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Your ref:  
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28 July 2003

### CONSULTATION ON LOCAL VETERINARY INSPECTORS REVIEW

The State Veterinary Service is a GB organisation fully accountable to Scottish Ministers for its operations in Scotland. This link has been strengthened by recent changes, which whilst retaining the State Veterinary Service as a GB wide organisation, saw the creation of the CVO Scotland post last year to fully reflect its role in providing independent veterinary advice to Scottish Ministers. Reflecting this accountability the Scottish Executive is consulting, in parallel with Defra in England and Wales, on proposals to improve the working arrangement between Local Veterinary Inspectors (LVIs) and the State Veterinary Service.

In delivering animal health and welfare policy LVIs play a significant role in supporting the permanent SVS resource. This consultation seeks to put the contract on a more modern footing. It also seeks to review the training of the LVI resource and seeks reactions on the creation of a cadre of LVIs who could be used in any future disease emergencies and provide additional back up to the SVS in the management of disease. This reflects the recommendations emerging from the principal FMD Inquiries.

Comments on the consultation should be sent by **25 October 2003** to:

Deborah King  
Scottish Executive Environment and Rural Affairs Department  
Animal Health and Welfare Division  
Room 345  
Pentland House  
47 Robb's Loan  
Edinburgh  
EH14 1TY

E-mail: [deborah.king@scotland.gsi.gov.uk](mailto:deborah.king@scotland.gsi.gov.uk)

Unless specifically requested it will be assumed that any replies may be made publicly available.

Yours sincerely

NEIL RITCHIE

DM02307

# Review of the Local Veterinary Inspector System

A consultation document issued by  
the Scottish Executive

July 2003

## INTRODUCTION

1. Local Veterinary Inspectors (LVIs) are private vets who support the work of the State Veterinary Service by carrying out certain duties for it. These currently include TB testing, brucella investigations and the certification of animals or meat products for export and, in some Divisions, import. For some of their work, LVIs are paid directly by the SVS, whilst for other work they charge their clients. There are some 7,000 LVIs in Great Britain, working in around 2,000 practices, and most private vets do at least some work as LVIs even though the great majority of their income is usually derived from other sources.

2. We are reviewing the LVI system because:

- it is timely to do so now that the development of an Animal Health and Welfare Strategy will pose new delivery challenges;
- there are concerns about the ability of the present system to deliver the consistently high quality of service which is needed, and about the absence of a system to show what level of quality is actually being achieved;
- the FMD outbreak in 2001 demonstrated that existing arrangements are not the most efficient way of using available veterinary manpower in a crisis; and
- the system needs to be modified to accommodate changes in legislation and the complexity of the modern practice environment, in which the traditional practice headed by one or more vets is no longer the only model.

The Review's Terms of Reference are at Annex A. Individuals nominated by the British Veterinary Association (BVA), the Royal College of Veterinary Surgeons (RCVS), the National Farmers' Union and the Food Standards Agency took part in the review, either through a stakeholder board or through membership of various working groups.

Each section of the paper contains questions in **bold** – usually at the end of a section. Please answer as many of these as you feel able to. There is a summary of these questions at the end of the document. Please send your response to:

**Deborah King**  
**Scottish Executive Environment and Rural Affairs Department**  
**Animal Health and Welfare Division**  
**Room 345**  
**Pentland House**  
**47 Robbs Loan**  
**EDINBURGH**  
**EH14 1TY**

Or by email to [deborah.king@scotland.gsi.gov.uk](mailto:deborah.king@scotland.gsi.gov.uk)

Responses should arrive no later than **25 October 2003**.

### **Animal Health and Welfare Strategy**

3. Defra, the Scottish Executive and Welsh Assembly Government have been working to produce an Animal Health and Welfare Strategy. After extensive consultation earlier in the year, our interim strategy was published on 15 July. The full strategy is due to be published in Spring 2004.

4. The interim strategy stresses the important role which private vets will continue to perform both as delivery agents for the SVS – currently as LVIs – and in partnership with animal owners and other stakeholders. It makes clear, in addition, that both the nature of Government interventions, and who pays for them, are likely to change as the Strategy is implemented. These changes will have implications for LVIs as for all other stakeholders in animal health and welfare. Whilst it is too early to say exactly how LVI workloads are likely to change, this paper invites views on some principles which could determine how work is shared between private vets and the SVS.

