

CHECS Strategy Day Report & Recommendations



22 July 2022

Prepared on behalf of the CHECS board

Updated 26 October 2022

Contents

Executive Summary.....	2
1. What is CHECS now?.....	3
2. Vision for CHECS in 2032.....	4
3. Analysis	5
Information analysed.....	5
The value of CHECS	5
Specific Challenges.....	5
4. Addressing structure and related communication issues	7
Recommendation 1a: Restructure CHECS to be the health scheme	7
Recommendation 1b: Renegotiate the relationship with licensees to broaden funding and data opportunities	7
5. Addressing process, governance and communication issues	8
Recommendation 2: Change the decision-making process & governance within CHECS	8
6. Addressing clarity of purpose, remit and communication issues.....	10
Recommendation 3: Establish baseline values for effects on productivity, profitability and GHGs	10
Recommendation 4: Bolster the presence and clarity of CHECS through training and CPD	10
Recommendation 5: Engage with existing industry services to ensure consistency and efficiency.....	10
7. Addressing future opportunities.....	11
Recommendation 6: Develop and market a baseline biosecurity standard	11
Recommendation 7: Develop a database.....	11
8. Addressing funding issues.....	11
Recommendation 8: Seek to improve funding streams through restructure & expansion of CHECS services.....	11
Recommendation 9: Seek pump-priming funds from AHDB or alternative industry source.....	11
Recommendation 10: Explore all opportunities to collaborate with Governments.....	12
9. Feasibility of implementation	12
Conclusions	13

Executive Summary

This report summarises, analyses and makes recommendations based on the outcomes of a strategy day held on 5 July 2022, at the NFU offices at Stoneleigh, Warwickshire. This report was agreed and accepted by the CHECS Board as the future strategy on 7 October 2022.

CHECS is highly valued, as its interests in minimising or eradicating infectious cattle disease are shared by many across the farming industry. However, it is also seen as niche or even elite, focused largely as it is (albeit through accident rather than design) on a small and specific section of production.

Its structure of setting protocols then licensing others to enact them also hampers communication with stakeholders and the policing of standards. However, the greatest challenge with this 'indirect' model of operation is it severely limits CHECS's ability to increase its funding in order to modernise and professionalise to meet modern expectations, let alone add to its activities in such a way as to overcome the current 'stasis' in uptake and drive greater engagement with disease control throughout the industry.

Despite this, there is optimism about CHECS's potential. A vision for 2032 is that CHECS has the capability to be front and centre of farm animal infectious disease control, supporting efficient and profitable production as well as meeting social imperatives around zoonotic disease control, antibiotic use and GHG (greenhouse gas) emissions. However, it has a number of issues that need to be addressed first. These include:

- Clarity of purpose, value and remit
- Processes and governance
- Structure
- Communication
- Fitness for the future
- Funding

Based on analysis and interpretation of the input from contributors on and around the strategy day, ten recommendations are suggested to address these:

- Recommendation 1: Restructure CHECS to be the health scheme OR Renegotiate the relationship with licensees to broaden funding and data opportunities
- Recommendation 2: Change decision-making process & governance within CHECS
- Recommendation 3: Establish baseline values for effects on productivity, profitability and GHGs
- Recommendation 4: Bolster the presence/clarity of CHECS through training and CPD
- Recommendation 5: Engage with existing industry services to ensure consistency and efficiency
- Recommendation 6: Develop and market a baseline biosecurity standard
- Recommendation 7: Develop a database
- Recommendation 8: Seek to improve funding streams through restructure & services
- Recommendation 9: Seek pump-priming funds from AHDB or other industry source
- Recommendation 10: Explore all opportunities to collaborate with Governments

1. What is CHECS now?

Feedback from the strategy day was collated into this vision of what CHECS means now to the industry and individuals in the workshop.

CHECS has collective, industry-wide interests at its heart because everyone involved in the UK cattle sectors appears united in wanting the same thing for infectious endemic disease – its minimisation or eradication. CHECS is perceived as independent and industry-owned, despite use by Governments to help amplify and support their disease control programmes.

