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Review of the Meat  
Inspection System.

AGRICULTURE

Meat Hygiene Enforcement

November 1983

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>5-12-83</del>							
<del>3-2-84</del>							
15-2-84							
<del>21-2-84</del>							
<del>23-2-84</del>							
5-12-91							
<del>9-12-91</del>							
12-12-91							
<del>13-1-92</del>							
<del>27-2-92</del>							
<del>3-3-92</del>							
<del>4-3-92</del>							
5-3-92							

PREM 19/3608





PRIVY COUNCIL OFFICE  
WHITEHALL, LONDON SW1A 2AT

5 March 1992

Dear David,

**MEAT HYGIENE ENFORCEMENT** *at trap*

You wrote to Tim Sutton on 4 March, and also earlier today adding a final paragraph, asking whether the Lord President was content with the wording of your announcement concerning the transfer of responsibility for meat hygiene enforcement to a new agency within MAFF. As I mentioned to you on the telephone, the Lord President is content for your Written Answer to be made on Monday.

Copies of this letter go to the recipients of yours.

Yours Sincerely,

*Hilary Paxman*

**MRS H R M PAXMAN**  
Private Secretary

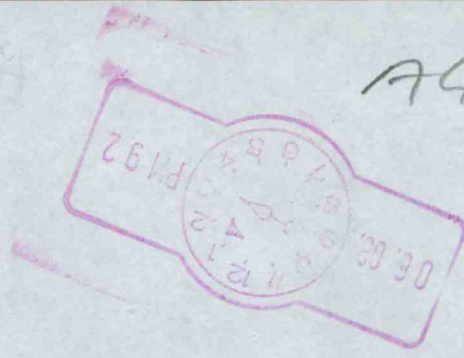
David Rossington Esq  
PPS/The Rt Hon John Gummer MP  
Minister of Agriculture, Fisheries  
and Food  
Whitehall Place  
London SW1H 2HH



AGRICULTURE:

meat & fish

Nov 83





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*ps*

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Fax 071-270 5456

David Rossington Esq  
Principal Private Secretary  
Ministry of Agriculture, Fisheries and Food  
Whitehall Place  
London  
SW1A 2HH

5 March 1992

*Dear David,*

**MEAT HYGIENE ENFORCEMENT**

*kap*

The Chief Secretary has seen your letter of 4 March to Tim Sutton and Andrew Turnbull's minute to Sir Robin Butler of 3 March. He has made the following comments. *A*

2. The draft announcement makes no reference to public expenditure consequences or to maintaining the present cost recovery policy. I should be grateful if you would make clear in your background briefing that this announcement does not involve any commitment to extra PES resources being made available; and that there is no intention to change the present 95 per cent cost recovery charging policy. Similarly, you should make clear that no decision has yet been made on whether the agency will be a Next Steps Agency.

3. In the announcement itself, it might be better to delete "Agriculture and Health" in line 11 of the second paragraph, as the agency would presumably be formally accountable to MAFF Ministers.

4. I am copying this letter to Andrew Turnbull (No.10), Tim Sutton (Lord President's Office), Colin Phillips (DH), Alan Fraser (Scottish Office), Judith Simpson (Welsh Office), Murdo Maclean (Chief Whip's Office) and to Sonia Phippard (Cabinet Office).

*Tom over  
Nieder*

N I HOLGATE  
Private Secretary



AGRICULTURE: meat hygiene No. 83







Ministry of Agriculture, Fisheries and Food  
Whitehall Place, London SW1A 2HH  
071-270 8709/8667

*fu*

*copy*

From the Minister's Private Office

CONFIDENTIAL

Tim Sutton Esq  
Principal Private Secretary  
Privy Council Office  
Whitehall  
London  
SW1A 2AT

5 March 1992

Dear Tim,

MEAT HYGIENE ENFORCEMENT

My letter of yesterday's date refers.

My Minister has decided to add an additional, final paragraph to his PQ reply as follows:

"The decision to create this service is a further element in the Government's policy of ensuring that food safety standards in this country remain second to none. The new service will ensure that hygiene standards in the British meat industry will allow it to compete effectively in the Single Market, and world wide, and will further enhance consumer confidence in the high standards of British meat".

Copies of this letter go to Andrew Turnbull (No 10), Colin Phillips (DH), Alan Fraser (Scottish Office), Judith Simpson (Welsh Office), Nicholas Holgate (Chief Secretary's Office), Murdo Maclean (Chief Whip's Office) and to Sonia Phippard (Cabinet Office).

*Yours sincerely*

DAVID ROSSINGTON  
Principal Private Secretary



AGRICULTURE:  
Review of MEAT  
System Nov 83





Ministry of Agriculture, Fisheries and Food  
Whitehall Place, London SW1A 2HH  
071-270 8709/8667

From the Minister's Private Office

CONFIDENTIAL

Tim Sutton Esq  
Principal Private Secretary  
Privy Council Office  
Whitehall  
London  
SW1A 2AT

4 March 1992

Dear Tim,

MEAT HYGIENE ENFORCEMENT

You will have seen Andrew Turnbull's minute <sup>top</sup> of 3 March to Sir Robin Butler.

My Minister intends to announce the decision to transfer responsibility for meat hygiene enforcement to a new Agency within MAFF by means of a written Answer next Monday, 9 March. We would plan to have the Question tabled tomorrow (5 March). I enclose a copy of the draft Question and Answer. No doubt you will let me know whether the Lord President is content with the wording on the timing of the legislation.

Copies of this letter and the draft PQ go to Andrew Turnbull (No 10), Colin Phillips (DH), Alan Fraser (Scottish Office), Judith Simpson (Welsh Office), Nicholas Holgate (Chief Secretary's Office), Murdo Maclean (Chief Whip's Office) and to Sonia Phippard (Cabinet Office).

Yours sincerely,

DAVID ROSSINGTON  
Principal Private Secretary



DRAFT

.....: To ask the Minister of Agriculture, Fisheries and Food what progress is being made on future meat hygiene enforcement arrangements.

MR GUMMER :

The review of fresh meat hygiene enforcement was commissioned last year by my Rt hon friends, the Secretaries of State for Health, for Scotland and for Wales, and myself as part of our preparations for implementing the European Single Market.

My Rt hon friends and I have given careful consideration to the findings of the detailed study of methods of providing a meat hygiene service, which was carried out by officials of my Department and the Department of Health, assisted by Price Waterhouse. We have concluded that for Great Britain the interests of the meat industry, our consumers and overseas customers would best be served by the creation of a National Meat Hygiene Service. The Service would be constituted as an agency of the Ministry of Agriculture, Fisheries and Food and would therefore be fully accountable to the British Agriculture and Health Ministers. We are confident that this is the best way of achieving a consistent and cost-effective enforcement service in the special circumstances of the fresh meat sector. Local authorities' responsibilities for enforcing other food legislation are not affected by the decision to create a specialist meat hygiene agency.

My officials will work very closely with the local authority associations, the organisations representing the veterinary and environmental health professions and the meat inspectors, and the meat industry, to ensure a smooth transition to the new arrangements. The date for transfer of responsibility of meat hygiene enforcement to the agency will depend on the availability of Parliamentary time for the necessary primary legislation. For the time being, local authorities will remain responsible for enforcing the meat hygiene legislation and providing the meat inspection service.



CONFIDENTIAL



10 DOWNING STREET  
LONDON SW1A 2AA

*From the Principal Private Secretary*

SIR ROBIN BUTLER

**MEAT HYGIENE ENFORCEMENT**

The Prime Minister has seen your minute to me of 27 February, and the paper attached to it. He agrees with the advice that responsibility for meat hygiene enforcement in slaughter houses should now be transferred from local authorities to a new central service. He is content to pursue MAFF's preferred option that the new meat hygiene service should be an agency within MAFF, rather than a NDPB.

2. Having reached these decisions, the Prime Minister thinks the best course is to announce them in full before the election. The wording on the timing of legislation would need to be agreed with the Lord President.

3. I am copying this minute to David Rossington (Ministry of Agriculture, Fisheries and Food), Colin Phillips (Department of Health), Alan Fraser (Scottish Office), Judith Simpson (Welsh Office), Tim Sutton (Lord President's Office), and Nicholas Holgate (Chief Secretary's Office, HM Treasury).

AT

ANDREW TURNBULL

3 March 1992

CONFIDENTIAL



cc Miss Sinclair  
✓ Cabinet Office has come down on MAFF's side, both on the Solihull and the timing. Content?

Prime Minister

Ref. AO92/584

MR TURNBULL

OK

(1) When Mr Gurnee originally made his proposal for a new meat hygiene service run by MAFF rather than by local authorities, we were sceptical. Further examination vindicates his proposal. Agree?  
(2) Mr Gurnee wants to announce before the election. It is in the draft Manifesto though F&B prefers to do after when legislative programme is settled. If you want to include in Manifesto, do you want that  
Meat Hygiene Enforcement  
to be the first announcement or for it to be made in regular Government time?  
AT 27/2  
AT 2/3

Mr Potter's minute of 9 December asked that the Cabinet Office should take forward the Minister of Agriculture's proposals for a new meat hygiene service, which are set out in his minute of 4 November 1991, and let the Prime Minister have a report in due course in accordance with the usual procedure covering Machinery of Government matters. The Chief Secretary commented on the proposals in his minute of 3 December.

--- 2. I attach a report prepared by the Machinery of Government Division in consultation with MAFF and the Treasury. I have discussed it with Sir Derek Andrews, Sir Christopher France and Nick Monck, who have taken the views of their Ministers and the Chief Secretary.

3. The issues for decision are summarised in paragraphs 31 to 35 of the report. The Prime Minister's decision is sought on three questions:

Should responsibility for meat hygiene enforcement in slaughterhouses be transferred from local authorities to a new central service?

4. The need to improve the present arrangements for meat inspection arises because of the introduction of more demanding standards of inspection and enforcement in slaughter houses as a consequence of single market requirements from 1 January 1993.





It is clear that present arrangements are inadequate. Past attempts to improve the standards of local authority enforcement have failed, and the Agriculture and Health Departments believe that the only adequate solution, so as to avoid risks to public health and to British meat exports, is to transfer local authorities' enforcement responsibilities to a new national Meat Hygiene Service.

5. A transfer will need legislation and will be criticised by some as a further shift of local authority powers to central Government. It will also transfer to central Government recurrent costs of £70 million per year, largely recovered through fees, which would otherwise have fallen on local authorities, and will involve MAFF in start-up costs estimated at £8 million over 2 years. For these reasons, and because a centralised service could not begin until 1994 at the earliest, the Treasury would prefer to defer a decision.

6. Nevertheless, given the difficulty of strengthening arrangements for local authority enforcement, and the advice from Departments that a central service is the best way of raising standards and protecting exports, there is a strong case for the Minister of Agriculture's proposal that the decision should be taken in principle to centralise the service and it is difficult to see what is to be gained by postponing the decision. However, Departments agree that it would be undesirable if this were to lead on to proposals to transfer other local authority food safety functions into central Government. If the decision is in favour of centralising the service, it will be important to make it clear that the decision relates to the unique requirements for veterinary inspection of slaughterhouses, that the Government has confidence in local authorities' ability to discharge other food safety functions, and has no intention of further centralisation of them.





Agency or NDPB?

7. The Agriculture and Health Departments believe that the new Meat Hygiene Service should be an agency within MAFF. Because of the authority of the Chief Veterinary Officer within the European Community and with potential third country importers of British meat, this offers the best prospect of protecting meat exports. An agency would enable the work to be organised with the appropriate relationship to the Chief Veterinary Officer, and would be more flexible than an NDPB if further changes have to be made in relation to evolving EC requirements.

8. On the other hand the proposal would increase the size of MAFF by 1,600 posts (15%) and be contrary to the general tendency to distance regulatory functions from Ministers and separate regulation from sponsorship. Setting up a service which was independent of Government (the NDPB option) could be less controversial. However, these do not amount to strong arguments against the Minister of Agriculture's preferred option and, if the first decision is in favour of centralisation, I see no advantage in deferring a decision on the form of the body.

Timing of announcement

9. The Prime Minister will wish to consider this in relation to the election, and decisions on the legislative programme in the new Parliament.

