Veterinary Medicines Directorate

Llywodraeth Cymru
Welsh Government

The Scottish Government

Department for Environment Food & Rural Affairs

Consultation on revised charges for the National Residues Control Programme

January 2024

This publication is available at Gov.uk.

Any enquiries regarding this publication should be sent to residues@vmd.gov.uk.

Contents

General information

Why we are consulting

This consultation is about proposed revisions to the charges for delivering the National Residues Control Programme (NRCP). This is a statutory annual surveillance programme in England, Scotland, and Wales to sample and test food animal products, for residues of veterinary medicines and prohibited substances before they enter the food chain. The NRCP helps to protect human health. The proposed new charges are needed to achieve full cost recovery, and to ensure that the NRCP remains effective and viable. The UK, Welsh and Scottish governments do not profit from the NRCP as per HMT rules on managing public money.

Consultation details

Issued: 17/01/2024

Respond by: 28/03/2024

Enquiries to: residues@vmd.gov.uk or Residues Team, Veterinary Medicines Directorate, Woodham Lane, Addlestone, KT15 3LS

Consultation reference: Amendment of the Charges for Residues Surveillance Regulations 2006

Audiences: Food business operators in England, Scotland, and Wales.

Territorial extent: This consultation is being undertaken by VMD in partnership with the Scottish Government and the Welsh Government.

This document is also available in Welsh.

How to respond

Our preferred way of receiving responses is through the Citizen Space platform.

If you are unable to use Citizen Space, you can download the consultation documents and return your response via email to residues@vmd.gov.uk.

This consultation applies the Welsh Language Standards, so respondents have the opportunity to respond in Welsh.

Confidentiality and data protection

A summary of responses to this consultation will be published on the Government website at: www.gov.uk/defra. An annex to the consultation summary will list all organisations that responded but will not include personal names, addresses or other contact details.

Defra, the Scottish Government, and the Welsh Government may publish the content of your response to this consultation to make it available to the public without your personal name and private contact details (for example home address, email address).

If you click on 'Yes' in response to the question asking if you would like anything in your response to be kept confidential, you are asked to state clearly what information you would like to be kept confidential and explain your reasons for confidentiality. The reason for this is that information in responses to this consultation may be subject to release to the public or other parties in accordance with the access to information law (these are primarily the Environmental Information Regulations 2004 (EIRs), the Freedom of Information Act 2000 (FOIA) and the Data Protection Act 2018 (DPA)). We have obligations, mainly under the EIRs, FOIA and DPA, to disclose information to particular recipients or to the public in certain circumstances. In view of this, your explanation of your reasons for requesting confidentiality for all or part of your response would help us balance these obligations for disclosure against any obligation of confidentiality. If we receive a request for the information that you have provided in your response to this consultation, we will take full account of your reasons for requesting confidentiality of your response, but we cannot guarantee that confidentiality can be maintained in all circumstances.

If you click on 'No' in response to the question asking if you would like anything in your response to be kept confidential, we will be able to release the content of your response to the public, but we won't make your personal name and private contact details publicly available.

There may be occasions when Defra will share the information you provide in response to the consultation, including any personal data, with external analysts. This is for the purposes of consultation response analysis and provision of a report of the summary of responses only.

This consultation is being conducted in line with the Cabinet Office "Consultation Principles".

Please find our latest privacy notice uploaded as a related document alongside our consultation documents.

If you have any comments or complaints about the consultation process, please address them to: consultation.coordinator@defra.gov.uk.

About you

1. Would you like your response to be confidential? (Select one option only)

- yes
- no
- if you answered yes, please give your reason:

2. Who are you responding as? (Select one option only)

- individual – You are responding with your personal views, rather than as an official representative of a business / business association / other organisation
- public sector body – In an official capacity as a representative of a local government organisation / public service provider / other public sector body in the UK or elsewhere
- industry – In an official capacity representing the views of a business
- campaign group/NGO – In an official capacity as the representative of a non-governmental organisation / trade union / other organisation
- academia – In an official capacity as a representative of an academic institution
- other (please specify):

3. Which of the following best describes the role or field you belong to? (If you have multiple roles, please select the one which best represents your interests in this consultation response) (select one option only)

- food Processor
- food Business Operator
- feed business operator
- retailer of veterinary medicines
- veterinary surgeon
- suitably qualified person (SQP)
- academic
- consumer
- professional keeper of animals
- other, please state:

4. What is the name of your organisation?

5. Please select where you/your organisation is based (select all that apply):

- England
- Northern Ireland
- Scotland
- Wales
- other

Executive summary

The Veterinary Medicines Directorate (VMD) is an Executive Agency of the Department for Food, Environment and Rural Affairs (Defra). The VMD manages the National Residues Control Programme (NRCP), which is a statutory programme that is designed to help identify residues of banned substances, veterinary medicines, and contaminants in products of animal origin which are destined for the food chain. The NRCP helps to protect human health. It also provides assurances to the UK's trading partners about the quality and safety of exported products of animal origin. The programme helps to support international trade worth approximately £12 billion per annum to the UK economy.

