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# DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

# REVIEW OF BOVINE TUBERCULOSIS TESTING ARRANGEMENTS

**VERSION 4.0**
**Final Report**

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**CONTENTS** **Page**

CONTENTS Page

CONTENTS Page

## GLOSSARY

| | |
|---|---|
| **ADCB** | Animal Disease Control Branch |
| **AHWI** | Animal Health Welfare Inspector |
| **APHIS** | Animal & Public Health Information System |
| **AVSPNI** | Association of Veterinary Surgeons Practising in NI |
| **BVA** | British Veterinary Association |
| **CAP** | Common Agricultural Policy |
| **DAF** | Department of Agriculture & Food |
| **DARD** | Department of Agriculture & Rural Development |
| **DEFRA** | Department of Environment, Food & Rural Affairs |
| **DVO** | Divisional Veterinary Offices and also Divisional Veterinary Officer |
| **EU** | European Union |
| **FVO** | Food and Veterinary Office (EU) |
| **ITT** | Invitation to tender |
| **LVI** | Local Veterinary Inspector |
| **NIAPA** | NI Agricultural Producers Association |
| **NIVA** | NI Veterinary Association |
| **PVP** | Private Veterinary Practitioner |
| **RCC** | Rural Development Council |
| **RCVS** | Royal College of Veterinary Surgeons |
| **ROI** | Republic of Ireland |
| **SVS** | State Veterinary Service |
| **TB** | Tuberculosis |
| **TVO** | Temporary Veterinary Officer |
| **UFU** | Ulster Farmers' Union |
| **VFM** | Value for money |
| **VO** | Veterinary Officers |
| **VOT** | Veterinary Officer Testing |
| **VS** | Veterinary Services |
| **VSD** | Veterinary Sciences Division |
| **VSG** | Veterinary Services Group |

# 1. EXECUTIVE SUMMARY

## 1.1 Introduction

The Department of Agriculture and Rural Development (DARD) commissioned Deloitte in June 2005 to complete a review of TB testing arrangements in Northern Ireland. (NI) This report details the outcome of the findings from the review.

## 1.2 Terms of Reference

As set out in the invitation to tender (ITT) the assignment included a review of:

- the value for money (VFM) afforded by the present approach;
- present arrangements for negotiating the testing contract and the contractual relationship between DARD and private vets in such contracts;
- the allocation of tests to vets and the monitoring of delivery and management of the contract;
- conflict of interest issues in relation to current Private Veterinary Practitioner (PVP)/client relationships; and
- possible alternatives to the existing arrangements for the allocation and management of TB testing including the scope to tender such testing.

A highly consultative approach, including consultation with representatives of the PVPs and DARD staff was adopted. Full detail on the approach is provided in Section 2.4.

## 1.3 Strategic Context

A review was completed of the strategic context and framework within which TB testing within NI is completed. Key to this background is the theme of sustainability of the industry, rural environment and rural society. This depends on a buoyant agri food sector – one essential component being a clear concise and well managed animal disease programme - of which TB control is a major element.

Key developments in the control and management of TB in NI include:

- the introduction of a series of new measures to address deficiencies noted in the previous TB Review including the implementation in autumn 2004 of herd restrictions for late tests, the increase in VOT numbers from 13 to 30 and enhancements to the APHIS system to improve traceability;
- E-PVP being introduced which allows improved monitoring of the speed of reporting of TB test results and the impact late reporting has on the 15 day target for removal of reactor cattle; and
- the future development of more proactive integrated and strategic approaches within NI and across the island through increased co-ordination of activity and partnership delivery as advocated in the NI Animal Health

and Welfare Strategy and the All Ireland Animal Health and Welfare Strategy.

These developments address many of the issues identified in the 2002 TB review and subsequent FVO report, contributing to reduced TB levels in NI (13,226 reactors in 2004/05 year, a 19 per cent decrease from 2002/03).

In addition to this the requirements to test bovine animals for TB are clearly set out in EU regulations and compliance with these must be a key driver in shaping the evaluation of current TB testing administration and management arrangements.

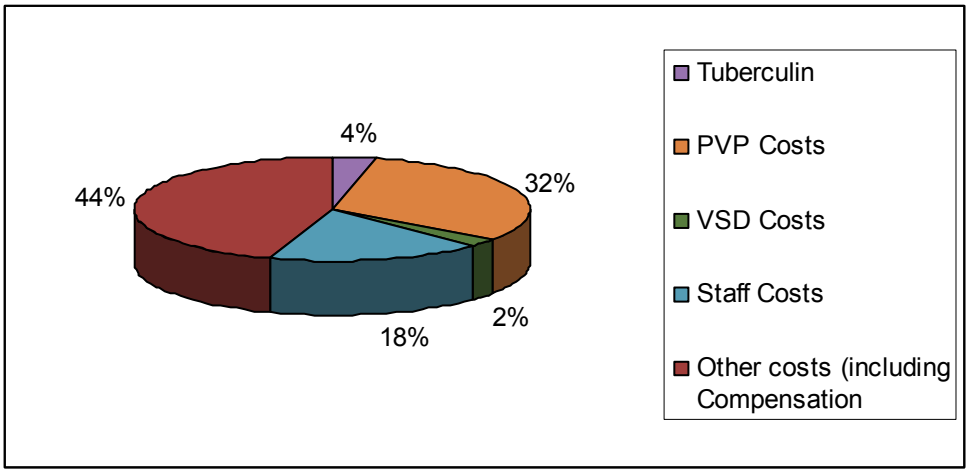
With PVPs delivering at least 90 per cent of all routine TB tests, the taxpayer through DARD acts as the single largest customer to NI veterinary practices. Anecdotally, income received for TB testing appears to be an important factor in sustaining many of NI large animal veterinary practices, particularly for those operating in the rural areas which rely mainly on large animal farm work for their income. This is similar to rural practices in GB. While it is in the public interest to maintain an effective private veterinary sector, the quality of service they provide to the state must satisfy the audit standards for public expenditure. Key drivers such as VFM and accountability in the overall TB testing process must be examined as part of this review.

## 1.4 Current Arrangements

TB testing within DARD is completed through a combination of internal veterinary officers (VOTs, TVOs or VOs) and external PVPs.

The total cost of the 2004/05 TB control programme was £23.79m split as follows:

Figure 1.1
**DARD TB Costs 2004/05**




Source: DARD

These costs relate to 2,970,179 routine and risk tests completed by PVPs and DARD staff in the following proportions:

- PVPs - 85 per cent; and
- DARD staff – 15 per cent.

Over the period 2001/02 to 2004/05 the total number of TB tests has increased by almost 1 million.[1]

The TB testing process comprises a number of interlinked process stages. Key stakeholders have clearly defined responsibility within each of these stages, highlighting well defined processes across the TB testing programme. The activity completed in ascertaining current arrangements identified a number of issues, these are summarised below:

- the monitoring and supervision of contractual compliance allows for suspension in incidences of major fault. However no financial penalties are invoked for more minor offences e.g. persistent late filing of test results. Areas of concern include:
  - assessment of ongoing compliance with initial registration terms (e.g. insurance levels);
  - impact on practice as suspension of a PVP who is not the Practice Principal may be minimal as work can be readily re-allocated in many cases; and
  - compliance with the "non test" obligations set out in VP2 (e.g. reporting) - although this is now monitored and a system for addressing non compliance is under development.

[1] The number of tests in 2001/02 was abnormally low due to the diversion of veterinary resource to the FMD outbreak.

- the accuracy of PVP database – PVPs can move practices and DARD relies on notification by practice principals to keep records of TB testing vets in each practice correct on APHIS.
- conflict of interest concerns regarding vets testing own clients;
- seasonality of testing and its impact on total TB testing workloads in winter;
- BR testing co-ordination and down-time for AHWIs;
- communication between DARD and PVPs e.g. limited data on performance metrics and statistics within ePVP is shared. Data which PVPs and veterinary associations believe could be used to jointly monitor performance and address deficiencies promptly as well as enable Vets and DARD to jointly meet and discuss areas of concern in order to agree actions required;
- perceived inconsistencies in the application of monitoring and supervisory procedures between PVPs and internal DARD staff as evidenced in discussions with PVPs and the Veterinary Associations. While similar supervisory protocols are applied to all TB testers this is not evident to PVPs based on the meetings held during the course of this review; and
- the suspensions process for PVPs is very resource intensive for DARD because of the technical skills involved and IRM issues arising at tests, field supervisions are the only effective way to audit the application of VP2 in these areas.

## 1.5 Best Practice Arrangements

In order to benchmark NI TB testing arrangements and to provide baseline data on recent international developments in this area research was completed on arrangements for TB eradication in:

- Great Britain;
- Republic of Ireland;
- Netherlands;
- France;
- Australia; and
- Sweden

Detail on the findings from this research is provided in Section 5. An outline of these are provided below.

Arrangements for TB testing with GB and RoI are in the main broadly comparable to those in NI. There are however several important points to note in relation to the differences between each country:

- brucellosis testing as well as TB testing is carried out by PVPs/LVI's in RoI and GB, however the frequency of BR and TB testing differs between GB, RoI and NI;
- within ROI Farmers pay the vet directly for the majority of the TB testing cost and this is operated in association with a levy system; and

- both ROI and GB recognise the importance of supervision and monitoring but adopt markedly different approaches in the systems used in practice. There is an assumption of compliance backed up by remote statistical analysis of test results.

Important success factors noted in countries which have eradicated TB include:

- greater partnership working between the government, farmers, producers and private veterinary practitioners. For example this could include the adoption of industry-government partnerships which have been successful in countries such as Sweden;
- the adoption of a more joined up collaborative approach to TB disease control;
- sharing of costs; and
- a flexible view towards the TB eradication programme which takes account of TB incidence levels across different geographical areas.

However, it is the considered view of a number of experts that the absence of disease transmission from wildlife is the key reason for success in countries that have eradicated TB.

## 1.6 External Stakeholder Consultation

In order to ensure that the potentially competing needs and views of a diverse range of stakeholders were considered widespread external stakeholder consultation was undertaken. The organisations/groups consulted were:

- Northern Ireland Veterinary Association (NIVA);
- Association of Veterinary Surgeons Practising in Northern Ireland (AVSPNI);
- PVPs x 6;
- Ulster Farmers' Union;
- Northern Ireland Agricultural Producers Association; and
- The Rural Development Council.

At the request of the Veterinary Associations (NIVA and AVSPNI) and in agreement with DARD a full TB test was also observed. This represented an opportunity to assess at first hand the processes involved with a typical herd test.

The consultation was designed with the intention of gaining views on the effectiveness or otherwise of current arrangements for TB testing and the potential for improvements in these arrangements through the implementation of certain contractual and delivery changes.

The key findings from the consultation are summarised below:

- TB testing represents a core income stream for the Northern Ireland veterinary industry;

- having a farm visit by a vet at least once per year is an obvious advantage of the current process;
- PVPs consider the service which they deliver under the TB testing contract to be much wider than the test itself;
- some administration and communications issues were raised with the current test arrangements e.g. test allocations;
- in some cases there appears to be a tension between DARD and the veterinary profession – this can cause problems for effective partnership working – a clear goal set out in DARDs strategic documents for Animal Health and Welfare which seeks to develop more proactive integrated and strategic approaches using partnership delivery in Animal Health and Welfare; and
- external stakeholders, NIAPA and RDC, thought there would be merit in revising current arrangements for the TB testing contract which may include consideration of a tendering option.

## 1.7 Objectives for Future TB Testing Administration Arrangements

The following objectives for future TB testing administrative arrangements were agreed with the Project Steering Group on 1 September 2005.

| Objective | Related Criteria/ Targets |
|---|---|
| 1. To ensure TB testing is consistently completed in line with legislative and contractual (process) obligations; | ● To support the DARD objective to reduce TB to 7,225 reactors by 31 March 2008[2];<br>● To meet legislative requirements; and<br>● To validate APHIS data on an annual basis. |
| 2. To put in place a standard and transparent method for the overall management and monitoring of TB testing including:<br>● formalising the arrangements for contract negotiation and monitoring between DARD and external bodies delivering TB testing services;<br>● the consistent application of all processes including the allocation and monitoring of tests; and<br>● providing sufficient flexibility to support DARD's wider strategic objectives. | ● to support the interface between TB and Brucellosis testing;<br>● to support the wider Animal Health and Welfare Strategy which encourages partnership working with DARD and private vets; and<br>● to support the potential for an increased surveillance role by private vets. |
| 3. To minimise the scope for conflict of interest situations to arise | ● Views of key stakeholders on the nature of relation between PVP and farmers |

[2] Public Service Agreement Target published on 14 December 2005 and included in 2006-2011 DARD Strategic Plan

Consideration was also given to the constraints facing future arrangements and these were identified as follows:

a) **legislative obligations** – all options must be possible under the current legal framework, or where this is not the case, have potential to facilitate changes in legislation;

b) **technical feasibility** – all solutions must ensure the scientific proposals are technically feasible and acceptable to the EU, Veterinary Profession and wider industry; and

c) **consistency with wider Government policy** including the current efficiency programme which commits to reducing staffing levels for NICS as a whole.

In addition to these all options must be affordable within current budgetary allocations for TB testing.

## 1.8 Delivery Option Identification and Sifting

In conjunction with the Project Steering Group eight potential delivery options were identified for future administration arrangements for TB testing in NI. Each identified option was assessed against the agreed objectives and constraints to provide a shortlist of potential projects to undergo detailed evaluation. This analysis provided for six options to be shortlisted to under go detailed evaluation, namely:

- Option 1 – Retain Status Quo;
- Option 2 – Do Minimum;
- Option 3a – Extend PVP role to include BR testing (using lay testers to complete BR tests);
- Option 3b – Extend PVP role to include wider surveillance/ Bio security role;
- Option 4 – Increase DARD TB testing; and
- Option 5 – Introduce lay testers to undertake TB tests.

## 1.9 Evaluation of Delivery Options

Following the principles of HM Treasury's Green Book guidance the evaluation of options was conducted to assess both the qualitative and quantitative aspects of each shortlisted option.

The consolidated outcome of the option analysis completed within this section is provided in Table 1.1 below.

Table 1.1
**Evaluation Results - Summary**

| | Qualatative Results | | Quantitative Results | |
|---|---|---|---|---|
| | Score | Rank | £'000 | Rank |
| Option 1 - Baseline | 747 | 4 | 170,790 | 3 |
| Option 2 - Do Minimum | 857 | 3 | 170,790 | 3 |
| Option 3a - Extend role to include BR | 873 | 2 | 174,996 | 4 |
| Option 3b - Extend role to include wider surveillance role | **929** | **1** | 177,312 | 5 |
| Option 4 - Increase DARD testing | 729 | 5 | 164,902 | 2 |
| Option 5 - Use Laytesters to undertake TB tests | 561 | 6 | **131,270** | **1** |

Source; Deloitte Calculations

The achievement of value for money is driven by balancing overall cost and the quality/effectiveness in service delivery that is, the balance between the qualitative and quantitative aspects of the options considered.

These overall results show a marked difference in the qualitative and quantitative scores across options. However excluding those options which cannot practically be taken forward at this point in time due to policy and legislative constraints, that is options 4 and 5, option 2 - do minimum is the next least cost option, an option which ranks third in qualitative terms.

This compares against the option which ranks highest in qualitative terms, option 3b – Extending the PVP role to include a wider surveillance/bio security role, which has a marginally higher cost (4%). Consideration should be given to the types of services that could be provided within the additional time purchased within this option to assess whether this is a viable and affordable option in the longer term.

In the interim it is proposed that Option 2 be implemented, with ongoing review and consideration given to Option 3b and Option 5 as the requirements for wider herd health planning and the outcome of the Defra pilot for lay testers become clear.

## 1.10 Implementation and Contractual Considerations

Consideration was also given to assessing potential contractual arrangements for implementing the preferred option, which continues to use PVPs to complete a significant proportion of TB tests.

Key to implementing the preferred option is ensuring that contract arrangements are updated to reflect the new monitoring and control framework and that procurement of services is completed in an open and transparent manner.

A number of potential options were considered to support the tendering of PVP testing services for DARD, all of which were considered against a range of core objectives, namely:

1. Ease of contract management
2. Potential to strengthen service quality;
3. Market availability and appetite;

4. Extent to which goodwill within arrangements can be developed to enhance partnership working; and

5. Impact on large animal vet availability across NI.

Four potential tendering options were identified, that is:

(a) Do nothing – continue with current arrangements, registering at practice level on request from PVPs following successful completion of TB testing assessments;

(b) To let a single contract for all TB testing across NI, based on a pre-developed standard contract which includes standard prices;

(c) To let ten contracts for TB testing across NI, one in each DVO area, based on contract terms similar to (b) above; and

(d) To let TB testing work using a Select List of PVPs. Only those PVP's bounded by pre-agreed contract terms and conditions will be invited onto the Select List and permitted to carry out TB testing. The contract will:

- Clearly articulate contract requirements through pre-defined service levels;
- Define the control framework to be applied; and
- Set out prices for testing, which could consider aligning charges in NI to those in ROI which are lower than DEFRA costs.

The detail of this is likely to receive a level of consultation with the sector. Each of these options has been assessed against its ability to meet the objectives, the outcome of which is provided in Table 1.2 below.

Table 1.2
**Evaluation of tendering options**

| Option | 1. Ease of contract management | 2. Strengthen service quality | 3. Market availability and appetite | 4. Partnership potential | 5. Impact on vets in NI |
|---|---|---|---|---|---|
| **A** Do nothing | ✓ | ✓ | ✓✓✓ | ✓ | ✓✓✓ |
| **B** One contract | ✓✓✓ | ✓✓✓ | ✓ | ✓ | ✓ |
| **C** Ten contracts | ✓✓ | ✓✓✓ | ✓✓ | ✓ | ✓ |
| **D** Select List | ✓✓ | ✓✓✓ | ✓✓✓ | ✓✓✓ | ✓✓✓ |

**KEY:** ✓ Low
✓✓ Medium
✓✓✓ High

Based on the analysis completed above, the option to contract through a Select List appears to have the greatest potential to meet the stated objectives. This is due to the fact that while it retains registration at practice level, requiring a significant level

of providers to be managed it includes clearly defined service levels to facilitate monitoring and ensure service quality is strengthened.

On the basis of the analysis set out above, it is recommended that DARD liaises with Central Procurement Directorate to develop tender documentation which will underpin the establishment of a contractual agreement and a Select List for TB testing services in NI.

# 2. INTRODUCTION

## 2.1 Introduction

The Department of Agriculture and Rural Development (DARD) commissioned Deloitte in June 2005 to complete a review of TB testing arrangements in Northern Ireland. This report details the outcome of the findings from the review.

## 2.2 Background

Northern Ireland in line with EU legislation operates a Bovine TB Eradication Programme. Given the incidence level of TB within NI, this requires all animals to be tested annually. Current TB testing arrangements utilise a mix of internal DARD staff to administer and manage the programme along with a combination of DARD veterinary staff and Private Veterinary Practitioners (PVPs) to complete the TB tests. DARD is seeking to complete a review of its current processes for TB testing arrangements.

