

MINUTES OF THE MEETING OF THE FOOD STANDARDS SCOTLAND BOARD HELD ON 17 MAY 2017 FROM 10.40 AM TO 15.15 PM AT PILGRIM HOUSE, ABERDEEN**Present:****FSS Board**

Ross Finnie, Chair
George Brechin
Marieke Dwarshuis
Heather Kelman
Carrie Ruxton
Sue Walker
Anne Maree Wallace
Louise Welsh, Deputy Chair

FSS Executive

Geoff Ogle, Chief Executive (pm only)
Elspeth MacDonald, Deputy Chief Executive
Ian McWatt, Director of Operations
Garry Mournian, Head of Corporate Services
Karen McCallum-Smith, Head of Private Office
Norval Strachan, Chief Scientific Advisor
Hazel Stead, Board Secretary

External – Professor Linda Bauld, Cancer Research UK (until item 7)

1 Introduction, Apologies

- 1.1 The Chair welcomed everyone to the Food Standards Scotland (FSS) Board meeting. Apologies were received from Geoff Ogle whose flight had been delayed and who would now attend the meeting after 1pm.

2 Declaration of Conflict of Interest

- 2.1 The Chair asked for any conflicts of interest to be declared. Carrie Ruxton declared that she is a member of the Meat Advisory Panel and drew attention to the list of food companies which use sugars and fats declared on her entry in the register of interests.

3 Minutes and Actions Log - 17/05/01 & 17/05/02

- 3.1 A number of points of correction on the minutes from the meeting on 08th March 2017 were raised by Board members.
- 3.2 It was agreed that the minutes were to be amended, and that version would be accepted as an accurate record of the meeting.

4 Chair's Report

- 4.1 The Chair and Chief Executive held meetings with the Minister for Public Health firstly, to update on the FSS position on the diet and obesity strategy and secondly to discuss folic acid fortification. They met the Minister for UK Negotiations on Scotland's Place in Europe to discuss Brexit; attended the Scottish Association of Meat Wholesalers conference and the Royal Environmental Health Institute of Scotland Annual Forum.

5 Chief Executive's Report – 17/05/03

- 5.1 In the absence of the Chief Executive, the Chair asked for any questions on the Chief Executive's report. In discussion, board members welcomed the comments on animal welfare and commended the establishment of the Animal Welfare Group; requested and received clarification on the purpose of an amendment to primary legislation, namely the Agriculture Act for animal feed which would act as a backup, in case FSS has to take on responsibility for delivery of official controls; requested and received assurance on funding

of animal feed controls and local authority capacity issues which were being kept under review.

6 Obesity and Cancer – Key Issues for Scotland – 17/05/04

- 6.1 The Chair welcomed Professor Linda Bauld from Cancer Research UK (CRUK) to the meeting and invited her to present her paper on the connection between the incidence of certain cancers and obesity.
- 6.2 In response, board members welcomed the paper and the stimulating presentation and, the key points of the discussion included diet as a risk factor for a number of cancers; identification of some of the actions that might be necessary/effective in changing diet.
- 6.3 The Board
- **noted** the information provided