Residues policy and surveillance is a devolved matter so the VMD works in close partnership with the Scottish Government and the Welsh Government to deliver the NRCP in Great Britain.

The programme operates on a full cost recovery basis, so each of the livestock sectors that take part are invoiced each year. The programme currently costs approximately £5 million per annum, and this is forecast to reach approximately £8m per annum by 2028. This is due to a rise in the costs of procured services which are necessary to deliver the programme such as sampling, testing, and consumables. Without the proposed revisions to the current charges that industry pays, it is forecast that there will be an under recovery of the costs of the programme by £300,000 in the current financial year, and the deficit is expected to rise to £3 million per annum by 2029.

The aim of this joint public consultation exercise by the VMD, the Scottish Government and the Welsh Government is to explain our proposals to increase the charges that industry participants in the NRCP will pay during the 2024 to 2025, and 2025 to 2026 financial years. The proposed changes are set out in Table 2. As this is a statutory programme, to implement these revisions would require an update to Schedule 1 of the Charges for Residues Surveillance Regulations (Schedule 1). As this is a devolved matter, the UK Government, the Scottish Government and the Welsh Government would lay separate Statutory Instruments to cover food business operators in England, Scotland and Wales respectively.

The VMD works in partnership with commercial experts and our delivery partners to ensure value for money of the NRCP and a summary of this activity is described below in the background section. We have also provided additional background information about the costs of the NRCP.

A full regulatory impact assessment has not been published alongside this consultation. This is because the sum of the proposals falls below £5 million. Furthermore, as these proposals relate to statutory fees for cost recovery purposes, this falls outside the better regulation framework in England (please see page 27 of the better regulation guidance) and the Welsh Ministers regulatory impact code in Wales (para 3.2)). Through this public consultation exercise, the VMD, Scottish Government and the Welsh Government are

seeking stakeholder's views on the potential financial and other impacts of these proposals, and we will continue to undertake ongoing stakeholder engagement activities.

This public consultation is strictly about proposals to change the statutory charges for the NRCP during the 2024 to 2025, and 2025 to 2026 financial years. Broader suggestions to amend the core functions of the NRCP such as the scientific methods, the veterinary substances we test for, or the frequency of sampling and testing is out of scope of this consultation. This is because those aspects have a separate statutory basis (please see the background section) and are not currently under review.

The need for a change in fees

1. The VMD is proposing to make changes to Schedule 1 to recover costs for providing the NRCP until the financial year ending March 2026. The VMD, the Scottish Government and the Welsh Government will continue to monitor the delivery of the programme and will publicly consult if further revisions to charges are required in future years.

2. Table 1 shows the historic and forecast costs of the NRCP up to the financial year ending March 2026. During the 2022 to 2023 financial year there was a 9% increase in costs compared to previous years, and we forecast that in the 2023 to 2024 financial year there will be a 17% increase in costs. We anticipate that costs will continue to increase by an average of 10% per annum over the next five years. This is due to unavoidable rises in overheads and other costs such as sampling, processing, and testing.

3. Table 1 also shows that, based on the current Schedule 1 rates, there will be an under-recovery of costs leading to a deficit of £300,000 during 2023 to 2024, £500,000 during 2024 to 2025 and £1.5 million by 2025 to 2026. However, the deficit would fall to zero by 2026 if Schedule1 rates were updated as proposed in this consultation. This information is also demonstrated by the solid and dashed lines on Graph 1.

Options for public consultation

4. The following options have been considered:

   A. **do nothing**. Schedule 1 will be unchanged, and charges would be maintained at current levels

   B. **a flat rate 65% increase** to the charges in Schedule 1, applied across all sectors taking part in the NRCP

C. **a specific percentage increase** tailored for each industry sector based on their specific sampling plan and production levels

Option A would not achieve full recovery of costs. This option would therefore threaten the viability of the NRCP which is necessary to help protect human health. NRCP also supports exports of products of animal origin worth £12 billion to the UK economy, and this may become compromised without action.

