

Food Standards Agency

Report on the effectiveness of the Animal Feed Official Control New Feed Delivery Model System (England)

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Executive summary

- 1 The new animal feed official control delivery model in England (NFDM) was introduced in April 2014 to help ensure that the UK could demonstrate that there was an effective system of official feed controls in place to protect animal and public health.
- 2 The NFDM has been extremely successful in:
 - delivering a planned national programme of risk-based official feed controls each year within a centrally funded budget of approximately £3m;
 - increasing Local Authority (LA) engagement in feed controls, from approximately 30% of relevant LAs before the scheme was introduced to all relevant LAs now being engaged;
 - implementing ‘earned recognition’ whereby assurance of some 42,000 feed businesses/farms is gained from third party industry audit, with a series of measures in place to verify the effectiveness of the industry assurance schemes; and
 - demonstrating to the European Commission Health and Food Safety – Audits and Analysis Directorate General (formerly the Food and Veterinary Office (FVO) that the delivery of animal feed official controls in England is compliant with EU law and thereby contributing to the removal of the risk of infraction proceedings against the UK.
- 3 The NFDM has been managed through a Memorandum of Understanding (MoU) between the FSA and National Trading Standards (NTS) with the NTS being responsible for coordinating the planning, monitoring and delivery of local authority (LA) official feed controls. This MoU expires on 31 March 2017 and this assessment of the current system, including information from one-to-one discussions with key stakeholders, surveys of LA officers, and initial high level findings from FSA audits of LA feed official control delivery, was undertaken to inform FSA decisions on next steps. It has identified strengths in the current system and also areas for improvement. More detail is given in the report, but most importantly it identifies that:
 - a flexible approach is needed for the future, one that is aligned to Regulating our Future (ROF) principles and can be changed more radically over the next few years as ROF develops; and
 - as part of the change programme, fundamental reviews of the approach to Earned Recognition and risk rating should be undertaken with the aim of introducing a simplified, more risk-based and less burdensome system of official feed controls for all concerned by 2018/19 that moves towards greater use of industry and assurance scheme data, within an appropriate

risk-based framework. This work should be informed by assessments of the standards achieved by industry assurance scheme businesses, the assurance that can be taken from the operation of the assurance schemes, and an assessment of LA data systems to ensure that agreed changes can be implemented effectively and consistently.

- 4 I have explored the roles and responsibilities of the parties involved in the NFDM and have considered a number of options, including continuation of the current approach, bringing the NTS coordination work ‘in-house’ or putting this work out to external tender. My conclusion is that continuation of the current approach would ensure that a solid foundation is in place on which to actively drive forward the changes indicated above and that, therefore, the FSA should agree a new three year MoU with the NTS which clarifies the outcomes to be achieved.
- 5 My report contains some 42 recommendations, ranging from quite detailed measures that should be undertaken in the short-term to improve the delivery of the NFDM, to more strategic changes for development over the next few years in line with RoF. For ease of reference, the recommendations are set out in greyed out boxes in the main text of this paper and are listed with suggested timescales for implementation at Annex 1.

1 Introduction

- 1.1 The Food Standards Agency (FSA) is the UK central competent authority for feed and is required under EU legislation to deliver of a programme of animal feed official controls carried out regularly, on a risk basis and with appropriate frequency. Moreover, effective, risk-based controls are a key factor in safeguarding animal and public health and contributing to the FSA's strategic outcome that 'food is safe and is what it says it is'.
- 1.2 Failure to deliver effective feed controls represents a significant risk to animal and public health and to the UK's ability to trade. LA figures indicate that there are approximately 207,000 feed businesses in the UK (145,000 in England of which 134,000 are farms covered by a food hygiene control programme carried out in conjunction with feed controls), contributing around £4.4b to the economy each year. Over the last few decades, contaminated animal feed has resulted in major incidents with serious implications for animal and public health: the Foot and Mouth outbreak in 2001 cost the UK economy over £8b and led to the slaughter of six million animals; the BSE crisis led to human fatalities from CJD and significant losses for the UK economy, including a ban on the export of UK beef. It was as a direct result of the BSE crises that the FSA was created to ensure the effective delivery of official food and feed controls to safeguard public health.
- 1.3 The new animal feed official control delivery model (NFDM) has been in place since April 2014 and is underpinned by a Memorandum of Understanding (MoU) between the FSA, National Trading Standards and the Chartered Trading Standards Institute (CTSi) which ends on 31 March 2017. As such it is timely to assess the effectiveness of the current arrangements and to consider whether any improvements might be made in future. This assessment is also timely given that the FSA has embarked on a wide ranging review of the delivery of all food and feed official controls, the 'Regulating our Future' (RoF) programme. It is important that any changes to the NFDM are aligned with RoF principles and the new delivery models for official controls that stem from RoF.

2 Background

- 2.1 Powers in England to deliver official controls for feed are delegated to local authorities (LAs) and the London Port Authority. To help LAs achieve effective and consistent official controls the FSA developed: a Feed and Food Law Enforcement Standard, which was published by the Agency as part of the [Framework Agreement](#) on Official Feed and Food Controls by LAs (last amended April 2010); a Feed Law Code of Practice (England) ([the Code](#)) (last

revised May 2014); Feed Law Practice Guidance (England) ([the Practice Guidance](#)) (last revised in June 2014) to assist LAs with the discharge of their statutory duty to enforce relevant feed law; and National Enforcement Priorities for feed controls issued annually.

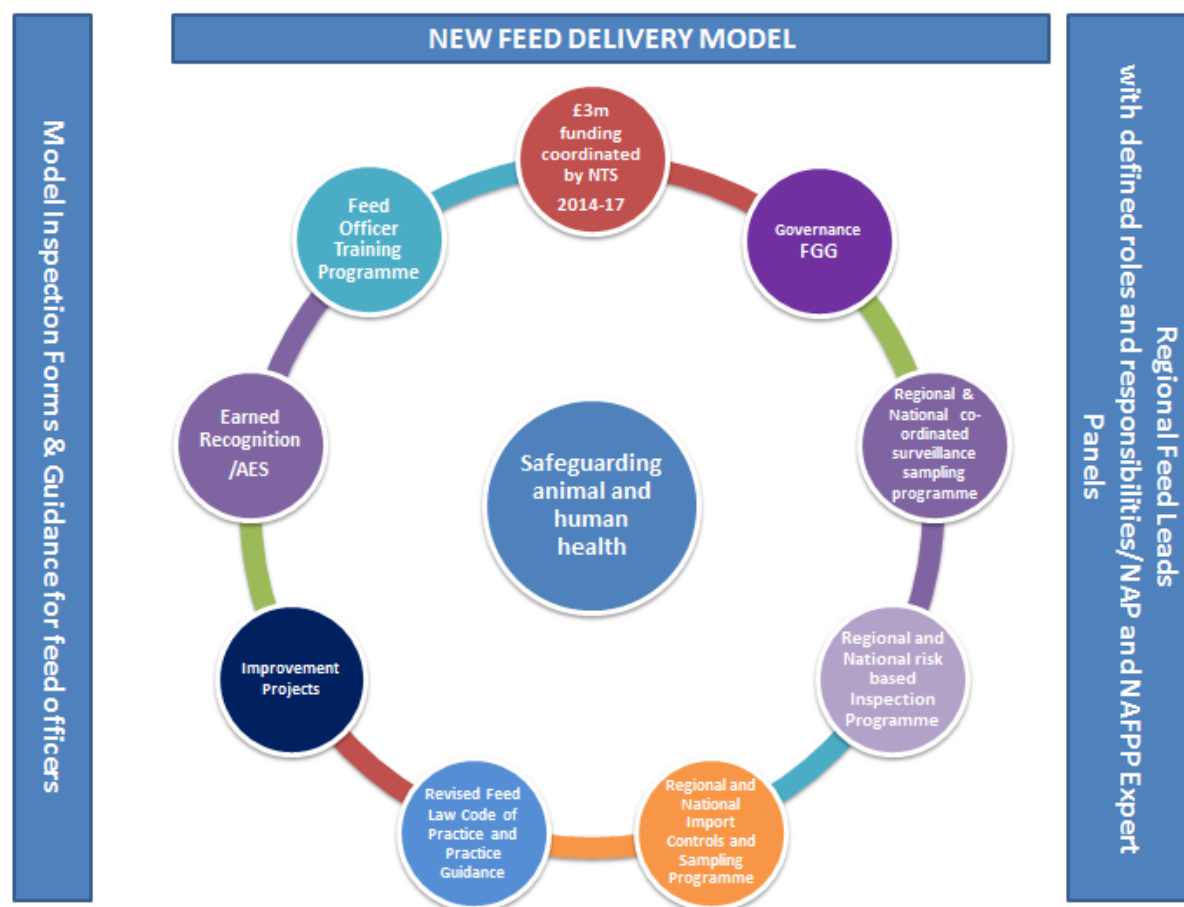
- 2.2 European Commission Food and Veterinary Office (FVO) audits in [2009](#) and [2011](#) and FSA audits of LAs highlighted significant concerns with the delivery of feed law official controls and questioned the sustainability of the delivery system in place at that time. Feed data returns to the FSA showed a continuing decline in LA delivery of feed controls. As a consequence there was concern that the delivery of official feed controls was not meeting the UK's and FSA's statutory obligations in line with Regulation (EC) 882/2004 on the delivery of feed and food law official controls, and there was a significant risk that the UK could face infraction proceedings (e.g. a fine and/or market restrictions) by the EU for failing to implement EU legislation to protect animal and public health.
- 2.3 The key failings identified by the FVO and FSA audits included:
- lack of quality controls;
 - weak feed controls at import and inland;
 - poor or variable HACCP based inspections;
 - poorly targeted sampling programme;
 - poor follow-up on non-compliant businesses;
 - low or no la priority given to feed; and
 - low quality data received by FSA from LAs.
- 2.4 Furthermore in 2011/12, only 44 (30%) of 147 relevant LAs in England were engaging with the FSA in respect of feed delivery and, with the continued tightening of resources for central and local government, there was a growing need to consider alternative approaches to the delivery of official feed controls.
- 2.5 As a result of the FVO audits, the decision was taken to address the situation in England by transferring funding from the Revenue Support Grant (RSG) to the FSA to allow money to be allocated directly to LAs on the basis of planned feed activity, i.e. inspections at frequencies determined by LAs under the Code, a programme of sampling based on National Enforcement Priorities set each year by the Agency, and import controls.
- 2.6 This change resulted in some improvement, but many LAs remained unwilling or unable to engage with feed controls and a comprehensive review of official animal feed controls by the FSA in 2012 concluded that further work was

