

Title: Plant Protection Products: Enforcement Regulations and Fees Regulations Lead department or agency: Defra Other departments or agencies: HSE Devolved Administrations	Impact Assessment (IA)
	IA No:
	Date: 08/10/2010
	Stage: Development/Options
	Source of intervention: EU
	Type of measure: Secondary legislation
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Summary: Intervention and Options

What is the problem under consideration? Why is government intervention necessary? Two new Statutory Instruments are required to support EU legislation governing pesticides: - an SI to support the operation of Regulation (EC) No 1107/2009 (a Regulation concerning the placing on the market of Plant Protection Products); - an SI to implement fees and charging provisions to support Regulation (EC) No 1107/2009, Directive 2009/128/EC (establishing a framework for the sustainable use of pesticides), Regulation (EC) No 396/2005 ("the MRLs Regulation") and revisions to reflect additional costs arising since fees were last set in 2007.	
What are the policy objectives and the intended effects? 1. To ensure appropriate penalty and enforcement provisions are in place to support the operation of EC Regulation 1107/2009. 2. To revise the current system of funding for pesticide controls to support the package of EU legislation on pesticides due to come into force from 2011 and to reflect additional costs arising since fees were last set in 2007. The proposals reflect government policy that certain costs of the pesticides regime should be recovered from the pesticide industry through fees and charges.	
What policy options have been considered? Please justify preferred option (further details in Evidence Base) 1. With regard to measures to support the operation of Regulation (EC) No 1107/2009: Option 1: take no action. Maintain the existing statutory arrangements and enforcement provision. Option 2 (preferred): implement new Regulations to meet the requirements set by Regulation (EC) No 1107/2009. 2. With regard to the provisions for making fees and charges: Option 1: take no action. Maintain the existing structure and current fees and charges legislation. Option 2 (preferred): introduce new Regulations to recover costs arising from the new EU legislation and additional costs arising since fees were last set in 2007.	
When will the policy be reviewed to establish its impact and the extent to which the policy objectives have been achieved?	It will be reviewed 06/2013
Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review?	Yes

SELECT SIGNATORY Sign-off For consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible SELECT SIGNATORY: Date:

Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?	United Kingdom				
From what date will the policy be implemented?	14/06/2011				
Which organisation(s) will enforce the policy?	HSE, Welsh Assembly, Scottish Assembly, LAs				
What is the annual change in enforcement cost (£m)?	None				
Does enforcement comply with Hampton principles?	Yes				
Does implementation go beyond minimum EU requirements?	No				
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)	Traded: neutral		Non-traded: neutral		
Does the proposal have an impact on competition?	No				
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?	Costs: n/a		Benefits: n/a		
Annual cost (£m) per organisation (excl. Transition) (Constant Price)	Micro	< 20	Small	Medium	Large
Are any of these organisations exempt?	No	No	No	No	No

Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on...?	Impact	Page ref within IA
Statutory equality duties¹ Statutory Equality Duties Impact Test guidance	No	16
Economic impacts		
Competition Competition Assessment Impact Test guidance	No	16
Small firms Small Firms Impact Test guidance	No	16
Environmental impacts		
Greenhouse gas assessment Greenhouse Gas Assessment Impact Test guidance	No	16
Wider environmental issues Wider Environmental Issues Impact Test guidance	No	17
Social impacts		
Health and well-being Health and Well-being Impact Test guidance	No	17
Human rights Human Rights Impact Test guidance	No	17
Justice system Justice Impact Test guidance	No	17
Rural proofing Rural Proofing Impact Test guidance	No	17
Sustainable development Sustainable Development Impact Test guidance	No	17

¹ Race, disability and gender Impact assessments are statutory requirements for relevant policies. Equality statutory requirements will be expanded 2011, once the Equality Bill comes into force. Statutory equality duties part of the Equality Bill apply to GB only. The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

References

Include the links to relevant legislation and publications, such as public impact assessment of earlier stages (e.g. Consultation, Final, Enactment).

