

To: see interested parties list Annex A

18 December 2018

Dear Sir / Madam

Meat official control charges – proposal to remove plant inspection assistant discount

As the Food Business Operator (FBO) of an approved poultry or rabbit slaughterhouse I am writing to you as an interested party in a proposal to remove the element of the current discounting system for meat official control charges specifically relating to Plant Inspection Assistant (PIA) costs. No other changes are proposed to the current discounting system.

The Food Standards Agency is seeking your views on this proposal. Any comments on this proposal must be received by 25 January 2019.

Background

The FSA's charges for official controls at poultry slaughterhouses, red meat slaughterhouses and game handling establishments are discounted. The current discounting arrangements were introduced from the start of the 2016/17 year following full public consultation and approval by the Government's regulatory committee process. A supplementary element of the discounting system is specifically for approved poultry or rabbit slaughterhouses operating PIA systems. Under such systems staff employed by or contracted to FBOs undertake certain official controls under the supervision and direction of an Official Veterinarian.

It is in recognition of the PIA costs incurred by FBOs that these costs are included in the FSA charges calculation. This calculation can result in a supplementary discount, over and above the normal discount, being awarded. More information on the PIA discount can be found in the FSA guide to Charges for Official Controls in Meat Premises in Northern Ireland which is available here: <https://www.food.gov.uk/sites/default/files/media/document/ni-charges-guide-september-2018.pdf> (see pages 19-22)

The supplementary PIA discount was developed by industry stakeholders who were members of the Steering Group on Meat Charging. The PIA discount was intended to act as an incentive for FBOs to switch from Official Auxiliaries¹ (OAs) to PIAs. It sought to do this by ensuring that the official controls charges for an FBO making such a switch would be no higher than if they used OAs and they could be lower.

¹ Official Auxiliary (which includes SMI, PMI and MI grades)

Proposal

The FSA proposes that with effect from the start of the 2019/20 financial year, 31 March 2019, the provision for a supplementary discount on charges for meat official controls, which is allocated to some poultry and rabbit slaughterhouses operating PIA systems, will be removed. The removal of the PIA discount, and ceasing to require FBOs to provide the FSA with details of their PIA pay rates and hours data, would reduce the overall level of discount to the poultry sector if no further action were taken. The reduction would not be confined to the PIA discount. This is because the available discount funding is split proportionately between the red meat, game and poultry sectors according to the number of hours of Official Veterinarian (OV), OA and (in the case of poultry) PIA time. In order to mitigate this effect the FSA proposes two alternative options summarised below:

Option A – *increase OV and OA hours in the discount calculations by a factor of an additional 0.7*

The PIA hours represent a factor of 0.7 of the OV and OA hours in the poultry sector. In order to equalise the proportionate split of poultry sector hours, compared to red meat and game, in the overall discount allocation the OV and OA hours in the poultry sector would need to be increased by a factor of an additional 0.7.

Option B – *increase OV and OA hours in the discount calculation by a fixed number of hours*

As an alternative a fixed number of hours, to reflect PIA hours, could be added to the OV and OA time for the proportionate split of overall discount funding between the red meat, game and poultry sectors. The number of hours proposed is 228k which reflects PIA hours in the 2017/18 discount calculation. For the same period in the poultry sector the OV hours were 197k and the OA hours were 152k.

Reasons for change

It is proposed that the PIA element of the official controls charges discount is removed for the following main reasons:

- a) The process is administratively burdensome for FBOs and the FSA with information required from FBOs on an annual and monthly basis. This data is collated, validated and processed by the FSA for inclusion in the charges calculation.
- b) The supplementary discount was developed by meat industry stakeholders as part of the Steering Group on Meat Charging's work as an incentive for poultry and rabbit slaughterhouses to switch to PIAs. There has been no discernible impact attributable to the discount on decisions by FBOs that they wish to switch to PIAs.

- c) The value of the PIA discount in 2017/18 was less than £32,000 across the industry but approximately 70% of this was received by four FBOs. The discount is greatest where the costs of the PIAs are relatively high.

Impact

An estimate of the individual impact of this proposed policy change has been sent to each poultry slaughterhouse (template attached as Annex B) with separate estimates for Options A and B as summarised above. The estimates are based on known current data for each individual premises.

Questions

See Annex C which lists the questions on which your views are sought and it can also be used as a response sheet for this consultation.

Responses

Responses should be submitted by 25 January 2019 by email to:
finance.consultation@food.gov.uk. They can also be submitted by post to:

PIA Consultation
Finance
Food Standards Agency
Foss House
Kings Pool
Peasholme Green
York
YO1 7PR

If you would like an electronic copy of Annex C that list the questions you can request this by email from: finance.consultation@food.gov.uk.

