

## **MHS Chief Executive's Update**

### **Operational Overview**

1. Between November 2006 and January 2007 inclusive, Meat Hygiene Service staff carried out ante and post mortem inspection and ensured the humane slaughter and hygienic production of approximately 654,000 red meat species and nearly 188 million birds. A total of 170 slaughterhouses / game handling facilities and 237 cutting plants were audited during this period, and follow up visits were undertaken to 94 cutting plants. Vertebral column removal in over 30 month old cattle was supervised by MHS staff in 46 red meat cutting plants. Formal enforcement action was taken in 176 premises.

### **Breaches (reported post November 2006)**

2. Three breaches of the TSE Regulations have been reported since November 2006:
  - An OTM breach occurred at an abattoir that is not approved for OTM slaughter for human consumption, Chris Trott & Family Butchers (8188). The bovine was 10 days over 30 months, at the time of slaughter, which took place on 1 November 2006. The breach was identified by the Senior Meat Hygiene Inspector (SMHI), during routine checks that form part of the OTM validation exercise and was reported to the FSA on 5 December 2006.
  - A second OTM breach occurred when an OTM bovine was slaughtered at an abattoir approved for OTM slaughter for human consumption but was not brain stem tested. The bovine was 415 days over 30 months of age, at the time of slaughter, which occurred on 30 November 2006, at ABP Shrewsbury (4109). The breach was identified during the MHS's monthly validation exercise of BCMS and LGC data and was reported to the FSA on 17 December 2006.
  - An SRM breach was identified when a consignment of beef was received at Vanstar Meats Ltd., Northern Ireland (9055) and two OTM forequarters were each found to contain a small piece of spinal cord. The carcasses had been processed at F Drury & Son (8201), on 14 December 2006 and had tested negative for BSE. The breach was reported to the FSA by Vanstar Meats, on 19 December 2006.
3. All of the above have been fully investigated and corrective action taken, including disciplinary action and recommendation for prosecution, where

appropriate. In addition, the MHS will be reviewing their procedures, to minimise the risk of such breaches occurring again.

4. Until the above breaches, no identified OTM breaches had occurred since April 2005. In the same time period (May 2005 to December 2006), five SRM breaches were identified, including the one described above. During this time, 3.5 million bovines were slaughtered for human consumption, of which the seven breaches represent less than 0.001%.
5. In addition to the above, breaches of the Required Method of Operation (RMOP) were identified at West Devon Meat Ltd (8071), a slaughterhouse approved for the slaughter of OTM cattle for human consumption. One of the brain stem samples sent for testing did not match the carcass in question. The FSA is in the process of conducting an investigation.

### **Avian Influenza**

6. On 3 February 2007 the highly pathogenic H5N1 avian influenza was confirmed on a poultry farm in Holton, near Lowestoft. A 3 km Protection Zone and 10 km Surveillance Zone were imposed along with a wider Restricted Zone. The humane slaughter of the 159,000 birds on site began the same day, under the supervision of the State Veterinary Service (SVS) and was completed on the evening of Monday 5th February.
7. The SVS has been carrying out extensive surveillance in the restricted areas working closely with local authorities in Suffolk and Norfolk and other agencies. Any samples taken are being tested and no further cases of bird flu beyond those on the Infected Premises have been found. Following cleansing and disinfection on the Holton site the FSA has re-licensed the slaughter house following the SVS inspection (assisted by the MHS Official Veterinarian) and clearance for reopening.
8. The Veterinary Laboratory Agency analysis of the Suffolk and Hungary H5N1 avian influenza viruses has been completed and revealed a very high similarity (99.96%) between the H5N1 viruses found in Suffolk and the Hungarian outbreaks at the whole genome level. These results indicate that the viruses are essentially identical. At the time of writing, Defra's current working hypothesis is that poultry to poultry transmission is the most likely source of the outbreak. However, no lines of enquiry have been discounted and this is an ongoing investigation. A joint report involving Defra, FSA, MHS, SVS and the Health Protection Authority is being prepared and is planned to be published on Friday 16 February.
9. MHS Staff have and will continue to be kept informed of events. A verbal update on the situation will be given at the MHS Board meeting.

