

**MINUTES OF THE MEETING OF THE FOOD STANDARDS SCOTLAND BOARD
HELD ON 20th NOVEMBER 2019 FROM 10.35 AM TO 15:30 PM AT PILGRIM HOUSE,
ABERDEEN**

Present:

FSS Board

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

FSS Executive

Geoff Ogle, Chief Executive
Ian McWatt, Interim Deputy Chief Executive
Garry Mournian, Interim Director of Policy,
Science, Finance and Human Resources
Katherine Goodwin, Head of Communications
& Marketing
Norval Strachan, Chief Scientific Adviser
Karen McCallum-Smith, 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 Board Member, Louise Welsh.

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 – 21st August 2019, 16th October 2019, Action Log and matters arising

3.1 There were no amendments to the minutes of either Board meeting. On action number 2019/01 the action log, the Chair noted that due to advice being provided to Scottish Ministers on the matter, an update would be given in the closed session at the end of the board meeting.

3.2 On action numbers 2019/02, 2019/03 it was agreed to reconsider the wording and carry these actions forward. The Board accepted all three documents as accurate records.

3.3 There were no matters arising.

4 Chair's Report

4.1 The Chair noted that in the near future, he and Geoff Ogle, Chief Executive will meet with Professor Jim McGoldrick, Shadow Chair of Public Health Scotland and meet Roger White, Chief Executive of AG Barr. On the 6th November 2019, the Chair and Ian McWatt, Interim Deputy Chief Executive met Martin Temple, Chair of the Health and Safety Executive (HSE), to discuss data sharing and topics of mutual interest and that FSS would arrange and host a joint FSS/HSE regulators event in March 2020.

5 Chief Executive's Report – 19/11/04

5.1 The Chair invited Geoff to provide an oral update to supplement his written report. Geoff attended a meeting at Defra, in London with the UK Representative in Rome for the United Nations Food and Agriculture Organisation, where discussions focussed on how relationships would need to change post-Brexit.

5.2 Geoff welcomed the good response to the Civil Service staff survey. He explained that FSS is working with Food Standards Agency on Cannabidol (CBD) and briefing would be provided to the Board in early 2020.

5.3 Ian McWatt gave an update on the transfer of Official Veterinarians and Meat Hygiene Inspectors to FSS which had overall been successful. He noted that a legal challenge had been raised by a number of Hallmark Meat Hygiene Ltd staff who were deemed not to be in scope to transfer to FSS. He thanked the two Board members, Heather Kelman and Sue Walker, who had attended the FSS Operations Staff Conference in Perth.

6 Official Food and Feed Laboratories : Ensuring Capacity and Capability for the Future – 19/11/05

6.1 The Chair invited Jacqui McElhiney, Head of Food Protection, Science and Surveillance to introduce the paper. Jacqui noted the need for change in the delivery model and that local authorities had been unable to agree a way forward. She noted the discussions between FSS, Local Authorities (LA), Scottish Government and stakeholders which recognised the need to protect and sustain Official Food and Feed Laboratories in Scotland.

6.2 Discussion centred upon a “need analysis” for understanding the types and volumes of food and feed testing in Scotland; maintaining quality assurance standards to sustain food safety for the public; gaining an understanding of the financial sustainability of the Official Food and Feed Laboratories in Scotland and implementing a short-term fix in the interim before a medium to long-term fix is identified to mitigate the lack of funding by LA. Discussion then moved onto the expected timescale for agreement of a way forward with an agreed model for delivery by Society of Local Authority Chief Executives (SOLACE) and securing funding; seeking Ministerial support; with the new delivery model expected to be in place by the end of 2020.

6.3 The Board :

- **Noted** the findings of the review of UK Official Food and Feed laboratories, and that parallel activities that are underway which aim to address the issues impacting on the laboratory services in Scotland
- **Agreed** that FSS should develop a more co-ordinated and sustainable laboratory system for the future and the proposals for future work, including collaboration with Food Standards Agency and stakeholders in Scotland
- **Agreed** that a further update to be provided to the Board in February 2020

ACTION POINT – 2019/06 - EXECUTIVE

7 Corporate Plan Report – 19/11/06

7.1 The Chair invited Karen McCallum-Smith, Head of Private Office to introduce this paper.

7.2 Karen explained the paper reported the progress on the achievements made on the Corporate Plan. She drew attention to the specific objectives and progress made in the Corporate Plan and the specific arrangements for prioritising resource through to 2020/21. She highlighted the progress made and drew attention to the three objectives, which were deferred (implementation of a new animal feed official control delivery system and the development and implementation of a new Food Hygiene Information Scheme).