necessary to establish an effective system of controls. Specifically, the review recommended:

- a revised Code and Practice Guidance;
- inspection frequencies determined by compliance history and FSA approved assurance scheme (FSA AAS) membership;
- approval of the Red Tractor Assurance and Agriculture Industries Confederation assurance schemes to support earned recognition and a reduced frequency of official controls for members of these schemes;
- ensuring LAs and other stakeholders were equipped with appropriate technical knowledge and information by improving the existing FSA feed training programmes;
- continuation of the dedicated funding (approximately £3m per year) to support official feed controls, using the money that had been transferred to the Agency from the Revenue Support Grant; and
- official controls coordinated by National Trading Standards (NTS) for an initial period of three years (2014-2017) through a memorandum of understanding (MoU) across nine English trading standards regions.

2.7 The new approach to delivery of feed controls in England (which became the NFDM) was first agreed by the FSA's Board in November 2012 and further endorsed at their meeting in April 2013. An FVO audit in January [2014](#), at which time the NFDM was being piloted in some regions, reported significant improvements in the system of controls and specifically acknowledged the positive impact of the targeted funding on ensuring effective delivery. The NFDM was formally introduced in April 2014. Figure 1 shows the main component parts making up the NFDM.

Figure 1: The New Feed Delivery Model (NFDM)



3 The NFDM – an assessment of progress to date

- 3.1 The primary objectives of this assessment were to evaluate: the effectiveness to date of the NFDM; the roles and responsibilities of the parties involved in the coordination, planning, and monitoring of the delivery of official feed controls; the implementation of earned recognition; and the value for money achieved.
- 3.2 In carrying out the assessment I have reviewed relevant documentation, had discussions with key players in the system (see list at Annex 3) and undertaken two short surveys – one of LA feed lead officers (referred to as the 'LA survey' in this paper) and one of regional feed lead officers, regional feed co-ordinators and LA members of the National Agriculture Panel (NAP) and the National Agriculture Feed at Ports Panel (NAFPP) (referred to as the 'regional survey' in this paper). There was a very good response to these surveys with 89 and 24 responses respectively. Extracts from the summaries of the survey responses are included at annex 2¹. I have also taken account

¹ To request full survey responses please email: feeddelivery@foodstandards.gsi.gov.uk

of the initial high level findings from FSA audits of the application of the NFDM in 11 LAs undertaken between July and September 2016. There will be a separate report on the outcome of this programme of audits in due course.

- 3.3 Recommendations for change are highlighted in greyed out boxes in the main part of this report and listed, together with suggested timescales for implementation, at Annex 1.

4 Overall conclusion

- 4.1 In judging whether the NFDM has been a success overall, it is important to remember the reasons for its introduction: there were low levels of LA engagement and little in the way of risk based feed controls being undertaken; some LAs had little to no feed resource, little experience and knowledge, and no significant history of undertaking feed work; the UK/FSA could not demonstrate that the UK feed official control system was compliant with EU legislation, raising the risk of infraction proceedings, including market restrictions; and, most importantly, the lack of an effective feed official control system provided insufficient assurance that industry was effectively managing risks to animal health from feed, and subsequent risks to public health.
- 4.2 Against this background, and whilst recognising that there remains much scope for improvement, the NFDM must be seen as a considerable success:
- a) there is now an established coordinated approach at national, regional and local levels to planning feed controls on a risk basis which generates a national interventions programme for feed inspections, sampling and import checks for the year ahead;
 - b) all relevant LAs are actively engaged in planning feed official controls and ensuring the delivery of those controls;
 - c) intervention programmes are actively monitored to ensure delivery against plan and budget with intervention plans being revised in-year when necessary;
 - d) estimated benefits to businesses and LAs as a result of the introduction of Earned Recognition have been met with reductions of some 50% in official inspections that would otherwise have been required;
 - e) though more needs to be done to provide more comprehensive measurement of the impact of feed controls, high level trends show improving levels of feed business compliance (as reported in the [2015/16 NTS annual](#) report;.
 - f) a 'softer' indication of the success of the NFDM is how it feels to those involved. The overwhelming impression from my contacts in undertaking this assessment is that a strong 'we are all in this together' mentality has developed at all levels and there is a desire not to let anyone down. This is a

- significant improvement on the patchy and disjointed approach to feed delivery that existed prior to the NFDM;
- g) the Health and Food Safety – Audits and Analysis Directorate of the European Commission not only consider that the NFDM is compliant with EU law, thus removing the threat of infraction proceedings, but, further to their feed study visit to the UK in January 2016, gave very positive feedback about the approach to Earned Recognition (ER) that has been implemented as part of NFDM. The UK is seen to be a leading Member State in this respect and the FSA has been invited to present at EU forums on our experience of gaining assurance of business standards from industry assurance schemes; and
 - h) finally, since the introduction of the NFDM there have been no significant feed related incidents.

5 Key reasons why the NFDM has worked

- 5.1 Fundamentally, ring-fenced funding has provided certainty that the costs to LAs of undertaking planned work will be met. This, together with the fact that the planning processes for feed official controls are undertaken in good time to inform LA resource planning, has helped ensure commitment to feed work at LA level and the retention of and addition to LA feed resources.
- 5.2 The revised statutory Code of Practice and practice guidance, annual National Enforcement Priorities, training, guidance and advice provided since the introduction on the NFDM have provided greater clarity on the controls that are needed and underpinned improved consistency in their application.
- 5.3 The structures that underpin the NFDM have brought together those involved in feed work at all levels to recognise the importance and priority of feed work and to work together in a coordinated way to work towards the common goal of effective and consistent delivery of a national programme of feed controls to protect animal and public health. Central to this have been the key roles of certain of the players in the structure, in particular:
 - a) the Feed Governance Group, consisting of NTS Board members and FSA officials set up by NTS to govern the Feed Delivery Programme, has provided strong strategic leadership for the scheme, making strategic decisions on matters of implementation, agreeing budgets, grant allocations and delivery plans. The Group conducts its business in an open and constructive manner to challenge aspects of the scheme where appropriate and to drive forward the continuous improvement of the scheme. As a former member of the FGG I have seen at first hand the willingness of members of the Group to challenge themselves and their colleagues to address difficult and sometimes sensitive and contentious issues to improve the delivery of the NFDM;

- b) NTS which has provided strong professional leadership to galvanise the profession in prioritising feed work, managed and controlled the planning and monitoring of the feed delivery programme to ensure delivery against plan and budget, and fully utilised the LA trading standards network at all levels to recognise the importance of feed controls, to prioritise feed delivery and to drive up skills and knowledge of feed controls;
- c) the reorganised and re-energised National Agriculture Panel (NAP) and the National Animal Feed at Ports Panel (NAFPP) through which expertise from across the country – and from other UK countries – has been brought together to drive improvements in feed enforcement through sharing experience and knowledge and disseminating advice and guidance to LAs; and
- d) the network of LA regional feed leads and LA regional feed coordinators in the nine trading standards regions in England, again bringing officers together; sharing and increasing officer knowledge and experience; driving consistency of approach; providing an essential bridge from LAs to the NTS and FSA on the planning and monitoring of controls; and perhaps most importantly given the continuing pressure on LA resources, provided flexibility for sharing of resources and cross-boundary working.