## 2.3 Terms of Reference

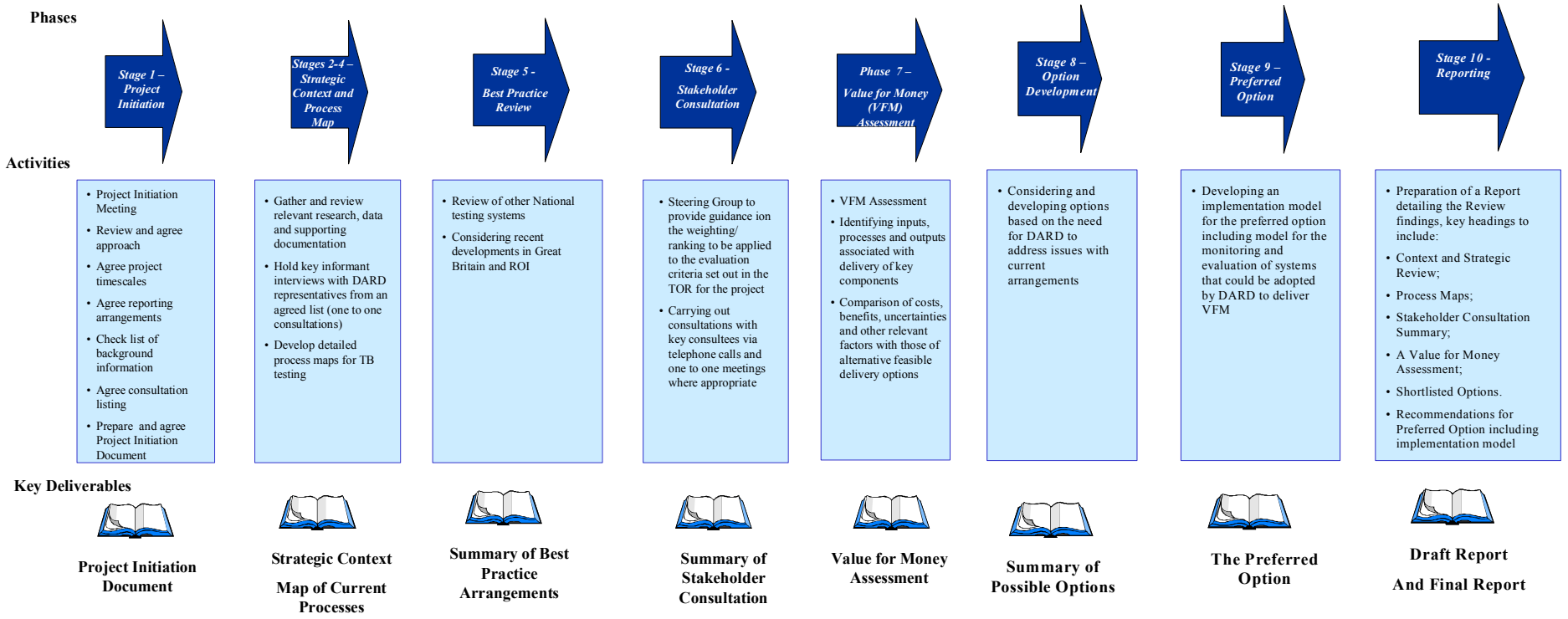
As set out in the ITT the assignment must include a review of the following specific activities:

- the value for money (VFM) afforded by the present approach;
- present arrangements for negotiating the testing contract and the contractual relationship between DARD and private vets in such contracts;
- the allocation of tests to vets and the monitoring of delivery and management of the contract;
- conflict of interest issues in relation to current PVPs/client relationships; and
- possible alternatives to the existing arrangements for the allocation and management of TB testing including the scope to tender such testing.

## 2.4 Review Methodology and Approach

An overview of the methodology adopted to carry out the review of TB testing arrangements in Northern Ireland is detailed in Figure 2.1 overleaf.

Figure 2.1
**Methodology**



## 2.5 Limitation of Scope

This review considers the administration, management and monitoring of the TB testing contract with consideration of all areas set out in the Terms of Reference.

The review does not consider wider aspects such as:

- the criteria for determining testing requirement;
- the veterinary aspects of the TB testing process;
- the responsibility of payment for TB testing; and
- the concurrent wider animal health and welfare activities in place in Northern Ireland.

## 2.6 Structure of the Report

The remainder of this report is structured as follows:

Table 2.1
**Structure of the Report**

| |
|---|
| Section 2 - Introduction |
| Section 3 - Strategic Context |
| Section 4 - Review of Current Arrangements |
| Section 5 – Analysis of Best Practice Arrangements |
| Section 6 – External Stakeholder Consultation |
| Section 7 – Objectives for Future TB Testing and Administrative Arrangements |
| Section 8 – Identification and Sifting of Delivery Options |
| Section 9 – Evaluation of Delivery Options |
| Section 10 – The Preferred Option |
| Section 11 – Implementation & Contractual Considerations |

# 3. STRATEGIC CONTEXT

## 3.1 Introduction

This section of the report sets out the strategic context within which the Review of TB testing arrangements is taking place. Key aspects covered within this strategic context are:

- Overall DARD Strategies, Policies and Structures;
- Specific Strategies, Policies and Structures impacting upon TB testing arrangements in NI;
- Relevant Legislation;
- DARD customer requirements impacting upon arrangements for TB Testing; and
- An overview of the Northern Ireland Private Veterinary Practice.

The data for this section was obtained from a combination of sources including;

- DARD Publications;
- Legislation; and
- Consultation with DARD personnel, a sample of private veterinary practices and representatives of relevant NI Veterinary Associations.

## 3.2 DARD Strategies, Policies and Structures

### 3.2.1 DARD Vision Report

A Steering Group was set up in May 2000 to establish a Vision for the future of the agri-food sector in Northern Ireland, and a strategy to enable the Vision to be realised. The Vision developed by the Group aimed to create:

> *'a dynamic, integrated, innovative and profitable agri-food industry, focused on delighting customers in an evolving global marketplace and committed to developing its people. It will act as the guardian of our land-based heritage and rural environment and will help underpin and sustain the social fabric of rural areas. In all of this, it will work in partnership with government and other stakeholders'.*

One of the major challenges facing the industry was recognised to be the importance of maintaining and improving animal welfare.

Included in the Vision Report is a 10 point action plan which aims to achieve the vision set out. Included in these action points are drives to:

- protect and enhance the animal health status; and
- strengthen the food chain.

This Vision document went out to consultation and widespread support was expressed towards it. Particular relevant suggestions included:

- the setting up of an Animal Health Steering Group. Since the Vision document was prepared, an Animal Health and Welfare Strategy Group was established in 2002 to which the TB/Brucellosis Steering Group report;
- the development of the DARD Animal and Public Health Information System (APHIS) as a business tool to strengthen and improve relationships in the food chain. This system has been live since 13 November 1998 and includes the following functionality:
  - key data to support animal "traceability" including the registration of bovine animal births, identification, movement and deaths;
  - data for each enterprise farm activities
  - disease test results for TB and BR
  - post mortem details as part of the Public Health facility; and
  - reporting on animal welfare issues.

Currently APHIS is primarily a computerised system for recording animal identification and descriptions, cattle movements, disease and post mortem data. In the case of cattle, it supports the Tuberculosis and Brucellosis and other disease control Programmes. It also holds a wide range of data for other species and handles information for a wider range of work including drug residues.

APHIS has been designed to provide a springboard for future developments with farmers having limited indirect access to the system through the internet from a PC in their own farm office, and registering cattle movements, births and deaths, to obtain up to the minute herd lists and ear tag authorisations.

For TB tests each registered PVP practice is able to down load the details of their test allocations over a secure internet connection. TB test sheets are similarly accessible for local printing in the practice office which provides vets with up to date cattle listings/test sheets on the day of the test. Once complete the test sheets are uplifted to the system updating and validating the herd details held on APHIS. This facility has automated practice administrative work with over 99 per cent of the private vets' TB testing work for DARD being delivered through this channel. e-PVP use is voluntary – it is not a contract requirement.

The actions and recommendations set out in the DARD Vision Report including APHIS developments, form an important part of the strategic context in which the review of testing arrangements is taking place, recognising and facilitating the need for increased partnership working and information sharing.

### 3.2.2 DARD Business Strategy 2004

As set out in the DARD Business Strategy 2004 the Department's aim is:

> *"to promote sustainable economic growth and the development of the countryside in Northern Ireland by assisting the competitive development*

*of the agri-food, fishing and forestry sectors, being both proactive and responsive to the needs of consumers for safe and wholesome food, the welfare of animals and the conservation and enhancement of the environment"*

The CAP Reform Agreement of 26 June 2003 set out the broad policy context for agriculture over the next few years. Central to this is the 'decoupling' of subsidies from production whereby farmers, subject to meeting certain conditions, will receive a single farm payment each year. A likely impact of this reform is:

- a reduction in livestock numbers and withdrawal of poor quality land from production;
- more extensive livestock systems in tune with countryside management programmes administered by DARD; and
- lower stocking rates may over time make it harder for infection to spread.

The overall result of this is likely to be an increase in farm sizes and reduced farm numbers across Northern Ireland. Reviewing Cap Reform alongside other considerations such as globalisation and food safety mean it will be essential for the agri-food industry, rural organisations and Government to work together to achieve a sustainable industry, a sustainable rural environment and a sustainable rural society.

In pursuit of its Aim, and in line with the underlying theme of sustainability highlighted above, the Department has identified a number of strategic priorities. These, together with related outcomes, are summarised in Table 3.1 below.

Table 3.1
**DARD Strategic Priorities**

| Priority | Desired Outcomes |
|---|---|
| 1. To improve the economic performance of the agri-food, fishing and forestry sectors. | ▪ Adaptation of the agri-food, fishing and forestry sectors to cope with greater exposure to market forces;<br>▪ Improvements in efficiency and quality in the agri-food, fishing and forestry sectors. |
| 2. To protect the public, animals and property. | ▪ The food chain within DARD's remit is as safe as possible;<br>▪ The welfare of animals is safeguarded;<br>▪ The risk of flooding is reduced. |
| 3. To conserve and enhance the rural environment. | ▪ Damage to the rural and marine environments is reduced;<br>▪ The amenity value of the rural and marine environments is increased. |
| 4. To strengthen the economy and social infrastructure of disadvantaged rural areas. | ▪ The differential in economic performance between disadvantaged rural areas and other rural areas is reduced;<br>▪ Social disadvantage is reduced compared with other rural areas. |

*Source: DARD Business Strategy 2004.*

Existing strategies are being reviewed, and new ones developed, under each of the four Strategic Priorities in pursuit of the goal of sustainability.

Key actions that will help deliver the strategic priorities are a number which deal with disease control, namely;

- a change in emphasis in animal disease control away from reaction to problems as they arise towards a more proactive, integrated and strategic approach;
- cross compliance regulations which seek to motivate producers to comply with animal health and IRM regulations where they impact upon the payment of EU support payments to them; and
- adopting a more integrated and strategic approach to animal health in an all-island context and work towards an all-island strategy to achieve free movement as far as possible (within EU rules) of animals and animal by-products.

Further detail on developments made towards addressing these challenges is provided in the remainder of this section.

### 3.2.3 NI Animal Health and Welfare Strategy

The NI Animal Health and Welfare Strategy has been developed in response to a need for a comprehensive, strategic approach to animal health and welfare. The Strategy reflects Northern Ireland's geographical position within the Island of Ireland and the corresponding work on seeking an agreed strategic approach to animal health and welfare across the island. The draft Strategy, which was issued for public consultation on 1st August 2005, also addresses DARD's commitment to produce a strategy that is consistent, in terms of its principles and outcomes, with the GB Strategy published in 2004.

It seeks to provide a clear vision of a sustainable future for animal health and welfare and the framework to help meet that vision. The Strategy sets out four key themes or principles, each of which is underpinned by the theme of understanding and accepting roles and responsibilities. These key principles, which will direct animal health and welfare policy and delivery over the next 10 years, are:-

- Working in partnership;
- A clearer understanding of costs and benefits of animal health and welfare;
- Promoting the benefits of animal health and welfare – prevention is better than cure; and
- Ensuring effective delivery and enforcement.

The draft Strategy details a range of activities that will be undertaken to deliver these key themes, and sets out major milestones and the key means of delivery for each activity. In seeking to implement the key theme of 'prevention is better

than cure', the Strategy sets out activities with regard to endemic diseases and zoonoses, including TB. Key TB milestones include:-

- reducing the level of serious animal disease by a reduction the level of TB reactors from 13,219 at 31 March 2005 to less than 7,225 at 31 March 2008
- developing policies to bring about the full implementation of the Tuberculosis Policy Review and the outcome of the Badger Stakeholder Group by March 2006; and
- to have in place new arrangements for animal disease compensation in relation to TB by March 2006.

These targets provide clear direction for the Review of TB Testing Arrangements and inform the overall objectives against which future options for the management of administration of TB testing must be evaluated.

### 3.2.4 VS Business Plan

Further detail on how the above targets will be achieved is set out in the Veterinary Services Business Plan

Current statistics with regard to TB testing and reactor levels are shown in Table 3.2 below.

Table 3.2
**TB Testing Statistics**

| | 2001/2 | 2002/3 | 2003/4 | 2004/5 |
|---|---|---|---|---|
| Number of Herds | 26,719 | 25,904 | 25,772 | 25,264 |
| Number of Cattle | 1,679,132 | 1,684,486 | 1,685,254 | 1,677,583 |
| Number of Tests | 1,858,310 | 2,286,214 | 2,571,207 | 2,970,179 |
| Number of Reactors | 10,023 | 16,383 | 15,593 | 13,226 |

Note: Cattle and herds figures are per calendar year. No of tests and reactors are per financial year
Source: DARD

This shows a significant increase (68 per cent) in the number of tests completed from 01/02 to 03/04 with the ratio of cattle to test increasing from 1:1.1 to 1:1.8 over the period. The level of reactors fell from 16,383 to 13,226 in 2004/05 (a 19.3 per cent decrease) which exceeds the target set out in the NI Animal Health and Welfare Strategy. Indications are that this decreasing trend is continuing into 2005/06.

### 3.2.5 All Island Animal Health and Welfare Strategy

Work towards the convergence of animal health and welfare policies across the island of Ireland, and the development of joint disease control strategies, is being progressed through nine cross-Border Animal Health and Welfare Working Groups established under the auspices of the North South Ministerial Council.

This work is underpinning the development of the All-Island strategic approach, the ultimate objectives of which are the free movement of animals within the island (subject to EU rules), and the development of agreed policies to control animal disease.

The nine North/South Working Groups cover the following:

- Bovine TB/Brucellosis;
- TSEs;
- Veterinary Medicines;
- Other Zoonoses;
- Other Animal Diseases;
- Disease Surveillance;
- Animal Welfare;
- Import/Export of Live Animals and their Products; and
- Identification/Traceability;

The working groups have progressed work on a range of issues including information exchange on the investigation of fraud, tag switching and animal smuggling, the arrangements for trade in sheep, disease surveillance, animal welfare and the alignment of disease testing programmes and biosecurity guidance.

### 3.2.6 Efficiency Review

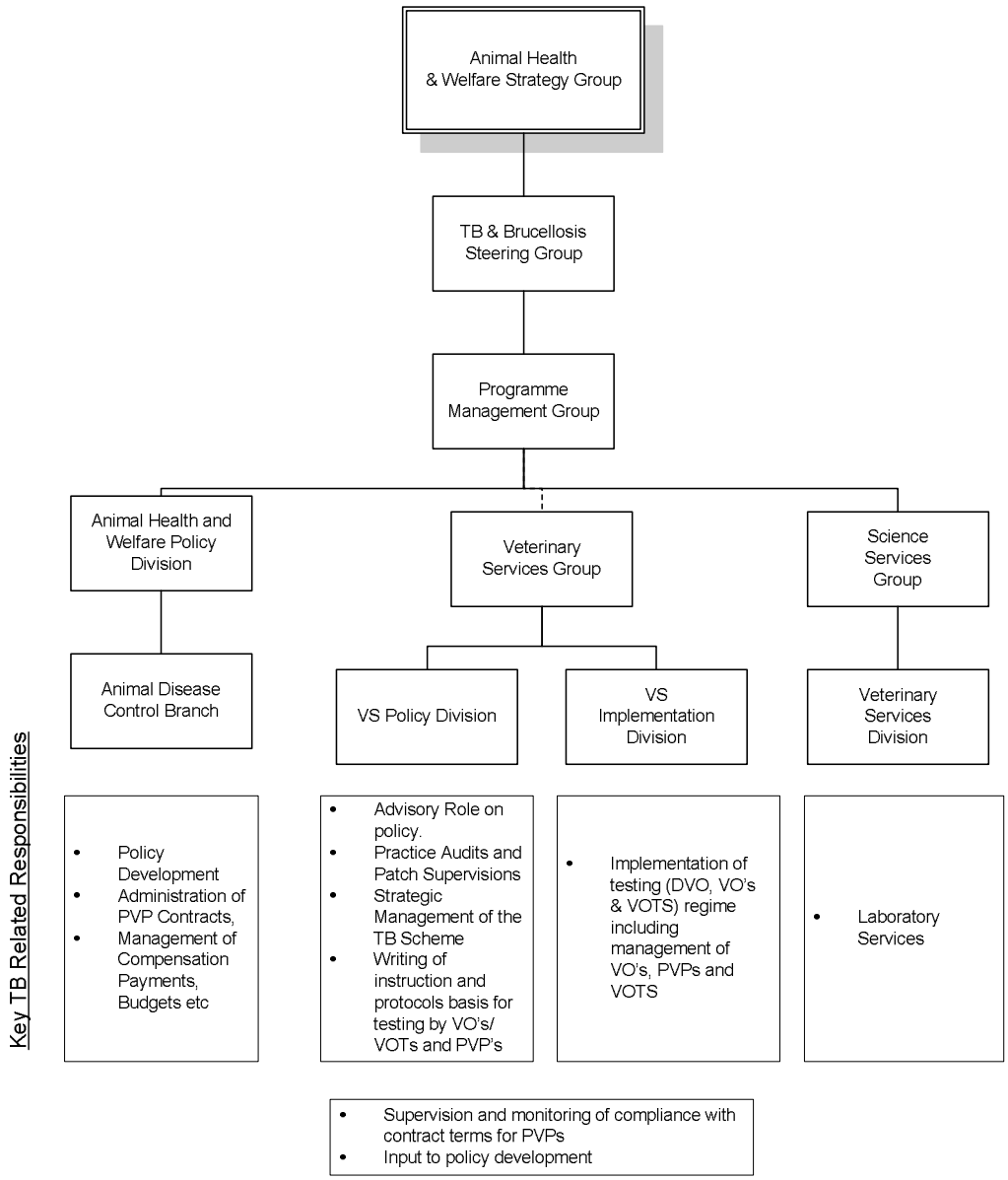
DARD, like all other Government Departments is committed to delivering efficiency savings over the period of the 2004 budget period. This is placing significant downward pressure on resource budgets, including specific requirements to reduce staff 'head-count' and is increasing the drive for improving VFM from service delivery. Veterinary Service (VS) has invested in training of technical and professional grades to improve the knowledge base and quality of service delivery to stakeholders. Staff are delivering a wider range of tasks per head.

## 3.3 Specific Strategies and Policies and Structures impacting upon NI TB Testing Arrangements

### 3.3.1 DARD Structures – Animal Disease

The overall structure within DARD of those Divisions engaged in disease control are shown in Figure 3.1 below.

Figure 3.1
**DARD Organisation Structures – Animal Disease**




*Source: DARD*

The NI Animal Health and Welfare Strategy sets out a number of responsibilities for Divisions within DARD, for the purpose of the TB Eradication programme these include:

- the Animal Disease Control Branch (ADCB) – responsible for TB disease programme policy, and contract administration;
- Veterinary Service Group (VSG) – responsible for management and co-ordination of the TB Scheme, including implementation of the testing regime, including supervision of testing; and
- Veterinary Sciences Division (VSD) – provides laboratory services including post mortem analysis of TB reactor stage. It also provides reports to the VS on request and has responsibility for the collection of data for epidemiological purposes to assist in the development of disease control strategies, and also strategic resource planning;

An effective TB Monitoring Policy must ensure effective co-ordination across these internal DARD bodies as well as with key external stakeholders including PVPs.

### 3.3.2 TB Policy Review

In July 2002 DARD published a Policy Review on the Control of Bovine TB in NI. This evaluation was completed against a background of:

- significant increases in the prevalence of TB;
- significant costs incurred in the monitoring and control of TB; and
- ongoing legislative and political developments impacting upon DARD's TB Policy.

The scope of the review was to assess the value for money offered by the current approach to TB control taking into account the scientific, veterinary and political developments since the previous review in 1995.

The review set out targets for the reduction in the incidence of TB in NI. However, these have been superseded by more recent targets set out in DARD's Public Service Agreement of December 2005. The new targets are as follows;

- to reduce the number of TB reactors from 13,219 at 31 March 2005 to less than 7,225 at 31 March 2008;
- to reduce TB compensation costs by £1.5m by April 2005, as compared to 2002/03 costs; and
- to reduce TB and BR compensation costs to a maximum of £10m per year by 2010.

The review concluded that a number of measures should be introduced to improve the economy, efficiency, effectiveness and/or statutory compliance of the existing policy. An overview of these, together with an update on status as at June 2005, is provided in Table 3.3 over.

