

**REPORT OF THE INTERNAL FSA REVIEW
TO COMPARE THE PROVISION OF
MEAT HYGIENE OFFICIAL CONTROLS IN
NORTHERN IRELAND WITH THE SAME OFFICIAL
CONTROLS DELIVERED IN GB**

29TH APRIL 2010

1. Scope, Aim and Strategic Objectives

- 1.1 This review was initiated to make direct comparisons between the meat hygiene official controls provided in Northern Ireland by the Department of Agriculture and Rural Development Veterinary Service, Veterinary Public Health Unit (DARD VS-VPHU) on behalf of the Food Standards Agency (FSA) and in England, Scotland and Wales by the Meat Hygiene Service (MHS). The review included a high level examination of the operational, financial and governance aspects of the two organisations based on data for the calendar year 2009.
- 1.2 The strategic objectives identified in the terms of reference, attached at annex A, were specified as follows: -
- a. To compare and contrast the service provided on behalf of the FSA by DARD VS-VPHU in respect of official controls for meat hygiene inspections, with those provided by MHS in GB.
 - b. To establish whether or not official controls are being applied consistently across the UK by both service providers
 - c. To ensure that in the context of the services provided there is equality of treatment to the industries concerned
- 1.3 It should be noted that from 1st April 2010 the MHS ceased to exist as an Executive Agency of the FSA and the functions discharged by the MHS during the period to which this Review relates were transferred into the FSA on that date. The delivery of meat hygiene official controls in Great Britain is now undertaken by the Operations Group within the FSA.

2. Review Deliverables

- 2.1 The Review took place over a three-month period from January to March 2010. A number of officials from the FSA, DARD and MHS provided technical input in relation to the financial, policy and veterinary technical aspects of the Review. A full list of the documentation compared is attached at Annex B.
- 2.2 The team was asked to carry out the following tasks: -
1. A comparison of the cost of the controls provided by both organisations, identifying cost per livestock unit, operational costs and management/administrative costs
 2. A comparison of the differences, if any, in the key performance indicators identified by DARD VS-VPHU in the service level agreement with FSA and by the MHS in its business plan and the significance of any differences identified

3. A comparison of the differences, if any, in operational principles, protocol and practices between DARD VS-VPHU and the MHS, in particular identifying specific differences and their significance, in the operations manuals used by each organisation
4. An analysis of a representative number of business agreements in place for similar size slaughterhouses in Northern Ireland and GB in order to compare the number and grades of staff employed to carry out official controls
5. In other approved establishments, a comparison will be made of the official control activities that take place
6. Within the remit of the Review identify best practice in both organisations with a view to shared learning

3. Background

3.1 At a meeting of the Food Standards Agency's Board on the 10th November 2009, the Chief Executive reported his intention to carry out an internal review to compare the cost and operating practices of the meat hygiene official controls provided on behalf of the FSA, to the meat industry, by the Department of Agriculture and Rural Development (DARD) in NI, with that provided by the Meat Hygiene Service (MHS) in GB.

This announcement followed a meeting of the Chief Executive, the Director of the FSA in NI, the Chief Veterinary Officer of DARD and the Head of the DARD Veterinary Service, Veterinary Public Health Unit (VS-VPHU) on 26th October 2009, where agreement was reached on the parameters and extent of the Review.

3.2 Each individual service had previously been subjected to review. In 2006, the MHS undertook an internal review of staffing in all establishments in GB in order to identify appropriate staffing levels.

The Tierney Review of the delivery of official controls in Approved Meat Premises in GB, reported to the FSA Board on the 19th July 2007. Since 2007, the MHS has embarked upon a major transformation change programme, becoming more effective and making substantial efficiency gains year on year.

3.3 The DARD meat hygiene inspection service has also been subject to a number of reviews. In 2002, the Bacon Review made recommendations on the role, responsibilities, governance and constitution of the services.

In 2007, DARD's Business Development Branch carried out an internal review on staffing numbers, roles and responsibilities in the DARD VS-VPHU.

Also in 2007, the FSA in NI set up a project to put in place appropriate controls, monitoring arrangements, reports and assurances in order to allow the FSA to demonstrate that proper governance arrangements were developed and exercised over the services provided to the Agency by DARD.

