



National Audit Office

REPORT BY THE  
COMPTROLLER AND  
AUDITOR GENERAL

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Department for Environment,  
Food and Rural Affairs

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# Streamlining farm oversight

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National Audit Office

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Department for Environment, Food and Rural Affairs

# Streamlining farm oversight

Report by the Comptroller and Auditor General

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Amyas Morse  
Comptroller and Auditor General  
National Audit Office

6 December 2012

This report considers the extent to which farm oversight is being successfully streamlined. By oversight we mean those activities government bodies undertake on-farm to check, or provide advice on, compliance with regulations including animal disease surveillance.

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This report can be found on the  
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## Key facts

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**9**

central government  
bodies visit farms, and  
all local authorities

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**£47m**

estimated annual cost of  
front-line oversight activity for  
the three main oversight bodies  
(£19 million on compliance  
checks, £28 million on  
disease surveillance)

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**£5,500**

average annual cost per  
farm in England of complying  
with the Department's  
regulations

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**114,000**

estimated minimum number of farm visits made by government  
bodies in 2011-12. Of these:

**61,370** were to test or investigate for disease

**35,120** were planned inspections to check for compliance

**12,460** were at the request of the farmer to provide advice

**5,050** were to investigate a complaint

**38 per cent**

of current planned inspections are prescribed by European legislation

**84 per cent**

of farmers who responded to our survey believe oversight bodies  
should coordinate their activity more

# Summary

**1** Farms are complex working environments, balancing food production with protecting the environment and the health and welfare of animals and wildlife. Regulation is crucial to help prevent outbreaks of animal disease or incidents of pollution. The 2007 foot and mouth disease outbreak cost the government an estimated £47 million and the livestock industry an estimated £100 million.<sup>1</sup> The cumulative cost of water pollution in England and Wales has been estimated at up to £1.3 billion per annum.<sup>2</sup>

**2** Farm inspections provide assurance that farmers comply with regulations and prevent animal disease and environmental pollution. They are also needed to check farmers comply with common agricultural policy requirements in order to receive support payments from the European Union, and provide assurances to enable them to trade overseas.

**3** The food industry accounts for some 8 per cent of the UK economy, employing 534,000 people. It is one of the UK's largest manufacturing sectors and export growth has continued despite the downturn. If English farmers are not to be disadvantaged in supplying the food sector, regulatory checks and inspections must be proportionate and carried out with minimum burden on the farmer. Inspections need to provide the necessary assurance that risks are contained, while being undertaken at the lowest appropriate cost to the taxpayer.

**4** The cost of regulation represents around one-tenth of an average farm's net profit.<sup>3</sup> For many years farmers have called for a more efficient and less burdensome approach to regulation, which would help to reduce this cost. In July 2010, to provide new impetus for change, the government established an independent Farming Regulation Task Force, which was asked to look through the eyes of a farmer or food processing business in advising on reform.

**5** The Task Force reported in May 2011, concluding that 'the Department, its agencies and delivery partners need to establish an entirely new approach to and culture of regulation; otherwise the frustration that we, farmers and food-processing businesses have felt will continue'.

<sup>1</sup> Dr Iain Anderson's review *2007 Foot and Mouth Disease Review: A Review and Lessons Learned*, HC 312, The Stationery Office, March 2008. Available at: [webarchive.nationalarchives.gov.uk/20100304133657/http://archive.cabinetoffice.gov.uk/fmdreview/documents/fmd\\_2007\\_review\\_full.pdf](http://webarchive.nationalarchives.gov.uk/20100304133657/http://archive.cabinetoffice.gov.uk/fmdreview/documents/fmd_2007_review_full.pdf)

<sup>2</sup> Comptroller and Auditor General, *Environment Agency: Tackling diffuse water pollution in England*, Session 2010-11, HC 188, National Audit Office, July 2010. Available at: [www.nao.org.uk/publications/1011/water\\_quality.aspx](http://www.nao.org.uk/publications/1011/water_quality.aspx)

<sup>3</sup> It is estimated that the current cost to the farming sector is between £582 million and £588 million annually, which equates to between £5,543 and £5,600 per farm. To place this in context, the average farm business net profit in England was £57,300.

**6** Among other things it called for better cooperation and a tighter, risk-based approach to farm inspection that recognised where farmers have taken responsibility for good environmental practice and animal husbandry.

**7** The Department for Environment, Food and Rural Affairs (the Department) recognises that the way farm oversight activity is undertaken can be improved and requested our examination of this topic. Our report considers the progress government is making in reducing the burden on farmers and streamlining farm oversight. In particular we report on how well government:

- understands the scale, nature and proportionality of current inspection activity;
- targets it appropriately; and
- coordinates farm visits.

**8** We do not cover checks on the passage of food to the plate, such as at markets or processing plants. Neither do we address the much wider issue of reducing the degree of farming regulation or the overall trade-off between the costs and benefits of regulation. We cover England only.

## Accountability

**9** The Department implements and monitors farming regulation policy, and oversees seven of the nine central government bodies which carry out checks on farms. The key bodies are the Rural Payments Agency, the Animal Health and Veterinary Laboratories Agency and the Environment Agency, across whom 330 full-time equivalent staff undertake more than half of all planned farm visits. In 2011-12, we estimate that the cost of their front-line oversight activity was £47 million. This figure comprises £19 million in relation to checks for compliance and £28 million in relation to disease surveillance activity undertaken by the Animal Health and Veterinary Laboratories Agency.

**10** Other bodies with farm oversight responsibilities are the Food Standards Agency and the Health and Safety Executive. Local authorities also visit farms to enforce those aspects of animal health and welfare and food hygiene legislation they are responsible for.

## Key findings

### Overall approach

**11** **The Department has made some progress in following up relevant Task Force recommendations. It should evaluate how Scotland has reduced the number of farm visits and consider whether a similar approach would be applicable in England.** The Department has relied on a small implementation team, which has initiated a number of projects to improve intelligence sharing, simplify environmental guidance and explore data protection issues. However, the Department has not taken a sufficiently strategic approach to identify opportunities to streamline activity. It contrasts with the approach and progress made in Scotland, where eight



public bodies supervising farm and land management oversight have come together in a public partnership and collected data to identify where redundant activity can be reduced. This has helped to cut one in six farm visits (see paragraphs 2.3 and 2.4).

## Proportionality

**12 The Department has not collected the data it needs to understand the scale, nature and effectiveness of farm oversight activity.** It does not routinely collect or analyse robust data on the overall number and pattern of farm visits, nor levels of compliance across its regulatory regimes. We had to go to each separate oversight body to access this information and within some bodies the information was not held in one place. Bodies measure activity and categorise visits inconsistently. Without robust consistent information the Department will find it difficult to understand the scale and proportionality of activity, identify opportunities to streamline it, or track trends (see paragraphs 3.2 and 3.3).

**13 We estimate that during 2011-12 government bodies made at least 114,000 visits to English farms.** A more definitive estimate is not possible because not all local authorities report their activity; nor can we say how this figure compares with previous years. To place the figure into context, as at June 2011, there were some 105,000 commercial farms in England.<sup>4</sup> The Animal Health and Veterinary Laboratories Agency is required to also undertake disease investigations and surveillance upon smaller holdings, such as hobby farms. It has 128,000 registered premises with livestock which it is required to regulate. Fifty-four per cent of recorded visits were to monitor or test for animal disease. Thirty-one per cent were planned inspections to test whether regulations were being followed. Eleven per cent were in response to a farmer's request for advice on schemes, best practice or compliance with regulations. The remainder (4 per cent) were to follow up intelligence that regulations are potentially being breached (see paragraph 3.5).

**14 The Department does not systematically bring together data on levels of non-compliance or use it to evaluate associated risks.** The Department does not routinely view all its data from across the 35,120 compliance inspections to evaluate rates of non-compliance, identify common problems or risks in farming practice, identify trends, or prioritise mitigation such as improved guidance. Systematic evaluation would enable the Department to prioritise the nature and approach of inspection activity across its oversight bodies (see paragraph 3.9).

**15 The Department has not evaluated the relationship between the level of oversight activity and compliance rates.** Data collected by the Environment Agency shows that the frequency of some inspections can be reduced while achieving increased levels of compliance. This shows the Department needs to better understand the relationship between levels of compliance and levels of inspection, and different approaches to achieving regulatory outcomes (see paragraph 3.15).

<sup>4</sup> The 105,000 commercial farms cover holdings that have more than five hectares of agricultural land, one hectare of orchards, 0.5 hectares of vegetables or 0.1 hectares of protected crops, or more than 10 cows, 50 pigs, 20 sheep, 20 goats or 1,000 poultry.

## Targeting inspections

**16 Oversight bodies are using at least 25 separate risk models to target farms for inspection.** Weightings given to different criteria vary and are difficult to understand for the farmer. In some models a high level of confidence in the competence of the farmer cannot outweigh inherent hazard (for example because of the size of the farm) and reduce the frequency of inspection. Oversight bodies do not seek to identify potential areas of commonality in risk assessment, which could help to improve consistency and transparency in similar situations<sup>5</sup> (see paragraph 4.2).

**17 The Department recognises the benefits of wider ‘earned recognition’ of farmer’s commitment to good agricultural practice and has commissioned research to gather robust evidence to support its wider application.** Approximately forty per cent of farmers receive regular private inspections to qualify for membership of assurance schemes.<sup>6</sup> We found that government oversight bodies do not consistently factor in membership when assessing risk. Some consider it to reduce inspection frequency but by different levels. Only one body had allowed an assurance scheme visit to remove the need for a statutory visit for one set of regulations (see paragraphs 4.5 to 4.7).

**18 Some 38 per cent of planned inspections must be undertaken in accordance with European legislation.** For example, directives require 1 per cent of farmers receiving common agricultural policy payments to be checked each year and a proportion of these farmers to be selected randomly. Other inspection regimes are also influenced by European legislation, but the number is not prescribed. This gives UK authorities greater discretion as to the frequency and use of ‘earned recognition’ in targeting. Most of the visits to monitor and test livestock are also a requirement of disease control programmes, which have to be approved by the European Commission. The common agricultural policy is undergoing reforms that are expected to change the regulatory requirements to which farmers must comply. While the Department cannot reduce the number of specific inspections required by Europe without the possibility of penalties, it could ensure these inspections provide as wide assurance as possible to prevent the need for other visits and duplication for the farmer (see paragraphs 3.7, 3.8, 4.4 and 4.6).

## Duplication of effort

**19 Current arrangements result in potential duplication of effort, especially in checking the 63 per cent of farmers who keep livestock.** Each oversight body works individually to provide assurance over individual regulatory regimes. A dairy farmer, for instance, could receive a separate visit from eight different government bodies to check for compliance. Some bodies check the same areas or collect duplicate information, but for different purposes. For example, inspectors from local authorities and the Rural Payments Agency will check movement records and ear tags. Assurance scheme inspectors may also carry out the same activity. We found similar overlap of checks for animal feed regulations (see paragraphs 5.2, 5.9 and 5.10).

<sup>5</sup> The ability of the Rural Payments Agency to change its risk models is restricted by European requirements.

<sup>6</sup> These schemes are voluntary and their inspectors visit farms to check that they comply with assurance scheme conditions.