7.3 She noted that FSS had been successful in securing increased funding from Scottish Ministers, which allows the Executive to plan for the increased capacity and capability that FSS will need for the repatriated responsibilities and functions following Brexit. Finally, she noted that the Board would receive paper in early 2020 to seek agreement on financial planning proposals for the new strategy from 2021 onwards.

7.4 Board members welcomed the significant achievements in the Corporate Plan, given the uncertainties faced by FSS in regard to Brexit. Board members sought and received clarification on the delivery of animal feed controls and the move towards a hybrid model for delivery. Discussion centered upon timing and phasing of the Strategy and Corporate Plan and agreed that the Corporate Plan should be over 3-years, and should be a separate document from the Strategy, and would overlap. The Executive noted that Regulatory Strategy would need to be reviewed, in particular, to deliver appropriate and proportionate regulation and how Regulatory Strategy impacts on both corporate and strategic plans. Board members sought and received clarification on how the Executive plan to recruit and resource the restructuring of FSS.

7.5 The Board :

- **Noted** the significant progress made against the 2016-19 Corporate Plan
- **Noted** the interim arrangements for prioritising resources for 2019-20
- **Noted** the Executive is beginning a restructuring exercise, which will continue through 2020-21 and the proposed arrangements for prioritising resource for the remainder of the current FSS strategy

8 Audit and Risk Committee Oral Update

8.1 The Chair invited Sue Walker, Audit and Risk Committee (ARC) Chair to give an oral update on the meeting held on 25th September 2019.

8.2 Sue noted that the ARC welcomed Sharon Fairweather, Director of Scottish Government (SG) Internal Audit Directorate, who provided assurance that the 19/20 internal audit plan would be delivered to time and gave her perspective on cross cutting issues on provision of Human Resources in SG. The ARC welcomed Caroline Thomson, Interim Head of Corporate Services and Records Management who has taken over responsibility for audit, risk and governance matters.

8.3 In the executive update, the ARC were advised on a number of topics including the transfer of staff to FSS from Hallmark Meat Hygiene Ltd; provision of laboratory services for official controls; approval of the business case for additional funding for Brexit. On internal audit matters, the ARC noted that internal audit plans are on track; and received an audit report on traceability and recalls, which achieved a moderate assurance opinion with a number of recommendations, which are being addressed by the Executive. On External audit matters, the FSS Annual Report and Accounts had been laid before the Scottish Parliament and Audit Scotland were beginning the planning process for next year's audit. The ARC discussed risk matters and preparation for the Board's Annual Risk

Discussion. The structure of the risk registers and the need to consider timing the assimilation of the Brexit Risk Register within other risk registers were discussed. The ARC received a paper on the public sector reporting requirements, noting the wide breadth of requirements and the timing of reports for clearance. It was agreed to share this paper with the Board for information.

ACTION POINT 2019/07 : EXECUTIVE

8.4 The ARC received a paper on Independent Scrutiny of the Local Authority Audit process, which identified best practice and areas of improvement by FSS and the Executive are developing an action plan to address the recommendations. The ARC were content to receive this paper every 2-3 years. The ARC agreed the plan for the Annual ARC Effectiveness Review which would again include input from members, the Executive and Internal and External Auditors and a discussion on the Effectiveness review will be held prior to ARC meeting on the 27th November 2019.

9 Annual Strategic Risk Register Review – 19/11/07

9.1 The Chair invited Ruth Dewar, Business Reporting Officer to introduce the paper. Ruth explained the paper was intended to support the Board's role with regard to its annual review of strategic risks and provide an opportunity to review FSS's risk appetite statement.

9.2 The Board sought and received clarification on whether risks could be assigned to strategic outcomes and that this was done previously, as all risks could cross-cut a number of strategic outcomes. In noting there are some strategic risks that FSS has limited control, the Chief Executive confirmed that the Executive are looking at how a Political, Economic, Sociocultural, Technological, Legal, Environmental (PESTLE) analysis risk management approach can be adopted to identify how much control and influence FSS has on these risks.

9.3 The Board confirmed that it remained content with the risk appetite statement, and to be reviewed as necessary and then turned to discuss the strategic risk register. In noting that the wording of the "cause" of Risk 10 could be clearer to express the risk of Local Authorities not delivering Official Controls and the impact on FSS, the Executive agreed to reflect on the wording.

ACTION POINT 2019/08 : EXECUTIVE

9.4 The Board considered whether the Official Food and Feed laboratory capacity risk should be escalated to Strategic Risk Register and the Executive agreed to do so.

