

2019/2020 Budget Update

1 Purpose of the paper

1.1 The purpose of this paper is for discussion and to provide the Board with an update on our budget allocation as a result of developments since the Board discussed the 19/20 budget and the implications of Brexit at their February meeting. The paper also presents a set of recommendations to the Board, for agreement, whereby the Executive outline our intentions with regards to how we intend to take forward resource prioritisation and allocation.

1.2 The Board is asked to:

- **Note** that the Executive has progressed with the initial 19/20 budget allocation agreed by the Board at its February meeting to fund essential core activity, Regulatory Strategy and Nutrition work programmes and Brexit preparedness.
- **Note** the additional budget of up to £3.5m which is expected to be provided by Scottish Government to fund Brexit operational readiness.
- In order to allow the Executive to meaningfully plan, prioritise and allocate the expected additional budget, the Board is asked to **discuss and agree** the assumptions being made in paragraph 4.4 and 4.6, in particular the recommendation to base our planning on Plan B as identified in the February Board paper as the most sensible approach at this time.
- **Note** that the Executive will continue to maintain a 'watching brief' with regards to a no-deal Brexit.
- **Discuss and provide a view on** the prioritisation order outlined by the Executive in the paper with regards to resource and budget allocation as summarised below:
 - That the expected £3.5m be allocated to the priority areas for Brexit outlined at paragraph 4.8;
 - Alongside essential core activity, any existing budget/resource re-allocation that can be made as a result of the expected Brexit funding or other in-year savings be focussed on delivery of new statutory requirements, the emerging priorities around implementing the new Official Controls Regulation and Allergens (outlined in paragraphs 4.8 and 4.9), followed by Regulatory Strategy Phase 1 and Phase 2 work and; and finally
 - Funding other priorities associated with delivery of our Nutrition programme and proposed projects at a Branch level.
- **Note** that whilst the significant risks previously identified will be mitigated to an extent through the expected additional resource being made available, those risks remain, with an additional risk identified with regards to future budget requirements.

- **Note** the next steps being taken forward by the Executive at its Corporate Leadership Group meeting in May 2019 to start the detailed planning (both short and long-term), shaped by the Board discussion, that is now required to manage our overall resource allocation and prioritisation as a result of receiving the expected additional budget to fund Brexit consequentials.
- **Note** that following the Board discussion, its views and any decisions made will be taken into account when the Executive update the Financial Management Plan.

2 Strategic Aims

2.1 This work supports delivery of all Strategic Outcomes as well as our key programmes of work (Regulatory Strategy and Nutrition) and managing the consequentials of Brexit.

3 Background

- 3.1 In November 2018, we were asked by SG to undertake a review to estimate the potential impact Brexit consequentials would have on resource demands across our broad range of functions and responsibilities. At that time we estimated that under a transition or No Deal worst case scenario there would be an additional resource requirement of between £5.7-£6.5m: i.e. 37%-41% of our existing budget.
- 3.2 In December, as part of the SG draft budget¹, we became aware that our resource allocation for 19/20 would be £15.6m despite providing Brexit consequentials estimates to SG as part of the November submission. The new budget reflected an increase of £0.3m from our original 18/19 allocation (£15.3m) and is a result of resource being transferred to FSS to offset the costs associated with the delivery of feed official controls from April 2019. This is against the backdrop of real-terms cuts to our budget year-on-year since April 2016 which is a cumulative cut of around 10%-12% in real terms over 4 years. Our existing budget allocation was developed on the basis of FSS operating within a EU based system and with certain responsibilities at a point in time without any consideration as to how FSS and our remit would develop after April 2015. One way or another, that is going to change as a consequence of Brexit, potentially very significantly, and these changes will be long term. There are expected to be significant new and ongoing costs to FSS of the new functions repatriated from the EU – a material change from when the FSS budget was original constructed, with at that time, no additional budget to deliver them.
- 3.3 At its February meeting the Board agreed with the continuation of the Executive's annual approach to budget allocation in order to determine the best use of our budget. A similar approach to previous years had been undertaken however due to the continued uncertainty of Brexit and resource being available to help manage the impact it will have across Government, it has been difficult to plan with any degree of certainty. As such, the Executive took the decision to 'roll forward' our budget commitments from the current financial year into 19/20 to

¹ <https://www.gov.scot/publications/scottish-budget-2019-20/pages/7/>

provide continuity where possible and so we could ascertain what resource, if any, would be available for new work or to support delivery of Brexit consequentials. The Board agreed with the proposed allocations for 19/20 and that any unallocated budget be prioritised for Brexit consequentials work. It was also agreed that should any material changes to that budget allocation be forthcoming, the Executive would consult the Board again taking into account the impact of any a revised budget.