10. MAFF has bid, as their third priority for next session, for a Slaughterhouses Bill to transfer the meat hygiene enforcement function from local Government and confer necessary powers on the Minister. The legislative programme for the first session of the new Parliament will not be finally settled until after the election. At best local authorities cannot be relieved of the function before April 1994. If there is no legislation next session this would slip.





11. The Minister of Agriculture wishes to announce soon some transitional changes to enable local authorities to meet new requirements from January 1993, making clear that this would be transitional only and announcing a decision to create a national Meat Hygiene Service.

12. The Treasury would prefer to defer the decision on whether to create a centralised service. They have policy reservations related to arms-length enforcement, the difficulty of ringfencing, and the probability that running cost provision transferred from local authorities to MAFF would not be reflected in actual reductions in local authority spending. (Treasury will expect the setting up costs of an agency (about £8m spread over two years) and additional net running costs to be found from within MAFF's existing resources, although MAFF reserve the right to make a bid in the PES round.) Treasury suggest that an early announcement could damage local authorities' morale and further reduce efficiency during the period when local authorities must remain responsible for enforcement.

13. It is however widely known that MAFF and DOH have been considering centralisation. A review of Meat Hygiene Enforcement was completed last June. There is pressure to announce a decision. An announcement which left the issue open would leave local authorities in an uncertain position.

14. There are therefore three options:-

- i. A comprehensive decision now, as MAFF would prefer, including the intention to set up a centralised service, if possible from 1994, and to strengthen local authority operations in the meantime;



- ii. A partial announcement now, restricted to strengthening local authority powers, and deferring the decision about centralisation; the Treasury would prefer this;
- iii. A comprehensive announcement, including centralisation, after the Election when the legislative prospects are clear.

15. On balance I agree that the announcement, when made, should be a full one setting out decisions on centralisation. In deciding whether it should be made before the election (the Minister of Agriculture's strong preference) or left until after when it could reflect decisions on the legislative programme, the Prime Minister will wish to consider the balance of presentational arguments.

16. An early announcement will resolve uncertainty, constitute a step to improved food safety, and be welcomed by the industry and many of the professionals who are directly engaged in enforcement. On the other hand it is likely to be criticised by local authority associations as a further example of centralisation, and the Opposition will contrast it with their own proposals to remove MAFF's food safety responsibilities to an independent agency on HSC/HSE lines. I incline to the view that an announcement should be deferred until the new Parliament, when the Government has taken a firm decision about legislation.

17. I am copying this to the Minister of Agriculture Fisheries and Food, the Secretaries of State for Health, Scotland and Wales and their Permanent Secretaries, and to the Chief Secretary and Mr Monck.

R.E.B.

ROBIN BUTLER

27 February 1992



## MEAT HYGIENE ENFORCEMENT IN GREAT BRITAIN

### INTRODUCTION

1. On 3 April last year GB Agriculture Ministers announced that all red meat and poultry meat plants would be licensed by the Agriculture Departments in the Single Market. At the same time Agriculture and Health Ministers commissioned a Review into the provision of meat hygiene enforcement in meat premises in Great Britain in the light of the Single Market requirements. In this context, "meat premises" includes slaughterhouses, cutting plants and cold stores handling fresh meat. Meat products premises are not covered. The Minister of Agriculture minuted the Prime Minister on 4 November setting out proposals for new meat hygiene enforcement procedures. In the light of the Chief Secretary's minute of 3 December and the comments of others, the Prime Minister asked for a machinery of government report.

### BACKGROUND

2. The present arrangements for licensing of premises, export approval, meat inspection and hygiene control are the result of adding new - mainly EC - requirements piecemeal onto a system of local authority licensing and enforcement. District Councils have for some time had three important responsibilities in respect of meat premises:

- (i) provision of meat inspection (ie the inspection of every bird or carcass for disease or other conditions) in the slaughterhouse. This is carried out by meat inspectors who are employed by local authorities.
- (ii) enforcement of hygiene and other Regulations (including welfare provisions on humane slaughter) in slaughterhouses, cutting premises and cold stores (normally carried out by Environmental Health Officers



- EHOs).

(iii) licensing of slaughterhouses (by Environmental Health Departments).

3. In the red meat sector EC rules apply only to those premises which require EC-export approved status, which is granted by the Agriculture Departments. Day-to-day enforcement of both domestic and EC rules is a local authority responsibility. The EC rules on poultry meat already apply across the board, and local authorities are responsible for all aspects of enforcement including granting of EC approval. Veterinary supervision of red meat and poultry meat premises is required under EC rules for export premises and is generally provided by private practice veterinary surgeons engaged on a contract basis by local authorities to act as the Official Veterinary Surgeon (OVS). Premises are monitored by staff of the State Veterinary Service (SVS), who offer advice to the local authorities on standards and interpretation of the rule but have no powers to ensure that this advice is followed in domestic plants, although powers to suspend or withdraw export approval exist in relation to EC-approved red meat plants.

4. It has already been announced that in the Single Market all premises will be licensed by Agriculture Departments on the advice of the State Veterinary Service. This will require legislation to abolish the local authorities' licensing function - see para 26 below. The present system of enforcement following licensing is ill-equipped to meet the more demanding standards of the new EC rules; to provide effective veterinary supervision; or to satisfy the EC Commission, whose inspectors visit EC approved plants (at present only in the red meat sector but in future poultry meat plants will also be inspected).



## PROBLEMS WITH PRESENT ARRANGEMENTS

5. The difficulties associated with the present enforcement arrangements are set out below:

(i) Accountability

The Single Market rules envisage a 'competent authority' responsible for plant standards. Commission complaints, or complaints from overseas customers, would be addressed to that authority. The Directives do not explicitly require a single central body to carry out day-to-day enforcement, but lawyers advise that central Government is responsible for ensuring that the required standards are met. This requires either a central body able to control standards, deploy resources, and exercise sanctions firmly and uniformly, or effective arrangements to ensure that enforcement by Local Authorities achieves the required standards backed up by powers for the central veterinary authority to take responsibility for certification and to take action to rectify deficiencies in the Local Authority's performance.

(ii) Management Control of the Enforcement process

At present the State Veterinary Service, which monitors standards, has no real control over LAs. The Official Veterinary Surgeon, who is usually contracted to the LA as part of the present LA meat hygiene team on a part-time basis, has little real management control over the meat inspectors in the plant. EC Inspectors have criticised the lack of cohesion of the inspection team - EHO, OVS and meat inspector - and the lack of a clear line of authority from the central competent authority (the SVS) to the inspection service in the plant.



These criticisms are justified and, if not attended to, may lead in due course to infraction proceedings before the European Court of Justice and will result in difficulties in maintaining access to markets in other Member States and Third Countries.

(iii) Staff Resources

Meat Hygiene work as presently organised is not very attractive to vets, not least because they lack a clear role within the local authority and are not in a position to take responsibility for the hygiene standards in the plants. With some 300 additional vets likely to be required after 1992 in order to provide the inspection level required in EC rules, recruitment and retention of sufficient veterinary staff will be difficult unless a more satisfactory organisational structure can be achieved. The rationalisation of the red meat industry which is expected to result from implementation of the Single Market rules will require some redeployment and relocation of meat inspectors whether or not provision of the inspection service remains with local authorities.

(iv) Plant Standards

SVS monitoring indicates that about 55 per cent of poultry meat plants and some 60 per cent of red meat slaughterhouses do not meet the standards currently required. Many plants recorded as satisfactory are only just acceptable, even with regular monitoring and advice from the SVS. In some cases, basic hygiene problems leading to extensive contamination have persisted after repeated written advice from the SVS to the local authority responsible for enforcement. Although problems are more widespread in domestic premises they also exist in EC approved plants reflecting the difficulties associated with joint



central/Local Government control. At times the level of contamination of meat does present a risk to health. In addition, if standards are not more effectively enforced further adverse reports from the Commission's inspectors are expected, leading to infraction proceedings and/or trade difficulties. While the expected rationalisation of slaughtering capacity by the industry which will result from the implementation of the Single Market rules should help to improve standards, the financial pressures and the attitudes prevailing in this sector of the industry mean that real progress will only be made as a result of sustained effort by the inspection service.

(v) Consumer Confidence

There has been growing public interest and concern in recent years about food safety generally and the safety of meat and animal products in particular. The Richmond Committee made a number of recommendations in relation to the new EC arrangements for meat inspection, including that the SVS should be given explicit responsibility for overseeing the meat inspection and hygiene arrangements. Furthermore Third Countries such as the USA and Canada have cited lack of confidence in our present enforcement arrangements as a reason why they have difficulty in accepting British meat. So far, media attention has been confined to a few specific plants but there is a risk that a wider debate could be triggered. If either standards in GB slaughterhouses or the enforcement system come under public scrutiny, the confidence of consumers here and abroad will be undermined and GB businesses will suffer. The increase in the incidence of food poisoning in the last few years has also undermined consumer confidence in certain types of food. So far, despite some interest from MPs and one or two journalists, consumer attention has not focused on the



influence exercised by standards in the slaughterhouse over contamination levels in meat, particularly poultry meat. The difficulty of tracing the cause of a food poisoning outbreak back to source means that direct links with a particular slaughterhouse or slaughterhouse practices are not often established. Nevertheless it is clearly important to improve standards relating to unhygienic abattoirs.

(vi) Inconsistency

Standards of enforcement are uneven across the country. Guidance can of course be given from the centre - and has been given in the past - but liaison arrangements can be cumbersome and costly and no effective method of securing co-operation between the local authorities and the State Veterinary Service on a nationwide basis has been found. Previous attempts to set up Regional Liaison Committees following an earlier review have failed. The industry is becoming increasingly aware - and critical - of inconsistency of standards across Great Britain.

(vii) Costs

Under EC rules harmonising meat inspection charges, businesses must meet the costs of this service. There is scope for a limited amount of subsidising down to the level of a standard charge specified in the EC Decision; most other Member States (and Northern Ireland) have taken advantage of this. In GB, Ministers decided to cease subsidising when the EC rules came into force on 1 January 1991. Up till that date, central Government met the costs of veterinary supervision in order to assist exporting plants. At present around 95% of the actual costs to local authorities are recovered. The cost is therefore a major concern to the industry, both in relation to



competition from other Member States and because of variations between local authorities in GB. The problems are particularly acute at present for the poultry industry which is facing increasing competition from imported supplies. The high cost of employing veterinarians on contract to the LAs rather than as full time salaried staff has been identified as a significant drawback. The fact that each local authority sets its own charges means that there is no national forum in which the industry can discuss charging policy with the enforcement authority. In order to defuse industry opposition to the charging arrangements, the Regulations provide for an appeal to the Minister which is costly to administer and does not in practice impose any effective control over LAs' charging policies. Whatever option is chosen the cost of meeting the new Single Market standards will be higher than at present and hence charges will be higher, particularly for plants which are not export-approved at present. The level of charges is likely to be broadly similar under all the options, although a national service should be able to achieve some efficiency savings in the organisation of veterinary supervision.

(viii) International Trade

International trade in meat takes place on the basis of certification issued on behalf of the central veterinary authority of the exporting country, which guarantees compliance with the public and animal health requirements of the importing country. In order to enable British meat to be exported to third countries, it has been necessary to put in place arrangements for supervision and certification by MAFF-appointed Local Veterinary Inspectors. Unless the arrangements made for implementing the Single Market rules also satisfy the requirements of third countries, the meat industry



will have to pay for additional supervision and certification by central Government of meat produced for export outside the EC.

6. Most of these difficulties have been apparent for some time. They were last examined by the Preston Committee in 1985. At that time the Committee felt that the disruption and cost of centralisation of the system would be disproportionate to the problems being experienced and a number of less radical changes were recommended. Not all of these were accepted as practicable by the Government, but those changes which have been made have brought no significant improvements. Since that Report, the situation has changed markedly. The need to implement the Single Market rules requires radical improvements to the present arrangements. The Agriculture Departments therefore commissioned last summer a Review of Meat Hygiene Enforcement.

#### **REVIEW OF MEAT HYGIENE ENFORCEMENT**

7. The Review was commissioned to look at enforcement aspects only, as distinct from licensing, which it had already been decided would be carried out by Agriculture Departments. The MAFF/DH Study Team was assisted by Price Waterhouse and the views of many interested parties were taken into account.