## Lack of coordination and information sharing

**20 Opportunities for oversight bodies to coordinate activity are not being maximised.** For example, the Animal Health and Veterinary Laboratories Agency has an agreement with private vets to undertake bovine tuberculosis tests. It encourages vets to undertake these at the same time as cattle identification visits made by the Rural Payments Agency. However, joint visits were only carried out in 28 per cent of potential cases in 2011-12, equivalent to 199 joint inspections out of a possible 703. Some local authorities have taken steps to improve coordination and now contact other oversight bodies before determining whether to inspect. The Department wants to encourage the spread of regional forums like in the east of England, where oversight bodies come together with farming representatives to help coordinate activity. However, some 84 per cent of farmers who responded to our survey considered more could be done to coordinate activities. Twelve per cent told us they had received more than one visit from different bodies within the space of a month (see paragraph 5.4).

**21 Oversight bodies collect the same information separately and there is limited sharing of intelligence.** Eighty-three per cent of farmers responding to our survey agreed they regularly have to supply the same information to different inspectors, such as farm type and size. Bodies do not hold or share consistent information that could reduce duplication of effort and inform risk assessment. This could include dates of past and programmed inspections and their outcomes, and up-to-date certified assurance scheme membership. The Department's own pilot project into data sharing has concluded that in most instances it will be legally possible to share data. It is likely that statutory bodies would not have to gain consent to share information, as long as the information is being used to support its statutory functions and providing the information is used in a way that could be reasonably expected by the individual (see paragraphs 5.10, 5.16 and 5.17).

## Cost-effectiveness

**22 The Department does not have data to measure cost-efficiency or achieve structured cost reduction in farm oversight activity. Such data will be particularly important given the steps that it and its bodies have had to take to reduce costs.** We found it difficult to collect the relevant information that the Department needs to challenge oversight bodies' efficiency and costs. Data on the number of visits undertaken and the hourly rates of inspectors shows considerable variation. With front-line staff we identified a number of areas where the efficiency of processes could be improved. The Department has allowed individual agencies to transfer responsibility for undertaking some farm inspections without an informed and cross-government understanding of how to cost-effectively collectively provide an on-farm presence (see paragraphs 2.5, 3.2, 4.10, 4.11 and 5.7).

## Conclusion on value for money

**23** Protecting the health and welfare of farm animals, food safety, preventing pollution and protecting the rural landscape and wildlife all depend on farmers complying with regulations. The fragmented nature of current arrangements for farm oversight does not optimise value for money to the taxpayer and continues to burden compliant farmers unnecessarily. Oversight bodies miss opportunities to coordinate activity, share intelligence and take account of most farmers' commitment to good practice, which would allow them to reduce any redundant activity and unnecessary cost.

**24** The Department has made some progress in exploring how to streamline farm oversight in response to the Task Force recommendations, but the Department's current approach in itself is unlikely to deliver a fundamental change and farmer focus. The Department needs better information on activity, cost, compliance and risk to identify opportunities for streamlining and stronger oversight and coordination of its arm's-length bodies and delivery partners to drive change.

## Recommendations

**25** The Department has made some progress in exploring opportunities to streamline farm oversight. It faces the challenge over the next few years of implementing common agricultural policy reform in the UK, which may involve changes to the obligations on farmers and the nature of the checks Europe will require. So that it is well placed to respond to these challenges while meeting sector expectations and the commitments it has given to reduce the regulatory burden, and to ensure better value for money and effective control of risks, it needs to do the following:

- a** Review arrangements for leading and coordinating farm oversight so they provide greater direction, focus and ownership. For substantive change to be delivered, the Department needs to achieve greater traction with oversight bodies both at national and local level. The Department should:
- make sure all oversight bodies and delivery partners come together at a sufficiently senior level, reviewing the appropriateness of the Scottish partnership approach;
  - ensure responsibility and accountability for delivery of improvement is clear;
  - work with the farming industry and relevant organisations to facilitate the spread of best practice found in the East of England Farm Inspection Forum to all regions. This should focus on achieving closer links between inspectors from different agencies, local authorities and the farming community, and improving information and intelligence sharing; and
  - evaluate the wider adoption of different approaches to checking for compliance and alternative methods to physical inspections.

- b** Develop the cross-government information we have collected for this report. Information on current oversight activity and compliance levels is dispersed. It should be brought together and analysed to:
- compare the levels and incidence of current oversight activity with levels of compliance across all farming practice;
  - use this information to prioritise engagement with the farming sector to improve performance where compliance is lowest; and
  - compare level of inspection effort against levels of compliance and risk to assess proportionality of effort and target resources where most needed.
- c** Build upon existing work to achieve stronger coordination and improved intelligence sharing and collection. Bodies should identify the farm information they hold, what is of use to others and what can be shared to enable resources to be better targeted, redundant activity to be reduced and the burden upon compliant farmers thereby reduced. In doing so, the Department should provide clearer guidance on legal issues, ensuring that this is disseminated at all levels within its bodies. The Department should consider how it can bring together all sources of intelligence, including that collected during advisory and surveillance visits and from private veterinarians, to provide a more comprehensive and informed assessment of each farm and the risks it presents.
- d** In the longer-term use the opportunities presented by formal reviews of its arm's-length bodies to rationalise and merge farm oversight activity. We have found examples where inspectors from one body have taken on the role of another at relatively little cost. Through reviews, further opportunities to do this should be explored to potentially enable more efficient and effective use of resources.

# Part One

## Introduction

**1.1** Like all business owners, farmers are subject to regulation. But farmers, as with businesses in other sectors, have to comply with regulations intended to address specific sector risks. Farms are complex working environments, involving balancing food production with the need to protect the environment and the health and welfare of animals and wildlife. There are also significant risks and costs associated with farming, such as animal disease or environmental pollution; the 2007 foot and mouth disease outbreak cost the government an estimated £47 million and the livestock industry an estimated £100 million.<sup>7</sup> The cumulative cost of water pollution in England and Wales has been estimated at up to £1.3 billion per annum.<sup>8</sup>

**1.2** Farms may be inspected for a number of reasons, such as to ensure compliance with regulatory requirements in order to receive support payments from the European common agricultural policy, or to protect the industry and the public from animal disease or environmental pollution. Effective disease control is also necessary to enable farmers to trade overseas. In setting the regulatory requirements, the Department for Environment, Food and Rural Affairs (the Department) needs to balance the needs of farmers with those of its other stakeholders, such as environmental groups.

**1.3** The farming and food industry accounts for some 8 per cent, or £7.1 billion, of the UK economy, employing 534,000 people, making it an important component of the country's economy.<sup>9</sup> Micro-businesses and sole traders, who make up 98 per cent of commercial farm businesses in England, have felt tied to the office by red tape.<sup>10</sup>

**1.4** The Department has begun to quantify the cost and benefits for farmers of compliance with regulations. It estimates that the current cost of compliance to the farming sector which includes implementing measures, record keeping and inspections, is between £582 million and £588 million annually, which equates to approximately £5,500 per farm. To place this in context, the average farm business net profit in England was £57,300 in 2010-11.<sup>11</sup> The total monetised annual benefits resulting from

7 Dr Iain Anderson's review *2007 Foot and Mouth Disease Review: A Review and Lessons Learned*, HC 312, The Stationery Office, March 2008. Available at: [webarchive.nationalarchives.gov.uk/20100304133657/http://archive.cabinetoffice.gov.uk/fmdreview/documents/fmd\\_2007\\_review\\_full.pdf](http://webarchive.nationalarchives.gov.uk/20100304133657/http://archive.cabinetoffice.gov.uk/fmdreview/documents/fmd_2007_review_full.pdf)

8 Comptroller and Auditor General, *Environment Agency: Tackling diffuse water pollution in England*, Session 2010-11, HC 188, National Audit Office, July 2010. Available at: [www.nao.org.uk/publications/1011/water\\_quality.aspx](http://www.nao.org.uk/publications/1011/water_quality.aspx)

9 Department for Environment, Food and Rural Affairs, *Agriculture in the UK*, 2011. Available at: [www.defra.gov.uk/statistics/files/defra-stats-foodfarm-crosscutting-auk-auk2011-120709.pdf](http://www.defra.gov.uk/statistics/files/defra-stats-foodfarm-crosscutting-auk-auk2011-120709.pdf)

10 Farming Regulation Task Force, *Striking a balance: reducing burdens; increasing responsibility; earning recognition*, May 2011. Available at: [www.defra.gov.uk/publications/files/pb13527-farm-reg-task-report.pdf](http://www.defra.gov.uk/publications/files/pb13527-farm-reg-task-report.pdf)

11 See Table 2.5 in Department for Environment, Food and Rural Affairs, *Agriculture in the UK*, 2011. Available at: [www.defra.gov.uk/statistics/files/defra-stats-foodfarm-crosscutting-auk-auk2011-120709.pdf](http://www.defra.gov.uk/statistics/files/defra-stats-foodfarm-crosscutting-auk-auk2011-120709.pdf)

the Department's regulations are estimated to be £8.4 billion. Within these, the benefits to the sector are estimated to be between £287 million and £457 million annually,<sup>12</sup> which results in a net cost of the Department's regulatory stock to the farming sector of between £125 million and £301 million per year.

**1.5** The government must make sure that our farmers and food producers are not overburdened. It must also make sure that the steps it takes to satisfy itself that farmers are complying with regulations are efficient and proportionate. They should provide the necessary assurance that risks are contained, while being undertaken at the lowest appropriate cost to the taxpayer.

**1.6** We estimate that farmers have to comply with 220 regulations specific to agriculture, of which 118 originate from the European Union, the remainder being domestic.<sup>13</sup> The European Union common agricultural policy is currently being reformed, which is expected to change the regulatory landscape. **Figure 1** overleaf outlines types of farm regulation. If farmers are found to be in breach of a particular regulation, actions taken can range from the provision of advice to a reduction in financial support or, in the most severe cases, a prison sentence.

**1.7** Since the 2005 Hampton Review, government has sought to reduce unnecessary regulatory burdens.<sup>14</sup> In 2010, to provide new impetus for change in the farming and food sector, the government established an independent Farming Regulation Task Force to 'advise the government on a new approach to regulation in England that looks through the eyes of a farmer or food-processor'. The key message of the report, published in 2011, was that 'the Department, its agencies and delivery partners need to establish an entirely new approach to and culture of regulation; otherwise the frustration that we, farmers and food-processing businesses have felt will continue.'<sup>15</sup>

## Farmers' experience of regulation

**1.8** Very few farmers dispute the need for regulation. Some welcome the assurance that checks for regulatory compliance bring. However, the key message from our survey is that while successive governments have set out to decrease the regulatory burden, farmers perceive that this has yet to happen. Some fifty-five per cent of farmers responding to our survey considered the time spent on complying with government regulations had increased in the last two years.<sup>16</sup> **Figure 2** overleaf summarises one farmer's reflections on the regulatory environment.

<sup>12</sup> Department for Environment, Food and Rural Affairs, *The costs and benefits of Defra's regulatory stock: emerging findings from Defra's regulation assessment*, August 2011. The Department is working to improve the reliability of these estimates.

<sup>13</sup> Two are derived from international legislation: The Aujeszky's Disease (Compensation for Swine) Order 1983 and Plant Varieties Act 1997.

<sup>14</sup> Sir Philip Hampton's review, *Reducing administrative burdens: effective inspection and enforcement*, March 2005. Available at: [www.bis.gov.uk/files/file22988.pdf](http://www.bis.gov.uk/files/file22988.pdf)

<sup>15</sup> The report of the Independent Farming Regulation Task Force, *Striking a balance: reducing burdens; increasing responsibility; earning recognition*, May 2011. Available at: [www.defra.gov.uk/publications/files/pb13527-farm-reg-task-report.pdf](http://www.defra.gov.uk/publications/files/pb13527-farm-reg-task-report.pdf).