In this way, CHECS fulfils an important purpose. It is a not-for-profit brand which (recent issues aside) generally commands value and engenders trust. Its scientific underpinning and standard-setting against a set of ideals seeks to ensure consistency for end users or beneficiaries of the protocols. As a result, its technical document is a go-to resource – the industry standard – which acts as a tool to manage risk for a range of infectious diseases. As a result of this capability, CHECS improves herd health and increases productivity, efficiency and welfare. However, it should be noted that currently, this is largely within the context of the pedigree sales world and those who buy pedigree animals, where CHECS has most uptake.

CHECS's direct customers are its licensed health schemes, who are its sole funders through a flat rate payment irrespective of number of members. This means there is almost no opportunity for CHECS to alter its income to meet short and long term needs. Farmers do support CHECS indirectly through payment to the labs/health schemes (and therefore, more importantly, perceive they are direct stakeholders of CHECS); and farmers and vets input to its running and its decision-making through presence on its board. However, the model of CHECS is unique in its structure because it does not run a/the health scheme itself. It is worth noting that in other countries, standard-setting and health schemes are almost always within the same organisation.

CHECS can be seen as aspirational and sometimes out of reach. Those who use it perceive only the lowest risk or the best score is acceptable, making CHECS an 'end' rather than a 'means'. It is suggested this message is amplified by health schemes, which encourage members to aim for the lowest risk, but in doing so, may convey that anything less is failure.

CHECS can be perceived as 'not for some farmers'. For example, pedigree breeders add value directly to their sales through using CHECS, but for commercial farmers, if the benefit can't be proven or they don't perceive it, then it's not pertinent. The aim for all cattle owners should be to know their animals' health status, but there's a recognised lack of understanding about why this is important, and what the economic and other (sometimes social capital) losses arising from infectious disease really are. Hence CHECS is primarily used as a selling tool and it is perceived that only the lowest level of risk is marketable.

Finally, although CHECS conducts spot audits, its structure and lack of funding means it currently has limited ability to follow up on corrective action and almost no ability to censure non-compliance. In these situations, the lab health schemes remain the direct contacts and therefore follow-up is incumbent upon them.

2. Vision for CHECS in 2032

Feedback from the strategy day was collated into this vision of what CHECS could be in 2032, given the opportunities it needs.

In 2032, CHECS is the UK (or GB) health scheme for farm animals (most likely cattle and sheep). It lends its protocols to other countries to ensure equivalence for export and import, and sets international standards.

This means the labs no longer run health schemes but feed their results into the CHECS health scheme, as do other members who are data managers or data holders for farm animal disease monitoring.

CHECS's activities include the running of a disease/health database which compiles these results and links to LIS and equivalents in Wales, Scotland and NI. It still reviews and revises technical standards annually, but also regularly audits labs and farms, and monitors the response to issues to ensure follow-up. It collaborates with Governments, has a presence 'at the table', and steers policy, working with international health equivalence issues.

Other activities CHECS executes in 2032 include education and CPD, and research using the database. CHECS provides prompt technical advice – like a version of TBAS, providing support and knowledge transfer for vets and agricultural colleges as well as farmers – speaking to them direct rather than through third parties. It also engages regularly with the levy boards as delivery partners. CHECS provides a baseline biosecurity standard – 'BioCHECS' – which is franchised out to a range of partners including the AHWP. CHECS also signposts to resources it has reviewed and accredited. It informs and collaborates with quality assurance programmes and supply chains, as well as farm software programmes.

Through bespoke training of vets and improved communication, CHECS helps people set priorities, pick their 'battles', and helps to present a united view of what industry goals are. This is compelling and attractive to Government as it avoids a fragmentation of priorities.

This means CHECS works with cows, farmers and vets, the supply chain (including processors), exporters, and wider Government departments. It also provides solutions for quality assurance organisations (eg, Red Tractor and QMS) and farm software companies.

By 2032, CHECS is operating with good governance (including working widely and constructively with stakeholders) as well as transparently, in partnerships, with good protocols, good science (well-reasoned and communicated), simplicity, democracy, and use of technology. CHECS is providing solutions.