#### Discussion of the Review Options

8. Four options were identified for review:

- A. the present (LA) system, improved;
- B. enforcement by the SVS;
- C. transferring enforcement to a separate body;
- D. contracting out.

Extracts of the Study Team's report which set out in tabular form the pros and cons of the options considered during the review are appended to this paper. Price Waterhouse concluded that the financial projections of each of the options were broadly similar

a:MHE142.CFD



and that non-financial aspects would need to be taken into consideration in selecting the preferred option. Local authority consultees believed on balance that local authorities should retain their existing functions. Consultees from the industry, particularly the larger organisations, see advantage in a single enforcement body. The Association of Meat Inspectors, the Veterinary profession and the Consumers Association support a specialist, national enforcement service.

A. Improved LA System

9. In order to adapt the existing system as required by the Single Market rules, some radical alterations would be needed to achieve more effective accountability to central Government, a means of promoting even standards across the country and clearer definitions of responsibilities. The veterinarian in the plant would need to be answerable to the State Veterinary Service for the standards of the plant and would need to be given the authority to enable these responsibilities to be discharged effectively.

10. The steps which would need to be taken to enable local authorities to retain responsibility for meat hygiene enforcement on a permanent basis are discussed in Annex B. If this route were taken major efforts would have to be made by MAFF as the central competent authority to convince the Commission that a local authority based system was compatible with the EC legislation. While the Commission could not prevent the UK from taking this road they would undoubtedly scrutinise arrangements very closely during their inspection visits to see whether their previous criticisms had been addressed. If they were not satisfied they would report their findings to the EC's Standing Veterinary Committee, possibly with a recommendation that other Member States should not accept meat from British plants.

B. Enforcement by the SVS

11. Enforcement by the Agriculture Departments would clearly



meet the criteria relating to central control, win the confidence of the EC Commission and third countries, and would avoid the need to create a new body. However, the addition of this function and the large number of staff involved to the SVS would create major management difficulties for the SVS. Core civil service numbers would increase (by some 1,600); costs to the industry might increase owing to the way in which central Government overhead costs are calculated; and the only external monitoring would be by the Commission's inspection team, which could lead to embarrassment if problems were not picked up until the EC inspectors visited.

C. Transferring enforcement to a separate body

12. The Meat and Livestock Commission (MLC) was identified as the only possible existing candidate for the enforcement function. It is a statutory body presently carrying out activities in direct support of and financed by the industry such as promotion, consultancy, research and development and export promotion. The addition of meat hygiene enforcement to the MLC's functions would significantly alter the balance of the organisation and would entail major restructuring and possibly splitting of the MLC, in order to guard against the perception that the MLC was both the promoter and the regulator of the meat industry. This would require further study. Furthermore, no cost advantages have been identified in relation to basing the national meat hygiene service on the MLC. Enforcement by a separate body would probably be better met by the creation of a new organisation. This option is discussed in greater detail at para 18 onwards.

D. Contracting Out

13. Somewhat to their surprise, this option was found to be impracticable by Price Waterhouse. The difficulties of providing sufficient control of what is essentially enforcement activity, and the resources needed to monitor performance, are key



disadvantages, which would not be balanced by any gains from competition. Private sector veterinary businesses are too small to be able to provide supervision services on any economic scale, and there is no evidence that the supply of private sector veterinary or meat inspection staff is large enough to provide genuine local competition. As noted above (para 5(vii)) the high cost of employing private sector veterinarians on contract is viewed by the meat industry as a significant drawback of the present arrangements. Nevertheless, whether the function remains with local authorities or is transferred to a new national service, the enforcement body concerned would be subject to the usual arrangements for market testing and competitive tendering which apply to local and central Government.

#### **REMAINING OPTIONS**

14. The Meat Hygiene Enforcement Review therefore found potential disadvantages in all options, and no decisive considerations on cost grounds. It casts particular doubt on contracting enforcement out, transferring it to the Meat and Livestock Commission or absorbing the function into the existing State Veterinary Service. These options are not further considered below although if Ministers were to decide in favour of looking further at centralised options, the option of building on the SVS rather than setting up a new MAFF agency could be included in this exercise. The choice lies between a strengthened and centrally coordinated local authority enforcement capacity (Option A above), or a Centralised Meat Hygiene service. This might take one of two forms: an Agency within MAFF (Option E), or a new independent body, in effect a Non Departmental Public Body (Option F). The choice between options E and F could be deferred pending further consideration. It is, however, necessary to make an early announcement of the Government's position on Option A, not least to resolve doubt and clarify the basis on which local authorities staff and organise their enforcement work over the next 2 years, the minimum period before which the functions could be transferred away from them by primary legislation.



## A Leaving Enforcement with the Local Authorities

15. The need to reinforce existing arrangements and introduce central supervision is described in Annex B. Despite these requirements for change, the local authority option is organisationally less disruptive than creating a new central service. It avoids Agency or NDPB start-up costs; does not involve a major increase in the number of civil servants; is favoured by local authority associations (but not the professionals who operate the inspection service); and is consistent with overall Government policy on local enforcement of food policy. Because of the requirement for primary legislation to transfer the function to central government or a new body, local authorities must necessarily be responsible for enforcement until at least April 1994, and longer if the Minister of Agriculture's bid for a place in the legislative programme for the first session of the new Parliament (his second priority) is unsuccessful. Local authorities may feel that a Government announcement that local authorities will not retain enforcement functions in the longer term would not help present staffing and organisation problems. An announcement about the timing of legislation will not be feasible before the opening of the first session of the next Parliament at the earliest and possibly not even then.

16. The Agriculture Departments nevertheless propose that the Government should announce a decision to transfer the enforcement function to a new central Meat Hygiene Service. They do not consider that local enforcement on the lines discussed in paragraph 10 can be made effective on a permanent basis and see great difficulty establishing arrangements which would allow the Central Veterinary authorities to give the required assurances to countries importing meat from the UK. Introducing a structure which would allow these assurances to be given would require radical changes. It would also involve acceptance by the LAs that their freedom to determine enforcement policies would be severely restricted. In some LAs this would require a



fundamental change of attitude to meat hygiene work. While a decision in favour of the LA option would not necessarily preclude a move to a central system at a later date, changing to a central system following an unsuccessful attempt to enforce the Single Market rules through local authorities would be highly damaging to the credibility of local authority food enforcement in other areas. If the central system is introduced as part of the implementation of the Single Market rules, such damage can be avoided. Furthermore, the industry, the veterinary profession and the meat inspectors are all now of the view that a new system is required. They would accuse the Government of indecisiveness if the present opportunity to bring about the changes they seek were not grasped. Delaying a decision would put the local authorities in a false position, and deter successful recruitment of specialist staff if uncertainty about their longer term retention of the function persisted. A clear announcement to work towards centralisation enforcement responsibilities would enable all parties to plan accordingly, and the EC could be expected to tolerate present arrangements while transition to a structure they considered to be satisfactory was being prepared.

Ring-fencing the local authorities' loss of the meat hygiene function

17. The Agriculture Departments believe that meat-hygiene is such an exceptional area of food safety enforcement that a transfer of responsibility from local to central government could be ring-fenced. The Minister of Agriculture has confirmed his view that the decision to create a new service for meat hygiene does not have any implications for the remainder of local government food law enforcement. Meat hygiene is a highly specialised area, requiring specified qualifications in veterinary science and meat inspection which are not needed for other types of food law enforcement work. The implementation of the Single Market rules presents a unique opportunity to restructure enforcement arrangements without implying that the local authority system has failed. Any anxieties that centralisation of enforcement of fresh meat is the "thin end of the wedge" can be countered by emphasising the successful efforts



made by the UK in late 1991 to negotiate Single Market rules for meat products which explicitly permit delegation of day-to-day enforcement from the SVS to the local authorities.

Option E - Agency within MAFF

18. A Meat Hygiene Service constituted as an agency of the Ministry of Agriculture, Fisheries and Food and hence accountable to Ministers, but with the executive independence to run an efficient and cost-effective service, would in the view of the Agriculture Departments satisfy all key requirements (ie EC requirements; value for money; standards of service and results; trade considerations).

19. The new agency would be headed by a Chief Executive, who would have delegated responsibility for carrying out the Minister's new functions under a framework document. The relationship between the Chief Veterinary Officer (CVO) and the agency Chief Executive would need to be carefully considered. MAFF believe it to be crucial that the Chief Veterinary Officer should be able to answer to his opposite numbers in the European Community and elsewhere on the standards being required and achieved in meat plants, including a guarantee that the required degree of inspection by qualified veterinarians is being delivered. He would need to be able to speak as now not only for general standards and processes, but for the safety of particular consignments of meat. There would be no difficulty in the CVO advising the Minister as customer on the standards and practices to be required through the framework document. But retaining an ability to give directions relating to the certification of particular consignments implies an unusual degree of involvement in matters which would, on Next Steps principles, normally be left to the Chief Executive. MAFF considers, however, that it should be feasible to develop arrangements which would provide the CVO with a direct line of communication to the veterinarians in the plant on certification matters without prejudicing the Chief Executive's freedom to exercise managerial control over the agency's resources, within the parameters set by Ministers. They

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believe that setting the meat hygiene service up as a separately constituted agency, rather than as part of the SVS, will facilitate development of a cost-effective service with a transparent charging regime and would enable Ministers to set and monitor appropriately demanding performance targets.

20. The agency would be staffed by meat inspectors transferred from local government, veterinary supervisory and monitoring staff, other disciplines (environmental health officers, food technologists, microbiologists etc as necessary) and combine all these in an integrated structure which would provide the appropriate hands-on expertise and professional back-up required for meat hygiene. Career opportunities for those involved would be improved; tighter quality and financial control would be possible; and industry would benefit from dealing with a single organisation. A major recruitment and redeployment exercise would be needed to staff the new service, and it may not be easy to attract all the veterinarians and meat inspectors required. Nevertheless, as para 5(iii) notes, the industry is expected to undergo significant rationalisation over the period when the new service would be set up, and some of the meat inspectors currently working for the local authorities will therefore need to be redeployed in any case. The Agriculture Departments and the British Veterinary Association consider that it would be easier to attract veterinary surgeons to meat hygiene work in a national service, particularly one closely linked to MAFF and the SVS, than to the local authorities.

21. A new agency would increase Civil Service numbers by some 1,600 staff (ie a 15% increase in the size of MAFF). The financial implications of setting up the national service are discussed in Annex A. In summary, transferring the enforcement function to a central agency from April 1994 would incur start-up costs of some £8m spread over two years, which MAFF would either have to make a discretionary bid for in the Survey or would have to find offsetting savings; start-up costs are the only significant public expenditure difference from the local authority option. The SVS running costs would reduce by some £3m



per year under this option due to reduced levels of monitoring and the scope for using agency staff present in the plants to take samples, etc in place of SVS officers. Costs to the industry will rise under either option because of higher levels of inspection activity, recovered through fees, and more exacting standards. The net public expenditure costs of either the agency or NDPB options over the Survey Period would be about £20m.

Option F - Independent Statutory Body - NDPB

22. The Agriculture Departments regard creation of an NDPB to carry out meat hygiene enforcement as a feasible but, on balance, less attractive option. In particular they suspect that greater distance from Central Government would make it more difficult to secure the confidence of EC and other meat-importing countries. MAFF officials have some doubt that a non-Departmental body would be regarded by the EC Commission as compatible with the central veterinary authority's responsibility for guaranteeing that standards are met, although the EC rules do not explicitly rule this out. Meat importing countries will require central Government to supervise production of meat for export to them, this would lead to duplication of effort which would be an additional cost on the industry. MAFF officials therefore conclude that Option E would offer better prospects of facilitating international trade. They are satisfied that consumer organisations and most of the media now recognise and accept the Minister of Agriculture, Fisheries and Food's role in protecting the public, and no longer believe that the Ministry is unduly dominated by producer interests.

23. Against this it can be argued that EC resistance to the NDPB option should not be overstated, and indeed that the Community have no formal power to dictate the form of domestic enforcement arrangements. Enforcement of European Community standards by NDPBs is common - as for example with the Sea Fish Industry Authority and Wine Standards Board - and NDPBs by definition are Government bodies. Unlike a Government agency, an NDPB would not involve the creation of 1,600 extra civil service posts. The



staff of the NDPB could be employed on either local authority or civil service terms and conditions. In order to minimise staffing and recruitment difficulties, arrangements would have to be made to facilitate interchange of specialist staff and career progression between the NDPB and MAFF, and this points towards civil service terms and conditions.