5. The principles on which we would like your views are as follows:

- Private vets have a closer relationship with many farmers than does the SVS. Research has shown that farmers are more receptive to messages delivered by their own vet than to other sources;
- private vets will usually have better local knowledge than the SVS, and be based closer to the animals they are looking after than the SVS's vets are;
- however, private vets should not be used where there is a significant conflict of interest. Vets are unlikely, for example, to want to act on a regular basis as "policemen" reporting their clients if there are welfare problems, although they might be used to follow up reports of poor welfare if an alternative approach is felt justifiable.
- Vets of any sort (private or state) should not be used where more cost-effective, suitably trained and equipped personnel could perform an adequate job;
- Government needs to maintain a strong core of state-employed vets, capable among other things of organising the response to an emergency such as the recent FMD outbreak. This may mean that, in normal times, some work which could be done by private vets is carried out by state vets in order to make use of the resource which is already available and paid for.

**Q1: Which of these principles do you feel to be the most important? Are there other factors which should govern the range of work which LVIs are expected to carry out?**

6. One early change which affects LVIs is the proposed introduction of **lay TB testing**. On 4 July, Defra issued a consultation paper suggesting that, in future, trained lay personnel be permitted to carry out tuberculin testing under veterinary supervision. These lay testers would be in addition to, rather than in place of, the existing veterinary testers, since the Government is anxious to increase the pool of trained personnel able to carry out TB testing. Under the Defra proposals, either SVS technical staff, or lay staff working for LVI practices, would be able to perform TB tests. It is important to stress that LVI practices themselves would be able to choose whether it was one of their vets, or a lay staff member, who performed TB tests allocated to them. Since the SVS itself has no plans to dramatically increase its complement of Animal Health Officers in order to carry out more tests in-house, it follows that the extent to which lay TB testers actually replace vets is largely down to the decisions of the vets themselves.

7. However, apart from any impact from the proposed introduction of lay TB testing, it is not possible at this stage to say what further changes to LVI workload there are likely to be as a result of the implementation of the Strategy. This consultation paper focuses, therefore, on the reforms which are needed to the LVI system to ensure that it remains capable of delivering a high quality service whatever decisions are taken about work allocation.

### **Delivering a consistently high quality service**

8. The LVI system has delivered a good service over a very long period, thanks to the commitment of LVIs and the SVS alike. It is now, however, beginning to show signs of its age, and of the way it has grown by accretion over the years with little attempt to systematise it. In particular:

- **Guidance** to LVIs is set out in a complex series of insets, circulars and instructions, which is entirely paper-based and updated frequently. The guidance does not usually set out the standards to which the SVS expects work to be performed. This in turn means that there is not adequate **quality assurance** of the work carried out by LVIs;
- **communication** with LVIs could be improved. Many private vets have said that they would welcome more explanation of the reasons for changes in Government policy;
- access to **training** is patchy, with Defra failing to make best use of the time vets are able to spend training at the Animal Health Divisional Office (AHDO), or to offer more practice-friendly training facilities such as distance learning. Training is strong on procedures at the expense of technical matters, which are currently the responsibility of the practice;
- the **absence of a clear contractual relationship** with the practice, firm or other organisation carrying out the work, and the cumbersome nature of the procedures for addressing shortcomings in an individual LVI's work, mean that the SVS does not have a reliable means of ensuring that a high

quality service is delivered, and is overly reliant on the goodwill and professionalism of the vast majority of vets who perform LVI work;

- **payment** is made overly complicated by the need to deduct National Insurance contributions for some, but not all, LVIs;
- there is perceived to be ambiguity about the **status** of the SVS-LVI relationship in both employment law, and health and safety law. The current arrangements do not provide the SVS with the assurance it needs, as a responsible client, that its contractors have the information and skills necessary to manage the risks they face.