- 3.4 The UK-wide FSA Optimisation Review, carried out in 2008, reported on how the MHS could more effectively work in slaughterhouses in GB. This Review examined staffing numbers and best practices in approved slaughterhouses in order to identify opportunities for efficiencies within the delivery of official controls. The Review included slaughterhouses in NI. The majority of the recommendations identified in the Optimisation Review have been implemented in GB and all of those relevant to NI have been implemented.

Whilst these reviews have considered the effectiveness and efficiency of each individual organisation, there has never, until now, been a direct comparison exercise carried out. There is, however, a clear expectation from the FSA Board that equity can be demonstrated between the NI and GB delivery of meat hygiene official controls.

- 3.5 In attempting to compare the delivery of official controls in NI and GB, it is important to recognise that there are significant differences in the two delivery organisations. DARD is a NI Government Department and the work of its VS-VPHU on behalf of FSA i.e. the delivery of official controls in approved establishments, is only a small portion of DARD's overall remit.

DARD VS is a diverse organisation with appropriate staffing structures to allow the deployment of Official Veterinarians (OV) from field duties to carry out official controls in slaughterhouses when required. The MHS in GB has a very clear single purpose i.e. the delivery of official controls in approved establishments. DARD staff are directly employed as civil servants with the attendant terms and conditions of employment, while the MHS utilises a combination of directly employed and contracted staff.

- 3.6 Geographically, NI is a much more compact area than GB. The shape and structure of the meat industry in NI is also very different from the meat industry in GB. The industry in NI has been through a process of rationalisation which has resulted in a small number of large throughput slaughterhouses. Only 4% of the total number of slaughterhouses in the UK are in NI, however, these establishments process 13% of all livestock units in the UK. The average throughput of livestock units per slaughterhouse in NI is 3.2 times higher than in GB.

In NI, 50% of the 20 slaughterhouses are classified as large i.e. killing more than 52,000 livestock units per annum, compared with 8% (36) of slaughterhouses in GB. Whereas, 64% (268) slaughterhouses in GB are classified as small or micro, i.e. killing less than 5,200 livestock units per annum, compared with 25% (5) in NI.

3.7 There were a number of key components of the Review, including: -

- a. A comparison of the cost of the official controls
- b. A comparison of the differences in the DARD Service Level Agreement and the MHS Group Plan,
- c. A comparison of the differences, if any, in the Manual for Official Controls used by both organisations in slaughterhouses and cutting establishments,
- d. An comparison of a representative number of business agreements in place in NI and GB,
- e. To identify best practice in both organisations with a view to shared learning.

4. Financial Comparison

4.1 A high level financial comparison was carried out within the Review. This included identifying the overall gross cost of the official controls provided by both organisations, identifying gross costs per livestock unit and operational and management/administrative costs.

4.2 The following table summarises the main findings: -

Comparison	NI	GB
Gross Costs This figure includes meat hygiene official controls, animal health and welfare checks, SRM and Animal By-products controls	£8,808,236	£69,361,303
FSA Costs Meat hygiene official controls only	£6,689,001	£55,592,613
Livestock Units	934,356 (13%of UK total)	6,204,622 (87%)
Gross Cost per Livestock Unit (CPLU)	£9.42	£11.18
FSA cost per livestock unit of Meat Hygiene Official Controls	£7.16	£8.96
Average Hourly rate for OV (pay, employers NI and superannuation)	£29.61	MHS Employed - £28.38 (3.6% of total) Contract - £30.44 (96.4% of total) Average Cost £30.37

Average Hourly rate for MHI (pay, employers NI and superannuation)	£15.58	MHS Employed - £15.945 (84% of total) Contract - £19.54 (15.7% of total) Average Cost £16.51
Ratio of OV hours to Meat Inspector hours	1:4.9	1:3

4.3 The financial comparison highlighted two main issues: -

4.3.1 The gross cost per livestock unit (CPLU) in GB is £11.18 compared with £9.42 in NI. The figures provided in the table are directly comparable and represent the cost of all of the work carried out by Official Veterinarians (OV) and Meat Hygiene Inspectors (MHI) in slaughterhouses and cutting establishments, including meat hygiene official controls, animal health and welfare checks, SRM and Animal By-products controls.

When the FSA meat hygiene official controls and associated management and overhead costs are compared, the GB CPLU is £8.96 compared with £7.16 in NI.

