

DEVELOPING THE FSS STRATEGY

1. Purpose

- 1.1 This paper is for **discussion**.
- 1.2 The purpose is to seek the Board's view on developing the FSS Strategy and Corporate plan to 2018-19.
- a. Does the Board agree the proposed approach to developing the Strategy and Corporate Plan?
 - b. Does the Board agree the values and principles on which the Strategy should be based?
 - c. Does the Board agree the underpinning areas that are likely to be needed to deliver the Strategy?
 - d. We would welcome the Board comments on the strategic outcomes needed to deliver the vision
 - e. Progress will be reported to the Board at its September meeting.

2. Background

- 2.1 FSS's legitimacy comes from the Food (Scotland) Act 2015¹. In taking that legitimacy and developing a Strategy to 2018-19, we need to be clear about our purpose, which is described in the objectives and functions that the Act sets out for us. We need to identify strategic outcomes that align with these objectives and functions and, in doing so as part of the wider Scottish administration, ensure that these also contribute to the Scottish Government's national purpose and outcomes.
- 2.2 As a publicly-funded independent body, FSS is required to publish a corporate plan every three years. The plan will aim to deliver on the FSS objectives and functions and will reflect our overall strategic direction. The FSS Board sets the strategic direction of the organisation.
- 2.3 The 2015 Act gives FSS three objectives:
- a. to protect public from risks to health which may arise in connection with the consumption of food;
 - b. to improve the extent to which members of the public have diets which are conducive to good health; and
 - c. to protect the other interests of consumers in relation to food;

¹ <http://www.legislation.gov.uk/asp/2015/1/contents/enacted>

- 2.4 The first and third objectives are similar to those identified for the Food Standards Agency in the Food Standards Act 1999². The second objective is a significant change, in that it gives FSS a clear statutory objective in relation to diet and health. The Board is aware that the Minister for Public Health has agreed FSS's remit with regard to diet and nutrition³, so our strategic direction will be aligned with that remit.
- 2.5 The Act also identifies a number of general functions for FSS, which are summarised below:
- a. to develop and help others develop policies on food and animal feed;
 - b. to advise the Scottish Government, other authorities and the public on food and animal feed;
 - c. to keep the Scottish public and users of animal feed advised to help them make informed decisions about food and feed stuffs; and
 - d. to monitor the performance of food enforcement authorities.
- 2.6 FSS is defined in law as a 'competent authority' and an 'enforcement authority' to implement and monitor Scottish and EU food and feed regulations.

Timescales

- 2.7 Whilst FSS has evolved from FSA Scotland, we are still a new organisation with new governance arrangements and different accountabilities. As a new organisation we therefore envisage there being three transitional stages to for the corporate plan to develop FSS as a standalone organisation, focusing on delivering outcomes that benefit Scottish consumers:

Stability – establishing the organisation, ensuring we have the right infrastructure, and access to the skills and resources needed to take forward our core functions. This is primarily linked to our first year.

Sustainability – if the first year is about understanding what skills and competence we need in the medium to longer term, this phase is about ensuring we have the ongoing capacity and capability to ensure the ongoing resilience of the organisation as well as the ability 'to punch above our weight' in delivering for consumers.

Growth – this longer term phase relates to how we mature and evolve as an organisation, developing our work into the other interests of consumers in relation to food, leading where it is appropriate for FSS to lead and working in partnership with others when that is the right approach.

² <http://www.legislation.gov.uk/ukpga/1999/28/contents>

³ <http://www.foodstandards.gov.scot/sites/default/files/Diet%20and%20nutrition%20remit%20final%2023%20April%202015.pdf>

- 2.8 To create stability during this first year, the Chair and Chief Executive have agreed a number of objectives for the current financial year. The sustainability and growth phases link to the development of the Strategy and Corporate Plan to 2018-19, involving consumers and stakeholders and aiming to secure the Board's agreement later this year. The agreed Corporate Plan will then set the direction for FSS for the next three years to 2018-19.