Please state in your response whether you are responding as a private individual or on behalf of a trade body, organisation or company, including details of any stakeholders your organisation represents.

Thank you on behalf of the FSA for participating in this consultation as part of our “Help shape our policies” process.

Yours faithfully

Richard Collier

Head of Finance – Charging

List of interested parties:

All FBOs of approved poultry and rabbit slaughterhouses in England and Wales and Northern Ireland
British Poultry Council
Association of Independent Meat Suppliers
National Farmers Union
British Meat Processor Association
National Craft Butchers
National Game Dealers Association
Northern Ireland Meat Exporters Association
Northern Ireland Pork & Bacon Forum
Ulster Farmers Union
DAERA

www.food.gov.uk

Help us shape our policies consultation



Meat official control charges – proposal to remove plant inspection assistant discount

Consultation questions and response sheet

Respondent information

| | |
|---|--------------------------|
| Name: | |
| Please tick if you are responding on behalf of your organisation. | <input type="checkbox"/> |
| Name of Organisation (if applicable): | |
| Address: | |

Please mark the box that best describes you as a respondent. If 'Other', please specify in the box below.

| | | |
|--|---|--------------------------------|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Food Business Operator | <input type="checkbox"/> Other |
| <input type="checkbox"/> Industry representative | | |

| |
|--------------------------|
| Please specify if other: |
|--------------------------|

If you are responding on behalf of an organisation as an industry representative, please explain how the views of the members of that organisation were assembled (eg how you consulted the group(s), the size of the group(s) and the type(s) of stakeholder you represent):

Please mark the box(es) to indicate which sector of industry best describes your interest in the consultation.

Poultry

Poultry with PIAs

Other

Please specify if other:

Consultation background

This consultation concerns proposals to remove only the PIA element of the discount system introduced from 2016/17. This minor part of the discount system only applies to poultry and rabbit slaughterhouses operating PIA systems. The main discount system introduced from 2016/17 for all slaughterhouses and game handling establishments is not part of this proposal. The main discount system applies to all slaughterhouses and game handling establishments charged for meat official controls under European legislation ((EC)882/2004) and domestic legislation (the Meat (Official Controls Charges) (England) Regulations 2009 and the Meat (Official Controls Charges) (Wales) Regulations 2009).

1. Do you currently operate a Plant Inspection Assistant (PIA) system at your poultry or rabbit slaughterhouse?

Yes

No

Not applicable

2 Do you agree with the proposal to remove the supplementary PIA discount?

| | | |
|---|--|--|
| <input type="checkbox"/> Strongly agree | <input type="checkbox"/> Agree | <input type="checkbox"/> Neither agree or disagree |
| <input type="checkbox"/> Disagree | <input type="checkbox"/> Strongly disagree | |

3. If you disagree with the proposal to remove the supplementary discount please outline:

- a) the impact on your business; and
- b) any alternative proposals you have in respect of the operation of PIA systems.

Comments:

a)

b)

4. In order to mitigate the impact of the removal of the PIA discount having wider impact options are proposed and estimates are provided in Annex B. Option A is based on increasing the Official Veterinarian and Meat Hygiene Inspector poultry sector hours in the discount calculation by a factor of an additional 0.7 and Option B is based on increasing the hours by a fixed number. Please state your preferred option below. If you select neither Option A or B please outline your alternative proposals in the comments section below.

| | | |
|-----------------------------------|-----------------------------------|---|
| <input type="checkbox"/> Option A | <input type="checkbox"/> Option B | <input type="checkbox"/> Neither of these |
|-----------------------------------|-----------------------------------|---|

Comments:

5. If you are the Food Business Operator of a poultry or rabbit slaughterhouse that does not currently operate a Plant Inspection Assistant (PIA) system how did the existence of a supplementary PIA discount affect your view on whether or not to implement a PIA system?

Comments:

6. Would you be prepared to be contacted by FSA staff to clarify any of the responses you have made? If you are prepared to be contacted please provide contact details below:

Yes

No

Contact details:

Thank you for taking the time to let us have your views. We do not intend to acknowledge individual responses unless you place an 'X' in the box below. Acknowledgements will only be sent by email.

Please acknowledge this reply.

E-mail address for acknowledgement:

Thank you for taking time to respond to this consultation.

Completed responses should be sent to the address shown before 25 January 2019.

Send by post to:

PIA Consultation
Finance
Food Standards Agency
Foss House
Kings Pool
Peasholme Green
York
YO1 7PR

Send by e-mail to: finance.consultation@food.gov.uk