6 Scope to improve the NFDM

- 6.1 Whilst the NFDM must be regarded as a success overall, there have been many problems to address over the last two and half years and to some extent the scheme has been on, and continues to be on, a path of continuous improvement. There remain a number of areas for improvement which I have included below under the headings of: data issues; governance, roles and responsibilities; value for money; earned recognition; risk-based controls; and resilience and sustainability.

7 LA feed business data

- 7.1 The degree of accuracy in determining intervention frequencies on a risk basis is dependent on LAs using up-to-date accurate data relating to each feed business/farm, including whether the business/farm is a member of an FSA approved assurance scheme. It is of concern, therefore, that initial high level findings from the FSA audits of LAs point to a number of problems in this area. In addition, in response to three questions in the LA Survey and Regional Survey, between 26% to 61% of respondents indicated that they were less than 'quite confident' that various types of LA data were up-to-date

and accurate (see Annex 2). There are some relatively straightforward things that might be done to improve this situation, e.g. LAs should routinely check assurance scheme websites to update their data on assurance scheme membership. Clearer guidance could also be made available to LAs on data requirements, for example there is currently a lack of advice on how application of earned recognition and alternative enforcement strategies should be tracked and recorded. Work should also be taken forward with the relevant software houses to ensure there is a clear understanding of the degree to which LA databases are capable of being configured to extract data to apply the schemes and to report information as required. This understanding will be essential to ensure that recommendations made later in this paper to simplify and improve the approach to earned recognition and risk rating might be implemented effectively.

Recommendation 1: NTS to disseminate good practice to improve consistency in data capture, use and reporting by LAs.

Recommendation 2: FSA to review the need for additional guidance to LAs on data capture, use and reporting.

Recommendation 3: FSA/NTS to develop plans to work with software houses to understand the capabilities and limitations of the software systems used by LAs.

8 Governance and roles and responsibilities

- 8.1 Governance of the NFDM at a national level is underpinned by Memoranda of Understanding (MoU), between: the FSA and NTS/CTSi; the FSA and the Agriculture Industries Confederation (AIC); and the FSA and Red Tractor Assurance (RT). Performance against the MoUs is monitored in regular meetings between the parties concerned and formal annual reviews of the MoU's are carried out.

National Trading Standards

- 8.2 The FSA/NTS/CTSi MoU provides the necessary structure for the governance of the Feed Delivery Programme, setting out the roles and responsibilities of the various parties. As explained elsewhere in this paper, the NTS role has been key to the success to date of the NFDM and has provided good value for money. The continuing involvement of the NTS would help ensure a firm base on which to further improve the NFDM and consideration should be given to revising the role of the NTS to move beyond the current primary objective of

coordinating the planning, monitoring, delivery and associated funding of official feed controls. For example, the NTS role could usefully include the development of outcome indicators, in particular relating to the impact of the controls undertaken (e.g. indicators of changing levels of business compliance), outcome targets, the collection of data to measure progress against targets, and more generally to support the FSA on the strategic development of the NFDM in line with RoF principles.

Recommendation 4: FSA, NTS and CTSi to develop and agree a new MoU for a further period of three years (subject to regular review), providing an enhanced role for the NTS.

- 8.3 The FSA enjoys a close and effective relationship with the NTS. However, as the Competent Authority responsible for the effective delivery of feed controls to protect animal and public health, and the body accountable to Parliament for the appropriate use of the available funding, FSA requests for assurance on these matters can sometimes generate situations which risk duplication of effort by NTS and the FSA. To mitigate this risk, there needs to be absolute clarity of understanding as to the roles and responsibilities of the both parties. In particular, delegated finance limits and finance procedures need to be reviewed to ensure that there is an agreed understanding on these matters and to consider whether delegated authority limits which allow the NTS to make finance decisions without clearance from the FSA, remain appropriate or whether they might be extended. Also, the approaches taken by the NTS and FSA in communicating with LAs on feed matters could usefully be reviewed to ensure consistent and agreed messaging and, where possible, a single communications route from the FSA/NTS to and from LAs.

Recommendation 5: FSA and NTS to review roles and responsibilities with particular regard to matters of finance and communications to ensure an agreed understanding and to reduce scope for duplication of effort.

The Feed Governance Group

- 8.4 As mentioned in Section 5 above, the Feed Governance Group, consisting of NTS Board members and FSA officials was set up by NTS to govern the NFDM and has provided strong strategic leadership for the scheme. The Group will have a key role to play in helping to develop, prioritise and deliver

the possible developments of the NFDM suggested in this paper and the role of the Group should continue unchanged.

The FSA Approved Assurance Schemes (FSA AAS)

- 8.5 Governance arrangements between the FSA and the FSA AAS (AIC and RT), are well established and effective, such that it might now be possible to introduce changes to simplify matters of administration and produce efficiencies for the schemes and the FSA. For example, consideration should be given to reducing the number of governance meetings from four to two per year with provision for extra meetings as required to discuss new or emerging issues. As discussed later in this paper (see Section 10, paragraph 5(b)), the FSA has not been able to obtain certain data from LAs on official control inspections of FSA AAS businesses, which the FSA is required to share with the AAS under the terms of the MoUs. The FSA should continue to explore ways of obtaining this data, whilst reviewing the need for this MoU requirement in the light any changes in the approach to ER that might stem from the suggestions made later in the paper.

Recommendation 6: FSA and FSA AAS to explore the scope for reducing administrative arrangements to provide efficiencies for all parties without impacting negatively on governance and assurance arrangements

- 8.6 Efforts to build stronger communication links between FSA AAS and LAs must be maintained. For example: the recent development of AAS representatives attending NAP and NAFPP meetings is a positive development and should continue subject to consideration of the agendas for each meeting; LAs will soon be able to receive the specific reason why a feed business leaves an AAS or is removed from a scheme, which is an important development and one that will provide an invaluable source of local intelligence about individual businesses; further opportunities (e.g. shadow audits, joint training sessions etc.) should be explored to improve linkages between AAS and LAs; and the FSA must ensure that relevant feedback from FSA/AAS discussions is provided to the NTS, FGG, NAP, NAFPP and LAs as appropriate.

Recommendation 7: all parties to maintain and build on recent improvements in communications between the FSA AAS and LAs, exploring further opportunities to improve links between these parties

9 Value for money (VFM)

VFM in context

- 9.1 In considering whether the NDFM is delivering VFM it is first important to recognise the fact that the funding that the FSA makes available for feed controls in England was transferred to the FSA from the Revenue Support Grant (RSG), it being the amount estimated that was available from the RSG for LAs to undertake feed work. As such, the funding is effectively ring-fenced for feed official controls.
- 9.2 It is also important to consider the feed budget (circa £3m), in the context of the industry being regulated and the potential impact should risks to animal and/or public health be realised. The budget is small in comparison to the value of the feed sector (£4.4b) and the livestock and food industries that depend on the sector. The budget is also small in comparison to the potential costs to the UK economy in the event of feed related animal and/or public health incidents as was clearly evident from the serious impacts of the BSE and foot and mouth incidents in the not too distant past.
- 9.3 Finally in terms of context, the feed budget is also small in comparison to FSA expenditure on food related matters. The balance of FSA expenditure on feed and food matters is something that the FSA's Investment Board should continue to keep under review to ensure that it is aligned to the needs of the respective control systems and the respective risks to animal health, public health and the UK economy.
- 9.4 Set against the above context, FSA expenditure on feed official controls represents good value for money. The NDFM can also be viewed as providing good value for money because, overall, it has delivered what it set out to do, i.e. to deliver a nationally co-ordinated programme of risk based official feed controls. Expenditure has been aligned with planned programmes of work and monitored to ensure the budget has been fully utilised by the end of each financial year.
- 9.5 Importantly, the introduction of Earned Recognition (ER) has realised cost reductions and benefits for businesses and LAs in terms of reducing the number of official inspections required, compared to those that would have been required had ER not been introduced. Estimated reductions of official inspections of 42% in 2014/15, 58% in 2015/16, and 56% in 2016/17 are in line with the reduction of 53% pa that was estimated in FSA's Impact Assessment of 20 March 2014 into revising the Feed Law Code of Practice to introduce ER in the feed sector. It follows from these reductions that the potential cost of LA feed controls has been approximately halved through the

introduction of ER. In addition, a significant proportion of the inspections that have not been necessary because of the introduction of ER relate to farms, which is consistent with the political drive to reduce footfall and burdens on farm and the related cross Whitehall initiative to reduce and better coordinate inspections on farm being led by the Animal and Plant Health Agency.