## **MAKING THE LVI SYSTEM MORE ROBUST 1: CONTRACTS**

9. Relations between the SVS and LVIs are currently governed by a Memorandum of Understanding (MOU) between the then Ministry of Agriculture, Fisheries and Food and the British Veterinary Association (BVA) dating back to 1994. The Memorandum does not set out clearly the responsibilities of the SVS or of LVIs, and appears to be generally regarded as an unsatisfactory basis on which to organise work worth some £50m a year (when work paid for by clients is included). The MOU does not set out clearly who is responsible when things go wrong; how Health and Safety issues are to be handled; nor does it provide a workable procedure for removing an LVI whose performance is unsatisfactory.

10. We propose, therefore, to introduce a system which will clarify the responsibilities of those involved. In place of the MOU, we propose a standard contract between the SVS and each practice, firm or other organisation which provides LVI services. Contract holders will be responsible for providing the services in accordance with the terms of the proposed contract (which will specify service standards, administrative and other requirements such as timeliness). The work itself will continue to be carried out, by vets appointed on a personal basis as LVIs (but see below) and, where appropriate, by paraprofessionals such as lay brucellosis testers. However, the SVS's contractual relationship will be with the organisation which employs an LVI, and all payments will be made to that organisation rather than to an LVI personally. Under such a system:

- LVI work paid for by the SVS would only be done where a contract existed with the relevant practice, firm or other organisation;
- any difficulties arising in the performance of the work would be resolved, in the first instance, between the SVS and that organisation, using the terms of the contract.
- Problems with individual vets would generally be the responsibility of their employer, rather than the SVS. However, where unacceptable performance by an individual LVI came to the SVS's attention, the SVS would have the ability, as now, to suspend or terminate that individual's appointment, subject to a right of appeal to a Head of Veterinary Service.

- It is not our intention to let contracts by competitive tender, since recent experience with competitive tendering in Lancashire and Cheshire has demonstrated that a viable market does not presently exist. Instead, we intend to set a predetermined scale of fees, as in the current system, negotiating the rates as at present with the British Veterinary Association.
- Farmers would be asked to specify which Veterinary practice they wished to carry out the LVI work on their farm. The expectation would be that they would nominate their usual vet, since there are obvious synergies between LVI work and the provision of routine veterinary services to the farm. Provided that practice had an LVI contract – or was willing to enter into one – it will be offered the work. If the practice does not want the work, or does not hold a contract, it will be offered to another suitable contractor.
- Contracts will be based on Defra's standard terms and conditions for the provision of services. A draft contract for LVIs can be viewed at <http://www.defra.gov.uk/corporate/consult/lvireview/index.htm>. They would be call-off contracts, which means that LVI practices would not be obliged to carry out work when asked to by the AHDO. Once an item of work had been accepted, however, it would need to be performed to the standards laid out in the contract. This replicates a feature of the current system, whereby LVIs are free to decline work. The key difference is that the new system will involve much clearer specification – through appropriate, easily accessible instructions – of the work which is to be carried out. It will also involve checks on quality, and provide a better mechanism to deal with any cases where work is not performed to an appropriate standard;
- Unlike at present, LVI appointments would become fully portable between practices, with no need for a vet to re-register and surrender the official stamp every time there was a change in employer. Any suitable individual will be able to apply for appointment as an LVI, through the local AHDO. It will not be necessary to be a member of a practice, firm or other organisation which already has an LVI contract. Provided an individual maintains their expertise they will retain an LVI appointment throughout their working life, taking it with them as they move from practice to practice. New panels can be added from time to time if required.
- The SVS intends to negotiate the precise terms of the contract with the BVA, with the aim that the BVA should feel able to recommend the resulting contract to its members. Two particular elements, though, are worth drawing to your attention at this stage. Firstly, we propose that contracting practices will themselves be liable for their own negligence – the wording on this in the existing Memorandum is rather ambiguous. Secondly, and on a related matter, we propose to require that each practice carries a minimum of £200,000 in professional indemnity insurance so that any damage caused by LVIs is likely to be covered.

