

MINUTES OF THE MEETING OF THE FOOD STANDARDS SCOTLAND BOARD HELD ON 20 JANUARY 2016 FROM 10.30 TO 14.45 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

FSS Executive

Geoff Ogle, Chief Executive
Elspeth Macdonald, Deputy Chief Executive
Ian McWatt, Director of Operations
Peter Midgley, Director of Policy and Evidence
Garry Mournian, Head of Corporate Services
Karen McCallum-Smith, Head of Private Office
Hazel Stead, Board Secretary

1 Introduction, Apologies

- 1.1 The Chair welcomed everyone to the Food Standards Scotland (FSS) Board meeting. There were no apologies for absence.

2 Minutes and Actions arising - 16/01/01 & 16/02/02

- 2.1 The minutes were accepted by the Board as an accurate record of the meetings held on 16 September 2015 and 09 December 2015.
- 2.2 Action 2015/06 had been omitted in error and was to be included in the action log.

3 Chair's Report

- 3.1 The Chair invited board members to declare any conflicts of interest. Carrie Ruxton did not have any particular interests to declare, but wished to draw attention to the organisations declared in her register of interests.

4 Chief Executive's Report – 16/01/03

- 4.1 As a supplement to his written report, the Chief Executive gave an update on the recent case of avian influenza on a poultry farm near Dunfermline, and also reported that good progress is being made on the recruitment of a Chief Scientific Advisor, with the expectation that an appointment will be confirmed in the near future.

ACTION 2015/07 : EXECUTIVE**5 Presentation**

- 5.1 The Chair welcomed Jane-Claire Judson from Diabetes UK to the table to present the powerpoint presentation "Prevention and Type II Diabetes" which provided a useful insight into the challenges of tackling Type II Diabetes in Scotland.

6 Diet and Nutrition: Proposals for setting the direction for the Scottish Diet - 16/01/04

- 6.1 The Chair invited Peter Midgley to introduce this paper. Peter advised that Scottish Ministers had accepted the FSS recommendations to changes to the Scottish Dietary Goals (see paper 15/12/02 from 09 December 2015).
- 6.2 Peter reminded the Board of FSS's key statutory objective in relation to diet is to "*improve the extent to which members of the public have diets which are conducive to good health*". He explained that this paper builds on evidence from FSS's own work including the situation report "The Scottish Diet: It Needs To Change" published in December 2015 and from other sources.

- 6.3 He advised that the FSS report “Foods and drinks purchased into the home in Scotland using data from Kantar WorldPanel” published on the 20 January 2016 confirms the lack of progress in terms of the balance of food items purchased and the continuing association between promotions and its impact purchasing behaviour and promotion. He mentioned that in addition to our own monitoring and analysis, evidence published by the McKinsey Global Institute and Public Health England has highlighted the economic cost of obesity and the need for a broad range of measures aimed at bringing about change in consumer behaviour.
- 6.4 He moved onto highlight the key points from the evidence in Scotland as drivers for change and explained the strategic approach involving six key principles which would be required to achieve progress. He stressed that the paper was comprehensive, not solely aimed at tackling obesity or sugar consumption. It includes recommendations that recognise the importance of public information, education and empowerment as drivers for change. The recommendations for regulation are set against a challenge to industry to produce alternative measures within twelve months and FSS will engage with industry throughout this time.
- 6.5 In discussion, a number of key points were made. Issues of concern were on affordability where the executive confirmed we would aim to work in partnership with stakeholders such as NHS Health Scotland and use methods such as dietary modelling. On dietary guidelines, the board were advised that the new Eatwell plate will be extended to consider dietary guidelines in a wider, cultural and social setting. An area of concern that the executive needed to explore further was the use of regulation and licensing. Voluntary measures have not worked and further development of the legislative framework will depend on the outcome we want to achieve. On overall cost of obesity, various figures were quoted, and the board felt it was important to use most up to date figure. It was confirmed that the £4.5 billion figure used was provided by Scottish Government (SG) and encompasses all costs and aspects in tackling obesity.
- 6.6 The Chair asked for comments from the board on the direction of the paper and a number of key points were made. The Board raised queries on whether the 12 month timescale was too long, how these proposals would sit with the wider obesity agenda and the importance of collaboration. The executive confirmed that the 12 month timescale allows for suitable time for appropriate engagement across all sectors; collaboration would be critical, requiring political support at Scotland and at UK level and effective working at executive level which we already had evidence of. The Chair confirmed he will write to Ministers with the recommendations agreed by the Board. Ministers will then decide whether they wish to accept or reject the recommendations.

