

NRW Consultation on regulatory fees and charges for 2023/2024

Wales Sheep Scab Industry Group Response

The group is represented by the following organisations: NSA Cymru, Dŵr Cymru, NFU Cymru, FUW, WLBP, HCC, Gelli Aur / RVC, NAAC, FWAG, ADAS, OCVO & WG.

Please find below our comments to the above consultation.

General Comments

There is extreme and valid concern that the onset of such tremendous charge increases will coincide with wider efforts (detailed below) to eradicate sheep scab from the national flock and will directly and detrimentally influence the number of individuals and businesses willing to use plunge dipping as a method of treating a sheep scab infestation.

The group believes that there is a basic lack of evidence and clarity for many of the charge increases proposed in the present consultation. Indeed, it is a source of frustration that no attempt was made to provide a breakdown of current costs to allow the industry to properly evaluate the proposed charge increases and to determine where value for money is - or is not - being provided to the sector. Furthermore, no impact assessment has been conducted on the additional financial burden placed upon livestock keepers resulting from the proposed changes and the group believes that this was a necessary and important inclusion.

The group believes that the exorbitant charge increases proposed could only ever represent 100% cost recovery where there has been little or no attempt by NRW to streamline current processes, identify wasted resources and remove administrative inefficiencies. Disappointingly, there is a dearth of information within the present consultation relating to attempts by NRW to minimise costs to the agricultural sector prior to the onset of 'full cost recovery.'

The consultation refers to the provision of further information on cost modelling being available upon request. The Sheep Scab Industry Group would therefore like to formally request cost modelling for this section of the consultation which should include the financial impact of these proposed charge increases on the sheep sector and the potential reduction in the ability of this sector to control and eradicate sheep scab.

Consultation

The consultation posits that the introduction of 'full cost recovery' will begin in April 2023; just 3 months from the end of the stakeholder consultation period. Not only do such short timelines suggest that charge increases represent a fait accompli, but the short window does little to allow individuals and businesses to prepare for such large financial increases against an existing backdrop of severe pressures; with 'agflation' (inflation linked to rising agricultural costs and prices) reaching 23.5% per annum in July 2022.

Given the above, it is therefore of great concern to this group that the charges proposed under the Water Quality Discharge (Landspredding) section of the consultation would see a new application for sheep scab dip disposal rise from £402 to £3728. This is an exorbitant and unevenced rise of 827%. This is in addition to the new requirement for a habitat assessment which, if required under a permit, would be charged at £1670. Sizeable charge increases are also proposed for substantial (£3011., 3810% rise), normal (£1935., 2413% rise) and minor (£680., 783% rise) variations to bespoke permits. Administrative charges also rise from £77 to £352 under the proposals with no indication of the future implications for the current annual subsistence charge.

National Policy Context

In July of 2022, The Welsh Government Sheep Scab tender was published, representing a significant amount of industry investment to tackle the disease. The 8-million-pound funding pot offered under this tender programme is designed to ‘support the sheep sector in effectively controlling and eradicating sheep scab’.

On Monday 19th December 2022, the Rural Affairs Minister Lesley Griffiths announced awarding Coleg Sir Gar a three-year contract to work on eradicating Sheep Scab in Wales. As part of the announcement, the Minister cited that “Sheep Scab is one of the most contagious diseases of sheep and a difficult challenge for the industry” and that “Effective control of sheep scab, both on a local and national scale is essential. Sheep must be scab-free to be productive and to have a good quality of life.”

Sheep Scab has been identified as a priority by Welsh Government’s Wales Animal Health and Welfare Framework group <https://www.gov.wales/sites/default/files/publications/2022-03/animal-health-and-welfare-framework-implementation-plan-2022-2024.pdf>, and the Office of the Chief Veterinary Officer (OCVO) in the Welsh Government is responsible for raising the standards of health and welfare for all animals kept in Wales and is represented on the Industry Group. It is our understanding that neither have been formally consulted on the impact and risks posed by these proposed increases to their main (Scab) eradication programme and this is seen as a fundamental oversight.

EPR Water Quality Discharge (Landspreading)

Accurate and timely diagnosis and treatment of sheep scab is essential for effective eradication, and it is therefore of significant concern to this group that the charges proposed in the present consultation represent a significant barrier to the use of the most effective treatment available.

There are only two types of treatment for sheep scab – organophosphate (OP) plunge dips (containing diazinon) and endectocides (injectable group 3-ML). While a useful tool against sheep scab, resistance of internal parasites to the 3-MLs has increased rapidly in recent years in line with increased use for scab, and cases of resistance in scab mites to MLs have now also been recorded.

OP dips are therefore a vital tool, and plunge dipping is acknowledged as the most effective treatment to control the prevalence of sheep scab and other external parasites.

The onset of the proposed increase in April 2023 for landspreading permit fees would coincide precisely with the implementation of the abovementioned Welsh Government funded national sheep scab eradication programme. With sheep scab prevalence at precarious levels throughout Wales, introducing these significant increased charges in parallel with a concerted national programme to tackle the disease would demonstrate a grave lack of cohesive ‘joined up’ policy making at national level, and would inadvertently represent a colossal disincentive to effective engagement with this vital and long-awaited funding stream. We ask therefore for the significant impact and consequence of these proposed fee increases to be fully assessed and considered in this context.

In the short-term, increased plunge dipping activity is both inevitable and essential for the eradication programme to have a realistic prospect of success, with the long-term objective to bring sheep scab cases down to more controllable levels, and hence the necessity for extensive dipping.