- 9.6 The NDFM can also be viewed as providing good VFM in that over and above the LA interventions directly funded by the FSA, additional work is undertaken by many LAs (though not all LAs as indicated by responses to question 15 of the LA Survey (see Annex 2) to follow-up issues found at programmed/funded inspections. Anecdotally, it has been suggested that this additional work can provide 20% - 30% added value to the controls that are centrally funded. Furthermore, the fact that the NDFM has resulted in trading standards officers inspecting feed businesses/farms has provided the opportunity to achieve efficiencies by taking the opportunity to provide advice and guidance and, if necessary, action in other areas of regulation, e.g. animal bi-products, biosecurity, animal health, animal welfare etc.
- 9.7 Whilst the NDFM can be viewed as providing good value for money for the reasons above, there are nevertheless opportunities to make improvements, for example:
- a) As mentioned earlier in this paper, outcome measures of feed controls need to be developed and doing so would allow a more detailed assessment of value for money to be undertaken in future.

Recommendation 8: NTS/FSA to develop outcome targets and performance indicators to allow future assessments of value for money to include measurement of progress against outcome targets

- b) The risk rating system for determining inspection frequencies (see Section 11 below), and the design and implementation of ER (see Section 10 below) might be simplified to help ensure consistency of approach and official controls more effectively focussed on the highest risk businesses. Doing so could also deliver savings for LAs through easier application of the systems, particularly if related data recording requirements are also simplified.

Recommendation 9: FSA to simplify the risk rating and earned recognition systems to ensure official inspections are risk based and to improve consistency and ease of application by LAs

- c) Possible changes to the approach to risk rating and earned recognition might include having increased regard to assurance of business standards from sources other than official controls, e.g. the FSA AAS, business own checks, Primary Authority scheme (see Sections 10 and 11 below), and thereby provide scope to reduce the number of official inspections that are required, with an associated reduction in costs.

Recommendation 10: FSA to explore scope for reducing the need for official interventions, in particular by having more regard to sources of assurance other than official inspection, working to an initial 10% target for reduced interventions and associated costs in 2018/19.

- d) There are variations in the regional costs of LA feed interventions and in the average time of interventions by business type, that are used to calculate LA costs for the work undertaken. Some of these variations are significant. Proposed increases in regional rates were challenged by FGG/NTS before the start of the current financial year with the result that proposed increases were generally held to the rate of inflation. However, some significant variations in rates remain and need to be investigated. Whilst there may be good reasons for some variations, e.g. different employment costs in different parts of the country, the reasons for the variations need to be fully understood and the aim should be to get as close as possible to standard intervention costs and typical intervention times for the different business types.

Recommendation 11: NTS to undertake a full evaluation of regional costs in delivering official inspections and apply standard unit costs to finance planning for 2018/19, varied only where there are acceptable reasons and subject to a maximum tolerance level to be set.

The Improvement projects, costing £0.5m over the first two years of the NFDM, looked at a range of important feed enforcement issues, identified matters of concern and produced a range of useful outcomes, e.g. e.g. targeted sampling and follow-up action, the development of model inspection forms, guidance to improve LA consistency, assessment of potential threats to the safety of animal feed etc.. These projects were important given that the NFDM was starting from an inadequate and patchy approach to feed controls, but they have nevertheless raised some VFM concerns. For example, a project on surplus food was not completed by the region responsible and notice of non-completion came too late in the financial year to enable the budget/work to be redistributed. Also of concern is that, whilst some LAs have not been directly involved in the improvement projects and certain projects may not be directly relevant to some LAs, the responses to question

26 of the LA Survey and question 25 of the Regional Survey (see Annex 2) indicate a highly variable level of awareness of the projects that have been undertaken and some doubt as to whether some of the projects have had or will lead to improvements in the delivery and effectiveness of feed official controls.

Recommendation 12: NTS to apply tighter planning, monitoring and control to future improvement projects to ensure delivery against plan, and improve communication at all levels of the control system to raise awareness of the projects to ensure optimum use is made of project outcomes.

- e) The creation of the FSA's Investment Board (IB) has, from the beginning of 2016/17, led to a change of approach to agreeing budgets for feed improvement projects, consistent with the approach taken for all other bids for FSA expenditure. As a result of this, there is currently no budget in place for improvement projects. Instead, budgets for any proposed projects must be agreed by the FSA IB on a case by case basis on consideration of a robust business case. There is a view held by FGG members that the lack of a readily available budget might limit the Group's effectiveness, in particular its ability to react quickly to intelligence of threats to feed safety. Whilst this concern is understandable, the principles and processes of the IB must be followed for all FSA expenditure. It will be important for the FSA's feed operational policy team to continue to work effectively with the IB to ensure funding decisions are made as quickly as possible. I also suggest that the scope for flexibility in the current planning and funding arrangements for feed official controls might be reviewed to ensure that funding can be moved quickly from planned programmed work to allow the FGG to respond effectively to intelligence of a potential threat to feed safety (see also comments on the use of intelligence to inform feed controls at Section 11, paragraph 3(d) below).

Recommendation 13: FSA to ensure the planned programme of official feed controls is flexible enough to enable resources to be re-routed quickly to higher priority work in response to intelligence

- f) The combined cost of the NTS role (approx. £130k pa) and the regional role (£225k pa) of £355k pa amounts to approximately 13% of the available budget for feed/ primary production controls in 2016/17. This is a significant overhead and ideally a greater proportion of the budget would be used to fund the interventions being carried out. However, these roles have been crucial to the implementation of the NFDM, will be essential to the future success and development of the scheme, and should therefore continue to be funded for the foreseeable future.
- g) The coordination role of the NTS and the finance role of the CTSi, which together cost approximately £130k pa, could be undertaken by the FSA, as they are in Wales. However, doing so could risk the effectiveness of the NFDM and would be unlikely to reduce costs. In Wales, the NTS coordination role in addition to providing technical support to LAs is undertaken by 0.7 – 0.8 of one FSA FTE with support from other colleagues as necessary. The scale of the feed industry and LAs in Wales and England are very different (145,000 businesses and 147 LAs in England compared to 20,000 businesses and 22 LAs in Wales). The position in Wales is considered to be similar to one of the regions in England, of which there are nine. Even allowing for economies of scale, at least two additional officers would be needed by FSA to undertake the tasks in England that are undertaken by the FSA in Wales and the costs of employing these officers would be little different from the funding that is provided to the NTS/CTSi. I also agree with the views expressed by many of the stakeholders I spoke to, that NTS involvement and leadership has been an important factor in raising and maintaining the profile of feed controls within the trading standards profession and in delivering the current position where there are strong regional feed networks and all LAs are actively engaged in the planning process; a position the FSA was unable to achieve when it attempted to work directly with and directly fund 147 individual LAs in England prior to the introduction of the new scheme. There is the option of putting the NTS role out to tender, but I would not recommend doing so at this time given that NTS continues to be uniquely placed to undertake the role and has done so successfully. Also, the recommendations in this paper, if accepted, and the RoF programme signal a period of significant change over the next few years and the experience, knowledge and continuity of NTS involvement will be important factors in developing and implementing the change programme. Therefore, I consider that the continued involvement of the NTS, and the development of the NTS role, as recommended in recommendation 4 above, will be important to build on the success to date of the NFDM and would continue provide good value for money.

- h) As regards the centrally funded costs of regional working (£25k pa per region, £225k pa in total), this has also been money well spent given the pivotal role that the regional network plays in the system. However, these costs do need to be kept under review. A flat rate fee of £25k is provided to each region for this work, yet each region has very different numbers of LAs to support and different numbers and types of feed businesses to inspect. NTS is alive to this issue, which is common to other aspects of trading standards work, and has considered whether there are other ways of calculating regional funding levels (e.g. relevant to the scale of the feed industry in each region) but has yet to come up with a feasible alternative to a flat rate fee. It is essential that regional working, which is a cornerstone for the success of the NFDM, does not suffer as a result of this funding arrangement, i.e. that regions with the biggest workload are unable to maintain effective regional feed lead and co-ordination functions.

Recommendation 14: NTS to keep the costs of each region under regular review to determine whether the flat fee funding arrangement is effective, and to assess whether a redistribution of the regional budget would be appropriate.

