

## **EXPLANATORY MEMORANDUM TO THE MEAT (OFFICIAL CONTROLS CHARGES) (WALES) REGULATIONS 2008**

This explanatory memorandum has been prepared by the Food Standards Agency and is laid before the National Assembly for Wales in accordance with Standing Order 24.1.

### **1. Description**

This Statutory Instrument requires the Food Standards Agency (“FSA”) to charge the operators of approved meat premises in Wales in order to recover a proportion of the costs incurred by the Agency’s Executive Agency, the Meat Hygiene Service (“MHS”), in carrying out official controls at such premises in respect of applicable meat hygiene and animal welfare at slaughter requirements. References to “meat hygiene” below should be taken to include animal welfare at slaughter official controls.

### **2. Matters of special interest to the Subordinate Legislative Committee**

The Instrument includes a “sunset clause” whereby the Instrument will cease to have effect no later than the end of 2009 (when it will be replaced by a further instrument to ensure continued compliance with EC law).

### **3. Legislative Background**

The powers enabling this Instrument to be made are contained in section 2(2) of the European Communities Act 1972 in relation to measures relating to food (including drink) including the primary production of food. These powers are transferred to Welsh Ministers by virtue of the EC (Designation) (No 2) Order 2005 (which function has been transferred to them by virtue of paragraphs 28 and 30 of Schedule 11 to the Government of Wales Act 2006) in respect of measures relating to food (including drink) including the primary production of food.

### **4. Purpose and Intended Effect of the Legislation**

The instrument will replace the Meat (Official Controls Charges) (Wales) (No.2) Regulations 2007 – SI 2007/3461 W.306 (“the current Regulations”), which came into force on 31 December 2007, and will continue to provide for the collection of meat hygiene official controls charges in Wales, as required by Article 27 of Regulation (EC) No. 882/2004 on Official Feed and Food Controls (“the OFFC Regulation”). In addition the instrument will increase most of the standard charge rates set out in Schedule 2 to the current Regulations by 8% (approximately 5% more than inflation). The rates in Schedule 2 are set out in pounds Sterling, converted from minimum rates in Euros set out in the OFFC Regulation at the exchange rate applicable to 2008. The instrument also continues to contain provisions for the setting of meat hygiene time costs hourly rates for official controls inspectors, which will also be increased by 8% (approximately 5% more than inflation) from 31 March 2008. These are intended to start to redress the cost-sharing balance for this

work in 2008/09 by transferring approximately £1.5 million of the GB cost of controls to businesses (£142,000 in Wales).

## **5. Implementation**

It is intended that these Regulations come into force on 31 March 2008. This Statutory Instrument applies only to Wales. Separate but parallel legislation will be made for Scotland, England and Northern Ireland.

## **6. Consultation**

Interested parties, including all approved meat establishments, industry representative bodies and farming unions, were invited to comment on the draft Regulations and to provide any supporting financial or other relevant data. Details are included in the Regulatory Impact Assessment below.

## **7. Regulatory Impact Assessment**

### **7.1 Options**

The options considered were:

- i. Option 1 - do nothing;
- ii. Option 2 - increase charge rates by inflation only;
- iii. Option 3 - increase charge rates by 8% (approximately 5% plus inflation) compared to their pre 31 December 2007 levels\*;
- iv. Option 4 - increase charge rates by a greater amount\*\*.

\* That is, the standard charge rates applicable between 26 March and 30 December 2007 inclusive and the time costs hourly rates applicable between 28 May 2007 and 30 March 2008 inclusive.

\*\* The estimated effect of increasing time costs hourly rates and standard charge rates by 16% (approximately 13% plus inflation) is summarised on page 5.

## **Analysis of options**

The analysis is that:

- i. Option 1 (doing nothing) would not put the UK in breach of EC law but it would continue to widen the gap between the cost of controls and the charges for those controls. It would not take account of a need for businesses to pay a greater proportion of the cost to the Agency of delivering official controls at approved meat plants or of the funds available to the Agency, and it would not be in line with Government cost sharing policy. It would also be contrary to the Agency's general principle that it is inappropriate for it to subsidise the costs of official controls for business and that Agency expenditure should be aligned more closely with its strategic objectives.
- ii. Option 2 (increasing charges by inflation only) would maintain the gap between the cost of controls and the charges for those controls, but it would not take account of a need for businesses to pay a greater proportion of the cost to the Agency of delivering official controls at approved meat plants or of the funds available to the Agency, and it

would not be in line with Government cost sharing policy. It would also be contrary to the Agency's general principle that it is inappropriate for it to subsidise businesses and that expenditure should be aligned more closely with its strategic objectives.

