

FSS Business Performance Reporting

1 Purpose of the paper

- 1.1 This paper proposes an initial set of business performance reports covering Operations, Diet & Nutrition and Human Resources.
- 1.2 The Board is asked to:
 - **Discuss and provide a view on:**
 - the performance reporting format and contents
 - the frequency of reporting specific metrics to the Board and the merit of providing a wider corporate performance report including finance information in addition to the information proposed in the Annex.
 - **Note** that the performance reports provided are work in progress and will be developed further with other metrics included in due course.

2 Strategic Aims

- 2.1 This work supports FSS Strategic Outcome 6 – FSS is efficient and effective.

3 Background

- 3.1 FSS Board's Terms of Reference (ToR) are clear that the Board has overall responsibility for the actions and decisions of FSS, and is ultimately accountable to the Scottish Parliament for policy delivery, compliance with statutory duties and performance against agreed strategic objectives. One of the Board's responsibilities, therefore, as set out in their ToR, is to scrutinise the financial and other performance information relating to FSS.
- 3.2 A paper on 'Monitoring Our Performance' was presented to the Board at their meeting on 16 March 2016, and the Board agreed that the performance reporting framework should involve an outcomes based approach and be aligned with the SG 'Scotland Performs' Framework, and that the Executive should progress with a logic modelling approach to identify outcome indicators that would be used to evaluate and assess our progress. Subsequently, two Board/Executive short life working groups were established to look at Operational Reporting and Outcomes Reporting. The former work has been completed, and an appropriate Operational Reporting format developed. The latter work, which involves the application of a logic modelling approach, is on-going. In the interim, and in order to keep the Board informed on progress towards our strategic objectives, the following report has been compiled
- 3.3 Operational metrics reported in Annex A were agreed following review of the wide range of data available and selected on the basis of strategic linkage and organisational risk. It is accepted that the information presented is simply a starting point and the intention is to develop the reporting format further following Board consideration and to have in place a corporate report as soon as possible.

4 Discussion

- 4.1 There are a wide range of metrics available to FSS, particularly within the operational environment and work has been on-going as part of a Board – Executive short life working group to refine content and format. As can be noted from the Annexe, there are a range of reporting cycles and this is principally a result of access to and format of certain Food Standards Agency data sets (i.e. some information was reported on an annual GB and UK basis and extracting Scotland only information was not always possible) prior to FSS vesting whilst others have always been held in Scotland (e.g. shellfish).
- 4.2 Annexe A details performance over a range of FSS activities and the Board is invited to consider each with a view to establishing suitability of format, content and reporting frequency. Discussion was held with Board members during the short-life working group with respect to reporting frequencies and a range of options were considered. Clearly there is a balance to be achieved between providing sufficient detail to enable the Board to take a view of trends and a sufficiently strategic view of FSS performance and it is likely that there will need to be a degree of stratification in the reporting frequency. From the short-life working group there was general agreement that the welfare, shellfish sampling, visible contamination and veterinary audit metrics would provide the Board with a clearer indication of trending performance if the reporting frequency was biannual as anything below this would only provide a snapshot view.
- 4.3 The Board will be aware of other data sets routinely collected by FSS. This includes financial information, data relating to foodborne illness and health and safety data amongst others. It would be helpful to understand Board preferences as requested before developing any further, taking into account ARC requirements as well with regards to oversight on areas such as health and safety. It would also be helpful to have Board discussion around the merging of all performance reporting, including financial reports into one corporate report and then to understand what the reporting frequency requirements would be.

5 Annex Metrics

5.1 Animal Welfare

- 5.1.1 One of the key functions of FSS is to ensure that animals are protected by Food Business Operators (FBOs) prior to and during slaughter and killing. Food Business Operators have a duty under the Welfare of Animals at the Time of Killing (WATOK) Regulations 2012 and Welfare controls in approved meat establishments are delivered by FSS veterinary and inspection personnel on behalf of Scottish Government and via a Service Level Agreement with Defra. FSS also plays an important role in relation to assisting the Animal and Plant Health Agency (APHA) and Local Authorities with animal welfare on farm and during transport under a Service Level Agreement (SLA) with SG.
- 5.1.2 Where sufficient evidence is available, enforcement action is taken against any non-compliant business in relation to animal welfare. This is reflected in audit reports and the audit frequency will increase for non-compliant premises.

5.2 Shellfish Sample Compliance

5.2.1 FSS carry out an annual review of all shellfish production area classifications within Scotland. Using the previous three year data-set, or less if not available, from the production areas this informs classification award decisions for the coming classification year. This process is carried out in accordance with EU guidance.