Table 3.3
**TB Policy Review Recommendations**

| Recommendation | Status | Comment |
|---|---|---|
| Restriction of herds for overdue herd tests – (Council Directive 64/432/EEC). | ✓ | New restrictions introduced in November 2004, which have considerably improved compliance with testing obligations. |
| Changes to compensation valuation and appeals process. | ✓ | New procedures introduced in November 2004. |
| Introduction of pre-movement testing – an EU Taskforce recommendation. | - | Project Scoping work commissioned –to be reviewed |
| Evaluation/Implementation of Badger research. | - | Stakeholder Group established May 2004 – due to report in early 2006, badger sett survey on farms of R/S herds commenced August 2005. |
| Application of EU requirements for animals which give inconclusive responses to the TB test. | - | Epidemiological assessment to be reviewed - UK wide issue being addressed with DEFRA |
| Augmentation of the Animal and Public Health Information System (APHIS). | ✓ | Ongoing development of Aphis. |
| Development of dealers' registration and approval. | - | Powers are included in the proposed Animal Health Order in Council (05/06). Due to be made by end of 06. |
| Adequate boundary fencing – Legislative change is needed to make it compulsory for all farmers to have stock/nose proof boundary fencing. | ✓ | Taken forward under Bio-security Code which was launched in May 2004. |
| Implementation of special movement notifications for 'bed and breakfast' establishments. | - | Special movement notifications for 'Bed and Breakfast' establishments to be introduced in late 2006 - ongoing. |

| Recommendation | Status | Comment |
|---|---|---|
| Revision of DARD's testing arrangements to address the increasing costs of PVPs and remove issues re potential Conflicts of Interests. Recommendations include:<br>■ The number of TVOs (or equivalent) should be significantly increased to at least 30 within the next 12 months;<br>■ Supervision of PVPs should continue and be given some priority in situations where resources within Divisional Veterinary Offices (DVOs) prevent 100 per cent delivery of DARD's Veterinary Services (VS) work; and<br>Review whether current testing arrangements are optimal. | ✓<br>✓ | DARD currently has 30 TVOs in employment under new contract terms and arrangements are being developed to manage supervisions with the development of a supervisions protocol – which is outlined in Section 4 – Current Arrangements.<br>e-PVP has been introduced:<br>▪ to streamline communication with PVPs. e-PVP was introduced to speed up entry of TB test results into APHIS;<br>▪ to reduce the time spent by PVP and DARD admin staff rewriting test sheets for data entry by DARD staff onto APHIS for VO interpretation;<br>▪ to enable speedier initiation of reactor removal from farms;<br>▪ to track and monitor PVP delivery of test results to DARD more readily as a means of management and audit; and<br>▪ to release VS admin resources which were then redeployed to other areas of VS work.<br>This is supported by other technological improvements. Review of the TB testing arrangements commenced June 2005 (i.e. this review). |

*Source: DARD*

It is clear from the status update provided in Table 3.3 above that significant progress has been made in implementing the recommendations arising from the 2002 Policy Review. These have been reflected in current TB testing arrangements and outlined in the process maps provided in Section 4.

Further work is also being taken forward on the evaluation/implementation of research of biometric identification in cattle, which had been considered by the review team but which was not part of the final recommendation.

VSD is working on developing a DNA profiling solution for biometric surveillance while DARD are also helping to develop and evaluate a novel biometric technology based on recording the unique bovine retinal pattern, linked to a global positioning system (GPS) data-logger. This technology has potential for real-time verification of live animal identification and movement control. VSD plan to provide a live demonstration to the AHWSG in September 2005.

### 3.3.3 FVO Mission on TB

The FVO Report on TB (November 2003) followed on from the 2002 Policy Review. It involved an assessment of progress with the approved programmes for 2001 and 2002.

The Review stated that, despite the TB eradication programme having been in place for several years, both the herd and animal prevalence of TB had increased significantly especially during 2001 and 2002. A major factor in the increased prevalence of TB during 2001 and 2002 was the FMD outbreak that stopped TB and BR sampling and other farm inspection work for 6 months and this meant some herds went up to a year overdue. The deficiencies identified were similar to those outlined in Table 3.3 above and included:

- insufficient control over the:
  - strict implementation of test regimes – with testing intervals for animal screening and testing not being respected, gaps existing in investigations and testing requirements with regard to inconclusive results not being compliant with EU regulations;
  - interpretation of its results;
  - isolation of reactors - with the target time of 15 days for the removal and slaughter of animals being met in only 32 per cent of cases; and
  - isolation of milk from reactor animals.
- inconclusive animals and movement controls including:
  - animals eligible for TB testing but which have not been tested should have movement restrictions applied until a TB test has been compiled with satisfactory results;
  - movement controls underpin the control of all disease programmes. For this reason the movement of inadequately identified animals raised concerns about the credibility of disease control measures; and
  - a weakness of a post movement self-declaration system of movement recording is the inaccurate recording of animal details and movement

dates. This can introduce erroneous information into APHIS upon which tracings are based.

Many of these issues have been addressed through implementation of the TB Review recommendations introduced in autumn 2004, which put in place restrictions and penalties for overdue tests.

Recognition of this fact is noted in the November 2004 report by the FVO which concluded that "NI had made a major effort …since the previous FVO mission in 2003, with all recommendations made addressed with the exception of milk from reactor animals". A summary of the key conclusions from this report found:

- A lower incidence of TB in NI over the previous 3 years;
- That management structures and controls were in place concerning the TB eradication programme, however shortcomings were noted concerning the approval and supervision of work performed by private veterinary practitioners. This was due to a lack of guidelines on the application of sanctions for non compliance with testing requirements; and
- Irregularities being noted in the marking of reactor animals.

### 3.3.4 Bovine Tuberculosis Taskforce Meeting on TB in NI

The Bovine Tuberculosis Taskforce met in April 2004 to review the current TB control Programme in place within NI with a view to developing a series of recommendations to improve the performance of the current eradication programme.

The DARD team presented an overview of the NI TB Control Programme and following a level of debate and discussion the following conclusions and recommendations were made:

- the current eradication programme appears to be more a control programme than an eradication programme. This could be addressed through the revision of the programme to include interim goals over a fixed period of time with a definitive goal of TB eradication;
- the fragmentation of holdings and linkages in the management of holdings presents difficulties for disease control. It was recommended that DARD should more clearly and formally define epidemiological units;
- the rate of compensation is very high and overcompensation may be a factor acting as an impediment to the reduction of reactor numbers. Strict monitoring of compensation, the basis for it and levels of compensation to be provided to be reviewed and refined;
- evaluation should be undertaken on available data to determine the impact of introducing pre- or post-movement test regimes to all or certain categories of animals;

- the efficient management of eradication programme is being hindered by allowing movement of animals to slaughter that have not been subject to the tuberculin test within the previous 12 months. Restrictions should be imposed on movements of animals from herds not tested for last twelve months (introduced in November 2004);
- staff pressures should be reviewed and measures put in place to address shortages and pressures
- an active research programme on the role of wildlife on the TB programme should be conducted; and
- the advances and developments with regard to the use of IT in linking disease and identification information were noted with recommendations made to continue with this progress.

Progress has been made in addressing a number of these suggested deficiencies.

## 3.4 Legislative Requirements

TB Control is governed by a number of EU Regulations and specific pieces of NI legislation. A high level overview of these requirements is set out in the following paragraphs.

### 3.4.1 EU Regulation 1760/2000

This governs animal movement control within Member States. It identifies requirements in establishing a system for the identification and registration of bovine animals and in the labelling of beef and beef products.

### 3.4.2 Council Directive 64/432/EEC

The directive governs animal health problems affecting intra-community trade in bovines and swine. A summary of annex A of the directive identifies that a bovine herd is officially TB-free if:

- all the animals are free from clinical signs of TB;
- all animals on the holding, with the exception of calves under 6 weeks old and which were born on the holding, are subjected to routine tuberculin testing in accordance with annex B of 64/432 EEC at yearly intervals; and
- all the bovine animals over six weeks old have reacted negatively to at least two official intradermal tuberculin tests carried out in accordance with Annex B, the first six months after the elimination of any infection from the herd and the second six months later or, where the herd has been assembled solely from animals that originate in officially TB-free herds, the first test shall be carried out at least 60 days after assembly and the second shall not be required.

OTF status is withdrawn from a herd if the presence of TB is confirmed by the isolation of M. bovis on laboratory examination. The officially TB-free status of a herd is to remain withdrawn until cleansing and disinfection of the premises and utensils has been completed and all animals over six weeks of age have

reacted negatively to at least two consecutive tuberculin tests, the first no less than 60 days and the second no less than four months and no more than 12 months after the removal of the last positive reactor. This is the basis for the current 60 day test intervals for reactor herds. In addition the officially TB-free status of a herd may be suspended in certain circumstances.

OTF status is suspended if the above conditions are no longer fulfilled or one or more animals are deemed to give a positive reaction to a TB test or a case of TB is suspected at post-mortem examination.

A member state may be declared TB free if the percentage of bovine herds confirmed as infected with TB has not exceeded 0.1 per year of all herds for six consecutive years and at least 99.9 per cent of herds have achieved officially TB-free status each year for six consecutive years, the calculation of this latter percentage to take place on 31 December each calendar year. On this basis, NI is not officially free of TB. The cumulative animal incidence of TB in Northern Ireland during 2005 (up to and including November 2005) was 0.56 per cent. In 2004 the animal incidence was 0.81 per cent.

Based on this, and in line with the guidance laid out in the Directive these statistics require all herds in NI to test at least every 12 months.

### 3.4.3 NI Legislation

An overview of key elements of NI legislation governing TB testing is provided in Table 3.4 below:

Table 3.4
**Overview of Key NI Legislation impacting on TB Control**

| Legislation | Key Requirements |
|---|---|
| The Diseases of Animals (NI) Order 1981 (as amended). | Sets out definitions and powers given to government departments in control of diseases.<br>Part II of the Act refers to diseases of animals and poultry. It gives the Department freedom to spend with the object of eradicating disease of animals and poultry in Northern Ireland and it is engaged in prevention and checking of diseases.<br>The Department may:-<br>■ Prescribe modes of cleansing and disinfection;<br>■ Prescribe and regulate marking of animals/poultry;<br>■ Prescribe and regulate seizure, detention and disposal of diseased/suspected animal/bird; and<br>■ Carry out a number of different activities and must follow guidance re. disposal etc. |
| Tuberculosis Control Order (NI) 1999. | This order deals with disease control and covers the following items:-<br>■ Notification by Department of diseased/suspected animals;<br>■ Restriction on movement of animals;<br>■ Precautions against spread of infection;<br>■ Cleansing and disinfection;<br>■ Control of manure and slurry.<br>Part III of the Act covers valuation and compensation matters and details on the power to slaughter.<br>Part IV sets out the power to seize certain animals; information to be furnished to inspectors; control of non-bovine animals; draft or dispersal sales; sterilisation of milk; notification of presence of TB; and revocations. |

Table 3.4
**Overview of Key NI Legislation impacting on TB Control (cont'd)**

| Legislation | Key Requirements |
|---|---|
| Tuberculosis Control (Amendment) Order (NI) 2004. | This Order provides DARD with powers to act if procedures are not followed, the Department may by notice:<br>■ Require person to detain animal on holding;<br>■ Prohibit movement of animal except if licence issued by Department;<br>■ Require person to have animal subjected to official test at own expense and within time limit, as specified in the notice.<br>The Order sets out:<br>■ Obligations for maintenance of fencing with adjoining herds;<br>■ Provision of power to the Department to slaughter infected animals together with direction of segregation procedures to be followed;<br>■ Arrangements for valuation of the animal and compensation payments;<br>■ Right of appeal;<br>■ Notification of infection. |
| Tuberculosis Control (Amendment) Order (NI) 2005. | This Order amends Article 11A of the Tuberculosis Control Order (NI) 1999 (as amended) to correct an error therein. . |
| Tuberculosis (Examination and Testing scheme) Order (NI) 1999. | This order provides the Department with the right to test any bovine animal or herd and sets out provisions for the completion of such tests. |

Current TB testing arrangements must be reviewed in light of legislative requirements identifying any areas of non compliance and assessing if improvements are possible through the introduction of legislative changes.

## 3.5 DARD Customer Survey

The DARD Customer Survey set out some key areas for potential improvements and a 'wish list' for how the organisation deals with farmers. The aim of the survey was:

> '*to gather the views of DARD's external customers on the current delivery of services, highlighting any gaps in this provision, outlining future requirements and providing recommendations to DARD's steering group that will inform future strategy and improvements.*'

The survey highlights a number of areas where the effectiveness of the organisation could be improved. Specific areas relevant to this review include:

- to listen to farmers and foster good relations with them, using any opportunity to engage them in the policy and consultation process;
- developing a system that offers clear value for money and maximises the ability to deliver goals;
- farmers not being penalised for genuine mistakes but being able to operate in a more partnership style;
- better co-ordination and information sharing is required;
- local level delivery is important for the coordination of agricultural/rural development policy;
- agents to be given more control because they are closer to the client base;
- rationalise deliverers;
- reducing the number of visits/inspections DARD vets make to farm holdings and reducing the ratio of DARD vets to number of farms; and
- not to test in the summer months – except in the event of an outbreak, with tests taking place when animals are houses.

It is important that the review of testing arrangements for TB takes into account the specific needs of DARD's customers, ensuring that all options examined measure the extent to which they can deliver in a manner which is acceptable to customers. However it is recognised DARD is limited, by its statutory responsibilities for effective disease eradication, in how far customer desire can be satisfied.

### 3.6 The Overview of Northern Ireland Private Veterinary Practice

This section provides detail on the presence and role of private veterinary practitioners in Northern Ireland with particular reference to their role as TB testers. Data outlined in this section was obtained from discussion with DARD representatives and NI Veterinary Representatives, that is:

- NI Veterinary Association, (NIVA);
- Association of Veterinary Surgeons Practising in NI (AVSPNI); and
- Veterinary Northern Ireland

The profile of the Northern Ireland veterinary sector has undergone major transformation over the last ten to twenty years. The downturn in the farming industry since the 1990's has limited the expansion of large animal practices and as a substitute many practices have since established themselves within the small animal veterinary sector. This trend continues as farming moves deeper into recession resulting in a smaller number of larger more commercial farms which changes the environment in which large animal PVPs operate. There is also a trend to more part time farmers whose primary employment is beyond the farm gate. Increased opportunities are also available for small animal work.

The continuing downturn in large animal work in private practice is considered to have a negative impact in the recruitment and retention of new vets in private practice resulting in the Northern Ireland sector having a significant number of unfilled vacancies[3] as new graduates often choose to work elsewhere in the UK, ROI or abroad or with small animals.

Of the 110 veterinary practices approximately 89[4] practices conduct TB tests on behalf of DARD (the number of practices varies through periodic consolidation and conversely the splitting up of practices). APHIS and ePVP suggest that an average of 85-89 practices are involved in TB testing. The current administrative audits on TB practices suggest approximately 260 individual PVPs carried out TB tests in the last 12 months. The figure may vary annually as some of these testers are employed on temporary contracts by practices over the winter testing season. In the 2004/5 year this resulted in payments by DARD to PVPs of £7.5m, with these payments being spread across various sizes of practices in Northern Ireland. Key analysis of the payment profile to PVPs indicates that:

- average payment to a practice was £81,000 (of which £2,000 relates to expenses)
- three practices received payments in excess of £300,000; and
- one practice received under £1,000.

TB testing income is recognised by the private veterinary practitioners as a key source of income which contributes significantly toward practice finance. DARD is seen as the sector's single largest customer and is considered by those consulted to indirectly sustain a number of large animal practices in NI. DARD as a government department however must demonstrate to the tax payer that value for money is being taken into account as well as the ideological desire to maintain an effective private veterinary sector, in its relations with PVPs.

## 3.7 Conclusion

This section sets out the key aspects of the Strategic Context and Framework within which DARD is operating. Key amongst this is the theme of sustainability of the industry, rural environment and rural society. This depends on a buoyant agri food sector – one essential component being a clear concise and well managed Animal Disease Programme - of which TB control is a major element.

Key developments in the control and management of TB in NI include:

- a series of new measures to address deficiencies noted in the previous TB Review including the implementation in autumn 2004 of herd restrictions for late tests, the increase in VOT numbers from 13 to 30 and enhancements to the APHIS system to improve traceability;
- E-PVP which allows improved monitoring of the speed of reporting TB test results and any impact late reporting may have on the 15 day target for removal of reactor cattle.

[3] Source: NI Veterinary Association meeting
[4] Source: DARD APHIS System

- the future development of more proactive integrated and strategic approaches within NI and across the island through increased co-ordination of activity and partnership delivery as advocated in the NI Animal Health and Welfare Strategy and the All Ireland Animal Health and Welfare Strategy;

These developments address many of the issues identified in the 2002 TB review and subsequent FVO report, contributing to reduced TB levels in NI (13,226 reactors in 2004/05 year, a 19 per cent decrease from 2002/03). However key drivers, such as VFM and accountability in the overall TB testing process, must be examined as part of this review.

In addition to this the requirements to test bovine animals for TB are clearly set out in EU regulations and compliance with these must be a key driver in shaping the evaluation of current TB testing administration and management arrangements.

With PVPs delivering at least 90 per cent of all routine TB tests, the taxpayer through DARD acts as the single largest customer to Northern Ireland veterinary practices. Anecdotally, income received for TB testing appears to be an important factor in sustaining many of Northern Ireland large animal veterinary practices, particularly for those operating in the rural areas which rely mainly on large animal farm work for their income. This is similar to rural practices in GB. While it is in the public interest to maintain an effective private veterinary sector, the quality of service they provide to the state must satisfy the audit standards for public expenditure.

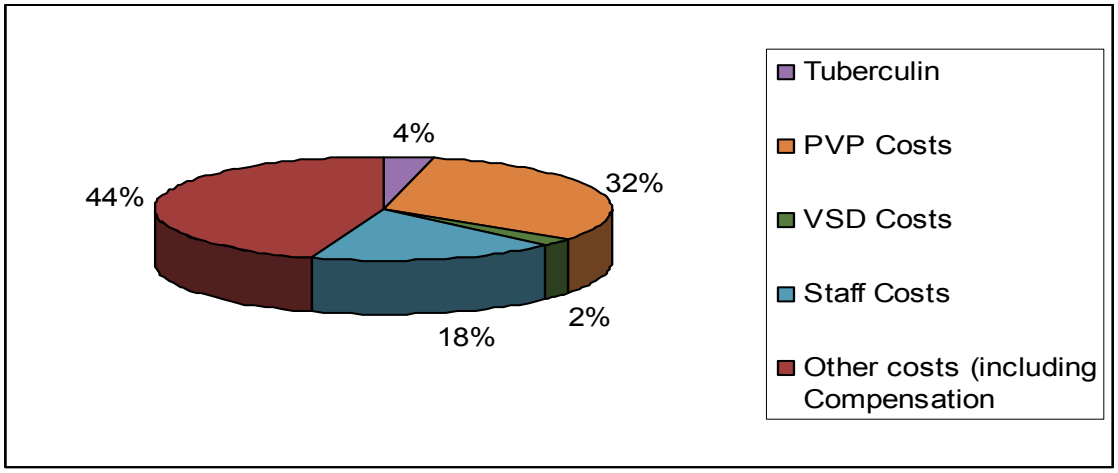
# 4. REVIEW OF CURRENT ARRANGEMENTS

## 4.1 Introduction

TB testing within DARD is completed through a combination of internal veterinary officers (VOTs, TVOs or VOs) and external Private Veterinary Practitioners.

The total cost of the 2004/05 TB control programme was £23.79m split as follows:

Figure 4.1
**DARD TB Costs 2004/05**




Source: DARD

These costs relate to 2,970,179 routine and risk tests completed by PVPs and DARD staff in the following proportions:

- PVPs - 85 per cent; and
- DARD staff – 15 per cent.

Over the period 2001/02 to 2004/05 the total number of TB tests has increased by almost 1 million.