7 FSS Regulatory Strategy – 17/05/05

- 7.1 The Chair invited the Elspeth MacDonald, Deputy Chief Executive to introduce this item. Elspeth introduced Bill Adamson and Steve Hardie to the meeting. She outlined the background and how the proposed regulatory strategy had developed since March 2016 and the programme of work which will be required to deliver the strategy once it is agreed. She noted the strategy to take account of the European Union regulatory framework and implications of Brexit.
- 7.2 Steve introduced the paper and outlined the proposed revisions to the draft strategy following extensive engagement and consultation with stakeholders, local authorities, consumers and other regulators that had taken place over the past year. He provided a high level summary of key stakeholder responses received during consultation, noting there is broad support for the overall aims and objectives of the regulatory strategy and FSS's strong commitment to meeting our better regulation obligations. He also highlighted the overall support for the adoption of a national food and feed compliance spectrum; strong local authority support for strengthening the current registration system for food businesses; stakeholder views on the further integration of private assurance/third party certification into the food and feed regulatory framework; and stakeholder views on charging businesses for regulatory interventions. He explained the strategy would be refined in response to the Board's reflections on the engagement and consultation and once agreed by the Board, the next stage would focus on strategy implementation and delivery.
- 7.3 In discussion, board members were content with the stakeholder engagement that had taken place during the consultation, and made a number of further comments on the revised strategy, including a suggestion that animal feed be more prominent throughout the document. The board was strongly supportive of retaining the existing language used in the model compliance spectrum. Board members also emphasised the important function that formal penalties and sanctions have in the regulatory framework.
- 7.4 The Board
- **Agreed** the revisions proposed to the draft regulatory strategy following public consultation and consumer and stakeholder engagement

- **Agreed** that the elements of effective and sustainable regulatory oversight and principles of official control delivery, should be streamlined and incorporated into the regulatory strategy
- **Agreed** that a sixth better regulation principle to be added
- **Agreed** that the language in the compliance spectrum remains appropriate following stakeholder comments
- **Agreed** that the final regulatory strategy is published after the general election on 08 June 2017
- **Noted** early stakeholder and consumer views on core programme areas

8 Performance Reporting – 17/05/06

- 8.1 The Chair welcomed the Chief Executive to the meeting and invited Ian McWatt, Director of Operations to introduce this paper. Ian thanked the team for the work which had been completed to develop this paper. He explained that since performance metrics on nutrition had not changed materially since October 2016, it was proposed for these metrics to be reported annually instead of quarterly. He referred to the seven key reporting metrics which would be provided quarterly and that a detailed breakdown had been included in the paper. He welcomed Sandy McDougall to the meeting to answer any specific questions.
- 8.2 In discussion, board members sought and received clarification on shellfish classification categories; suggested that the performance reporting figures should be amalgamated for two years; Health and Safety and Human Resources reports were also being tabled at Audit and Risk Committee which suggested duplication of effort . The executive agreed to take this particular point away for consideration.
- 8.3 The Board
- **Noted** the reported performance metrics
 - **Noted** that FSS performance reporting continues to develop and that whilst we are developing our regulatory strategy and programme and project management development methodologies, performance reporting will require further development and refinement
 - **Noted** the inclusion of information on FSS audit of Local Authorities

9 Audit and Risk Committee Oral Update

- 9.1 The Chair invited Sue Walker, Audit and Risk Committee (ARC) Chair, to give an oral update on the ARC meeting held on 15th March 2017. On internal audit matters, she explained that the ARC were content with the 2017/18 audit plans from Scottish Government Internal Audit Directorate (SGIAD) and Food Standards Agency (FSA); commended the speed with which the executive had implemented recommendations and noted the substantial assurance provided on the fee charging review. The ARC was content with the animal welfare controls audit issued by FSA and the moderate assurance provided and noted documentation being a priority area identified for action. The ARC was pleased to see that the auditors commented on the proactive and enthusiastic approach by our staff on animal welfare control activities and that our staff were effective in ensuring animals did not incur pain, distress or suffering. The internal auditors were keen to see a performance target in relation to compliance with animal welfare requirements. Rightly in the view of ARC, the executive had resisted this as FSS has a zero tolerance of animal cruelty.

