



SAC Consulting
Kings Buildings
West Main Road
EDINBURGH, EH9 3JG

t: 0131 535 4284
e: mike.wijnberg@sac.co.uk
w: www.sac.co.uk

29th September 2015

Mr Rob Gibson
Convenor
Rural Affairs, Climate Change and Environment Committee
c/o Clerk to the Committee Room T3.40
The Scottish Parliament
Edinburgh
EH99 1SP

Dear Mr Gibson

SRUC proposals for changes to the network of Veterinary Disease Surveillance Centres ('VDSCs')

I am writing in response to your letter of 4th September following our oral evidence on the proposals for changes to the network of Veterinary Disease Surveillance Centres to the Rural Affairs, Climate Change and Environment Committee which took place on 2nd September.

I have laid out below further information on the specific issues raised in your letter:

□ An explanation of the time lag between the publication of the Kinnaird Review and the SRUC consultation of the proposed changes, and why there appears to be a rush to implement changes when alternatives are not in place;

The Kinnaird Review was published Nov 2011. One of the key recommendations of this report was that an independent Strategic Management Board (SMB) should be formed to advise the Cabinet Secretary on the future strategic direction of animal disease surveillance in Scotland.

The Strategic Management Board was established early in 2012. It is chaired by Sheila Voas, CVO (Scotland) and has three independent members:

- Colin Manson, farmer from Forres and NFUS Highland Regional Chairman from 2006 to 2010.
- Freda Scott Park, veterinary surgeon, coordinator of the Highland and Islands Veterinary Services Scheme and former President of the British Veterinary Association.
- Dominic Mellor, Professor of Epidemiology and Veterinary Public Health at University of Glasgow.

SAC Consulting is a division of SRUC

Leading the way in Agriculture and Rural Research, Education and Consulting

SRUC. A charitable company limited by guarantee, Scottish Charity Number: SC003712 Registered in Scotland, Company Number: SC103046 Registered Office: Peter Wilson Building, King's Buildings, West Mains Road, Edinburgh EH9 3JG
SAC Commercial Limited. An SRUC company. Registered in Scotland, Company Number: SC148684. Registered Office: Peter Wilson Building, King's Buildings, West Mains Road, Edinburgh EH9 3JG

SAC Consulting Veterinary Services (SACCVS), Moredun Research Institute (MRI) and the Animal and Plant Health Agency (APHA) may be invited to attend SMB meetings as contractors. The first meeting was held on 20th April 2012. The SMB met 6 times in 2012, twice in 2013, five times in 2014 and three times so far in 2015. In addition, SMB members visited MRI (14th May 2013), SACCVS Midlothian and Perth sites (18th July 2013) and the R(D)SVS (18th November 2014).

We understand that the CVO (Scotland) presented suggestions on the direction of travel to the Cabinet Secretary in September 2013. As a result the Cabinet Secretary requested that further discussions be undertaken with stakeholders in January 2014. The following month the SMB secretariat gathered views from the wider veterinary surveillance community and Animal Health and Welfare general stakeholders on the SMB's initial 5 recommendations to Scottish Ministers. These focused on a centralised diagnostic laboratory and a review of the disease surveillance centre network. In March 2014 the SMB secretariat reported that the responses received broadly supported the views of the SMB.

SRUC then provided the SMB with further proposals to restructure the service based around the direction of travel that was agreed with stakeholders. We understand that the Cabinet Secretary was kept informed of these developments throughout.

Urgency was added to SRUC's situation in November 2014 when it became apparent from Scottish Government that SRUC could no longer rely on contingency and other funding to make good any shortfall in the allocated grant-in-aid income. Effectively, when previous reductions in allocated income and the impact of inflation are combined, the budget was reduced by approximately £400k.

The decision to initiate the Stakeholder Consultation on 2nd June 2015 was reached with the agreement of the SMB.

☐ **Clarity on the overall level of funding for the VDSC service;**

SAC Consulting Veterinary Services has two main sources of funding. These are:

1. Veterinary Advisory Service (VAS) grant-in-aid and fees for tests and services conducted in support of the surveillance programme and
2. Commercial income from health schemes, tests conducted on companion animals, horses, soils and animal feed. Also, the marine mammal project and testing in support of the BVD eradication scheme.

