	None
Admin Approvals	£120	£120	None
Task	£40	£40	None
Admin experimental approvals	£30	£30	None

Specialist Modules	Fee from previous consultation	Proposed fee for new consultation	Change
Label Check	£300	£300	None
PI Verification	£200	£200	None
Reasoned Case *	£250	£250	None
Residues *	£1,000	£900	- £100
Toxicology *	£1,000	£900	- £100
Operator Exposure *	£1,000	£900	- £100
Ecotoxicology *	£1,000	£900	- £100
Fate & behaviour *	£1,000	£900	- £100
Efficacy *	£1,000	£900	- £100
Chemistry *	£1,000	£900	- £100
Departmental supplement	£1,600	£1,600	None
Import Tolerance cat 1	£15,600	£15,600	None
Import Tolerance cat 2	£6,500	£6,500	None
Import Tolerance cat 3	£1,950	£1,950	None
Maximum residue cat 1	-	£15,600	New Fee
Maximum residue cat 2	-	£6,500	New Fee
Maximum residue cat 3	-	£1,950	New Fee

Official Recognition	Fee from previous consultation	Proposed fee for new consultation	Change
Initial inspection	£1,500	£1,500	None
Renewal	£1,500	£1,500	None
Re-inspection	£1,125	£1,125	None

FEES FOR ACTIVE SUBSTANCE APPLICATIONS

Core Data (New Substances & EC Reviews)	Fee from previous consultation	Proposed fee for new consultation	Change
Completeness check	£5,000	£5,000	None
Evaluation of Core Dossier	£105,000	£105,000	None
Provisional Approval (including efficacy)	£35,000	£35,000	None
EFSA peer review	£35,000	£35,000	None
Review of other MS DAR	£5,000	£5,000	None
Annex 1 Co-rapporteur	£10,000	£10,000	None

Partial Dossier (New Substances & EC Reviews)	Fee from previous consultation	Proposed fee for new consultation	Change
Up to 2.5%	£7,500	£7,500	None
> 2.5% < 5%	£15,000	£15,000	None
> 5% < 10%	£30,000	£30,000	None
>10% < 25%	£40,000	£40,000	None
> 25% < 50%	£60,000	£60,000	None
> 50% < 75%	£80,000	£80,000	None
Over 75%	£105,000	£105,000	None

Biological & Pheromones (core)	Fee from previous consultation	Proposed fee for new consultation	Change
Evaluation Bio pesticides inc Plant extracts	£20,000	£20,000	None
Evaluation Pheromones	£10,500	£10,500	None
Provisional Approval (including efficacy) Bio & Phero	£2,500	£2,500	None
Taking Bio & Phero through EFSA	£7,500	£7,500	None

Biological partial dossiers	Fee from previous consultation	Proposed fee for new consultation	Change
Less than 25%	£5,000	£5,000	None
> 25% < 50%	£10,000	£10,000	None
> 50% < 75%	£15,000	£15,000	None
Over 75%	£20,000	£20,000	None

Pheromone partial dossiers	Fee from previous consultation	Proposed fee for new consultation	Change
Less than 25%	£2,625	£2,625	None
> 25% < 50%	£5,250	£5,250	None
> 50% < 75%	£7,875	£7,875	None
Over 75%	£10,500	£10,500	None