

**MINUTES OF THE MEETING OF THE FOOD STANDARDS SCOTLAND BOARD
HELD ON 10th JUNE 2020 FROM 11:00 AM TO 13:45 PM VIA VIDEO CONFERENCE****Present:****FSS Board**

Ross Finnie, Chair
George Brechin (from 11:30 am)
Heather Kelman
Carrie Ruxton
Sue Walker
Anne Maree Wallace
Louise Welsh, Deputy Chair

FSS Executive

Geoff Ogle, Chief Executive
Ian McWatt, Deputy Chief Executive
Garry Mournian, Interim Director of Policy,
Science, Finance and Human Resources
Norval Strachan, Chief Scientific Adviser
Diane Strachan, Head of Private Office
Hazel Stead, Board Secretary

1 Introduction, Apologies

1.1 The Chair, Ross Finnie welcomed everyone to the Food Standards Scotland (FSS) Board meeting.

1.2 Apologies were received from Marieke Dwarshuis.

2 Declaration of Conflict of Interest

2.1 The Chair asked for any conflicts of interest to be declared. None were declared.

3 Minutes of Meetings – 19th February 2020 and 20th April 2020 and Rolling Action Log

3.1 There were no amendments to the minutes of either Board meeting and were accepted as accurate minutes.

3.2 On action numbers 2019/01 and 2019/03, the Chair noted that these actions had not progressed due to the executive being diverted onto dealing with the response to COVID-19. It was agreed to revise the wording of these actions.

3.3 There were no matters arising.

4 Chair's Report

4.1 The Chair noted the proposal sent by National Farmers Union Scotland (NFUS) to Scottish Ministers for a Food Standards Commission. The Board was not convinced by the NFU proposition, which wasn't a substitute for legislative change and the Chair confirmed there had been no prior discussion with FSS on the proposal. The Board was content for the Chair to write to Ministers with the Board's position on this proposal. He explained that Geoff Ogle had discussed the proposals with, NFUS to find out the reasons why the proposal had emerged.

5 Chief Executive's Report – 20/06/04

5.1 The Chair invited Geoff Ogle, Chief Executive to provide an oral update to supplement his written report. On the proposal for a Food Standards Commission, Geoff had sent a submission to Ministers which the Board had seen.

5.2 Board members sought and received clarification from the executive on a number of points including maintaining the visibility of FSS when new international trade deals are being agreed and in FSS's changing role as a regulator outside the European Union. Geoff noted that new posts have been identified specifically for this work, with risk analysis being an essential part of this work going forward.

5.3 George Brechin joined the board meeting at this point.

6 FSS Future Strategy – an update – 20/06/05

6.1 The Chair invited Karen McCallum Smith, Future FSS Programme Manager to introduce the paper. Karen drew attention to the move towards a values based approach for the future strategy.

6.2 Discussion included number of areas – a values based approach should be embedded to provide a foundation of the culture for FSS to build on but it should not lose the importance of having objectives too. ; incorporating the lessons learned and economic challenges, risks and opportunities arising from COVID-19; ensuring that FSS is a trusted voice in public health messages on diet and nutrition and food safety. Geoff explained that it is necessary to reflect the constantly changing landscape in the strategy over the next five years; it was also important not to lose sight of the good work FSS has already completed; to utilise digital technology and data analytics more systematically as part of the evidence base and should look to reflect the challenges around food sustainability.

6.3 The Board:

- **Noted** the information and provided views on the proposed approach

7 FSS Response to COVID-19 – 20/06/06

7.1 The Chair invited Geoff to introduce the paper. Geoff noted that in dealing with the FSS response to COVID-19, public health decisions were being made at speed and sometimes the consequences had to be worked through afterwards in a short time by colleagues. He confirmed that a lessons learned exercises were already underway as part of the business recovery process to capture the positive and negative points.

7.2 In discussion, Board members noted that the paper's content was impressive and demonstrates that FSS can be seen as an exemplar of how to operate under duress. Board members sought and received clarification that lessons learned are being captured during the business recovery process; that mental health support is available for staff; noted that the level of FSS communications during COVID-19 pandemic had to fit in with the overall Scottish Government (SG) communications approach, to ensure there were no mixed messages being issued to the public.

7.3 The Board:

- **Noted** the information provided and provided views on the progress made by FSS

8 Financial Performance Update – Quarter Four – 20/06/07

8.1 The Chair invited Fiona Bruce, Interim Senior Finance Manager to introduce the paper. Fiona drew attention to the key figures, including the provisional outturn of £17.4m, which represented a £785k underspend against a resource budget of £18.2m, which is 4%

of a variance. She noted the Essential Core Activity highlights the year-end spend against the strategic outcomes which was a 2% over spend on the £13.5m budget which is £22.5k.

8.2 She explained the underspend for the Work Programme activity, which equates to £808k (17%) against a budget of £4.6m. The reasons for the underspend were due to fewer staff being recruited than forecast at the start of the financial year; delays in the recruitment process and some planned projects which did not commence. She noted the level of debt over the 31-day period was £242k and when compared with the same period last financial year (£200k), the debt had increased by £42k (6.6%).