**Q2: Do you agree that the current Memorandum between the BVA and MAFF should be replaced by a system of standard contracts with practices?**

**Q3: Do you have any comments on the proposal to require practices holding LVI contracts to have in place at least £200,000 of professional indemnity cover?**

**Q4: Do you agree that LVI appointments (if they are retained – see below) should travel with the individual, rather than being specific to both an individual and the practice he or she is working in at the time?**

#### **Variant – dealing with National Insurance complexities**

11. We would welcome views on a variant on the contract's proposal. In short, this proposal would involve ceasing to appoint contractors as LVIs for most work. The benefit this would bring is that it might mean that such contractors were no longer considered to be “office holders” by the Inland Revenue under tax legislation. If this were the case, then fee income from LVI work could be treated just like any other income earned by the practice. The present position is that the fees paid by the SVS in respect of work done by partners and principals of practices attract Class 1 National Insurance Contributions.

12. The downside is that the vets concerned would lose the statutory powers which go with being an LVI, and so would not have, for example, the power to enter premises or to serve notices. It would, moreover, be necessary to retain LVI appointments in respect of certain work – principally certification – which can only be carried out by an official veterinarian under EU legislation or international treaty. Many practices would therefore need to have two separate contracts – one for LVI work, under which the vets were appointed, as now, and were office holders for tax purposes, and a separate contract under which the vets were not appointed and were not office holders. Fees paid for work done by principals or partners under the first type of contract would continue to attract Class 1 National Insurance as at present, whilst all fee income under the second type of contract would be free of such contributions. Fee income earned by assistants would remain free of such contributions under both types of contract.

13. This arrangement is obviously highly complex, and would entail a number of detailed changes to existing secondary legislation to make it possible for tasks to be carried out by veterinary contractors as opposed to inspectors. Nevertheless, we are prepared to investigate further its feasibility if vets themselves consider that the advantages of a simplification in the treatment of some of their income outweigh the disadvantages of this proposal.

**Q5: Would you in principle be willing to lose LVI status (and the powers which go with it) for some work, in order to avoid the deduction of Class 1 National Insurance Contributions from the fee income of partners and principals?**

## **MAKING THE LVI SYSTEM MORE ROBUST 2: IMPROVING INSTRUCTIONS AND QUALITY ASSURANCE**

14. The benefits from a system of contracts with practices will only be realised in full if there are much better instructions to LVIs. Contracts need to be underpinned by a clear specification of the work to be performed and details of how success will be monitored. Current arrangements do not provide the SVS with sufficient assurance as to delivery. We therefore propose to develop a series of Standard Operating Procedures (SOPs) for the work to be undertaken and the quality measures to be used to assess success. These will form part of the contract so that where, for example, TB testing is carried out under a practice contract, it must be performed according to the Standard Operating Procedure for that work and will be subject to the quality assurance measures set out in that SOP.

15. The bulk of quality assurance should be carried out by the contracting organisation itself – for example where a principal veterinarian checks that the work of assistants is up to standard. However, some form of independent check will also be necessary, to guard against possible abuse and to ensure that sole practitioners are delivering work of an appropriate standard. Options for this independent check might include:

- oversight by SVS field staff, including occasional checks on farm; and/or
- independent checks (including unannounced visits where practicable) by individuals trained in quality assurance or audit work.

**Q6: which of the options (which are not mutually exclusive) for quality control checks do you feel would be most useful in helping to ensure that LVI work was being carried out to an appropriately high standard?**

### **Training**

16. LVI training is currently rather variable. It is based on an assumption that newly appointed LVIs will be working in a practice, firm or other organisation where experienced LVIs are available and willing to train them in most of the technical duties involved, leaving the SVS to provide instruction on its own procedures. Anecdotal experience, plus the results of a training questionnaire to which more than 1500 LVIs responded, suggest that this system is not working as well as it might. In particular:

- an alarmingly high proportion of LVIs reported that the senior members of their practice had not delivered on their component of the training package; and

- the quality of training delivered by different AHDOs, and its coverage, varies widely.

Furthermore, training is currently a one-off activity, with no systematic provision for updating or refresher training.