Option B would lead to disproportionate increases in fees for some sectors and ongoing under recovery of costs in others. There are varying production volumes and costs of sampling each sector so, in effect, some sectors would cross-subsidise others.

Option C is considered to be the most appropriate and equitable option as it recognises that not all sectors have the same cost profile. This is due to the different sampling and testing arrangements, which are carefully decided each year based on risk assessments and other factors.

To what extent do you agree or disagree with our assessment that the most equitable approach to amending Schedule 1 is option C? Please give reasons for your answer.

- strongly agree
- agree
- neutral
- disagree
- strongly disagree
- don't know

Do you have any concerns about the implementation of option C?

5. Table 2 shows the proposed changes to Schedule 1 based on option C. We have used the following assumptions:

   - the forecast production levels for each type of animal or animal product are based on an average of 2021 to 2023 levels
   - external contracted costs are forecast to increase by 10% each year
   - the VMD team with responsibility for managing the NRCP will remain static in size for the next 5 years
   - employment costs and overheads are forecast to increase by 5% each year
   - the proposed new rates will come into force from Autumn 2024.

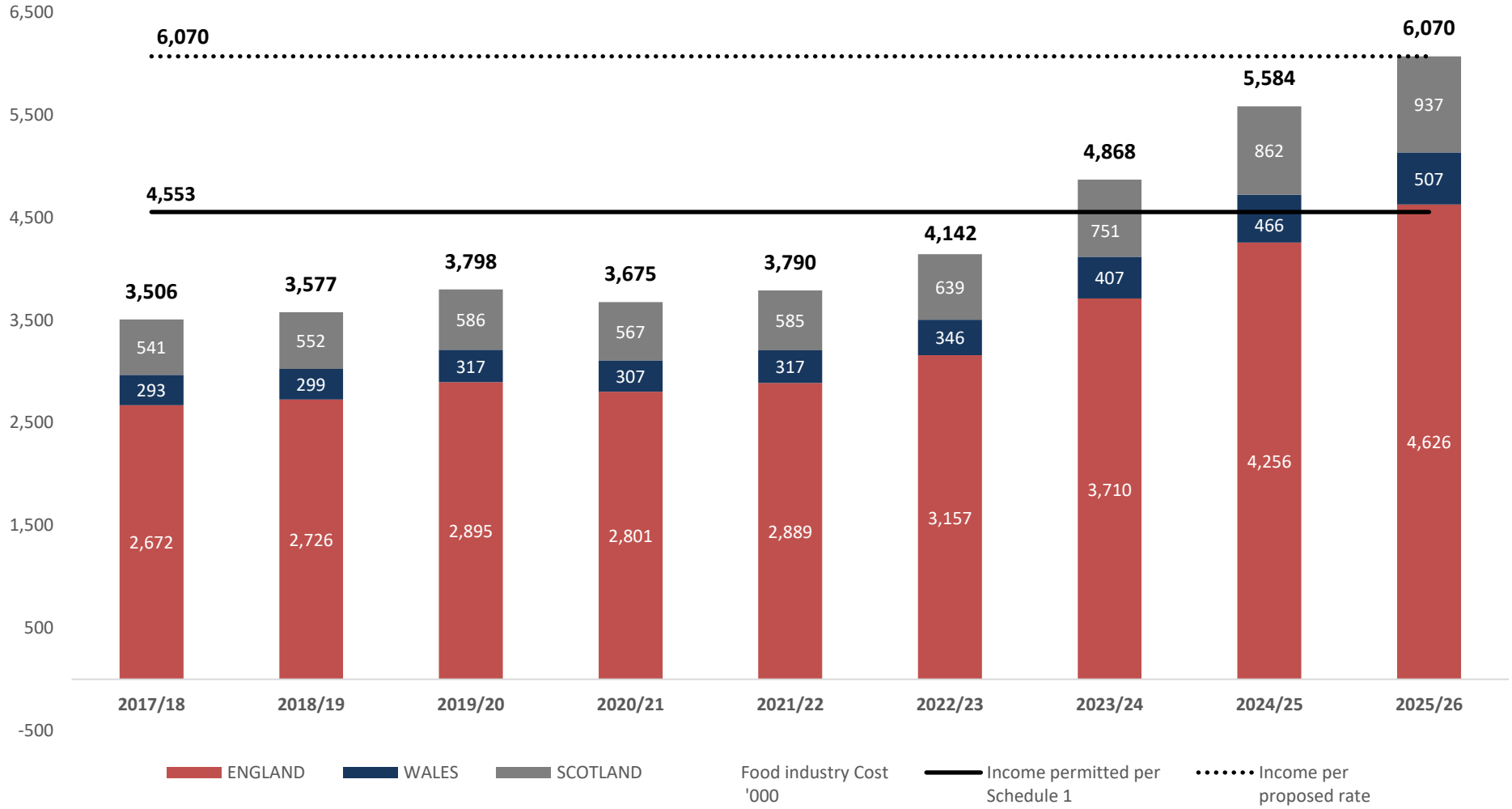
6. Table 3 and Table 4 provide an illustrative example of the likely financial impact of these proposals on a typical sector and on a typical producer in the NRCP.