- 3.4 At that time, our assumed resource budget of £15.6m had been allocated through our annual business planning round by 'rolling forward' budgetary commitments into 19/20 (Annex A and B). This resulted in £14.0m of resource budget being allocated to deliver our essential core activity, as well as continued delivery across our Regulatory Strategy and Nutrition programmes but did not include any allocation for new work, nor did it include money previously allocated for Brexit work. So in addition to the £14.0m we allocated an estimated requirement of £1.1m from our core budget for our additional programme that was established to deal with Brexit preparedness. Additional pressures related to increased staff costs associated with annual pay settlement provision and employers pension contributions were also factored into our overall budget forecast for the year, which resulted in a forecast spend of £15.5m against our budget of £15.6m.

4 Discussion

19/20 Budget Allocation

- 4.1 Following the February Board the Executive continued to engage with SG officials with regards to our budget position and future requirements associated with the consequentials of Brexit. Those discussions focused on what FSS could realistically deliver and implement in 19/20, in light of continued uncertainty and delays associated with the UK exiting the EU as our initial Brexit estimates were based on full-year costs.
- 4.2 As such a revised budget requirement of approximately £3.5m was put forward by the Executive for further consideration by SG officials as FSS is identified as a separate budget line within Health Portfolio budget. This has subsequently submitted by SG Health Finance as an unavoidable EU exit pressure, via the Cabinet Secretary for Finance, Economy and Fair Work, for consideration by the SG Cabinet at its May meeting. From discussions with officials it is expected that the discussion will take place mid-May and officials have also indicated to the Executive that it is recommended this the additional funding is provided to FSS. This is however subject to Cabinet approval. Whilst the detail of this allocation is yet to be fully outlined to the Executive as the decision is still pending, particularly around any restrictions on what the additional resource budget would allow FSS to do with regards to delivery of Brexit consequential work and operational readiness, it will let the Executive revisit our initial budget allocation presented to the Board in February. It is expected that receipt of the £3.5m budget will mean that we can now not only progress with ensuring we are operationally ready for the UK exiting the EU, but it will also mitigate our strategic risks around continued delivery of our statutory functions and strategic objectives by progressing priority work areas which had not been allocated resource due to the lack of additional funding before the start of the financial year. Whilst the additional budget is likely

to be confirmed for 19/20 only, SG officials have recognised that these additional costs of Brexit are not one-off costs and we will be engaging with SG officials as part of the spending review process to ensure future years requirements are factored into the overall planning of the Health portfolio budget.

4.3 In order to plan meaningfully and allocate the expected additional £3.5m for Brexit and any subsequent resource freed up as a result of receipt of the Brexit consequential funding, to deliver other priorities, the Executive are making the following assumptions at this time:

- That the Board decision in Feb remains with regards to allocation of budget to deliver essential core activities, Regulatory Strategy and Nutrition programmes, noting the additional resource budget potentially available as a result of staff cost profiling.
- Even with the expected additional funding, there will be some lag in non-Brexit work while we recruit and divert staff over time from Brexit activities
- The most likely scenario is that there will be as outlined in Plan B of the February Board paper and our Brexit operational readiness planning should be based on this assumption, which is outlined in more detail below.

Brexit

4.4 The Board are aware that the Executive have allocated approximately £1.1m to ensure Brexit preparedness work could continue in the absence of any additional funding being made available. Whilst uncertainty remains about the nature and timing of the UK's exit, as we move from planning for Brexit into the UK actually leaving the EU, then we will transition from a Brexit preparedness programme into Brexit becoming the 'new normal' i.e. changing the way that we work and adding to our costs as we lose the benefit of the food regulatory system operating at an EU level. The changes that Brexit will bring – and these are still not wholly clear, as they depend on the timing and nature of the exit – will need to become embedded in how FSS works in future.