<sup>16</sup> The percentages represent those that responded to our survey. More information on our survey is at Appendix Two.

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## Figure 1

### Types of farm regulation

#### A diverse range of regulations fall within three broad categories

**Animal health and welfare** – Livestock registration; traceability and identification; equine passports and stud books; disinfectants; classification and labelling; animal by-products; intra-community and third country trade in animals and animal products; farm animal welfare; habitats; artificial insemination and embryo transfer; pig breeding; animal feed.

**Environment** – Disease control; vegetable material; fruit plant material; plant varieties; seeds; bees; marketing standards for fresh produce; wine; organic production; genetically modified crops; fertilisers; water quality and resources, e.g. water abstraction, nitrates and pesticides; pollution prevention and control; improving biodiversity; soil protection; rural access; use of sludge; plant protection products; control of weeds; hedgerows.

**Food safety** – Egg marketing; milk hygiene; veterinary medicines.

*Source: National Audit Office*

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## Figure 2

### A farmer's case study

#### A farmer's reflection of regulation

Farmer A runs a farm in the east of England, upon which he has 3,000 acres of arable crops and a holding of 250 cows, half of which are dairy cows and the remainder are followers (see note 1). It is larger than the average farm, which has 190 acres of arable crops, while the average size of a dairy herd is 117 cows (see note 2). He employs seven people full-time with an additional three or four part-time staff during the busier summer harvest.

Farmer A understands the principle of why his arable business is regulated, accepts the rules as reasonable and complies as best he can. However, he finds livestock regulations more challenging to comprehend and with a much heavier associated burden, which he finds disproportionate.

He spends 180 hours per year on activities to ensure compliance with regulations related to the arable side of his business, the majority of which is taken up with compiling fertiliser and pesticide application records. This is compared with more than 300 hours per year on activities to comply with livestock regulations, such as maintaining feed records, and collecting paper records to be entered onto central electronic systems for cattle passports and movement records. The majority of this time is spent on ensuring compliance with regulations regarding cattle traceability.

#### NOTES

- 1 'Followers' are young dairy cattle intended to replace older cows in due course.
- 2 Department for Environment, Food and Rural Affairs *Agriculture in the UK*, 2011. Available at: [www.defra.gov.uk/statistics/files/defra-stats-foodfarm-crosscutting-auk-auk2011-120709.pdf](http://www.defra.gov.uk/statistics/files/defra-stats-foodfarm-crosscutting-auk-auk2011-120709.pdf)
- 3 These findings come from one of our case study visits with farmers and may not be representative of the industry as a whole.

*Source: National Audit Office*

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## Farm oversight

**1.9** This report considers the extent to which farm oversight is being successfully streamlined. By oversight we mean those activities government bodies undertake on-farm to check, or provide advice on, compliance with regulations including animal disease surveillance. **Figure 3** outlines the key reasons why a farm visit may be undertaken. Farms vary in size from small family operations to large commercial concerns and in different sectors such as arable and livestock. As a result, there are many different types of visits that may be applicable to any particular farm.

**1.10** Inspectors visiting farms may examine records, animals, land or buildings. The length and complexity of inspections can vary widely, ranging from a remote inspection (such as to check land boundaries against a satellite image) to as much as three weeks spent on the farm for a full cross-compliance inspection required by the European Commission.<sup>17</sup>

**1.11** **Figure 4** overleaf shows the main bodies that carry out farm oversight activity, together with their roles. Of nine different central government bodies, seven are overseen by the Department. The Department's three key bodies are the Rural Payments Agency, the Animal Health and Veterinary Laboratories Agency and the Environment Agency. Across these agencies, 330 full-time equivalent staff undertake approximately two-thirds of all planned visits to check for compliance. In 2011-12, we estimate that the cost of their front-line oversight activity was £47 million. This figure comprises £19 million in relation to checks for compliance and £28 million in relation to disease surveillance work by the Animal Health and Veterinary Laboratories Agency.

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### Figure 3 Types of farm visit

#### There are five main reasons for a farm visit

Reason	Type of visit
Part of a planned inspection regime designed to provide assurances over levels of compliance	Non-discretionary – check for compliance
Receiving intelligence that the law potentially be being broken which requires investigation	Non-discretionary – check for compliance
A statutory visit involving surveillance and testing to monitor animal health or disease	Non-discretionary – check for disease
Receiving intelligence of a disease outbreak	Non-discretionary – check for disease
To provide advice and guidance	Discretionary – request from farmer or non-discretionary to proactively manage risk

#### NOTE

- 1 'Discretionary' and 'non-discretionary' refer to whether the farmer has a choice in receiving the visit. Most oversight bodies can apply discretion to statutory visits, for example by using risk assessments and intelligence to target visits.

Source: National Audit Office

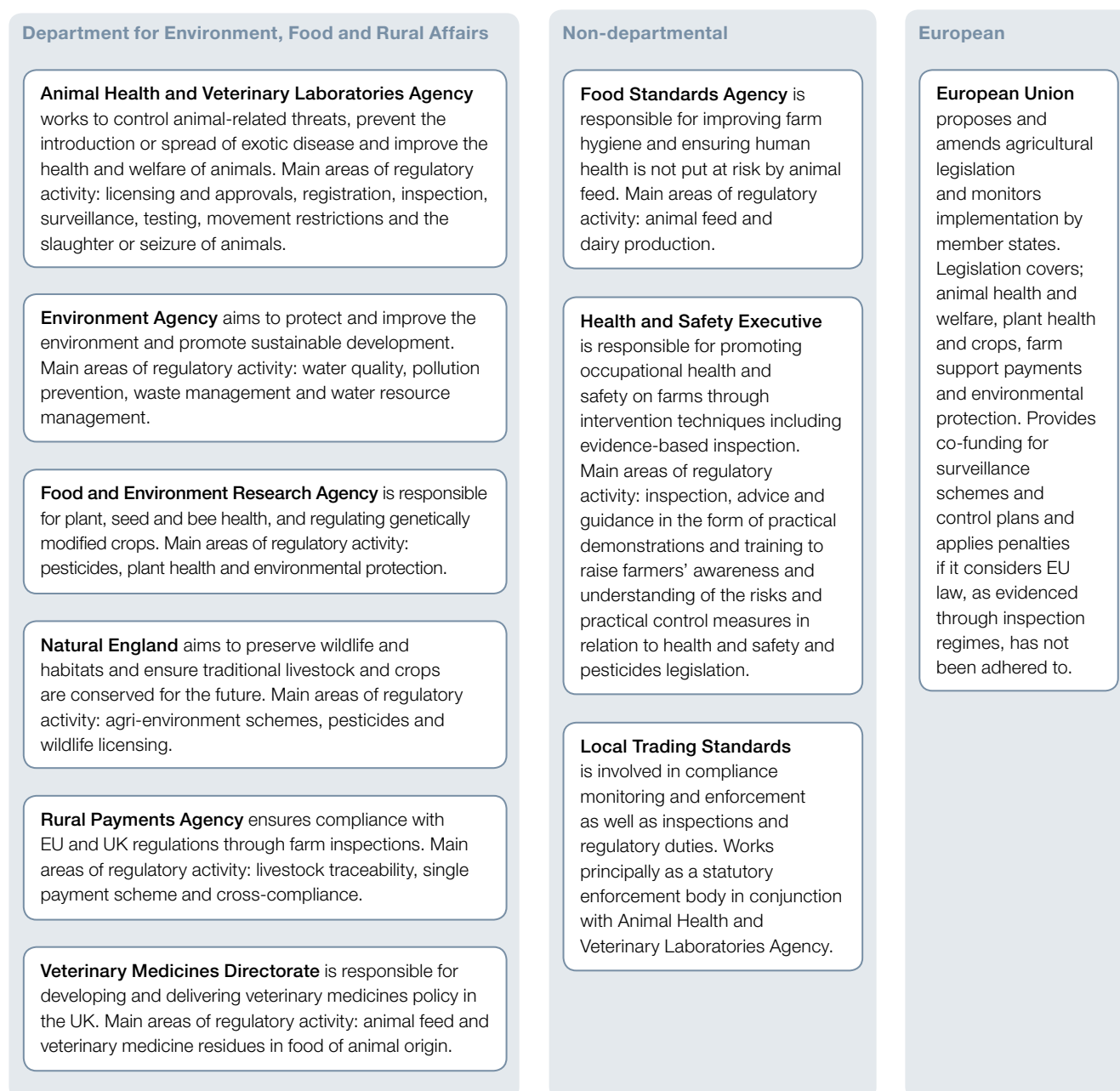
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<sup>17</sup> Since 2005, most common agricultural policy payments to farmers depend on them maintaining good agricultural and environmental conditions. To check these, the European Commission requires domestic bodies to undertake cross-compliance inspections. These involve checks on a wide range of requirements to which farmers need to comply in order to receive the full common agricultural policy support payments.

**Figure 4**

## Bodies involved in farm oversight

A number of different statutory bodies exercise farm oversight

**NOTES**

- 1 The Gangmasters Licensing Authority regulates labour providers some of whom supply labour to farmers. In such instances, this may involve a visit to a farm.
- 2 The Environment Agency, Natural England, the Health and Safety Executive, and the Gangmasters Licensing Authority are non-departmental public bodies. The Rural Payments Agency, Animal Health and Veterinary Laboratories Agency, Food and Environment Research Agency and the Veterinary Medicines Directorate are executive agencies. The Food Standards Agency is a non-ministerial department.

**1.12** Local government enforces those aspects of animal health and welfare and food hygiene legislation for which they have statutory responsibility. This legislation is underpinned by national frameworks agreed with the Department, the Animal Health and Veterinary Laboratories Agency and the Food Standards Agency. Farmers can also be members of private assurance schemes such as Red Tractor. These schemes are voluntary and their inspectors visit farms to check that they comply with assurance scheme conditions.

### **Scope of this report**

**1.13** This report focuses on oversight activity on the farm, not elsewhere in the passage of food from 'farm to fork', such as at markets, slaughterhouses and processing plants. It covers England only and reports progress on those recommendations of the Farming Regulation Task Force which addressed avoiding duplication, recognising those farmers that have taken responsibility themselves for good practice, adopting more risk-based approaches and improving guidance. The Department recognises that the way in which farm oversight activity is undertaken can be improved and requested our examination of this topic. This report considers the progress made in reducing the burden on farmers and streamlining farm oversight to deliver value for money. It does not assess the value for money of individual oversight bodies, or the much wider issue of the overall trade-off between the costs and benefits of regulation.

**1.14** This report examines:

- The Department's approach (Part Two);
- Proportionality of farm oversight (Part Three);
- Targeting oversight activity cost-effectively (Part Four); and
- Coordination and data sharing (Part Five).

Appendix One and Appendix Two outline our audit approach in more detail.

## Part Two

### The Department's approach

**2.1** This part of the report considers the Department's progress in implementing the Task Force's call for a new approach.

#### The Department's progress in streamlining farm oversight

**2.2** The Department's on-farm inspection steering group, set up in 2008, has a remit to drive improvements in the way bodies undertake farm inspections. The group brings together the Department, oversight bodies and other relevant bodies such as the National Farmers' Union. The group has struggled to provide impetus because members do not always have the necessary accountability within their organisations. The group has not been helped by having four different chairs in the past five years.