No.	Legislation or publication
1	<u>Consultation document and impact assessment</u>
2	
3	
4	

+ Add another row

Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

Annual profile of monetised costs and benefits* - (£m) constant prices

	Y ₀	Y ₁	Y ₂	Y ₃	Y ₄	Y ₅	Y ₆	Y ₇	Y ₈	Y ₉
Transition costs	.092	.203	.1	.1						
Annual recurring cost	0.978	0.998	1.001	1.061	1.061	1.061	1.061	1.061	1.061	1.061
Total annual costs	1.070	1.201	1.101	1.161	1.061	1.061	1.061	1.061	1.061	1.061
Transition benefits										
Annual recurring benefits										
Total annual benefits										

* For non-monetised benefits please see summary pages and main evidence base section

Evidence Base (for summary sheets)

There is discretion for departments and regulators as to how to set out the evidence base. However, it is desirable that the following points are covered:

- Problem under consideration;
- Rationale for intervention;
- Policy objective;
- Description of options considered (including do nothing);
- Costs and benefits of each option;
- Risks and assumptions;
- Administrative burden and policy savings calculations;
- Wider impacts;
- Summary and preferred option with description of implementation plan.

Inserting text for this section:

Select the notes here and either type section text, or use **Paste Without Format** toolbar button to paste in the standard EBBodyPara Style. Format text by applying EB styles from the toolbar.

Evidence:

1. Overall objective/scope of the IA

1.1 The purpose of this Impact Assessment is to provide options for new Regulations directed to implementing a major package of EU legislation on pesticides due to come into force from 2011.

1.2 Options are considered for two sets of Regulations. The first is a set of Regulations setting enforcement and penalty provisions to support the operation of EC Regulation 1107/2009 governing the authorisation of plant protection products. The second is a new set of Regulations setting charging structures and specific fees and charges to meet the following objectives:

- to recover the costs of meeting the requirements arising from legislation implementing the European Community Thematic Strategy through new fees and an increase in the charge on UK pesticide sales;
- to recover from fees the cost of some approval related activities currently recovered from a charge on UK pesticide sales.
- to revise charges made under the current legislation in the light of a review of the present UK fee structure.

1.3 This IA follows on from IAs produced for the Consultation on the Implementation of Pesticides Legislation, issued on 9 February 2010.

1.4 The two sets of Regulations are described in turn below.

2. Enforcement Regulations

Background

The current EC and national based control regime for the authorisation of pesticides and the enforcement of authorisation requirements

2.1 The principal legislation governing the authorisation of plant protection products (pesticides) in the EU is Directive 91/414/EEC, which is aimed at harmonising the authorisation and marketing of plant protection products in the EU. Active substances used in plant protection products (PPPs) are approved at EU level and placed on a 'positive list'. Products containing these active substances can then be authorised by Member States according to a set of common rules.

2.2 In the UK, specific plant protection products containing 'positive list' active substances are authorised and enforced under the Plant Protection Products Regulations 2005. These Regulations are supplemented by the Plant Protection Products (Basic Conditions) Regulations 1997, which allow for essential additional controls to be applied that are not addressed by the Directive.

2.3 In addition, there remain some UK pesticides that have not yet been authorised under the terms of the Directive. These pesticides are approved under the Control of Pesticides Regulations 1986 (CoPR), and enforced under the provisions of the Food and Environment Protection Act 1985 (FEPA).

Regulation (EC) No 1107/2009

2.4 Regulation (EC) No 1107/2009 ('the PPP Regulation') will come into full force from 14 June 2011. This Regulation is essentially a recasting of Directive 91/414/EEC but with some new elements. It lays down rules for the authorisation of plant protection products in commercial form and for their placing on the market, use and control within the European Union. The relevant articles are directly applicable and were the subject of a consultation issued in September 2006 on the implementation of the EU Thematic Strategy.

2.5 The PPP Regulation imposes obligatory duties on Member States, including the requirement to put appropriate national enforcement and penalty provisions in place to ensure compliance. In most respects, the enforcement provisions arising from it mirror those already in place in the UK to implement Directive 91/414. The PPP Regulation imposes just four new requirements that were not previously set under Directive 91/414. These are:

- the authorisation and labelling of seed which has been treated with a plant protection product. This puts on a legal basis a voluntary industry agreement which has been in place in the UK since 1990;
- an obligation on authorisation holders to report annually any adverse data relating to efficacy, resistance or unexpected effects on plants or plant products. These provisions put on a legal basis what is already established practice for authorisation holders;
- adjuvants which may be mistaken for food, drink or feed must be packaged so as to minimise the risk of such a mistake's being made. If available to the general public, they must contain components to discourage or prevent their consumption. These provisions

are consistent with the general practices of adjuvant manufacturers and thus would put on a legal basis what is already established practice;

- a requirement to keep records of uses of plant protection products, and make information from them available to competent authorities on request. This aspect of the Regulation was described in Stage One of the consultation on the implementation of EU pesticides legislation, issued in February 2010.