9.5 The Board:

- **Noted** the continued development and implementation of the FSS Risk Management Policy and framework which shows that risks are being managed, reported and escalated in an effective and timely manner
- **Noted** the intention of the executive to review the presentation and management of strategic risks and present a proposal to the Board
- **Agreed** the risk appetite statement as still being applicable to FSS and for the executive to continue to use it to support FSS decision making
- **Agreed** that the risk appetite should be reviewed once we have a clearer understanding of the direction of travel in relation to Brexit given the various possible scenarios

- **Agreed** that the existing process for reviewing, reporting and escalation of risk should continue through the Audit and Risk Committee (quarterly) and Board (annually)

10 Outcomes Report – 19/11/08

10.1 The Chair invited Ruth to introduce the paper. In her introduction, Ruth noted the changes in presentation of the outcomes report welcomed comments on form and content.

10.2 In discussion, the Board welcomed the improved format and sought and received clarification from the Executive on a number of points including the fluctuation in FSS website page views; noted the review of Food Hygiene Information Scheme (FHIS), which is on hold.

10.3 The Board would like statistics to be used to show whether if any significant trends are identified and suggested using a 3-year rolling analysis. The Executive agreed to these take points away for further thought. The Executive noted that reporting numbers of food fraud incidents may not be a useful metric to use and would review whether to include this in the future. The Executive confirmed the recruitment of Data Scientist, to be tasked to consider the range of data available and include this in the Outcomes Report.

10.4 The Board and Executive agreed that a short-life working group to be established to consider FSS's performance requirement against the new strategy.

ACTION POINT – 2019/09 : EXECUTIVE

10.5 The Chair acknowledged the evolution and development of the Outcomes Report and looked forward to its further development.

10.6 The Board :

- **Noted** the trends in the indicator data under each of the six FSS corporate outcomes

11 Performance Reporting – 19/11/09

11.1 The Chair invited Ian McWatt to introduce the paper. In his introduction, Ian highlighted the 15% overall decrease in category 3 animal welfare on farm & transport incidents. He updated the Board that in total, 157 incidents were recorded. He noted the high numbers of late-stage cattle pregnancies found at slaughter which are reported to Local Authority Trading Standards teams to investigate. He explained the on-going discussions and data sharing in regard to improving animal welfare taking place between FSS, the Chief Veterinary Officer for Scotland, National Farmers Union in Scotland and is a high priority for the Scottish Livestock Welfare Group.

11.2 The Board sought and received clarification on reducing numbers of animal welfare incidents; Shellfish official controls sampling regime and charging; the closure Local Authority audit reports. The Board welcomed the report and the revised format.

11.3 The Board :

- **Noted** the information provided

12 Financial Performance Update – 19/11/10

12.1 The Chair invited Elaine McLaughlin, Senior Finance Manager to introduce the paper. Elaine noted that the paper presented the financial performance of FSS up to 30 September 2019. She highlighted the provisional outturn was £17.5m against the internally allocated resource budget of £18m with a 2% projected underspend. She drew attention to the additional sum of up to £3.5 million FSS secured for Brexit consequential, with £2.1m of this sum allocated to the Brexit programme of work. She noted the actual spend to date was £523k under the profiled budget profile, which is due to less staff and administration costs during the last quarter. She explained that FSS intends to hand back an element of the unused budget as part of the Spring Budget Review. She highlighted that the value of outstanding payments had decreased by 45%.

12.2 The Board sought and received clarification on recruitment of staff and the six month delay to fill vacancies; how the underspend could be reallocated to other projects prioritised and allocated by the Executive. The Board welcomed the improvements made in debt recovery.

12.3 The Board:

- **Noted** the financial information reported as at 30th September 2019.

13 Question and Answers

13.1 The Chair invited questions from the audience. Bill Strachan, representing the Association of Meat Hygiene Inspectors (AMHI) raised these questions:

- Could contamination levels of poultry and game at slaughter could be included in Performance Reporting?
- Are audits of meat plants risk-based?
- Why the integration of Hallmark staff into FSS not happen at an earlier stage?
- Would these new FSS staff be eligible to have a corporate subscription paid for the Association of Meat Hygiene Inspectors (AMHI)?

13.2 In response to these questions, Ian McWatt noted:

- to consider the including contamination levels of poultry and game in Performance Reports;
- frequency of audits of meat plants are determined by previous audit score;
- the procurement contract management model for selecting a suitable contractor to deliver meat hygiene official controls was correct at the time;
- Any New Official Veterinarians and Meat Hygiene Inspectors would be eligible to have a AMHI membership subscription paid

14 Motion

14.1 The Chair informed the Board that the Chief Executive (CE) had information to impart to the Board about matters related to Brexit. The Chair moved that this item be taken in closed session, and the motion was agreed by the Board. The Chair closed the open session of the meeting.

15 Brexit

15.1 The CE updated the Board on the Executive's considerations with respect to Brexit.

15.2 The Board:

- **noted** the information provided.

15.3 No other business was discussed. The meeting closed at 15:30 p.m.