**2.3** The Department also has a separate task force implementation team, set up following the Task Force report's publication, which is responsible for implementing all Task Force recommendations. A separate implementation group, chaired by the chairman of the Regulation Task Force group, holds the Department accountable for implementation of its recommendations. Policy teams within the Department have responsibility for implementing the commitments relating to their respective areas, which creates a risk that the approach to implementation will not be cohesive. In addition, the implementation team has only three staff, which limits the pace with which it can implement change. Appendix Three presents the progress that has been made, as at September 2012, against the areas within the scope of this report.

**2.4** We consider the Department's progress in streamlining farm oversight to have been slower than might be expected, especially given the commitment to action and high expectation of change from the sector. The Department acknowledges progress has been slower than it would have liked. It contrasts with progress made in Scotland, where stronger leadership combined with stronger governance arrangements have led to a measurable reduction in farm visits. **Figure 5** outlines the approach in Scotland in more detail.

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**Figure 5**

## The approach in Scotland

**How the Scottish government has streamlined farm oversight**

Scotland's Environment and Rural Services (SEARS) is a partnership between eight Scottish public bodies and the Scottish Government aiming to improve the experience among land managers by working together to provide an efficient and effective service. SEARS is a partnership underpinned by robust and transparent memoranda of agreement. The partnership runs rural services as a programme managed by a board supervised by a Strategic Reference Group chaired by a minister. By taking this approach and rationalising farm visits between bodies, the number of visits has reduced by one in six since 2007, without any apparent impact on levels of compliance.

**NOTE**

- 1 SEARS comprises: Animal Health and Veterinary Laboratories Agency; Cairngorms National Park Authority; Crofting Commission; Forestry Commission Scotland; Loch Lomond and the Trossachs National Park Authority; Scottish Environment Protection Agency (SEPA); Scottish Government Rural Payments and Inspections Directorate; and Scottish Natural Heritage.

*Source: National Audit Office summary of information from the Scottish government*

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## The Department lacks the robust information it needs to identify opportunities for streamlining

**2.5** The Department's oversight of on-farm activity across its arm's-length bodies and delivery partners lacks cohesion. Whilst the Department receives data submissions from its bodies against their thematic priorities, this information is submitted to a number of different corporate and policy teams. It does not contain complete data on the scale of oversight activity nor its effectiveness, such as levels of non-compliance, the risks they present or the associated costs. For example, the Environment Agency submits data to teams responsible for policy decisions on water quality, water supply and regulation, land and environment, and food and farming. The Animal Health and Veterinary Laboratories Agency submits data to teams with responsibility for bovine tuberculosis, animal welfare and the animal health policy and implementation team as well as the Department's corporate customer team.

## Part Three

### Proportionality of farm oversight

**3.1** This part of the report considers how far the Department and other bodies understand the proportionality of farm oversight activity. We have compared our findings with the principles of regulatory good practice developed by Sir Philip Hampton (Appendix Four).<sup>18</sup>

#### Scale of on-farm activity

**3.2** We found it difficult to capture the scale of on-farm activity as the Department does not hold relevant information. To determine the annual number of farm visits and inspections we had to go to each body individually. Even within each body, such information was not usually held in one place. Extracting the information was further complicated by bodies recording data in a variety of ways. For example, some bodies record visits (which can comprise several oversight activities or inspections), while others record each visit as an individual inspection.

**3.3** Without robust information, the Department cannot accurately assess how activities might be streamlined, or understand whether activities and approaches are effective or efficient. We have reported previously that the Department needs to fully understand the relationships between cost, outputs and outcomes, to be confident that it is securing value for money.<sup>19</sup>

**3.4** To better coordinate oversight activity, we consider the Department needs to understand the pattern of all farm visits, not just planned inspections. Opportunities for inspections to be coordinated with other types of visits need to be identified. Intelligence gathered from any visit, including for disease surveillance, could potentially be shared or used to inform the risk score of a farm, which in turn can lead to better targeting of resources.

<sup>18</sup> Sir Philip Hampton's review, *Reducing administrative burdens: effective inspection and enforcement*, March 2005. Available at: [www.bis.gov.uk/files/file22988.pdf](http://www.bis.gov.uk/files/file22988.pdf)

<sup>19</sup> Comptroller and Auditor General, *Department for Environment, Food and Rural Affairs: Managing front line delivery costs*, Session 2010–2012, HC 1279, National Audit Office, July 2011. Available at: [www.nao.org.uk/publications/1012/defra\\_front\\_line\\_delivery\\_cost.aspx](http://www.nao.org.uk/publications/1012/defra_front_line_delivery_cost.aspx)

**3.5** We estimate that between April 2011 and March 2012, government bodies made at least 114,000 visits to farms in England.<sup>20</sup> **Figure 6** overleaf shows how these visits break down by each body. We cannot provide a more definitive estimate because not all local authorities report their activity. To place these figures into context, as of June 2011, 104,800 commercial farms were in operation in England.<sup>21</sup> The Animal Health and Veterinary Laboratories Agency is required to also undertake disease investigations and surveillance upon smaller holdings, such as hobby farms. It has 128,000 registered premises with livestock which it is required to regulate. Thirty-one per cent of visits were planned inspections to test whether regulatory requirements were being followed, with a further 4 per cent to follow up intelligence that regulations are potentially being breached. Eleven per cent were to provide the farmer with advice on schemes, best practice or compliance with regulations. Some fifty-four per cent of recorded visits were to monitor or test for animal disease. About twelve per cent of all recorded visits are made by local government inspectors.

**3.6** In addition those farmers who are members of assurance schemes will receive visits from certified assurance scheme inspectors. The largest such assurance scheme is the Red Tractor Scheme, with an estimated 40,000 members, each of whom is inspected at least every 12 to 18 months.

### **European constraints on the Department's discretion to reduce the number of inspections**

**3.7** The Department does not know the proportion of planned inspections it has the discretion to influence. We estimate that the Department's ability to target some 38 per cent of the 35,120 planned inspections is constrained by European requirements which prescribe the number of inspections needed. For example, the Rural Payments Agency is required to inspect 1 per cent of farms in receipt of the single payment. Other inspection regimes are also influenced by European legislation, but their number is not prescribed, enabling UK authorities to have greater discretion as to frequency and use of 'earned recognition' in targeting. Most of the visits to monitor and test livestock are also a requirement of disease control programmes which have to be approved by the European Commission.

<sup>20</sup> Inspection figures for the Rural Payments Agency and the Food and Environment Research Agency are for the 2011 calendar year. All other data are for the 2011-12 financial year.

<sup>21</sup> See Table 3.4 in The Department for Environment, Food and Rural Affairs, *Agriculture in the United Kingdom*, 2011. Available at: [www.defra.gov.uk/statistics/files/defra-stats-foodfarm-crosscutting-auk-auk2011-120709.pdf](http://www.defra.gov.uk/statistics/files/defra-stats-foodfarm-crosscutting-auk-auk2011-120709.pdf). The 104,800 commercial farms cover holdings that have more than five hectares of agricultural land, one hectare of orchards, 0.5 hectares of vegetables or 0.1 hectares of protected crops, or more than 10 cows, 50 pigs, 20 sheep, 20 goats or 1,000 poultry.

**Figure 6**  
Farm visits by oversight bodies, 2011-12

**A third of all farm visits are to check for compliance**

Oversight body	Planned inspections	To investigate a complaint	To investigate a potential disease outbreak	For disease surveillance	To provide advice	Total
Animal Health and Veterinary Laboratories Agency	7,640	630	3,830	57,540	0	69,640
Local authorities (Trading Standards)	10,040	3,280	0	0	–	13,320
Rural Payments Agency	11,340	240	0	0	0	11,580
Natural England	860	80	0	0	9,960	10,900
Environment Agency	4,490	750	0	0	–	5,240
Food and Environment Research Agency	0	0	0	0	2,500	2,500
Health and Safety Executive	500	70	0	0	–	570
Veterinary Medicines Directorate	250	0	0	0	0	250
<b>Total</b>	<b>35,120</b>	<b>5,050</b>	<b>3,830</b>	<b>57,540</b>	<b>12,460</b>	<b>114,000</b>

**NOTES**

- 1 All numbers above have been rounded to the nearest ten.
- 2 Inspection figures for the Rural Payments Agency and the Food and Environment Research Agency are for the 2011 calendar year. All other data are for the 2011-2012 financial year.
- 3 The Veterinary Medicines Directorate collected feed samples from 3,891 farms in 2011. These visits were mainly samples collected on their behalf by partner agencies, such as the Animal Health and Veterinary Laboratories Agency. These visits are included within the respective partner agencies' figures.
- 4 The figures for Animal Health and Veterinary Laboratories Agency include 56,722 visits to test for bovine tuberculosis.
- 5 Figures for the Food and Environment Research Agency exclude apiary inspections, of which 6,100 inspections were carried out in 2011.
- 6 Health and Safety Executive visits to farms are largely limited to the investigation of serious incidents or complaints. While the Executive does not have a planned programme of farm inspections, in 2011-12 it visited 495 farms in England; the majority of these were part of a national initiative to check the condition of the Liquefied Petroleum Gas pipework. Within this total, 156 inspections were undertaken to check more widely where previous visits had given cause for concern.
- 7 The Gangmasters Licensing Authority regulates labour providers, some of whom supply labour to farmers. In such instances, this may involve a visit to a farm. In 2011-12, 290 inspections were undertaken but the Gangmasters Licensing Authority is unable to specify the number of these that took place on a farm.
- 8 The Environment Agency, the Health and Safety Executive and local authorities undertake visits to provide guidance and advice but numbers are not recorded.
- 9 Since April 2012, the Food Standards Agency has undertaken dairy hygiene inspections previously carried out by the Animal Health and Veterinary Laboratories Agency.

Source: National Audit Office analysis of information from oversight bodies



## Compliance levels

**3.8** The relationship between the frequency of farm visits, levels of compliance and mitigating risk is complex. Varying degrees of risk result from different elements of farming practice and non-compliance with associated regulations. For instance, non-compliance with regulations designed to prevent the potential spread of animal disease carry a higher risk than non-compliance with regulations designed to ensure hedgerows are maintained. Non-compliance with some regulations designed to prevent the spread of animal disease may present greater risks than non-compliance with others.

**3.9** The Department does not bring together and analyse levels of non-compliance across the range of regulations for which its oversight bodies have responsibility, nor its impact on the effectiveness of animal disease and pollution control.

**3.10** The European Commission requires checks on a broad range of farming regulations in relation to cross-compliance.<sup>22</sup> Levels of non-compliance need to be reported to the Commission since farmers found in breach of regulation can have their common agricultural policy support payments reduced. In 2011, reductions in the amount of single payment scheme payments to farmers as a result of non-compliance amounted to £2.6 million (out of a total of £2 billion in payments).<sup>23</sup>

**3.11** These checks found that in 2010, 23 per cent of farmers were in breach of one or more regulations.<sup>24</sup> The Environment Agency found that 7 per cent of farms inspected were in breach of environmental regulations in relation to cross-compliance. In 2011, 72 per cent of breaches were related to livestock identification. The majority of these breaches concerned a failure to report the death or movement of cattle, or incorrectly record such movements in farm records.

**3.12** The European Court of Auditors examined the effectiveness of the cross-compliance regime as implemented by the European Commission and by member states. It highlighted the complexity of the regulations and the disproportionality of sanctions.

**Figure 7** overleaf outlines the findings in more detail.

**3.13** The Department recognises that one of the key reasons for the level of breaches is the complexity of the information farmers are required to hold or submit, and in some cases the supporting guidance. Effective advice and guidance helps to increase compliance. Farmers who understand their statutory requirements are more likely to comply. There is no shortage of available advice and guidance for farmers, but provision is currently fragmented and uncoordinated. We found that one in three farmers who responded to our survey were not clear on what they needed to do to comply with regulations and the same proportion did not know which body to go to for advice.