8.3 The Board noted the increase in debt since quarter 3 and understood that during current economic challenge faced by Food Business Operators, even with best efforts by FSS and the debt collector, not all of the outstanding debt will be recovered.

8.4 The Board:

- **Noted** the financial information and provisional year-end position reported as at 31st March 2020.

9 Budget 2020-21 Update – 20/06/08

9.1 The Chair invited Elaine McLaughlin, Head of Finance and Human Resources to introduce the paper. Elaine highlighted the key figures of the indicative resource allocation for 2020/21 was £20.6m, which consists of a £15.6m resource budget allocated in the Budget Bill this year. She noted the £5.0m allocated in the current financial year to manage the impact exiting the EU will have on FSS, which will formally be allocated by SG in the Spring Budget Review (SBR) in January 2021.

9.2 The Board sought and received clarification on the date for the restructure which could be scheduled at the mid-year point, however, this was unlikely but not ruled out. It was noted that the full amount of the additional £5 million allocated to FSS for EU exit will not be spent this financial year. The executive has had discussions on this point with SG Health Finance colleagues and achieved some agreement that some of the additional budget could be potentially repurposed for the response to COVID-19, if this was required.

9.3 The Board:

- **Noted** the Executive has progressed with the 2020/21 budget allocation as outlined to the Board in February 2020 to fund essential core activity, Regulatory Strategy and Nutrition work programmes
- **Noted** the additional budget to be provided by SG to fund work for EU Exit preparedness
- **Noted** the associated impact COVID-19 has had on our budget allocation and plans for the year.
- **Noted** the risks and issues associated with the budget for 2020/21.

10 Audit and Risk Committee Oral Update

10.1 The Chair invited Sue Walker, Audit and Risk Committee (ARC) Chair to give an oral update on the meeting held on 25th March 2020. Sue explained that internal and external auditors were not in attendance, nor was the Accountable Officer, only ARC members were present to maintain a level of governance, which would not impinge on the executive who were focussed on dealing with COVID-19. She explained that some of the

timelines for internal and external audits would be delayed due to COVID-19.

10.2 On internal audit matters, she noted the reasonable opinion issued by SG Internal Audit Directorate on the Stakeholder Management, Governance and Delivery audit and the limited opinion on the Review of Information Analysis and its linkage to decision taking audit, with recommendations to be implemented by the autumn of 2020. She noted the reasonable opinion issued by the Food Standards Agency on the minced meat, meat preparations and ready to eat foods audit.

10.3 On external audit matters, she explained that the annual report and accounts timetable had been altered due to Audit Scotland resourcing issues, with the audited Annual Report and Accounts to be tabled at the Board meeting on 18th November 2020.

10.4 In other matters, the ARC was pleased with the assurance map report noting the continuing strong performance across the FSS assurance framework. The ARC received the Annual Report on Cases of Fraud and Significant Losses and was pleased that there were no cases of fraud to report and the reduction in debt. The ARC received the annual Health, Safety and Environment report with the continued good work noted, but there was a lack of information on environmental reporting and sought an update report to be tabled at a future ARC meeting.

11 Audit and Risk Committee Annual Report to the Board – 20/06/09

11.1 In the introduction, the Chair noted that internal auditors don't always understand requirements of the client contactor relationship which is frustrating. He then invited Sue to introduce the report. There were no comments on the paper.

11.2 The Board:

- **Noted** the work undertaken by the Audit and Risk Committee during the course of the period April 2019 to March 2020 inclusive.

12 Board Governance – 20/06/10

12.1 The Chair explained the purpose of the paper was to secure agreement on the proposed board governance arrangements. He then invited comments from the Board.

12.2 In discussion, the Board were content with the proposals. Geoff noted that minutes of the weekly updates would be published, but with consideration of any information to be redacted (e.g. advice to Ministers), before being released into the public domain. The Chief Executive noted that with business recovery expected to continue for the remainder of 2020, the executive would consider the items for future board meeting agendas and length of board meetings.

12.3 The Board:

- **Agreed** the weekly updates between the Chair, Deputy Chair, and the Chief Executive, the Deputy Chief Executive and the Director of Policy, Science, Finance and HR will continue and the minutes to be published;
- **Agreed** for the time being meetings of the Board and the ARC will be virtual;
- **Agreed** that the matters to be considered at such meeting to be confined to essential business; and
- **Agreed** the foregoing arrangements can be reviewed by the Board at any time.

13 Question and Answers

13.1 The Chair invited questions from the audience. No questions were raised.

14 Any Other Business

14.1 The Chair, Board members and Executive thanked Karen McCallum-Smith for her work in establishing FSS, setting up Private Office and the groundwork for the next FSS strategy and wished her well in retirement.

14.2 No other business was discussed. The meeting closed at 13:45 p.m.