24. New NDPBs now operate according to Next Steps principles and a Meat Hygiene service set up as an NDPB would therefore be expected to have a devolved management framework similar to that of an agency. However, in order to achieve the option of providing a management structure acceptable to the EC Commission, the Standing Veterinary Committee and the veterinary authorities in our trading partners, the Chief Veterinary Officer would need to retain a clearly defined responsibility for enforcement standards and certification by the veterinarians working in the meat hygiene service. It is usual for a Board or supervisory Commission to play a prominent role in overseeing the activities of an NDPB. This would enable the Chief Veterinary Officer or his representatives, as well as representatives of the meat industry (including retailers), local authority environmental health departments, and consumers to be closely involved both in the transfer of functions from local authorities, and the longer term work of the body as it sought to raise standards. The involvement of a Board need not be incompatible with delegated and performance-oriented management by the Chief Executive. In other areas, such as the Health and Safety Commission and Executive, involvement of industry and consumers has helped to reduce friction and promote consumer confidence. It is important to engage the industry in an early drive to improve standards.

25. The NDPB option would provide a means of distancing the Minister and the Ministry from day-to-day enforcement and regulatory decisions, while retaining the Chief Veterinary Officer's direct line of communication and direction to the inspection service, which is the key requirement so far as the European Community and third country importers are concerned.



Ministers would be better able to keep at arm's length from an NDPB; they would still be answerable to Parliament for the general framework of arrangements for meat hygiene and to the EC for proper enforcement of Community legislation but would not be involved in or accountable for day-to-day operational decisions.

26. Legislation would be required to set up an NDPB and transfer functions to it. It would be a few clauses longer than legislation to transfer functions to the Minister, because of the need to set out the activities and constitution of the NDPB. Whether such legislation would be less contentious would depend on the attitude of Parliament to Ministers seeking to distance themselves from matters as sensitive as food safety. Start-up and net public expenditure costs should not differ significantly from those for an agency (see Annex A).

#### LEGISLATIVE IMPLICATIONS

27. Primary legislation is required, irrespective of the decision on future enforcement arrangements, to deal with the separate, but linked, question of revoking local authorities' statutory duty to license slaughterhouses (see para 4 above). In the event of a new service being created, primary legislation would be required to provide a means of transferring existing local authority staff without incurring redundancy payments. Amendment of the Slaughter of Poultry Act 1967, the Slaughterhouses Act 1974 and (in the case of an NDPB) the Food Safety Act 1990 would also be necessary to enable officers of the new service to enforce all aspects of the legislation. It is anticipated that a short to medium-sized Bill would be required, including a schedule covering transfer of staff from local authorities. A formal bid for this Bill, to which the Minister of Agriculture attaches high priority, is being made separately but there can be no certainty about whether or when it would find a place in the next Parliament. The relevant secondary legislation would also require some adaptation.



## Timing and Transition

28. The Review of Meat Hygiene Enforcement was completed at the end of June 1991 and interested parties, in particular industry organisations and local authority associations, are anxiously awaiting a decision on its outcome. Indeed, the review was carried out to a tight deadline in order to enable Ministers to make an early announcement of their intentions before the Single Market was upon us and the Government is already being criticised for delay in reaching a decision.

29. It will not be possible for a new body to be operational by 1 January 1993 when the Single Market rules come into force. Local authority enforcement will therefore have to continue, with the addition of veterinary supervision, in the interim period leading to creation of the new body. It is desirable for this transitional period to be as short as possible but if a bid for a Bill in the first session of the new Parliament were to be unsuccessful, the transitional period would need to be extended. Provided that the Government's intention to set up a new service had been clearly announced, the EC is likely, in practice, to exercise some forbearance while we are going through the process of setting it up. If Parliamentary time can be found in the first session of the new Parliament, the aim would be for the new service to become operational on 1 April 1994.

30. Whichever option is chosen, a major recruitment and change-management exercise is needed to ensure a smooth transition to the Single Market arrangements. Agriculture and Health Departments have in the near future to embark on a process of consultation on regulations to implement EC Single Market legislation, starting with the red meat area. In the view of these Departments it will not be possible to undertake a satisfactory consultation in the absence of a decision on who will ultimately enforce the regulations, although it is recognised that the precise timing of a new service will depend on the parliamentary timetable (see para 28 above). If a new body is to be established the preparatory work needs to begin

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immediately to allow sufficient time for detailed consultation with the industry, the local authorities and the professional organisations. It would, however, be possible for the initial announcement to be confined to the decision in principle to transfer the function to a central national service, and leave the form of the body open to consultation. This would enhance the chance of legislation being relatively uncontentious, and provide an opportunity to establish whether the European Community had insurmountable objections to Option F.

#### **SUMMARY OF DEPARTMENTAL VIEWS AND ISSUES FOR DECISION**

31. Existing arrangements for the enforcement of hygiene rules in meat plants are ill-suited to the needs of the Single Market. Some changes are inevitable to meet the requirement for veterinary supervision of all plants and the need for central accountability. In addition to these new factors, there are problems with the present system which need to be resolved, in particular poor standards in domestic plants, and lack of consistency in enforcement.

32. The Government will, regardless of any possible longer-term changes, need to announce improvements to the existing local authority system as from 1 January 1993 when the new Single Market rules come into force. The first question at issue is whether an early announcement should also be made that these arrangements will be transitional only, to be replaced (legislation permitting) in the future by transferring local authority enforcement functions to a centralised Meat Hygiene Service. This would amount to a significant change in existing Government policy and would represent a break from the normal policy of local enforcement of domestic food law, although central Government has always been involved in meat hygiene enforcement for export purposes.

33. In the view of the Agriculture Departments a national meat hygiene service is now required: they are not confident that an attempt to improve the system of enforcement by local authorities



as described in Annex B would deliver the improvement in standards which is required to maintain consumer confidence in British meat and to satisfy the Commission and importing third countries. They recognise the disadvantages of the centralisation options (short-term start-up costs, increase in civil service numbers and running costs, disruption, need for legislation) but consider that they are outweighed by the benefits of tighter central control and savings in the longer term. They consider that the Government should seize the opportunity to make this change now that a detailed review has taken place and the industry, the veterinary profession and the meat inspectors are all calling for a new system. The Secretary of State for Health is content, on public health grounds, with the Minister of Agriculture's proposal to create a national service.

34. An alternative view is that it would be feasible and less disruptive to enhance central control while maintaining local authorities as enforcement agents. The centralised option has higher start-up costs, and in the agency option creates 1600 civil service posts. Primary legislation would be required, which might be contentious, and any delay in securing legislative time would create uncertainty and a possibly demotivating effect on local authorities, who would for the time being remain responsible for enforcement.

35. The second issue, if an early announcement in favour of a central service is made, is whether it should specify the form of the body (ie NDPB or MAFF agency) or leave this open to consultation. There is again a fine balance of arguments. The Agriculture Departments would prefer to announce now that the service would be an Agency within MAFF, with powers transferred to the Minister and exercised on his behalf by the Chief Executive of the Agency. Before deciding this Ministers might wish to have a further assessment of the arguments in favour of an NDPB, possibly in the light of soundings of our trading partners.



## FINANCIAL IMPLICATIONS

1. MAFF have costed the improved LA option and the MAFF agency option in some detail. They have not costed the other options to the same extent but their view is that the costs of the NDPB and other non-LA options are likely to be similar to the agency option. In summary, if an agency were established in 1994, the net public expenditure costs over the survey period would be around £30m or so, of which about £10m is already allowed for in existing plans. The agency start-up costs are around £8m, compared with about £1m for the LA option.

2. The gross annual costs of the present system (LA based pre-Single Market) are around £35 million of which £31 million relates to LA costs. The cost of meeting the new Single Market rules will take this to £60-£70 million a year regardless of the enforcement option chosen. Under the LA option most of this would relate to LA costs; under the central agency option, these would be MAFF running costs.

3. Most of the enforcement costs (95%) can be recovered by charges on businesses under current EC rules; the level of cost recovery will not be affected by the choice of option. The net burden on public expenditure is therefore relatively small, although under the LA option the net burden falls primarily on local authority expenditure whereas under the central agency the net burden falls on central government (MAFF).

4. In resource cost terms, the LA option is cheaper in that the agency start-up costs are avoided (some £8 million spread over around two years.) However the establishment of a new agency would give rise to savings in on-going running costs (albeit less certain than the start-up costs). These would arise from efficiencies in the organisation of veterinary supervision; from a reduction in the amount of monitoring by central Government (the cost of which is not chargeable to industry); and from the ability of the new service to absorb existing and future tasks



in meat plants, such as the collection of samples for residue analysis or animal health monitoring purposes. In discounted Net Present Value terms, therefore, the LA and central agency options are broadly similar.

5. In terms of the PES planning total, the net MAFF costs over the Survey period under the improved LA system would be around £14m, although there would be a net increase in local authorities' non-recoverable costs of approximately £3m over the period, for which they might seek a PES transfer. If legislation were obtained in 1992-93 for an Agency option, there would be in addition start-up costs of £8m spread over 1993-94 and 1994-95, for which MAFF would wish to bid in a future Survey. Thereafter the net ongoing PES costs of the LA and agency options are broadly similar, although the overall net public expenditure costs (including local authority expenditure) may be about £3 million a year higher for the LA option, because of the possible longer-term savings associated with the agency option.

6. The charging policy for meat hygiene enforcement is subject to EC rules which specify the elements which may be charged for and set a ceiling for administrative costs. Some 95 per cent of the enforcement costs would be chargeable to the industry under present GB legislation implementing the EC charging rules. It has been assumed above that these receipts would be treated as negative public expenditure under an agency option. These EC rules were due to be reviewed before 1 January 1992, but the Commission does not appear to have commenced its review. Any reduction in the 95% cost recovery would increase net public expenditure, but MAFF remain committed to 95% recovery, providing this can be achieved without placing our industry at a disadvantage vis-a-vis other Member States. The industry claims that GB Ministers' decision not to take advantage of the scope to recover only the EC standard charge, meeting the rest of the cost from central Government resources, makes it difficult for them to compete with imports from other Member States with lower inspection charges. The option to subsidise exists, unless the EC rules are altered, whether or not enforcement remains with

local authorities. With a dedicated national enforcement service, subsidisation would clearly be administratively simpler than if the local authorities continue to provide the service. On the other hand, Ministers would have greater scope with a national service to contain costs by setting demanding financial targets, combined with performance standards which ensured satisfactory levels of inspection and necessitated efficient working practices. This might make it easier to ensure that inspection costs in GB remained comparable to those in other Member States without injecting central Government money.



## STRENGTHENING LOCAL AUTHORITY ENFORCEMENT

If the local authorities were to retain responsibility for enforcement on a permanent basis the following steps would need to be taken:

- (a) The local authorities' ability to satisfy central veterinary requirements would need to be strengthened through:
  - (i) statutory directions and codes of practice setting standards for performance of the enforcement function;
  - (ii) an SVS audit team to monitor LAs' performance through regular visits to all licensed plants; it is estimated that some 50-55 man-years would be required for this, in addition to the SVS manpower required for licensing premises;
  - (iii) Ministers being prepared to exercise their powers to take over (or direct another LA to take over) the day-to-day enforcement and inspection in cases where an individual LA failed to comply with the performance standards laid down, or to suspend the plant's approval to operate because of shortcomings in inspection/enforcement.
- (b) The veterinarian responsible for day-to-day enforcement would have to have direct management responsibility for the meat inspectors and any EHOs working in the plants. This might be difficult to achieve where veterinarians were employed under contract on a part-time basis. Local authorities would therefore need to find a way of integrating veterinary staff into their enforcement teams and making the work sufficiently attractive to the veterinary profession to recruit sufficient numbers of

veterinarians.