<sup>22</sup> A brief description of cross-compliance can be found at footnote 17.

<sup>23</sup> Some £2 billion represents the total value of payments made to farmers in 2011. The value of payments relating to those inspected is not available.

<sup>24</sup> This figure represents breaches found during cross-compliance and livestock identification inspections, most of which fall within the cross-compliance regime.

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**Figure 7**

## The effectiveness of cross-compliance regulation

**Key findings of the European Court of Auditors**

The objectives and scope of cross-compliance are not well defined, making it unclear what cross-compliance is designed to achieve. Due to the absence of 'SMART' objectives, performance indicators and baseline level achievement of objectives cannot be precisely monitored.

The statutory management requirements with which farmers must comply are complex, underpinned by 19 regulations and directives. Inspectors have to validate some 172 different legal requirements.

Many of the obligations are difficult to translate into practical farm operational guidance.

Some obligations on farmers are easier to check for compliance than others. Identification and registration of animal obligations are much easier to check than compliance with Birds or Habitat requirements.

Sanctions for non-compliance are not based on the consequences of non-compliance. For example, big polluters receiving low amounts of direct payments face low reductions, while small polluters receiving large amounts face higher reductions.

Costs of compliance may be higher than the maximum sanction, providing little incentive to comply.

*Source: Is Cross-Compliance an Effective Policy? Special Report No 8/2008, European Court of Auditors, 2008. Available at: [eca.europa.eu/portal/pls/portal/docs/1/1918222.PDF](http://eca.europa.eu/portal/pls/portal/docs/1/1918222.PDF)*

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**3.14** In response to recommendations made by the Farming Regulation Task Force, the Department has made some progress in improving how it disseminates guidance. For example, the Farming Advice Service has recently expanded its range of advice.<sup>25</sup> Through the Smarter Environmental Regulation Review, the Department is reviewing how environmental guidance can be simplified.<sup>26</sup> However, our survey demonstrates that the impact on the ground is yet to be felt. Some ninety-one per cent of farmers responding to our survey considered that clearer guidance from oversight bodies would help reduce the burden of regulation. Furthermore, 87 per cent considered greater engagement with farmers to develop advice and guidance would also be beneficial.

**Relationship between compliance levels and farm visits**

**3.15** We found that, with the exception of the Health and Safety Executive, oversight bodies had not systematically analysed or modelled the relationship between levels of compliance and number and frequency of farm visits, or evaluated what impact a change in the volume of activity would have upon compliance levels. The Environment Agency has considered the relationship between its regulatory effort and the different approaches to improve compliance. Since 2007, this Agency has reduced the number of inspections by around half, and over the corresponding period compliance levels have risen from 82 per cent to 87 per cent. However, the relationship between activity and compliance levels has not been systematically evaluated. Both the Rural Payments Agency and local authorities record compliance levels for livestock movement and welfare regulations but they do not consistently share and evaluate this data. For the Agency, this is partly because of the logistical difficulties of sharing data with some 300 authorities.

<sup>25</sup> The Farming Advice Service is a government-funded service that gives farming advice through a number of mediums such as farm workshops, walks, drop-in clinics and roadshows.

<sup>26</sup> The review is evaluating the scope for making improvements to the framework of environmental regulation in England.

**3.16** In 2004, the Health and Safety Executive concluded that physical inspections were not cost-effective in sustaining and improving standards of health and safety in the sector, especially for self-employed and family farms. Subsequently, operational resource has been targeted to the investigation of serious incidents and complaints, and to promoting and encouraging greater safety and health awareness in the industry – principally through a programme of Safety and Health Awareness Days supporting up to 300 farmers at a time, as well as specific regional and local initiatives.

**3.17** In April 2010, local authorities ceased to receive a ring-fenced grant from the Department to support animal health and welfare checks. This funding was transferred to the revenue support grant, which local authorities distribute according to local priorities. Since 2010, there has been a decline of more than half in the level of recorded farm visits in relation to animal health and welfare.

**3.18** The Animal Health and Veterinary Laboratories Agency and the Department do not know the true extent of the decline as a number of authorities no longer submit data. All five local authorities we visited told us they had reduced the number of inspections, and we found that some local authorities have significantly changed their approach. The East of England Farm Inspection Forum comprises a number of local authorities, regional representatives from statutory bodies and a National Farmers' Union representative as well as farmers themselves. The local authorities within this group now contact farmers selected for inspection, in addition to other oversight bodies, in order to ascertain whether the farmer had been inspected recently, and if so, to determine the outcome of the inspection. Some local authorities we spoke to have replaced physical inspections with a telephone check and advice for farms assessed as low-risk. Other regions are now looking to streamline their approach to farm visits.

**3.19** A National Framework sets out partnership arrangements between local authorities, the Animal Health and Veterinary Laboratories Agency and the Department. The framework was amended to reflect the changes to the funding streams, including removing any formal arrangements between the respective bodies. Local authorities and the Animal Health and Veterinary Laboratories Agency maintain contact at a regional level, and the Animal Health and Welfare National Panel meets quarterly. The Animal Health and Welfare Board England is aware of the decline in local authority checks. To date, the Department and Animal Health and Veterinary Laboratories Agency have reported no impact on farm welfare compliance levels, but it is likely that the actual impact will take some time to come into effect. In order to monitor this, accurate data is needed upon the volume of activity carried out by local authorities, together with the associated compliance levels.

## Part Four

### Targeting oversight activity cost-effectively

**4.1** This part of the report considers how well the Department and other bodies are implementing a risk-based and cost-effective approach that recognises where farmers have taken responsibility for good environmental practice and animal husbandry.

#### Risk and earned recognition

**4.2** All nine oversight bodies adopt a risk-based approach to selecting farms for visits. However, we found that each body uses a different risk model for each type of inspection, with at least 25 models in all. These vary in degree of sophistication and transparency. Weightings given to different criteria vary between them and can be opaque as far as the farmer is concerned. In some models a high level of confidence in the competence of the farmer cannot outweigh inherent hazard (for example because of the size of the farm) and thereby reduce the frequency of inspection. Oversight bodies have not sought to identify potential areas of commonality in risk assessment, which could help to improve consistency and transparency in similar situations.

**4.3** One of the key areas highlighted in the Farming Regulation Task Force report was the concept of 'earned recognition', which means that oversight bodies consider farmers' membership of an assurance scheme when deciding whether to inspect. A 2010 evaluation found compliance with animal health and welfare regulations was significantly higher on certified farms compared with farms outside of a scheme. The evaluation concluded that the certification status of farms could be taken into account in the risk model used to prioritise regulatory inspections.<sup>27</sup> As a result, the Animal Health and Veterinary Laboratories Agency uses assurance scheme membership within its risk model for selecting cross-compliance welfare visits.

**4.4** There are some instances where such membership has assisted oversight bodies to reduce the burden on the farmer. The Environment Agency allows farmers with a good track record to be checked by certified assurance scheme inspectors for integrated pollution prevention and control inspections in the pig and poultry sectors. This has removed the need for each farm to be visited twice as well as reducing the frequency of inspection by half. Other opportunities exist in which regulatory and certification inspectors examine the same areas, for example in egg marketing. However, European legislation requires a government employee to undertake such inspections.

<sup>27</sup> Warwick University, *Does membership of a farm assurance scheme affect compliance with animal welfare legislation and codes?*, October 2010. Available at: [randd.defra.gov.uk/Document.aspx?Document=AW0510\\_9804\\_FRP.pdf](http://randd.defra.gov.uk/Document.aspx?Document=AW0510_9804_FRP.pdf)

**4.5** We found differences in how far assurance scheme membership is taken into account by the same oversight body for different sets of regulations. Local authorities can receive details of farmers who are members of the Red Tractor scheme. These authorities are charged with feed regulation checks as well as those relating to food hygiene. Local authorities use two different risk models, with assurance scheme membership influencing inspection frequency for the latter but not the former.

**4.6** Oversight bodies also vary in how they have allowed membership of a scheme to influence the frequency of inspection. For example, since April 2012, in the case of dairy hygiene checks, the Food Standards Agency treats farms that are assurance scheme members as low-risk. It schedules an inspection on a ten-year cycle, compared with a cycle of two years previously. This is expected to reduce the number of annual inspections from 11,000 to 3,000. The Animal Health and Veterinary Laboratories Agency and the Environment Agency have also adopted the principle of earned recognition.

**4.7** The Department is currently considering how it can support oversight bodies to use earned recognition more widely. It has recently commissioned research to examine the relationship between membership of an assurance scheme and compliance with regulations under cross-compliance. As of October 2012, it has committed to publishing an earned recognition plan, which looks for opportunities to introduce earned recognition in other inspection regimes. The Department has also recently commissioned research to provide a more robust evidence base to underpin the wider application of earned recognition.

### Cost and efficiency

**4.8** The Department does not collect data on the total costs of farm oversight activity. We estimate the associated costs of front-line activity for the main three bodies to be £47 million a year.<sup>28</sup> We could not estimate the overall cost of oversight activity because while all the agencies collect front-line costs, the Rural Payments Agency does not apportion its back-office functions against its range of operational and front-line activities.

**4.9** **Figure 8** overleaf indicates there is variation in the number of farm visits undertaken by inspectors within each body, and the hourly rates of staff. While such variation may be justifiable, the Department and agencies should be collecting such information to enable existing processes to be challenged and efficiency benchmarked across, and within, the oversight bodies.

<sup>28</sup> Of this, £28 million relates to disease surveillance activity undertaken by the Animal Health and Veterinary Laboratories Agency.

**Figure 8**

## Ratio of inspectors to number of farm visits

There is variation in the number of farm visits undertaken by front-line staff in the three key oversight bodies

Oversight body	Number of farm visits	Number of full-time equivalent staff	Average number of visits per full-time equivalent	Hourly cost of front-line staff (£)
Environment Agency	5,238	71.4	73	19
Rural Payments Agency	11,574	213.0	54	19
Animal Health and Veterinary Laboratories Agency	8,261	45.2	183	29

**NOTES**

- 1 Number of visits are those relating to checks for compliance, both through a planned programme of inspection and those to investigate a complaint.
- 2 The Environment Agency has 195 front-line staff who can undertake farm visits. 71.4 represents the amount of resource spent upon on-farm checks for compliance.
- 3 Animal Health and Veterinary Laboratories Agency has 370 front-line staff who can undertake farm visits. 45.2 represents the amount of resource spent upon on-farm checks for compliance.
- 4 Some legislative activity by the Animal Health and Veterinary Laboratories Agency must be undertaken by a veterinarian at a higher hourly rate, which has been reflected in the figures above.

Source: National Audit Office analysis of oversight body information for 2011-12

**4.10** We reviewed the inspection processes for the most common types of inspection within the three main oversight bodies. We found a wide variation in the minimum and maximum times involved to plan, undertake and report upon their type of inspection.

**4.11** Some variation is to be expected; for example, the number of animals to be examined during a cattle identification inspection will influence the time needed to undertake checks. However, we also found variability in the efficiency of administrative processes. In collaboration with front-line staff, we identified a number of areas where the processes could be improved:

- Reports supplied to inspectors exclude contact details (which requires inspectors to make phone calls or conduct internet searches to obtain information).
- Partial or inaccurate data received from other bodies (which requires inspectors to spend time making manual corrections).
- Incompatible systems due to different definitions and data fields (which requires inspectors to conduct time-consuming validation runs).