- 9.2 In addition, the ARC discussed the strategic risk register and noted it contained no red risks, and that a risk on Brexit relating to impact on regulatory frameworks was discussed and was to be included on this register, with further risks re Brexit to be considered. The ARC was pleased with the assurance map report and noted that the benefits of this process were now becoming apparent.
- 9.3 In noting the Health and Safety report, the ARC congratulated the executive on receiving the Healthy Working Lives Bronze Award.
- 9.4 There were no cases of fraud or significant losses to report. The ARC was informed of the appointment of a debt recovery firm by FSS and that a debt recovery and bad debt write off policy was in preparation.
- 9.5 On external audit matters, Audit Scotland discussed the timetable for the 2016/17 Annual Report and Accounts, and noted it was challenging but achievable and the executive confirmed the timeline remains on target with the intent for Audit Scotland to present their report to the FSS Board on 16 August 2017.

10 Audit and Risk Committee Annual Report to the Board – 17/05/07

- 10.1 Sue explained the purpose of the annual report was a report of the activity of the ARC over the year and to consolidate and collate the information from the ARC which had been discussed at previous board meetings. She explained that for this year only the report covered only six months to bring reporting in line with the financial year.
- 10.2 She advised that at the June and August 2017 ARC meetings, annual audit opinions will be received from SGIAD and FSA which will form the basis of an assurance report which will be tabled at the Board meeting on 16 August 2017 when Audit Scotland will provide an overall opinion.
- 10.3 The Board
- **Noted** the work that has been undertaken by the ARC during the period September 2016 to March 2017
 - **Noted** that with effect from the financial year 2017/18 ARC Annual Reports will cover a financial year, and be provided to the Board as soon as possible following the end of the financial year. A separate assurance statement will be provided by the ARC to support the Board's consideration of the annual report and accounts

11 Financial Performance Update – May 2017 – 17/05/08

- 11.1 The Chair invited Garry Mournian, Head of Corporate Services to introduce this paper. Garry summarised FSS's financial position at the end of March 2017, including the provisional outturn of just over £15.2m which is an increase of £262K from the full year forecast previously reported to the Board. This figure also represents a provisional underspend of £80K based on the FSS resource budget allocation of £15.3m. He explained how the budget had been spent against strategic outcomes in 2016/17 and how the spending plans relate to delivery of the strategic outcomes (and across branches) during the 17/18 financial year. He explained this allocation will be reviewed throughout the year with a focus at the mid-year point, when consideration will be given to any budget revisions as part of the in-year management process.

- 11.2 He highlighted some of the key areas for variance that have increased spend against budget which relate to additional programme spend on communications and marketing; funding REHIS food hygiene training in schools; fluctuations in staff costs. He explained there was a reduction in income received by FSS based on the revised approach taken in relation to the credit of European Union minima compliance charges to food business operators.
- 11.3 In discussion, Board members congratulated the executive on the achieving the spending target; requested and received assurance on budget loading at end of the financial year ; received assurance that the 2017/18 budget could be circulated for approval in advance of the Board meeting in August 2017, which the executive agreed.
- 11.4 The Board:
- **noted** the financial information reported as at 31 March 2017.
 - **noted** that work is continuing to develop an FSS Financial Strategy in line with Audit Scotland recommendations.
 - **noted** the discussions between FSS, Scottish Government, FSA and Audit Scotland with regards to the reporting of AME non-cash 'expenditure' relating to pension liabilities and how this should be reported by FSS in both our SG finance returns and the Annual Report and Accounts.

12 Question and Answers

- 12.1 The Chair invited questions from members of the public in the audience. Ian Anderson from Scottish Association of Meat Wholesalers expressed disappointment with the way in which the figures on animal welfare had been presented in the performance reporting paper. He felt that the majority of animal welfare incidents were not attributable to slaughterhouses; poultry welfare incidents were not included; animal cruelty is not equal to animal health and welfare; was disappointed that no industry representatives had been invited to take part in the recently formed Animal Welfare Group and that a "yo-yo" effect of audits of meat plants was due to an unfair system. The Executive confirmed that industry engagement would be a key issue going forward, but at this stage it was important that all relevant Government bodies had initial discussions to ensure Government issues were considered and addressed prior to industry involvement.
- 12.2 There were no further questions and the Chair closed the meeting.