- (c) A clear line of communication and direction from the Chief Veterinary Officer to the veterinarian in the plant would need to be established in order to satisfy the Commission, other Member States and importing third countries that the central veterinary authority was in a position to answer for the public and animal health status of meat produced in GB plants. (We insist on a similar direct link between the central veterinary authorities and the veterinarian supervising exporting plants in the countries from which we import meat.) Such an arrangement would not be easy to reconcile with the veterinarian's management line within an LA Environmental Health Department.
- (d) The system of charging would need to be examined to ensure that it was applied consistently across the country and be perceived by the industry as fair; while still making reasonable allowance for variations where costs themselves vary.
- (e) Some form of national co-ordinating body, involving the Agriculture and Health Departments, the local authorities and probably the industry, may need to be established to promote uniformity of enforcement and to encourage co-operation between the regulators and the regulated. Such a body could only operate effectively if there were no conflict between the central and local Government participants about the standards to be achieved.



Pros and cons of an enhanced local authority system

These have been identified as:

Pros

Existing system - less upheaval

Part of an integrated food hygiene system

Local service therefore responds quickly to local needs

EHOs cover for AMIs/PMIs where necessary

AMIs/PMIs can do other food enforcement work

Pool of existing personnel

If it is not seen to be working within a certain period, more radical changes could be made

Cons

Would require more guidance/ codes of practice to reach consistent approach than the centralised options.

Local variations in enforcement and costs may continue

EC inspectors and third country administrations dislike the absence of central lines of authority

Resources not generally shared between authorities

Possible influence of local politics

Communication more difficult with and between large number of authorities than with and within one organisation

High level of monitoring required

Pros and Cons of an SVS-led system

140. These have been identified as follows:

Pros

Would be preferable to EC inspectors and third country governments by providing direct line management of OVSs by CVO

Could be career attractiveness for veterinarians if movement between animal and public health activities were encouraged

Might be enhanced career prospects for AMIs and PMIs e.g. management possibilities or animal health work

There should be evenness of enforcement and charges

Cons

Increased civil service numbers

Question of public confidence

Bad feeling from local authorities

High start up cost

If the system does not operate satisfactorily, it would be difficult to revert to the previous arrangements

Heavy overheads due to management structure

Potential loss of flexibility

It might not be acceptable for self-monitoring to take place

Could be seen as fragmentation of food law enforcement

The location of slaughter-houses does not accord with the current SVS regional management structure



Pros and cons of an Agency system

146. These have been identified as follows:

Pros

Uniformity of standards and charges

Can create an optimum organisation with various disciplines involved

Would be centralising without increasing civil service numbers

Could be the forerunner of a more extensive food control agency

Would provide rationalisation of residues sampling in slaughterhouses

Might be enhanced career prospects for AMIs/PMIs, e.g. management possibilities

Cons

Very high start up costs

Might be less acceptable to EC inspectors and third country governments than the SVS option

Less broad career opportunities than the other options given that meat hygiene would be the only responsibility of the agency

Bad feeling from local authorities

If the system does not operate satisfactorily, it would be difficult to revert to the former arrangements

Could have conflicting objectives - cost vs quality

Could be seen as fragmentation of food law enforcement

Higher monitoring resources required than for SVS option

Parts contracted out

Description

147. This option would involve central Government overseeing the enforcement of meat hygiene by one, a few or many bodies contracted to carry out the controls at plant level. At national level, the option would equate with the agency option.
148. Only a very few veterinary practices appeared likely to wish to tender for contracts at an area level.
149. Owing to the number of structural permutations possible and the overwhelming opposition to this option, no attempt was made at financial modelling.

Pros and cons of a contracted out system

150. These have been identified as follows:-

Pros

More competitive arrangements in theory

Cons

Fragmentation

No evenness of application

Contract arranging would be too bureaucratic

Would have to use local authority in the absence of other bids - could create anomalies

Profit might be of greater importance than quality of performance

Would be difficult to convince EC and other countries that there was official control over the arrangements

High risk of failure

Not true competition

High tendering costs

High level of monitoring might be required

No obvious career structure for the disciplines involved





10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

13 January 1992

REVIEW OF FRESH MEAT HYGIENE ENFORCEMENT  
IN GREAT BRITAIN

Thank you for your letter of 16 December to the Prime Minister about the above Review.

The Prime Minister appreciates that interested parties, including the Federation, are anxious to learn the outcome of the Review as soon as possible. He has taken note of the Federation's comments and I have been asked to assure you that a decision on future enforcement arrangements will be announced as soon as the Government has completed its current considerations.

The Prime Minister recognises that detailed consultation with the meat industry and other organisations affected will be required once the decision has been announced; and that any new arrangements should be introduced with the minimum of disruption.

(BARRY H. POTTER)

G.B. Hewitt, Esq.

Mer



Ministry of Agriculture, Fisheries and Food  
Whitehall Place, London SW1A 2HH  
071-270 8709/8667

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✓  
as amended  
BHP  
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**From the Minister's Private Office**

Barry H Potter Esq  
10 Downing Street  
London  
SW1A 2AA

9 January 1992

*Dear Barry,*

As requested in your letter of 18 December, I attach a draft Private Secretary reply to the letter from Mr G B Hewitt, President of the Federation of Fresh Meat Wholesalers, to the Prime Minister.

As you know, my Minister's proposal to create a national meat hygiene service is currently being considered by officials from Cabinet Office, Treasury and the Health and Agriculture Departments, and advice will be coming forward shortly. Mr Gummer remains anxious to announce the decision as quickly as possible so that the detailed work of planning the transition to a new enforcement system can begin in close liaison with the meat industry, which, as Mr Hewitt's letter makes clear, is keen to have a national enforcement service.

*Yours sincerely,*

*Francis Mahon*

*DR* DAVID ROSSINGTON  
Principal Private Secretary



SCANNED

G B Hewitt Esq  
President  
The Federation of Fresh Meat  
Wholesalers  
227 Central Markets  
London  
EC1A 9LH

*a/economic/hewitt*

January 1992

REVIEW OF FRESH MEAT HYGIENE ENFORCEMENT IN GREAT BRITAIN

Thank you for your letter of 16 December to the Prime Minister  
~~Concerning~~ the above Review.

*about*

The Prime Minister ~~realises~~ <sup>*appreciates*</sup> that interested parties, including the Federation, are anxious to ~~know~~ <sup>*learn*</sup> the outcome of the Review as soon as possible. He has taken note of the Federation's comments and ~~has asked me~~ <sup>*P. Howe has*</sup> to assure you that a decision on future enforcement arrangements will be announced as soon as the Government has completed its current considerations. <sup>*The Prime Minister*</sup> He recognises that detailed consultation with the meat industry and other organisations affected will be required once the decision has been announced; ~~The Minister of Agriculture, Fisheries and Food is well aware of the need to~~ <sup>*ensure*</sup> that any new arrangements are introduced with the minimum of disruption. *Should be*

HEWITT

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MT

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

M

18 December 1991

I attach a copy of a letter the Prime Minister has received from Mr G.B. Hewitt, President of the Federation of Fresh Meat Wholesalers.

I should be grateful for a draft Private Secretary reply, to reach me by Wednesday 8 January.

Barry H Potter

David Rossington Esq  
Ministry of Agriculture, Fisheries and Food

hs



GR



## THE FEDERATION OF FRESH MEAT WHOLESALERS

General Secretary  
P G SCOTT

227 Central Markets  
London EC1A 9LH  
Telephone: 071-329 0776  
Facsimile: 071-329 0653

MR

16 December 1991

*Dear Prime Minister*

### Review of Fresh Meat Hygiene Enforcement in Britain

Following widespread agreement that current arrangements for Fresh Meat Hygiene Enforcement are unsatisfactory, the Minister for Agriculture, Fisheries and Food, John Gummer, caused a Review to be conducted between March and June this year.

During May we were advised that the outcome of the Review, which produced three options each with broadly similar cost implications, would be announced before the summer Parliamentary recess. In the event this did not prove possible, and the meat industry was informed that a decision would be taken in the early autumn. To date this has still not been forthcoming. We have repeated the need for an early decision to the Minister, who presumably is unable to make a definitive statement without agreement from other government departments.

We appreciate that any new system requires careful consideration and, since reorganisation and costs are important factors, we understand that more than one government department will necessarily be involved. But equally it is imperative that adequate time is allowed for consultation between industry, local government, and MAFF if the new arrangements are to be introduced without disruption. Too often new legislation, or changes to existing legislation, are introduced with inadequate lead time, resulting in misunderstandings and loss of confidence - and the introduction of the EC Meat Inspection Charges in January this year is just one example.

We believe that it is inevitable that the New Year will also bring added pressures on all government departments in the run up to the British Presidency of the EEC and the forthcoming General Election. We are very anxious that a decision, which incidentally we firmly believe should provide for a new national and centralised system of Meat Hygiene Enforcement, should be taken without further delay or internal wrangling between government departments. We would therefore be very grateful for any pressure you feel able to exert to ensure a sensible decision in the very near future.

Yours sincerely

G.B. Hewitt, Esq.,  
President

*Bruce Hewitt*

The Rt Hon John Major, MP.,  
Prime Minister and First Lord of the Treasury  
10 Downing Street  
London, SW1





Ministry of Agriculture, Fisheries and Food  
Whitehall Place, London SW1A 2HH  
01-270 8709/8667

**From the Minister's Private Office**

Sonia Phippard  
Private Secretary to  
Sir Robin Butler  
Cabinet Office  
70 Whitehall  
London  
SW1A 2AA

12 December 1991

Dear Sonia,

**MEAT HYGIENE ENFORCEMENT**

1. My Minister has seen Barry Potter's minute to Sir Robin Butler of 9 December on this subject. *at 10.15*

2. He notes, and of course entirely supports, the pursuit of official level discussions under the direction of the Cabinet Office to produce the report for which the Prime Minister has asked. I should say that the issues raised by the Chief Secretary have been very fully considered, in extensive consultation between this department and the Treasury in recent months. My Minister therefore hopes that further work need not take too long. There is a need to reach decisions and agree what should be said to the industry about the outcome of the review of meat hygiene enforcement. My Minister hopes that the aim can be to produce an agreed document to go to the Prime Minister in the course of January.

3. I am copying this to Barry Potter (No 10) and Nicholas Holgate (Chief Secretary's Office). ✓

Yours sincerely

David Rossington  
Principal Private Secretary

ALBURNALL  
Review of Meat  
Hygiene. No. 83







PG

10 DOWNING STREET

LONDON SW1A 2AA

*From the Private Secretary*

SIR ROBIN BUTLER

**MEAT HYGIENE ENFORCEMENT**

The Prime Minister has now seen the Minister of Agriculture's minute of 4 November, setting out proposals for new meat hygiene enforcement procedures in Great Britain. He has also seen copies of the subsequent correspondence between MAFF, Treasury and No.10 Private Secretaries (letters of 8 and 14 November) and the Chief Secretary's minute of 3 December.

The Prime Minister would be most grateful if Cabinet Office would now take this matter forward in discussion with MAFF and other departments concerned. The aim should be to let the Prime Minister have a report in due course in accordance with the usual procedure covering Machinery of Government matters.

I am copying this minute to Nicholas Holgate (Chief Secretary's Office) and David Rossington (MAFF).

BHP

BARRY H. POTTER

9 December 1991



25 PM

BHP

9/12

CCPM

PRIME MINISTER

**MEAT HYGIENE ENFORCEMENT**

I have seen John Gummer's minute to you of 4 November with the accompanying paper and also the Chief Secretary's minute to you on the above.

- with KP?

I agree with David Mellor that an implied commitment to legislation in the first Session of a new Parliament would be most unwelcome. I think it unlikely that the proposals would come through the selection process to get into a first Session and I therefore hope that no commitment as to time for the legislation will be given.

I am copying this minute to Michael Heseltine, David Mellor, Peter Brooke, David Hunt, Kenneth Clarke, Malcolm Rifkind, Richard Ryder, John Gummer and Sir Robin Butler.

*Janifer Lunbull*

PP JM

Approved by the Lord President  
and signed in his absence.

6 December 1991



PRIME MINISTER

MEAT HYGIENE ENFORCEMENT

Sorry to trouble you with this relatively tiresome matter.

Mr. Gummer (with support from his Celtic colleagues) wants to establish a new national meat hygiene service as a MAFF agency. This would replace the present arrangements largely run by local authorities.

