EXPLANATORY MEMORANDUM TO

THE ANIMALS (SCIENTIFIC PROCEDURES) ACT 1986 (FEES) ORDER 2019

2019 No. 410

1. Introduction

1.1 This explanatory memorandum has been prepared by the Home Office and is laid before Parliament by Command of Her Majesty.

1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Purpose of the instrument

2.1 This Order prescribes an increase to the licence fees payable under the Animals (Scientific Procedures) Act 1986 to come into effect on 6th April 2019.

2.2 This Order revokes the Animals (Scientific Procedures) Act 1986 (Fees) Order 2018 and the Animals (Scientific Procedures) Act 1986 (Fees) (No. 2) Order 2018.

2.3 The Order, in accordance with HM Treasury guidance, only increases the fees to fully recover the costs that are directly incurred as part of the regulatory process.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

3.1 This Order would raise existing fees by an amount greater than inflation. Such a fee increase is required to assure continued delivery of the statutory requirements under the Animals (Scientific Procedures) Act 1986 by the Home Office Animals in Science Regulation Unit (ASRU). ASRU operates on a full-cost recovery basis. The fee increase primarily relates to the development of a new electronic licensing system and recruitment costs.

3.2 The new e-licensing system will provide ongoing capability to deliver secure end-to-end e-licensing and associated processes for all licence types authorised by the Home Office. The £3m IT product build was initiated by a call from users (establishments and their staff) to digitise the licensing system beyond the existing "paper online" approach. Digital licensing capability has been required by users for some years as a paper-based licensing system does not meet their requirements for efficiency, safety nor transparency. The new system will provide a replacement IT system infrastructure to modernise the business, reduce costs, meet the needs of the users and enable the Home Office to deliver better regulation, information assurance and e-business commitments.

3.3 The fees increase will retain the capacity of inspector resource to fulfil statutory requirements of inspection, licence assessment and compliance monitoring and reporting under the Animals (Scientific Procedures) Act 1986.

Matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)

3.4 As the instrument is subject to negative resolution procedure there are no matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business at this stage.

4. Extent and Territorial Application

4.1 The territorial extent of this instrument is England, Scotland and Wales.

4.2 The territorial application of this instrument is the same as its extent.

5. European Convention on Human Rights

5.1 The Lords Minister, Baroness Williams of Trafford, has made the following statement regarding Human Rights:

"In my view the provisions of the Animals (Scientific Procedures) Act 1986 (Fees) Order 2019 are compatible with the Convention rights."

6. Legislative Context

6.1 The Animals (Scientific Procedures) Act 1986 (the Act) provides for the regulation of scientific procedures using animals. Under the Act, anyone carrying out such procedures, and the establishments in which such procedures are carried out, must be licensed. Regulations made under section 8 of the Act provide that a fee must be paid for such licences. Fees orders were last made in 2018. Those Orders are revoked by this instrument.

7. Policy background

What is being done and why?

7.1 Under the Animals (Scientific Procedures) Act 1986 (ASPA), ASRU charges annual fees for licences that permit individuals and establishments to use animals in scientific procedures.

7.2 Licence fees for ASRU licence holders were last increased on 6th April 2018, and prior to that in 2015. The fees, which must comply with HM Treasury fees and charges principles, should cover all of ASRU's direct and indirect costs of licensing and inspection.

7.3 ASRU anticipates a deficit of £286k for 2019/2020 if fees remain at the current rates due to investment in new IT and planned recruitment. In order to cover the deficit, to ensure that ASRU continues to meet the statutory obligations of ASPA, and maintain the regulatory framework and service to fee payers, the following fee increases are necessary:

- To increase the establishment licence fee from £757 to £826
- To increase the personal licence fee from £257 to £275.

7.4 In order to ensure that ASRU's budget forecast is effective from the start of the new financial year, the new fees need to be levied from 6th April 2019.

7.5 ASRU fees are collected from licence-holders retrospectively, so the new fees will be payable in April 2020. The licence-holders have all been properly informed of this proposal. The general public are not affected by the proposed fees increase.

8. European Union (Withdrawal) Act/Withdrawal of the United Kingdom from the European Union

8.1 This instrument does not relate to withdrawal from the European Union / trigger the statement requirements under the European Union (Withdrawal) Act.

9. Consolidation

9.1 This instrument revokes the existing fees Orders and no consolidation is required.

10. Consultation outcome

10.1 This Order was not subject to a public consultation as the fee charging structure is not being changed, and the increase is to ensure compliance with principles of full cost recovery, in line with HM Treasury guidance. However, current licence-holders have been informed of the proposed fee increase, to enable them to factor the change into their own budgets.

11. Guidance

11.1 Guidance on the provision to charge fees is provided in the Guidance on the Operation of the Animals (Scientific Procedures) Act 1986, published in March 2014.[1]

12. Impact

12.1 The impact on business, charities or voluntary bodies is set out in an Impact Assessment. The ongoing costs to the private sector lie in a range of £1.4 million to £1.7 million over 5 years, with the key non-monetised benefits being the continuation of both the regulatory standards and the level of service provided by ASRU.

12.2 The impact on the public sector is low, but the estimated benefit will be to recoup the costs of regulatory services and an investment in new IT. The estimated public-sector benefit will be in the range of £1.4 million to £1.7 million over 5 years.

12.3 A full Impact Assessment is submitted with this memorandum and published alongside the Explanatory Memorandum on the legislation.gov.uk website.

13. Regulating small business

13.1 The legislation applies to activities that are undertaken by small businesses.

13.2 To minimise the impact of the requirements on small businesses (employing up to 50 people), the approach taken is to have a sliding scale of fees which is proportionate to the number of licensed persons working at the premises.

14. Monitoring & review

14.1 The fee structure and level of fees will be reviewed annually.

15. Contact

15.1 Phoebe Stannard, Animals in Science Regulation Unit at the Home Office. Telephone: 020819655729 or email: phoebe.stannard@homeoffice.gov.uk can be contacted with any queries regarding the instrument.

[1] https://www.gov.uk/guidance/guidance-on-the-operation-of-the-animals-scientific-procedures-act-1986

15.2 William Reynolds, Deputy Director for Security, Science and Innovation and Head of the Animals in Science Regulation Unit, at the Home Office, can confirm that this Explanatory Memorandum meets the required standard.

15.3 Baroness Williams of Trafford at the Home Office can confirm that this Explanatory Memorandum meets the required standard.