As already detailed, the profile of the industry in GB compared with that of the industry in NI is significantly different and would largely explain the difference in CPLU. In GB, smaller slaughterhouses are often geographically remote and may only operate on one or two days per week. These slaughterhouses may be attended by an OV, possibly supported by a MHI depending on the level of throughput. These smaller slaughterhouses represent a higher cost in terms of resources and time when compared with larger slaughterhouses. It is apparent that the smaller and more isolated the slaughterhouse, the more resource intensive it will be to regulate.

The flexibility afforded by EC rules on cold inspection, offers the opportunity for Food Business Operators (FBO) to reduce OV and MHI supervision. However, take-up of this flexibility by small slaughterhouses in GB has been limited. In NI, the option of cold inspection is not currently required.

4.3.2 This is further demonstrated by comparing the ratio of OV hours to MHI hours, i.e. for every OV hour worked in NI there are 4.9 MHI hours worked, while in GB for every OV hour worked there are 3 MHI hours worked. In GB the OV carries out all the official controls in some of the smaller and more geographically remote premises. The large number of medium and small premises in GB (389), while statutorily requiring an OV to be present during slaughter, will not require the same number of MHIs as large, high throughput premises.

The overall cost of staffing the two organisations with OVs and MHIs is very similar. The average hourly rate for OVs is £0.76 higher in GB than in NI and

the average hourly rate for MHIs is £0.93 higher in GB than in NI. However, it should be recognised that contract staff utilised by the MHS are consistently more expensive than directly employed staff. This is particularly significant in relation to MHS contract MHIs, on average 25.4% more expensive than employed DARD MHIs.

5. Comparison of NI SLA KPIs with MHS KPIs

5.1 A comparison of the key performance indicators (KPIs) associated with the Service Level Agreement (SLA) between the FSA and DARD VS-VPHU and the KPIs identified by the MHS in its group business plan was carried out. This was primarily to identify whether or not there were any significant differences between the two documents. The SLA currently in place in NI was drafted on the basis of the original agreement between the FSA and MHS. Not surprisingly, therefore, both documents are very similar. The full comparison is attached at Annex C, however, the following points summarise the main findings: -

5.1.1 NI Objective 1, MHS KPI 1

Both NI and the MHS reflect the need to protect public health, achieved through compliance with the Manual for Official Controls (MOC) in NI and as directly stated by the MHS as a KPI.

The MHS KPI involves a reference to animal welfare, while the NI SLA does not. This is because DARD is the Competent Authority for this activity in NI, whilst the MHS undertakes this work on behalf of DEFRA in GB.

5.1.2 NI Objective 2, MHS KPI 2

Both NI and the MHS include financial performance as an Objective or KPI. The NI Objective is fixed, 'operate within budget for the financial year', while the MHS KPI relates to CPLU (not to exceed £11) and to achieving continuous relative reduction in overhead.

5.1.3 NI Objective 3, MHS KPI 4

Both NI and the MHS include Objectives or KPIs relating to the development of staff. In NI it is not appropriate to include specific targets relating to absence management, sickness or days lost to work related ill health or injury, as these areas are the sole responsibility of DARD in its role as employer. The MHS KPI refers to staff development with specific targets relating to absence management, sickness and diversity.

5.1.4 Governance and Performance Monitoring

Both NI and the MHS have developed structures for monitoring performance and progress towards the achievement of Objectives and KPIs. The MHS has developed an extensive prescriptive monitoring process in order to manage the contracting of services at a cluster level throughout GB, working with 5 major contractors. This is compared with NI having one delivery agent which is also another Government Department.

In practice the governance and performance of the MHS, which included reporting to the FSA Board through the MHS Board, cannot be solely compared with the FSA's SLA with DARD in NI. As a delivery body it should be compared with both the FSA and DARD VS-VPHU's internal governance and performance measures. These include monthly and quarterly VS-VPHU reports to FSA, monthly and quarterly meetings of officials and an annual report on VS-VPHU performance against the SLA, as well as biannual DARD Governance meetings with the DARD Chief Veterinary Officer and the FSA in NI's Director and Deputy Director.