Does the Board agree the proposed approach to developing the Strategy and Corporate Plan?

3. Discussion

What are we seeking to achieve?

- 3.1 The first stage in developing our Strategy for the future is to articulate what we are seeking to achieve. FSS's vision is *to create a food and drink environment in Scotland that benefits, protects and is trusted by consumers.*
- 3.2 The work to develop the Strategy and Corporate Plan will:
- a. identify the strategic outcomes that need to be achieved to deliver this vision;
 - b. help us work out what we need to do to achieve them;
 - c. ensure that our resources are aligned with our strategic priorities; and
 - d. inform how we will measure our progress.
- 3.3 In order to do this, we also need to understand the landscape in which we are operating.

The Landscape

- 3.4 FSA in Scotland participated in the work to develop FSA's Strategy to 2020^{4,5}. That work involved wide-ranging analysis of the external landscape in relation to the food supply, and identified that many different things are expected to affect the supply of food to the UK over the next 25 years or more, but that it is difficult to predict the pace and nature of these changes. Most of the factors that FSA identified as potentially having an impact on the supply of food to the UK as a whole are equally relevant to Scotland and consequently to what FSS needs to focus on for the future.
- 3.5 At macro level, it is recognised that pressures on production systems and supply chains at home and elsewhere may have impacts on consumers. These pressures may be environmental, for example in relation to the availability of land, water and energy for growing and producing food, they

⁴ <http://www.food.gov.uk/sites/default/files/fsa141105.pdf>

⁵ <http://www.food.gov.uk/sites/default/files/fsa141105a.pdf>

may be demographic, such as increasing demand for food from a growing population or they may be economic, where market forces or the wider economic environment may encourage unscrupulous operators in food supply chains to cut corners. Whilst it is the responsibility of food businesses to produce and sell safe food, FSS has a role in ensuring that they meet these responsibilities, and to ensure that action is taken if and when they do not.

- 3.6 There are political and structural factors that are important to take into account in developing our future Strategy – nearly all food and feed law now originates from the European Union, so ensuring that FSS is enabled and well positioned to reflect Scottish perspectives into developing EU policy at the earliest possible stage will be key to achieving some of our objectives. Locally, FSS is highly dependent on our partners in Scotland's 32 local authorities who are responsible for carrying out much of the 'on the ground' compliance and enforcement work, so the future sustainability of these services, provided by skilled and competent teams and individuals, is key to our activities in protecting consumers.
- 3.7 FSS's primary concern is protecting public health in relation to food safety and diet, and the other interests of consumers in relation to food, for example ensuring that consumers can have confidence that the food they buy is authentic and accurately labelled with information that they can understand and trust. In working to achieve these goals and putting the consumer interest first, we also have a responsibility to ensure that food businesses are treated fairly and that our regulatory functions are proportionate and do not add undue burden to industry.
- 3.8 The food and drink sector is a significant part of Scotland's economy. Employing some 350,000 people in Scotland, there are ambitions to grow the industry to £16.5 billion by 2017⁶. It was recently announced that Scottish food exports have surpassed £1.1 billion for the first time, with total food and drink exports valued at £5.1 billion in 2014⁷. These new figures, which have been extracted from official HMRC export statistics for 2014⁸, show that food exports grew by 3.5 per cent on 2013, driven primarily by an increase in fish and seafood, which was up £38m. The food and drink sector therefore makes a significant contribution to the Scottish economy and has an important role to play in meeting the Scottish Government's purpose to focus Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth⁹.
- 3.9 The importance of the food and drink sector to Scotland is widely recognised. Recipe for Success¹⁰, Scotland's first national food and drink policy, published in 2009, focused primarily on the economic growth of the sector. In 2014, the Scottish Government launched the next phase of its public dialogue on food

⁶ <http://www.scotlandfoodanddrink.org/about-us.aspx>

⁷ <http://news.scotland.gov.uk/News/New-record-for-Scottish-food-exports-1933.aspx>

