

Imports

1. What do the central overheads and hard charges consist of exactly? Why are service users paying for the bad debts of others? Also, would query why we are paying for IPAFFS depreciation, considering it has taken several years to get anywhere near addressing the needs of the plants sector and still has unresolved patch fixes for plants
 - a. *Central overheads: Cover areas centrally that are deemed to add value to the chargeable service, out of 88 central overhead cost centres we add in 6, they cover Health & Safety, Stores, Corporate Services, Projects, Recruitment Hub & EU Exit matters – less than 2% of the overall budget is recovered through all 6 chargeable schemes.*
 - b. *Notional/Hard charges are recharges based to APHA for the appropriate share of Estate costs, IT, SSCL (credit control/payroll provider) and Group Corporate Services covering HR, Legal & finance matters – less than 3.5% of the total charges is included in our 6 PH schemes*
 - c. *Bad Debts: Are an allowable expense added in under Managing Public Money rules.*
 - d. *Depreciation: The IPAFFS IT system up and running and depreciation over a deemed useful life (10 years here) is again an allowable expense – about 5% is included.*

2. Can you explain the doubling in time for potatoes inspections?
 - a. *Over this period APHA have spent a lot of time recruiting and training new inspectors to be competent to ISO 17020 standards to be able to complete this high priority area of work. As a result of more interceptions of quarantine pests APHA have spent more time in physical inspections and coring of these consignments. A prime example of this would be the increase in the frequency of inspections for Egyptian ware potatoes from 50% to 100% with interception of brown rot. As we move forward, we will have more trained and signed-off inspectors to be able to complete this area of work and therefore deliver more inspections.*

3. We did not ask for these changes, and they are supposed to benefit the whole country, why is there no talk about financing part by a yearly subsidy
 - a. *By the end of this financial year, government will have funded £21.5m of costs associated with delivery chargeable plant health services. This is not sustainable and not in line with the policy of full cost recovery. Therefore, we now need to increase fees to move APHA back to full cost recovery.*

- b. *The phased approach does mean government will continue to part fund plant health services for the next couple of years until we get back to full cost recovery.*

4. Can we please see costs for e.g. imports category, shown directly alongside the income recovered from service users, and for each interim year since 2019 to see progression

- a. *Please see table below*

Income

	2019.202	2020.2021	2021.2022	2022.2023	2023.2024
Cut Flowers	289,810.49	262,642.83	434,872.09	245,774.67	142,192.01
Fruit and Veg	2,194,598.39	2,277,859.90	1,574,536.87	826,059.48	511,518.93
Leafy Veg	189,589.00	148,592.64	219,197.44	181,277.80	185,845.41
Other Plant Material	1,831.29	1,977.51	295.49	113.65	353.65
Import of Planting Material	16,562.24	120,553.18	1,432,496.00	1,298,732.00	2,078,304.60

Cost

	2019.202	2020.2021	2021.2022	2022.2023	2023.2024	
	COST	4,163,001	5,249,119	8,001,433	8,358,183	10,628,497
Cut Flowers		299,582	327,477	601,197	349,952	335,501
Fruit and Veg		2,268,592	2,840,157	2,176,747	1,176,204	1,206,927
Leafy Veg		195,981	185,273	303,033	258,117	438,501
Other Plant Material		1,893	2,466	409	162	834
Import of Planting Material		17,121	150,312	1,980,380	1,849,229	4,903,750

Recovery percentage

2019.202	2020.2021	2021.2022	2022.2023	2023.2024
96.74%	80.20%	72.33%	70.23%	42.38%

5. How is a consignment defined? Is a single plant import the same as a lorry load?

- a. *A consignment is several goods covered by the same official phytosanitary certificate, conveyed by the same means of transport, and coming from the same territory or third country.*

6. Government has waited 6 years before proposing a fees increase - and is now proposing changes 1 year before undertaking a fundamental review that will mean another consultation process and further changes to fees. Surely it would make more sense to do the fundamental review and fee changes at the same time?