Proposed Enforcement Regulations

2.6 Enforcement Regulations are needed to meet the obligations and requirements set by the PPP Regulation. For the purpose of clarity and simplicity they will also cover authorisations of agricultural and home/garden pesticides currently granted under CoPR pending their incorporation into the harmonised EU regime.

2.7 These Enforcement Regulations would cover Great Britain. Equivalent Regulations would be required for Northern Ireland, subject to a separate assessment.

Costs arising

2.8 The following is an assessment of the specific additional costs arising from those new requirements set by the PPP Regulation described above.

- *The authorisation and labelling of seed:* comparable voluntary arrangements for treated seed are already in place, and no breaches have come to our attention in recent years. As such the annual cost is anticipated to be negligible.
- *The adverse data reporting requirement:* it is anticipated that there would be an average of 2 notifications concerning crop resistance and 6 reporting phytotoxicity effects per year. Notification would be in the form of a simple letter or email based communication. Any relevant data will have already been gathered for other reasons, as part of the companies' normal development or stewardship work, and not as a result of this obligation. The annual cost to industry is therefore expected to be negligible.
- *The adjuvant packaging requirement:* comparable voluntary arrangements for adjuvants are already operated by manufacturers and no difficulties have come to our attention in recent years. As such the annual cost is expected to be negligible.
- *The requirement to keep records:* the impact of this measure was assessed in a separate Impact Assessment produced for the Consultation on the implementation of EU pesticides legislation issued in February 2010.

2.9 All the other provisions of the Regulation mirror existing controls so will not impose additional costs.

Options

Option 1

2.10 Take no action, leaving the current GB regulatory provision as it stands.

2.11 This would result in a breach of the requirements of the PPP Regulation. Failure to implement new enforcing Regulations would mean that there would be no means in Great Britain of ensuring compliance with the authorisations and other requirements set by that

Regulation. This would also attract infraction proceedings with consequential embarrassment to the UK and potential fines.

Option 2

2.12 Introduce new enforcing Regulations for Great Britain, allowing for the enforcement of conditions of authorisation and other controls set under the PPP Regulation and the enforcement of approvals remaining under CoPR.

Summary and preferred option/implementation plan

2.13 The preferred option is option 2.

2.14 Option 1 would result in a total loss of enforcement provision to ensure compliance with the new EC legislation, and infraction proceedings for failure to implement EU obligations which, under the Lisbon Treaty, could lead to fines of at least €9.6 million, plus a periodic payment until the breach is remedied.

2.15 Option 2 ensures compliance with the requirements of the new PPP Regulation, which are measures already agreed, and the maintenance of effective controls necessary for the enforcement of pesticides in Great Britain.

2.16 The benefits from the EU legislation as a whole are essentially improved protection for pesticide users, consumers and the environment, including an improved system for identifying and acting on adverse data. New regulations would be generally supportive of a well regulated enforcement industry ensuring compliance with the pesticide authorisation system.

2.17 It is intended that a consultation action, incorporating this IA (as revised) will commence in January 2011, with a view to Parliamentary scrutiny of proposed legislation in time for the Regulations to come into force from June 2011.

3. Fees Regulations

Background

The current UK charging structure for costs related to pesticide controls

3.1 Much of the cost of work on pesticides under the current pesticide authorisation and control regime is already recovered from the pesticides industry, either by fees charged to applicants for the determination of applications to use pesticides (£3.5 million in 2009/10) or a charge on the UK turnover of pesticides companies (£3.9 million in 2009/10).

3.2 Currently, fees are charged under the Plant Protection Products (Fees) Regulations 2007.

3.3 A charge, based on companies' turnover, is made under the terms of the Food and Environment Protection Act (FEPA).

New EC legislation

3.4 Under the European Community's Thematic Strategy for pesticides, two new pieces of pesticide legislation, which will come into full force in 2011, will introduce a new statutory framework for the control of pesticides/plant protection products. These are:

- the PPP Regulation, which will be directly applicable in all Member States from 14 June 2011.
- Directive 2009/128/EC establishing a framework for the sustainable use of pesticides (the 'SUD') due to be fully transposed and implemented by Member States by 25 November 2011.