ACTION 2015/08 : CHAIR

- 6.7 The executive confirmed that FSS will be involved with the review of the SG Obesity route map.
- 6.8 Overall, the board were content with the direction of the paper and appreciated the bold and upfront approach which had been developed by the executive.
- 6.9 The Board :
- **agreed** the recommendations and actions set out in Annex A.
 - **noted** that there will be a further paper on an implementation and governance framework later this year.

ACTION 2015/09 : EXECUTIVE

- **accepted** the importance of collaboration with SG, stakeholders and the food and drink industry and of FSS's role in leading that collaboration.

7 Developing the FSS Strategy – 16/01/05

- 7.1 The Chair invited Elspeth MacDonald to introduce this paper and the drafts of the Strategy and Strategic Plan. Elspeth explained that the strategic plan had developed considerably since the Board discussions in June and September 2015 and has been used to drive our business planning

work for 2016-17. The FSS draft budget for 2016-17 has been announced by SG and work is underway to allocate our resources across the various strategic outcomes.

- 7.2 The executive are developing the performance framework to provide assurance to the board on delivery of the strategy to include business as usual. A key element of that work would be thinking about how we should reflect our progress and achievements to consumers.
- 7.3 Consumer and stakeholder engagement sessions focussing on the proposed strategy have recently taken place and a number of Board members also participated. Since the paper was finalised, two further consumers' sessions have been held and a number of consistent themes emerged. For example on trust, a strong and overarching theme was evident with all the groups. Trust should be visibly and transparently earned, and it was important that consumers trust us to be honest and trust may be lost if we are found to be not authoritative or as rigorous as consumers expect.
- 7.4 Consumers welcomed the ambition and viewed the values as relevant and positive. On outcomes, there was general agreement that these were what they expect, based on FSS's function and purpose, with 'food is safe' consistently seen as the highest priority.
- 7.5 On progress and performance, the feedback was that this should be broken down into steps that will be meaningful for consumers and should focus on telling consumers what we have done in a way that makes sense to them.
- 7.6 The next step is to issue a wider consultation in February 2016 and we will give due consideration to consultation responses received. It was noted that a tight timescale exists to complete the consultation and aim to finalise the strategy in time for the next board meeting on 16 March 2016.
- 7.7 In discussion, on Outcome 4, the board felt that the wording is "opaque" and requested it be made clearer. The board observed that income deprived people do not always live in income deprived areas and the executive emphasised that FSS is for all consumers, but recognise that inequalities exist and reducing these is part of SG purpose which FSS should align with. The executive will ensure that the theme of addressing inequalities is to be woven through the strategy.
- 7.8 The Board :
- **agreed** the proposed approach to developing the Strategy and Corporate Plan.
 - **noted** that the executive plans to run a wider consultation on the FSS strategy and strategic plan.
 - **noted** that the executive will create further proposals to report performance and allocation of resources which will be presented to the Board in March alongside the proposals for Regulatory strategy.
 - **agreed** the aim should be for the Board sign-off of the strategy and strategic plan to be as close as possible to March 2016.

8 Animal Feed Review in Scotland – 16/01/06

- 8.1 The Chair invited Ian McWatt to introduce this paper. Ian explained the purpose of the paper was to update to the Board on the progress made to implement alternative models of delivery for feed official controls in Scotland.
- 8.2 Extensive engagement with all relevant stakeholders has taken place with the aim of implementing a regional model, however this has been unsuccessful due to a number of factors.
- 8.3 It was disappointing to note that both the Society of Chief Officers of Trading Standards in Scotland (SCOTSS) and the Society of Local Authority Chief Executives (SOLACE) were not able to offer assurance that they could commit Local Authority (LA) resources for the agreed regional model. The feedback from LA's was that due to the latest budget settlement there was considerable uncertainty around future resource availability. The delivery of official controls for animal feed within trading standards is a very small part of their remit.

- 8.4 In light of this, FSS can no longer pursue the preferred option of a regional model. The rest of the United Kingdom (UK) has already implemented official controls on animal feed. The European Food and Veterinary Office has confirmed that the status quo cannot remain and the current situation could place Scotland and therefore the UK, at significant risk of European Union infringement procedures.
- 8.5 Therefore, since the regional model cannot be taken forward the recommendation to the board was that the centralised model is the only option to progress. It is important to note that LA's are receiving funding for delivery of animal feed controls across Scotland and are not delivering this function.
- 8.6 A concern was raised on the timescale to implement, and what FSS can do to mitigate any risks. The executive confirmed that LA's will retain the competence for delivery of official controls in the interim as the earliest date for implementation of centralised model is 1 April 2017. Earned recognition will reduce the burden of inspection and further training is being offered to LA's prior to implementation on 1 April 2016. The executive confirmed that FSS has calculated the costs and will negotiate with SG Finance to secure transfer of funding. A further point of detail was raised on whether Transfer of Undertakings (Protection of Employment) (TUPE) would come into effect. The executive advised that TUPE could apply and if it did, it may only involve two or three people in Scotland.
- 8.7 The Board :
- **noted** the progress made in developing the regional and centralised models
 - **noted** the progress to extend Earned Recognition in Scotland beyond primary production
 - **agreed** the proposal to approach Scottish Ministers to secure agreement to progress a centralised model and associated transfer of funds from the block grant to FSS