**Project A – Review of Delivery of Official Controls**

10. The MHS is contributing to the Review of Models for Delivering Official Controls. There are three projects which form Phase One of the Review.
  - Project A is led by the MHS, with Mike McEvoy, MHS Director of Finance, as the Project Manager, and it has looked at options for delivering Official Controls through a transformed MHS. Staff at all levels within the MHS have contributed with enthusiasm and commitment to this project.
  - Project B is led by the FSA and has looked at alternative delivery models.
  - Project C is also led by the FSA and it has looked at principles for charging and cost sharing.
11. The output of these three projects has been compiled in a report which will be presented by Geoff Tierney, the FSA's Programme Manager for the Review, at the FSA Board meeting on 14 February. The FSA Board will determine which options should be taken forward into Phase Two for further detailed analysis and assessment. The final report will be presented to the FSA Board at the July meeting. During Phase One the MHS team for Project A has met all the deadlines that have been set and the contributions and quality of the team's work have been praised by the FSA's Programme Manager.

**MHS financial Position as at end January 2007**

12. As at the end of January 2007, there is a £0.4m favourable variance to the MHS net cost of operations. This results from additional income from TSE testing and OTM (human consumption) offset by increased staff costs but reduced non-pay costs. This favourable position is expected to be eroded by the increased impact of the revenue loss caused by the removal of the 45% rule and the unlikely achievement of the deliverability of OV flexibility savings to produce a year-end forecast of £0.1m favourable variance, which has been submitted to the FSA in January. No account has been taken of any additional costs arising from the review of delivery models or the transfer of catering butchers to the MHS.

**Changes in MHS Charges**

***From 1 January 2007***

13. Most FBOs pay charges for official controls based on throughput (standard charges). Currently these charges are set out in the EU and GB regulations in euros and a fixed euro/sterling exchange rate is used to convert to sterling. The exchange rate is changed each year on 1 January

and the impact of the new figure for 2007 will be a reduction in throughput charges by around 1.3%. The expected reduction in income is built into the 2006/07 budget.

14. Previously EU and FSA regulations specified that for FBOs paying for official controls on the basis of time costs there was a minimum charge of 45% of the throughput charge. The new regulations abolished this rule from 1 January 2007 and therefore a number of FBOs will benefit from reductions in their charges. The charging software has been amended to take account of this change in requirements and thoroughly tested. The new software is to be used during early February to calculate and produce the invoices for work carried out during January. It is expected that this change will reduce MHS income by around £2m a year and the FSA have been asked to provide an increased budget allocation for 2007/08 to cover this change.

***From 26 March 2007***

15. The FSA have consulted on new regulations to increase standard charges by around 5% from this date and they are considering the response. We are currently waiting for the FSA to confirm whether they intend to proceed with the revised charges. Scotland and Wales will also need to approve the changes if consistent GB wide charges are to be maintained.

***From 30 April 2007***

16. Currently we are trying to get agreement with the FSA on new hourly chargeout rates so that we can consult with industry customers on the proposals with the intention to introduce any changes from 30 April 2007. This timetable depends on obtaining timely agreement to start the consultation process. Any new chargeout rates agreed for government customers will be introduced from 26 March 2007, the beginning of the MHS April charging period.

**OV Attendance (Flexibility Project)**

17. The MHS wrote to all slaughterhouse operators on 9 February 2007 inviting formal expressions of interest to adopt the new arrangements prior to the introduction of any cost sharing measures, but indicated that final eligibility criteria is yet to be confirmed.
18. Responses from operators will enable the project to gauge interest (which may be limited given the current lack of a financial incentive and the perception that reduced OV attendance may restrict slaughterhouse operations). However the MHS intends to identify those slaughterhouses that for now are likely to meet the requirements of the draft regulation and

assess the slaughterhouse against other required criteria (for example on the basis of risk the confidence in management score).