6. Comparison of the Manual for Official Controls (MOC)

6.1 A comparison of the differences in operational principles, protocols and practices between DARD VS-VPHU and the MHS was carried out, primarily to identify specific differences in the MOCs used by each organisation and the significance of these. Historically, DARD officials have developed the NI MOC based on the MHS MOC, having taken into consideration differences between the two organisations. Consequently, the operating instructions followed by OVs and MHIs in NI and GB slaughterhouses and cutting establishments are very similar. A comprehensive summary of the comparison can be found in the table at Annex D. The main findings are as follows: -

6.1.1 Essentially there are very few differences between the actual delivery of official control activities carried out in premises by MHS and DARD VS-VPHU officials. However, there are some practical differences in the management structures, terminology and the allocation and deployment of staff in both organisations, none of which are considered as significant in terms of the required outcomes.

6.1.2 The MHS carries out 100% verification of FBO bovine animal identification, dentition and passport checks in slaughterhouses. In NI this work is done by the Food Business Operator (FBO) with the assistance of DARD's Animal Public Health Information System (APHIS) computer system, with a 10% verification check by VS-VPHU. APHIS is also used for the collection of ante and post-mortem information that is available to the FBO and this fulfils the competent authority's responsibility to provide this data.

6.1.3 There are differences in the allocation of resources to carry out audits of FBOs. In both NI and GB slaughterhouses and co-located cutting establishments, the OV responsible for day to day supervision in the establishments also carries out the audit function. In NI, a relief OV provides cover for routine duties while the resident OV completes the audit. In GB, most resident OVs carry out audits unless service demands are significant and then the OV will receive additional cover during audit.

6.1.4 In stand-alone cutting establishments in GB, the contractor supervising the cluster arranges for an OV to audit. This is generally the lead Veterinarian or

a nominated OV for consistency. In GB, MHIs are not involved in the audits, but carry out unannounced visits to ensure compliance.

DARD allocates clusters of stand-alone cutting establishments to a dedicated OV who also has a MHI assistant. This allows the OV and MHI to gain a detailed knowledge of the establishments and the FBOs. The rationale being that consistent auditing and enforcement will lead to higher levels of compliance.

- 6.1.5 DARD employs a number of additional MHIs to cover annual leave and other absences. This means that there are often more MHIs than required for online inspection in some establishments. The staff rotate for online inspection, collect necessary samples, carry out checks and do essential paperwork. When necessary, MHIs can be allocated other tasks within DARD. DARD also retains a number of locum OVs who are not allocated to a particular establishment but are used to provide cover as necessary. VS-VPHU can also call on OVs who work in other parts of VS and on a small number of panel OVs (paid by the hour for work done). These arrangements allow for a degree of flexibility for contingencies.

Similar arrangements for cover and off-line work are available within the MHS. In addition, further staffing resources can be made available through the contract system. Surplus staffing resources cannot be reallocated outside the MHS.

7. A Comparison of Business Agreements and Implementation

- 7.1 An analysis of a representative number of Business Agreements (BA) in place for similar size slaughterhouses in Northern Ireland and GB was carried out, in order to compare the number and grades of staff employed to carry out official controls. The table in Annex E provides a comprehensive summary of the findings – *This annex has been omitted from this version of the report as it would be possible to identify individual food businesses from the information provided in the table.*
- 7.2 The review compared a sample of 14 BAs from both NI and GB. In general the structure of the BAs in NI and GB are broadly the same. This reflects the collaborative working of VS-VPHU and MHS officials during the drafting of NI BAs. Details of operational hours, start and finish times for the OVs and MHIs and overall numbers of staff required are contained in both sets of agreements. Staffing numbers appear to be broadly similar in GB and NI, allowing for the fact that no two premises are exactly alike. In the majority of NI establishments the Senior MHI is resident and is responsible for managing the meat inspection team onsite. Generally, 50% of his time is allocated to FSA and the remaining 50% is allocated to DARD. In GB, Senior MHIs are mobile and have management

responsibility for the meat hygiene inspection teams in a number of establishments. 80% of the Senior MHI time in GB is allocated to FSA duties.

8. Identification of Evidence of Best Practice

8.1 Within the remit of the review, the following examples of best practice in both organisations were identified with a view to shared learning: -

8.1.1 APHIS, the DARD computerised animal and public health information system captures the complete history of individual animals from birth to death. This assists OVs and MHIs to make informed public health decisions based on comprehensive and relevant information of the animal's health status. This system also facilitates the transferring of some official control responsibilities to the FBO.

8.1.2 DARD has the ability to call on suitably qualified and experienced staff working within its Veterinary Service to undertake official control duties on behalf of the FSA. This allows for a level of flexibility to react to potential food safety incidents, investigate possible fraud and undertake other duties that the FSA may request.