ACTION 2015/10 : EXECUTIVE

9 Audit and Risk Committee Update

- 9.1 The Chair invited Sue Walker, Audit and Risk Committee (ARC) Chair, to give an oral update on the meetings held on 30 October 2015 and 09 December 2015.
- 9.2 The ARC had been provided with FSS governance procedures, risk registers and reports from SG Internal Audit and Audit Scotland external auditors. The distinction between the Level 1 Risk Register and the Corporate Risk Register was explained. The corporate risk register is to be reviewed twice per year. Discussions on assessing risk appetite will be shared with the Board at a seminar in February 2016.
- 9.3 On assurance mapping, the ARC was pleased that Internal Audit were generally satisfied with the governance procedures in place, however given the fact that FSS was still a very new organisation within the Scottish Administration, there was, as expected, some scope for improvement. The assurance map will be reviewed by internal audit.
- 9.4 The Food Standards Agency report on auditing of enforcement of approved meat establishments was largely positive and the ARC noted two medium and three low risk actions had been identified which management were addressing.
- 9.5 There had been an increase in health and safety incidents being recorded and this will be kept under review, though currently this is thought to be an increase in reporting rather than an increase in incidents. One case of minor fraud had been identified and the ARC were content with the action taken. Audit Scotland has been proposed as the FSS's external auditors for next five years.

10 Financial Performance Update – Q2 2015/16 – 16/01/07

- 10.1 The Chair invited Garry Mournian to introduce this paper. The Chair acknowledged the time lapse in production of budget figures to collate information for the paper. Garry confirmed that plans are underway for closer alignment for collation and production of budget reports for future board meetings at appropriate points in the financial year. The move to bi-monthly public meetings would help in this regard.
- 10.2 The paper provides FSS's financial position at the end of September 2015 and provides an update on the current position in relation to revisions to the FSS budget in January 2016 and current related risks and pressures.
- 10.3 The report has been presented in a revised format with the intention to provide the board with more detail on how the budget is being spent. This report provides a comparison of Quarter 1 and Quarter 2 full year forecasts and contains a high level overview of which areas of the budget are driving spend. It also provides detail on the headcount (full time equivalent staff) alongside further detail on pay.
- 10.4 In future, the intention will be to report spend by strategic outcome and work is underway through the budget and business planning process to allocate our spending plans to strategic outcomes.
- 10.5 Key figures to highlight are the full year forecast at Quarter 2 is £15.026 million resulting in a £0.67 million forecast underspend. Compared to the full year forecast at Quarter 1, there has been an increase in financial commitment of £1.5 million.
- 10.6 During Quarter 3, further work took place to finalise the spending plans for the rest of the financial year and a decision was taken to return the forecast underspend of £0.2 million to SG through the SG Spring Budget Revision. This change results in a revised budget of £15.5 million being allocated to FSS, based on the full year forecast at Quarter 2.
- 10.7 At the time of this meeting, we are aware of potential projects and business areas which require additional budget to be allocated which would take account of the underspend.
- 10.8 The Board were concerned on the timeliness of financial information which, on this occasion, was 3 months out of date. The executive confirmed that the 2016/17 FSS forecast will fully allocate the budget and financial reporting will be bi-monthly and coincide with future board meetings.
- 10.9 The Board
- **noted** the second financial report
 - **noted** the on-going development of the financial performance report
 - **noted** that financial reporting in 2016/17 will coincide with Board meetings in the form of bi-monthly updates

11 Question and Answers

- 11.1 The Chair invited questions from members of the public in the audience.
- 11.2 A comment on the Diet and Nutrition paper was made by John Sleith from Royal Environmental Health Institute of Scotland (REHIS). He confirmed there had been a significant level of interest from REHIS members and LA's are keen to collaborate. He wanted to advise of the current pressures for LA's in delivering non-statutory work. The Chair noted the competing pressures in delivery of work which LA's are currently experiencing.
- 11.3 There were no further questions and the Chair closed the meeting.