The outcome is a reduction or even elimination (with Government involvement) of endemic infectious disease UK-wide, with Governments' collaboration and blessing – in a way which is quantifiable, evidencable, and well-communicated.

3. Analysis

Information analysed

The following is an assimilation of the discussions on the strategy day. Contributing to this analysis are:

- Participants' feedback around the underlying issues with CHECS, obtained from examining the root causes of current topical issues and tensions
- Participants' views around the issues CHECS faces, and its strengths, weaknesses, opportunities and threats in terms of the current and future states of the cattle sectors in the UK
- Participants' views on how i) Products and Services ii) Processes and governance and iii) Funding challenges could be prioritised and/or tackled in heading towards the 2032 vision.

The value of CHECS

There is significant and wide support for CHECS within the contributors – it is perceived to deliver significant value, is seen as a force for good, and everyone wants it to succeed. Together, the group developed an extremely ambitious and positive vision for CHECS's future. That is an extremely encouraging starting point. However, the world has changed around CHECS, and it now – in turn – needs to change what it does and how it operates simply to retain relevance as well as realise the full range of benefits it can and should, even if the full vision outlined in Section 2 is a 'tall order'!. It is respected, it is important, it has a good name (in general), and it has achieved significant progress against infectious disease.

Everyone was agreed that CHECS should continue and has significant potential – the question is how, as it was recognised CHECS is at a watershed where its current model is not able to:

- a) make optimal use of its intellectual property and value
- b) operate, make decisions and resolve issues with sufficient clarity, transparency and communication to meet the expectations of today's stakeholders
- c) expand its uptake at a rate sufficient to reduce disease to the necessary levels to meet changing productivity, government, climate, trade and other external imperatives

Specific Challenges

a) The first challenge is *clarity of purpose, value and remit*. Because CHECS has delivered very successfully in one significant area over the past 20 years (ie, establishing health statuses of pedigree animals sold), it has become synonymous with that purpose, obscuring its wider value, rendering it less known to commercial farmers and vets, and serving to confuse the two very important issues of science and implementation. In essence, because CHECS fulfils a narrower purpose than it set out to do, it is either invisible, or expectations of the way it should work have disconnected with reality. A lack of evidence of the benefits it provides is another barrier to recognition of its value.

b) CHECS has continued to operate on the same informal basis since it started, and that level of process and governance no longer appears adequate given rising external pressures on the industry and other contributing factors. Hence the second challenge is *processes and governance*.

c) The third challenge is *structure*. The way in which CHECS operates – setting the standards but at arm’s length to their delivery – means it is not able to efficiently resolve issues such as the relationships difficulties with APHA over the TB programme, or ensure compliance and quality control due to the lack of ability to follow up or even suspend over non-compliance; nor can it reap the benefits of uptake by using the data that creates to create feedback loops. However, the greatest issue is the curb the structure places on CHECS increasing its revenue when to cover the most basic communications and process functions, let alone evolve to meet new imperatives. As a result, it effectively suffers the worst of both worlds: it is held to account as the health scheme (which it is not); yet cannot use the advantages it would have if it was the health scheme.

d) The fourth issue is *communication*. Linked to the previous three points, lack of communication hinders clarity of purpose and remit, adds confusion to processes and governance, and is in turn hampered by a suboptimal structure, as CHECS is not in control of the nature and tone of messages being disseminated by its licensees, nor can it ensure there is sufficient quantity, quality and consistency of communication being delivered.

e) Being *fit for the future* is the fifth challenge, and concerns what products and services CHECS should offer, and what skills and resources it needs to do this. CHECS has three choices. It can cease to exist; it can stay as it is; and it can change to meet future challenges. The group is agreed CHECS holds significant value, so we can focus on the two latter options. Should CHECS do more than it is now? Does it need to? The answer appears to be ‘yes’ as it is evident that continuing the current level of activity will result in CHECS being confined to providing a service for pedigree sales in perpetuity.