## Part Five

### Coordination and data sharing

**5.1** This part of the report considers how well oversight bodies coordinate activity and share data and intelligence to avoid unnecessary duplication, cost and burden.

#### Coordination

**5.2** **Figure 9** overleaf outlines the main types of farm checks within three main areas. A number of bodies visit farms within each area, with each body administering its activity individually to address the particular regulatory regimes for which it is responsible. Activity is not planned as a programme across the bodies involved, which means a farmer may receive several visits from different bodies. A dairy farmer, for instance, could receive a visit from eight different government bodies, each checking for their own purposes.

**5.3** Although some examples of good practice exist where bodies coordinate activities (paragraph 3.18), they are few, and are not being maximised. **Figure 10** on page 31 presents an example of how opportunities to coordinate activities between the Rural Payments Agency and private vets appointed by the Animal Health and Veterinary Laboratories Agency are not being optimised.

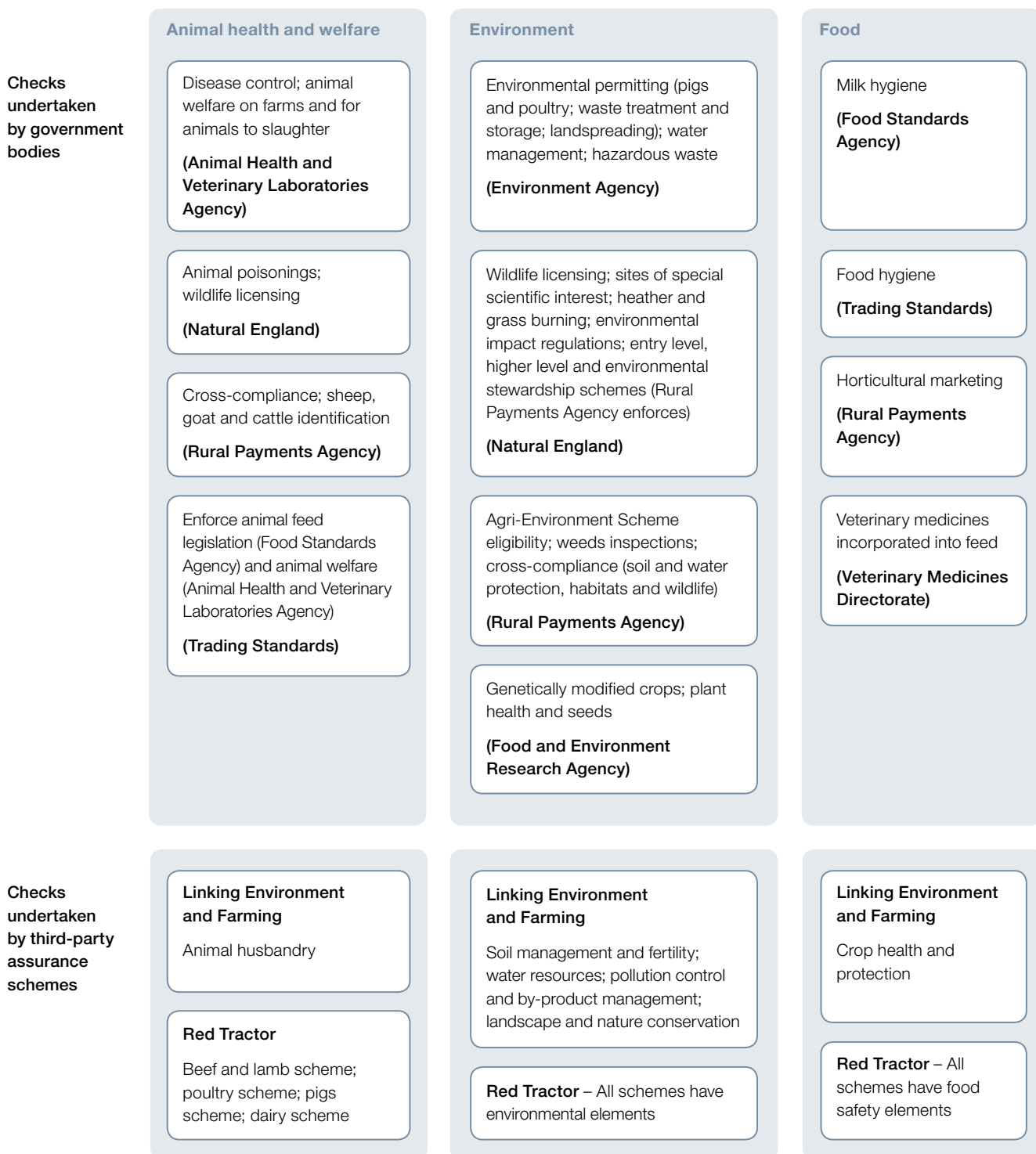
**5.4** Farmers' perceptions are that joint working can be improved. Some eighty-four per cent of those responding to our survey considered bodies should coordinate their activities more, while 12 per cent had received more than one visit from different bodies within the space of a month.

**5.5** There is evidence that oversight bodies can undertake additional inspection responsibilities for each other, as long as adequate training is given. For example, the Food Standards Agency has recently trained 20 of its existing inspectors to undertake dairy hygiene inspections through more flexible deployment. This activity was previously undertaken by the Animal Health and Veterinary Laboratories Agency, who is currently reviewing its staffing model in terms of capability, skills needs and who can best deliver services. Of those farmers responding to our survey, 85 per cent would welcome an inspector from one body collecting information for another.

**5.6** Rural Payments Agency inspectors have recently taken on the environmental component of some 1,255 cross-compliance farm visits that were previously undertaken by the Environment Agency. To enable this, the latter ran 20 training courses, the cost of which was largely staff time.

**Figure 9**  
Main types of farm oversight activity

A number of different bodies carry out checks in the same areas





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## Figure 10

### Coordination of oversight activity

#### Opportunities to coordinate oversight activity are not being fully exploited

A particular example of this lack of coordination is in relation to bovine tuberculosis and cattle identification inspections. Both visits require cattle to be herded together, a task which can be time-consuming for a farmer. The Animal Health and Veterinary Laboratories Agency appoints private veterinary practitioners to undertake bovine tuberculosis tests, while the Rural Payments Agency undertakes cattle identification inspections. In 2011, out of 3,218 cattle identification inspections, 703 were identified as those which could be potentially combined with a bovine tuberculosis test. Of these, 199 (28 per cent) took place at the same time. One of the main reasons for the failure to coordinate activity was due to the Rural Payments Agency failing to receive notification of the test date from farmers or veterinarians.

*Source: National Audit Office analysis of Agency data*

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**5.7** Twenty-one service level agreements or memoranda of understanding exist between the oversight bodies (**Figure 11** on pages 32 and 33). This high number reflects the potential degree of overlap in activity. There has, however, been no cross-government review of how best to organise and from where to best lead oversight activity.

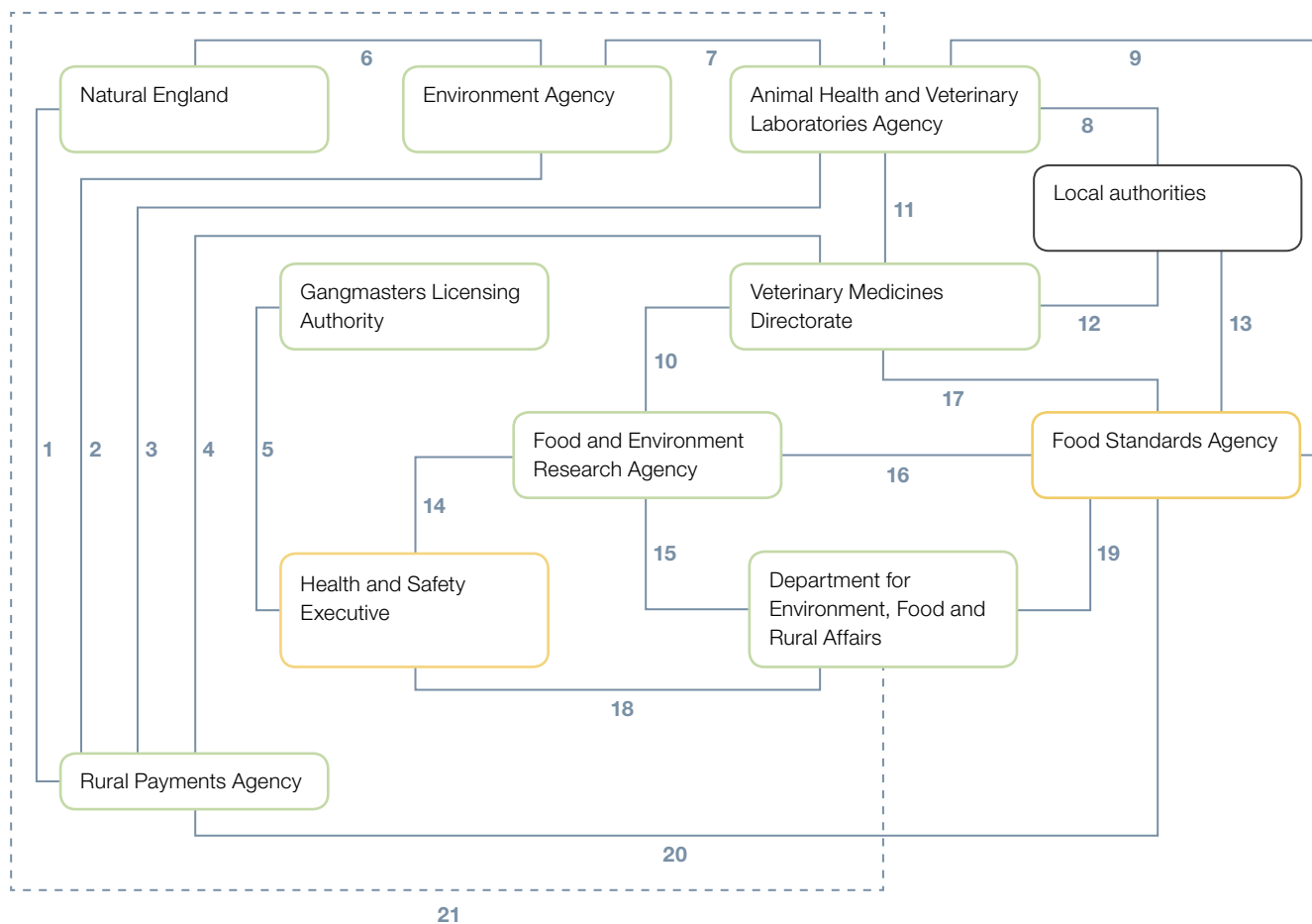
### Duplication of activity

**5.8** The lack of consistent and formal communication between oversight bodies could lead to duplication. This is borne out by a number of farm visits that are undertaken each year where there are some similarities of checks made by different bodies, and the types of information collected during each visit. While we recognise that bodies checking similar areas can be doing so for different purposes, this similarity presents opportunities for bodies to collect intelligence or information on behalf of others, thereby potentially reducing the need for a visit.

**5.9** In the case of livestock, local authority inspectors will check animal passports, movement records and ear tags. These are all checks made by the Rural Payments Agency as part of cattle identification inspections, as well as assurance scheme inspectors. Animal welfare checks are carried out by local authorities and by private veterinarians on behalf of the Animal Health and Veterinary Laboratories Agency. These bodies collaborate to reduce duplication. **Figure 12** on page 34 shows overlapping responsibilities for animal feed checks.