8.1.3 The MHS has a very clear focus on continuous improvement and in reducing the cost of the controls provided. This is reflected within the MHS Group Plan KPIs and it is also explicitly identified within the Business Agreements.

8.1.4 The arrangements in place for amending the MHS MOC are very comprehensive and ensure that clear and timely updates are provided to staff undertaking meat hygiene official control duties in slaughterhouses and cutting establishments.

9. Conclusions

9.1 This review set out to make direct comparisons between the arrangements for the delivery of meat hygiene official controls provided in NI by DARD VS-VPHU and in GB by the MHS, two very different organisations delivering official controls to an industry which is diverse in structure, makeup and geography.

9.2 The gross cost per livestock unit (CPLU) in GB is £11.18 and in NI it is £9.42. These figures are directly comparable and represent the cost of all work carried out by Official Veterinarians (OV) and Meat Hygiene Inspectors (MHI) in slaughter and cutting establishments, including meat hygiene official controls, animal health and welfare checks, SRM and animal by-products controls. When the FSA meat hygiene official controls and associated management and overhead costs are compared, the GB CPLU is £8.96 while the NI CPLU is

£7.16.

- 9.3 This may be explained by the differences in the profile of the NI and GB industries. In NI the industry has been rationalised and there are a small number of large slaughterhouses with relatively high throughput rates. In GB there are a large number of small low throughput slaughterhouses. This impacts on the cost of the overall delivery of official controls. It is apparent that the smaller and more isolated the slaughterhouse, the more resource intensive it will be to regulate.
- 9.4 The MHS in GB has a very clear single purpose i.e. the delivery of official controls in approved establishments. In contrast DARD in its capacity as Competent Authority performs a number of other functions in addition to official controls in approved meat establishments, for example, animal health, welfare and feed official controls. The work of VS-VPHU on behalf of the FSA in approved establishments is only a small portion of the overall remit of this Government Department.
- 9.5 That said, the method of delivery of official controls in NI and GB is remarkably similar. Both DARD and the MHS work strictly within the parameters set down in NI by the SLA with FSA and in GB by the MHS Group Plan. Both of these documents have been developed, revised and refined over the past ten years, with the NI SLA drafted on the basis of the MHS agreement with the FSA. Similarly, the NI MOC is based on the MHS MOC. There was also close collaboration between officials on the shape and content of business agreements in both NI and GB. This has resulted in official controls being delivered in an equivalent manner in both NI and GB. Therefore, FBOs in NI are subject to equivalent meat hygiene official controls to those imposed on similar sized FBOs in GB.
- 9.6 The main difference remains the scale of operation. The number of slaughterhouses in NI is a very small proportion of the overall number in the UK i.e. 20 out of 445. This makes the delivery of official controls in NI relatively straightforward when compared with the complexity of delivering in GB.
- 9.7 The creation of the Operations Group within the Agency, which has a UK-wide remit, will provide further opportunities to improve consistency and sharing of best practice in the delivery of meat hygiene official controls by Operations Group in GB and DARD in NI.

Annex A - TERMS OF REFERENCE, 17 February 2010

1. Scope and Aim of the Review

This review will make direct comparisons between the meat hygiene official controls provided in Northern Ireland by the Department of Agriculture and Rural Development Veterinary Service, Veterinary Public Health Unit (DARD VS-VPHU) on behalf of the FSA and in England, Scotland and Wales by the Meat Hygiene Service (MHS). This will include an examination of the operational, financial and governance aspects of the services provided based on figures for the calendar year 2009.

2. Strategic Objectives

- a. To compare and contrast the services provided on behalf of the FSA by DARD VS-VPHU in respect of official controls for meat hygiene inspections, with those provided by MHS in GB.
- b. To establish whether or not official controls are being applied consistently across the UK by both providers
- c. To ensure that in the context of the services provided there is equality of treatment to the industries concerned