There is a clear and growing demand for health scheme and disease reduction tools in the market – from Governments and business (eg retail supply chains) – so if CHECS does not fulfil this need, others will and this will increasingly squeeze CHECS and limit its future prospects. It may even supersede its work with pedigree cattle. These industry changes are happening now, so CHECS needs to adapt quickly to take up the extremely good opportunities on offer, and – in doing so – realise some of the long term ambitions on national disease control and eradication it had at its inception. So the questions are: what product ‘pipeline’ should CHECS have? What products and services should it fulfil? And what skills and people does it need to see these through?

f) Lastly, critical to all these points is *funding*. Funding is a product of and an enabler for structural change, as well as a necessity for communication and planning for the future. However, clarity of purpose, governance and structure are also all critical to funding, whether that funding is realised through a reformed business model, or through the presentation of CHECS as a reliable, professional collaborator with excellent governance and protocols, making any investment funding a low risk option.

4. Addressing structure and related communication issues

Recommendation 1a: Restructure CHECS to be the health scheme

The current structure where CHECS sets the protocols but is at arm's length regarding their implementation and management appears inefficient, uncontrollable and a hinderance to progress. Furthermore, it is stifling access to the increased funding CHECS needs to address its issues and opportunities. As CHECS is already widely perceived to be a health scheme, it is a simpler change from a communications perspective to make it the health scheme that to undergo a campaign to correct that misperception. Becoming the health scheme would provide CHECS with autonomy over messaging and communication, ability to censure non-compliance, and access to data for compiling to a database. Importantly, it would introduce radically more flexibility over funding streams. However, creating this change would depend on brokering a suitable position for the labs where they maintain income and can still contribute technically to CHECS.

Such change of structure also offers an opportunity for CHECS to adapt the way in which the TB programmes operate. Currently, these are not a good 'fit' for the labs as no lab testing is required and instead, the operation of the TB Herd Accreditation programme in particular relies on an exchange of information with APHA. Since this programme was launched in 2016, there have been delays and challenges in the lab health schemes' interface with APHA to secure the exchange of information required in a timely and effective manner. While plans for a new Memorandum of Understanding between CHECS, APHA and the lab-run health schemes is in progress to try and resolve these issues, a change of structure whereby CHECS becomes the health scheme and operates the TB programmes directly could provide an opportunity to address these historic issues – as well as the current (more pressing) obstacle, in which information on the latest TB breakdown in a member farm is no longer forthcoming from APHA in any form or with any timescale. This is a particularly pressing issue due to the significant earned recognition Defra has awarded TB Herd Accreditation. Implementing a long term solution for this situation through, for example, seeking alternative sources for the information or addressing information exchange challenges with APHA directly, is far simpler when operating as the health scheme itself, rather than managing a diverse group of lab-based health schemes and their separate relationships with APHA.

Overall, the ramifications for farmers might be that they would have to pay more for CHECS-related services if the lab is to avoid losing out and CHECS is to realise more revenue. This could be avoided if the uptake of CHECS services rises because of wider changes, effectively growing income for labs and CHECS.

Recommendation 1b: Renegotiate the relationship with licensees to broaden funding and data opportunities

If 1a is not possible/appropriate, then the basis upon which the health schemes operate needs to be reviewed and changed. Of particular importance is how funding is structured, to allow a more equitable arrangement of pro-rata payment per member. Also need is the

ability to regulate non-compliance through requiring the health scheme providers to suspend members until they can prove the issues are addressed. Labs should also be actively audited.

Also of importance is the need to collate data; therefore health schemes should be required (or convinced) to upload data centrally to facilitate surveillance and ROI calculations, the latter of which in particular would support communication and increased uptake of CHECS.

Lastly, the suite of delivery partners should be widened to embrace organisations that would have an interest in running the TB programmes. Working with partners already operating in that field could provide additional revenue and uncover new solutions to the current APHA impasse.

5. Addressing process, governance and communication issues

Recommendation 2: Change the decision-making process & governance within CHECS

CHECS is a limited not for profit company and it is owned by BCVA, NBA and Holstein UK, all who have by right a seat on the Board. Over the years – depending on who represents that ‘owner’ – levels of involvement from each organisation has ebbed and flowed. In addition to this, there is an independent Chair, a Chair of the Technical Group, and an independent scientist. More recently a representative from each of the NFU and the pedigree beef sector have been added. To date, decisions have worked on consensus, with no one organisation or individual having more power than any other.