NB: The number of tests in 2001/02 was abnormally low due to the diversion of veterinary resource to the FMD outbreak. The allocation of these tests between PVPs and VOT/VVOs, together with related costs is outlined in Figure 4.2 overleaf. (individual animal tests completed by DARD VOs are excluded from the data in table 4.2)

Figure 4.2
**TB Testing Levels and Allocations 2001- 2005**

| | 2001/02 | 2002/03 | 2003/04 | 2004/05 | Average |
|---|---|---|---|---|---|
| PVP tests | 1,623,722 | 2,028,629 | 2,236,676 | 2,524,451 | 2,103,370 |
| VOT/TVO tests | 234,588 | 257,585 | 334,531 | 445,728 | 318,108 |
| **Total tests** | **1,858,310** | **2,286,214** | **2,571,207** | **2,970,179** | **2,421,478** |
| % PVP Tests | 87% | 89% | 87% | 85% | **87%** |
| % VOT/TVO Costs | 13% | 11% | 13% | 15% | **13%** |
| PVP costs | 4,879,726 | £5,876,873 | £6,517,861 | £7,514,183 | £6,197,161 |
| VOT costs | | | | £972,495 | £972,495 |
| **Total Costs** | **£4,879,726** | **£5,876,873** | **£6,517,861** | **£8,486,678** | **£7,169,655** |
| Average PVP cost | £3.01 | £2.90 | £2.91 | £2.98 | **£2.95** |
| Average TVO/VOT cost | | | | £2.18 | |

Note: Individual animal tests completed by VOs are excluded from this data set and DARD is not considering the possibility of allocating these tests to PVPs in the future as part of this review

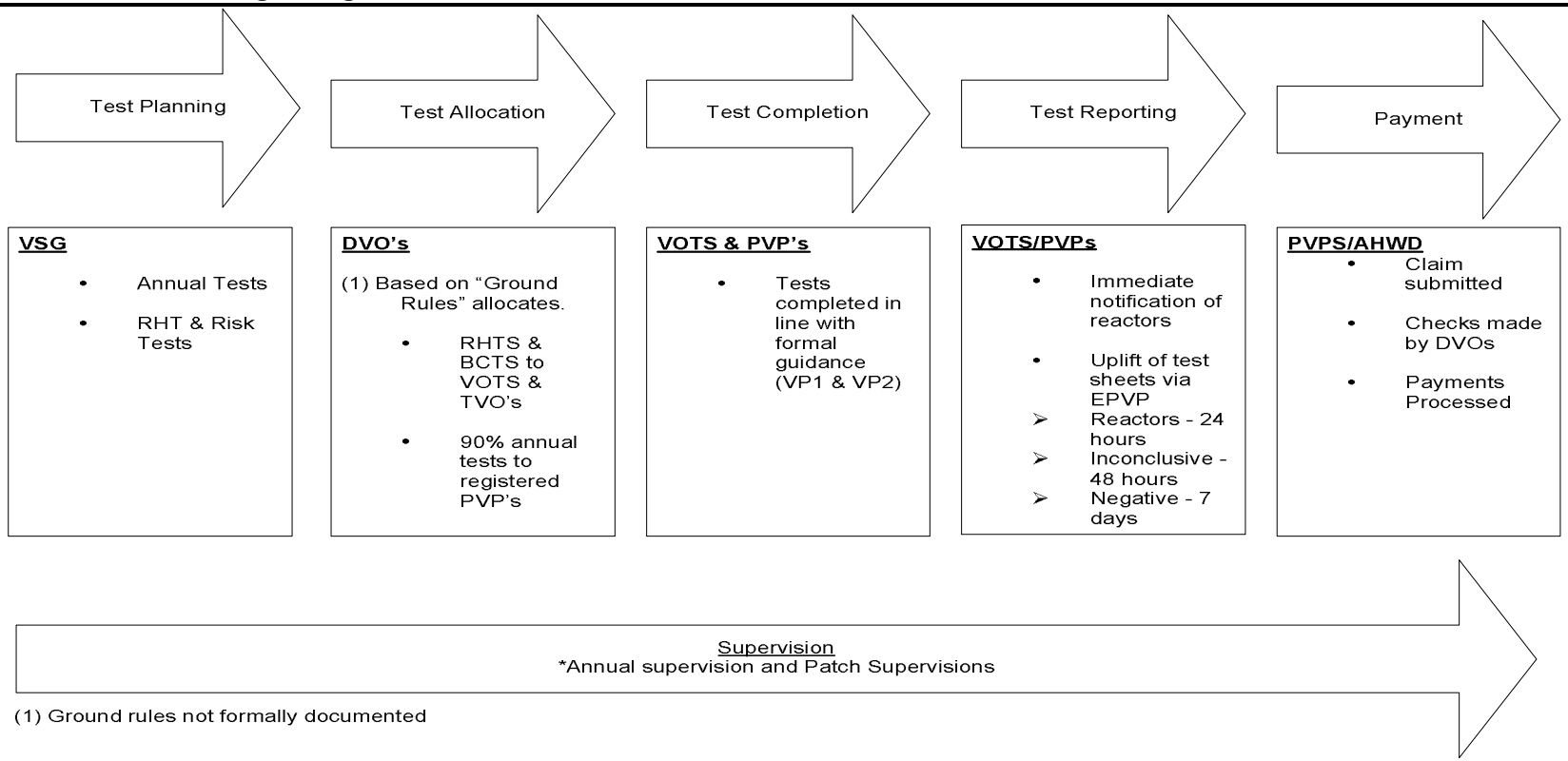
Source: DARD

This shows that the number of tests allocated to PVPs increased over the period under review, while the average cost per PVP rose from £2.90 in 2002/03 to £2.98 in 2004/05.

For internal DARD TVO/VOT staff the average cost per test is £2.18 based on 2004/05 costs provided by DARD.

A high level overview of the current administration and management processes for TB testing in DARD is provided at Figure 4.3 overleaf

Figure 4.3
**High Level Overview of TB Testing Arrangements**



Full detail on the process to be followed by the PVPs is set out in the PVP contract which comprises a series of documents, namely:

**VP1** Conditions for approval of veterinary practitioners to carry out tuberculin tests and for their appointment as veterinary inspectors to act on behalf of DARD.

**VP2** Standards for Veterinary Inspectors to carry out Tuberculin Testing

**VP3** Scale of fees paid to veterinary inspectors acting on behalf of DARD under the TB Control Order (NI) 1999

**VP4** Contract Document for:

***Part A***: Application for Approval to carry out TB Testing and for the Appointment as a Veterinary Inspector.

***Part B:*** Approval of a Veterinary Inspector to carry out TB Testing on behalf of DARD.

***Part C:*** Application by Practice Principal for the Application of a veterinary Inspector to carry out TB tests.

**VP 5** Conditional Appointment to veterinary inspector to carry out Tuberculin Testing

**VP 6** Offer of Appointment as a Veterinary Inspector for Tuberculosis Testing

From Figure 4.3 there are several distinct process stages which impact on the areas within the scope of this review. These are:

- the registration of PVPs for TB Testing;
- the TB Testing process;
- the reporting of TB Test results;
- the payment of fees to PVP; and
- the supervision of PVPs involved with TB Testing.

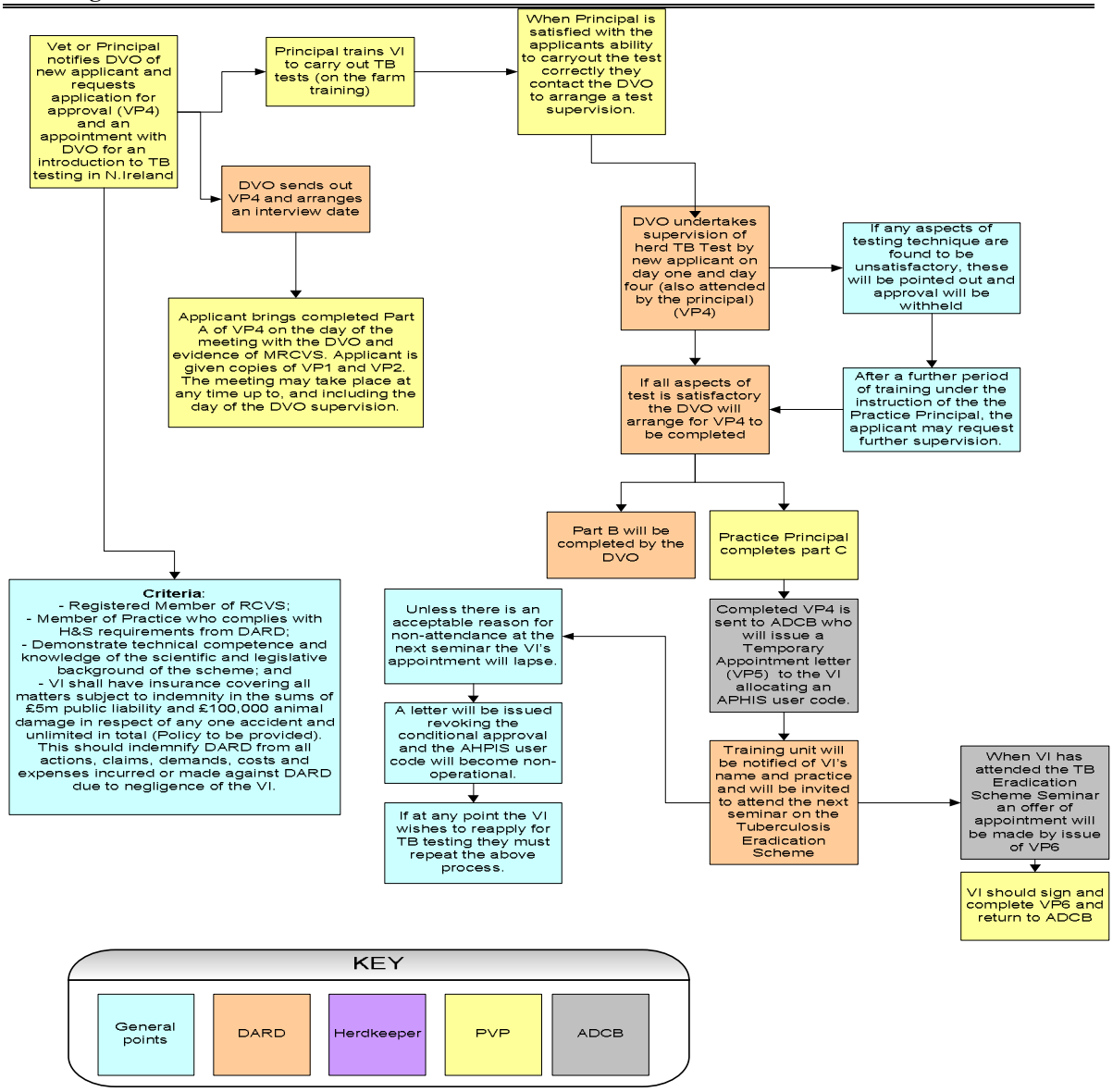
The following sections detail each of the above processes through a series of process maps. These maps are used to highlight areas for review and improvement.

## 4.2 PVP Registration

Under current arrangements PVPs carry out in excess of ninety percent of all routine TB testing in Northern Ireland. In terms of this review it is therefore important to understand the process by which DARD selects and quality assures vets to administer and deliver TB testing.

Figure 4.4 below outlines the process for the registration of PVPs for TB duties.

Figure 4.4
**PVP Registration**




*Source: Deloitte*

PVP registration for DARD is at practice level. With the practice principal being required to register as a PVP, before other vets working within the practice can register.

Any vet, who is a registered member of the Royal College of Veterinary Surgeons and who works within a practice which complies with health and safety requirements (set out by DARD) is eligible to apply to become a TB tester.

DARD adheres to agreed protocols for the registration of vets which are laid out in documents VP1 – VP6 (Refer to Appendix 1 to 6). The practical registration process includes on the farm training (of the vet) of the TB testing procedures by the practice principal, followed by a supervision of a TB test by DARD and attendance of the vet at a seminar on the Tuberculosis Eradication Scheme.

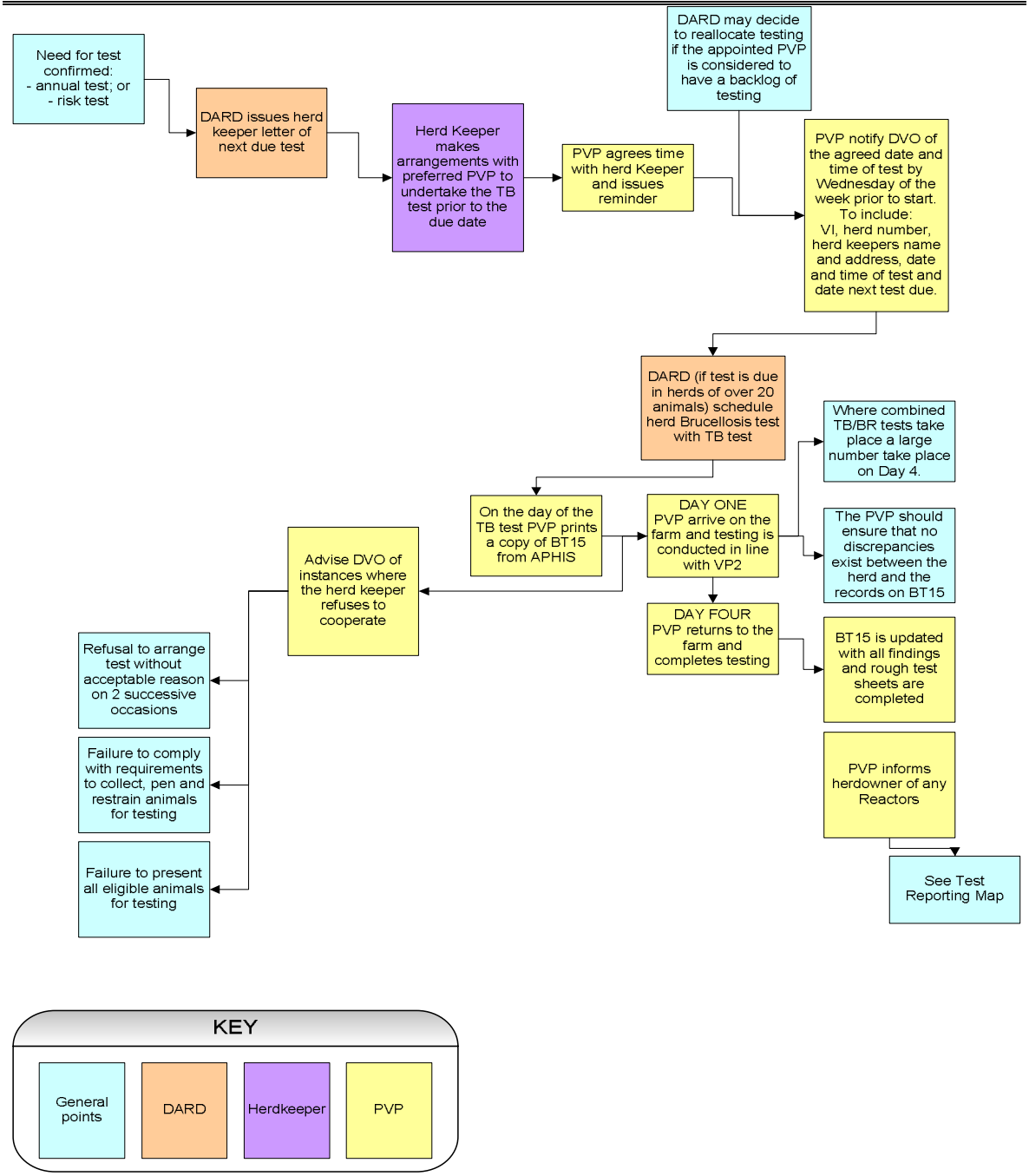
The process as outlined in Figure 4.4 requires the vet to demonstrate technical competence in conducting the test and knowledge of the scientific and legislative background of the TB Eradication Scheme. Several points notable from this process are important to the review.

- registration is at practice level, with initial registration required by Practice Principle before individual practitioners can register;
- the seminar on the Tuberculosis Eradication Scheme is held once per year. This could mean that a vet is authorised to carry out unsupervised TB tests under a Temporary Appointment Letter (VP5) for up to one year;
- no annual returns are made by PVPs delivering TB testing, to ensure that the required standards are maintained e.g. no checks are made to ensure that veterinary practices remain adequately insured or indeed that private veterinary practitioners remain authorised to practice. Although if a PVP was suspended by the Royal College of Veterinary Surgeons, it is likely to be widespread knowledge within the veterinary profession in Northern Ireland and DARD would take action; and
- There is no mechanism in place that audits whether practice principals apply quality control to TB testing by assistants and DARD have limited resource to annually test the technical competence of TB testers.

## 4.3 The Testing Process

Whilst the veterinary aspects of the TB test are external to this review, other elements of the TB test including allocation of tests, administration, communications and management of relationships are central to this review. The process elements relevant to this review are outlined in Figure 4.5 below.

Figure 4.5
**TB Testing**




*Source: Deloitte*

Figure 4.5 outlines the process for PVP test arrangement and completion. However standard procedures[5] are followed by all TB testers so that the process is equally applied to VOTs and TVOs. The testing process is substantially methodological and involves communication between a number of parties, including DARD, the farmer, the PVP and AHWIs.

DARD's role in the testing process, surround only two initial stages;

1. the allocation of the test to a particular PVP which is based on guidelines in the TB staff instructions, which require risk and RHT tests to be allocated to TVOs/VOTs, followed by up to 10 per cent of all annual tests, subject to capacity; and

2. Where possible coordination of the TB test with the Brucellosis (BR) test where herds contain more than 20 BR eligible animals.

DARD also monitors the arrangement of testing by PVPs and notifies them of overdue tests.

All other responsibility for the organisation and delivery of the test sit with the PVP and the herd keeper.

There are several elements within this overall testing process map which should be highlighted as part of this review. The elements for consideration include:

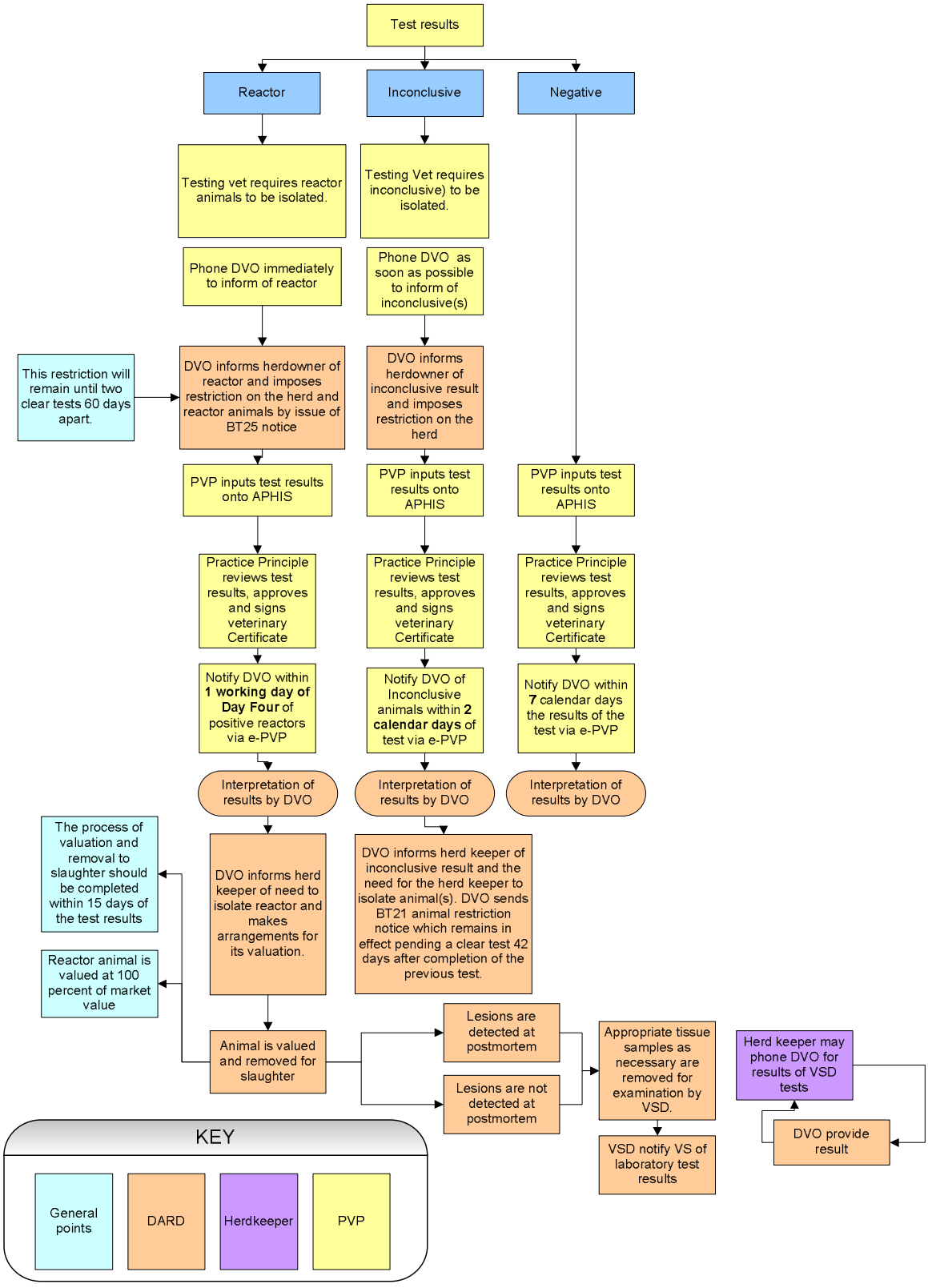
- the existence of any conflict of interest which may result from the herd keeper choosing his or her preferred PVP to carry out the test;
- the protocols within DARD for the allocation of testing and monitoring its completion;
- coordination between TB testing and BR testing arrangements; and
- the validation of herd information through an on the farm audit and maintenance of complete records to update APHIS.

## 4.4 Reporting of TB Test Results

Following on from the reading of the TB test results (Day Four of the test) the PVP is required to process the results within specified terms as laid out by DARD. The requirements for reporting will differ depending upon the outcome of the test e.g. depending upon whether an animal is a reactor, an inconclusive or a negative. The process in accordance with each outcome is detailed in Figure 4.6 overleaf. DARD, in line with EGovt objectives, is now in a position to accept test results through ePvP on a 24/7 basis improving the speed of reporting and with consequential advantageous impact upon the triggers for valuation and removal of reactors. It also enabled reallocation of DARD clerical grades from transcription of manual tests sheets on APHIS to other pressing duties. This also permits more ICT based auditing of PVP performance.