But he has put forward his proposals in a way that breaks all the rules. First, he did not consult the Treasury in advance. Second, he did not consult Cabinet Office Machinery of Government.

This prompted letters from the Chief Secretary (complaining); from Andrew Turnbull (reminding MAFF of the rules on policy proposals); and from Sir Robin Butler (noting the Machinery of Government aspect) - all attached. Finally, a further letter has arrived from the Chief Secretary, making some valid points about the desirability and cost of Mr. Gummer's proposals.

You need not dwell on the substance. Policy Unit and Cabinet Office are agreed that the matter should now be handled by a further Cabinet Office chaired group of officials.

- Content to proceed on that basis?

BHP

BARRY H. POTTER

5 December 1991

c:\economic\hygiene (kk)

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FROM: CHIEF SECRETARY  
DATE: 3 December 1991

PRIME MINISTER

**MEAT HYGIENE ENFORCEMENT**

John Gummer sent me a copy of his minute to you of 4 November and the accompanying paper. *at least*

2. I understand the need for effective enforcement of the new meat hygiene standards. But John's proposal raises important questions of public expenditure and of machinery of Government which need to be carefully considered before we can reach a decision. It would involve a net public expenditure cost of around £20m over the PES period, which is over £8m more than the cost of the local authority option. There would be a continuing running cost once the Agency was established and John does not seem to rule out the possibility of a subsidised service, which would concern me. Above all, the proposal would create an extra 1600 posts in the Civil Service. This would be contrary to our aim of reducing the size of the Service and would increase the size of MAFF by no less than 15 per cent. We need to look closely at the alternatives, including that of leaving enforcement to the local authorities, to see whether we can avoid these disadvantages. Discussions about this had been under way between my officials and John's but they had not been concluded when he sent you his minute, of which I had no warning.

3. In any further study, there are some questions which need special consideration.

4. First, would the change proposed by John lead to demands that other aspects of local food safety enforcement should also be



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transferred from local authorities to central government? Are we prepared for such further changes, or can we ring-fence the treatment of meat hygiene enforcement? Would the transfer be perceived as a loss of locally coordinated food safety enforcement?

5. Second, are there intermediate options which would give greater central control of meat hygiene enforcement, in the interests of consistency of treatment, while leaving the actual operation in local authority hands? For example the paper emphasizes the need for veterinary staff accountable to the State Veterinary Service to have more power over enforcement of standards. How far could this be achieved without the need to transfer the whole operation to the centre?

6. Thirdly, the transfer of responsibility from local authorities to central government would inevitably be disruptive, at a time when local authorities already face major changes more generally. How great would this disruption be? John says that the local authority associations oppose the transfer. Do we want a disagreement with them when we need their cooperation to carry through the other major changes?

7. Fourthly, John proposes an early statement announcing the transfer. But, in view of the need for legislation, what exactly can it say? I imagine that the business managers would not welcome an implied commitment to legislation in the first session of a new Parliament. But if the announcement cannot say when the transfer will take place, will it not lock ineffective and prolong uncertainty? Would such an announcement deprive the local authorities of any incentive to introduce new standards effectively and improve their performance bearing in mind that they will have to operate enforcement in the meantime?

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8. Fifthly, we need to consider the scope for contracting out under all the various options to ensure efficient delivery of the service.

9. Finally, could the loss of an arm's length relationship between MAFF and the enforcement authorities create its own problems, because of a possible perceived lack of independence from pressures by producers, or because of difficulties in resisting lobbying by interested parties?

10. I am very ready to consider these and other questions with an open mind, but I believe that it would be wrong to rush into an early announcement in favour of a central Agency before they have been properly thought through.

11. I am copying this minute to Michael Heseltine, John MacGregor, Peter Brooke, David Hunt, Kenneth Clarke, Malcolm Rifkind, Richard Ryder and Sir Robin Butler.



DAVID MELLOR



ALPHAVENTURE:

Review of Meat  
Hygiene Nov 83



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10 DOWNING STREET

LONDON SW1A 2AA

From the Principal Private Secretary

14 November 1991

Dear David,

MEAT HYGIENE ENFORCEMENT IN BRITAIN

Your Minister minuted the Prime Minister on 8 November recommending the establishment of a national meat hygiene service. A paper was attached. Had the paper been put forward to a Cabinet Committee the standard rules for prior discussion with the Treasury on resource implications would have applied. In 1987 my predecessor circulated a minute requiring the same procedures to apply where policy proposals are put forward in minutes addressed to the Prime Minister - copy attached. These instructions were incorporated into the latest version of Questions of Procedure for Ministers (para 11).

I do not think the Prime Minister can reach a view on the proposal until he hears Treasury Ministers' views. Could you arrange for the Treasury's view to be sought and incorporated into the paper.

I am copying this letter to the Private Secretaries to members of Cabinet, to Murdo Maclean (Chief Whip's Office) and to Sir Robin Butler.

Yours sincerely  
Andrew Turnbull

(ANDREW TURNBULL)

David Rossington, Esq.,  
Ministry of Agriculture, Fisheries and Food.

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*cept.*

Treasury Chambers, Parliament Street SW1P 3AG

071-270 3000

Fax 071-270 5456

Barry Potter Esq  
Private Secretary  
10 Downing Street  
London  
SW1

8 November 1991

*Dear Barry,*

**MEAT HYGIENE ENFORCEMENT IN GREAT BRITAIN**

The Chief Secretary has seen Mr Gummer's minute of 4 November to the Prime Minister proposing the establishment of a national meat hygiene service.

2. This minute was not discussed with the Treasury, although the proposal has resource implications, and in particular would increase Civil Service numbers by 1,600. Had it been included in a paper for a Cabinet Committee, the standard rules would have required prior clearance with the Treasury, so that the paper could if necessary reflect their views. Because of the risk that these rules could be evaded by the device of a Ministerial minute, the then Prime Minister decided in 1987 that they should be applied to such minutes as well. I attach a copy of the letter from No 10 recording this. Mr Gummer's letter appears to be in breach of the ruling in that letter.

3. I wonder therefore if you would be prepared to say in reply to Mr Gummer that the Prime Minister cannot reach a view on his proposal until he knows Treasury Ministers' views.

4. There have also been other similar instances recently. One way of avoiding such difficulties in future would be for you to write round to all Ministers' Private Offices reminding them of the requirement in the 1987 letter. Would you consider doing this?

*Yours wv,*

*Nicholas*

**N I HOLGATE**  
Private Secretary

*attached*





10 DOWNING STREET

LONDON SW1A 2AA

From the Principal Private Secretary

*Dear Private Secretary,*

INSTRUCTIONS ON THE PREPARATION OF CABINET PAPERS

✓ CST FST EST MST  
 Sir P Middleton  
 Sir C Lister  
 Sir T Burns Mr FER Bate  
 Mr Anson Mr Kemp  
 Mr Casell Mr Hewell  
 9 April 1987 Mr Byatt  
 Mr March Mr Wilson  
 Mr Scholer Mr Cooper  
 Mr Bob Cooney  
 Mr Tyne

Paragraph 1.4 of the Handbook for Cabinet Documents Officers says that proposals involving expenditure or affecting general financial policy should be discussed with the Treasury before being submitted to the Cabinet or to a Ministerial Committee; and the results of those discussions together with the best possible estimate (or estimates, if the Department's figures cannot be reconciled with the Treasury's) of the cost to the Exchequer, should be indicated in the memorandum.

The Prime Minister has asked me to repeat that she attaches great importance to these instructions, which apply to papers for informal Ministerial meetings as well as to papers for the Cabinet or Cabinet Committees. She hopes that Ministers will ensure that they are carried out in all cases. She has made it clear that, where they are not, the Cabinet Office should not normally accept a memorandum for circulation.

In some recent cases, Ministers seeking decisions on proposals which would normally have been contained in papers for collective consideration have instead put them forward in minutes addressed to the Prime Minister and copied to other Ministers. These minutes, even though they had financial implications, had not been discussed with the Treasury, as would have been required by the instructions had they been papers. The Prime Minister has therefore asked me to say that matters for consideration by Cabinet Committees (and a fortiori by Cabinet itself) should be circulated as Committee papers; and that, if for any reason they are circulated as minutes addressed to her and copied to other Ministers, they should be regarded as subject to the requirements set out in paragraph 1.4 of the Handbook just as if they were papers.

I should be grateful if you would draw this letter to the attention of all those in your Department who might prepare such papers or minutes.

I am sending copies of this letter to the Private Secretaries to members of the Cabinet and to Sir Robert Armstrong.

*N L Wicks*

N L WICKS

The Private Secretary

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Ref. A091/2778

MR TURNBULL

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The Minister of Agriculture's minute of 6 November on meat hygiene enforcement in Great Britain seeks the Prime Minister's clearance for announcement before the Christmas recess of a proposal to create a national meat hygiene service from April 1994. The aim is to improve fragmented and in some areas unsatisfactory enforcement of meat hygiene regulations in line with the requirements of EC legislation. The service would be a MAFF agency accountable to both Agriculture and Health Ministers. It would entail some 1600 new civil service posts, mostly filled by staff transferred from local authorities.

2. The proposal has been agreed with the Secretaries of State for Health and the territorial departments. It has not been cleared with Treasury Ministers or discussed with the Cabinet Office. There is no plan for legislation in the 1992/3 programme, which would be necessary if the Agency is to begin functioning from April 1994.

3. There are clearly arguments in favour of the proposal, and a need to act with some urgency to meet EC requirements. These require a "competent authority" to be responsible for plant standards, but this need not necessarily be central or under the direct control of the Minister. The Prime Minister may wish to consider whether Ministers should be moving towards direct accountability for local enforcement. The Health and Safety Commission, in a comparable area of regulation, has been successful at removing Ministers from controversy while promoting effective cooperation between national and local inspectorates. It might provide an alternative model. There has also been a pattern of distancing regulation from Ministerial sponsorship of



the industry concerned, as for example with the transfers of responsibilities for offshore oil and railway safety. The present proposal moves enforcement into the sponsoring Ministry, leading to a further test of MAFF's credibility as a champion of consumers rather than the farming and food industry.

4. There is an obvious presentational problem about the substantial addition to civil service numbers, in place of what is presently a local and partly contracted-out function. Finally the Prime Minister may want to think twice about having an executive agency accountable to two Ministers.

5. I recommend that, when the Treasury have commented, the Prime Minister asks the Cabinet Office to discuss these matters with MAFF and the other Departments concerned and to let him have a report in accordance with the usual procedure covering machinery of government matters.

R.F.R.B.

ROBIN BUTLER

8 November 1991





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Ministry of Agriculture, Fisheries and Food  
Whitehall Place, London SW1A 2HH

From the Minister

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PRIME MINISTER

#### MEAT HYGIENE ENFORCEMENT IN GREAT BRITAIN

Colleagues will recall that last April, I commissioned a review of meat hygiene enforcement arrangements. The review formed part of our preparations for implementing the Single European Market. The rules which at present apply only to meat intended for intra-Community trade will extend to all plants producing red meat. The number of poultrymeat plants which are subject to detailed hygiene and inspection controls will also significantly increase.

A detailed study of the costs and benefits of alternative methods of providing the meat hygiene service has been carried out by officials from MAFF and DoH, assisted by Price Waterhouse. The study concluded that, even allowing for differences in start-up costs, the costs of providing the service under each of the three main options (local authority, central government - ie the State Veterinary Service - or an independent agency) were very similar in net present value terms, and that non-financial criteria would need to be taken into account in reaching a decision about future enforcement arrangements.



William Waldegrave, Ian Lang, David Hunt and I have given careful thought to the findings of the study. At present under the complicated and fragmented arrangements for enforcement, hygiene standards are variable and in a number of cases unsatisfactory. We are concerned to put in place arrangements which deliver uniformly high standards of service both to the consumer, who needs to be assured that British meat is produced under the best possible hygiene conditions, and to the meat industry which is required by EC rules to bear the cost of inspection and hygiene control. Our enforcement arrangements also need to command the confidence of our EC partners, the Commission, and third countries which import our meat. In this connection, the Government's Chief Veterinary Officer has to be able to assure his counterparts abroad that public and animal health requirements are properly safeguarded.