Are there any other factors the UK Government, the Scottish Government and the Welsh Government should consider?

Table 1: costs of the NRCP

Financial year	2017 to 2018	2018 to 2019	2019 to 2020	2020 to 2021	2021 to 2022	2022 to 2023	2023 to 2024	2024 to 2025	2025 to 2026
	£million	£million	£million	£million	£million	£million	£million	£million	£million
Total cost of NRCP: England	2.7	2.7	2.9	2.8	2.9	3.1	3.7	4.3	4.6
Total cost of NRCP: Wales	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.5	0.5
Total cost of NRCP: Scotland	0.5	0.6	0.6	0.6	0.6	0.6	0.8	0.9	0.9
Total cost of NRCP	3.5	3.6	3.8	3.7	3.8	4.1	4.9	5.6	6.1
Income permitted by Schedule 1	3.5	3.6	3.8	3.7	3.8	4.1	4.6	4.6	4.6
Recovery of costs permitted by Schedule 1	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	-1.0	-1.5
Income permitted by proposals in this public consultation	n/a	n/a	n/a	n/a	n/a	n/a	4.6	5.1	6.1
Recovery of costs permitted by proposals in this public consultation	n/a	n/a	n/a	n/a	n/a	n/a	-0.3	-0.5	0.0

Graph 1: costs of the NRCP (£000s)



Please refer to paragraph 3 which explains the trends indicated by this graph.

Table 2: proposed changes to Schedule 1

Type of animal or animal product	The Charges for Residues Surveillance (Amendment) Regulations 2011 (£)	Proposed charges (£) in 2024 - 2025	Actual increase (£)	Proposed charges (£) in 2025 - 2026	Actual increase (£)
Bovine	0.5106 per carcase	0.7007 per carcase	0.1901 per carcase	0.7617 per carcase	0.0610 per carcase
Goat	0.0507 per carcase	0.0691 per carcase	0.0184 per carcase	0.0751 per carcase	0.0060 per carcase
Sheep	0.0507 per carcase	0.0691 per carcase	0.0184 per carcase	0.0751 per carcase	0.0060 per carcase
Soliped	0.3536 per carcase	0.4287 per carcase	0.0751 per carcase	0.4660 per carcase	0.0373 per carcase
Swine	0.0543 per carcase	0.0676 per carcase	0.0133 per carcase	0.0735 per carcase	0.0059 per carcase
Game and wild game	1.0461 per tonne	1.0461 per tonne	0 per tonne	1.0461 per tonne	0 per tonne
Poultry	0.5568 per tonne	0.5917 per tonne	0.0349 per tonne	0.6432 per tonne	0.0515 per tonne
Eggs	0.0179 per case of 360 32,345 per quarter	37,197 per quarter	4,852 per quarter	37,197 per quarter	0
Milk	0.0276 per 1000 litres	0.0373 per 1000 litres	0.0097 per 1000 litres	0.0405 per 1000 litres	0.0032 per 1000 litres
Fish other than trout	2.1265 per tonne of marketed product	2.1660 per tonne of marketed product	0.0395 per tonne of marketed product	2.3546 per tonne of marketed product	0.1885 per tonne of marketed product
Trout	1.6840 per tonne of fish food	2.5963 per tonne of fish food	0.9123 per tonne of fish food	2.8222 per tonne of fish food	0.2260 per tonne of fish food

Table 3: an illustrative example of the likely financial impact of the proposals on a typical sector in the NRCP