3. Review Deliverables

- a. A comparison of the cost of the controls provided by both organisations, identifying cost per livestock unit, operational costs and management/administrative costs
- b. A comparison of the differences, if any, in the key performance indicators identified by DARD VS-VPHU in the service level agreement with FSA and by the MHS in its business plan and the significance of any differences identified
- c. A comparison of the differences, if any, in operational principles, protocol and practices between DARD VS-VPHU and the MHS, in particular identifying specific differences and their significance, in the operations manuals used by each organisation
- d. An analysis of a representative number of business agreements in place for similar size abattoirs and cutting premises in Northern Ireland and the Northern and Southern Regions in GB in order to compare the number and grades of staff employed to carry out official controls
- e. In other approved premises, a comparison will be made of the official control activities that take place

- f. Within the remit of the review identify best practice in both organisations with a view to shared learning

4. Governance of the Review

The Director of the FSA in Northern Ireland, the Chief Executive of the MHS and the Chief Veterinary Officer of DARD will jointly oversee the work of the review team and will form the Review Panel. The Review Manager will report directly to the Review Panel.

5. Organisation, Staffing and Liaison

The Review Manager will be supported by staff from the administration and finance teams in the FSA's office in Northern Ireland. In addition, key members of staff within DARD VS-VPHU and the MHS have been identified to assist in the review as detailed below: -

Review Manager	Maria Jennings
FSA NI Vet Technical	Jim Ross
FSA NI Finance	Declan Fitzpatrick
FSA Finance	Rob MacKintosh
Administration	Seth Chanas
DARD VS-VPHU	Brendan McCartan
DARD Finance	Collette Black
DARD VS-VPHU	John O'Neill
DARD VS-VPHU	Jim McBrien
MHS	David Lowe
MHS Vet Technical	Roberto Valarce
MHS Finance	Terina Hurley

Other members of staff within FSA, MHS and DARD may be asked to undertake specific duties identified by the review team or otherwise contribute to the delivery of the identified outcomes.

6. Controls and Reporting Arrangements

The Review Manager shall provide the review panel with an update on the work of the review team on a fortnightly basis and shall alert the panel to any major impediments to progress. A final report shall be submitted to the review panel as soon as practicable after the review has been concluded. The Review Panel will then submit the final report to the Chief Executive of the FSA by mid-April 2010.

7. Time-scale for Delivery

This review commences on the 11th January 2010 and is expected to be completed by mid-April 2010.

ANNEX B – TABLE OF DOCUMENTATION EXAMINED

	Document	NI	GB
1.	Formula used to calculate the current cost per livestock unit from January – December 2009.	<p>The cost per livestock unit can be calculated in two ways:</p> <ul style="list-style-type: none"> • Total costs incurred by FSA / total number of livestock units; or • Total costs incurred by VS-VPHU / total number of livestock units. <p>VPHU costs includes public health and animal health & welfare controls</p>	The formula used in GB is gross costs divided by the total number of livestock units.
2.	Throughput figures from January to December 2009, broken down by species	<p>Numbers of each species slaughtered relating to species specified in GB information were provided for comparison.</p> <p>For some species mentioned, the numbers slaughtered in NI will be zero.</p>	Numbers slaughtered in GB for all the species
3.	Break down of time codes/ hours	DARD hours by grade by plant for 1 Jan – 31 Dec 09	Information on time codes taken from the e-timesheet system.
4.	Hourly charge rates	Hourly rate per grade Normal Time and Hourly rate per grade Overtime for FBOs, including overtime policy, provided	2009/2010 Charge Rates to Food Business Operators provided by MHS
5.	Number of hours/costs FSA has paid DARD VS-VPHU for the meat inspection service.	Details of the amount that FSA was invoiced respect of meat hygiene inspection work for the Jan/Dec 09 period provided by VPHU	No comparative documentation available as work carried out by MHS