In terms of decision-making, CHECS is ‘run’ by a combination of the Technical Group and the Board. The Technical Group discusses and agrees proposed changes to the Technical Document. These changes are then presented to the Board for consideration and ratification which, historically, has been a formality; many of the changes have, until the recently proposed changes to the Johne’s Disease Risk Level Accreditation Scheme, been relatively minor.

Following the proposed changes to the Johne’s Disease Risk Level Accreditation Scheme, this adoption of proposed changes to the Technical Document with minimal consultation outside of the Technical Group has been questioned and deemed unsatisfactory. This suggests – as confirmed during the strategy day – that while CHECS processes have been perfectly adequate for 20 years, they have been superseded by events – such as changes in culture, a more pressurised farming environment, changes to the corporate environment surrounding cattle farming, increasing disease threats (in general), the advent of information technology, and a whole host of other external imperatives.

The system followed in Northern Ireland is that a Technical Group discusses and proposes rule changes. These are then presented to an Implementation Group for further discussion, the outcome of which may be to recommend the changes be adopted, recommend that the changes be adopted following alteration, or rejected and reconsidered by the Technical

Group. Only when both the Technical Group and the Implementation Group have agreed the rule changes are they presented to the Board for ratification and adoption. While this protocol seems to work well, it should be noted that the groups meet much more frequently than the CHECS Technical Group and Board, and such a structure might be excessively complex, expensive and time-consuming for CHECS – especially as it only deals with infectious cattle disease.

An alternative would be for proposed changes to the Technical Document to be discussed and agreed by the Technical Group, which may need to have its membership and ‘ways of working’ redefined, and may need to meet a little more often than it currently does, before being presented to the Board (which doubles as an Implementation Group) for consideration, alongside a clear, sound and detailed scientific rationale. Again, the membership of the Board may also have to be redefined for this purpose.

It is proposed that a guide period of a minimum of three months and a maximum of six months (depending on the complexity of the proposed changes) be allocated for this to enable Board members with other affiliations to discuss the proposals with others and feedback. This period can be extended if needed, but it is sensible to have expectations set out at the start. The involvement of the NFU is considered important in this and it is hoped that these proposals will result in them reconsidering their resignation from the Board.

The Board, having considered this feedback, would then meet to discuss the proposals, accept them, accept them with minor changes or reject them and return them to the Technical Board to be discussed again.

It is hoped that this will ensure the transparency of process and wider consultation that many in the workshop requested, and would serve to increase engagement and consensus across the industry, whether in farming, veterinary or academic organisations. To be successful, however, it will require a more proactive and timely involvement of many members of the Board than historically has been the case. This could be included in a revised Code of Conduct for members of the CHECS Board and the Technical Group.

Also, in the interests of transparency: i) a clearer appeals process needs to be defined and agreed, with information about appeals received publicised (albeit not in huge detail), including the Health Scheme making the appeal, the grounds on which the appeal is made (with supporting evidence) and the conclusion reached about the appeal, including brief reasons for this conclusion; and ii) a more robust auditing and compliance system developed, to ensure there are more audits, and there is better follow up after non-compliance to ensure remedial action has taken place – suspension is enacted.

All processes, articles of association and codes of conduct should be openly available and easy to find online. Tackling processes and governance is essential before any external funding or collaborations are sought. CHECS must be seen to be operating professionally and openly to instil confidence among potential investors, and must be seen to be engaging across the whole industry to provide a firm, functional and unified platform for change.

6. Addressing clarity of purpose, remit and communication issues

Recommendation 3: Establish baseline values for effects on productivity, profitability and GHGs

CHECS continues to suffer from a lack of evidence about the value disease control delivers. It must invest in a review of existing evidence of the impact of disease on animal productivity/efficiency, GHG emissions and trade opportunities, and the modelling of these parameters to impute a value on biosecurity, and disease control and reduction. Once baseline figures are established, CHECS will have the ability to communicate tangible benefits. This will improve industry engagement across the board, and facilitate the universal approach being sought.