Bovine sector in GB		**Comments**
Assumed annual throughput (the total number of carcases processed)	2,284,913	
Current charge per carcase as per Schedule 1	£0.5106	
Total charges invoiced to the sector during 2023 to 2024 financial year	**£1,166,676**	
Proposed rate per carcase 2024 to 2025	£0.7007	
Charges invoiced to the sector during the 2024 to 2025 financial year	**£1,383,857**	We expect the new charges would come into force during autumn 2024, so this charge would consist of 6 months at the current rate and 6 months at the new 2024 to 2025 rate
Proposed rate per carcase 2025 to 2026	£0.7617	
Charge invoiced to the sector in during the 2025 to 2026 financial year	**£1,740,418**	Full year charges at the new 2025 to 2026 rate

Based on the assumptions described in paragraph 5, the table shows that the bovine sector would in total pay approximately £1.4million during 2024 to 2025, and approximately £1.7million during 2025 to 2026.

Table 4: an illustrative example of the likely financial impact of the proposals on a typical producer in the NRCP

A bovine processor in GB	Value	Comments
Assumed annual throughput (the total number of carcases processed)	99,559	This would be classed as a typical high-volume producer in the NRCP
Current rate per carcase as per Schedule 1	£0.5106	
Total charges invoiced to the processor during the 2023 to 2024 financial year	**£50,835**	
Proposed rate per carcase 2024/25	£0.7007	
Charges invoiced to the processor during the 2024 to 2025 financial year	**£60,298**	We expect the new charges would come into force during autumn 2024, so this charge will consist of 6 months at the current rate and 6 months at the proposed 2024 to 2025 rate
Proposed rate per carcase 2025/26	£0.7617	
Charge invoiced to the processor during the 2025 to 2026 financial year	**£75,834**	Full year charges at the 2025 to 2026 proposed rate

Based on the assumptions described in paragraph 5, the table shows that a typical high throughput bovine processor would pay approximately £60,000 during 2024 to 2025, and approximately £75,000 during 2025 to 2026.

The expected impact on businesses

7. These proposed changes would be the first adjustments to Schedule 1 since 2011, so as part of this consultation, we are seeking your views on the following questions to help us better understand how the changes may affect stakeholders covered by the scheme:

   What impact would you expect the revised rates to have on your profit margins?

   Would you expect to absorb this additional cost or transfer it to your customers?

   - absorb
   - transfer
   - other
   - don’t know

   How do you think this fee revision would affect the demand for your goods and services?

Background

1. NRCP helps to protect human health and provides assurances about food safety and standards. The programme is a component of the United Kingdom Multi-Annual National Control Plan (UK MANCP) which is the framework of official control systems in place for feed and food law and animal health (including aquatic animals and bee health) and animal welfare rules. The programme currently covers the following:
    - red meat
    - poultry meat
    - farmed fish
    - eggs
    - wild and farmed game
    - honey
    - milk
    - sausage casings

Sample collection and analysis

2. In GB over 30,000 samples are taken and analysed each year consisting of the following:

    - approximately 25,000 red meat and poultry meat samples taken at abattoirs by inspectors
    - approximately 5000 samples at farms by animal health officers
    - trout samples taken by Cefas inspectors
    - salmon samples by Marine Directorate
    - honey samples by the National Bee Unit
    - egg samples by APHA and Scottish Government

3. A sampling programme is agreed with collection agencies every September in an annual planning meeting. Samples collected in Great Britain are sent to Fera Science Ltd for analysis. Analytical methods are accredited to ISO 17025 and validated to the requirements in EU Commission Decision 2002/657/EC.

4. The costs of the programme are managed through Service Level Agreements between VMD and the collection agencies. The principles for charging fees are set by HM Treasury in Managing Public Money. The basic principle states that 'the standard approach is to set charges at a level to recover full costs'. This full cost-recovery approach means that the regulated bear the cost of regulation, as well as

ensuring the VMD does not profit from fees or make a loss which must then be subsidised by Defra or wider Government.

Legislative and territorial context

5. Residues policy and surveillance is devolved in the UK but in practice, the VMD takes the lead on the NRCP for Great Britain. VMD works in close partnership with the Scottish Government and the Welsh Government. Table 5 shows the regional breakdown of stakeholders in the NRCP. This is also shown in graph 2.