**Figure 11**  
The relationships between oversight bodies

There are 21 different service level agreements and memoranda of understanding between oversight bodies



- Department for Environment, Food and Rural Affairs
- Other government departments
- Local authorities

- 1 Natural England has delegated responsibility for cross-compliance good agricultural and environmental conditions 5 and 9 (Rural Payments Agency).
- 2 The Environment Agency has a memorandum of understanding to provide the Rural Payments Agency with cross-compliance data and breach reporting.
- 3 Animal Health and Veterinary Laboratories Agency has a service level agreement with the Rural Payments Agency to share herd registration information.
- 4 The Veterinary Medicines Directorate provides information to the Rural Payments Agency for checks against statutory management requirements 10 (restrictions on hormones) and 11 (feed and food law).
- 5 Gangmasters Licensing Authority has a memorandum of understanding for information exchange with the Health and Safety Executive, primarily to support Gangmasters Licensing Authority licensing decisions.
- 6 Natural England and the Environment Agency have a memorandum of understanding to work collaboratively to protect and enhance the natural environment and support sustainable development.
- 7 There is a 'working together' agreement between the Environment Agency and the Animal Health and Veterinary Laboratories around environmental permitting.
- 8 Local authorities are the principle enforcers of animal welfare legislation. The relationship with the Animal Health and Veterinary Laboratories Agency is underpinned by the National Animal Health and Welfare Framework between the Department for Environment, Food and Rural Affairs, the Animal Health and Veterinary Laboratories Agency and Trading Standards.
- 9 The Animal Health and Veterinary Laboratories Agency has a service level agreement with the Food Standards Agency around egg hygiene.
- 10 The Food and Environment Research Agency analyses samples for the Veterinary Medicines Directorate's National Surveillance Scheme.
- 11 The Animal Health and Veterinary Laboratories Agency has a memorandum of understanding with the Veterinary Medicines Directorate for the enforcement of EC999/2001 (regulating the use of animal feed).
- 12 The Veterinary Medicines Directorate has a memorandum of understanding with local authorities through the National Agriculture Panel for the enforcement of feed legislation.
- 13 The Food Standards Agency has a framework agreement with local authorities around food hygiene inspections.
- 14 The Food and Environment Research Agency carries out pesticide residue analysis for the Health and Safety Executive's Chemicals Regulation Directorate.
- 15 Overarching service level agreement between the Department for Environment, Food and Rural Affairs and the Food and Environment Research Agency setting out delegated responsibilities and regulatory roles.
- 16 The Food and Environment Research Agency has a memorandum of understanding with the Food Standards Agency.
- 17 Memorandum of understanding between the Veterinary Medicines Directorate and the Food Standards Agency for respective responsibilities around enforcing feed legislation.
- 18 There is a data sharing and confidentiality agreement between the Department for Environment, Food and Rural Affairs and the Health and Safety Executive for the exchange of information collected under the Agriculture Statistics Act 1979 – this information cannot be used to plan inspections.
- 19 The Food Standards Agency collects samples on behalf of the Department for Environment, Food and Rural Affairs to test for animal diseases (Transmissible Spongiform Encephalopathy, Tuberculosis, Aujeszky's and Enzootic Bovine Leukosis).
- 20 Food Standards Agency staff in abattoirs check and stamp cattle passports and forward this information to the Rural Payments Agency's British Cattle Movement Service.
- 21 The Animal Health and Veterinary Laboratories Agency has a service level agreement with the Department for Environment, Food and Rural Affairs.

**Figure 12**

## Checks in relation to animal feed

There is overlap in the checks being made between government bodies and private sector bodies in relation to animal feed

	Veterinary Medicines Directorate	Trading Standards	Rural Payments Agency – cross-compliance statutory management requirement 11 <sup>1</sup>	Red Tractor – dairy, beef and lamb, poultry and pig schemes
Activity records		✓		✓
Cleanliness and hygiene	✓	✓		✓
Mixing facilities	✓	✓	✓	✓
Purchase records	✓	✓		✓
Records of quantities of feed used			✓	✓
Records of types of feed used	✓		✓	✓
Storage facilities		✓	✓	✓
Veterinary medicine records	✓		✓	✓
Written procedures		✓		✓

**NOTE**

1 Statutory Management Requirement 11 is an element of a cross-compliance inspection which involves checks for compliance with food and feed law.

Source: National Audit Office analysis of information provided by oversight bodies

**Sharing information**

**5.10** We found that each oversight body collects the same information from farmers separately. Eighty-three per cent of farmers responding to our survey agreed they regularly have to supply the same information to different organisations. Of those farmers who received more than one visit in one month, the great majority stated the same types of information were checked, most commonly records of livestock movements and veterinary or medical records. Information on poultry farms held by the Animal Health and Veterinary Laboratories Agency is not shared with local authorities, resulting in farmers having to provide this information a second time to local inspectors. As of April 2012, the Department has begun work to reduce the need for farms and other businesses to submit the same information to different bodies.

**5.11** The British Veterinary Association told us there was scope for more engagement between oversight bodies and private veterinarians. Private veterinarians have an obligation to notify the Animal Health and Veterinary Laboratories Agency if movement records do not match the animals presented for bovine tuberculosis tests. The British Veterinary Association suggested certain non-confidential information, for example on the number of visits made by veterinarians, could also be provided to oversight bodies, to give an indication of the level of attendance received by animals and thereby potentially inform risk assessments. The existing contractual arrangements between private veterinarians and statutory bodies are an area in which the Department could explore the potential for greater sharing of intelligence.

**5.12** We found a range of information collected individually by oversight bodies, such as the outcome of the most recent inspection, which if shared, would enable a more informed assessment of a farm's potential risk and a better targeting of resources. The Animal Health and Veterinary Laboratories Agency has a new system that receives data feeds from the Rural Payments Agency.

**5.13** The Environment Agency cites the lack of access to data as a significant barrier towards improving efficiency, and effective targeting of resources. In particular, it has had difficulty in obtaining additional data sets from others that would be of assistance in targeting its regulatory effort (for example, it cannot access records of incidents of poor practice identified by other agencies). The Agency's data has recently improved since it gained access to the Customer and Land Database data held by the Rural Payments Agency relating to land ownership and occupancy.

**5.14** As well as carrying out their own checks for compliance, local authorities enforce compliance on behalf of the Department and work closely with the Animal Health and Veterinary Laboratories Agency, and there is often a strong working relationship locally. For instance, lists of cross-compliance welfare visits are shared with local authorities. However, some but not all local authorities receive a list of farms selected for cattle identification inspection from the Rural Payments Agency. Some of the local authorities we consulted would avoid inspecting such farms, but others would continue to inspect. All local authorities can also receive a monthly email containing a list of farmers who are members of the Red Tractor assurance scheme.

## Databases holding farm information

**5.15** We identified 30 different databases within the Department and its oversight bodies. Within them, data is duplicated and there is no one place in which farm details are combined and stored. **Figure 13** overleaf outlines the key databases and highlights where the same data fields exist. The types of data shown are those which we consider, if shared, would benefit oversight bodies. Others, such as outcome of most recent inspection, would enable a better informed risk score to be generated, and hence improve the targeting of resources.

**Figure 13**

## Key databases holding farm information

Duplication exists in the information held on the databases of the Department and its oversight bodies

Owner	Database	Database fields						
		Name/ address	County parish holding	Farm type	Farm size	Date of last inspection	Outcome of last inspection	Assurance scheme membership
Animal Health and Veterinary Laboratories Agency	Poultry register	✓	✓					
	Sam (Release 6)	✓	✓			✓	✓	
	VetNet		✓	✓	✓	✓	✓	
Department for Environment, Food and Rural Affairs	Agricultural census/survey	✓	✓	✓	✓			
	Animal movement enforcement system (AMES)	✓	✓	✓	✓	✓	✓	
Environment Agency	Farm assessment and regulatory management system (FARMS)	✓	✓	✓	✓	✓	✓	✓
Rural Payments Agency	Animal movement licensing system (AMLS)	✓	✓				✓	
	Cattle tracing service (CTS)	✓	✓			✓	✓	
	Cross- compliance	✓	✓	✓	✓	✓	✓	
	Single farm payment claimants database	✓		✓	✓	✓	✓	

**NOTE**

1 'Sam' is the name of the new system developed as part of the Business Reform Programme. Both Vetnet and the Poultry register are being phased out and replaced by Sam. The new system should enable the Animal Health and Veterinary Laboratories Agency to better share data.

Source: National Audit Office analysis of information provided by oversight bodies

## Barriers to data and intelligence sharing

**5.16** A barrier to improved data sharing is the lack of consistency in the way bodies categorise their information, which may mean that data would need to be cleansed or 'matched' before it can be meaningfully used across bodies. For instance, the way names and addresses are collected can be different for the various bodies given each uses it to support their own activities. The Animal Health and Veterinary Laboratories Agency holds the details of the keeper of the animals, whereas other bodies may hold the name of the land owner or the corporate address.

**5.17** The Data Protection Act, in itself, is not a barrier to sharing data and should not be seen as such. The Department conducted its own pilot study into data sharing and concluded that there is potential to share more data, while ensuring compliance with data protection requirements. Depending upon the legal basis for collecting information, the solutions may need to be developed on a case-by-case basis. It is likely that statutory bodies do not have to gain consent to share information, as long as the information is being used by the body to support the discharge of its statutory functions and providing the information is used in a way that could be reasonably expected by the individual. There is a need to consider further confidentiality and data security issues, and confirm the legal uses that such shared information can be put to, however solutions can also be straightforward, such as applying password protection. The majority of the Department's oversight bodies are on the government's secure email system, which should help reduce potential barriers.

# Appendix One

## Our audit approach

**1** This study examined whether current arrangements to provide farm oversight represent optimal value for money. We assessed:

- whether the scale and proportionality of farm oversight is known;
- how far oversight is targeted and cost-effective; and
- how far the Department and its arm's-length bodies work effectively with each other to coordinate activity.