- a. *During the last 6 years, a lot has happened which has made it difficult to do a successful fee refresh:*

- i. *We left the EU, and our border requirements all changed*
 ii. *We dealt with modelling a variety of border options which eventually lead to the introduction of the Border Operating*

Model last year – getting the right inspectors in the right places, dealing with PODs & BCPs etc

- iii. PH work fundamentally changed, meaning we needed more inspectors, there was more regulation to deal with and systems & documentation changed*
- iv. We had The Covid Pandemic and the cost-of-living crisis*
- v. It was decided that a fees refresh would not be appropriate during this period given the high level of uncertainty and change businesses were subject to. Therefore, the gap between income and cost increased, as our scheme costs changed and this was funded from Central Government funds (estimated at £21.5m).*
- vi. Our costs increased, inspectors had pay increases and prices changed for things like rent, electricity, Subcontractor (Fera) costs – inflation peaked at over 10% in 1 yr and 7% in another*
- vii. We saw vast changes in the volumes of materials that we needed to inspect and certify*
- viii. It is now necessary to address the gap in income by amending fees to support putting public finances on a sustainable path and allow taxpayers funds to be targeted to priority areas.*

7. What does a "fundamental review" consist of, how long does it take and what might a likely outcome be? How does it differ to this fees review?
- a. A fundamental review involves a deeper look at the services that are charged for and how cost bases are calculated. They are typically multi-year activities. This fee refresh has used the same methods to calculate the cost base as was agreed via consultation in 2018, and is simply a proposed uplift in fees to meet APHA full cost recovery*

Exports

1. Will you consider a different price for e-phytos when they come online for more than Northern Ireland? there should be a lower cost for these over ephytos so this should be reflected in the pricing
- a. At the moment, we are not considering implementing a separate charge for e-Phyto. However, we are keeping a close eye on cost recovery and will propose a separate fee if needed.*
 - b. The ephyto private beta started in late November 2024 and over the coming weeks more traders were enrolled. The public beta for all traders moving plant health-controlled goods from GB to NI opened on 20th January 2025, which is about a month ago, so it is early days yet.*

SPCS

1. If a new IT system is being looked at, what budget is there in place and is this being built into cost increases?
 - a. *eDomero is scheduled for replacement and work on certification systems is due next, following the work on e-pvp. Details of this will need to be provided by the Delivering Sustainable Futures team.*
 - b. *Initial capital costs will not be included within fees; however, depreciation costs of any new IT system would be included in future fees.*

2. How can industry help? Our industry competes on quality. So why cannot we take more control over sampling etc. Can we help evolve regs and compliances? Everything that we can do to help reduce costs is valuable to us.
 - a. *While we understand that industry competes on quality, adequate testing and sampling must be carried out to ensure we meet both domestic and international standards. This is particularly important for establishing international trade.*
 - b. *We will keep the SPCS and the Seed Potato Regulations 2015 under review and will consult the sector on proposals to update or amend them. We welcome feedback or suggestions for improving the scheme, particularly with regards to keeping costs down.*

3. EDomero desperately needs to be updated. If we are to pay more, it should come coupled with some improvement in service provided. What is the plan for updating that system? Could we use the Scottish IT system to save some cost/teething issues during establishment?
 - a. *eDomero is scheduled for replacement and work on certification systems is due next following the work on e-pvp.*

4. As the costs for import and export have no relevance to SPCS presumably no increases will be passed on in the SPCS. And because of this I assume import and export costs will dramatically increase to those affected. Depreciation also will be significantly affected by this as a %
 - a. *Correct. No costs for imports and exports have been included in the cost base for SPCS. The cost bases for imports and exports are set out in the consultation document. Under the proposed option for fees, all schemes would see a fees increase of 20% in Autumn 2025 and of up to a further 10% in Spring 2026.*