4.5 The Board will also recall the Executive determined for planning purposes, there are 3 likely scenarios which need to be considered and they are outlined below. Whilst these scenarios were initially costed based on high level assumptions made in November, they are now being revised by the Programme team to reflect more up-to-date assumptions, timing, implementation plans and costs, as well as prioritising each area to assist with decision making when it comes to resource allocation now that we are expecting to have secured additional resource to become operationally ready for exiting the EU.

Scenario A – A no-deal Brexit

Whilst the likelihood of this scenario has decreased due to the extension of Article 50, there remains the possibility that the UK could exit the EU in October 2019 with no deal. Should this scenario materialise, it is likely to mean that our

organisational focus will have to be on dealing with all the consequences of No Deal. **The Executive therefore recommended that we continue to maintain a 'watching brief'** on the potential for a no-deal Brexit outcome, being ready to reactivate our no-deal contingency planning, and if that happens then there will have to be some flexibility and we would seek to discuss priority areas of delivery with the Board at the appropriate time. Whilst the intention would be for the Executive to manage our Brexit work based on a transition deal timeline, significant elements of this would need to be fast-tracked should a no-deal scenario materialise.

Scenario B – Some form of Agreement with the EU.

This assumes a deal is reached which essentially means that our Brexit programme will need to be delivered (including relevant elements of the Regulatory Strategy) but we will have some ability to make an assessment of what else we might be able to deliver given the longer timeframe for implementation, and the closer relationship between the UK and EU during the transition compared to a no-deal exit. In this scenario, in the short term, the functions potentially transferring from the EU institutions would largely continue to be carried out by them during the transition. However, significant work would still be required to manage change through the transitional period, including influencing the nature of the final deal to ensure Scottish interests were fully considered. This is likely to be additional elements of our Regulatory Strategy and Nutrition programmes (Annex C) and there is now more scope to re-visit spending priorities as expected additional funds for Brexit have been secured. **The Executive recommend that the Board agrees this is the most sensible approach for planning purposes at the current time and that our planning work should be based on this assumption.**

Scenario C – Brexit doesn't occur

Whilst the UK Government stated that it intended to deliver Brexit on the 29th March 2019, we have already seen two extensions of Article 50 being sought and approved, with the latest extension up to the end of October 2019. This means that we should still consider that for planning purposes, Article 50 is extended again, or Brexit doesn't occur. Whilst on the face of it an extension of Article 50 may be seen as more akin to Scenario B, the EU have been clear that the exiting transitional agreement only relates to a deal and the same agreement would not be available through any further period of extension. Therefore, additional resource including continued contingency planning for a no deal outcome will likely be needed. If Brexit doesn't go ahead at all then it would potentially release around £1.1m that we have committed to Brexit for re-allocation – although some resources would likely to be still needed to support the process of getting to that point (e.g. work related to a second referendum etc) noting that the majority of this £1.1m is staff costs and therefore staff activity could be redirected to deliver other priorities. This would also result in discussions with SG finance with regards to the additional resource allocation provided to FSS and likely handback to SG.

- 4.6 Over and above the £1.1m that has been allocated for Brexit preparedness as part of the budget allocation for 19/20, the Capacity and Capability work-stream

of our Brexit programme continues to consider what functions and resource gaps FSS would potentially need to address on the basis of a transition (or no-deal) scenario materialising. A key part of this will be functions currently carried out by the EU institutions (such as the European Food Safety Authority with respect to risk assessment and the Commissions Standing Committees with respect to risk management – the future arrangements for this specific example were also subject to discussion with the Board in March around risk analysis in future, including an Advisory Forum on Food and Feed (AFFF)) that will become functions for FSS in future, unless any future deal involves formal cooperation with EFSA, on which there is no clarity at this stage. This work is now being taken forward as a priority given that additional resources are likely to be made available to ensure we are operationally ready for exiting the EU, whenever that may be.