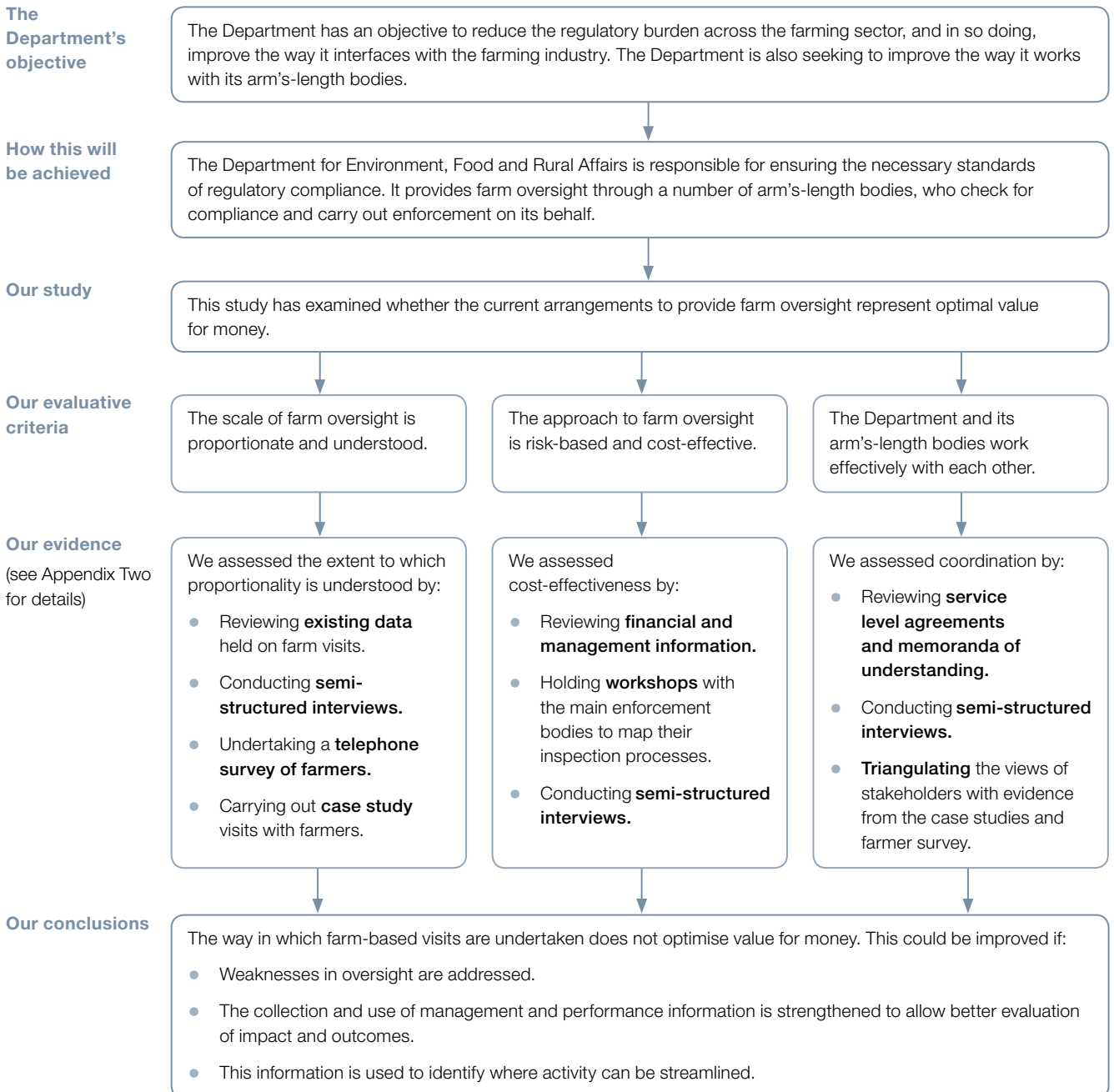
**2** Our audit approach is summarised in **Figure 14**. Our evidence base is described in Appendix Two.

**3** To assess value for money we developed an evaluative framework that considered the criteria necessary for effective oversight. This framework drew on principles of good regulatory practice identified by Sir Phillip Hampton in his review of the administrative burden of regulation in business, in addition to the work of the Local Better Regulation Office, and previous National Audit Office reports.



**Figure 14**

## Our audit approach



# Appendix Two

## Our evidence base

**1** Our independent conclusions on whether current arrangements to provide farm oversight represent optimal value for money were reached following our analysis of evidence collected between April and August 2012.

**2** We applied an analytical framework with evaluative criteria which considers what optimal farm oversight looks like. Our audit approach is outlined in Appendix One.

**3 We assessed whether the scale of farm oversight is proportionate and understood by the Department:**

- We carried out a review of **existing evidence** on good practice in regulation to develop an evaluative framework. Documents included Sir Phillip Hampton's regulatory reviews, previous National Audit Office reports and policy briefings by the Local Better Regulation Office and the Department for Business, Innovation and Skills.
- We undertook **semi-structured interviews** with a range of stakeholders, including the Department and its bodies, assurance scheme operators, trade associations, regional working groups, the Scottish government and the European Union. These interviews captured views about farm oversight activity, the current direction of travel and where improvements could be made.
- We carried out a **telephone survey** of 200 farmers to understand their perspective. Interviews were conducted using computer-assisted telephone interviewing and participants were drawn from an initial sampling frame of 1,013 farm records. The sample was stratified by farm type and size and quotas were imposed on interviewers to ensure the findings were representative of the wider population. The survey captured views upon experiences of farm oversight activity and how this could be improved.<sup>29</sup>
- We carried out eight **case study visits** with farmers to understand the customer perspective in greater detail. Different types of farmers (such as livestock, dairy and arable) were selected, with all having had a recent experience of a statutory inspection during the last 18 months.

<sup>29</sup> We weighted the sample to make it representative of the farming sector. In doing so, the impact of weighting reduced the effective base size from 200 to 133. A base size of 133 means that as a worst case scenario, findings are accurate to within +/- 8.5 percentage points at the 95 per cent confidence level. By this we mean that if 50 per cent of our sample agreed with a statement in the questionnaire, we can be 95 per cent confident (i.e. in 19 times out of 20) that the response from all farmers in England would lie between 41.5 per cent and 58.5 per cent. A 90 per cent or 10 per cent level of agreement would equate to +/- 5.2 percentage points at the 95 per cent confidence level.

#### **4 We assessed whether the approach to farm oversight is targeted and cost-effective:**

- We **reviewed financial and management information** provided by the Department's oversight bodies, focusing on identifying the number of inspections carried out by each body, compliance levels, number and utilisation of inspection staff, overall costs, demand forecasting models and risk models used to target resources.
- We **mapped** the inspection processes of the Department's three main oversight bodies to analyse the efficiency of administrative processes and the associated costs of planning and carrying out an inspection.
- We carried out **semi-structured interviews** with stakeholders, focusing on interviewees' knowledge of how oversight bodies planned their inspection programmes and where improvements could be made, such as where effort could be rationalised.

#### **5 We assessed whether the Department and its arm's-length bodies work effectively with each other:**

- We **reviewed service level agreements and memoranda of understanding** between the Department and its arm's-length bodies to test the strength of existing partnership and joint working arrangements.
- We carried out **semi-structured interviews** with oversight bodies and stakeholders to understand the areas of overlapping responsibilities, and to capture views about the extent to which regulators shared information and coordinated their activities.
- We **analysed** the types of data collected by oversight bodies to identify areas of duplication.
- We **triangulated** the views of stakeholders with the end-user perspectives gained from our telephone survey and case study visits.

## Appendix Three

### Progress against Task Force recommendations

#### The Department has made progress in a number of areas since the Task Force report was published

Area of recommendation	Progress made
<b>Avoiding duplication of inspections</b>	<p>The Department carried out a data sharing project examining how perceived legal barriers to data sharing could be overcome and circulated this to its agencies.</p> <p>The Environment Agency has reviewed the regulatory data it asks for across different regimes, sectors and permits.</p> <p>Permitted pig and poultry farms subject to Environment Agency visits can now have Red Tractor Assurance visits in place of statutory visits.</p> <p>The Department is working with representatives of local authorities, farmers, agencies and assurance schemes to share information about risk modelling to improve the targeting of inspections.</p>
<b>Applying earned recognition to farm inspections</b>	<p>The Environment Agency has started applying earned recognition. Permit holders who are members of the Pig and Poultry Assurance scheme are visited every three years instead of annually.</p> <p>The Department is exploring with oversight bodies the potential for drawing up indicators that demonstrate competence and for farmers to provide additional information about their business as part of earned recognition.</p> <p>As of October 2012, the Department has committed to publishing a detailed implementation plan for earned recognition, setting out a list of all farm inspections and an assessment of the potential for earned recognition.</p> <p>The Animal Health and Veterinary Laboratories Agency takes membership of farm assurance schemes into account to calculate risk-scores.</p> <p>The Food Standards Agency places dairy producers who are members of an assurance scheme into a low-risk category and schedules inspections on a ten-year cycle instead of a two-year one.</p>
<b>Taking a more risk-based approach to inspections</b>	<p>Natural England applies risk assessment to compliance checking for Species Licensing based on the likelihood of non-compliance and potential impact.</p> <p>Regional oversight bodies that are part of the East of England Farm Inspection Forum piloted replacing physical inspections with telephone checks for low-risk premises.</p> <p>The East of England Farm Inspection Forum encouraged greater dialogue between oversight bodies resulting in cases of low-risk farms selected for inspection subsequently being deselected.</p>

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<b>Area of recommendation</b>	<b>Progress made</b>
<b>Improving guidance to farmers</b>	<p data-bbox="767 439 1469 517">The Department published a plan for reducing the burden of paperwork on farmers and food processors, and publishes a progress update against this plan every six months.</p> <p data-bbox="767 539 1481 589">The Department reviewed and updated the principles on which its guidance is based and circulated this for its oversight bodies.</p> <p data-bbox="767 611 1474 723">The Department piloted the electronic publication of cross-compliance guidance and from 2013 the full guidance document will be available online by default, with farmers receiving a brief document highlighting changes since the previous year.</p> <p data-bbox="767 745 1461 857">The Environment Agency is carrying out a review of environmental advice, guidance and incentives. It also now provides factsheets, templates and examples around Environmental Permitting Regulations to simplify the process of applying for permits.</p> <p data-bbox="767 880 1469 958">The Animal Health and Veterinary Laboratories Agency South East is in the process of reviewing and collating advice and guidance for livestock and intends to distribute this as information packs for new keepers.</p> <p data-bbox="767 981 1465 1059">The Farming Advice Service, which replaced the cross-compliance advice programme, provides joined-up advice on a number of topics including cross-compliance, climate change and nutrient management.</p> <p data-bbox="767 1081 1426 1279">The Department has implemented a Smarter Environmental Regulation Review as a commitment from the Red Tape Challenge to identify opportunities to make environmental regulation easier to comply with. The review team has reported on the rationalisation of environmental guidance and data reporting and its conclusions are being considered by ministers. There will be a further report by the end of 2012 on environmental legislation.</p>

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# Appendix Four

## Our findings set against the Hampton Principles

The Hampton Review, published in 2004, set out a framework for regulatory good practice, the key principles of which should be consistently applied throughout the regulatory system. The following figure shows how we have assessed the Department and its main oversight bodies against these key principles, the findings of which are presented throughout the report.

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### Hampton Principles

We assessed the Department against a framework for regulatory good practice

#### Principles

Regulators, and the regulatory system as a whole, should use comprehensive risk assessment to concentrate resources on the areas that need them most

Regulators should be accountable for the efficiency and effectiveness of their activities, while remaining independent in the decisions they take

No inspection should take place without a reason

Businesses should not have to give unnecessary information, nor give the same piece of information twice

Regulators should provide authoritative, accessible advice easily and cheaply

#### Report findings against principles

While inspection regimes adopt a risk-based approach to enforcement, there are no agreed, established or shared common risk factors across all regulators, such as the competence of the farmer or compliance history (see paragraph 4.2).

There is a lack of consistent and formal coordination among oversight bodies, which can lead them to examining the same areas (see paragraph 5.9).

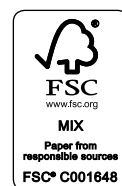
Ability to change is constrained by European Commission requirements for some farms to be randomly selected for inspection (see paragraph 3.7).

The vast majority of farmers responding to our survey agreed that they regularly have to supply the same information to different organisations (see paragraph 5.10). Farm information is held on 30 different databases (see paragraph 5.15).

Provision of guidance is plentiful but fragmented. The Department has made some progress in improving the dissemination of guidance but the impact on the ground is yet to be felt (see paragraph 3.13).

*Source: Sir Phillip Hampton's 2005 review Reducing administrative burdens: effective inspection and enforcement, March 2005. Available at: [www.bis.gov.uk/files/file22988.pdf](http://www.bis.gov.uk/files/file22988.pdf)*

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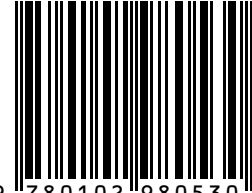
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