5.2.2 Changes in the number of classification awards will vary due to the following reasons:

- changes in levels of *E.coli* reported throughout the year,
- Decisions, taken by harvesters, not to continue with the classification
- Insufficient samples submitted to either maintain the same level of classification award i.e. 10 samples required for Class A or a minimum of 8 samples to retain a classification award

5.2.3 Shellfish sampling is contracted to one private contractor, HMMH Scotland, Highland and Argyll and Bute Councils who are responsible for shellfish sampling within their LA areas and FSS operations staff who undertake sampling across North and South Ayrshire and Dumfries local authorities.

5.2.4 During the course of the year, sampling contractors collect monthly *E.coli* samples to match the sampling plan and compliance can be routinely affected by a number of factors including the following:

- inactive harvesting
- availability of vessels
- poor weather and/or
- logistical issues – performance of carrier

5.2.5 The majority of non-compliances are found in the wild shellfisheries where due to the sporadic nature of this sector, acquiring samples can be problematic especially during the course of the winter period. Sample compliance for '*planned*' versus '*received*' usually sits around 85%, although the performance of '*required*' against '*received*' would in fact be higher, as sampling officers have a 12 month window in which to achieve a total of either 8 to 10 samples depending on the status of the areas.

5.2.6 The monitoring programme for shellfish sampling involves the sampling of shellfish from fixed monitoring points in classified harvesting areas. These samples are tested for a group of biotoxins. Again, similar to compliance for *E.coli*, sample collection is routinely affected by the same issues as above.

5.3 Visible Contamination

- 5.3.1 Incidence of visual contamination presented at the final carcase inspection point have been recorded since 2013 and are taken as a proxy measure of hygienic production. Scotland has historically recorded lower contamination levels than other UK countries through an active programme of industry and individual plant engagement and ensuring consistency and accuracy of recording through regular assessment and monitoring of FSS systems applied in all Scottish plants.
- 5.3.2 Other EU countries do not record contamination of every carcase, preferring to rely on assurance sampling by the FBO and verification of such during audit. Targets were set at a national level in 2015 and were met in cattle and sheep production and the main causes of contamination identified are lack of supervision or deployment of adequately trained staff by FBOs. In 2015 redevelopment of a pig slaughterhouse contributed to the target being missed for pigs but that has improved in mid-2016 since completion and commissioning of the new facility. In addition to on-line monitoring, micro sampling of carcasses is undertaken by FBOs and is regularly reviewed by OV's and auditors.

5.4 Veterinary Audit

- 5.4.1 Veterinary Audits of FBOs are part of a suite of official controls carried out by FSS in approved meat establishments. The audit arrangements apply to all approved meat establishments under veterinary control in Scotland and include:
- Red meat/farmed game slaughterhouses,
 - Poultry meat slaughterhouses,
 - Cutting plants
 - Wild game handling establishments,
 - Minced meat, meat preparations and mechanically separated meat plants co-located with slaughterhouses or cutting plants,
 - Meat product plants co-located with slaughterhouses and cutting plants, co-located cold stores.
- 5.4.2 Audits are risk based as required by Article 4 of Regulation EC No 854/2004, and take into account the following:
- Public health risks
 - Animal health risks (where appropriate)
 - Animal welfare risks (where appropriate)
 - Type of process carried out
 - Throughput
 - FBOs past record of compliance with food law
- 5.4.3 The aim of FBO audit is to verify compliance with legal requirements and to ensure adequate FBO standards in relation to public health, animal health and welfare. Audit sections are based on the priorities that have been agreed between FSS and Defra as we carry out on a wide range of controls on their behalf. Audit findings aim to provide individual FBOs as well as the relevant competent authority (FSS

and Defra) with information on areas for correction or improvement as well as providing assurance that performance and compliance is as required.

5.4.4 In addition to the audit of good hygiene practice, the auditor must verify the FBOs continuous compliance with their own procedures for, amongst others, all aspects of animal by-product handling (including Specified Risk Material (SRM) controls for BSE), animal identification, animal health and welfare, etc.

5.4.5 During audit of HACCP-based procedures, the auditor must check that the operator's systems of work and food safety management provide assurance that meat is free from pathophysiological abnormalities or changes, faecal or other contamination and SRM.