- iii. Option 3 (increasing charges by 8% compared to their pre 31 December 2007 levels) would begin to narrow the gap between the cost of controls and the charges for those controls. It would take some account of a need for businesses to pay a greater proportion of the cost to the Agency of delivering official controls at approved meat plants and of the funds available to the Agency. It would also be in line with Government cost sharing policy and would go some way towards meeting the Agency's general principle that it is inappropriate for it to subsidise businesses and that expenditure should be aligned more closely with its strategic objectives. In addition, this option takes account of increases to some throughput rates from 31 December 2007 that were needed to bring them to the minima required by the EC OFFC Regulation.
- iv. Option 4 (increasing charges by a greater amount) has the same advantages as Option 3 but it would take more account of a need for businesses to pay a greater proportion of the cost to the Agency of delivering official controls at approved meat plants and of the funds available to the Agency. It would also go further towards meeting the Agency's general principle that it is inappropriate for it to subsidise businesses and that expenditure should be aligned more closely with its strategic objectives. It would, however, be less affordable to businesses generally. In addition, whilst further increases in charging rates (above the 8% proposed for 2008/09) will be required beyond 2008/09, regard will need to be had to the achievement of the planned reductions in overall costs of controls in proposing the increased level of charges.

After taking account of comments in response to consultation on the proposals, it was decided that Option 3 should be implemented.

## **7.2 Costs and Benefits**

### ***Sectors and Groups Affected***

All food business operators of approved meat establishments, eg. slaughterhouses/cutting plants, in Wales who are charged for official controls at their premises. All operators will continue to pay the lower of time costs or standard charges

### **Costs**

This RIA sets out the estimated effects in Wales of the proposed regulations in relation to the current time costs hourly rates and of the standard charge rates specified in the No.2 Regulations 2007. The position is similar in Northern Ireland. In GB, the charges are paid by FBOs to the Meat Hygiene Service (MHS), an Executive Agency of the Food Standards Agency, and the effects of the policy are assessed on a GB basis in this Impact Assessment (IA) unless otherwise stated.

## Time costs hourly rates

Due to policy decisions in previous years, time costs hourly rates are, depending of the type of staff concerned, currently 20% to 30% below what they need to be to recover the cost of delivering the official controls to which they relate. The proposal to increase 2008/09 time costs hourly rates by 8% (approximately 5% plus inflation) would reduce this deficit to 15% to 25% and would be an important step in narrowing the gap between the cost of controls and the charges for those controls. No changes would be needed to the No 2 Regulations to implement this: it is sufficient for the proposed Statutory Instrument to contain the same provisions. The proposed time costs hourly rates for meat hygiene and animal welfare official controls from 31 March 2008, are shown below.

**Table 1: proposed time costs hourly rates from 31 March 2008**

	<b>2007/08</b>	<b>2008/09</b>
<b>Inspector</b>	<b>£ per hour</b>	<b>£ per hour</b>
Normal time	20.80	22.50
Time and a half	31.20	33.75
Double time / Bank Holiday	41.60	45.00
<b>Official Veterinarian (OV)</b>		
Normal Time	34.00	36.70
Overtime Rate	51.00	55.05

## Standard charge rates

Due to constraints of EC law, it was not possible to increase standard charge rates from the time that the present charging system was introduced in 2001 until 1 January 2007 when the EC OFFC Regulation started to apply. This change to EC law allowed 2007/08 rates to be increased by 3.5% to cover inflation and the opportunity is now being taken to increase most standard charge rates by the same amount as time costs hourly rates (approximately 5% more than inflation) as it is the policy of the FSA Board that FBOs should be charged an increased proportion of the costs of carrying out these official controls. This will mean that the ratio of businesses that pay time costs and standard rates charges would be broadly that which applies at present.