Recommendation 4: Bolster the presence and clarity of CHECS through training and CPD

The lack of clarity around CHECS should be addressed through the introduction of vet training modules through BCVA and Farm Vet Champions, and into agricultural colleges and universities. Vets and farmer should be clear that CHECS is the start of a more holistic process of improving biosecurity and disease control. Any new evidence or data on the benefits can also be used to reinforce the need for biosecurity and disease control. Retailer supply chains should also be approached with a view to CHECS participation being specified within producer requirements. These developments can all act as a platform for communicating changes to CHECS's structure, processes and governance. This is about a change of mindset.

Recommendation 5: Engage with existing industry services to ensure consistency and efficiency

In recent years, there has been a proliferation of cattle health initiatives, for example, Action Johne's and BVD-Free England. While it could be argued that these have developed a *raison d'être* and space to operate because of the difficulties CHECS has faced moving out of its pedigree cattle space and its lack of investment, it would be an 'industry good' for these initiatives to be aligned, consistent and – essentially – talking to each other. This would include CHECS potentially supporting technical rigour, working alongside them on new developments and seeking mutually beneficial opportunities to ensure consistency in the UK's approach to infectious disease control in cattle. The possibility of a more formal link with MyHealthyHerd could be of benefit, particularly due to its role within the Dairy UK Action Johne's plan

7. Addressing future opportunities

Recommendation 6: Develop and market a baseline biosecurity standard

Tackling CHECS's structural issues as well as its processes and governance challenges, then establishing a baseline biosecurity protocol, offers opportunities to capitalise on an existing need, meet the need efficiently and effectively using intellectual property that already largely exists, and position CHECS in exactly the right place for strategic collaborations. CHECS should aim for this protocol to be deliverable through an app for ease of uptake; this would also set a path for further CHECS services being app-enabled.

Recommendation 7: Develop a database

It is clear that a database will be essential to CHECS improving its services and expanding its opportunities in the future. The advice of the contributors was to start with a modest offering, and also that there must be absolute clarity around what was needed. Therefore, the future database must be scoped out properly, and be able to interface with other existing and upcoming developments such as CTS and LIS/ScotEID/EIDCymru.

8. Addressing funding issues

Recommendation 8: Seek to improve funding streams through restructure & expansion of CHECS services

CHECS requires better funding to simply stand still, let alone deliver many of the recommendations outlined here. This includes adequate recompense for expert time when warranted. The restructure opportunities outlined under Recommendations 1a and 1b offer the ability to reconfigure funding streams, for example, requiring a pro rata (per member) supplement from health schemes or a levy per lab test of BVD tag, or allow overseas producers to join CHECS if they wish to export to the UK. Growing CHECS participation should afford increased income to CHECS. Delivering a baseline biosecurity package could also generate income, and a database could provide chargeable data analysis and reports. Other options could be explored, such as introducing a levy on sales, or on cattle with unknown status. Vet practices could pay an annual subscription to CHECS, to support access to the technical document, access to support, or to obtain reports from the database (similar to a NADIS subscription).

Recommendation 9: Seek pump-priming funds from AHDB or alternative industry source