- 4.7 We have also been able to use our knowledge on what resource the Food Standards Agency (operating in England, Wales and Northern Ireland) have allocated to address similar resource and capability gaps across the rest of the UK, to inform Scottish specific requirements, noting that FSS will continue to have access to the FSA's scientific risk assessment resource in the area of food and feed safety matters that would be within scope of our proposed framework in future, subject to the views of Ministers (and this area of work was subject to a March Board paper which outlines how these arrangements may work in the future). Work is ongoing to prioritise these areas and we are working on the basis that all new legal functions will be a priority after exit, along with any legal support that will be required to enact any changes. The priority areas are listed below **and it is the Executives intention that these areas be addressed first when it comes to allocation of the expected £3.5m Brexit consequentials budget.**

- Additional/Revised legislative requirements
- Risk Analysis, including Risk Assessment / Risk Management and Risk Communication including participation in the Advisory Forum on Food and Feed
- Surveillance and Laboratory provision
- Imports and Exports
- FBO approvals
- Support for Pre-Market approvals and authorisations
- Official Control delivery and providing assurance about controls in Scotland.

Emerging Priorities around Official Control Implementation and Allergens

- 4.8 The Board may be aware that the new EU Official Control Regulations (OCR) 2017/625 will enter fully into force across the EU from 14 December 2019. If Article 50 is further extended beyond this date, or, following a negotiated exit, the UK is in an Implementation Period, Scottish Ministers will be legally required

to enact the new regulations in Scotland. Therefore it is necessary to commit FSS resources to begin the necessary policy, legal and operational preparations that are necessary to facilitate this in Scotland. While delivery of the OCR in the time available will be challenging in the face of other pressures, we believe this is achievable provided sufficient resource is allocated and we prioritise this piece of work accordingly.

- 4.9 Subject to the May Board discussion and Ministers views on taking forward a response to the recent UK-wide consultation on improving allergen information for consumers about food pre-packed for direct sale, there is likely to be increased demand on FSS resource to undertake additional stakeholder engagement and consultation on a preferred policy option in Scotland. The Executive believe this should be treated as a priority given the food safety and authenticity risks associated with this as it is important consumers have confidence that food information is accurate and clear, and that food information about allergenic ingredients in products allow them to make safe food choices. This work also has clear links to Phase 1 of the Regulatory Strategy as the soon to be published Interventions Code (containing the new Annex 5) has a primary aim of focusing on allergen control in Food Businesses and Authorised Officers are now assessing this under 4 categories of the new Annex 5.
- 4.10 **It is the Executives intention that these areas be addressed first, should budget become available following the initial allocation of the allocation of the expected £3.5m Brexit consequential budget.**

Delivery of Regulatory Strategy - Phase 1

- 4.11 When considering the scenarios above it is also worth noting that other priorities within the Regulatory Strategy, agreed by the Board, are already underway within Phase 1 (Annex C) of its delivery. As the Board will know this included delivery of the Scottish National Database and the revised Food Law Enforcement Code. Work within Phase 1 continues with regards to:
- Completing delivery of changes to Feed Official Controls;
 - Future Delivery Assurance workstream by continuing our Code of Practice Review project which will include publication of an Approvals Code to incorporate the new Official Controls Verification work, the new Scottish National Protocol and potentially a specific code on Imports and Exports;
 - Progressing our work on Shellfish Official Controls; and
 - Implementing the recommendations associated with the Cutting Plant and Cold Store review.
- 4.12 **It is the Executive's intention that these areas be prioritised by allocating any available resource to these three areas once we have planned Brexit allocations and allocated resource to the delivery of the work associated with OCR and Allergens outlined in paragraphs 4.8 and 4.9.**

Delivery of Regulatory Strategy – Phase 2

4.13 Following prioritisation of the areas identified above, the additional funding made available for Brexit now creates the opportunity to deliver on Phase 2 (Annex C) of the Regulatory Strategy, some of which also supports Brexit in demonstrating an effective system of regulatory assurance in Scotland. The Board will recall that a number of workstreams had been moved into Phase 2 which outlines our longer term regulatory ambitions that are on hold until post EU exit. As things stand the relevant workstreams which could be taken forward as priority are:

- Surveillance and Data Sharing
- Food Hygiene Information Scheme
- Penalties and Sanctions

4.14 The Executive has started the more detailed work to scope and plan out the requirements for Phase 2 (and beyond) which includes detailed prioritisation exercise and this will be presented to the next Programme Board meeting for approval. **The Executive would therefore welcome Board views on the priorities in Regulatory Strategy Phase 2 so we can take these into account when finalising our thinking around the areas identified as likely priorities, and how this factors into our broader consideration from a resource allocation perspective.**