As indicated in paragraph 3ii above, the position is complicated by the fact that some standard charge rates were increased to the minima required by the EC OFFC Regulation by the No 2 Regulations from 31 December 2007. In view of this, the proposed regulations will from 31 March 2008:

- i. increase the rate for bovine animals aged 8 months or more at slaughter a further 1.8% above the current rate per animal, calculated as follows: pre December 2007 rate = £3.1806; rate from 31 December 2007 = £3.3788 (+6.2%); rate from 31 March 2008 = £3.4350 (8% above the pre-December 2007 rate); and
- ii. apply no further increase to the 31 December 2007 rates in the No 2 Regulations for the types of animal listed in Table 2.

**Table 2**

	Type of Animal	Pre-31/12/07 rate per animal	31/12/07 rate per animal	Proposed change
1.	Turkeys weighing less than 2kg	£0.0071	£0.0169	+138.0%
2.	Turkeys weighing 2 kg or more (except those that are adult and weigh at least 5kg)	£0.0142	£0.0169	+19.0%
3.	Boars weighing less than 25kg	£0.3534	£1.0136	+186.8%
4.	Boars weighing 25kg or more	£0.9189	£1.0136	+10%
5.	Ruminants weighing less than 12kg	£0.1237	£0.3379	+173.2%
7.	Ruminants weighing 12kg to 18kg	£0.2474	£0.3379	+36.6%

The effect of retaining the 31 December 2007 rates for the types of animal listed in Table 2 above will be that they will remain at the EC minima. In addition, some other rates (e.g. for bovine animals aged 8 months or more at slaughter and ruminants (mainly deer) weighing more than 18kg) would be only a little above the minima. To ensure continued compliance with the EC OFFC regulation, provision is made in the proposed regulations for the pound Sterling rates for 2009 to be if necessary increased to equate to the OFFC minima using the Euro/£ exchange rate published in the C Series of the Official Journal of the EU on the first working day of September 2008. There is no provision for subsequent years as the proposed regulations include a "sunset clause" whereby they will cease to have effect no later than the end of 2009 (when they will be replaced by a further set of regulations to ensure continued compliance with EC law).

### **Impact on red meat slaughterhouses**

Red meat slaughterhouses will be affected by an 8% increase in both time costs hourly rates and standard charge rates, except that:

- i. the standard charge rate for adult bovines will increase by 1.8% only (this to take account of the 6.2% increase that came into effect on 31 December 2007);
- ii. the standard charge rates for boars and for ruminants (other than bovines, sheep and goats) weighing no more than 18kg would not be increased (this is to take account of the greater than 8% increases that came into effect on 31 December 2007).

The total GB charge for the red meat slaughterhouse sector is estimated to increase by £1.12m (£123k in Wales) per annum or 5.8%, which is significantly below 8% because of the relatively small rise in the standard rate for adult bovines. The percentage increase in the charge is fairly constant across plant size categories. However, the effect on large plants is slightly greater than on other plants because some of them do not benefit from the relatively lower increase in the standard rate for adult bovines (due to their specialisation in the slaughter of pigs/sheep, or the fact that they are charged time costs).

The impact of the charge rate increases on profitability in the sector is estimated to be small, as the average profit margin would decrease by an estimated 0.01% to 0.03%, assuming that the abattoir sector would be able to

transfer two thirds of the increase in charge to primary producers. However, the small decrease in profitability would worsen the situation of a sector that is already characterised by low profitability (average profit margin in a studied sample of plants is 1.21%).

**Table 3: estimated increase in hygiene charges paid by red meat slaughterhouses in Wales**

	Plant type <sup>1</sup>				
	Micro	Small	Medium	Large	All
	3 plants	11 plants	4 plants	7 plants	25 plants
<b>MHS Charge 2008Q1 (annualised) <sup>2</sup></b>					
Total (£k)	4	60	95	1,956	2,115
Average per plant (£k)	1.3	5.5	23.9	279.4	84.6
Average per animal unit (AU) (£)	2.5	2.1	2.2	1.8	1.9
Number of plants charged time cost	0	0	0	0	0
<b>MHS charge 2008/9 (8% increase)</b>					
Total (£k)	4	64	101	2,070	2,239
Average per plant (£k)	1.3	5.8	25.2	295.7	89.6
Average per animal unit (£)	2.7	2.2	2.3	1.9	2.0
Number of plants charged time cost	0	0	0	0	0
<b>Increase in charge over 2008Q1 baseline</b>					
Total (£k)	0	3	5	115	123
Average per plant (£k)	0.06	0.31	1.29	16.38	4.94
Percentage increase	4.6%	5.7%	5.4%	5.9%	5.8%