After carefully weighing up the alternatives that have been studied, we have concluded that the best approach is to create a national meat hygiene service. This would be constituted as an agency of the Ministry of Agriculture Fisheries and Food which would be accountable to the British Agriculture and Health Ministers. This seems to be the best way of achieving the delivery of a consistent and effective service in line with the requirements of EC legislation. It offers the best prospect of delivering the improvements that are needed in the standards of service, the control of costs and accountability. The enclosed paper sets out in greater detail the background and the reasons for this conclusion.

We considered whether it would be appropriate to establish this service as a new Non-Departmental Public Body rather than bringing it within central Government. However, there will need to continue to be a high degree of accountability to Ministers in this sensitive area affecting public health. I do not believe that a Non-Departmental Public Body would allow the degree of central control that will continue to be necessary. I also decided against bringing the new service into the State Veterinary Service. The task that it will be required to perform is a well-defined executive function appropriate to a

dedicated organisation on Next Steps principles with an appropriate framework agreement which will need to provide for monitoring and supervision by the State Veterinary Service.

We shall of course, need to keep to a minimum the burden on public funds. But the financial implications of this proposal are limited because the bulk of the costs on meat hygiene and inspection are recovered from the industry. For the future it will be important that our meat industry is not placed at a commercial disadvantage in the Single Market. This will mean, for example, paying particular attention to the attribution of overheads (It is relevant to note that, in most other Member States, the meat hygiene and inspection service is subsidised to some extent).

I am concerned to announce the outcome of the review as soon as possible. The meat industry and the local authorities are pressing to know what has been decided, and we risk being criticised for indecision if we delay. We shall have to carry the industry and the professional associations with us in planning the new service. There is a great deal of work to be done if we are to have new arrangements in place by the target date of 1 April 1994. Officials from the Agriculture and Health Departments, in consultation with the meat industry and the organisations representing the veterinary profession and the meat inspectors, need to get on with the detailed discussions. I should wish, therefore, to be able to make a statement on our conclusions before the Christmas Recess.

Although the local authority associations and the Institute of Environmental Health Officers have opposed the suggestion that they might lose responsibility for this area of work, many individual authorities, at least at officer level, would not be sorry to be rid of a troublesome function. We do not therefore expect sustained objections to this decision. It will be welcomed by most sectors of the meat industry and by the veterinary profession and the meat inspectors.



Copies of this minute and enclosure go to the Chancellor, the Secretary of State for the Environment, the Lord President, the Secretary of State for Northern Ireland, the Secretary of State for Wales, the Secretary of State for Health, the Secretary of State for Scotland, the Chief Whip and Sir Robin Butler.

Ministry of Agriculture,  
Fisheries and Food  
4 November 1991



J S G

CONSERVATION

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MEAT HYGIENE ENFORCEMENT IN GREAT BRITAIN

INTRODUCTION

1. On 3 April this year GB Agriculture Ministers announced that all red meat and poultry meat plants would be licensed by the Agriculture Departments in the Single Market. At the same time Agriculture and Health Ministers commissioned a Review into the provision of meat hygiene enforcement in meat premises in Great Britain in the light of the Single Market requirements. In this context, "meat premises" includes slaughterhouses, cutting plants and cold stores handling fresh meat. Meat products premises are not covered. This paper summarises the background to, and the conclusions of, that Review.

BACKGROUND

2. The present arrangements for licensing of premises, export approval, meat inspection and hygiene control are the result of adding new - mainly EC - requirements piecemeal onto a system of local authority licensing and enforcement. The foundation of the system is with local authorities (District Councils), who have for some time had three important responsibilities in respect of meat premises:

- i) provision of meat inspection (ie the inspection of every bird or carcase for disease or other conditions) in the slaughterhouse. This is carried out by meat inspectors who are employed by local authorities.
- ii) enforcement of hygiene and other Regulations (including welfare provisions on humane slaughter) in slaughterhouses, cutting premises and cold stores (normally carried out by Environmental Health Officers - EHOs).
- iii) licensing of slaughterhouses (by Environmental Health Departments).



3. In the red meat sector EC rules apply only to those who want EC-export approved status, which is granted by the Agriculture Departments. Day to day enforcement of both domestic and EC rules is a local authority responsibility. The EC rules on poultry meat already apply across the board in theory at least. Local authorities are responsible for all aspects of enforcement including granting of EC approval. Veterinary supervision of red meat and poultry meat premises is generally provided by private practice veterinary surgeons engaged on a contract basis by local authorities to act as the Official Veterinary Surgeon (OVS). Premises are monitored by staff of the State Veterinary Service (SVS), who offer advice to the local authorities on standards and interpretation of the rule but have no powers to ensure that this advice is followed.

4. In the Single Market all premises are to be licensed by Agriculture Departments on the advice of the State Veterinary Service. The present system of enforcement following licensing is ill-equipped to meet the more demanding standards of the new EC rules; to provide effective veterinary supervision; or to satisfy the EC Commission, whose inspectors visit EC approved plants (at present only in the red meat sector but in future poultry meat plants will also be inspected).

#### PROBLEMS WITH PRESENT ARRANGEMENTS

5. The difficulties associated with the present arrangements are set out below.

i) Accountability

The Single Market rules envisage a 'competent authority' responsible for plant standards. Commission complaints, or complaints from overseas customers, would be addressed to that authority. The Directives do not explicitly require a central body, but the degree of control and responsibility needed would be very difficult to deliver without a central body able to control standards, deploy resources, and exercise sanctions firmly and uniformly. Under current



arrangements such powers - with the exception of the draconian measure of withdrawing approval - rest with Local Authorities, not with central Departments. Local authorities are accountable to their local electorates and may be influenced by local considerations which conflict with the need for consistent application of the legislation.

ii) Management Control

The State Veterinary Service, who monitor standards, have no real control over LAs. The Official Veterinary Surgeon, who is usually contracted to the LA, has little management control over the meat inspectors in the plant. EC Inspectors have criticised the lack of cohesion of the inspection team - EHO, OVS and meat inspector - and the lack of a clear line of authority from the central competent authority (the SVS) to the inspection service in the plant. These criticisms are justified.

iii) Staff Resources

The OVS is not usually a salaried LA employee: very few LAs employ vets full time because the salary required to attract them would probably exceed that of the head of the Department to whom they would report. Meat Hygiene work is not very attractive to vets because of their difficult position in relation to the local authority. With some 300 additional vets likely to be required after 1992 recruitment and retention of sufficient staff will be impossible unless a more satisfactory organisational structure can be achieved.

iv) Plant Standards

SVS monitoring indicates that about 55 per cent of poultry meat plants and some 60 per cent of red meat slaughterhouses do not meet the required standards. Of the plants which are not approved for export to the EC, only 37% of red meat slaughterhouses and 31% of poultry meat slaughter-



houses were recorded as satisfactory in 1990. Many plants recorded as satisfactory are only just acceptable, even with regular monitoring and advice from the SVS. In some cases, basic hygiene problems such as failure to sterilise equipment and poor handling of carcasses leading to cross-contamination have persisted after repeated written advice from the SVS to the local authority.

v) Consumer Confidence

There has been growing public interest and concern in recent years about food safety generally and the safety of meat and animal products in particular. So far, media attention has been confined to a few specific plants but there is a risk that a wider debate could be triggered. If either standards in UK slaughterhouses or the enforcement system come under public scrutiny the confidence of consumers here and abroad will be undermined and UK businesses will lose out. It is of course the responsibility of individual businesses to maintain high standards, but an effective enforcement service is needed to ensure that this is done.

vi) Inconsistency

Standards of enforcement are uneven across the country. Guidance can of course be given from the centre - and has been given in the past - but liaison arrangements can be cumbersome and costly. Previous attempts to set up Regional Liaison Committees following an earlier review have failed.

vii) Costs

Under EC rules harmonising meat inspection charges, businesses must meet the costs of this service. There is scope for a limited amount of subsidising; most other Member States (and Northern Ireland) have taken advantage of this. In GB, there is no Government subsidy. At present around 95 per cent of the actual costs to local



authorities are recovered. The cost is therefore a major concern to the industry, particularly with a view to competition from other Member States. The industry is also concerned about variations between local authorities in GB and the costs of OVSS on contract to the LA.

6. Most of these difficulties have been apparent for some time. They were last examined by the Preston Committee in 1985. At that time the Committee felt that radical changes to the system were not justified and a number of more minor changes were recommended. Not all of these were accepted as practicable by the Government, but those changes which have been made have brought no significant improvements. Since that Report, the control framework envisaged by the Single Market rules has become clearer; public concern about slaughterhouse standards has increased; and the industry now sees benefits in dealing with a single enforcement body.

#### REVIEW OF MEAT HYGIENE ENFORCEMENT

7. The Review was commissioned to look at enforcement aspects only, as distinct from licensing, which it had already been decided would be carried out by Agriculture Departments. The views of many interested parties were taken into account and reflected in the Study Team's report. The Review did not encompass meat products: the EC rules for that sector are still under negotiation.

8. Four options were identified:
- i) the present (LA) system, improved;
  - ii) enforcement by the SVS;
  - iii) enforcement by a separate body;
  - iv) contracting out.

#### CONCLUSIONS

9. Of the four options considered it was concluded that contracting out is not practicable. Although this would clearly be in line with policy initiatives on increased contracting out



both by local authorities and central government, it is difficult to reconcile with the need to provide an effective, co-ordinated service. The difficulties of providing sufficient control of what is essentially an enforcement activity, and the resources needed to monitor performance, are key disadvantages, which would not be balanced by any gains from competition. Private sector veterinary businesses are too small to be able to provide supervision services on any economic scale, and there is no evidence that the supply of veterinary or meat inspection staff is large enough to provide genuine competition.

10. The three options which were examined in greater detail are to leave enforcement with local authorities; or to provide a single enforcement authority, either within central Government or in a separate body. The costs of each of these were found to be roughly the same on a net present value basis and the Review's recommendations were therefore based on a qualitative assessment of each option. The key features of the three options are summarised below.

11. The local authority option has the attraction of being the least disruptive organisationally. However, the industry are unlikely to see this as an advantage unless some of the problems of local authority enforcement can be resolved. This option would also leave all of food law enforcement with local authorities, some of whom claim that this is important in ensuring a co-ordinated approach to food safety.

12. On the other hand, the existing system cannot be adapted to the Single Market rules without some radical alteration. Better communications with central government, mechanisms for promoting even standards across the country and clearer responsibilities would all be required. More fundamentally the OVS, who is accountable to the State Veterinary Service for the standards of the plant, needs to be given the authority to enable him to discharge his responsibilities effectively. Local authorities would therefore need to find a way of integrating veterinary



staff into their enforcement teams and making this work sufficiently attractive to the veterinary profession. Standards, and costs, would continue to vary across the country and Ministers would have only limited control over the burden placed on businesses in this field. (The costs in other areas of food hygiene enforcement are not at present charged to the industry.) Moreover it is doubtful whether any local authority-based system, even with the improvements mentioned above, would carry conviction with the EC Commission or other Member States, and we would continue to find ourselves having to defend a system which suffered from significant drawbacks.

13. The other two options involve bringing this work into a central body: either within the Agriculture Departments as a further arm of the State Veterinary Service, or in a separate body. Enforcement by the Agriculture Departments would clearly meet all of the criteria relating to central control and winning the confidence of the EC Commission and third countries. However there are significant drawbacks. It would involve increasing core civil service numbers (by some 1,600); it might mean increased costs for the industry owing to the way in which central Government overhead costs are calculated; and it would be difficult to provide any external monitoring.

14. In order to avoid these drawbacks a national meat hygiene service with its own distinct identity is required. No existing organisations are suitable: the most likely candidate is the Meat and Livestock Commission but serious presentational difficulties would arise from giving them the dual role of promoting and regulating the industry. A new body constituted as an agency of the Ministry of Agriculture, Fisheries and Food and accountable to the Agriculture and Health Ministers in GB but with the executive independence to run an efficient and cost-effective service, offers the best prospect of satisfying all the key criteria. This new body would comprise existing meat inspectors from local government, veterinary supervisory and monitoring staff, other disciplines (environmental health



officers, food technologists, microbiologists etc as necessary) and combine all these in an integrated structure which would provide the kind of body of expertise which is currently lacking in meat hygiene. Career opportunities for those involved would be improved; tighter quality and financial control would be possible; and industry would benefit from dealing with a single organisation.