6. The requirement for the control of residues in Products of Animal Origin (POAO) is a domestic legislative requirement to ensure food safety, and stems from several pieces of retained EU law:

    - Directive 96/23/EC – which outlines approaches to sampling and testing frequencies
    - Directive 96/22/EC – which outlines approaches to prohibited substances
    - The Animals & Animal Products Regulation 2015 which transposes the above two pieces of legislation and provides for enforcement powers
    - The Official Controls Regulation 2017 which consolidates requirements for official controls
    - The Charges for Residues Surveillance Regulations 2006

7. The requirement for control of residues in POAO also forms part of international obligations on sanitary and phytosanitary (SPS) measures – and are therefore intrinsically linked to trade. This is most clearly demonstrated in the case of the European Union, which explicitly approves trading partners for different types of POAO under Regulation 2021/405 based on their residue controls.

8. GB is listed in the annex of this Regulation, with approval dependant on GB a) having a residues control plan in place that is equivalent to EU standards and b) submitting our plans and results to the EU on an annual basis.

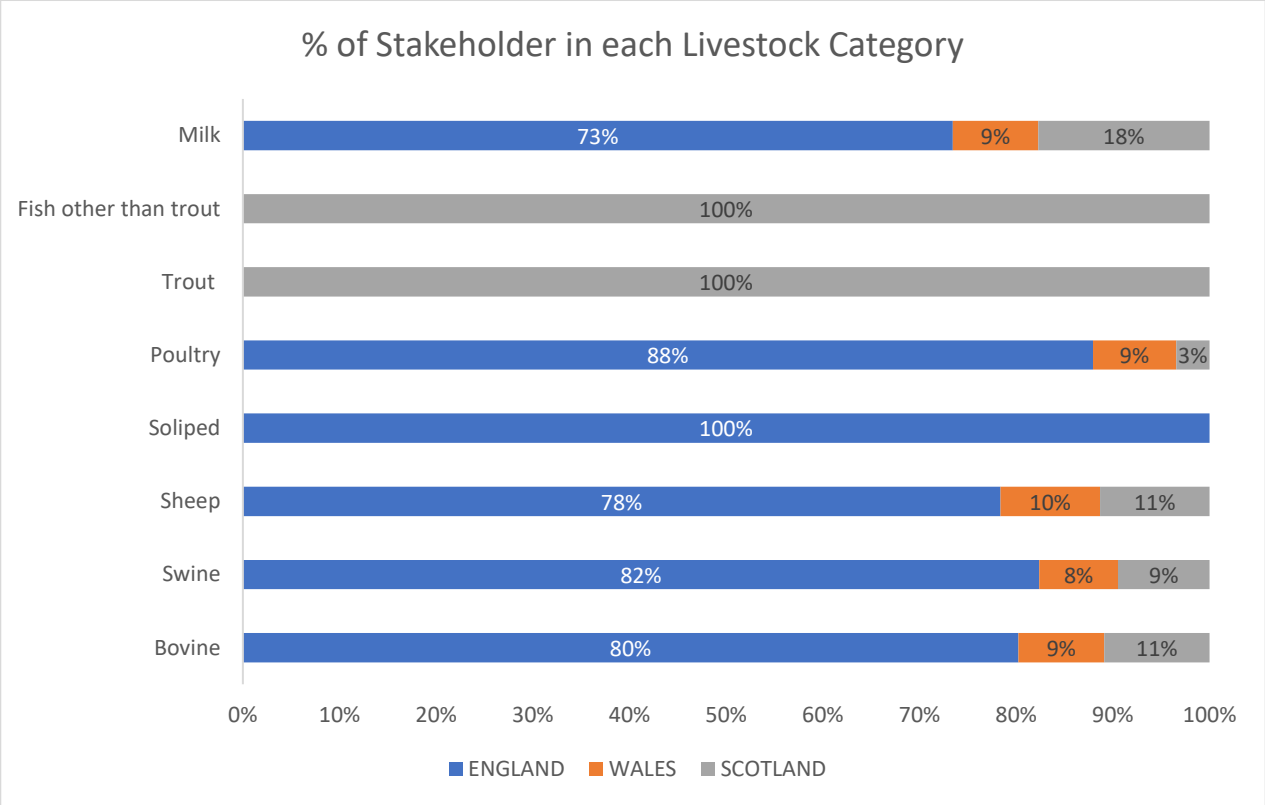
9. Without having such residue controls in place to meet these standards we could not provide assurances on the quality and safety of our POAO to international markets, which would have catastrophic monetary and reputational impacts for GB trade.