5.4.6 Following audit, plants are awarded an **Audit Outcome** as detailed below:

Audit Outcome	Tolerance for audit outcome	Standalone Cutting Plants	Slaughterhouses / Game Handling Est. / Co-located Cutting Plants	Follow Up Partial Audits of critical and major NCs
Good	No majors or critical on day of audit or during audit period	12 months	18/12 months	N/A
Generally Satisfactory	No more than 2 majors during audit or during audit period rectified promptly No critical during audit period	12 months		Within 3 months
Improvement Necessary	3-6 majors during audit or during audit period No critical during audit period	3 months		Within 1 month
Urgent Improvement Necessary	1 critical or >6 majors during audit or during audit period	2 months		Within 1 month

5.4.7 Subsequent audits are therefore scheduled on the basis of the audit outcome.

5.4.8 Reports are produced following each audit and sent to the FBO. The report details the non-compliances raised and provides an indicative timescale for the business to address the non-compliances raised. Audit reports will be published on FSS website after the period for appeals has expired. Where applicable (in accordance with the table above), an additional partial audit may be carried to assess the actions taken to address the non-compliances raised at audit.

5.5 Nutrition Data Dashboard

5.5.1 The Food (Scotland) Act 2015 gives FSS a statutory duty to improve the extent to which the Scottish population have diets that are conducive to good health. In January 2016, the FSS Board approved a broad range of measures for action to improve the Scottish diet and includes actions relating to both the consumer and to

the food industry¹. These proposals aim to reduce calorie intake and rebalance the diet through reductions in sugars, fats, salt and 'discretionary foods'², together with increases in fibre rich foods such as whole grains, fruits and vegetables.

5.5.2 The FSS nutrition dashboard contains information from the FSS dietary surveillance programme, which is in place to monitor the diet of the Scottish population, and progress towards the Scottish Dietary Goals. The dietary surveillance programme provides information on population dietary intakes³, children's intakes⁴ and population salt intakes⁵, in addition to information on purchase of foods and drinks both into the home⁶ and outside the home⁷.

5.6 Human Resources

5.6.1 FSS Human Resources statistics are reported for first quarter from 1st April to 30th June 2016. Again, there are a significant data sets to draw from under this indicator and work is on-going to develop a clearer info-graphic for future Board consideration.

5.6.2 Key headlines include:

- Headcount as at 30th June 2016 was 167, an increase of 5 on the previous quarter
- Sickness levels are reporting a low average working days lost per employee at 3.3 at the end of June 2016, down from 4.7 in June 2015
- Age Profiling – 39% of permanent staff or FTA are aged over 50, succession planning / workforce planning are being developed to decrease risk
- Gender Balance - 60% of staff in the organisation are male, with females making up the other 40%

6 European Union considerations

6.1 None required at this stage.

¹ Diet and Nutrition: Proposals for setting the direction for the Scottish Diet (FSS Board Paper), 2016: <http://www.foodstandards.gov.scot/fss-board-meeting-20-january-2016>

² Discretionary foods' are items which are high in calories and/or salt, low in nutritional value, and which aren't required for our health.

³ Estimation of Food and Nutrient intakes from food purchase data in Scotland 2001 to 2012: <http://www.foodstandards.gov.scot/monitoring-progress-towards-scottish-dietary-goals-2001-2012-report-1>

⁴ Survey of diet among children in Scotland: <http://www.foodstandards.gov.scot/survey-diet-among-children-scotland>

⁵ National diet and nutrition survey: assessment of dietary sodium: <http://www.foodstandards.gov.scot/national-diet-and-nutrition-survey-assessment-dietary-sodium>

⁶ Foods and Drinks purchased into the home in Scotland using data from Kantar WorldPanel: <http://www.foodstandards.gov.scot/monitoring-foods-and-drinks-purchased-into-the-home-in-scotland>

⁷ An assessment of the out of home food and drink landscape in Scotland (2016): <http://www.foodstandards.gov.scot/assessment-out-home-food-and-drink-landscape-scotland>

7 Conclusion and recommendations

7.1 The Board is asked to:

- **Discuss and provide a view** on the format, content and frequency of reporting for each of the metrics presented in Annex A. In view of the range of metrics available and to ensure the Board retain strategic oversight of FSS performance, it is recommended that operational data is presented biannually. HR information has clear linkage with financial data sets and can easily be reported at each Board meeting should this be considered appropriate. Diet and Nutrition and Foodborne illness metrics are much slower moving and to report at a frequency any greater than annually is unlikely to provide meaningful insight as to performance.
- **Note** that the information presented is work in progress and Board feedback on progress to date will inform development of an agreed corporate reporting format.

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