[5] Based on discussion with DARD Steering Group.

Figure 4.6
**Reporting**




*Source: Deloitte*

This process is informed largely by defined procedures and standards, set out by DARD in the PVP contract. Delays may be experienced in the reporting of results by PVPs to DARD. This can happen for a number of reasons:

- late uplift of test results by the PVP; and
- gaps in data for specific animals which prevent the vet being able to uplift the data as ePVP requires the complete form. These tend to be identification, registration and movement queries some of which rely on the PVP obtaining information from herd keepers.

Enforcement of reporting obligations appears to be by way of monitoring returns through ePVP and issuing a letter to PVPs outlining late submission. Limited activity appears to be undertaken assessing the cause of the delay, and no financial penalties exist for repeated occurrences. Delays in reporting TB results impact DARD's ability to remove animals within the agreed 15 day window.

The introduction of e-PVP has had a significant impact on the reporting process which is expected to allow easier and quicker reporting than previous manual methods. The system has been in use for 2.5 years, with most practices coming on line. Practices indicated on TB audit visits that network problems have almost disappeared when they moved from modem to broadband and as staff gained competence in data entry this generally took 3-4 months. Some PVPs express a lack of confidence in using the system that appears to stem from a lack of confidence with computers in general. All who use the ROI system report the DARD system to be much more user friendly. DARD has provided training and support to all ePVP practices. DARD and PVPs should by now however have a full working awareness of the system and be in a position to enhance added value through more effective application of the system.

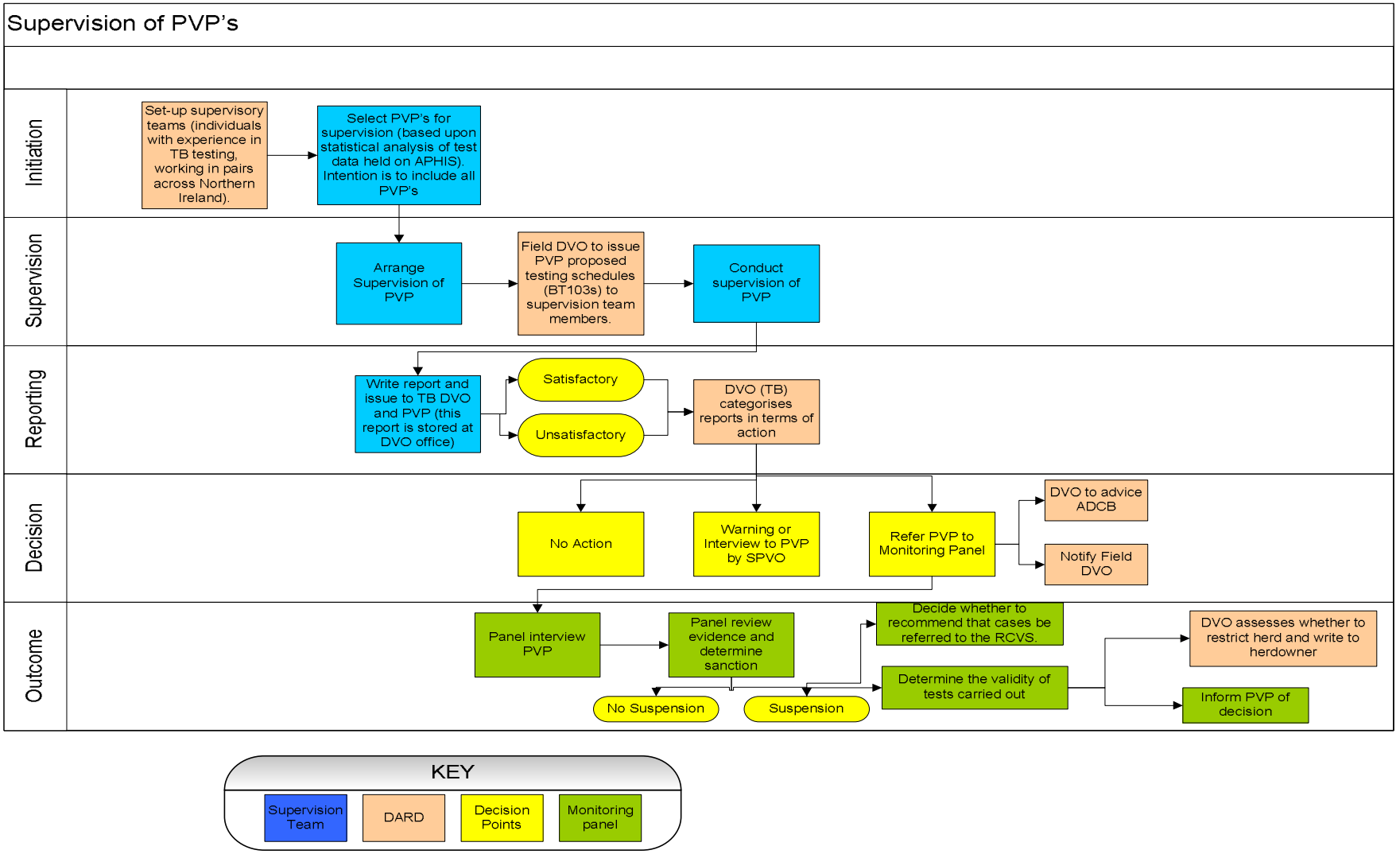
The above process map did not attempt to provide significant detail on the processes of animal valuation, removal, slaughter and subsequent VSD examination of lesions as these processes are considered outside the terms of reference for this review.

## 4.5 Supervision of PVPs doing TB Testing

DARD is obliged to carry out checks on contracted PVPs to ensure that work is being carried out in accordance with contract and in a professional, safe and cost effective manner. These supervisions are a central element of the TB control programme and it is important within this review to have an understanding of how this supervision is managed and administrated.

Figure 4.7 overleaf provides detail on procedures and responsibilities relating to the on the farm supervision of PVPs.

Figure 4.7
**Supervision of PVPs**



All supervisions are unannounced and therefore act as a spot check for PVPs carrying out TB testing. DARD aims to have such supervisions taking place at least once per year for each registered PVP. More frequent supervision may be scheduled where DARD have reason to believe the PVP may not be acting in accordance with standards. A similar arrangement is in place for DARD staff. Annual supervisions on each of the approximately 290 TB testing vets are, at times, beyond the VO resources of DARD. Random spot checks have been seen as the next best strategy to follow.

The supervision process is under taken by a Monitoring Panel and the Supervisory Teams. The Monitoring Panel is comprised of a DCVO (Policy/Implementation), SPVO (TB) or a DVO/VO (TB) and the head of the Animal Disease Control Branch. The supervisory teams or 'patch' supervisors work in pairs to supervise TB testing within their own 'patch'. Currently DARD has five groups of two supervisors who carry out supervisions. The teams are designed to ensure supervisions are completed by a party independent of the PVP/ Local Divisional Veterinary Office relationship.

A review of the supervision process highlights several factors for consideration as part of this review:

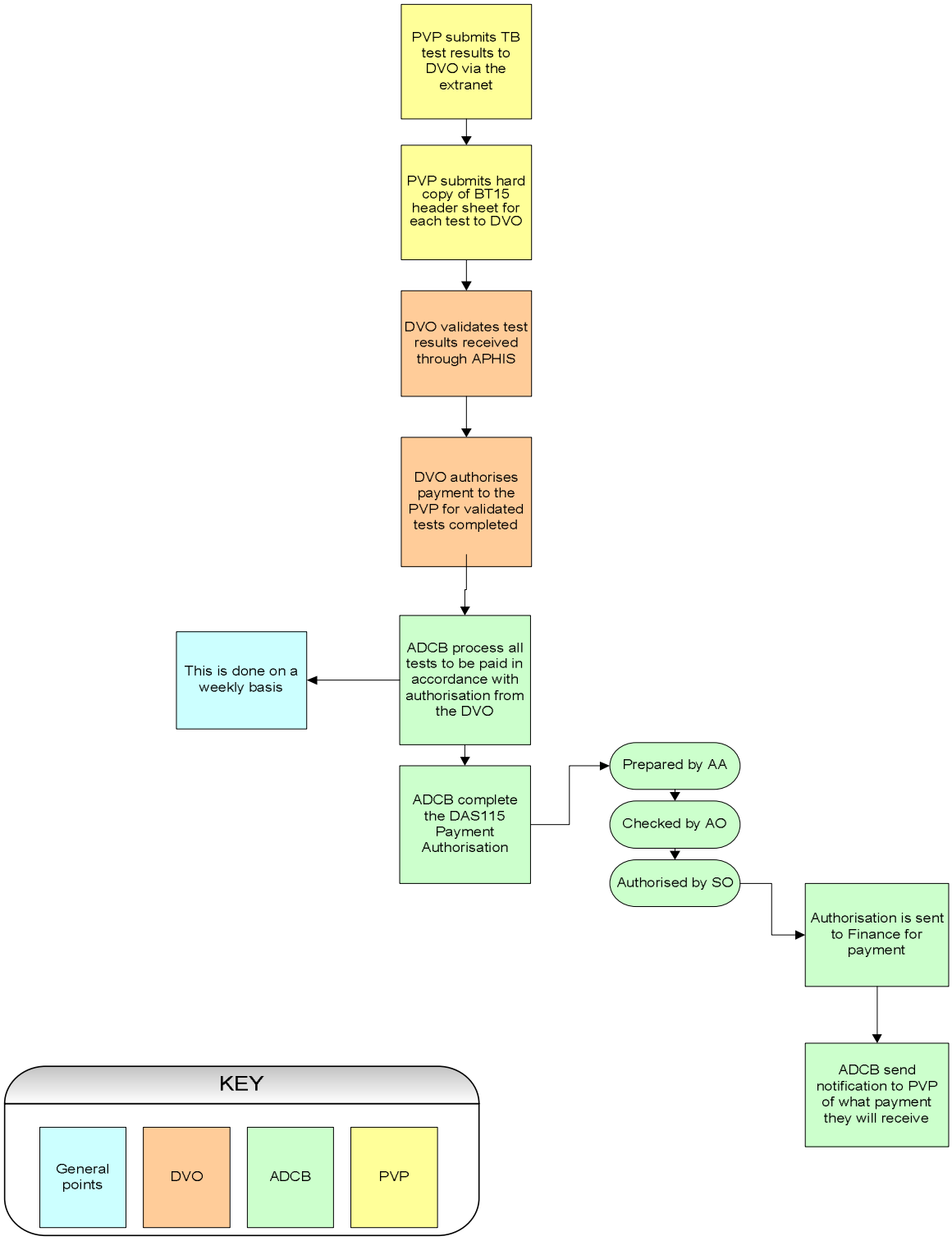
- penalties are applied at an individual practitioner level with no direct penalties on the practice itself e.g. if a PVP is suspended from TB testing, the practice does not necessarily lose any TB testing work as the principal can reallocate testing to another vet within the practice;
- penalties for non-compliance are graded i.e. suspensions applied in cases where major issues arise however sanction for less serious non compliance issues e.g. the persistent late filing of test results is limited; and
- While VO supervisions are resource intensive other opportunities for reporting PVP conduct of tests have always been in place, one being the presence of AHWIs at combined tests.
- The above process map relates to the field aspects of TB testing only. DARD are currently designing protocols for the reporting and administration aspects of TB testing, however statistics are available on the first 70 PVP administrative audits which will form a basis for drawing up an action plan and development of the audit protocols. NIVET has expressed its satisfaction with the quality of audits carried out to date.

## 4.6 Payment of PVP Fees for TB Testing

On completion of the TB tests PVPs claim TB testing fee and associated expenses. Fees are based on a fixed scale agreed between DEFRA and BVA, which provides for a fixed fee of £44.72 (this is under review for 2005) for herds of up to 5 cattle with an increasing fixed fee for all herd sizes above this.

An overview of the process for payment of PVP fees for TB testing is provided overleaf in Figure 4.8

Figure 4.8
**Payment**



The payment of PVP fees is essentially an administration process which matches PVP invoices to test results before authorising payment. One important point in relation to this process but linked closely with the supervision process is that no financial penalties are imposed on PVPs for non-contractual compliance.

## 4.7 Conclusion

A number of interlinked process stages constitute the TB Testing process which is currently under review. A range of key stakeholders have responsibility within each of the stages and for reporting proposes, responsibility can be clearly defined.

In general all stages within each process can be clearly outlined, highlighting well defined processes across the TB testing programme. The activity completed in ascertaining current arrangements identified a number of issues with the current arrangements, while these have been referred to throughout this section they are summarised here for completeness and include:

- the monitoring and supervision of contractual compliance allows for suspension in incidences of major fault. However no financial penalties are invoked for more minor offences e.g. persistent late filing of test results. Areas of concern include:
  - assessment of ongoing compliance with initial registration terms (e.g. insurance levels);
  - impact on practice as suspension of a PVP who is not the Practice Principal may be minimal as work can be readily re-allocated in many cases; and
  - compliance with the "non test" obligations set out in VP2 (e.g. reporting) although this is now monitored and a system for action to be taken in respect of non compliance is under development.
- the accuracy of PVP database – PVPs can move practices and DARD relies on notification by practice principals to keep records of TB testing vets in each practice correct on APHIS.
- conflict of interest concerns re: Vets testing own clients;
- seasonality of testing and its impact on total TB testing workloads in winter;
- BR testing co-ordination and down-time for AHWIs;
- Communication between DARD and PVPs e.g. limited data on performance metrics and statistics within ePVP is shared. Data which PVPs and veterinary associations could be used to jointly monitor performance and address deficiencies promptly as well as enable Vets and DARD to jointly meet and discuss areas of concern in order to agree actions required;
- perceived inconsistencies in the application of monitoring and supervisory procedures between PVPs and internal DARD staff as evidenced in discussions with PVPs and the Veterinary Associations. While similar supervisory protocols are applied to all TB testers this is not evident to PVPs based on the meetings held during the course of this review; and

- the suspensions process for PVPs is very resource intensive for DARD because of the technical skills involved and IRM issues arising at tests, field supervisions are the only effective way to audit the application of VP2 in these areas.

# 5. ANALYSIS OF BEST PRACTICE ARRANGEMENTS

## 5.1 Introduction

It is important to review other national arrangements for TB testing to allow benchmarking of the current process in Northern Ireland and also to ensure that this review is fully informed by recent developments in GB, RoI, and further afield. Sections 6.2 and 6.3 provide detail on the TB testing regime in GB and RoI as sourced from desk research and consultation with DEFRA and DAF.

The EU does not have a best practice model for TB eradication per se but useful insight can be found from a study of arrangements within specific member states. Other countries outside the EU have also developed and implemented successful TB eradication programmes and consideration is given to the factors underlying this success.

The following sections outline arrangements for TB eradication in a variety of countries including:

- Great Britain;
- Republic of Ireland;
- Netherlands;
- France;
- Australia; and
- Sweden.

## 5.2 Great Britain

### 5.2.1 Overview

Delivery of TB testing in GB is split across 24 divisional offices of the SVS, each of which is responsible for the arrangement and delivery of testing in its own area. Certain regions across GB are declared OTF, with TB testing focused in those parts of the country which has incidences of TB.

It should be noted that due to different herd management practices the interval between routine herd tests may be 1-3 years, whereas NI is on annual testing and different farm management practices result in more cattle movements per head of Bovine population.

### 5.2.2 Responsibility

Department of Environment, Food and Rural Affairs (Defra) takes overall responsibility within Great Britain for TB policy. Since devolution, the responsibility for policy now rests with the three devolved assemblies (Scottish Parliament, Welsh Assembly and the Westminster Government).
The practical delivery of the TB eradication programme is carried out by private veterinary practitioners (more commonly referred to as local veterinary inspectors

(LVIs) following authorisation from the State Veterinary Service (SVS). The pathological aspects of testing, such as post mortems and assessment of the role of badgers, is the responsibility of the Veterinary Laboratories Agency.

LVIs carry out all routine testing and a proportion of check testing (depending on levels of activity). The aim is for full time departmental staff to carry out the 'important tests' i.e. those tests where there may be uncertainty - where there is an inconclusive reactor test, the 60 day check test; tests after 6 months etc. In practice however the LVIs may also assist with peaks in demand for these tests.

As in Northern Ireland the farmer nominates a PVP ~~vet~~ to carry out the test. The vet then receives instructions from SVS to carry out testing.

### 5.2.3 Contracting

SVS do not have formal contract arrangements in place with LVIs[6], rather LVIs are appointed by and managed by State Veterinary Service (SVS), with procedures governed by the "LVI manual". Training is provided to LVIs by the local Defra office and the practice principal (usually on a one-to-one basis). LVIs are subsequently appointed in accordance with the procedures set out in the LVI manual, with registration requirement varying depending upon the type of work they will be carrying out (e.g. TB, Brucellosis testing etc.). SVS then requests the LVI to carry out the testing. From that point onwards the LVIs make their own arrangements to do the tests and submit a claim form to Defra for expenses due.

Payment is made to LVIs on a headage basis using the same fee rates as Northern Ireland. No allowance is made for time taken although there is a scale of fees, which relates to the volumes of cattle that are tested, which is intended to take account of variability in handling capabilities on different farms with different sized herds and handling facilities.

### 5.2.4 Monitoring and Supervision

SVS acknowledge that their monitoring and supervision arrangements are weak and this is an area currently under review. No unannounced supervisions are completed. These arrangements are based upon an assumption by SVS that professional standards within the veterinary profession will be adhered to. SVS do however use data analysis and statistics from test results to monitor trends in testing and performance. The output of this analysis provides no evidence to suggest a need to have spot checks of LVIs. SVS also have the view that such supervision would be subjective as there is difficulty over an agreed baseline performance.

Defra carry out a spot check on a sample of two per cent of LVI payment claims received for TB testing. The checks are against testing records and the geography and because the organisation of testing is carried out regionally, local officers tend to have knowledge of whether the claim is reasonable. The checking mechanism is on 'reasonableness' of the claim.

[6] DEFRA is negotiating with the British Veterinary Association regarding the setting up formal contractual arrangements between the Department and Veterinary practitioners in connection with TB testing.

### 5.2.5 TB Testing Levels and Costs

Given the fact that regions within GB are OTF, annual testing does not apply across the entire country. In 2004 44,720 herds comprising 4.6m animals where tested in GB with associated payments of:

- £19m[7] to LVIS; and
- £13m to State Veterinary Services

PVP claims are processed at divisional office, with final statement checks and payment being completed centrally through Defra's Accounting Services Division.

### 5.2.6 Links with Brucellosis Testing

A programme of Brucellosis testing is also carried out across GB. It is estimated that in 99 percent of all cases, brucellosis and TB testing are carried out on the same visit. The LVIs are also responsible for Brucellosis testing in most cases but recognition is given to the fact that the test is a blood test and could be completed by lay testers. As for TB the frequency of sampling may be 1-3 years, and thus the work load is lighter than in N.I.

### 5.2.7 Tendering Option for TB

In rural areas of GB, the number of large animal practices has declined.

The view from SVS is that introducing formal tendering and the associated contractual formalities could reduce the attractiveness of TB testing to the GB veterinary industry resulting in a shortage of vets to conduct TB tests, and in the longer term to provide large animal veterinary services.

### 5.2.8 Recent Developments

DEFRA have recently commissioned a pilot project, using Defra employed lay testers to complete TB tests, which is scheduled to complete within 12 months (Summer/ Autumn 2006). This is an important development as it moves away from the view of the veterinary classification of the TB test as an act of veterinary surgery. While initial communications with the EU commission indicates that lay testing may be allowable, formal approval of this, together with acceptability of the scheme by vets and farmers will need to be monitored over the period of the Pilot Study.

### 5.2.9 Advantages and Disadvantages of the Current System

SVS regard the current TB testing programme as very flexible. The system also provides added benefit to the farmers who receive a 'free' visit from a veterinary practitioner with no call out charge.

On the negative side, the current programme is considered to have insufficient controls, with an internal project having been set up to develop improved supervision arrangements and put in place formal contract arrangements.

[7] Based on response from Defra 18 July 2005.

## 5.3 Republic of Ireland (RoI)

### 5.3.1 Overview

TB testing in ROI is delivered by DAF, through 29 district veterinary offices, each of which is responsible for the delivery of TB testing in its own area.

### 5.3.2 Responsibility

DAF (the Department of Agriculture and Food) in the Republic of Ireland ~~and~~ has responsibility across all agricultural policy. Within the agricultural department there is an executive body named ERAD with responsibility for Brucellosis and TB testing.

The practical delivery of TB testing is segregated between private veterinary practitioners (PVPs), whole time temporary veterinary inspectors and full time DAF staff. The breakdown is approximately:

- eighty-five per cent PVPs,
- fourteen per cent Veterinary inspectors; and
- the balance to veterinary officers.