The scale and magnitude of concerted action required in the next few years by the industry to tackle sheep scab cannot be overstated. To expedite the national programme, would NRW be willing to consider a process for some surrendered landspreading permits to be reinstated at reasonable costs, as the suitability of these former disposal areas would have already been assessed and permitted?

Reducing Risks

The risks associated with the use and disposal of spent sheep dip is fully appreciated by the group. As the eradication programme is implemented, we intend to work with Gelli Aur on campaigns to promote good practice, most notably the SCOPS guidance to minimise risks to users and the environment and very much hope that NRW will be supportive of such campaigns.

Furthermore, on farm monitoring for diffuse pollution following plunge dipping activities will be incorporated as part of the eradication programme to better understand and quantify the associated risks.

Alternate Disposal Options

Other than disposal to land via a landspreading permit issued by NRW which this consultation impacts hugely on, the only alternative is the collection of spent sheep dip from farms and contractor premises for disposal at waste treatment facilities.

However, from farmer and contractor experiences over several years, the reality is that the capacity and infrastructure for cost effective collection and disposal options in Wales is extremely sparse and practically non-existent. Few sites in the UK can offer disposal facilities, and the prospect of transporting large quantities of dip by road to these sites presents another environmental hazard.

With disposal to land being actively discouraged by NRW (both directly and indirectly) by virtue of the proposed exorbitant single increase in permit fees, assessing the feasibility and securing sustainable alternative disposal options for farmers and dipping contractors is essential for both animal health and environmental protection in the long-term.

Next Steps

Taking a pro-active pragmatic approach as a group to address these issues, Dave Jones, Senior Advisor (Groundwater) for Natural Resources Wales was invited earlier in 2022 to share the views of the environmental regulator. Whilst sympathetic to the need for plunge dipping it was made abundantly clear that the long-term aspiration is to see the cessation of disposal to land, and that for any derogations to be considered, robust research and evidence would be required into alternate treatment and disposal options.

As a direct result, we are currently commissioning gap analysis research on current and potential future collection and disposal availability for Welsh sheep farmers and the feasibility of options to incentivise viable and sustainable market led solutions.

In addition, we are aware that Bimeda, the leading manufacturers of sheep dip are currently engaging with potential manufacturers to develop a detoxification product, which would denature and render spent dip less harmful.

The Group would also welcome an opportunity to explore how new collaborative ways of working in catchments with the introduction of the Sustainable Farming Scheme could offer future alternative approaches and solutions.

Taking all the above into account hopefully demonstrates that as a group we are progressive and working on a range of long-term sustainable alternatives to address the various challenges of sheep scab here in Wales, including alternate by-product disposal. However, delivering innovative alternative solutions will take time, which is why we would urge NRW to consider a moratorium on the proposed landspreading permit increases.

Summary

The group does not agree that these increases represent the 'right charges in the right places' or that they are 'fair and appropriate' and believes that the onset of any charge increases should be delayed for a 3-year period. This would provide sufficient opportunity to comprehensively evaluate both the findings of our proposed research and the impact of the impending eradication programme with NRW as the environmental regulator.

To close, the Rural Affairs Minister Lesley Griffiths concluded her announcement of awarding the eradication programme contract for Wales by saying "... a collaborative approach is key to success and by working together we can reach our goals." As the Welsh Sheep Scab Industry Group, we kindly request in advocating for such collaboration that NRW consider the following recommendations in our response to the consultation process:

Recommendations

- 3-year moratorium on EPR Water Quality Discharge (Landspreading) fee increases.
- NRW to meet with the group to discuss sheep scab challenge and control proposals
- NRW to consider and assess impact of proposed charge increases on Welsh Government's programme and long-term commitment to control and eradicate sheep scab.
- NRW to consult with Welsh Government OCVO and Animal Health and Welfare Framework Group on the above to ensure future policy areas align.
- NRW to consider mechanism for reinstating surrendered landspreading permits where necessary
- NRW to collaborate with Gelli Aur and Industry Group so that eradication programme and associated research delivers multiple outcomes for sheep welfare and the environment.
- NRW to support future sheep dipping best practice campaigns.

Signed on behalf of the **Wales Sheep Scab Industry Group**

Date: **4 January 2023**

Signature



Name: **Kate Hovers BVSc CertSHP MRCVS**

Job Title: **Chair of Wales Sheep Scab Industry Group**

Appendix 1

Wales Sheep Scab Industry Group Aims and Strategic Outcomes

To bring sheep industry stakeholders together in a concerted effort to address the numerous challenges associated with controlling Sheep Scab in Wales. The strategic outcomes are divided to three workstreams to be developed:

Prevention, Testing and Diagnosis

- Raise awareness of welfare, environmental and economic impacts of the disease to encourage sheep industry producers and processors to take collective responsibility
- Promote proactive animal health planning and biosecurity principles to reduce disease incidences
- Build industry trust and confidence in testing capabilities for early diagnosis and intervention
- Ensure coherent advice and guidance on testing and appropriate treatment prescriptions is available and taken up by farmers

Treatment

- Support industry led initiatives with Welsh Government, regulators, and stakeholders to develop sustainable national eradication programmes and initiatives
- Support dipping contractors and the equipment hire sector to become accredited

Environmental

- Reiterate importance of following plunge dipping best practice for practitioners and the environment
- Explore ways to address challenges associated with appropriate spent dip disposal options
- Work with NRW and others to reduce diazinon detections in catchments throughout Wales