	Document	NI	GB
6.	Costs associated with equipment and training April to December.	Equivalent figures provided by DARD VS-VPHU for comparison	Figures provided from MHS include monthly breakdown of figures from April to December 2009 for travel and subsistence, training, other staff overheads, accommodation, IT costs, administrative overheads, protective clothing, laundry costs, other operational costs, notional costs, interest received, bad debts and capital charges
7.	Salary costs January to December.	Equivalent figures provided by DARD VS-VPHU for comparison	Staff costs based on salaries and overtime provided by MHS, broken down by month from Jan/Dec 09
8.	Policy on the use of contract staff.	No contract staff used	Information contained in the document Contractor e-Timesheet User Guide
9.	Budget, January to December.	VPHU estimated the cost of the service for the 09/10 year and provided the profile for this over the year.	Net costs of operations provided from Jan/Dec 09.
10.	Numbers of Staff employed by grade.	Spreadsheet of VPHU staff in post 2010	Figures contained within the document A Guide for Food Business Operators to MHS Charges for Official Controls (The Charges Guide)
11.	Organisational charts	Document 'VPHU Staff Roles' provided by DARD VS-VPHU explaining organisational structure	MHS Operational structure document provided by MHS
12.	Budget reductions.	The budgeted cost of the service between FSA and VPHU was agreed for the 08/09 year and for the 09/10 year.	Reduced cost per livestock unit by 2011/12 and a 26% reduction in gross cost of operations from 2006/07 to 2009/10.
13.	SLA cost for 2007/08, 2008/09 and year to date.	The SLA cost for 07/08, 08/09 and year to date (Dec 09) are as follows respectively - £7,075,313, £6,789,765 and £4,987,757.	This refers to the SLA with DARD VPHU.

	Document	NI	GB
14.	How overhead is calculated and charged and items included within that overhead.	Information is included on pages 9, 10 and 36 of the Charges Guide to FBOs	Spreadsheet containing calculation of overheads provided by MHS

ANNEX C – Comparison of MHS KPIs with NI SLA KPIs

Activity	NI	GB	Significance
<p>NI Obj 1 MHS KPI 1</p>	<p>To deliver customer requirements as prescribed in the SLA and provide assurance of delivery standard.</p> <p>Implement Legislative requirements.</p> <p>The SLA prescribes the provision of audits, ante and post mortem inspection, enforcement, approval process and the controls to be delivered in approved premises.</p> <p>The performance measure is the service delivered in line with the MOC, satisfactory FSA external audits and monthly, quarterly and annual SLA reports.</p>	<p>To protect public health, animal welfare and health.</p> <p>Improvement in FBO Compliance measured by a reduction in combined FBO audit scores for hygienic production, environmental hygiene and confidence in management.</p> <p>Ensuring FBO audit findings accurately reflect FBO compliance with relevant legislation. The target is for 90% of audits to be assessed as accurate by the LV</p> <p>Ensuring appropriate application of the health mark following ante and post mortem checks and meat entering the food chain is safe.</p> <p>The KPI is further broken down into priority areas, assessing compliance with BSE controls, Post mortem compliance and auditing.</p>	<p>Both performance indicators reflect the need to protect public health, achieved through compliance with the MOC in relation to FSANI and as directly stated by the MHS as a KPI.</p> <p>Both organisations serve to protect public health and while FSANI states this in the SLA, the MHS states it as its number 1 priority.</p> <p>The MHS KPI is more prescriptive, when compared with FSANI objective. This difference reflects that the FSANI is contracting this work to a third party, DARD VPHU, while the MHS as the responsible agency within GB carries out this work on behalf of the FSA.</p>

Activity	NI	GB	Significance
<p>NI Obj 2 MHS KPI 2</p>	<p>To Operate within the agreed budget for the SLA for 2009 /10</p> <p>To report any under or over spend to FSANI</p>	<p>To meet MHS efficiency targets Cost per livestock unit, set at £11.00</p> <p>Reduction in overhead as detailed in the group plan.</p> <p>To operate within agreed gross and net costs of the Agency, targets detailed in the group plan.</p>	<p>Both FSANI and the MHS include financial performance as an objective or KPI. The NI Objective is fixed, 'work within the agreed budget', while the MHS KPI is challenging -CPLU not to exceed £11.00, continuous relative reduction in overhead.</p>
<p>NI Obj 1 MHS KPI 3</p>	<p>The SLA requires DARD VPHU to undertake a periodic customer survey based upon the application of the SLA, and provided to the FSA for discussion at a quarterly meeting</p>	<p>Customer Satisfaction. Customer complaints, target of no more than 5 complaints upheld in favour of complainant.</p> <p>Industry perception of MHS 7.3 on a scale of 1-10</p>	<p>Both organisations seek to ensure customer experience of the service is captured. DARD VPHU has periodic meetings with its large FBOs while the MHS has industry forums meetings with industry.</p> <p>The KPI and target for the MHS is prescriptive, while the SLA between FSANI and DARD VPHU is broad and not prescriptive.</p>