TB testing arrangements are administrated at each district offices and local vets complete testing in local areas. Farmers will select the PVP who they want to carry out the test as is the case in Northern Ireland.

The local offices are responsible for all administration and liaison including Payment processing. All payments are made centrally.

### 5.3.3 Contracting

There are contracting arrangements in place for TB testing delivery between DAF and the PVPs. DAF have set out a prescribed format as to how the TB testing is to be carried out and what the process should be.

The contract is effectively an agreement with the PVPs to follow these procedures in the delivery of the TB test, and is agreed in negotiation with the Irish Veterinary Union. Review and amendments take place as and when required.

Practices are registered with the Local District Veterinary Office. Under the Animal Disease Health Control (ADHC) System, vets are registered at both Practice and individual level, enabling vets to work for more than one practice. Monitoring can be completed on overall practices or at individual vet level.

New graduates and foreign vets registering must complete a tax registration procedure and attend a mandatory training course which is organised and delivered by DAF. The department is also trying to encourage those already in practice to do the courses again through an incentivisation programme[8], and from 2005, as part of the new veterinary surgeons act, it is a statutory requirement for ROI vets to have CDP points to register.

[8] PVPs can earn CPD points for attending the course.

### 5.3.4 Monitoring and Supervision

Ongoing monitoring of PVP performance is completed using statistics from the new ADHC system. The monitoring system will assess:

- are veterinary practitioners up to date with their testing?
- are they producing statistics required by the department?
- how are they performing compared to local and national peers?
- how have they performed at on-farm inspections?

This facilitates planning for on farm inspections, which are scheduled to take place annually for all registered vets completing TB tests. If problem areas are identified, this may necessitate the need for full time DAF staff to carry out more comprehensive investigations which includes more intensive testing on neighbouring farms by departmental vets (i.e. risk tests).

If performance indicators suggest that corrective action is necessary, testing is redirected to departmental staff. Consequences for PVPs for inadequate performance can vary significantly. Examples of penalties include:

- one written warning letter;
- intensive supervisions by DAF veterinary inspectors;
- withholding the payment of test fees;
- temporary/permanent suspension of veterinary practitioners. This may include withdrawal of authorisation for veterinary practitioners to carry out TB tests; and
- retraining of veterinary practitioners in how to carry out the tests.

DAF also operate a penalty system for late submission of TB test results. PVPs are required under contract to report results of reactors within 3 working days and clear tests within seven days. If vets are late in reporting they first get a written warning, then test fees are withheld.

In response to worries over conflict of interest between PVPs and farmers, DAF have introduced a system where random checks comparing results from PVPs tests to those undertaken by DAF staff are compared and analysed. This test involves departmental staff undertaking a percentage number of tests within each area and PVPs undertaking their own allocated tests. The results of each are then compared. This survey has shown very little difference in outcomes.

### 5.3.5 TB Testing Levels and Costs

In 2004 8.5 million animals were tested in ROI. Against an animal population of 7m this represents a testing ratio of 1:1.26. The overall cost of the TB programme (including compensation but excluding administration costs) was approximately €40m in 2005. Of this €8.65m was paid to PVPs in the form of fees for delivering TB testing. This represents only 27 per cent of the total PVP cost of animal tests with the remaining 73 per cent being paid by the farmers directly. This provides for

total PVP payments of €32.03m. Any additional testing (i.e. check tests) are paid for by the state via DAF.

Payment for testing is by way of fee per visit and a "lump sum" based on the number of tests carried our by a practice. The unit cost of a TB test is based on a minimum fee (€43.25 as of October 2002 – the 'visit fee') and a fee per animal (€3 per head for herds under 30; €2.50 per head for animals in herds in excess of 30). This fee scale has been agreed in negotiation with the Irish Veterinary Union and is subject to regular review. In 2003, an agreement was reached between the PVPs and DAF that, rather than increasing the fee, any increase in respect of 2004 and 2005 should be paid for by way of "lump sum" based on the number of tests carried out by practices. The increase negotiated in respect of the period 1 January 2004 to 1 June 2006 accounted for 25 percent and was in part related to the introduction of a new computer system (ACHS). There are no regional variations in fees paid. An overview of how these figures compare to DARD payments is provided in Table 5.1 below[9]

Table 5.1
**DARD & DAF TB Payment**

| | **NI** | **RoI** |
|---|---|---|
| Call out charge | £44.72 (includes up to 5 animals) | €54.06 or £37.84 (for up to 5 animals cost would be £50.98) |
| Headage cost per animal tested for TB | £0.00 for herds with five animals or less<br><br>Headage payment (for herds with more than five animals) averages £2.90 - £3.00 per animal | €3.75 or £2.63 per animal for herd under 30 animals and €3.13 or £2.19 per animal in herds with more than 30 animals |
| Additional cost for BR sampling | N/A | €12.50 for first animals €2.50 thereafter |

A Disease levy is in place in RoI. The Levy was introduced by an Act of Parliament in 1979 when costs of disease control were very high. Money collected through the levy system contributes to costs under the TB and Brucellosis eradication schemes. In recent years, agreement has been reached between the farming organisations and DAF that the levies will roughly equate to 50 percent towards the Government compensation costs. The remaining compensation costs are covered by DAF. The levy is collected by the buyers of animals/ animal products e.g. meat plants, dairies and at export points and the purchasers in turn pay the levy into a central fund held within government.

While the proceeds of the levy go into a central fund, the levies are closely associated in the minds of farmers with the cost of compensation, In 2005, the cost

[9] The figures have been uplifted by 25 percent to reflect the 'effective' fees currently available to PVPs.

of compensation was €21.3m, of which €18.8m related to TB. The revenue from the disease levies amounted to €11m with DAF paying the remaining €10.3m. The proceeds of the levies are expected to fall to €10m in 2006.

### 5.3.6 Links with Brucellosis Testing

PVPs also carry out Brucellosis testing and this is typically done at the same time as TB test. As in Northern Ireland and GB the Brucellosis test is completed by blood sampling, with charges being for an additional €10 for the first animal and €2 thereafter, when completed at the same time as TB testing.

### 5.3.7 Advantage and Disadvantage of the Current System

The delivery of TB testing by PVPs is considered to achieve better performance and be more cost effective when combined with Brucellosis testing. The introduction of lay testers for Brucellosis testing is considered to have an associated high 'fixed cost' (the call out charge, transport etc) when delivered separately to TB testing by the PVP. DAF therefore argue that it is more cost effective to combine both tests into one visit by one individual.

The current system appears to be quite effective, with over 99 per cent of tests being done within time and on target through the use of PVPs.

With the farmers making a substantial commitment to the costs of TB control, DAF do not face any major financial constraints in relation to the TB eradications scheme.

One potential problem with the system surrounds the conflict of interest which may result from the farmer nominating his or her preferred vet.

## 5.4 Wider TB Testing Arrangements

### 5.4.1 Netherlands

The Netherlands experienced a TB outbreak in 2002. An organisation – Animal Health Service Ltd (GD) is responsible with guaranteeing animal health throughout the Netherlands. GD was established over 80 years ago as an industry response to the prevalence of bovine Tuberculosis and its remit has since widened to include the development of control programmes for other animal diseases. The GD teams include in excess of 50 vets, a veterinary laboratory and extensive administration support, with income generated from its clients which include Dutch Ministry of Agriculture, Dutch Food and non Food Authority, agricultural organisations , veterinary practices and individual livestock farmers.

GD provides an example of a joined up approach to TB testing through disease monitoring, trading, the provision of advise, guidance, laboratory testing and studies of actual on the ground activity.

Partnerships are seen by the Dutch as an area in which they are particularly strong. The government and the Commodity Boards representing each livestock sector have established The Netherlands Animal Health Fund. This fund is used to pay for the cost of measures imposed by government under disease control programmes such as the TB eradication scheme. The Fund is financed by the industry on the

basis that disease control is an integrated part of livestock production and the cost should be borne by the producer. If during a disease outbreak funds prove inadequate to control disease the government will underwrite funds and recover its money subsequently.

### 5.4.2 France

France currently has officially TB free status. However in Brittany there is a threat posed by a transmission from wild boar and deer.

The frequency of TB testing depends upon the prevalence of disease in the local area. France also has a pre-movement TB testing system in place for all inter departmental cattle movements between holdings with the exception of those under 6 weeks for TB or if they are moving for slaughter and the VS – at the farmers expense – confirms that the animal is kept isolated from breeding stocks.

The French government has overall responsibility for agricultural policy; however disease control responsibility sits with the influential farming organisation – GDS. The GDS was established in 1954 specifically to deal with regulated diseases such as TB. The GDS is organised in three ways:

1. Associations;
2. Unions; and
3. Cooperative.

Each GDS is funded through subscriptions from farmers and fees charged for its services. An individual GDS exists within each of the 100 departments throughout France. Whilst it is not compulsory for farmers to join the GDS there are strong incentives as to why they would, including a withholding of subsidy payments and no additional compensation for those farmers[10] who do not join.

The veterinary profession in France is predominantly public sector, with 600 full time government officials, 500 part time government officials (who carry out inspections at slaughter houses) and 4600 private vets (VS's). The private vets are contracted to spend 10 percent of their time on government work[11]. TB testing is carried out by VS's.

Farmers individually pay the VS for testing fees which also include the cost of laboratory examination. The GDS then pay a subsidy to the farmer to cover part of this cost[12]. In the event of further 'risk' testing following a positive TB instance the government will share the cost of testing to the VS.

France are currently proposing a 'bio security' scheme, incorporating farm visits to assess disease risk management. These farm visits will be carried out by private vets in their capacity as VS (doing government work). €10 million of government money is to be made available for these checks to be conducted on every herd each

[10] Government compensation for animals slaughtered under disease control programmes is well below market value and is subsidised by GDS for members. For TB, the government pay 55 percent of the market value up to €229 and the GDS can pay an additional amount to the farmer.

[11] This roughly equates to about 500 full-time staff.

[12] This subsidy is dependant upon the payment of GDS subscription and other fees for services.

year. A principal reason for the introduction of this scheme was the provision of work for VS's (who have seen a reduction in, state veterinary duties but are still needed under a risk management strategy to manage national disease outbreak.

### 5.4.3 Australia

Australia received TB free status in December 1997. This success followed a very large scale TB and Brucellosis eradication programme – BTEC (Brucellosis and Tuberculosis Eradication Campaign). The programme involved a significant investment by the agricultural industry with an overall cost of $840 million (Australian Dollars).

There are several critical factors in the success of the programme. These include:

- buy in from all sectors and parties involved to the TB eradication programme;
- acceptance by stakeholders of the cost burden of disease control;
- collaboration and partnership working;
- commitment of financial resources by both government and industry;
- commitment to developing an holistic approach to disease control; and
- surveillance, good management and monitoring of processes and procedures.

An ongoing monitoring programme continues to be place - Tuberculosis Freedom Assurance Program (TFAP). This programme has been running in its second phase since 2002 and is due to end in December 2006.

Government and industry sectors share the cost associated with disease control, with the split of funding varying depending upon the classification of the disease in question. This sharing of costs is based upon the conduct of an agreed response plan for the outbreak of a disease. This arrangement covers the costs of salaries and wages, operating expenses and capital costs incurred by parties responding to the disease and compensation to affected owners.

### 5.4.4 Sweden

Sweden achieved TB free status in the 1960s and 1970's and has been successful in maintaining this status.

Sweden is an example of a country where industry-government partnerships are relatively advanced. This Swedish Dairy Association is the national industry organisation for Swedish dairy farmers and the industry. It gathers, develops and communicates knowledge relating to the entire chain from cow to consumer, and is a well established network of researchers, experts, decision-makers, and people who shape public opinion both in Sweden and abroad. Of the subject areas that it covers, animal health is included and which TB testing is covered. The utilisation of knowledge gathered by the Association is in various tools which are used in the advisory work and services offered to dairy farmers by the livestock cooperatives. Overall, the aim of the Association is to provide opportunities for its owners to be competitive in an ever-changing global market.

## 5.5 Conclusion

Arrangements for TB testing with GB and RoI are in the main broadly comparable to those in NI. There are however several important points to note in relation to difference between each country:

- brucellosis testing as well as TB testing is carried out by PVPs/LVI's in RoI and GB, however the frequency of BR and TB testing differs in GB, RoI and NI;
- within ROI Farmers pay the vet directly for the majority of the TB testing cost and this is operated in association with a levy system; and
- both ROI and GB recognise the importance of supervision and monitoring but adopt markedly different approaches in the systems used in practice. There is an assumption of compliance backed up by remote statistical analysis of test results.

Important success factors noted in countries which have eradicated TB include:

- greater partnership working between the government, farmers, producers and private veterinary practitioners. For example this could include the adoption of industry-government partnerships which have been successful in countries such as Sweden;
- the adoption of a more joined up collaborative approach to TB disease control;
- sharing of costs; and
- a flexible view towards the TB eradication programme which takes account of TB incidence levels across different geographical areas.

However, it is the considered view of a number of experts that the absence of disease transmission from wildlife is the key reason for success in countries that have eradicated TB.

# 6. EXTERNAL STAKEHOLDER CONSULTATION

## 6.1 Introduction

In order to ensure that the potentially competing needs and views of a diverse range of stakeholders were considered widespread external stakeholder consultation was undertaken. The organisations/groups consulted were:

- Northern Ireland Veterinary Association (NIVA);
- Association of Veterinary Surgeons Practising in Northern Ireland (AVSPNI);
- Private Veterinary Practitioners (PVPs) x 6;
- Ulster Farmers' Union;
- Northern Ireland Agricultural Producers Association; and
- The Rural Development Council.

Each consultation was used as a platform from which to gain views on priorities and issues listed in the terms of reference and raised during consultation with DARD personnel.

At the request of the Veterinary Associations (NIVA and AVSPNI) and in agreement with DARD a full TB test was also observed. This represented an opportunity to assess at first hand the processes involved with a typical herd test. Scientific examination of how the test itself was completed was not assessed. Instead the farm visits were arranged not only to gain the views of the farmer, the BR tester and the PVP in relation to testing procedures but also to investigate compliance with wider contractual obligations.

An analysis of the response from PVPs and all external consultees is presented in each of the sections below. This analysis provides a summary of the key findings with further detail on the consultation meetings provided in Appendix A. The remainder of this section is structured as follows:

- views on current arrangements for TB Testing;
- conflict of interest;
- contribution of PVPs and importance of TB testing contract to the rural economy;
- wider service delivery for DARD by PVPs;
- lay testing; and
- tendering of the TB contract.

## 6.2 Views on the Current Arrangements for TB Testing

All consultation meetings were used to discuss current TB testing arrangements and to gain views on the benefits and issues with current arrangements. A summary of the outcome of these discussions is provided in Table 6.1 below.

It should be noted that this table presents the findings from the consultations, including the views and perceptions of those consulted.

Table 6.1
**Views on the Current TB Testing Contract**

| ISSUE | PROS | CONS |
|---|---|---|
| Seasonality and the allocation of testing | • new restrictions going some way to reducing seasonality problems; | • increased capacity required during the peak testing season – scheduling problems;<br>• the need to manage down time caused by tests cancelled at short notice;<br>• allocation of TB testing from DARD can be quite erratic, particularly at holiday time;<br>• view that DARD allocates more difficult tests to PVPs |
| Brucellosis Testing | • Farmers prefer to have their TB and BR tests carried out at the same time;<br>• Co-ordination reduces the associated work and stress of the animals;<br>• coordination of TB tests with BR testing works quite well;<br>• BR testing is not an act of veterinary surgery and therefore it would appear more cost effective to leave as is; | • Co-ordination of BR testing imposes increased administration costs for vets;<br>• downtime for both PVP and AHWIs if any one individual is delayed; |
| Animal Health and Welfare | • Ensures an annual visit to the farm by a vet – 'bio surveillance'[13]; | |
| Reporting of test results | • has been improved with the introduction of e-PVP; | • Reporting of results for test reading made on Friday and Saturday are required over the weekend as all seven days in the week are included in calculating test submission timings. |

[13] Based on discussions with DARD reports on 'bio surveillance' and disease reporting is adhoc and not a core part of the service delivered.

Table 6.1
**Views on the Current TB Testing Contract (cont'd)**

| ISSUE | PROS | CONS |
|---|---|---|
| APHIS | • introduction of e-PVP is welcomed by PVPs as a positive intervention;<br>• TB test provides a herd audit and validation of data on APHIS | • E-PVP requires all test results to be entered before data can be uplifted;<br>• PVPs have limited access to all the data held on e-PVP;<br>• limited sharing of information on APHIS e.g. monitoring statistics, feedback/update on reactor animals. The view is that improved communication and information sharing should result in more effective delivery as issues are identified and resolved before escalating as well as encouraging greater partnership working which should improve overall animal welfare;<br>• system not deployed to its full potential;<br>• during peak times, PVPs may find it slow to upload information and move between pages to complete sign-off of tests; |
| Supervision | • a level of supervision is necessary;<br>• ensures transparency of procedures;<br>• the risk for a PVP that false certification of a test certificate could place their professional registration with RCVS in jeopardy, thus providing some reassurance to DARD that certification by a PVP is likely to be reliable. | • perception that supervision may not be equally applied to all TB testers e.g. possible differences between PVPs and VOTs;<br>• assistant vets can find the supervision to be intimidating;<br>• supervisors may intentionally attempt to find fault with the vets work e.g. by turning up on out-farms where facilities are poor and herding of animals is difficult;<br>• all vets are professional individuals, supervision at the current level should not be required;<br>• penalties for non compliance are severe when enforced with no sliding scale for more minor |

| | | |
|---|---|---|
| | | issues;<br>• need to communicate supervisory protocols relating to the new practice audit including its application to DARD staff;<br>• there should be transparency for PVPs in how the data held in APHIS is used to monitor e.g. sharing of statistics and performance data to develop a joint approach to monitoring. |
| PVPs vs. VOT delivery | • PVPs provide a level of flexibility in service delivery e.g. weekend working; management of work-force given level of cancellation, etc.<br>• local vets have the advantage of having local knowledge regarding herds and facilities in each local area;<br>• good relationship between vet and farmer;<br>• PVPs provide a good quality service and a high level of commitment to DARD in the TB contract;<br>• there might be a greater tendency for farmers to be more open with their private vet. | • use of DARD VOTs to deliver TB testing reduces vet time on farms for wider animal health checks;<br>• concern over possible differences in training and supervision of VOTs and PVPs;<br>• the re-allocation of tests to PVPs at late notice by DARD;<br>• the allocation of more difficult risk tests to the PVPs while "easier" tests are retained by the VOTs;<br>• there is considerable administration cost expended by PVPs in relation to the TB testing contract<br>• over recent years DARD has become more centralised and more distant from the farmer;<br>• the relationship between certain VOs and VOTs with farmers is not always a good one, there tends to be an 'us and them' view of farmers towards DARD personnel; |

### 6.2.1 Conflict of Interest

PVPs challenged the view that conflict of interest issues existed in their relationship with the farmers. Vets noted that in general there is no incentive for farmers to request results to be revised in reporting given the risk of being detected at slaughter or in a later test. Some other consultees did however highlight concern over the potential for a conflict of interest to arise between the PVP and the farmer which could lead to the reporting of false reactors to gain compensation.

One PVP did acknowledge there are instances where farmers may dispute the accuracy of the TB test. This concern has arisen for a number of reasons:

- the TB test may not be able to detect TB in its early stages. An animal which is cleared in a TB test may be found to have TB when removed for slaughter at a later date; and
- reactor animals removed after a TB test undergo lab tests to assess existence of TB – if the results are unconfirmed, the farmer may not be convinced of the reason to remove and slaughter the animal.

Their PVP subsequently noted the need to educate farmers in relation to the TB test and any potential problems which may arise from the test.

From the perspective of the vet it was considered that the likelihood of false certification of test results was insignificant given the risk of losing professional registration (MRCVS).

### 6.2.2 The Importance of PVPs and the TB Testing Contract to the Rural Economy

A significant proportion of practice work is associated with TB testing. Most veterinary practices designate certain vets (depending upon demand) to work only on TB testing. As such a significant proportion of the practice work is associated with TB testing. Many principals noted that their workforce[14] would significantly reduce in the event that TB testing was removed from PVPs.

Income received from DARD for TB testing is critical to the viability of individual practices, with TB testing income estimated to be at least 25 percent of large animal practice income. This income is relied upon given its regularity and relative predictability. PVPs noted that margins on this work were lower than in others but its existence sustained large animal veterinary activity.

If TB testing where removed from individual practices, it could result in a consolidation of practices across NI (including the closure of some), and a diversification into alternate sources of work.

Wider sector bodies consulted concurred that the veterinary profession is critically important to the rural economy and it is vital that a farmer has direct access to a vet when needed.