Additional Bids for Delivery of Corporate Plan activities

4.15 Over and above the provisional allocation agreed by the Board in February, our budget planning round saw additional funding bids of circa £3.1m for new work (excluding regulatory strategy phases) to further support the delivery of our strategy and corporate plan. As it currently stands no new bids have been given approval by the Executive, however given the additional resource expected to be provided by SG to manage Brexit we may now have the ability to identify and allocate budget to some of these requirements. This will become clearer once we have prioritised around Regulatory Strategy Phase 2 in particular and it may make sense to commission some of this work ahead of some elements of Phase 2 which are likely to require delivery over more than one financial year. The difficulty we now face is planning ahead without clarity on future funding and that is another reason why the elements here may proceed in advance of Phase 2.

4.16 The requirements for new work have been through a degree of prioritisation that has been discussed by the Executive so we are able to identify what our priorities would be should resource become available. This has reduced the initial bid put forward and priority work to the value of £1m has been identified as a result. The bids have been prioritised by looking at whether there is a statutory requirement to carry out the work, whether the bids supported delivery of our key work programmes and lastly any Branch activities identified as a priority.

4.17 A summary of the key areas has been provided below and a more detailed breakdown has been provided at Annex D for the Boards information. It is the

Executive's view that these bids could now be considered for funding, alongside some emerging areas of work outlined above, as the financial position has changed with regards to additional resources to manage Brexit being made available. The Board may wish to consider the impact not taking forward any of this work will have on delivery of our statutory functions, strategic outcomes and Regulatory Strategy/Nutrition programmes and provide the Executive with a view on any priority areas that should be funded.

- Statutory work and key programme priorities
- Identified Branch priorities
- Projects on hold
- Projects postponed
- Lower priority projects

5 Identification of risks and issues

- 5.1 The additional resource allocation we expect to receive has mitigated one of the main risks we face as an organisation, around the risk that our budget being reduced or that it is insufficient due to new pressures, such as Brexit, or wider financial pressures across the Scottish administration. The impact of this risk materialising would result in the Board having to consider solely focussing on delivering our statutory requirements, or in the context of Brexit delivery, scale back on statutory obligations and strategic plan delivery through reprioritisation, all of which may ultimately have a detrimental impact on public health protection and consumers in Scotland.
- 5.2 Whilst the additional resource to deliver the operational consequential of Brexit is welcome and allows us to progress in these areas, it will remain challenging to fully utilise this budget given the that we are already 2 months into the financial year and we will need to prioritise and plan the work and recruit the staff resource needed to support delivery, which will take time. Additionally, the funding is expected to be confirmed for the current financial year only, which means a risk remains with regards to FSS investing in delivering these priority areas of the business with no guarantee that the ongoing future costs will be met through a revision of our longer-term budget allocation from SG. Whilst SG officials have acknowledged the fact that the costs identified by FSS in relation to Brexit are not one-off, they are unable to offer any guarantees that commitments made by FSS in 19/20 could be met going forward and we are clear that the current FSS budget allocation could not sustain this level of investment without additional budget being made available beyond 19/20. The Executive will seek mitigation for this risk through ongoing discussions at official level. It is also hoped the potential for a move towards 3-year budget allocations by SG will also help FSS manage this risk over a longer period of time.
- 5.3 In addition, we are aware of several other in-year pressures to the FSS budget which will need to be understood and considered further by the Executive and

Board in due course. Funding pressures we have identified to date that will need be part of our budget allocation and prioritisation thoughts are:

- Delivery of Meat Official Controls.
- Delivery of Feed Official Controls. Whilst there has been a budget provision made for feed Official Controls, work is still ongoing with regards to developing a final plan for the volume of inspections required to meet our future obligations as the competent authority.
- Potential additional costs in relation to ongoing legal challenge and potential judicial review of the SFELC cheese guidance/Errington Cheese Ltd.
- As mentioned above, FSS will have to meet additional employer contribution costs to My Civil Service Pensions – costs range from £0.2m - £0.4m depending on the final scenario. It is worth noting that public bodies are being asked to consider the worst case estimate being that employers will need to fund 50% (£0.2m) as there is some potential for consequential funding to be provided by Government to reduce the costs required to be absorbed by public bodies.