In addition there is a small amount of cross-divisional income from the teaching of SRUC students and provision of services in support of SRUC researchers. Total SACCVS income in 14/15 was £8.6M and the split between (1) and (2) was 62% and 38%.

☐ **The strategic vision underpinning the proposals for change;**

The strategic vision underpinning the proposals for change are:

1. Provide a national network of disease surveillance facilities capable of:
 - Providing a hub of local veterinary expertise

- Gathering post-mortem material
 - Gathering other relevant sample materials (including blood, tissues etc.)
 - Interacting with local vets and farmers to gather intelligence on local animal production issues.
2. Developing a central, well-invested laboratory for the testing of veterinary diagnostic materials in a manner which is capable of providing:
 - high quality tests to the very highest international standards
 - rapid laboratory test turn-around times
 - world-class laboratory expertise
 - all the above at the most cost-competitive rate.
 3. Increase access to a wider variety of sources of relevant animal disease surveillance information and data through:
 - Greater co-operation with private veterinary practitioners
 - Greater two-way communication with the farming community
 - Links with abattoir condemnation information.
 4. Develop a sophisticated database to capture relevant disease surveillance data and information with the capability of:
 - Identifying trends in animal disease and mortality as well as animal production performance reports
 - Providing an information platform to private vets and farmers on disease trends
 - Providing a sound platform from which to initiate active surveillance surveys.

The successful development of such a database would put Scotland in a world-leading position in animal disease surveillance.

□ The cost benefit analysis undertaken by the SRUC on business as usual and the proposed alternatives;

Our starting position is that SRUC was responding to a reduction in the provision of Scottish Government funding related to SRUC's delivery of animal disease surveillance activities; this is predicted to be £400k for the 2015/16 financial year. The immediate implication for SRUC is a need to tailor the services provided on behalf of Scottish Government by that amount whilst endeavouring to work within the principles of our disease surveillance vision as laid out in the text above.

Amongst the range of alternatives explored with the SMB in order to achieve such savings were:

1. The development of a 5+2 model – this involved the retention of 5 existing sites, closure of Inverness and relocation of the Ayr and Edinburgh DSCs to Glasgow and Edinburgh veterinary schools respectively.
2. A delivery structure based around a spine of three Disease Surveillance Centres (DSCs) stretching from the north-east to the south-west of Scotland. The other sites would be closed and replaced with carcase collection and training of veterinary practitioners.

Our views have now been further shaped by some of the constructive responses to the Stakeholder Consultation.

□ If no such cost benefit analysis has been undertaken, the rationale for this approach;

A cost benefit exercise was indeed carried out and the various options were worked through with the SMB.

□ Clarity on the timetable for reaching a decision on potential changes;

SRUC's urgency is driven by the knowledge that a 2015/16 budget shortfall is predicted as a result of the Scottish Government informing SRUC that it could no longer rely on contingency and other funding to make good the shortfall in the allocated grant-in-aid income. Whilst this creates immediate pressure for SRUC (ongoing at the rate of more than £30k per month), we have worked with the SMB over the past three and a half years and are committed to not moving forward without their agreement.

□ Details on what access to services will be provided for current Inverness clients if the VDSC at Drummondhill in Inverness is closed. This includes access for post mortem/disease surveillance services for marine mammal strandings and support to the investigation of incidences of wildlife crime;

Further to the Stakeholder Consultation we are currently developing our proposals further in a manner which is aimed at maintaining the availability of post mortem facilities in the Inverness and Ayr areas and which is affordable.

This would allow for the work of the Marine Strandings unit and wildlife investigations to continue in the Inverness area subject the availability of ongoing contracts.

At Inverness, SRUC has committed to investing in the new UHI campus. We expect the Veterinary Epidemiology and Farm Business Consultancy units to move to those new premises in the first quarter of 2016.

□ Information on any commercial valuation, formal or informal, the SRUC has carried out on the value of the VDSC facilities and property at Drummondhill in Inverness and at Auchincruive in Ayr.

SRUC has an informal valuation of the Inverness site - £1.0 to £1.5m. The DSC at Ayr has not been valued separately.

I would be pleased to meet with you to discuss these and other thoughts should you wish to do that.

Yours sincerely

Mike Wijnberg
Managing Director SAC Consulting