17. The SVS is therefore exploring the scope for a revised training package. Features which it might possess include:

- a modular structure, so that busy practitioners need only train in the subjects which are relevant to them;
- the basic training would include a module on disease emergency response;
- technical training should be available to those who need it, as well as training in SVS procedures as at present. Better guidance will be provided to those in practices who are expected to provide technical training;
- LVI training should if possible attract credit for Continuous Professional Development under any scheme introduced by the Royal College of Veterinary Surgeons;
- Training should, where possible, make use of distance learning methods;
- Refresher training for experienced LVIs should be introduced.
- Relevant training should be available for paraprofessionals and practice managers.

**Q7: Which, if any, of these features of a training system for LVIs would you like to see introduced? Are there other features which should be included?**

18. Training is currently provided free of charge, with LVIs being reimbursed for the costs they incur in travelling to the training venue, although not for the time they spend away from their practice. Some LVIs have suggested that they would prefer to pay for the training which the SVS provides. A system under which LVIs paid for their own training might have a number of advantages:

- it would allow more rapid investment in LVI training than the SVS is likely to be able to afford from its own resources;
- it would facilitate the introduction of a wider variety of suppliers (e.g. universities) and innovative, more efficient methods of training;
- private sector trainers may have more freedom to design training to take place at a convenient time and location.

**Q8: Should the SVS introduce a charging regime for LVI training?**

### **Improving Communication**

19. Communication between the SVS and LVIs would be greatly facilitated if each contracting practice had access to the internet and e-mail. SVS

guidance could then be made available in electronic form, and practices could be assured that they had the latest version without the trouble of receiving and amending numerous paper versions of the instructions. Although this would have associated costs to practices, the improvement in communication and awareness would outweigh the minor costs associated with, for example, printing instructions at the practice. We therefore suggest that it should be a condition of the standard LVI contract that each practice makes available an e-mail address.

20. In the longer term, the SVS has been conducting a pilot of a system called VeBus – Veterinary Electronic Business System – whereby much of the paperwork involved in LVI work could be handled electronically, and data could be downloaded from other systems such as the Cattle Tracing Scheme. Initial results are promising, although VeBus requires a broadband internet connection to be fully effective. It is therefore likely to be some while before widespread uptake by LVIs is feasible.

**Q9: Do you agree that LVI practices should be required to make an e-mail address available, and access SVS guidance and instructions via the internet?**

**Q10: Do you agree that the SVS should seek to make increasingly greater use of electronic communication to and from LVIs as technology and its spread permits?**

### **Health and Safety**

21. Under a contracting system and before contracts are awarded, the practice should be required to demonstrate its health and safety capability by providing written documentation in the form of a H & S policy statement, risk assessments, safe working procedures and evidence of appropriate H & S training. To ensure consistent working standards, the SVS will provide practices with information on its own H & S policy, procedures and practices specific to the work of LVIs.

**Q11: Do you agree with the proposed health and safety arrangements?**

### **Paying for LVI work done directly for the SVS**

22. As part of our review, we have examined the basis on which fees are currently paid to LVIs. The general view of those involved in the review – who included LVIs as well as SVS and Defra personnel – was that, whilst the current fee structure is very complex, that complexity exists for a purpose and should be retained. Some LVIs made it clear that they would prefer a system whereby they could claim based on a pre-agreed hourly rate for work actually done, as opposed to the current system which is loosely based on notional completion times for different types of work and a notional hourly rate. However, a system based on actual time taken would not be workable from the SVS' point of view.

23. Under a contracting system, LVI practices would need to invoice the SVS for the work undertaken. SVS would check the invoice against records of the work completed by the practice.

### **MAKING BETTER USE OF PRIVATE VETS IN A CRISIS**

24. The foot and mouth outbreak of 2001 required the SVS to draw on large numbers of foreign vets even though statistics suggest that up to three-quarters of LVIs did no FMD work. It is almost certainly inefficient to import vets – with the associated travel and hotel costs, plus the disruption to the vets' own working and family schedules – if locally available vets could do the job just as well. In addition, the SVS needs to develop a surge capacity in its veterinary management, since the greatest need in a crisis is not only for vets per se but also for people skilled in specific veterinary emergency management issues, such as matching vets to tasks. We therefore propose to create a small veterinary reserve of volunteer LVIs who can demonstrate specific competencies. Initially, we shall be looking for around 100 people.