3.5 These new pieces of legislation will replace the combination of existing statutory arrangements set under EC Directive 91/414 and national legislation. The general impact of these is the subject of separate impact assessments enclosed with a consultation on the implementation of EU pesticides legislation, issued in February 2010.

3.6 In addition, EC Regulation 396/2005, which came into full force in September 2008, introduced a new EC regime for the setting and application of maximum residue levels (MRLs) for pesticides in food.

3.7 The PPP Regulation, the SUD and Regulation 396/2005/EC all include provisions which allow Member States' regulatory authorities to recover the costs of work they carry out under that legislation. The majority of these costs are already recovered through existing fees and charges. But the EU legislation imposes new obligations which will result in some increases in fees and charges to maintain the government's policy of full cost recoupment.

3.8 For the reasons outlined below, option 2 is viewed as the only realistic approach and the following sections reflect that option.

Potential additional/revised costs under new Fees Regulations

3.9 The proposed Regulations would:

- provide a new statutory basis for existing fees and charges;
- introduce new fees to cover requirements arising from the PPP Regulation, SUD and Regulation 396/2005;
- establish a continuing basis for a charge to recover certain costs related to pesticide controls that are not recovered through fees;
- transfer to fees some costs currently recovered via the pesticides charge.

Changes to fees

3.10 Most of the aspects of work covered by a new fees and charges regime will be the same as those covered under the existing pesticide charging regime (and the subject of previous impact assessments), so those are not addressed here. However the new EU legislation imposes new obligations and new fees will be required to meet these obligation; these are identified below.

3.11 New fees arising from the PPP Regulation are:

- a fee for costs related to the peer-review of active substance applications;
- fees for the peer review of safener applications;
- fees for the peer review of synergists;
- fees for the review of adverse data concerning pesticide co-formulants;
- fees for work in preparing applications for basic substance authorisations;
- fees for assistance given to other Member States in evaluating plant protection product applications;
- a fee for evaluating adverse data for products;
- fees for assistance given to other Member States in reviewing adverse data;
- fees for keeping and making available study reports related to active substances, safeners or synergists.

3.12 Those arising from the SUD are:

- a fee for authorising the aerial spraying of pesticides.

3.13 And those arising from EC Regulation 396/2005 are:

- a fee for the evaluation of import tolerance-based MRL applications.

3.14 The total cost of these additional fees is estimated at £298,000 (see Table 1 below). This work is obligatory under the PPP Regulation and the proposed fees have been set on the basis of the actual costs of undertaking the necessary work.

Table1

New Fees:	Affected group	Cost	Further notes
costs related to the peer-review of active substance applications	Pesticide applicants	£75,000 per annum	To apply from June 2011
Peer review of safener	Safener manufacturers	£25,000 per annum	Likely to apply from 2014

applications	Pesticide product applicants		
peer review of synergists	Synergist manufacturers, pesticide product applicants	£25,000 per annum	Likely to apply from 2014
review of adverse data concerning pesticide co-formulants	Co-formulant manufacturers, Pesticide product applicants	£10,000 per annum	To apply from June 2011. Anticipated maximum amount.
Providing information about unacceptable co-formulants	Co-formulant manufacturers	£15,000 per annum	To apply from June 2011. Anticipated maximum amount.
work in preparing applications for basic substance authorisations	Chemical manufacturers, Pesticide user interests	£30,000 per annum	To apply from June 2011. Anticipated maximum amount.
assistance given to other Member States in evaluating plant protection product applications	Pesticide manufacturers	£30,000 per annum	To apply from June 2011. Anticipated maximum amount.
evaluating adverse data for products	Product authorisation holders	£10,000 per annum	To apply from June 2011. Anticipated maximum amount.
assistance given to other Member States in reviewing adverse data	Pesticide manufacturers	£40,000 per annum	To apply from June 2011. Anticipated maximum amount.
Fees for keeping and making available study reports related to active substances, safeners or synergists	Data owners	£10,000 per annum	To apply from June 2011. Anticipated maximum amount
Fees for authorising the aerial spraying of pesticides	Professional pesticide users	£20,000 per annum	To apply from October 2011
fee for the evaluation of import tolerance – based MRL applications	Third country food producers; Importers/distributors of food in the EU	£8,000 per annum	To apply from June 2011. Anticipate maximum amount
Total new fees		£298,000	recurring

Note: In each case the estimated costs are based on the proposed fee in the draft legislation and the anticipated volume of applications.

