Following the money

THE National Audit Office (NAO) keeps an eye on the accounts of government departments and agencies and holds the Government to account for the way it uses public money. In 2002 it produced the first and one of the most informative official reports on the way Defra handled the 2001 foot-and-mouth disease (FMD) outbreak. Its latest report on Defra’s performance is equally informative, and looks at the way the department deals with notifiable exotic and endemic diseases. The report, ‘The health of livestock and honeybees in England’, may be unique among government documents relating to animal health in that it devotes as much attention to diseases affecting honeybees as to notifiable diseases of livestock. However, it is no less interesting for that. It contains useful statistics on Defra’s spending on animal health and much else besides, including a number of observations pertinent to the current debate on cost and responsibility sharing.

The statistics reveal that Defra spent £381 million on animal health and welfare in 2007/08, of which £107 million was grant in aid to Animal Health for its work in England, Scotland and Wales. In 2007/08, attempting to control bovine tuberculosis across Great Britain absorbed £39.4 million, or 39 per cent, of Animal Health’s total annual expenditure. Also in 2007/08, Animal Health had to reallocate £17 million of resources from controlling endemic diseases and preventive work in response to the demands of managing exotic disease outbreaks, including the outbreaks of FMD, avian influenza and bluetongue which occurred concurrently at the end of 2007.

The NAO notes that the exotic disease outbreaks were managed successfully, and that the estimated £33 million spent by Animal Health on dealing with the FMD and avian influenza outbreaks represented good value for money compared to the economic costs of these diseases becoming more widespread. However, it says, some of the more serious endemic diseases have been managed ‘with less success’. It notes that progress has been made in controlling BSE, scrapie and salmonella, but that bovine TB has continued to spread and is now firmly established across south-west England. It takes Animal Health to task for not rigorously enforcing routine TB testing, and says it should work with local authorities to determine the levels of enforcement action available and the circumstances in which such action should be triggered.

Discussing farm biosecurity, it notes that there are no agreed national standards to minimise the risk of diseases spreading, and that Defra, Animal Health and other inspection bodies do not systematically collect and share information about biosecurity risks. It argues that more effective planning and collaborative working would enable better control of endemic diseases. It further recommends that compensation schemes or the proposed cost and responsibility sharing initiative should include incentives for farmers to follow good standards of biosecurity and husbandry. The BVA has suggested that cost and responsibility sharing arrangements should include incentives to reward good practice but, unfortunately, this does not appear to be a feature of the proposals currently being considered by Defra (see VR, December 13, 2008, vol 163, p 699).

Another point made by the NAO is that the current division of responsibilities between Defra and Animal Health ‘blurs the distinction between policy and delivery, such that Animal Health does not yet have a clear responsibility for working proactively with the farming industry to minimise the risk of notifiable disease’. However, one of its most interesting comments relates to cost and responsibility sharing. It remarks that, at present, Defra’s financial information ‘is focused upon reporting within internal management structures and cannot readily be used to calculate accurate figures for the full cost of managing specific farm animal diseases’. It further remarks that, as things stand, ‘The Department does not have sufficiently robust financial or performance information on controlling diseases to assess routinely the costs and benefits of interventions, and to underpin a transparent and equitable cost-sharing scheme.’ NFI Scotland has seized on these remarks to argue that Defra’s animal health budget should be devolved. However, the NAO’s comments also raise the important question that, if Defra is unable to calculate the costs of managing specific diseases, how can it determine how those costs should be shared? This and many other issues will need to be considered when its consultation document on cost and responsibility sharing finally appears.

The NAO’s report is available at www.nao.org.uk/publications/0809/the_health_ofLivestock.aspx
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