10 Earned Recognition (ER)

- 10.1 As mentioned earlier, the approach taken to ER has been viewed favourably by the Health and Food Safety – Audits and Analysis Directorate General of the European Commission and inspection data indicates that it is delivering the benefits that were intended, i.e. reduced inspection frequencies for ER qualifying businesses than would otherwise have been due, thus reducing burdens both for the businesses concerned and the LAs.
- 10.2 In terms of scale, membership of FSA AAS is significant with, for example, the AIC assurance schemes covering an estimated 98% of the compound feed market, and an estimated 95% of the UK traded grain market, and the RT assurance schemes covering between an estimated 65% and 95% of the different types of farm production measured in terms of value, volume or acreage. In terms of numbers of businesses, LA data indicates that the AIC schemes cover some 1,700 of 11,000 registered feed businesses (except farms) and that the RT schemes covers some 40,000 of 134,000 registered farms (including on farm feed mixers) (all figures rounded). Whilst there are doubts on the accuracy of this LA data, e.g. the number of farms is some 30,000 higher than a Defra census in 2013, it nevertheless seems to be the case that there are significant numbers of feed businesses and farms that are not members of the FSA AAS.

- 10.3 Much scope remains to improve the implementation and application of ER. Of concern is that the recent FSA audits of 11 LAs have shown that not all LAs have implemented ER (either Type 1 ER or Type 2 ER), a finding was that echoed by many of the stakeholders I spoke to. The FSA audits also point to those LAs that have implemented ER experiencing a number of difficulties, e.g. the use of out of date ACTSO risk rating schemes, the incorrect application or non-application of Likelihood of Compliance scores, out of date data relating to business membership of FSA AAS etc., all of which have the potential to lead to inspections not being undertaken on an accurate risk basis. In addition, responses to question 7 of the LA Survey and Regional Surveys indicate that 26% and 61% of respondents respectively were less than 'quite confident' in the accuracy of LA data on business membership of FSA AAS (see Annex 2). Against this background it is not surprising that there is anecdotal evidence that some FSA AAS businesses are unnecessarily being subject to official inspections.

Recommendation 15: NTS to lead a programme of work to support the FSA in ensuring all LAs implemented ER and to improve the consistency of the application of ER

- 10.4 Over and above the work needed to ensure implementation and consistency of the current approach to ER in the short term, there should be a more fundamental review of how ER is used to influence the frequency of official inspections. This review should focus on opportunities to further reduce the need for official interventions and to simplify the approach to ER which, in turn, should lead to more accurate and consistent application. To inform this review, there should be a re-assessment of the two approved assurance schemes. There are some differences between the two, e.g. in the approach to undertaking unannounced audits, and the FSA need to be content that the schemes provide the required level of assurance before considering any extension of the approach to ER. This re-assessment should be accompanied by an assessment of the compliance standards of businesses that are members of AAS and a comparison of those standards with businesses that are not members of AAS. Currently, whilst some work is being done on this at regional LA level, there is not an established system or sufficient data to carry out such an assessment at national level.

Recommendation 16: FSA to carry out an assessment of the assurance provided by the FSA AAS to confirm that the schemes provide reliable assurance

Recommendation 17: NTS to carry out an assessment of compliance standards of FSA AAS businesses, perhaps building on current initiatives at regional level

Recommendation 18: FSA to undertake a fundamental review of ER to explore opportunities to further reduce the need for official interventions and to simplify the approach to ER

10.5 Potential changes to Type 1 ER, i.e. for feed businesses that are members of FSA AAS, include:

- a) Review required official control/ER verification inspection frequencies which, according to the risk profile of businesses, vary significantly under current arrangements. For some businesses the official control/ER verification inspection frequency is 50 years, for others it is just one year longer than it would be for non FSA AAS member businesses, e.g. from 4 to 5 years. Whilst these differences are based on the different risks posed by the different business types, it is questionable whether this approach is a reasonable and consistent application of ER principles. If there is confidence in the assurance gained from AAS, consideration could be given to all member businesses benefitting from the same official control/ER verification inspection frequency, or potentially, from no official control inspections being undertaken unless intelligence points to the need for intervention. To the extent that verification of FSA AAS is needed consideration should be given to ways of providing this other than via inspections.

Recommendation 19: FSA to review the official inspection frequencies of FSA AAS member businesses to ensure full regard is had to the assurance of business standards provided by the assurance schemes.

- b) Review the rationale for the 2% (1 in 50 years) ER verification inspections of certain FSA AAS member businesses. The purpose of these inspections is primarily to contribute to the assurance needed of the standards operated by, and the effectiveness of, the assurance schemes. However, little information has been made available from these inspections for assessment at a national/policy level and the data that is available from quarterly returns does not provide details of compliance issues or allow a breakdown of how the inspections undertaken relate to each of the assurance schemes. There are other ways of providing the assurance needed, e.g. through shadow audits involving official control officers accompanying ASS auditors, which would be beneficial in reducing footfall on farm/at businesses and helping to improve communications and understanding between the AASs and the official enforcement body. If the 2% inspection frequency is maintained, the problem

mentioned above (section 8, paragraph 5) of a lack of data to demonstrate that these inspections are being undertaken, and to enable the FSA to report this data to the AS bodies as required in MoUs, must be resolved. This data issue may be improved by a new system of a regional narrative reports to NAP every six months (the first reports are due in October), but this will need to be assessed.

Recommendation 20: FSA to review the need for 2% (one in fifty years) sample official inspections and whether assurance of FSA AAS standards might be achieved in other ways.

- c) Review whether farms and other feed businesses that are members of FSA AAS and subject to Annex II of Regulation (EC) 183/2005 on feed hygiene should be able to qualify for ER without the need for prior inspection by the LA. Whilst these inspections are beneficial in a number of ways, e.g. increasing LA knowledge of businesses in their area and providing the opportunity to give wide ranging advice and guidance, if there is confidence in the assurance schemes and the compliance standards of scheme businesses, why should a prior official control inspection be required?

Recommendation 21: FSA to review the need for official inspection of FSA AAS businesses subject to Annex II of Regulation (EC) No 183/2005 prior to applying earned recognition

10.6 Potential changes to Type 2 ER, i.e. for businesses that are not members of a FSA AAS, but demonstrate a minimum of ‘broad’ compliance” under the FSA risk rating scheme or a minimum of ‘high’ likelihood of compliance” under the ACTSO risk assessment scheme, include:

- a) Under Alternative Enforcement Strategies (AES) that apply to these businesses, LAs send a questionnaire to each business after five years qualification for Type 2 ER, the main purpose of which is to check whether there have been significant changes to the business that impact on its risk assessment. However, feed business operators are already required to report such changes as they occur and, as such, the need for the questionnaire is questionable, particularly when considered in the light of the burdens it generates both for LAs and the businesses concerned. There are other ways this issue might be addressed. For example, feed businesses should be advised of this requirement as part of the registration/approval process and reminded of it in future correspondence, perhaps with the issue of a standard reminder letter at specified frequencies which would require a response from the business only if significant changes had occurred.

Recommendation 22: FSA to review the need for five yearly questionnaires under AES arrangements for Type 2 ER businesses

- b) Type 2 ER businesses are subject to official inspection after a period of 10 years unless earlier inspection is deemed necessary as a result of information in the five year questionnaires or other intelligence. These businesses have been assessed as broadly compliant and it is questionable whether the inspection of such businesses is necessary on a risk basis and a good use of LA time if there is no reason to suggest that the risks posed by the business, or the compliance standards of the business have changed.
- c) The risk rating scheme distinguishes between broadly compliant businesses, which qualify for Type 2 ER, and satisfactorily compliant businesses, which do not. However, there is little benefit in terms of a longer frequency of intervention for businesses that are broadly compliant as opposed to those that are satisfactorily compliant. Consideration could be given to whether this distinction is necessary from a risk management point of view, whether the categories could be combined to bring many more businesses into Type 2 ER arrangements, or, if not, whether longer intervention frequencies could be justified for broadly compliant businesses.

Recommendation 24: FSA to consider combining the 'satisfactory' and 'broadly compliant' risk categories.

10.7 More generally on the potential for maximising the use and benefits from ER, the following opportunities could be explored:

- a) There are industry assurance schemes other than those already approved for ER (i.e. RT and AIC) that operate in the feed sector, e.g. the British Egg Industry Council (which has had discussions with the FSA about the possibility of being recognised for ER) and the National Association of Agriculture Contractors. The FSA should continue to liaise with these and any other assurance schemes operating in the sector to consider whether they might be approved for ER.

Recommendation 25: FSA to continue to explore the scope for other assurance schemes operating in the feed sector to be recognised for ER.

- b) Primary Authority (PA) partnerships are not widely used in the feed sector. This may be a result of the fact that many feed businesses are members of industry assurance schemes and may not consider that PA arrangements would provide additional benefits. As part of RoF, and aligned with the development of possible changes to the risk rating schemes for food official controls, consideration could be given to applying a reduced risk factor to PA

businesses in recognition of the increased assurance of business compliance that can be gained from PA arrangements, e.g. via businesses following assured PA guidance. The application of a reduced risk factor would result in a reduced need for official inspection which might encourage more businesses, and perhaps trade associations, to consider the possibility of forming a PA partnership with a LA with experience of the feed sector.