### 6.2.3 Wider Service Delivery for DARD by PVPs

Some vets pointed out that the service provided by vets to DARD is more than simply TB testing. Vets typically facilitate DARD in more ways than simply conducting TB tests, which can include the promotion of DARD policies to farmers. Vets are also expected to attend meetings arranged by DARD on a variety of issues which include TB testing. Attendance at such meetings reduces the working hours of vets and therefore their direct income.

PVPs and Veterinary Associations interviewed suggest that an option to be considered in the TB testing contract arrangements could be expanding the scope of PVP services to include all TB tests, a wider role in herd health planning and

[14] Both veterinary staff and support and administration staff.

potentially taking over an increased role in managing administration currently completed by DVOs.

### 6.2.4 Lay Testing

Views were sought from all external consultees in relation to the possibility for future delivery of the TB testing contract by lay testers. A summary of the key responses is listed below:

- TB testing may offer the only opportunity for a vet to get on a farm. This visit can be used as a platform to inspect the general health of animals e.g. bio-surveillance - from an animal health and welfare perspective it is not optimal to replace professional veterinary practitioners with lay testers in the process of TB testing;
- while conducting the TB test the vet will, where necessary provide general health advice to the farmer;
- a decision to move TB testing from PVPs would have serious detrimental impacts on the wider rural economy – given that lay testing option would remove significant revenue from veterinary practices in Northern Ireland. While the income would remain in NI as lay testers would complete the work, the view is that ~~that~~ removal of TB testing from small rural practices could have a detrimental impact on the rural economy;
- the accessibility of vets to farmers would be reduced as the number of veterinary practices in operation (particularly in rural areas) is likely to reduce;
- the current TB testing regime should not be compromised and given the level of judgement involved and the need for clinical examination where reactors are identified, it may not be appropriate to have lay testers for TB;
- there would be an immense level of training and administration involved with the introduction of lay TB testers and this is likely to be very expensive; and
- the introduction of lay testers to complete TB testing would result in a reduction in the number of large animal veterinarians with subsequent loss of skills and large animal veterinary expertise. This could result in significant risks and vulnerability for Northern Ireland in the event of a disease outbreak.

### 6.2.5 Tendering

The option of delivering a TB testing contract via a tendering contract was explored through the consultations. In response to this option, consultees were invited to express their views on the perceived effectiveness and the anticipated success or otherwise of such a system. Summarised below are the key views expressed in relation to tendering the TB contract:

- it is difficult to understand how a tendering option would work e.g. would it be at DVO level or Northern Ireland level?

- this option is unlikely to be more effective than current arrangements, given the advantage of local knowledge held by locally selected PVPs;
- a tendered contract would be driven by a value for money agenda which would create a money saving environment in which standards may fall;
- the introduction of a tendering contract would require the veterinary profession in NI to become commercial;
- the current situation where the farmer chooses who he/she wants to do the TB test works well for the farmer and may be lost in a tendering environment;
- it was suggested that AVSPNI may tender for a testing contract as a single unit;
- the tendered contract should be awarded to specialist contractors who work solely on TB testing e.g. they are not involved with other veterinary work. This may however result in narrower skills being developed, reducing the potential for other animal health issues to be addressed[15]; and
- tendering should overcome any potential conflicts of interest.

## 6.3 Conclusion

External consultations formed a key part of this review. Discussions with the veterinary industry and wider industry stakeholders were designed with the intention to gain views on the effectiveness or otherwise of current arrangements for TB testing and the potential for improvements in these arrangements through the implementation of certain contractual and delivery changes.

A variety of important considerations were raised during consultation and these are all relevant to this review. In summary however the key findings from the consultation are summarised below:

- TB testing represents a core income stream for the Northern Ireland veterinary industry;
- having a farm visit by a vet at least once per year is an obvious advantage of the current process;
- PVPs consider the service which they deliver under the TB testing contract to be much wider than the test itself;
- some administration and communications issues were raised with the current test arrangements e.g. test allocations;
- in some cases there appears to be a tension between DARD and the veterinary profession – this can cause problems for effective partnership working – a clear goal set out in DARDs strategic documents for Animal Health and Welfare which seeks to develop more proactive integrated and

[15] RDC & NIAPA meetings

strategic approaches using partnership delivery in Animal Health and Welfare; and

- external stakeholders, NIAPA and RDC, thought there would be merit in revising current arrangements for the TB testing contract which may include consideration of a tendering option.

# 7. OBJECTIVES FOR FUTURE TB TESTING MANAGEMENT AND ADMINISTRATION ARRANGEMENTS

## 7.1 Introduction

Based on the initial analysis conducted in this review and in discussion with the Project Steering Group a number of objectives have been developed for future management and administrative arrangements for TB Testing.

Where possible these objectives are scoped according to the Green Book Guideline, namely Specific, Measurable, Agreed, Realistic and Time Dependent (SMART).

As set out in the project terms of reference the overriding requirement is to deliver VFM arrangements. VFM is a measure of both the qualitative and quantitative aspects of the proposed arrangements for the future, and is an underlying requirement in all aspects of this evaluation

## 7.2 Objectives for the Future Management and Administration of TB Testing

Following discussion with the Project Steering group on 1st September 2005, the following objectives were agreed.

| Objective | Related Criteria/ Targets |
|---|---|
| 1. To ensure TB testing is consistently completed in line with legislative and contractual (process) obligations; | ● To support the DARD objective to reduce TB to 7,225 reactors by 31 March 2008[16];<br>● To meet legislative requirements; and<br>● To validate APHIS data on an annual basis. |
| 2. To put in place a standard and transparent method for the overall management and monitoring of TB testing including:<br>● formalising the arrangements for contract negotiation and monitoring between DARD and external bodies delivering TB testing services;<br>● the consistent application of all processes including the allocation and monitoring of tests; and<br>● providing sufficient flexibility to support DARD's wider strategic objectives. | ● to support the interface between TB and Brucellosis testing;<br>● to support the wider Animal Health and Welfare Strategy which encourages partnership working with DARD and private vets; and<br>● to support the potential for an increased surveillance role by private vets. |
| 3. To minimise the scope for conflict of interest situations to arise | ● Views of key stakeholders on the nature of relation between PVP and farmers |

[16] Public Service Agreement Target published on 14 December 2005 and included in 2006-2011 DARD Strategic Plan

## 7.3 Constraints

The development of future management and administrative arrangements must be completed in light of the following constraints.

a) **legislative obligations** – all options must be possible under the current legal framework, or where this is not the case, have potential to facilitate changes in legislation;

b) **technical feasibility** – all solutions must ensure the scientific proposals are technically feasible and acceptable to the EU, Veterinary Profession and wider industry; and

c) **consistency with wider Government policy** including the current efficiency programme which commits to reducing staffing levels for NICS as a whole.

In addition to these all options must be affordable within current budgetary allocations for TB testing.

# 8. IDENTIFICATION AND SIFTING OF DELIVERY OPTIONS

## 8.1 Introduction

Following discussion with both internal and external stakeholders to assess and understand the key issues in current TB testing administration and management arrangements a long list of options was developed.

Within this section the identified delivery options (i.e. options to consider the overall administration and management arrangement as well as who is best placed to deliver TB tests for DARD) are described in detail and then an initial evaluation of these is completed against the project objectives to identify options suitable for further detailed evaluation

Following detailed qualitative and quantitative evaluation of the shortlisted delivery options a recommendation will be possible on the preferred option, which will then be assessed to determine the appropriate tendering arrangements.

## 8.2 Option Description

In conjunction with the Steering Group seven delivery options were identified. A detailed description of each of these options is provided in the remainder of this section.

### 8.2.1 Option 1 – Retain Status Quo

This option entails continuing with the current arrangements. It would not address the deficiencies identified with the current arrangements, and the cost base would remain as is. In order to allow full comparison with all other options it includes baseline costs for staff input for Brucellosis Testing of Herds.

It should be noted that no detailed analysis has been conducted on the Brucellosis testing regime, and analysis completed here is based solely on data provided by DARD on Brucellosis Sampling numbers and related AWHI costs.

### 8.2.2 Option 2 – Establish Clear Monitoring Control Framework

This option continues with the current arrangements, using PVPs to complete similar levels of testing. It would however establish a clearer monitoring and control framework to address the issues identified within the current arrangements. An overview of the key issues to be addressed and the key aspects of the proposed control framework are set out in the Table 8.1 overleaf.

Table 8.1
**Key Aspects of Proposed Control Framework**

| ISSUE | PROPOSED CHANGES TO MONITORING AND CONTROL FRAMEWORK |
|---|---|
| 1. Update on initial registration checks e.g.<br>- RCVS registration<br>- Health and safety policy<br>- Insurance levels<br>- Listed PVPs within practice | Put in place electronic return to be completed annually by PVPs to confirm they still meet registration requirements. |
| 2. Penalties are restricted to warning letters for minor incidences and suspension for major failings | Consider developing penalty regime which monitors performance and introduces financial penalties (e.g. withholding percentage of payment) for persistent non compliance with contract e.g. persistent late submission of reports. Potential penalties to be considered include:<br>- issuing of warning letters;<br>- retraining;<br>- Withholding payment;<br>- deducting element of payment;<br>- increased supervision; and<br>- withdrawal of Registration for a period of time;<br>This must be supported by a means of examining the cause of non compliance in the first instance and penalising when fault rests with the PVPs. |
| 3. Perceived view that the supervisory and monitoring arrangements are not consistently applied to all TB testers | Develop communications programme with key stakeholders to address misconceptions.<br>Increase transparency of testing and monitoring procedures followed internally for DARD staff. |
| 4. Testing allocations | Document and communicate ground rules for the allocation of testing to PVPs and VOTs, to ensure they are transparent to all and consistently applied. |
| 5. Supervision focuses on testing aspects | Extend supervision and monitoring to incorporate all aspects of arrangements. The arrangements should be clearly communicated with all TB testers and an opportunity provided to ensure the full range of activity is examined with a view to developing a partnership approach to TB testing. |
| 6. Scope of PVP Service Delivery | The view is that PVPs deliver a wide range of benefits not fully appreciated or acknowledged by DARD. These should be fully discussed, agreed and reflected in the contractual arrangements. |

For the purposes of costing this option it has been assumed that the cost of introducing a new control framework can be absorbed by re-allocating current resources. This option includes the requirement for PVPs to inform DARD if they identify or suspect the herd shows signs of Epizootic disease or animal welfare issues.

This option serves as a do minimum and is a baseline for all further options considered.

### 8.2.3 Option 3 – Extend PVP Role

This option seeks to extend the role of the PVP to wider animal health and disease control areas. Two areas were identified;

**Option 3a – Extend PVP role to include Brucellosis testing (using lay testers for BR tests)**

This option replaces current AHWI Brucellosis herd testing with PVP in a manner similar to that adopted in GB & ROI.

It removes the need to co-ordinate PVP and AWHI activity and requires the PVPs to complete and interpret the TB skin test and the Brucellosis blood test. Based on available information, and the limited analysis completed on Brucellosis procedures no adjustment has been made for the administration savings made in the co-ordination of these tests.

**Option 3b – Extend PVP role include wider surveillance/bio security role**

This option proposes tasking PVPs to complete a short briefing on biosecurity/herd planning to the farmer. The benefit of this should be the ability of the vet to tailor the briefing to the farmers specific circumstances given their knowledge of the farm and its animals.

The precise services to be provided for this option would be defined in conjunction with PVPs but for costing purposes, an additional 30 minutes of PVP time would be procured.

### 8.2.4 Option 4 – Increase DARD TB testing

This option looks at reducing the level of TB testing completed by PVPs, and replacing this with increased VOT testing. For the purpose of analysis this is set at a 50 : 50 split, but the model allows alternate levels of DARD testing to be considered.

### 8.2.5 Option 5 – Introduce lay testers to undertake TB Tests

This option proposes using lay testers rather than veterinary practitioners to complete TB tests.

It is assumed that lay testers replace PVPs completing a similar proportion of testing and are paid headage payments at a rate similar to that of AWHIs hourly rate uplifted by 50% to provide for margin, administration and management overheads. While it is recognised that this option cannot be implemented in the short term given the uncertainty about the extent to which it complies with EU

requirements, it has been included for consideration as a longer term option, should the DEFRA pilot project prove its acceptability.

**Option 6 – Introduce Blood testing for TB and use Lay testers to complete**

This option proposes replacing the TB skin tests with the Gamma Interferon blood testing with testing being completed by lay testers.

**Option 7 – Introduce Blood testing for TB and use PVP to complete**

This option proposes replacing the TB skin tests with the Gamma Interferon blood testing with testing being completed by PVPs.

## 8.3 Option sifting

Following identification of the options an initial sift was completed against the project objectives. The outcome of this is provided in Table 8.2 overleaf.

Table 8.2
**Option Sifting Table**

| | Options | Objective 1 | Objective 2 | Objective 3 | | Constraint A | Constraint B | Constraint C | | Shortlist |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Do Nothing – maintain Status Quo | N | N | N | | Y | Y | Y | | Y - Baseline option required under HMT guidance |
| 2 | Do minimum – continue using PVPs to complete similar levels of tests but put in place formal arrangements for reporting of suspected diseases, animal welfare issues noted and a clear monitoring control framework to address issues (baseline for all remaining options) | Y | Y | Y | | Y | Y | Y | | Y - this option has been shortlised as it appears to meet objectives |
| 3 | Extend PVP role to: | | | | | | | | | |
| a | include BR testing | Y | Y | Y | | Y | Y | Y | | Y - this option has been shortlisted to assess the potential of using PVPs to complete BR testing |
| b | include follow up wok eg Biosecurity Briefings and Animal Herd Planning | Y | Y | Y | | Y | Y | Y | | Y |
| 4 | Deliver higher proportion of TB testing in-house (% to be assessed through sensitivities) | Y | Y | Y | | Y | Y | Y | | Y |
| 5 | Use of Lay Testers for BR and TB testing (assumed that the cost of this being completed by Government or PVPs would be similar) | Y | Y | Y | | ? | Y | Y (If PVPs); X (if DARD) | | Y |
| 6 | Introduce blood test for TB and use lay testers to complete | Y | Y | Y | | X | Y | X | | X - Incompatible with EU Rules |
| 7 | Introduce blood test for TB and use PVPs to complete | Y | Y | Y | | X | Y | Y | | X - Incompatible with EU Rules |

## 8.4 Conclusion

Based on this analysis six options will be taken forward for further detailed analysis:

- Option 1 – Retain Status Quo;
- Option 2 – Do Minimum;
- Option 3a – Extend PVP role to include BR testing (using lay testers to complete BR tests);
- Option 3b – Extend PVP role to include wider surveillance/ Bio security role;
- Option 4 – Increase DARD TB testing; and
- Option 5 – Introduce lay testers to undertake TB tests.

# 9. EVALUATION OF DELIVERY OPTIONS

## 9.1 Introduction

This section provides an outline of the detailed evaluation of shortlisted options addressing both qualitative and quantitative aspects

## 9.2 Qualitative Evaluation

### 9.2.1 Approach

In line with HM Treasury guidance the appraisal process requires an assessment of the qualitative aspects of each option to be considered, taking account of the inherent difficulties associated with the evaluation of the qualitative factors, we have adopted a weighting and scoring approach.

Firstly the qualitative criteria were defined using the evaluation criteria provided in the initial terms of reference which was subsequently prioritised by the Steering Group. This provided a clear basis for weighting the criteria, an outline of which is provided in Table 9.1 overleaf.

Table 9.1
**Qualitative Evaluation Criteria and Relative Weightings**

| Criterion | | Priority Allocated by Steering Group | Weighting applied | Rationale |
|---|---|---|---|---|
| 1. | DARD budgetary constraints and the scope for greater efficiency savings | 1 | None | To be assessed under affordability test in Quantitative analysis |
| 2. | DARD objective for the reduction of TB | 1 | 13 | Equal weighting applied to all priority 1 criterion based on total no. of criterion and relative priorities |
| 3. | DARD requirements for the way the TB test is carried out as specified in the TB contract | 1 | 13 | |
| 4. | Legislative requirements | 1 | 13 | |
| 5. | The necessity of validating Animal and Public Health Information System (APHIS) data through checking of identification and descriptions of cattle during testing procedures | 1 | 13 | |
| 6. | Existing commitment to have at least 90% of routine TB testing carried out by private vets | 2 | 8 | Equal weighting applied to all priority 2 criterion based on total no. of criterion and relative priorities |
| 7. | The interface between TB testing and Brucellosis testing | 2 | 8 | |
| 8. | The development of a NI Animal Health and Welfare Strategy, and associated with that the potential for an enhanced partnership role for private vets in delivering work on other animal health priorities including work that could be delivered at the same time as conducting tuberculosis testing | 2 | 8 | |
| 9. | The surveillance role provided by private vets as a result of their presence on farm to carry out TB testing | 2 | 8 | |
| 10. | The desirability of retaining a sufficient quorum of large animal vets to assist the Department in the event of a major epizootic outbreak | 2 | 8 | |
| 11. | Future potential for blood testing in infected herds | 2 | 8 | |

Weightings have been applied relatively, based upon the priority allocated by the Steering Group. The relative weightings have been determined to provide a weighted total of 100.

Source: Steering Group

### 9.2.2 Option Evaluation

Each shortlisted option has been scored (on a scale of 0 to 10) on the degree to which it can deliver the criterion that have been identified. This analysis was completed in conjunction with the Steering Group on 1 September 2005 and a summary of the outcome of this analysis is provided in Table 9.2 overleaf.

Table 9.2
**Qualitative Evaluation of Options**

| | Benefit Criteria | Weighting | Baseline | | Option 2 | | Option 3a | | Option 3b | | Option 4 | | Option 5 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Do Nothing | | Do Minimum | | Extend PVP role to include BR | | Extend PVP role to include wider surveillance/bio security role | | Increase DARD testing levels | | Use lay testers | |
| | | | Score | Weighted Score | Score | Weighted Score | Score | Weighted Score | Score | Weighted Score | Score | Weighted Score | Score | Weighted Score |
| 1 | Potential to meet DARD objective for reduction of TB | 13 | 8 | 104 | 10 | 130 | 10 | 130 | 10 | 130 | 10 | 130 | 10 | 130 |
| 2 | Ensures compliance with Contract terms | 13 | 5 | 65 | 9 | 117 | 9 | 117 | 9 | 117 | 9 | 117 | 9 | 117 |
| 3 | Meets legislative requirements | 13 | 8 | 104 | 8 | 104 | 8 | 104 | 8 | 104 | 8 | 104 | 0 | 0 |
| 4 | APHIS Validation | 13 | 10 | 130 | 10 | 130 | 10 | 130 | 10 | 130 | 10 | 130 | 10 | 130 |
| 5 | Provides for 90% of tests to be completed by private vets | 8 | 10 | 80 | 10 | 80 | 10 | 80 | 10 | 80 | 0 | 0 | 0 | 0 |
| 6 | Facilitates the interface between BR and TB testing | 8 | 8 | 64 | 8 | 64 | 10 | 80 | 8 | 64 | 8 | 64 | 8 | 64 |
| 7 | Enhances partnership working | 8 | 4 | 32 | 6 | 48 | 6 | 48 | 10 | 80 | 1 | 8 | 4 | 32 |
| 8 | Supports on farm surveillance | 8 | 5 | 40 | 7 | 56 | 7 | 56 | 10 | 80 | 7 | 56 | 1 | 8 |
| 9 | Retains quorum of large animal vets to support epizootic outbreak | 8 | 8 | 64 | 8 | 64 | 8 | 64 | 10 | 80 | 7 | 56 | 2 | 16 |
| 10 | Allows for future potential for blood testing | 8 | 8 | 64 | 8 | 64 | 8 | 64 | 8 | 64 | 8 | 64 | 8 | 64 |
| | **Total** | **100** | **74** | **747** | **84** | **857** | **86** | **873** | **93** | **929** | **68** | **729** | **52** | **561** |
| | **Ranking** | | | **4** | | **3** | | **2** | | **1** | | **5** | | **6** |

### 9.2.3 Commentary on allocated scores

***Criterion 1*** **-** Potential to meet objectives to reduce TB

All options provide for same testing regime, with option 1 scoring slightly less than the others (8 rather than 10) as the administration and management framework is less structured and formalised than with other options.

***Criterion 2*** - Ensures compliance with contract terms.

Option one scores lowest (5) against this criterion given the identified deficiencies in monitoring and controlling contract terms. All remaining options introduce an enhanced control framework to address these issues, and have scored 9 points.

***Criterion 3*** - Meets Legislative Requirements

Based on the analysis completed all options with the exception of option 5, appear to meet legislation requirements subject to a few points identified in the 2004 FVO Report. In light of this, these options have scored 8 out of 10.

Option 5, the use of lay testers, is undergoing a pilot study in GB at present. While initial guidance from the EU on this appears to support it as an option, questions remain as to whether it is fully compliant with EU Directives. In light of this it has scored zero.

