 Regulatory Policy Committee	Validation of the One-in, Two-out Status and the Net Direct Impact on Business	
Validation Impact Assessment (IA)	Bulk Milk Tank Testing for Brucella Abortus: Amendment to Brucellosis (England) Order 2000 and Brucellosis (Wales) Order 2006	
Lead Department/Agency	Department for Environment, Food and Rural Affairs	
IA Number	Defra1318	
Origin	Domestic	
Expected date of implementation	April 2015 (SNR 9)	
Date of Regulatory Triage Confirmation	N/A – red tape challenge	
Date submitted to RPC	22 October 2014	
Date of RPC Validation	12 November 2014	
RPC reference	RPC14-FT-DEFRA-2015	
Departmental Assessment		
One-in, Two-out status	OUT	
Estimate of the Equivalent Annual Net Cost to Business (EANCB)	-£0.059 million	
RPC assessment	VALIDATED	
Summary RPC comments The validation IA is fit for purpose. It clearly describes and assesses the expected costs and benefits of the proposals. The RPC is able to validate the estimated net benefit to business of £0.059 million each year.		
Background (extracts from IA) What is the problem under consideration? Why is government intervention necessary? <i>“Brucella abortus is a notifiable zoonotic disease that causes abortion or premature calving in cattle and the ‘flu’ like disease ‘undulant fever’ in humans. Great Britain has been officially brucellosis free since the 1980’s. Disease freedom is a public good and the spread of infectious disease is a negative externality that can impose costs on unwitting third parties. To check that the disease has not been re-introduced there is a national surveillance programme which seeks to discover if there is any disease present in the national herd. A review of this surveillance programme identified some costs to industry and government associated with the current regime that could be</i>		

reduced without unduly jeopardising our disease free status.”

What are the policy objectives and the intended effects?

“This de-regulatory proposal will result in a more cost-effective and proportionate surveillance programme that remains robust enough to detect and control any re-emergence of the disease. This will result in cost reductions and other benefits to affected businesses and government. Alongside bulk milk tank testing, surveillance for brucellosis will continue to include post import inspections and investigations of reported abortions in target categories of cattle.”

RPC comments

The Department proposes to reduce how often bulk milk tanks will need to be tested for brucella abortus. The proposal will also result in a small number of businesses (‘producer-retailers’) providing samples, instead of the Animal and Plant Health Agency (APHA) collecting them, but they are still expected to experience a net benefit from the proposal. The IA also explains why bulk milk tank testing is likely to provide a more cost effective approach to reducing public risk than alternative approaches, such as increased follow up investigations of abortion reports.

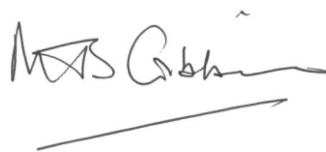
Moving from monthly to quarterly testing will have benefits for approximately 10,500 businesses, saving an estimated total of £83,200 each year as a result of 88,000 fewer tests.

The approximately 100 ‘producer-retailers’ will also save an estimated net £3,500 each year. This is expected to be the result of £5,200 benefits each year from needing to prepare and supervise fewer site visits, partially offset by an increase in costs, of £1,700 each year, as a result of having to send samples to the APHA. The government will save around £441,000 as a result of reduced site visits.

The Department has justified the estimated costs of tests, sending samples and site visit preparation and supervision. The estimates appear to be based on reasonable evidence.

The IA says that this is a deregulatory proposal (an ‘OUT’) with an estimated equivalent annual net cost to business of -£0.059 million. This is consistent with the current Better Regulation Framework Manual (paragraph 1.9.11) and, based on the evidence presented, appears to provide a reasonable assessment of the likely impacts. The RPC is able to validate the estimated benefit.

Signed



Michael Gibbons, Chairman