**Table 4: estimated impact of proposals on profit of red meat slaughterhouses**

Profit expressed using 2005/6 prices	Plant type				
	Micro	Small	Medium	Large	All
<b>Basic details</b>					
Number of firms in sample	4	10	34	30	78
Maximum throughput possible in this band (AUs)	895	6,561	31,638	386,447	N/A
<b>2008Q1</b>					
Average pre-tax profit (£k)	-163.06	39.24	25.25	384.51	155.56
Pre-tax profit margin	-28.75%	2.23%	0.46%	1.42%	1.19%
Hygiene charge as percentage of pre-tax profit	-0.82%	14.36%	167.38%	49.22%	59.14%
Number of firms with negative profit	3	4	14	6	27
<b>2008/9 (8%)</b>					
Average pre-tax profit (£k)	-163.07	39.19	24.90	382.521	154.52
Pre-tax profit margin	-28.75%	2.23%	0.45%	1.42%	1.18%
Hygiene charge as percentage of pre-tax profit	-0.83%	14.74%	173.82%	51.32%	61.56%
Number of firms with negative profit	3	4	14	7	28

<sup>1</sup> The four size categories of plants are based on annual throughput quartiles. Micro plants process fewer than 895 Animal Units (AUs), small plants process between 895 and 6,561 AUs, medium-sized plants process between 6,562 and 32,613 AUs, and large plants process more than 32,613 AUs.

<sup>2</sup> The base-year charges to which this IA relates are intended to be in effect from 31 December 2007 to 30 March 2008 inclusive, i.e. for three months only. Estimated figures for that period have been multiplied by four to provide base-year data from which the estimated increase in charges have been derived.

## Impact on poultry slaughterhouses

Poultry slaughterhouses will be affected by an 8% increase in both time costs hourly rates and standard rates, except that:

- i. the standard rate for turkeys weighing less than 2kg would not be increased because the rate was increased by more than 8% from 31 December 2007; and
- ii. the standard rate for young turkeys weighing 2kg or more and adult turkeys weighing less than 5kg would not be increased because the rate was increased by more than 8% from 31 December 2007.

The change in throughput rates for turkeys of different weights that took place on 31 December 2007 has not been included in the analysis, as MHS data currently does not record turkey throughput separately. In addition, it is not possible to establish from the data which businesses solely slaughter turkeys, as all poultry slaughterhouses may be approved to slaughter several species of birds. The simulation results therefore overestimate the charge increases, but the over-estimation is considered to be minimal as turkeys only account for 2% of all poultry slaughtered in the UK. With that caveat, the proposed 8% increase in standard and hourly rates will raise the total annual charge across the GB poultry sector by £350k or 11.5% (£18k in Wales or 18.93%).

The reason that the annual charge is estimated to increase by a greater percentage than the increases to rates is because they would represent a greater proportion of official controls costs due to the way slaughterhouse staff costs enter the charge calculation<sup>3</sup>. The relative increase in charge does, however, vary with plant size in Wales, from 8% for micro plants to 29.01% for large plants. This is explained by the fact that large plants tend to employ more staff to do official controls work than small plants.

**Table 5: estimated increase in hygiene charges affecting poultry slaughterhouses in Wales**

	Plant type				
	Micro	Small	Medium	Large	All
	1	1	1	2	5
<b>MHS Charge 2008Q1 (annualised)</b>					
Total (£k)	0.73	0.0	46.1	46.6	93.43
Average per plant (£k)	0.73	0.0	46.1	23.3	18.68
Average per bird (p)	2.6	0.0	1.8	0.1	0.2
<b>Increase in charge over 2008Q1 baseline</b>					
Total (£k)	0.6	0.0	3.59	13.5	17.69
Average per plant (£k)	0.6	0.0	3.59	6.76	3.58
Percentage increase	7.72%	-	7.77%	29.01%	18.93%

<sup>3</sup> Businesses that employ staff to do official controls work are charged as follows:

Official controls cost (time-costs or as calculated from throughput rates) (A) less slaughterhouse staff cost to the business (B) = the official controls charge to the business (C). The proposed increases to A have been assumed to be greater than the likely increases to B, leading to an estimated 11.6% increase in official controls charges to large plants.