***Criterion 4*** – Support APHIS Validation

All options require a validation of the data held on APHIS as a core element of the approach to testing and have therefore scored 10.

***Criterion 5*** – 90% of routine tests to be completed by private vets

Options 1, 2, 3a and 3b all provide for PVP testing to be completed at current levels, therefore meeting this criterion and scoring 10.

Options 4 & 5 seek to reduce the level of testing completed by private vets and therefore scored zero.

***Criterion 6*** – Facilitates the interface between BR & TB testing

Option 3a, which involves transferring brucellosis herd testing to PVPs, scores highest here (10 marks), as it removes the need for DARD to co-ordinate testers for TB & Brucellosis.

The remaining options all retain Brucellosis testing within DARD, thus requiring a level of co-ordination to be retained and so scored 8.

***Criterion 7*** – Enhances partnership working

Based on discussion with the PVPs it appears that partnership working would be enhanced through providing PVPs with a wider role in animal health and welfare. In light of this, option 3b scores highest at 10 marks.

The decreasing level of interaction and involvement between DARD and the PVPs received by the remaining options results in:

- Option 1 scoring 4, as it continues with existing arrangements;
- Option 4 scoring 1 as it reduces the role of the PVPS and therefore adversely impacts partnership working;
- Options 2 & 3a scoring 6 as it provides for improved communication between the parties which should enhance a partnership agreement;
- Option 5 scoring 4 as a reduced level of PVP testing could impact the nature of relationship with DARD and the PVPs quite severely.

***Criterion 8*** – Support on farm surveillance

Options 1 scored 5 against this given that they ensure a veterinary visit to a farm at least once per year. Options 2, 3a & 4 score higher at 7, assuming that reporting is formalised around animal welfare and epizootic disease.

Option 5, the use of lay testers scores 1 given the fact it removes the annual veterinary visit to a farm. Finally, option 3b scores highly 10 points given the increased role it provides to PVPs.

***Criterion 9*** – Retention of quorum of large animal vets

In the absence of a clearly defined requirement for the quorum of vets required to support an epizootic disease outbreak, those options which support PVPs have scored more highly than those which use DARD vets or lay testers, with:

- Options 1, 2, 3a scoring 8;
- Option 3b scoring 10;
- Option 4 scoring 7; and
- Option 5 scoring 2.

***Criterion 10*** – Allows for future potential for blood testing

No differential between options was noted against this criterion and all scored 8.

### 9.2.4 Conclusion

Based on this analysis Option 3b – extending the PVP role to include wider surveillance/bio security responsibilities scores highest, given the fact that it provides a greater opportunity to enhance partnership working by extending the PVP role to address wider animal health and welfare issues and allows for greater on farm surveillance.
A summary of the final scores together with the relative ranking is provided in Table 9.3 below.

Table 9.3
**Qualitative Evaluation Results**

| | Score | Rank |
|---|---|---|
| Option 1 - Baseline | 747 | 4 |
| Option 2 - Do Minimum | 857 | 3 |
| Option 3 a - Extend role to include BR | 873 | 2 |
| Option 3c - Extend role to include wider surveillance role | 929 | 1 |
| Option 4 - Increase DARD testing | 729 | 5 |
| Option 5 - Use Lay testers | 561 | 6 |

## 9.3 Quantitative Evaluation

### 9.3.1 Introduction

This section examines the potential monetary costs and benefits associated with the options identified for detailed investigation.

It should be noted that Option 1, is used as the baseline for comparison with all other options.

### 9.3.2 Costing Assumptions

In order to calculate the discounted costs/benefits of each option, cost estimates have been based on a number of high level assumptions. These are as follows:

- All costs are stated at 2004/05 prices;
- Analysis is completed over a ten year period as this was considered a reasonable timescale over which analysis of the quantitative costs and benefits can be analysed;
- Costs are discounted at a discount rate of 3.5% in line with HM Treasury's Green Book guidance;
- TB testing strategies applied (i.e. the completion of annual tests plus risk testing) remain over the period under review. This implies that testing levels and relationships between reactor levels and risk tests remain in line with 2004/05 levels;
- TB Testing levels have been calculated based on:
  - assumed animal numbers taking 2004/05 as a baseline and assuming a reduction to 1.5m animals by 2009/10[17], which is assumed to occur on a straight line basis over a 4 year period, with animal numbers remaining constant thereafter;
  - 100% of animals undergoing an annual test, with risk tests being completed in line with the relationship between 2004/05 reactors and the level of risk tests completed (85.75 animals tested in risk tests for each reactor). Estimated reactor levels have been provided by DARD up to 2008/09;

[17] based on advice from DARD

- Brucellosis testing levels and costs have been calculated based on herd testing only, and is based on brucellosis testing levels and costs provided by DARD for 2004/05. Key points to note within this are:
  - Brucellosis testing levels assume a constant relationship between overall animal numbers and the percentage requiring brucellosis testing as that in place in 2004/05 i.e. 37% of all animals requiring a brucellosis test;
  - The average cost per sample taken at a herd test is £1.23 based on 2004/05 levels for AWHI completed tests;
  - The cost per animal test if completed by PVPs is assumed to be completed by lay testers with the cost calculated based on AWHI costs to DARD plus a 50% uplift to allow for margin, administration and management overheads charged by PVPs for taking responsibility for this activity.
- PVP testing costs have been calculated based on an assumed level of tests being allocated to PVPs for each option:
  - Option 1 and 3b have been costed based on the average number, of tests assigned to PVPs in 2001-2005 period – 87%;
  - Option 4 for the initial assessment assumes a 50:50 split (these proportions can be varied); and
  - The average cost for a single PVP animal test was calculated using 2001-2005 actuals, which equates to £2.95 per test.
- VOT / TVO costs are based 2004/05 data provided by DARD staff. Based on this and the number of tests completed by DARD in 2004/05 an average cost per test was calculated at £2.18 – this is the basis used to cost all DARD TB tests;
- VSD costs are assumed to be driven by the number of tests and an average cost per animal test calculated based on 2004/05 levels;
- Compensation costs are calculated based on an average cost per reactor for 2004/05;
- Other Staff Costs, Research, Miscellaneous Costs and Tuberculin have been held constant at 2004/05 levels for all options
- Lay tester costs have been calculated based on AWHI costs to DARD plus a 50% uplift to allow for margin, administration and management overheads charged by PVPs for taking responsibility for this activity. It is assumed that Lay Testing begins in 2006/07;
- It has been assumed that option 3b will be costed using an additional half hour of a PVPs time on site at a cost of £61.56 per hour (BVA rate)

Further detail on the costs used and the assumptions applied are provided in Appendix II, which details the full model used to complete this analysis.

### 9.3.3 Outcome of Quantitative Evaluation

Based on the assumptions outlined above, a detailed evaluation was conducted of the costs associated with each option. The detailed spreadsheets used are provided in Appendix II, with a summary of the results provided in Table 9.4 below.

Table 9.4
**Quantitative Evaluation Results**

| | Option | | | | |
|---|---|---|---|---|---|
| | 1 & 2 | 3a | 3b | 4 | 5 |
| Laytester Costs | | | | | 22,649,304 |
| VSD COSTS | 4,629,278 | 4,629,278 | 4,629,278 | 4,629,278 | 4,629,278 |
| PVP COSTS | 62,392,027 | 62,392,027 | 62,392,027 | 35,914,015 | 14,182,504 |
| PVP Bio SECURITY COSTS | | | 7,700,000 | | |
| COMP INC HAULIER AND SALVAGE | 58,680,186 | 58,680,186 | 58,680,186 | 58,680,186 | 58,680,186 |
| *STAFF COSTS* | | | | | |
| Vet Officers and admin | 36,472,454 | 36,472,454 | 36,472,454 | 36,472,454 | 36,472,454 |
| VOT/TVO | 6,987,603 | 6,987,603 | 6,987,603 | 26,595,248 | 6,987,603 |
| BR Testing Herd Costs | 7,883,294 | 12,919,896 | 7,883,294 | 7,883,294 | 7,883,294 |
| DARD RESEARCH | 10,615,000 | 10,615,000 | 10,615,000 | 10,615,000 | 10,615,000 |
| MISC | 2,354,000 | 2,354,000 | 2,354,000 | 2,354,000 | 2,354,000 |
| TUBERCULIN | 9,196,000 | 9,196,000 | 9,196,000 | 9,196,000 | 9,196,000 |
| TOTAL REVENUE EXPENDITURE | 199,209,841 | 204,246,443 | 206,909,841 | 192,339,475 | 151,000,317 |
| Net Present Cost | 170,790,349 | 174,996,365 | 177,311,973 | 164,901,631 | 131,269,984 |

Based on this analysis it is evident that those options utilising lay testers and DARD staff to complete the testing have a lower Net Present Costs that those which employ the services of Private Veterinary Practitioners, an overall summary of results, including a ranking of options identifies the use of Lay Testers as the least cost option, followed by an option which uses DARD staff to complete 50% of testing. This summary is provided in Table 9.5 overleaf.

Table 9.5
**Quantitative Evaluation Results - Summary**

| OPTION | Baseline Cumulative NPV | Variance from Baseline | % Variance | Rank |
|---|---|---|---|---|
| | £'000 | £'000 | £'000 | |
| Option 1 - Do Nothing (Status Quo) | 170,790 | | | 3 |
| Option 2 - Implement Control Framework | 170,790 | 0 | 0% | 3 |
| Option 3a - Extend PVP role to include BR testing | 174,996 | 4,206 | 2% | 4 |
| Option 3b - Extend PVP role to include Wider investigation/ bio-surveilance role | 177,312 | 6,522 | 4% | 5 |
| Option 4 - Increased DARD testing | 164,902 | -5,889 | -3% | 2 |
| Option 5 - Use Laytesters to undertake TB tests | 131,270 | -39,520 | -23% | **1** |

The lowest cost option appears to be the use of lay testers to undertake TB test with a reduction of 23% over the baseline. Given the fact that the use of lay testers is undergoing a pilot study in GB, which will test the effectiveness of this option as well as it's compliance with legislation it is not an option that can be taken forward by DARD at this point in time.

The practicalities of increasing DARD testing levels also needs to be further investigated given the restriction on headcount levels within the NI Civil Service as well as the potential impact this could have on the rural economy.

Option 3b is the most expensive option, this is due to the increased cost for PVPs to undertake a wider surveillance/bio security role. In light of this it appears that the highest ranking option available to DARD at this point in time is Option 2, Do Minimum, which is also in line within current budgetary levels, based on the analysis completed.

## 9.4 Conclusion

The consolidated outcome of the option analysis completed within this section is provided in Table 9.6 below.

Table 9.6
**Evaluation Results - Summary**

| | Qualatative Results | | Quantitative Results | |
|---|---|---|---|---|
| | Score | Rank | £'000 | Rank |
| Option 1 - Baseline | 747 | 4 | 170,790 | 3 |
| Option 2 - Do Minimum | 857 | 3 | 170,790 | 3 |
| Option 3a - Extend role to include BR | 873 | 2 | 174,996 | 4 |
| Option 3b - Extend role to include wider surveillance role | **929** | **1** | 177,312 | 5 |
| Option 4 - Increase DARD testing | 729 | 5 | 164,902 | 2 |
| Option 5 - Use Laytesters to undertake TB tests | 561 | 6 | **131,270** | **1** |

The achievement of value for money is driven by balancing overall cost and the Quality/Effectiveness in service delivery that is, the balance between the qualitative and quantitative aspects of the options considered.

These overall results show a marked difference in the qualitative and quantitative scores across options. However excluding those options which cannot practically be taken forward at this point in time due to policy and legislative constraints, that is options 4 and 5, option 2 - Do Minimum is the next least cost option, an option which ranks third in qualitative terms.

This compares against the option which ranks highest in qualitative terms, Option 3b – Extending the PVP role to include a wider surveillance/bio security role, which has a marginally higher cost (4%). Consideration should be given to the types of services that could be provided with the additional time purchased within this option to assess whether this is a viable and affordable option in the longer term.

# 10. PREFERRED OPTION

## 10.1 Introduction

This section draws on the conclusions from the evaluation completed in Section 9, identifying and explaining the preferred option.

## 10.2 The Preferred Option

Given legislative, policy and budgetary constraints it appears that the option which offers the greatest quantitative and qualitative benefits for DARD at this point in time is Option 2. This option continues with the current arrangements, using PVPs to complete similar levels of testing. It does however establish a clearer monitoring and control framework to address the issues identified within the current arrangements.

Key aspects of the revised framework are;

- An updated contract which contractualises all the benefits which PVPs identify as part of the current arrangements e.g. disease surveillance, welfare reporting etc.

- Extending supervision and monitoring to incorporate all aspects of the TB testing arrangements i.e. ongoing compliance with registration criteria, submission of results within timescales, etc. The extent of arrangements under supervision and an assessment as to whether non compliance constitutes a major or minor fault should be articulated to provide a transparent approach to monitoring and supervision and an understanding of how non compliance will be viewed across all aspects;

- The development of key performance indicators to monitor overall performance. Potential indicators may be:

    - Timeliness of reporting;
    - Outcome of supervisions;
    - Record of reporting/results and those of DARD;
    - Compliance with registration processes including proper completion of legal documentation and maintaining equipment in serviceable condition.

- Developing a communications programme with key stakeholders to ensure there is transparency in the processes followed and standards applied to both PVPs and DARD staff, key areas to be addressed are;

    - Documentation and communication of the ground rules for the allocation of testing to both PVPs and VOTs. This should introduce transparency in the process and ensure test allocations processes are consistently applied across all DVO offices[18];

[18] A view expressed by PVPs was that no clear rules exist with regard to the allocation of tests between VOTs and PVPs, with the VOTs in many cases allocating the more difficult tests to the PVPs. Clear articulation of arrangements

- Communication of the overall monitoring and supervision processes applied to TB testers – that is both DARD staff and PVPs. This should serve to remove the view that PVPs are expected to operate at a higher standard that DARD testers;

- Establishing a discussion forum with PVPs to discuss and assess the overall TB Eradication Programme as well as wider animal health and welfare issues. This is a key strand to develop improved relations between DARD and the veterinary industry in NI, and should be established with a view to putting in place a partnership approach to dealing with animal health and welfare issues. Evidence to support this approach was provided in discussion with the veterinary associations and PVPs who indicated the benefits for wider disease control of regular updates on disease outbreaks at DVO level, which could aid service delivery and overall animal welfare;

- Review the e-PVP and APHIS systems to assess how the data held within these could be utilised to inform overall performance and contract management as well as from a wider animal health and welfare perspective. This could include allowing PVPs access to monitoring data on their performance, automatic updates to PVPs on the actions taken following reactors being declared on a farm and updates on regional TB outbreaks so PVPs can advise farmers of disease incidence in their area.

The key aim of the communications programme is to increase transparency in the process, both of TB testing standards and processes, as well of the TB eradication programme. This should lead to a better understanding between DARD and PVPs and allow both parties to work better together to reduce TB across NI,

- Consider developing a penalty regime which monitors performance and introduces financial penalties (e.g. withholding percentage of payment) for persistent non compliance with contract e.g. persistent late submission of reports. Potential penalties to be considered include:

  - issuing of warning letters;
  - retraining;
  - withholding payment;
  - deducting any element of payment;
  - increased supervision; and
  - withdrawal of Registration indefinitely or for a period of time;

  This must be supported by a means of examining the cause of non compliance in the first instance and penalising only when control for the fault rests with the PVPs. Consideration should also be given to putting in place penalties at a practice for non

for test allocation to all parties, and monitoring of compliance against these, should assist in addressing this perception.

compliance by individual vets, given that it is practice responsibility to manage its vets.

- Put in place a requirement for all PVPs to confirm ongoing compliance with registration criteria, that is:

  - DARD Health and safety policy;
  - Insurance levels; and
  - Update on all registered PVPs within the Practice and confirmation that these have retained RCVS registration in the period.

  It is accepted that this requirement places increased administration on the PVPs, and in light of this it is recommended that the return be designed to be as a simple one page update, circulated and complete electronically via e-PVP.

This option represented the minimum that should be taken forward to address deficiencies identified in the current management and administrative arrangements for TB testing, and reflects a number of initiatives already in place within DARD.

### 10.3 Future Options

DARD should continually assess the progress and outcome of the lay testing pilot underway as this option appears to have significant financial advantages. However it has currently scored poorly against the qualitative criteria given the fact that EU approval for wider roll out and buy in from the veterinary industry are unclear at this stage. Should these issues be addressed this option could have real merit and should be further analysed and evaluated.

Consideration should also be given, within the context of wider animal health and welfare development to extend the PVP role to include an increased role in farm surveillance given the marginal cost increase (4%) of this option over the do minimum and the higher qualitative benefits derived from this.

### 10.4 Additional Actions

A number of gaps in information and data were identified in completing this review, which limited the extent to which aspects of the analysis could be completed. To further inform decision making regarding the wider role of PVPs in NI, and support the implementation of the Animal Health & Welfare Strategy activity should be taken forward to gather this data. Key areas identified include:

- specification of detail on the quorum of large animal vets required to control and manage an epizootic disease outbreak in NI;
- analysis on the impact of veterinary practices on the rural economy; and
- further assessment of the potential charges for lay testers to validate this option.

This data will also be important to facilitate further evaluation of the lay testing option should the DEFRA Pilot prove successful.

# 11. IMPLEMENTATION AND CONTRACTUAL CONSIDERATIONS

## 11.1 Introduction

This section of the report assesses potential arrangements for implementing the preferred option, which continues with the use of PVPs for a significant proportion of TB tests.

## 11.2 Contract Arrangements

Key to implementing the preferred option is ensuring that contract arrangements are updated to reflect the new monitoring and control framework and that procurement of services is completed in an open and transparent manner.

A number of potential options were considered to support the tendering of PVP tendering services for DARD, all of which were considered against a range of core objectives, namely:

1. Ease of contract management
2. Potential to strengthen service quality
3. Market availability and appetite
4. Extent to which goodwill within arrangements can be developed to enhance partnership working
5. Impact on large animal vet availability across NI.

Four potential tendering options were identified, that is:

a) Do nothing – continue with current arrangements, registering at practice level on request from PVPs following successful completion of TB testing assessments;

b) To let a single contract for all TB testing across NI, based on a pre-developed standard contract which includes standard prices;

c) To let ten contracts for TB testing across NI, one in each DVO area, based on contract terms similar to (b) above; and

d) To let TB testing work using a Select List of PVPs. Only those PVP's bounded by pre-agreed contract terms and conditions will be invited onto the Select List and permitted to carry out TB testing. The contract will:

- Clearly articulate contract requirements through pre-defined service levels;
- Define the control framework to be applied; and
- Set out prices for testing, which could consider aligning charges in NI to those in ROI which are lower than DEFRA costs.

The detail of this is likely to receive a level of consultation with the sector. Each of these options has been assessed against its ability to meet the objectives, the outcome of which is provided in table 11.1 below.

Table 11.1
**Evaluation of tendering options**

| Option | 1. Ease of contract management | 2. Strengthen service quality | 3. Market availability and appetite | 4. Partnership potential | 5. Impact on vets in NI |
|---|---|---|---|---|---|
| **A** Do nothing | ✓ | ✓ | ✓✓✓ | ✓ | ✓✓✓ |
| **B** One contract | ✓✓✓ | ✓✓✓ | ✓ | ✓ | ✓ |
| **C** Ten contracts | ✓✓ | ✓✓✓ | ✓✓ | ✓ | ✓ |
| **D** Select List | ✓✓ | ✓✓✓ | ✓✓✓ | ✓✓✓ | ✓✓✓ |

**KEY:**
✓ Low
✓✓ Medium
✓✓✓ High

Based on the analysis completed above, the option to contract through a Select List appears to have the greatest potential to meet the stated objectives. This is due to the fact that while it retains registration at practice level, requiring a significant level of providers to be managed it includes clearly defined service levels to facilitate monitoring and ensure service quality is strengthened.

The risk for the one and ten contract options is the size and scale of veterinary practices in NI and the extent to which the market could respond to these tenders. These contracts could attract tenders from the wider European market, however it is as yet unclear how this would impact upon veterinary provision across NI, its impact on rural practices and how this would work in the event of a disease outbreak.

The existence of contractual terms and conditions, against which PVPs apply to a Select List should ensure complete transparency of expectations in delivery, thus contributing towards improved partnership working.

## 11.3 Conclusion

Based on this analysis it is recommended that DARD liaise with Central Procurement Directorate to develop tender documentation to facilitate the establishment of a contractual agreement and a Select List for TB testing services in NI.

This arrangement must be flexible enough to facilitate transition from veterinary surgeons completing tests to lay testers should this option be pursued in the longer term.

# APPENDIX I

# CONSULTATION MEETING NOTES

# APPENDIX II

# QUANTITATIVE ANALYSIS