⁸ <https://www.uktradeinfo.com/Statistics/EUOverseasTrade/Pages/EuOTS.aspx>

⁹ <http://www.gov.scot/About/Performance/scotPerforms/purpose>

¹⁰ <http://www.gov.scot/Publications/2009/06/25133322/0>

and drink through its discussion paper 'Becoming a Good Food Nation'¹¹. This paper recognised that whilst considerable progress has been and continues to be made, particularly in terms of economic growth, substantial challenges remain. These include areas where FSS can make an important contribution, for example in relation to diet, health, awareness about food and food culture. The aspirations of Good Food Nation recognise the need for a cross-policy approach, and FSS's Strategy and Corporate Plan should identify the contribution that we can make to these wider ambitions. Similarly, our work must align with the Scottish Government's ambition for public sector reform, encompassing people, prevention, partnership and performance¹².

- 3.10 Scotland faces considerable challenges in relation to food and health. Challenges related to the Scottish diet are already widely known – Scotland has one of the highest prevalence rates of overweight and obesity in Europe¹³. Almost two thirds of adults in Scotland are either overweight or obese, and we know that progress in meeting the Scottish Dietary Goals is very slow¹⁴. Health outcomes related to poor diet are also well known – overweight and obesity contributes to higher risk of heart disease, stroke, Type 2 diabetes and some cancers. There are clearly impacts on individuals as well as on society. The Scottish Government's Obesity Routemap published in 2010¹⁵ estimates that the direct NHS Scotland costs of obesity will almost double by 2030, and that using assumptions made in previous estimates, the total cost to Scottish society of obesity, including both direct and indirect costs, range from £0.9 billion-£3 billion.
- 3.11 But health issues related to food are not just about diet – considerable numbers of consumers in Scotland suffer from food poisoning every year. Data derived from the FSA's second Infectious Intestinal Disease Study^{16,17} (IID2) suggests that there are an estimated 43,000 cases of foodborne illness in Scotland each year, of which 23,000 are thought to be caused by *Campylobacter*. And Scotland knows at first hand the devastating impact that foodborne illness can have – the *E. coli* O157 outbreak in Wishaw in 1996 claimed 21 lives¹⁸.
- 3.12 So, whilst Scotland's food and drink sector continues to flourish and makes a very important contribution to the Scottish economy, there remain significant challenges around public health. FSS's efforts must be focussed on addressing these and other challenges related to the consumer interest,

¹¹ <http://www.gov.scot/Publications/2014/06/1195>

¹² <http://www.gov.scot/Topics/Government/PublicServiceReform>

¹³ <http://www.oecd.org/els/health-systems/Obesity-Update-2014.pdf>

¹⁴ <http://www.foodstandards.gov.scot/monitoring-progress-towards-scottish-dietary-goals-2001-2012-report-2>

¹⁵ <http://www.gov.scot/Publications/2010/02/17140721/0>

¹⁶ <https://www.food.gov.uk/science/research/foodborneillness/b14programme/b14projlist/b18021>

¹⁷ https://www.food.gov.uk/sites/default/files/IID2%20extension%20report%20-%20FINAL%2025%20March%202014_0.pdf

¹⁸ The Pennington Group (1997) 'Report on the Circumstances Leading to the 1996 Outbreak of Infection with *E.coli* O157 in Central Scotland: The Implications for Food Safety and the Lessons to be Learned' Edinburgh: The Stationery Office

ensuring that consumers' health and wellbeing is protected, and that they can have confidence in the authenticity of food they buy.

How We Will Work

3.13 Building upon the solid foundation of FSA in Scotland, FSS has identified values that will shape how we work. FSS:

- has **consumer protection** and interests at its heart;
- should be a **voice of authority** on food matters in Scotland;
- is **open and transparent** in its dealings with the public, stakeholders and partners;
- acts **independently**, at arm's length from Ministers; and
- bases decisions upon sound **science and evidence**.