Illustrative example:	Official controls cost (A)	£100	+8%	£108
	Slaughterhouse staff cost (B)	£35	+3%	£36
	Official controls charge (C)	£65	10.7%	£72

## Impact on Game Handling Establishments

Game-handling establishments will be affected by an 8% increase in both time cost hourly rates and standard rates, except that the standard charge rates for boars and for ruminants (mainly deer) weighing no more than 18kg will not be increased (this to take account of the greater than 8% increases that came into effect on 31 December 2007).

The assessment of the impact on game-handling establishments is based on MHS data for 2004/05, when there were 47 plants subject to charging in GB. The great majority of these were small in size and they paid an extremely small proportion of the total of MHS charges to the meat industry, approximately £40,000. This underlying position is considered to be substantially unchanged and the proposed 8% increase in charges would result in an estimated 5.6% increase in payments, costing a total of approximately £2,000 in GB. There are currently 4 game handling establishments in Wales and the estimated total increase for these plants in Wales is £192. The less than proportional increase is because no increases are being proposed to the standard charge rates for boars and for ruminants weighing no more than 18kg.

**Table 6: estimated increase in hygiene charges paid by Game Handling Establishments in GB**

	<b>GB</b>
<b>Number of establishments</b>	47
<b>MHS Charge 2008Q1 (annualised)</b>	
Total (£)	40,009
Average per plant (£)	851
Number of plants charged time cost	8
<b>MHS charge 2008/9 (8% increase)</b>	
Total (£)	42,260
Average per plant (£)	899.2
Number of plants charged time cost	8
<b>Increase in charge over 2008Q1 baseline</b>	
Total (£)	2,251
Average per plant (£)	47.90
Percentage increase	5.6%

## Impact on cutting plants

The impact on cutting plants has been estimated using data from April to August 2007, which takes account of the current audit-based official controls system that was introduced in January 2006 and of the abolition of an EC minimum charge rule<sup>4</sup> from January 2007. The implementation of the EC OFFC minimum standard charge rates on 31 December 2007 did not affect the rate that is charged per tonne of meat in the United Kingdom. As a result, the proposals involve the same percentage increase for hourly and standard rates. It follows that the relative increase in charge to the operators of cutting plants would be exactly equal to the proposed 8% increase in rates, i.e. the charge will increase by exactly 8%.

<sup>4</sup> The EC minimum charge rule specified that the charge to FBOs should not be lower than 45% of the charge calculated from standard (throughput) rates.

Table 7 reports an estimated 2007/08 charge of £17k in Wales derived from the data. It follows that an 8% increase in rates would raise the charge by £1.3k for the 50 cutting plants in Wales.

**Table 7: estimated charges for cutting plants in Wales (based on April to August 2007 data)**

		Plant Type				
		Micro	Small	Medium	Large	All
<b>Number of plants</b>		21	10	9	10	50
<b>MHS charge 2008Q1 (annualised)</b>						
	Total (£k)	1.133	1.989	5.804	8.143	17.068
	Average per plant (£k)	0.0054	0.199	0.645	0.814	0.341
	Number of plants charged time cost	8	3	8	10	29
<b>MHS charge 2008/9 (8% increase)</b>						
	Total (£k)	1.223	2.148	6.268	8.794	18.434
	Average per plant (£k)	0.058	0.215	0.696	0.879	0.369
	Number of plants charged time cost	8	3	8	10	29
<b>Increase in charge over 2008Q1 baseline</b>						
	Total (£k)	0.091	0.159	0.464	0.651	1.365
	Average per plant (£k)	0.004	0.016	0.052	0.065	0.027
	Percentage increase	8%	8%	8%	8%	8%

### Impact on individual businesses

The impact of implementing the proposed increases to time cost hourly rates and standard charge rates will mean that the ratio of businesses that pay time costs and standard rates charges will be broadly that which applies at present. Businesses paying time costs will be charged 8% more per hour, but the total charge will continue to depend on the amount of chargeable work done. The impact on businesses paying standard rates charges will vary between businesses depending on the type and numbers of the animals or of the meat that they processed. The following table gives examples of how the standard charge rates will change and is provided to help FBOs assess the impact of the proposals on their business.

