EXPLANATORY MEMORANDUM TO

THE CHARGES FOR RESIDUES SURVEILLANCE (AMENDMENT) (ENGLAND) REGULATIONS 2026

2026 No. 493

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Veterinary Medicines Directorate ("VMD"), an executive agency of the Department for Environment, Food and Rural Affairs ("Defra"), and is laid before Parliament by Command of His Majesty.

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

2. Declaration

2.1 Baroness Hayman, Parliamentary Under-Secretary of State at Defra confirms that this Explanatory Memorandum meets the required standard.

2.2 Abigail Seager, Chief Executive Officer for the VMD confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Callum Harris at the VMD, email: residues@vmd.gov.uk, can be contacted with any queries regarding the instrument.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 This instrument amends the Charges for Residues Surveillance Regulations 2006 (S.I. 2006/2285) ("the 2006 Regulations"), to update the charges payable to the VMD in relation to the surveillance for residues of veterinary medicines and certain other substances in food animals and animal products as part of the National Residues Control Programme (NRCP).

Where does the legislation extend to, and apply?

4.2 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales.

4.3 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England only.

5. Policy Context

What is being done and why?

5.1 The NRCP is a statutory industry-funded programme that is delivered by the VMD. The NRCP helps to protect human health by taking samples of meat or other animal products to test for unsafe levels of residues of veterinary medicines, or other prohibited substances which may be harmful. The NRCP helps to provide assurances about the safety of food products, and by doing so also supports UK food exports

worth approximately £12billion to the UK economy. The NRCP conforms to international standards which are underpinned by the World Trade Organisation agreement on sanitary and phytosanitary measures.

5.2 The programme operates on a full cost recovery basis, so each of the livestock sectors that take part are invoiced each year. The programme currently costs approximately £6.6 million per annum, and this is forecast to reach approximately £7m per annum by 2028. This is due to a rise in the costs of procured services which are necessary to deliver the programme such as sampling, testing, and consumables. Without the revisions to the current charges, it is forecast that there will be an under recovery of the costs of the programme by £0.8 million in the 2026-2027 financial year.

5.3 The principles for how the VMD charges fees are set by HM Treasury in Managing Public Money.[1] The basic principle is to set statutory fees and charges to recover full costs. This means that the regulated bear the cost of regulation and the VMD does not profit from fees or make a loss which must then be subsidised by Government departments or the UK taxpayer. To achieve this for the NRCP, the VMD calculates charges for each sector for the financial year ahead, based on the costs provided by the contractors collecting and analysing the samples and the forecast throughput for the sectors.

What was the previous policy, how is this different?

5.4 This statutory instrument increases the charges paid by food business operators that are part of the NRCP. The charges are being increased from 1 June 2026, with a further increase that will apply from 1 April 2027. The extent to which the charges have been uplifted varies as it reflects the anticipated production levels and specific costs of the activities involved in delivering the services for each industry sector. The updated costs per sector are provided in Annex A.

6. Legislative and Legal Context

How has the law changed?

6.1 The surveillance of animals and animal products for residues of veterinary medicinal products and certain other substances is a requirement under Assimilated Regulation (EU) 2017/625 which replaced EU Directive 96/23/EC. The 2006 Regulations make provision for the charges payable to the VMD in relation to the inspections and controls required as part of that surveillance. This Instrument amends the 2006 Regulations and updates the statutory charges to ensure the VMD recovers the costs of its regulatory activities.

6.2 Residues policy and surveillance is a devolved matter, so the VMD works in close partnership with the Scottish Government and the Welsh Government to deliver the NRCP for Great Britain. The territorial application of this Instrument is England only. The Scottish Government and the Welsh Government will lay separate statutory instruments to amend the charges applicable in the rest of Great Britain.

Why was this approach taken to change the law?

6.3 This is the only possible approach to make the necessary changes.

[1] HM Treasury Managing Public Money: http://www.hm-treasury.gov.uk/d/mpm_whole.pdf

7. Consultation

Summary of consultation outcome and methodology

7.1 The Veterinary Medicines Directorate (VMD), the Scottish Government, and the Welsh Government ran a joint consultation on revised charges for the National Residues Control Programme (NRCP) from the 24 November 2025 to 19 January 2026. The consultation was conducted using Citizen Space, our online consultation tool. The consultation document explained the reasons behind the need to increase charges for businesses covered by the NRCP. It set out the following three options with a recommendation for Option C:

a) Do nothing. Schedule 1 will be unchanged, and charges would be maintained at current levels. This would risk food safety and international trade obligations.

b) A flat rate 22% increase to the charges in Schedule 1, applied across all sectors taking part in the NRCP. This would risk sectors cross subsidising others.

c) A specific percentage increase tailored for industry sectors based on their specific sampling plans, testing costs and production levels.