Table 5: regional location of stakeholders in the NRCP

SPECIES	ENGLAND	WALES	SCOTLAND
Cattle	80%	9%	11%
Pigs	82%	8%	9%
Sheep	78%	10%	11%
Horse	100%	0	0
Poultry	88%	9%	3%
Trout	0	0	100%
Salmon	0	0	100%
Milk	73%	9%	18%
Game	n/a	n/a	n/a
Eggs	n/a	n/a	n/a

The table shows that more than 70% of businesses in each sector covered by the NRCP is in England except for trout and salmon which are all based in Scotland.

Graph 2: regional location of stakeholders in the NRCP



The graph shows that more than 70% of businesses in each sector covered by the NRCP is in England except for trout and salmon which are all based in Scotland.

The cost elements of the NRCP

10. The NRCP has the following main cost elements which are all required to deliver the programme. The VMD, the Scottish Government and the Welsh Government works closely with various specialist delivery partners such as Fera Ltd, FSA, CEFAS, APHA and others to deliver aspects of the programme.

    i. External contracted costs
        a. sampling costs
        b. testing costs
        c. processing costs

    ii. Other external factors which impact costs
        a. species production levels
        b. a Long-Term Service Agreement for testing of samples

    iii. VMD internal costs
        a. staff cost and overheads to deliver the scheme.

The role of collection agencies

Contracted Partner	Role
Fera Ltd	Analysis of all samples
APHA	Collection of samples on livestock farms
APHA, National Bee Unit (NBU)	Collection of samples from bee farms
APHA, Egg Marketing Inspectorate (EMI)	Collection of eggs (in England and Wales)
Cefas	Collection of trout samples (in England and Wales)
Food Standards Agency	Collection of samples at abattoirs (in England and Wales)
Food Standards Scotland	Collection of samples at abattoirs (in Scotland)
Marine Directorate	Collection of samples of salmon & trout (in Scotland)
Scottish Government	Collection of samples of eggs & honey (in Scotland)

How charges are calculated for each sector

Milk

11. To calculate the charges which will apply for milk testing, we first obtain an estimate of total UK milk production based on data from the previous year. From this we can calculate the number of samples we are required to take and the costs of collection and analysis. We then calculate the charge per 1000 litres of milk that is needed to recover these costs.
12. All the milk samples to be tested are taken from dairy farms to ensure that we can trace the origin of any residues detected.
13. With around 15,000 dairy farmers in the UK, we may not take a sample from a particular farm very often, especially if the production there is small.
14. Rather than invoice every farmer, we charge fees to milk processors or milk buyers that collect milk from farms and to those dairy farmers that sell milk directly to the public (direct sellers). This approach reduces the overhead costs of the scheme, and the legislation allows each dairy to recover the costs of testing the milk from the farms they buy milk from. The charge we make to each dairy is based on the throughput of milk for that dairy and is not affected by whether a sample has been taken in any period or not.
15. Both purchasers and direct sellers of milk are required to make an annual declaration to the Rural Payments Agency (RPA) detailing the amount of milk and/or milk products purchased or sold as appropriate. It is this data that RPA provides in order to calculate the charges due for each dairy and raise invoices as appropriate.
16. Milk purchasers (also referred to as 1st Purchasers) are invoiced every 6 months and farms selling milk directly to the public are invoiced annually.
17. Milk samples are taken on-farm by Animal Health Officers.

Red meat and poultry meat

18. To calculate the charges which will apply to the red meat and poultry meat sector we do the following:

    - obtain the figures for the estimated production of each type of livestock for the coming year in England, Scotland, and Wales, based on data from the previous year provided by Defra
    - calculate the number of samples that we are required to take and what analysis needs to be carried out on those samples
    - determine the costs of collecting and analysing the samples

19. We then calculate the fee per carcase necessary to recover the above costs.
20. Poultry abattoir fees are calculated from validated throughput (slaughter) data supplied by the FSA and FSS.
21. We raise quarterly invoices for all abattoirs and meat processing plants, based on their throughput multiplied by the fee per carcase. The charge is based on the number of animals processed by a business in a particular period, rather than the number of samples taken from that site.
22. Meat samples are taken by FSA officials.
23. For abattoirs and poultry processors with a small throughput, we may not take samples every quarter.