3.15 In addition, a review of the existing fee structure has been undertaken to take account of changes since the last review in 2007. This review has identified a number of increases in costs due to additional work requirements which have been introduced into the evaluation process since then. These include costs associated with the production of equivalence reports for new sources of technical material; new reports for registration of plant protection product applications the evaluation of MRLs; greater complexity in environmental risk assessment; and additional demands arising from the European Food Safety Authority and other member States in the peer review process for active substances. These increases are partially offset by administrative savings and improved efficiencies. The net increase is estimated to be £425,000 annually.

3.16 Finally, fees currently recover the full cost of processing an application for the approval of a particular product. Other costs arising from the operation of the approval system as a whole (such as providing guidance to all applicants) are recovered through the pesticides charge. In line with Treasury guidance, it is proposed that these costs are in future recovered through fees. This would be cost neutral to the pesticides industry but would result in around £1.4m per annum (based on 2009/10 figures) being transferred from the pesticide charge to fees.

Changes to the charge

3.17 New costs arising from the PPP Regulation that may be included in the pesticides charge are:

- costs in reviewing the approval of active substances, safeners or synergists;
- costs in setting restrictions or other interim measures to address safety concerns.

3.18 New costs arising from the SUD that may be included in the pesticides charge are:

- costs to support pesticide equipment testing ;
- costs for pesticide-related measures supporting the Water Framework Directive (developing a regulatory risk assessment process and measures focussed on user practice);
- costs in establishing safeguard zones where pesticides cannot be used or stored;
- costs in developing harmonised risk indicators;
- costs for monitoring pesticide sales restrictions
- costs to cover communication activities, including explanation in changes to the 'grandfather rights' exemption;
- costs for reviewing training syllabuses;
- costs in updating guidance on storage.
- costs in a one off amnesty period allowing the recovery of unauthorised pesticides from stores.
- costs arising in updating the Codes of Practice;
- costs arising in updating Natural England's Herbicide handbook.
- Set-up costs for an aerial use authorisation system, and for maintenance of a monitoring system.

3.19 The sum of these additions to the charge is estimated at non-recurring costs of £494,500 and recurring costs of £337,500 (see Table 2 below). There is some national discretion in the activities undertaken to meet the obligations within the SUD. The activities summarised above have been assessed as the minimum required to meet the EU obligations.

Table 2

New additions to the pesticide charge:	Additional cost	Further notes
Costs in reviewing the approval of active substances, safeners or synergists;	£10,000 per annum	To apply from June 2011
Costs in setting restrictions or other interim measures to address safety concerns	£5000 per annum	To apply from June 2011
Costs to support pesticide equipment testing	£30,000 per annum	To apply from 2011/12 financial year
Costs for pesticide-related measures supporting the Water Framework Directive (developing a regulatory risk assessment process and measures focussed on user practice)	£250,000 per annum	Starting in 2011/12
Costs in establishing safeguard zones where pesticides cannot be used or stored	£10,000 set up costs, then recurring costs of £10,000 per annum	To apply from 2011/12 financial year
Costs in developing harmonised risk indicators	£10,000 set-up costs, then £10,000 recurring costs per annum	To apply from 2011/12 financial year
Costs for monitoring pesticide sales restrictions	£10,000 per annum	To apply from 2014/15 financial year
Costs to cover communication activities, including explanation in changes to 'grandfather rights' exemptions	£40,000 one-off charge	To be met in 2011/12 financial year
Costs for reviewing training syllabuses	£10,000 per annum	To apply from 2011/12 financial year
Costs in updating guidance on storage	£2000 one-off cost	To be met in financial year 2011/12
Costs in a one off amnesty period allowing the recovery of unauthorised pesticides from stores.	£100,000 one-off cost	To be met in financial year 2012/13
Cost arising in updating the Codes of Practice	A one-off cost of £300,000 running over three years at £100,000 per annum	Starting in 2012/13 financial year, running to financial year 2014/15
Costs arising in updating Natural England's Herbicide handbook	£30,000 one-off cost	To be met in financial year 2011/12
Set up costs for an aerial use authorisation system and for maintenance of a monitoring system	£2,500 one off set-up costs and then £2,500 recurring monitoring costs	To apply from the start of the 2012/13 financial year.
Total additions to charge	£494,500 £337,500	non-recurring recurring

Note: The costs to business in complying with the new obligations under the SUD were assessed in the Impact Assessment on the Sustainable Use Directive provided for the February 2010 Consultation on the implementation of EU pesticides legislation. Table 2 above adds detail only on those costs which will be recovered through the pesticides charge. In all cases the affected parties (i.e. those to which the additional charge would be directed) are companies selling pesticides in the UK.