3.14 It is proposed that FSS's Strategy be founded on a set of principles derived from these values:

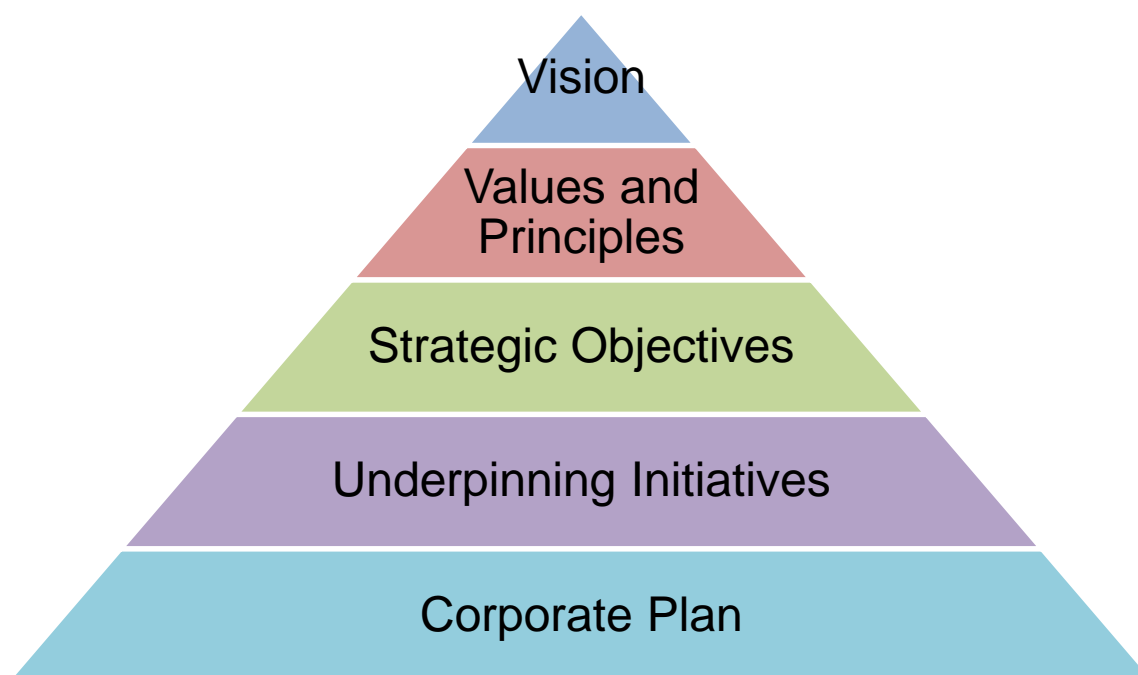
- a. Public health and consumer protection in relation to food will be at the heart of FSS's Strategy.
- b. FSS engages consumers and stakeholders in determining and then delivering its strategic priorities and listens to what matters to consumers in relation to food.
- c. In working to deliver its strategic outcomes FSS takes decisions based on evidence.
- d. FSS will seek to work collaboratively with other bodies in Scotland, the UK and beyond when this can realise greater consumer benefit than working alone.
- e. FSS values its independence within Government, whilst recognising its role in contributing to wider outcomes.
- f. FSS fulfil its role as Competent Authority (CA) in relation to EU food and feed law.
- g. Food and feed businesses and other stakeholders that engage with FSS are treated fairly and with respect.
- h. FSS fulfils its regulatory obligations and has regard to the Scottish Regulators' Strategic Code of Practice.
- i. FSS's decisions and actions should support compliant businesses, and be effective at dealing with non-compliant ones.

- j. FSS is clear that compliance is good for consumers and good for business - protection of public health is compatible with business and economic growth.

Does the Board agree the values and principles on which the Strategy should be based?