Fish

24. To calculate the charges for fish (excluding trout) we obtain an estimate of total UK fish production based on data from the previous year. From this we calculate the number of samples we are required to take and the costs of collection and analysis per sample. We can then calculate the charge per tonne of marketed product that is needed to recover these costs.
25. For farmed salmon we receive annual figures of salmon harvested at farms (by total gutted weight) from the Crown Estate Commissioners for the previous calendar year. Salmon farmers will then be invoiced based on this data.
26. The fees for trout farmers are based on quantities of trout feed supplied by feed mills. Trout feed manufacturers pay the fees to the British Trout Association, who then remit the fees.
27. Samples are taken from fish farms by officers from CEFAS in England and Wales, or by Marine Directorate in Scotland. Samples may not be taken from a particular

fish farm very often if its production is small. Therefore, the charges are based on the throughput of fish, rather than if a sample is taken in any period.

Game

28. To calculate the charges for farmed game we obtain an estimate of total production based on data from the previous year. From this we calculate the number of samples we are required to take and the costs of collection and analysis per sample. We can use this to calculate the charge per tonne of marketed product that is needed to recover these costs.
29. All game suppliers and processors must be registered with FSA. They are required to provide throughput data to the VMD on a quarterly basis and are then invoiced based on the throughput data received.
30. Samples of game are taken by FSA officials at abattoirs.

Eggs

31. Defra's Egg Marketing Inspectors (EMIs) collect egg samples from packing stations in England & Wales. Egg Marketing Officers (EMOs) do the same in Scotland.
32. To reduce the administrative burden on egg companies from the throughput reporting and invoicing requirements, the VMD has an agreement with the British Egg Industry Council (BEIC). The BEIC now pays the residues surveillance charge for eggs direct to the VMD and recovers the costs as it sees fit from its members. This agreement has resulted in substantial savings to the egg industry in respect of residues surveillance.
33. The charge paid by the BEIC represents the full cost of running the statutory surveillance programme for residues of veterinary medicines and certain other substances in eggs in Great Britain. This includes the collection and transport of samples, analytical costs, and follow-up inspections on the farm of origin of non-compliant results.

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Value for money

34. Value for money is a key principle underpinning the governance of the residues surveillance programme. The following procedures are in place to ensure value for money:

- the sampling programme is agreed with collection agencies in an annual planning meeting and agreed costs are set out in Service Level Agreements (SLAs)
- samples collected in Great Britain are sent to Fera Science Ltd, York, for analysis.
- the VMD operations manager has responsibility for negotiating operational costs with collection agencies. The aim is to charge each sector as accurately as possible for the actual costs incurred
- audits are a key part of the programme, for all parties involved: both Fera and AFBI are designated national reference laboratories (NRLs) and each is audited approximately every 18 months
- the VMD audits all the sample collection agencies on a periodic basis

External audits

35. Europe is a key destination of UK products of animal origin with average trade values of £8billion per annum. The European Commission's DG Health and Food Safety, known as DG SANTE-F, sends missions to audit Member States to ensure that official controls are being appropriately carried out by official bodies. DG SANTE-F also inspects non-EU countries to check that they apply equivalent standards for exported goods, which applies to the UK. The VMD, as the designated Competent Authority for veterinary medicines, is the focal point for these audits. Missions also generally involve visits to farms, abattoirs, veterinary practice(s), wholesalers, and Animal Health Offices over two to three weeks and are co-ordinated by VMD in collaboration with Defra, the APHA and FSA.
36. The UK is also subject to audits by non-EU countries, which can either take the form of detailed questionnaires, or dedicated visits by auditors. Hosting third country trade missions is an important piece of work which demonstrates that our residues controls are robust, to give trading partners the necessary assurances about the quality and safety of UK produce.

Responses to this public consultation

37. After the close of this consultation, the VMD in partnership with the Scottish Government and the Welsh Government will publish a formal government response within the recommended 12-week period.

38. Separate Statutory Instruments would be laid for scrutiny in the UK, Scottish and Welsh Parliaments before the proposed new charges come into force.

Glossary

NRCP	The National Residue Control Programme is a statutory programme to collect samples of products of animal origin destined for human consumption. These samples are tested to check for residues of various prohibited substances.
Charges for Residues Surveillance Regulations (Schedule 1)	The Charges for Residues Surveillance (Amendment) Regulations 2011 sets out the rates to be paid by the sectors that are covered by the surveillance programme.
POAO	Product of animal origin destined for human consumption. Examples include egg, poultry meat, sausages, and fish.
Cross subsidy	Cross subsidisation is the practice of charging higher prices to one type of consumers to artificially lower prices for another group.
Managing Public Money	This document is produced by HM Treasury and sets out the main principles for dealing with resources in public sector organisations in the UK.
Throughput	In this context this refers to the number of animals that are processed at an abattoir.
AFBI	Agri Food and Biosciences Institute.