Recommendation 26: FSA to consider whether a reduced risk factor should be applied to feed businesses in PA partnerships such that less frequent official inspections would be required, and to consider whether and how the benefits of PA might be promoted to feed businesses.

- c) There are areas of legislation that are not covered by ER arrangements even though they are covered by one of the FSA AAS, e.g. TSE & ABP legislation aspects of which are enforced by the Animal and Plant Health Agency. The FSA might consider with other government departments as appropriate whether ER could be extended to cover these other areas of regulation. The key point here is that, wherever possible, it might be beneficial in future to consider the development of ER across the range of regulation applicable to businesses to assess whether a more joined-up, multi regulatory/regulatory body approach could be developed, rather than developing separate ER schemes for each area of applicable legislation in isolation.

Recommendation 27: FSA to explore scope to broaden ER coverage with other government departments/agencies.

- d) In the longer term, consideration could be given to whether assurance schemes could become 'control bodies', such that assurance scheme audits are regarded as official controls. This would mean members of such schemes would not require any official inspections by LAs and LA time could be concentrated on higher risk, non AAS businesses. Currently, EU legislation places restrictions on the functions that can be undertaken by control bodies (e.g. enforcement activity cannot be delegated), and the approach to AAS audits may not satisfy the EU requirements for official controls (e.g. auditing all AAS businesses at the same frequency) may not be considered to be risk based. In addition, becoming a control body would represent a fundamental change to the purpose of assurance schemes and could generate a change in the relationship between the schemes and their members. As such, this possibility would not be straight forward and might not be of interest to the assurance schemes. Nevertheless, it is an option to keep in mind for the longer term and one to consider by the FSA when developing the national

official control legislation that will be required to replace EU legislation when the UK leaves the EU.

Recommendation 28: FSA to review the requirements for 'control bodies' as part of developing national official control legislation to replace EU legislation when the UK leaves the EU

11 The system of risk rating feed businesses to set inspection frequencies

- 11.1 The risk rating scheme in the Code and the detailed desktop modelling planning exercise carried out by the NTS in advance of the start of each financial year, are designed to deliver a risk-based programme of inspections for the year ahead. However, the accuracy of the risk basis is dependent on underlying LA data, e.g. on business type, compliance levels, FSA AAS status etc.. As explained at Section 7 above, there are concerns as to the accuracy of LA data and the recommendations suggested at Section 7 should therefore be implemented to improve the position in the short term and to inform future changes.
- 11.2 In the longer term there needs to be a fundamental review of the risk rating scheme and how it links to ER with the aim of simplifying the approach where possible, which will drive greater consistency and accuracy of application, and reducing the need for official inspection where possible on a risk basis.

Recommendation 29: Alongside the proposed fundamental review of the approach to ER, FSA to undertake a fundamental review of the approach to risk rating feed businesses/farms to simplify the approach and, on a risk basis, to reduce the need for official inspections of compliant businesses/farms

- 11.3 Areas for possible change, in addition to the related suggestions on ER in the section above, include:
- a) Moving to a position where there is a single approach to the risk rating of businesses. At present, LAs may use the ACTSO Trading Standards Scheme or the risk rating scheme as set out in the Code. This situation has led to confusion and inconsistent application. The same 'two scheme' scenario applies to risk rating inspections for food standards inspections and therefore any changes to the approach for feed should be developed alongside any proposed changes to risk rating for food standards inspections. Account

should also be taken of the development of a risk rating scheme for primary production food hygiene inspections on farm to ensure that the schemes are aligned, and to more general changes to the approach to risk rating that may stem from RoF.

Recommendation 30: FSA to develop proposals to move to a single approach for risk rating businesses/farms for feed official controls

- b) The coding system to categorise feed business types should be reviewed to ensure that the applicable codes accurately reflect the risks presented by the different types of feed business. For example, it seems inappropriate on a risk basis for quarries which provide raw material for feed (arguably a high risk, high impact activity) to be in the same business type code as supermarkets providing excess food to be turned into feed (arguably lower risk, lower impact).

Recommendation 31: FSA to review feed business type codes to ensure that they reflect the risks of the different business types

- c) The risk rating scheme applies a reduced risk factor for businesses that feed their own animals which can apply to major integrated businesses with significant market shares.

Recommendation 32: FSA to review the appropriateness of the reduced risk factor for businesses that feed their own animals, taking account of the scale of some of these businesses and the potential impact should feed incidents occur at these businesses

- d) Many of the people I spoke to expressed the view that the current approach to feed official controls could take more account of real time intelligence and questioned whether systems were in place to effectively gather and cascade intelligence. For example, could better links be forged with industry to gain a trade 'eye' view of potential or actual feed safety problems, e.g. from information from trade audits, commercial sampling etc.; should the NTS run/commission targeted projects to generate intelligence, e.g. by tracing products/ingredients through the feed chain; are effective systems in place between inland LAs and the ports to quickly share intelligence; could more meaningful and timely information be made available on feed samples, RASFF alerts, national feed incidents etc. . This issue of intelligence is being looked at by the FGG and I am aware that, subject to the availability of funding, there are plans to commission a strategic threat assessment of the UK feed environment that will seek to identify key current and emerging

threats to the safety of feed, including new and potential novel feeds and feed additives, and to identify and address any gaps in available intelligence. The completed assessment would also be used to provide an enhanced risk based approach to the annual Feed National Enforcement Priorities (NEPs), and might also inform consideration of the approach to be taken in future to feed sampling/surveillance, also having regard to a possible new approach to food surveillance that is being developed by the FSA.

Recommendation 33: FSA to review the use of intelligence in the feed official control system in light of the planned strategic threat assessment of the UK feed environment

Recommendation 34: NTS to review communication links between inland LAs and ports

- e) The two tier approach to controls at ports on imported feed implemented in 2015/16, through which 'irregular feed imports' (e.g. new products, new importer, products of concern) receive a higher level of checking than regular trade, is a significant improvement on applying a risk base to feed import controls. However, some validation of the decisions taken at port on the products deemed to be regular/irregular is needed to check that the right decisions are being made and there is consistency of approach.

Recommendation 35: NTS to undertake an exercise to validate decisions on which imports are considered to be 'regular' and 'irregular'

- f) Available inspection data confirms that feed businesses are inspected on a risk basis relevant to the business type, but does not show that a risk basis was achieved within business types, i.e. that higher risk businesses are inspected more frequently than lower risk businesses within the same business type. This information would be useful to demonstrate the effectiveness or otherwise of the approach to risk rating and consideration should be given to whether data can be obtained to enable this assessment to be made. It might be that the need for this data will vary by business type because, for example, there are very small numbers of businesses in the four highest risk business types, all of which would invariably need to be inspected.

Recommendation 36: FSA to review the need for data to demonstrate inspections are risk-based within business types

12 Resilience and sustainability of LA official feed controls

12.1 Many of the stakeholders I spoke to were concerned about whether it would be possible to maintain a sufficient number of knowledgeable and experienced LA officers to undertake feed work. Whilst the continued provision of ring-fenced funding would help to ensure feed work continues to be prioritised by LAs, continuing pressure on LA funding is likely to mean that experienced officers will continue to exit the service with a consequent loss of knowledge, experience and expertise. It was also stressed that some feed work, e.g. follow-up action to planned/funded inspections and national level work such as membership of the national panels, is not funded from the central budget and, as such, could come under increasing pressure from continuing LA resource constraints. Retaining at least in the short term, the current structure, roles and responsibilities in delivering the NFDM will help to maintain LA commitment to feed controls. In addition, there are a number of things that can be done to optimise the resilience and sustainability of the LA feed service, including:

- a) Where LAs cannot undertake feed controls because of a lack of experienced/qualified staff (or any other reason), this may be discussed with the regional feed lead/coordinator to determine whether officers from other LAs might undertake their feed controls. This option is important to consider as it should help to maintain and develop (e.g. via knowledge transfer between LAs) a skilled and knowledgeable LA workforce. Alternatively, LAs might employ private contractors to undertake feed controls.

Recommendation 37: Where neighbouring LAs or private contractors are used to undertake feed controls for a LA, the 'customer' LA to ensure arrangements are made for knowledge transfer from the controls undertaken

- b) The FSA funds the provision of low cost training for LA officers via contracted training providers to help ensure consistency of approach to feed official controls. This training provision remains important, particularly given the proposals in this paper to revise the approach to ER and risk rating. Training priorities and the means of delivery, in particular whether to run regionally based training to ensure relevance to local issues, need to be kept under review to ensure maximum value is obtained from the training.

Recommendation 38: Subject to the availability of funding, FSA to continue to fund feed training for LA officers, based on priorities informed by LA feedback and discussed with the NTS and FGG.