Strategic Outcomes to Deliver the Vision

- 3.15 So, a vision has been articulated for FSS, and it is proposed that in developing our Strategy to support us as we aim to realise this vision, this should be based on a number of principles that reflect the values FSS has identified as important in how we work. We now need to identify and describe the strategic outcomes that we need to achieve through the Corporate Plan, in order to realise the vision. The linkage from vision to Corporate Plan is illustrated below:



- 3.16 In the period running up to Vesting Day, four outcomes were initially developed as a starting point. These are:

Outcome 1 - Safe Food, Authentic Food, a Healthier Diet

Outcome 2 - Informed, Knowledgeable Consumers

Outcome 3 - Compliant Food and Drink Sector Growth

Outcome 4 - Consumer Confidence and Trust

- 3.17 To develop the Strategy, we now need to refine and further develop these into meaningful and descriptive outcomes that if they are delivered, will contribute

to achieving the vision *to create a food and drink environment in Scotland that benefits, protects and is trusted by consumers* .

- 3.18 Outcome 1 could be split into separate outcomes relating to its three component parts – safety, authenticity and healthier diets. Outcomes 2 and 4 are inter-related, and may be outcomes that are dependent on achieving those currently captured in Outcome 1. Outcome 3 needs to be developed to more clearly reflect that compliance will benefit both consumers and businesses, and that whilst FSS's statutory objectives are focussed on consumers, rewarding compliant businesses and dealing effectively with non-compliance is an important way that FSS can contribute to growth and relates to FSS developing an effective regulatory approach.

We would welcome the Board comments on the strategic outcomes needed to deliver the vision.

Underpinning Initiatives

- 3.19 There are several underpinning areas of work that will be needed to ensure we are equipped to deliver our strategic outcomes and these should be articulated further in the Corporate Plan. These are:
- a. *Our Approach to Evidence* – to be guided by FSS's Chief Scientific Advisor. This will direct how we identify and prioritise our evidence needs, ensuring that these support our strategic priorities, and how we work with others on science and evidence.
 - b. *Openness and Engagement* – a strategic approach to communications is being developed, and this is an area where FSS is currently upskilling. Openness was – and remains - a core value of the FSA, one that FSS will build on. Furthermore, FSS should seek to align with the Scottish Government's ambitions to focus more on engaging and empowering communities and people¹⁹.
 - c. *How we Regulate* – we are planning a fundamental review of how we fulfill our role as a regulator. This will allow us to take a strategic view on how our regulatory role can deliver the best outcomes for consumers, shape how we use the new regulatory powers in the Act, and ensure that our regulatory approach has due regard to the Regulatory Reform (Scotland) Act 2015.
 - d. *Partnership and Collaboration* – we will achieve more benefits for consumers when we develop meaningful and effective partnerships with others working in related areas. We will build on the many years of collaborative effort with a large number of other bodies including local authorities, the FSA, other parts of Government, Health Boards, stakeholder organisations, the third sector and consumer groups, and

¹⁹ <http://www.gov.scot/Publications/2013/09/8177/6>

seek to develop new partnerships where these will benefit what we can achieve for consumers.

- e. *People and Skills* – the most valuable asset of our organisation is our people, so investing in their development is essential to maximise our collective effectiveness. We need to we have the right people with the right skills in the right place to deliver the outcomes we seek, and this will require supportive and enabling corporate processes.

- 3.20 Overlying all of this is the need for effective governance – this includes leadership, accountability, transparency, integrity and organisational effectiveness - work that ranges from ensuring we have appropriate systems and processes in place through to demonstrating that the FSS executive aligns the organisation's resources to delivery of the Board's strategy and priorities.

Does the Board agree the underpinning areas that are likely to be needed to deliver the Strategy?

Engagement on developing the Strategy

- 3.21 The senior management team has been investing considerable effort into stakeholder engagement both before and since Vesting Day, to communicate the vision and ambition that we have, and our desire to do this is a truly collaborative and open manner. We will engage further over the summer, and will update on progress the Board at its next meeting in September. We will also ensure that FSA is sighted on our work to develop the Strategy, and that we can identify areas where we collaborative efforts could deliver greater benefits of consumers.

4. Conclusion

- 4.1 The purpose is to seek the Board's view on developing the FSS Strategy and Corporate plan to 2018-19.
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