15. A number of important issues will need to be resolved in making the transition to a national meat hygiene service: these include transfer of staff (which is likely to require primary legislation), recruitment, training and the setting up of financing arrangements and management systems for the new body. However, none of these problems is insuperable. The costs involved are included in the financial comparisons which have been carried out.

#### LEGISLATIVE IMPLICATIONS

16. Primary legislation will be needed to establish the new service and to transfer existing local authority staff. This can form part of the short Bill to revoke the requirement for local authority licensing which was dropped from the 1991/92 programme and will need to be included in the first session of the new Parliament. Minor amendments to the Food Safety Act may also be needed. A formal bid for this Bill will be made separately. The relevant secondary legislation will also require some adaptation.

#### FINANCIAL IMPLICATIONS

17. The costs of the present system (LA-based pre-Single Market) are around £35 million. The Single Market rules will take this to £50-60 million. Most of these costs (some 95 per cent) are recovered from businesses. The net burden on public expenditure is therefore relatively small. The new service will however incur higher start-up costs than the other options. These are estimated at some £8 million, spread over the next two



or three years. The start-up costs cannot, legally, be recovered from businesses under EC rules.

18. The establishment of the new service will give rise to savings in the longer term. These will arise from efficiencies in the organisation of veterinary supervision when a substantial number of OVSSs are salaried full time staff rather than contractors: from a reduction in the level of monitoring by central Government which will be required: and from the ability of the new service to absorb existing and future tasks in meat plants, such as the collection of samples for residue analysis or animal health monitoring purposes.

#### TIMING

19. It is not realistic to set up a new service before 1 April 1994. In the interim, from 1 January 1993 when the Single Market rules come into force, local authorities will continue to provide meat inspection, veterinary supervision and enforcement, with Agriculture Departments monitoring and licensing premises. This licensing and monitoring function will continue after the new service takes over enforcement (although as noted above a lighter monitoring regime will be possible).

#### SUMMARY AND CONCLUSIONS

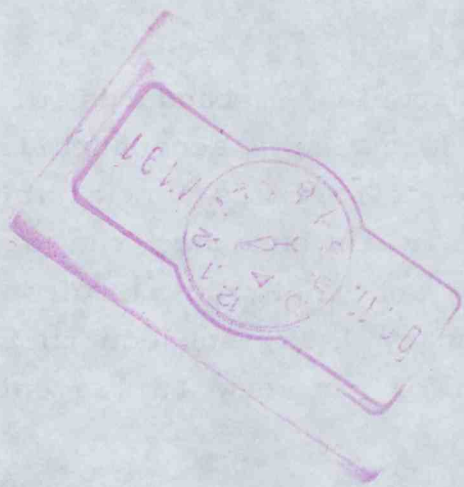
20. Existing arrangements for the enforcement of hygiene rules in meat plants are ill-suited to the needs of the Single Market. Some changes are inevitable to meet the requirement for veterinary supervision and the need for central accountability. In addition to these new factors, there are problems with the present system which need to be resolved, in particular poor standards, lack of consistency in enforcement and cost to the industry. Previous attempts to address these difficulties have not succeeded: in the light of the Single Market a more radical approach is now needed.

21. The Review revealed that the cost is unlikely to vary significantly under any of the options. The judgement must



therefore be made on other criteria - standards of service, value for money, trade considerations, accountability. The option most likely to meet these criteria is a new national meat hygiene service. The proposal is to announce the decision to create this service this autumn and to bring it into operation as soon as possible after 1 January 1993, subject to time being available in the first session of the new Parliament for the necessary primary legislation.

Ministry of Agriculture,  
Fisheries and Food  
4 October 1991







MINISTRY OF AGRICULTURE  
FISHERIES AND FOOD

WITH THE COMPLIMENTS  
OF  
THE PRIVATE SECRETARY TO  
SIR MICHAEL FRANKLIN KCB CMG

PERMANENT SECRETARY'S OFFICE  
WHITEHALL PLACE  
LONDON SW1A 2HH



Ministry of Agriculture, Fisheries and Food

Whitehall Place

London, SW1A 2HH

Sir Michael Franklin, KCB CMG

Permanent Secretary

APPOINTMENTS IN CONFIDENCE

Sir Robert Armstrong GCB CVO  
70 Whitehall  
LONDON  
SW1A 2AS

*DS*  
*24/2*  
23 February 1984

*Dear Robert,*

Thank you very much for your letter of 21 February, saying that the Prime Minister would now be content for my Minister to appoint Sir Peter Preston to chair the inquiry into meat inspection.

I am very grateful for your help, and I am sure that Mr Jopling will be pleased to learn on his return from New Zealand that his recommendation has been accepted.

Copies of this letter will be sent to Ken Stowe, Kerr Fraser, Trevor Hughes and David Barclay.

*Yours ever*

*Michael*

MICHAEL FRANKLIN

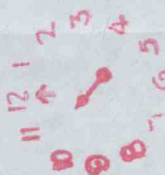


Agriculture - Review of Meat Inspection System

11/83

*[Faint handwritten scribbles]*

24 JAN 1984



APPOINTMENTS IN CONFIDENCE



pa

Note for the file

Mr Turnbull confirms this account of the PM's conversation with RTA.

70 WHITEHALL, LONDON SW1A 2AS

01-233 8319

DMS  
22/2

From the Secretary of the Cabinet and Head of the Home Civil Service

Sir Robert Armstrong GCB CVO

Ref. A084/597

21 February 1984

My dear Michael,

I have had a further word with the Prime Minister about your Minister's proposal to appoint Sir Peter Preston to chair an inquiry into the system of meat inspection in Great Britain.

I explained that this was probably a case in which it would be mistaken to look for someone close to the industry, because he would be likely to be parti pris. What was needed was somebody who was experienced in public administration and in the complexities of the relationships between central and local government.

The Prime Minister said that she was content that your Minister should appoint Sir Peter Preston.

I am sending copies of this letter to Ken Stowe, Kerr Fraser, Trevor Hughes and David Barclay.

Yours are  
Robert

Sir Michael Franklin KCB CMG

APPOINTMENTS IN CONFIDENCE



TEST  
INSPECTION

22 JAN 1984

11 12 1 2  
3 4 5  
6 7 8 9

Thp



10 DOWNING STREET

*From the Private Secretary*

15 February 1984

Dear Ivor,

The Prime Minister has considered the proposal in your Minister's letter of 10 February that he should appoint Sir Peter Preston to chair an inquiry into the system of meat inspection in Great Britain.

The Prime Minister has doubts about this proposal. She considers that the Chairman of the inquiry should be someone who has experience of the particular industry with which he would be dealing.

I am copying this letter to the recipients of yours.

Yours ever,

David

Ivor Llewelyn, Esq.,  
Ministry of Agriculture, Fisheries and Food.

da





From the Minister

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD  
WHITEHALL PLACE, LONDON SW1A 2HH

APPOINTMENTS IN CONFIDENCE

The Rt Hon Margaret Thatcher MP  
Prime Minister  
10 Downing Street  
LONDON  
SW1

Prime Minister (1)

Agree appointment of  
Sir Peter Preston?  
(RTA is content).

10 February 1984

Done  
13/2

*Dear Prime Minister,*

I really think the  
Chairman should have  
had some experience  
of this particular industry  
me

I wrote to you on 30 November about a proposal to set up an inquiry into the system of meat inspection in Great Britain, which has been requested by the Meat and Livestock Commission and agreed by the Secretaries of State for Social Services, Scotland and Wales.

I understand that you agree the inquiry should go ahead but you do not think Sir James Hamilton would be a suitable Chairman. Having considered the matter further, I am satisfied that we need for this job someone who has had experience of the inter-relationships between local and central Government and between Government and industry, and of the intricacies of international requirements. On this occasion, therefore, a former senior public servant with appropriate background would fit the bill well, and I would like to suggest Sir Peter Preston, who retired a couple of years ago as Permanent Secretary at the Overseas Development Administration. His present consultancy with B.L. and his earlier career with the Department of Trade and Industry, seem to me to give him a very good background against which to tackle this rather difficult and delicate problem.

As explained in my last letter, I propose that the other two members of the inquiry should be businessmen.

I am sending copies of this letter to Norman Fowler, Nicholas Edwards, Hamish Gray and Sir Robert Armstrong.

*Norman Edwards  
Michael*

MICHAEL JOPLING

Agriculture : Meat Inspection

11/83

MINISTRY OF AGRICULTURE AND FOOD  
NATIONAL MEAT INSPECTION SERVICE





~~David~~

I think CF have upset MAFF about this because we ask them EVERY 10 days or so what the progress is.

David Dawson would like to speak to you about it.

Nicky: Pacific. I agd we wd have no longer. The initiative lies with them.

Nicky 3/2

DMS  
3/2



Jo R

10 DOWNING STREET

*From the Private Secretary*

5 December 1983

The Prime Minister has now considered your Minister's letter of 30 November in which he proposed that Sir James Hamilton should head the three man inquiry into the meat inspection system.

BPL  
The Prime Minister does not think that Sir James Hamilton would be a good Chairman for this particular inquiry. She would be grateful if your Minister could propose an alternative name.

I am copying this letter to Richard Hatfield (Cabinet Office).

MR. D. BARCLAY

Ivor Llewelyn, Esq.,  
Ministry of Agriculture, Fisheries and Food.

h



Ref.A083/3354

MR BARCLAY

*CF: The letter is with the PM. Please keep this on file.*

*Done with JB?*

Review of Meat Inspection Arrangements

You asked for comments on the letter from the Minister of Agriculture, Fisheries and Food to the Prime Minister proposing an inquiry into the system of meat inspection in this country.

2. Sir Robert Armstrong was aware of the plans for this review before he left the country and had indicated that he was content with what was proposed, including the appointment of Sir James Hamilton to head the inquiry. Although Mr Joplin's letter does not mention the other members of the inquiry, the names mentioned to us at the end of October were

Sir Robert had indicated that he was content with these names also.

*TEMPORARILY RETAINED*

**THIS IS A COPY. THE ORIGINAL IS  
RETAINED UNDER SECTION 3 (4)  
OF THE PUBLIC RECORDS ACT.**

R P HATFIELD

30 November 1983

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD  
WHITEHALL PLACE, LONDON SW1A 2HH



From the Minister

The Rt Hon Margaret Thatcher MP  
10 Downing Street  
London SW1

*I do not think  
Sir James would make  
a good chairman.*

*Prime Minister*

*Agree inquiring into meat inspection,  
chaired by Sir James Hamilton\*?  
RTA is content.*

*30/11  
30/11*

30 November 1983

*\* The other names are Mr John  
Cross, a marketing adviser, and  
Mr Brian Cookson, the Chairman  
of Ross Foods.*

*Prime Minister,*

In recent years the system of meat inspection in this country has come in for an increasing volume of criticism from slaughterhouse operators. The Meat and Livestock Commission have now recommended that there should be a review of the system to ensure that it meets present day public health requirements in a cost-effective way, and that it takes full account of the needs of our expanding export trade in fresh meat. With the agreement of the Secretaries of State for Social Services, for Scotland and for Wales, and subject to your agreement, I propose to set up a three-man inquiry to carry out such a review.

The inquiry would need to cover three areas. In the first place, the technical requirements of meat inspection, which are widely considered out of date, need to be looked at. Secondly, it is necessary to review the method of charging for the meat inspection service - although I would propose to exclude from the review any consideration of increased Government expenditure. Thirdly, there is the question of the organisation of the service: this is likely to cause a good deal of controversy, but I think it is right that the inquiry should be free to consider whether the present split of responsibilities between central and local government is still appropriate.

I would propose that the inquiry should be headed by Sir James Hamilton, the recent retired Permanent Secretary at the Department of Education and Science, who has of course a thorough knowledge of the problems of relations between central and local government and also has the advantage of a scientific background. The

/other two members....



other two members would be businessmen with a knowledge of the meat industry. They would be assisted by appropriate professional and technical experts, and would be paid expenses but no fees. I would ask them to report within a year.

Before taking this further I should be grateful for your agreement and that of Sir Robert Armstrong to whom I am copying this letter.

*James E. ...*  
*Michael*

MICHAEL JOPLING

CONFIDENTIAL

Grey Scale #13



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