Activity	NI	GB	Significance
<p>NI Obj 3 MHS KPI 4</p>	<p>To equip all staff with the necessary skills, knowledge and information to deliver controls effectively.</p>	<p>To ensure MHS staff have necessary knowledge and experience. Reduction in sickness absence. Target average number of sickness absence days to be 16 .7 days or below. Reduction in 20% in days lost to work related ill health.</p> <p>E learning Diversity Compliance 100% of staff trained.</p> <p>Target by 31 March 2010 Performance and Development Review scheme in place.</p> <p>Securing changes to terms and conditions.</p>	<p>Both the NI and GB include objectives or KPI relating to the development of staff. In NI these areas are the sole responsibility of DARD in its role as employer.</p> <p>While the MHS KPI refers to staff development, specific targets relate to absence management, sickness and only completion of the Diversity module has any relationship with development.</p>

Activity	NI	GB	Significance
<p>Governance/ Performance Monitoring</p>	<p>Performance measures within the SLA relate to compliance with the MOC.</p> <p>Audits are carried out by FSANI in relation to DARD VPHU performance at management and premises level.</p> <p>DARD VPHU produces monthly reports for FSANI relating to numbers of audits carried out and rates of compliance.</p> <p>On a quarterly basis DARD VPHU provide FSANI with a breakdown of enforcement, and audit work by category.</p> <p>On an annual basis DARD VPHU produces a report covering the whole period of the SLA.</p>	<p>Performance within the MHS is monitored on a monthly basis at SMT level, and Operational level.</p> <p>Audits are carried out by the Audit Group, an independent group within the MHS which reported directly to the Audit Group, made of MHS board members.</p> <p>As the controls within GB are delivered by contractors, KPI information has been developed to assess performance, both at a premises, area and contractor level. This information is reviewed on a monthly basis.</p> <p>The MHS produces an annual report on performance to the MHS Board.</p>	<p>NI and GB have developed structures for monitoring performance and progress towards KPIs and objectives.</p> <p>The MHS has developed an extensive prescriptive monitoring process as a result of contracting services at a cluster level throughout GB.</p> <p>This is compared with FSA in NI working with one delivery partner, DARD, a Government Department</p>

ANNEX D – COMPARISON OF MANUALS FOR OFFICIAL CONTROLS

Activity	NI	GB
Cattle identification supervision	10% checks and authorisation of animals with queries	100% checks on every bovine slaughtered (including dentition)
Cold inspection	Not required. (other than for on farm emergency slaughtered animals)	Applied in small compliant establishments.
OV working as MHI	Not required.	In establishments with just one OV, the OV can code differently OV activities from MHI activities.
Various activities (MHIs/OVs)	Not applicable. All employed staff. A small part of the OV attendance is covered by “panel” OVs, retired authorised OVs who are paid on an hourly rate.	Contract staff (OVs and MHIs)
Additional MHI in slaughterhouses: paperwork MHI	In addition to the inspection positions, there is usually an additional MHI to supervise other activities (SRM, ABP, residues, paperwork, co-located Cutting Establishments...)	MHS has only the required number of MHIs to fill the inspection positions.
Audit of slaughterhouses	An additional OV deputises for the existing OV so he/she can audit the slaughterhouse.	The existing OV audits the establishment.
Audits of stand-alone cutting establishments	There is an allocated OV to audit a number of cutting establishments, including follow ups. NI is divided in three areas, with one auditor OV for each one of them. This OV will have activities to make up for the 42 hours not covered by audits.	There is no specifically allocated OV to audit the stand alone cutting establishments. These audits are done by the OVs covering the slaughterhouses when it is operationally possible.

Activity	NI	GB
Audits of stand-alone cutting establishments: Audit MHI	There are a number of MHIs allocated to audit activities (paperwork, follow-up visits, export certification) but they also cover slaughterhouse duties.	MHS does not have any MHIs allocated to audit activities, and it is only when they cannot be deployed at the slaughterhouse they support the audit controls in cutting establishments (unannounced visits, follow up visits).
VC removal in cutting establishments	Stand alone: audit MHI Co-located: paperwork MHI	Stand alone : MHIs Co-located: MHS uses the MHIs allocated to the abattoir.
Audit of meat products establishments	Local Authority supervises meat products establishments even when co-located in approved cutting establishments audited by DARD VS-VPHU	MHS audit them when co-located to cutting establishments.
Enforcement	Enforcement policies are similar and the hierarchy of enforcement is escalated according to the FBO's attitude and history of compliance.	