25. Members of the veterinary reserve will be expected to train for five days a year in emergency management (including, for example, participating in SVS exercises). For this they will be paid at the full LVI hourly rate. In return, they will need to commit contractually to make themselves available in an emergency for at least a minimum period of time. During an emergency, members of the reserve would be used to shore up the management capacity of the SVS, and once again be paid at full LVI rates on an hourly basis. Veterinary numbers would, as before, be bolstered by the appointment of many more Veterinary Inspectors (the proposed replacement for TVIs) who would either be employees of the Department or seconded to it. It is anticipated that many vets in private practice would be engaged as VIs who would, like TVIs and Veterinary Officers, be paid considerably less than the LVI hourly rate.

**Q12: Do you support the proposal for the creation of a 100-strong veterinary reserve?**

**Q13: Is the proposed training commitment (5 days) for the reserve about right?**

**Q14: Is it realistic to expect members of the reserve to make a binding commitment to turn out in an emergency (which would, in practice, have to be defined as whatever the Director of the SVS declared to be an emergency) within, say, 72 hours?**

**Q15: How long should members of the reserve be expected to make themselves available for in an emergency?**

**Q16: Should members of the reserve be expected to work away from their home base (with SVS meeting hotel bills etc) or just be used on a local basis?**

## **The changing nature of veterinary practice**

26. The existing LVI system is based on the assumption that all vets work as either assistants or principals. For example, the principal of a practice must apply for his or her assistant to be appointed an LVI. This is out of date – some practices may have no vet who is a principal, but be owned and managed by someone else such as a practice manager, nurse or other professional. Some vets work for larger corporations. We are happy to contract work to any organisation capable of delivering a quality service – whether it be a traditional practice or not.

**Q17: Do you agree that an organisation – whether it be a traditional veterinary practice or otherwise – which is capable of delivering a quality service should be eligible for an LVI contract? Are there any issues raised by the proposal to contract with such non-traditional “practices”?**

## **SUMMARY OF KEY QUESTIONS**

**Q1: Which of these principles (see paragraph 5) do you feel to be the most important? Are there other factors which should govern the range of work which LVIs are expected to carry out?**

**Q2: Do you agree that the current Memorandum between the BVA and MAFF should be replaced by a system of standard contracts with practices?**

**Q3: Do you have any comments on the proposal to require practices holding LVI contracts to have in place at least £200,000 of professional indemnity cover?**

**Q4: Do you agree that LVI appointments (if they are retained – see below) should travel with the individual, rather than being specific to both an individual and the practice he or she is working in at the time?**

**Q5: Would you in principle be willing to lose LVI status (and the powers which go with it) for some work, in order to avoid the deduction of Class 1 National Insurance Contributions from the fee income of partners and principals?**

**Q6: which of the options (which are not mutually exclusive) for quality control checks do you feel would be most useful in helping to ensure that LVI work was being carried out to an appropriately high standard?**

**Q7: Which, if any, of these features (see para 17) of a training system for LVIs would you like to see introduced? Are there other features which should be included?**

**Q8: Should the SVS introduce a charging regime for LVI training?**

**Q9: Do you agree that LVI practices should be required to make an e-mail address available, and access SVS guidance and instructions via the internet?**

**Q10: Do you agree that the SVS should seek to make increasingly greater use of electronic communication to and from LVIs as technology and its spread permits?**

**Q11: Do you agree with the proposed health and safety arrangements?**

**Q12: Do you support the proposal for the creation of a 100-strong veterinary reserve?**

**Q13: Is the proposed training commitment (5 days) for the reserve about right?**

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**Q17: Do you agree that an organisation – whether it be a traditional veterinary practice or otherwise – which is capable of delivering a quality service should be eligible for an LVI contract? Are there any issues raised by the proposal to contract with such non-traditional “practices”?**

## **ANNEX A – TERMS OF REFERENCE**

**In the light of the evolving role of practising private vets in animal health, welfare and public health, to recommend new contractual and other arrangements (such as communication and training) to govern the relationship between the SVS and practising private vets in Great Britain, in both normal and emergency situations.**