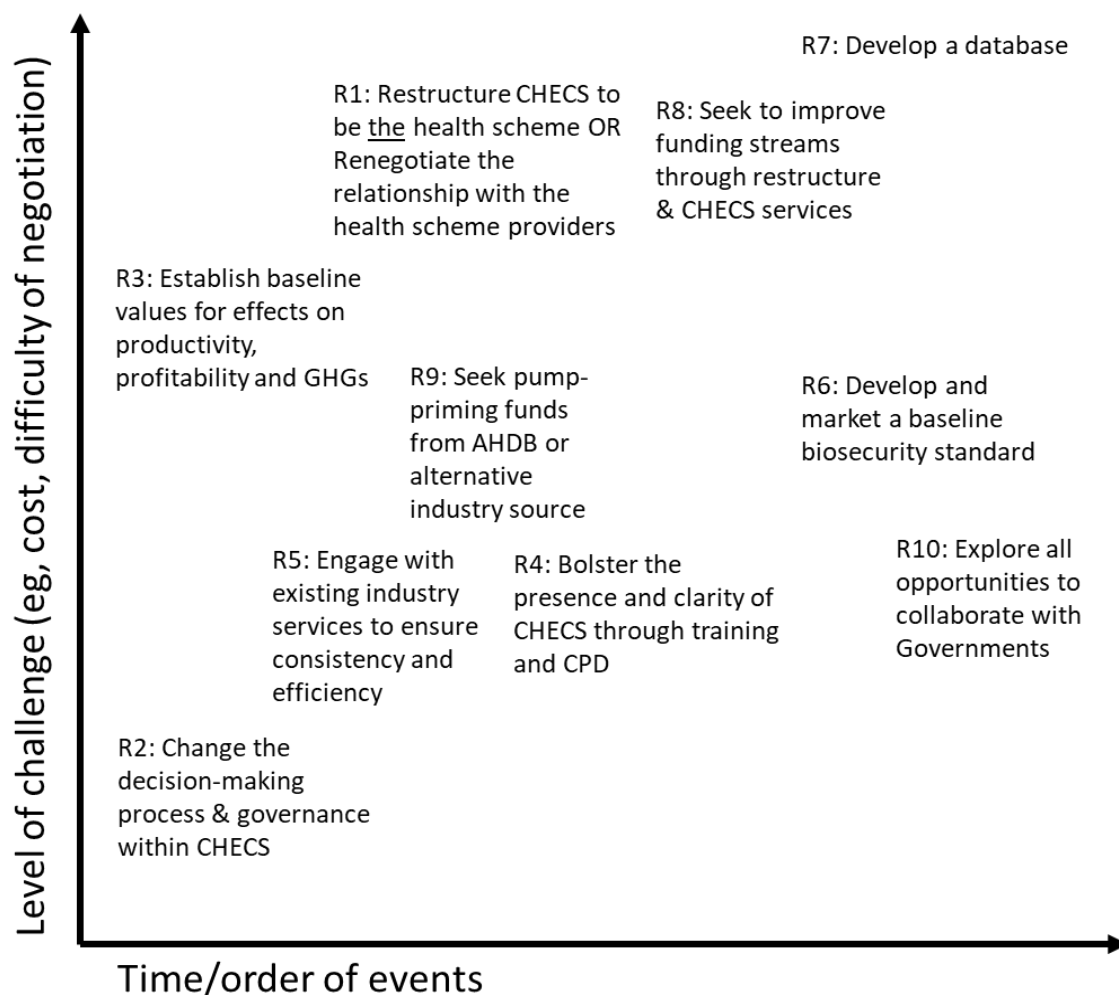
AHDB (under the guise of MDC) provided the original set up funds for CHECS; now CHECS is facing a radical 're-set', this should be explored again, especially as the levy boards are set out as market failure organisations that can pump-prime or seed innovation to allow initiatives to become commercially viable in its own right. Alternatively, Government or industry grants may be available, or support through Ruminant health & Welfare.

Recommendation 10: Explore all opportunities to collaborate with Governments

The direction of travel all Governments are currently taking indicates significant opportunities to collaborate and support their disease control programmes. One example is the BVD programme in England which will sit under the AHWP. Another is the entry or higher level biosecurity programme plans in Wales. The ability to be an expert witness and provide technical input for disease control policy should also be explored.

9. Feasibility of implementation

The feasibility of implementation of these recommendations, charting the timing or order of events against the cost or challenge (for example, see figure below – exact placing of recommendations to be agreed), are likely to indicate that governance and the development of an evidence base would be the first imperatives. Others will be inter-reliant, and so should be implemented sequentially on the back of the foundation of better processes/governance and a solid evidence base.



Conclusions

CHECS has considerable achievements behind it, and enormous opportunities ahead. However, the world has outgrown its current ways of working and it needs to modernise and engage more widely with industry and other groups with similar goals operating across industry. Moreover, it needs to better exploit a range of opportunities to accelerate engagement with disease control. A key barrier to all of these is lack of funding, which must be tackled by first addressing process and governance issues internally, building an evidence base, and considering a major restructure. These measures would position CJECs in a far more favourable position to collaborate with Governments and industry in addressing the pressing issue of farm animal disease control, and all the productivity and societal impacts it has.