**Table 8: examples of current and proposed charges per 100 animals<sup>12</sup>**

	Proposed 31 December 2007 charge £ per 100 animals	Proposed charge £ per 100 animals from 31 March 2008	Increase	
			£ Per 100 animals	%
Bovine - adult	337.88	343.50	5.62	1.8% <sup>5</sup>
Bovine - young	176.70	190.84	14.14	8%
Sheep less than 12kg	12.37	13.36	0.99	8%
Sheep 12 –18kg	24.74	26.72	1.98	8%
Sheep over 18kg	35.34	38.17	2.83	8%
Pigs less than 25kg	35.34	38.17	2.83	8%
Pigs 25kg or more	91.89	99.24	7.35	8%
Boar less than 25kg	101.36	101.36	None	Nil
Boar 25kg or more	101.36	101.36	None	Nil

<sup>5</sup> The increase to adult bovines is a further 1.8% above the current rate per animal, calculated as follows: current rate = £3.1806; 31 December rate = £3.3788 (+6.2%); 31 March rate = £3.4350 (8% above the current rate).

Other ruminants less than 18kg	33.79	33.79	None	Nil
Other ruminants 18kg or more	35.34	38.17	2.83	8%
All broilers	0.71	0.77	0.06	8%
Turkey less than 2kg	1.69	1.69	None	Nil
Turkey over 2kg, except as below	1.69	1.69	None	Nil
Turkey – adult 5kg or more	2.82	3.05	0.23	8%

### ***Social and environmental impacts***

The proposed regulations will have little if any impact on the delivery of the Government's five principles of sustainable development on the environment or in relation to public health.

### ***Administrative burdens***

The proposals will not lead to any changes to administrative burdens.

## **7.3 Competition Assessment**

The proposals are unlikely to significantly affect competition as all approved meat businesses will be affected by the generally applicable increase in time costs hourly rates and standard charge rates. All food business operators will continue to pay the lesser of the time costs or standard charges generated by their business.

## **7.4 Consultation**

The Food Standards Agency Wales carried out a public consultation between 8 November 2007 and 11 January 2008. On a GB basis over 900 stakeholders, including approved meat establishments, industry representative bodies and farming unions, were invited to comment on the draft Regulations and the draft Regulatory Impact Assessment, and to provide any supporting financial or other relevant data. Eighty one stakeholders in Wales were consulted.

There were 32 responses to the GB consultation, including eight responses from stakeholders in Wales. Several issues were raised, in particular in relation to MHS efficiency and the industry's willingness or ability to pay.

Many comments focused on a proposed future charging strategy and were not specific to the 8% increase proposed for 2008/09. To that extent, therefore, they were not pertinent to this consultation. None of the comments resulted in a need to amend the instruments.

Most of the opposition to the proposals, including from the main representative organisations, took the form of an assertion that charge rate increases should not be made until the MHS had delivered overall cost reductions. However, they did not acknowledge that, as explained in the consultation letter, the proposal to increase industry charges by around £1.5 million in 2008/09 would coincide with an estimated £4 million decrease in MHS costs. The issue of MHS efficiency is, in any case, of very limited relevance to the proposal as most businesses pay standard charges that are unaffected by the MHS official control costs incurred.

One operator considered that the proposals would bring about the closure of his and other small abattoirs. Three others considered that implementation ran the risk of causing closures or would damage the industry. None of the main representative organisations expressed this concern, but they and three organisations representing farmers were concerned about possible knock-on effects on the livestock sector. No evidence was provided to substantiate these concerns and there were no comments on the draft Impact Assessment that was included with the consultation proposals.

There is a risk that the proposed increases may not be affordable to some businesses that are already particularly vulnerable financially. However, the consultation Impact Assessment indicated that the impact was likely to be manageable, bearing in mind that the proposed increases are proportional to the size of the business, and that small and medium sized businesses would still be benefiting from a significant subsidy as a result of the current charging policy (the Maclean subsidy).

A summary of the consultation comments will be available on the Food Standards Agency website [www.food.gov.uk](http://www.food.gov.uk)

### **7.5 Post Implementation Review**

The MHS will monitor the delivery of the proposal in GB (DARD in NI) in accordance with their usual procedures. The policy will be reviewed in June 2008 to establish its actual costs and benefits and the achievement of its desired objectives.

### **7.6 Summary**

Although the Regulations will impose additional costs on business, the impact of the increased charges will, in general, be small. The overall increase in charges to approved meat establishments in Wales is estimated to be approximately £142,000 (£1.5 million across GB).