Recommendation 39: FSA to review the training provision to consider the provision of regionally based training and relevant recommendations that may stem from a current continuous development exercise being undertaken by the FSA into how FSA funded training is provided for LA officers on matters of food and feed.

- c) There is a wealth of guidance that is available to LA officers, from the Practice Guidance to guidance produced on specific issues by the FSA, NTS and regional panels. It is important that relevant guidance continues to be made available, is kept up-to-date and is in a form that will help staff new to official feed controls to get up to speed quickly. This is particularly important given recent changes to qualification/competency requirements which allow LAs to make greater use of lesser qualified staff.

Recommendation 40: NTS keep under review the guidance available to LA enforcement officers to ensure it is relevant, up-to-date and accessible

- d) Certain types of LA, e.g. the London metropolitan authorities, will not have qualified TSOs to undertake feed work. To address this issue a review of officer qualification and competency requirements could be undertaken to allow Environmental Health Officers (EHOs) to undertake certain feed controls. For example, a pilot exercise was undertaken in the London authorities of EHOs checking surplus food issues in supermarkets because they are in these businesses in the normal course of their business.

Recommendation 41: FSA to review officer competency and qualification requirements to determine whether certain feed controls might be undertaken other than by TSOs.

- e) CTSi is currently undertaking a review of trading standards qualifications, including those that are relevant to feed safety/official controls. This may provide an opportunity to explore whether a more flexible qualification route could be introduced for feed work, for example a modular approach which would allow officers to 'up skill'/'up qualify' on feed issues more quickly.

Recommendation 42: FSA to liaise with CTSi and CIEH about the review of trading standards qualifications to consider whether a more flexible qualification route could be introduced for feed work.

Annex 1

List of Recommendations and suggested timeline for implementation

In the order they appear in the paper

Recommendation	Implementation by
<p>Section 7. LA feed business data</p> <ol style="list-style-type: none"> 1. NTS to disseminate good practice to improve consistency in data capture, use and reporting by LA. April '17 2. FSA to review the need for additional guidance to LAs on data capture, use and reporting. April '17 3. FSA/NTS to develop plans to work with software houses to understand the capabilities and limitations of the software systems used by LAs. April '17 	
<p>Section 8. Governance and roles and responsibilities</p> <ol style="list-style-type: none"> 4. FSA, NTS and CTSi to develop and agree a new MoU for a further period of three years (subject to regular review), providing an enhanced role for the NTS. March '17 5. FSA and NTS to review roles and responsibilities with particular regard to matters of finance and communications to ensure an agreed understanding and to reduce scope for duplication of effort. March '17 6. FSA and FSA AAS to explore the scope for reducing administrative arrangements to provide efficiencies for all parties without impacting negatively on governance and assurance arrangements. March '17 7. All parties to maintain and build on recent improvements in communications between the FSA AAS and LAs, exploring further opportunities to improve links between parties. On-going 	

Recommendation	Implementation by
<p>Section 9. Value for money (VFM)</p> <p>8. NTS/FSA to develop outcome targets and performance indicators to allow future assessments of value for money to include measurement of progress against outcome targets.</p> <p>9. FSA Simplify the risk rating and earned recognition systems to ensure official inspections are risk based and to improve consistency and ease of application by LAs.</p> <p>10. FSA to explore scope for reducing the need for official inspections by having more regard to sources of assurance other than official inspection. Work to an initial 10% target for reduced inspections and associated costs in 2018/19.</p> <p>11. NTS to undertake a full evaluation of regional costs in delivering official inspections and apply standard unit costs to finance planning for 2018/19, varied only where there are acceptable reasons and subject to a maximum tolerance level to be set.</p> <p>12. NTS to apply tighter planning, monitoring and control to future improvement projects to ensure delivery against plan, and improve communication at all levels of the control system to raise awareness of the projects to ensure optimum use is made of project outcomes.</p> <p>13. FSA to ensure the planned programme of official feed controls is flexible enough to enable resources to be re-routed quickly to higher priority work in response to intelligence.</p> <p>14. NTS to keep the costs of each region under regular review to determine whether the flat fee funding arrangement is effective, and to assess whether a redistribution of the regional budget would be appropriate.</p>	<p>March '17</p> <p>April '18</p> <p>April '18</p> <p>October '17</p> <p>On-going</p> <p>March '17</p> <p>On-going</p>

Recommendation	Implementation by
Section 10. Earned Recognition (ER)	
15. NTS to lead a programme of work to support the FSA in ensuring all LAs have implemented ER and to improve the consistency of the application of ER.	March '17
16. FSA to carry out an assessment of the assurance provided by the FSA AAS to confirm that the schemes provide reliable assurance.	October '17
17. NTS to carry out an assessment of compliance standards of FSA AAS businesses, perhaps building on current initiatives at regional level.	October '17
18. FSA to undertake a fundamental review of ER to explore opportunities to further reduce the need for official intervention and to simplify the approach to ER.	April '18
19. FSA to review the official inspection frequencies of FSA AAS member businesses to ensure full regard is had to the assurance of business standards provided by the assurance schemes.	April '18
20. FSA to review the need for 2% (one in fifty years) sample official inspections and whether assurance of FSA AAS standards might be achieved in other ways.	April '18
21. FSA to review the need for official inspection of FSA AAS businesses subject to Annex II of Regulation (EC) No 183/2005 prior to applying earned recognition.	
22. FSA to review the need for five yearly questionnaires under AES arrangements for Type 2 ER businesses.	April '18
23. FSA to consider whether an alternative intervention type to inspection or a longer inspection frequency could be justified for Type 2 ER businesses, or whether inspections of these businesses should take place only when intelligence indicates the need.	October '17
24. FSA to consider combining the 'satisfactory' and 'broadly compliant' risk categories.	October '17
25. FSA to continue to explore the scope for other assurance schemes operating in the feed sector to be recognised for ER.	April' 18
26. FSA to consider whether a reduced risk factor should be applied to feed businesses in PA partnerships such that less frequent official inspections would be required, and to consider whether and how the benefits of PA might be promoted to feed businesses.	On-going
27. FSA to explore scope to broaden ER coverage with other government departments/agencies.	April '18
28. FSA to review the requirements for 'control bodies' as part of developing national official control legislation to replace EU legislation when the UK leaves the EU.	On-going

Recommendation	Implementation by
<p>Section 11. The system of risk rating feed businesses to set inspection frequencies</p> <p>29. Alongside the proposed fundamental review of the approach to ER, FSA to undertake a fundamental review of the approach to risk rating feed businesses/farms to simplify the approach and, on a risk basis, to reduce the need for official inspections of compliant businesses/farms. Page</p> <p>30. FSA to develop proposals to move to a single approach for risk rating businesses/farms for feed official controls. Page</p> <p>31. FSA to review feed business type codes to ensure that they reflect the risks of the different business types. Page</p> <p>32. FSA to review the appropriateness of the reduced risk factor for businesses that feed their own animals, taking account of the scale of some of these businesses and the potential impact should feed incidents occur at these businesses. Page</p> <p>33. FSA to review the use of intelligence in the feed official control system in light of the planned strategic threat assessment of the UK feed environment. Page</p> <p>34. NTS to review communication links between inland LAs and ports. Page</p> <p>35. NTS to undertake an exercise to validate decisions on which imports are considered to be 'regular' and 'irregular'. Page</p> <p>36. FSA to review the need for data to demonstrate inspections are risk-based within business types. Page</p>	<p>April '18</p> <p>April '18</p> <p>April '18</p> <p>April '18</p> <p>October '17</p> <p>April '17</p> <p>April '17</p> <p>April '17</p>

Recommendation	Implementation by
<p>Section 12. Resilience and sustainability of LA official feed controls</p>	
<p>37. Where neighbouring LAs or private contractors are used to undertake feed controls for a LA, the 'customer' LA to ensure arrangements are made for knowledge transfer from the controls undertaken.</p>	<p>On-going</p>
<p>38. Subject to the availability of funding, FSA to continue to fund feed training for LA officers, based on priorities informed by LA feedback and discussed with the NTS and FGG.</p>	<p>On-going</p>
<p>39. FSA to review the training provision to consider the provision of regionally based training and relevant recommendations that may stem from a current continuous development exercise being undertaken by the FSA into how FSA funded training is provided for LA officers on matters of food and feed.</p>	<p>April '17</p>
<p>40. NTS keep under review the guidance available to LA enforcement officers to ensure it is relevant, up-to-date and accessible.</p>	<p>On-going</p>
<p>41. FSA to review officer competency and qualification requirements to determine whether certain feed controls might be undertaken other than by TSOs.</p>	<p>April '18</p>
<p>42. FSA to liaise with CTSi and CIEH about the review of trading standards qualifications to consider whether a more flexible qualification route could be introduced for feed work.</p>	<p>On-going</p>

Annex 2

Extracts from the summaries of responses to the surveys of Local Authority Feed Lead Officers, Regional Feed Lead Officers, Regional Feed Co-ordinators, LA members of the National Agriculture Panel and the National Agriculture Feed at Ports Panel

LA Feed Lead Officer Survey question 5

How confident are you that the data held by your LA on the categorisation of animal feed business types is up-to date and accurate?