19. Once this group of eligible slaughterhouses has been assessed, MHS intends to agree arrangements and introduce agreed working patterns captured in a voluntary agreement with operators.

#### **IT Update**

20. By the end of 2006/07, MHS staff in all except five plants will have Broadband access to the MHS intranet. Broadband is not currently available in the areas where the remaining five plants are situated. The MHS has requested extra funding from the FSA to ensure improved access to MHS e-enabled Services through mobile remote working and will enable the collection of data 'on the line' in plant. Further progress on the IT strategy will be provided in a paper to the April 2007 MHS Board meeting.

#### **Game handling establishments**

21. An MHS working group is being established to ensure that the necessary arrangements are in place for game handling establishments processing game for supply on the UK domestic market, which are due to transfer from Local Authority to MHS control on approval. The FSA currently plans that all domestic game handling establishments will have a conditional or full approval by 1 September 2007 in order to continue operating after this date.
22. A training package is being planned for OVs and MHIs that will be carrying out official control duties in game handling establishments for the first time as a result of these premises transferring.
23. We are aware that there is uncertainty and inconsistencies in the levels of MHS attendance at the formerly licensed game handling establishments. These have MHS attendance while processing game for export but not for the domestic market (this being subject to Local Authority control). FSA will be confirming when dual MHS / Local Authority arrangements should cease in these premises and also on levels of attendance expected in *all* game handling establishments. This will enable MHS to plan and deliver the required service accordingly.

**Operation Winter Willow**

24. The MHS will be participating in Operation 'Winter Willow', a cross-Government contingency planning exercise aimed at testing the UK's ability to manage the effects of a human influenza pandemic from arrival of the first case in the UK through to it becoming widespread. Following a national level meeting of the Civil Contingencies Committee on 30 January, a national exercise will be taking place on 19/20 February, testing responses at local, regional and national levels.

**Changes to MHS Management Board**

25. To alleviate confusion, MHS Directors have agreed to rename the MHS Management Board as the MHS Senior Management Team (SMT) with effect from 7 February 2007.
26. The Senior Management Team has reviewed the future of the Open House sessions held with MHS staff around GB. Numbers of staff attending sessions declined considerably during 2006 and three sessions were cancelled. The SMT has therefore decided to cease Open House sessions, but remains committed to continue to meet face to face with operational staff, preferably during normal working hours. Directors have therefore been tasked with developing a programme of visits to plants, Regional Management Teams and Area Management Teams.

**Staff Survey**

27. The Staff Survey questionnaire will be issued week commencing 5 March – with a completion date of 30 March. Findings will be shared with staff in June. We are committed to taking action on the survey findings - and intend that the findings, following discussion with senior managers, form the basis of an action plan aimed at bringing about lasting improvements in the MHS.

**Visits / Meetings**

28. Recent visits to MHS facilities have been undertaken by representatives from:
- SVS Director of Finance on 27 November 2007.
  - FVO mission on BSE controls from 20 - 29 November 2006
  - Farewell visit by Julia Unwin (ex-FSA Deputy Chair on 20 December 2006
  - Ian Reynolds (Deputy Chair of MHS and FSA Boards) on 4 January 2007
  - FVO mission on welfare at slaughter 22 to 26 January 2007
  - FVO mission on fat and bones starts on 29 January 2007

- During January and early February, the MHS arranged for Geoff Tierney, FSA Programme Manager for the Review of Delivery of Official Controls, to visit a range of red and white meat slaughterhouses across GB.

Future visits include:

- FVO mission on official controls for Gelatine from 29 Jan to 2 February
- FVO mission on Sheep identification in late February
- FVO mission on welfare at slaughter (originally scheduled on 22 to 26 January 2007) will be rescheduled later in the year.

**Steve McGrath  
MHS Chief Executive  
14 February 2007**