7.2 We received 9 responses to the consultation. Of the 9 responses, 8 agreed with our recommendation that Option C would be the most equitable approach to setting the new charges would be to base the calculations on the specific production volumes of each sector.

7.3 A few respondents requested further clarification and transparency on the breakdown of costs by sector, as well as information on measures considered to give customers value for money and cost effectiveness. We have responded to these points in the published government response.

7.4 A copy of the summary of responses and the government's response can be found on gov.uk.[2]

8. Applicable Guidance

8.1 Information regarding the charges payable to the VMD for residue surveillance can be found on the VMD's website.[3] Updated information on the new charges will be published in advance of this instrument coming into force.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument because the total cost impact is estimated to be less than £10 million per annum.

Impact on businesses, charities and voluntary bodies

9.2 The impact on business, charities or voluntary bodies is estimated to be £1m in 2026-2027 and £1.2 million in 2027-2028, due to the increased fee charges only. The specific financial impact on individual businesses in the NRCP will differ based on their sector and their annual level of production.

[2] https://www.gov.uk/government/consultations/national-residues-control-programme-revision-of-charges-2025-2026
[3] Residues surveillance guidance: https://www.gov.uk/guidance/residues-surveillance#charges

9.3 No specific action is proposed to minimise regulatory burdens on small businesses. However, the VMD will continue to monitor the operation of the programme and will bring forward a further public consultation if further changes are required.

9.4 There is no, or no significant, impact on the public sector because these fees only seek to recover the costs of delivering the service for industry.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring this legislation is for the VMD to monitor the charges on an ongoing basis to ensure they are set at a level to recover full costs incurred in relation to the NRCP.

10.2 The instrument does not include a statutory review clause because the power by which this instrument is made is being exercised to amend provisions imposing charges.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 This instrument increases the charges currently set out in the 2006 Regulations to ensure the VMD recovers the cost of regulatory activities in relation to the surveillance for residues of veterinary medicines and certain other substances in food animals and animal products. These charges were amended in 2024, however, due to increasing costs of delivering the residues surveillance programme must be increased to ensure full cost recovery.

11.2 The extent to which the charges have been uplifted varies as it reflects the anticipated production levels and specific costs of the activities involved in delivering the services for each industry sector. The level of increase for the charges are set out in Annex A of this memorandum.

12. European Convention on Human Rights

12.1 Baroness Hayman, Parliamentary Under Secretary of State has made the following statement regarding Human Rights:

"In my view the provisions of the Charges for Residues Surveillance (Amendment) (England) Regulations 2026 are compatible with the Convention rights."

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").

Annex A: Residue Charges per Sector

Type of creature or animal product	Charge (£) on or after 1st April 2025	Charge (£) on or after 1st June 2026	Charge (£) on or after 1st April 2027
Bovine	0.7617 per carcase	0.9964 per carcase	1.0216 per carcase
Goat	0.0751 per carcase	0.0864 per carcase	0.0886 per carcase
Sheep	0.0751 per carcase	0.0864 per carcase	0.0886 per carcase
Soliped (horses)	0.4660 per carcase	0.5359 per carcase	0.5495 per carcase
Swine	0.0735 per carcase	0.0845 per carcase	0.0867 per carcase
Game and wild game	1.0461 per tonne	1.0461 per tonne	1.0461 per tonne
Poultry	0.6432 per tonne	0.7397 per tonne	0.7584 per tonne
Eggs	0.0206 per case of 360	0.0237 per case of 360	0.0243 per case of 360
Milk	0.0405 per 1000 litres	0.0466 per 1000 litres	0.0478 per 1000 litres
Fish other than trout	2.3546 per tonne of marketed product	2.7078 per tonne of marketed product	2.7764 per tonne of marketed product
Trout	2.8222 per tonne of fish food”	3.2455 per tonne of fish food	3.3278 per tonne of fish food