Answer Choices	Responses	
Very confident	14.52%	9
Quite confident	53.23%	33
Neither confident nor unconfident	12.90%	8
A little unconfident	14.52%	9
Not confident at all	4.84%	3
Total		62

LA Feed Lead Officer Survey question 6

How confident are you that the data held by your Local Authority on the latest assessment of feed business operator competence is up-to-date and accurate?

Answer Choices	Responses	
Very confident	21.88%	14
Quite confident	42.19%	27
Neither confident nor unconfident	20.31%	13
A little unconfident	14.06%	9
Not confident at all	1.56%	1
Total		64

LA Feed Lead Officer Survey question 7

How confident are you that the data held by your Local Authority on whether feed businesses are members of an FSA approved assurance scheme (i.e. Red Tractor and AIC) is up to date and accurate?

Answer Choices	Responses	
Very confident	40.00%	26
Quite confident	33.85%	22
Neither confident nor unconfident	15.38%	10
A little unconfident	9.23%	6
not confident at all	1.54%	1
Total		65

LA Feed Lead Officer Survey question 15

Does your authority carry out feed interventions other than those funded from the FSA via National Trading Standards (NTS)?

Answer Choices	Responses	
Yes, routinely	4.62%	3
Yes, often	7.69%	5
Yes - sometimes	33.85%	22
Rarely	40.00%	26
Never	13.85%	9
Total		65

LA Feed Lead Officer Survey question 26

In relation to the animal feed enforcement improvement projects managed by NTS, please indicate whether you are aware of each project, whether the outcome of the project has made a positive difference to your work, or whether you expect that the outcome of the project will make a positive difference to your work in future

Aware			
	Yes	No	Total
The AES toolkit	69.84% 44	30.16% 19	63
Surplus food	63.49% 40	36.51% 23	63
On-line feed sales	32.26% 20	67.74% 42	62
Model inspection forms	93.75% 60	6.25% 4	64
Compliance score guidance	69.84% 44	30.16% 19	63
Competency project	44.44% 28	55.56% 35	63
Bird nut tracing	26.98% 17	73.02% 46	63
Guidance on feed controls at ports	73.02% 46	26.98% 17	63

Usefulness to date				
	1 - very useful	2 - quite useful	3 - has made no difference	Total
The AES toolkit	13.33% 6	42.22% 19	44.44% 20	45
Surplus food	25.00% 11	50.00% 22	25.00% 11	44
On-line feed sales	5.26% 2	23.68% 9	71.05% 27	38
Model inspection forms	82.46% 47	14.04% 8	3.51% 2	57
Compliance score guidance	47.06% 24	41.18% 21	11.76% 6	51
Competency project	18.42% 7	50.00% 19	31.58% 12	38
Bird nut tracing	0.00% 0	33.33% 10	66.67% 20	30
Guidance on feed controls at ports	17.39% 8	39.13% 18	43.48% 20	46
Carryover of Coccidiostats & Veterinary Medicines	16.33% 8	48.98% 24	34.69% 17	49

Future usefulness				
	1 - expect to be very useful	2 - expect to be quite useful	3 - do not expect it to be useful at all	Total
The AES toolkit	35.56% 16	51.11% 23	13.33% 6	45
Surplus food	27.50% 11	57.50% 23	15.00% 6	40
On-line feed sales	14.29% 5	57.14% 20	28.57% 10	35
Model inspection forms	82.35% 42	15.69% 8	1.96% 1	51
Compliance score guidance	56.52% 26	41.30% 19	2.17% 1	46
Competency project	31.43% 11	62.86% 22	5.71% 2	35
Bird nut tracing	9.38% 3	43.75% 14	46.88% 15	32
Guidance on feed controls at ports	23.26% 10	44.19% 19	32.56% 14	43
Carryover of Coccidiostats & Veterinary Medicines	19.57% 9	47.83% 22	32.61% 15	46

Regional Survey question 5

How confident are you that the data held by LAs in your region on the categorisation of animal feed business types is up to date and accurate?

Answer Choices	Responses	
Very confident	5.56%	1
Quite confident	55.56%	10
Neither confident nor unconfident	27.78%	5
A little unconfident	5.56%	1
Not confident at all	5.56%	1
Total		18

Regional Survey question 6

How confident are you that the data held by LAs in your region on the latest assessment of feed business operator competence is up-to-date and accurate?

Answer Choices	Responses	
Very confident	0.00%	0
Quite confident	64.71%	11
Neither confident nor unconfident	29.41%	5
A little unconfident	0.00%	0
Not confident at all	5.88%	1
Total		17

Regional Survey question 7

How confident are you that the data held by LAs in your region on whether feed businesses are members of an FSA approved assurance scheme (i.e. Red Tractor and AIC) is up to date and accurate?

Answer Choices	Responses	
Very confident	5.56%	1
Quite confident	33.33%	6
Neither confident nor unconfident	44.44%	8
A little unconfident	16.67%	3
Not confident at all	0.00%	0
Total		18

Regional Survey question 25

In relation to the animal feed enforcement improvement projects managed by NTS, please indicate whether you are aware of each project, whether the outcome of the project has made a positive difference to animal feed official controls in your region, or whether you expect that the outcome of the project will make a positive difference in future?

Aware			
	Yes	No	Total
The AES toolkit	93.75% 15	6.25% 1	16
Surplus food	93.75% 15	6.25% 1	16
On-line feed sales	75.00% 12	25.00% 4	16
Model inspection forms	100.00% 16	0.00% 0	16
Compliance score guidance	75.00% 12	25.00% 4	16
Competency project	70.59% 12	29.41% 5	17
Bird nut tracing	70.59% 12	29.41% 5	17
Guidance on feed controls at ports	94.12% 16	5.88% 1	17

Usefulness to date				
	1 - very useful	2 - quite useful	3 - not useful at all	Total
The AES toolkit	21.43% 3	50.00% 7	28.57% 4	14
Surplus food	21.43% 3	57.14% 8	21.43% 3	14
On-line feed sales	30.77% 4	30.77% 4	38.46% 5	13
Model inspection forms	80.00% 12	20.00% 3	0.00% 0	15
Compliance score guidance	50.00% 6	41.67% 5	8.33% 1	12
Competency project	33.33% 5	53.33% 8	13.33% 2	15
Bird nut tracing	7.14% 1	57.14% 8	35.71% 5	14
Guidance on feed controls at ports	56.25% 9	43.75% 7	0.00% 0	16
Carryover of Coccidiostats & Veterinary Medicines	53.33% 8	46.67% 7	0.00% 0	15

Future usefulness				
	1 - Expect to be very useful	2 - Expect to be quite useful	3 - Expect to be of no use	Total
The AES toolkit	50.00% 6	50.00% 6	0.00% 0	12
Surplus food	15.38% 2	61.54% 8	23.08% 3	13
On-line feed sales	25.00% 3	58.33% 7	16.67% 2	12
Model inspection forms	100.00% 12	0.00% 0	0.00% 0	12
Compliance score guidance	81.82% 9	18.18% 2	0.00% 0	11
Competency project	50.00% 6	41.67% 5	8.33% 1	12
Bird nut tracing	8.33% 1	50.00% 6	41.67% 5	12
Guidance on feed controls at ports	76.92% 10	23.08% 3	0.00% 0	13
Carryover of Coccidiostats & Veterinary Medicines	50.00% 6	41.67% 5	8.33% 1	12

Annex 3

List of key stakeholders interviewed

Wendy Martin, National Trading Standards

Vicki Gracie-Langrick, National Trading Standards

Mark Pullin, Feed Governance Group Chair

Sean Murphey, Feed Governance Group member and ex Chair

Julie Middlehurst, Feed Governance Group member

John Stewart, National Agriculture Panel Chair

Gareth Mellors, National Agriculture Feed at Ports Panel

Simon Williams, Agriculture Industries Confederation, Technical Lead

David Clarke, Red Tractor Assured Food Standards, Chief Executive

Sarah Lock, Red Tractor Assured Food Standards

Mark Davis, Head of Animal Feed and on-Farm Delivery Team, FSA

Sam Hanna, Assurance Team, FSA

Julie Benson, Animal Feed and on-Farm Delivery Team, FSA

Theo Hawkins, Animal Feed and on-Farm Delivery Team, FSA

Jonathan Davis FSA Wales

Jacqui Angus FSA Wales

Phillip Hindell FSA Wales