3.20 As indicated in the *Changes to fees* section above, the level of the charge would be reduced by around £1.4m per annum (based on 2009/10 figures) to reflect the transfer from the charge to fees of certain other costs arising from the operation of the approval system as a whole. The change would be cost-neutral to the pesticides industry.

Options

Option 1

3.21 Do nothing – maintain existing structure, with continuing use of current fees and charges legislation.

3.22 As far as fees are concerned this would involve no increase in baseline costs, but would rule out new fees to cover costs from the PPP Regulation and SUD. This would result in the immediate loss of all fee income since the current charging powers relate to existing EU legislation which will fall in June 2011.

3.23 With respect to the pesticide charge, if no further action were taken those costs arising from the new EC legislation that are already met under the current arrangements would continue to be charged under FEPA. However this would not allow for new costs arising from the SUD to be charged, leading to a shortfall in funding which would have to be made up by government to avoid infraction proceedings.

Option 2

3.24 Introduce new Fees Regulations that, in addition to maintaining current charging, would recover additional costs arising from the review of existing fees, plus those additional costs directly arising from the PPP Regulation, SUD and Regulation 396/2005.

3.25 The benefits from the EU legislation are essentially improved protection for pesticide users, consumers and the environment, including an improved system for identifying and acting on adverse data. However these are not quantifiable in monetary terms. The benefit in this proposal is that it allows government to meet the new EU obligations at the minimum cost to business consistent with its policy of cost recovery for certain elements of the pesticide regime.

Summary and preferred option/implementation plan

3.26 The preferred option is option 2.

3.27 Option 1 would result in a total loss of fee income, and a shortfall in receipts from the charge which would have to be made up by government to avoid the UK defaulting on its EU obligations.

3.28 Option 2 allows for full recovery of costs from industry to implement the terms of new EU legislation. These are measures already agreed. They are largely supportive of the pesticide authorisation system, providing for pesticide manufacturers retailers and users to market and use properly evaluated products. On this basis it is appropriate that industry contributes, as it has up to now, to the pesticide control regime via a mixture of fees and charges.

3.29 The costs identified and allocation of recovery between fees and the pesticides charge take careful account of the requirements of the new EU pesticide legislation as well as a full review of the current charging structure.

3.30 It is intended that a consultation action, incorporating this IA (as revised) will commence in January 2011, with a view to Parliamentary scrutiny of proposed legislation in time for the Regulations to come into force from June 2011.

4. Impact tests

Statutory equality duties

4.1 There are no limitations on meeting the requirements of these SIs on the grounds of race, disability or gender. Neither SI imposes any restriction or involves any requirement which a person of a particular racial background, disability or gender would find difficult to comply with. Conditions apply equally to all individuals and businesses involved in the activities covered by these SIs.

Competition

4.2 These proposals are unlikely to have a distortive effect and should pass the competition filter.

Small firms

4.3 These SIs will mostly affect medium to large size businesses involved in the manufacturing and marketing of plant protection products.

4.4 Data are compiled on turnover in the UK of business specifically arising from the sale of plant protection products (this represents only part of their turnover for many businesses, which may also sell other chemical products or agricultural supplies). A breakdown of companies by turnover in plant protection products of companies reporting sales in 2009-10 is given in the table below:

Turnover range	Number of companies in range	Total value of turnover
£1 – 1 million	42	£1 million
£1 million – 10 million	21	£69 million
Over £10 million	12	£507 million

4.5 The costs identified as new fees within this proposal will thus be met primarily by larger, often multinational, companies who develop and support new pesticide products. Smaller companies tend to sell products which are based on those developed by the larger companies and thus incur lower fees when applying for authorisations. New costs arising under the pesticide charge will be met by all parties in proportion to their turnover of pesticide sales. Costs overall will thus fall disproportionately on larger businesses.

Greenhouse gas assessment

4.6 As the proposed SIs closely mirror current controls on plant protection products, the activities of those affected will not significantly change, so there should be no impact on carbon emissions.

4.7 There should be no increase in the carbon footprint of government officials. It is not anticipated that any additional enforcement activity (additional to activity under the current control regime) will arise.

Wider environmental issues

4.8 No wider environmental issues arise.

Health and well-being

4.9 No additional health risks arise from the proposals. There may be some non-quantifiable indirect health or social benefits from the proposals related to greater access to information on pesticide use, which may lead to greater public confidence and less concerns about being exposed to unknown chemicals. The proposals have no implications for the NHS.

Human rights

4.10 The implementing legislation will be consistent with the Human Rights Act 1998.

Justice system

4.11 Enforcement provisions are being introduced with regard to controls on treated seed; the notification of problems with the efficacy of products; the packaging of adjuvants; and the keeping and disclosure of records of the use of plant protection products. Although these are new enforcement provisions required under the terms of the PPP Regulation, most of the provisions (with the exception of disclosure of records) replace similar provisions already operated on a non-statutory basis. The level of adherence to the non-statutory arrangements has been high, and it is not anticipated that the requirement to disclose records will generate any significant non-compliance. It is therefore expected that the level of enforcement activity and number of cases pursued will remain as present.

Rural proofing

4.12 The majority of parties affected by these proposals are urban based plant protection product manufacturers and retailers.

4.13 Users of plant protection products and some retailers are rurally based. These proposals largely carry forward existing controls, so they should not have any significant effect on rural communities.

Sustainable development

4.14 The principles of sustainable development are fundamental to the EU Thematic Strategy on Pesticides and reflected in the SIs proposed.

Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information relevant to an overall understanding of policy options.

Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

<p>Basis of the review: [The basis of the review could be statutory (forming part of the legislation), it could be to review existing policy or there could be a political commitment to review];</p> <p>Fees SI: fee levels will be reviewed annually after 2011 as part of the wider HSE review of fees.</p> <p>PPP supporting SI: the review will be based on Commission proposals for a Regulation on official controls which will be adopted under Art. 68 of Regulation 1107/2009.</p>
<p>Review objective: [Is it intended as a proportionate check that regulation is operating as expected to tackle the problem of concern?; or as a wider exploration of the policy approach taken?; or as a link from policy objective to outcome?]</p> <p>Fees SI: the review is intended as a proportionate check that the Regulations are operating as expected.</p> <p>PPP supporting SI: the review will entail a wider exploration of the policy approach taken.</p>
<p>Review approach and rationale: [e.g. describe here the review approach (in-depth evaluation, scope review of monitoring data, scan of stakeholder views, etc.) and the rationale that made choosing such an approach]</p> <p>Fees SI: the review will be conducted as an in-depth evaluation, to compare income from fees and charges with operating costs and taking the views of stakeholders on the future approach.</p> <p>PPP supporting SI: the review will be conducted as an in-depth evaluation of enforcement monitoring data and the proposed EU Regulation on official controls. We will take the views of stakeholders on the future approach and will try to assess the benefits, either qualitatively or if possible quantitatively, of the new controls..</p>
<p>Baseline: [The current (baseline) position against which the change introduced by the legislation can be measured]</p> <p>Fees SI: changes will be measured against the level of cost recovery in 2010 for chargeable aspects of the regulatory regime for plant protection products, and the new aspects introduced into the regime by Regulation 1107/2009.</p> <p>PPP supporting SI: changes will be measures against levels of compliance observed and enforcement action taken in 2010.</p>
<p>Success criteria: [Criteria showing achievement of the policy objectives as set out in the final impact assessment; criteria for modifying or replacing the policy if it does not achieve its objectives]</p> <p>Fees SI: success will be indicated by full recovery of operating costs for chargeable aspects of the regulatory regime and levels of stakeholder satisfaction. Changes will be made if fees and charges fail to achieve full cost recovery.</p> <p>PPP supporting SI: success will be indicated by high levels of compliance and low levels of enforcement action required to deal with transgressions, and levels of stakeholder satisfaction.</p>
<p>Monitoring information arrangements: [Provide further details of the planned/existing arrangements in place that will allow a systematic collection systematic collection of monitoring information for future policy review]</p> <p>Fees SI: arrangements are already in place for recording working time spent on chargeable activities and income from fees and charges.</p> <p>PPP supporting SI: arrangements are already in place for recording levels of compliance and enforcement actions taken.</p>
<p>Reasons for not planning a PIR: [If there is no plan to do a PIR please provide reasons here]</p> <p>N/A</p>

Add annexes here.