6 European Union considerations

6.1 Whilst the UK Government's intention continues to be that the UK will leave the EU by the end of October, FSS will still need to commit resources to keeping up with developments on EU food and feed law (such as the need to implement the new Official Controls Regulations by December 2019), and notwithstanding the nature of the UK's future relationship with the EU, we will still need to invest effort into EU and indeed international matters that thus far, the EU has taken the lead on, e.g. on Codex, the international body for food safety standards. In summary, leaving the EU does not reduce or remove the need for us to be engaged with the EU.

7 Conclusion/Recommendations

- 7.1 Dealing with the consequentials of Brexit and continued uncertainty about which scenario will materialise, and whether any additional resource would be made available, has made it more challenging for the Executive to allocate our limited budget to ensure we still meet our statutory functions, and deliver the Board's strategic priorities to protect public health. The allocation agreed by the Board in February allowed the Executive to continue delivery of these statutory functions and elements of our Regulatory Strategy and Nutrition programmes whilst allocating a provision for what we estimated will be required to continue to prepare for Brexit.
- 7.2 What is clear is that the work required to deliver Brexit consequentials across our remit is key to protecting public health, as we will be carrying out functions that previously were delivered by the European institutions to ensure public health protection. The additional resource expected to be provided by SG now allows FSS to plan and deliver these functions as well as investing in other areas to

ensure we are operationally ready for Brexit, assuming a transition scenario materialises. We are also clear that by committing additional resource on Brexit, we are continuing to direct our resources on public health, but this is a new burden and without additional funding beyond 19/20, it will not be possible to sustain this level of investment and would inevitably prevent us from spending it in other priority areas the Board has agreed through the strategy and corporate plan.

7.3 The Executive intend to use our next Corporate Leadership Group event in May to progress the detailed planning work that is now required to review our overall resource allocation and prioritisation, following Board direction, as a result of the expected additional budget being made available by SG. This meeting shall also look at longer-term impact Brexit will have on FSS through development of strategic priorities and a workforce plan which will help us identify our resource requirements and organisational structure to ensure we are best placed to deliver our statutory functions and Brexit becoming the 'new normal'.

7.4 The Board is asked to:

- **Note** that the Executive has progressed with the initial 19/20 budget allocation agreed by the Board at its February meeting to fund essential core activity, Regulatory Strategy and Nutrition work programmes and Brexit preparedness.
- **Note** the additional budget of up to £3.5m which is expected to be provided by Scottish Government to fund Brexit operational readiness.
- In order to allow the Executive to meaningfully plan, prioritise and allocate the expected additional budget, the Board is asked to **discuss and agree** the assumptions being made in paragraph 4.4 and 4.6, in particular the recommendation to base our planning on Plan B as identified in the February Board paper as the most sensible approach at this time.
- **Note** that the Executive will continue to maintain a 'watching brief' with regards to a no-deal Brexit.
- **Discuss and provide a view on** the prioritisation order outlined by the Executive in the paper with regards to resource and budget allocation as summarised below:
 - That the expected £3.5m be allocated to the priority areas for Brexit outlined at paragraph 4.8;
 - Alongside essential core activity, any existing budget/resource re-allocation that can be made as a result of the expected Brexit funding or other in-year savings be focussed on delivery of new statutory requirements, the emerging priorities around implementing the new Official Controls Regulation delivery and Allergens (outlined in paragraphs 4.8 and 4.9), followed by Regulatory Strategy Phase 1 and Phase 2 work and; and finally
 - Funding other priorities associated with delivery of our Nutrition programme and proposed projects at a Branch level.

- **Note** that whilst the significant risks previously identified will be mitigated to an extent through the expected additional resource being made available, those risks remain, with an additional risk identified with regards to future budget requirements.
- **Note** the next steps being taken forward by the Executive at its Corporate Leadership Group meeting in May 2019 to start the detailed planning (both short and long-term) that is now required to manage our overall resource allocation and prioritisation as a result of receiving the expected additional budget to fund Brexit consequentialia.
- **Note** that following the Board discussion, its views and any decisions made will be taken into account when the Executive update the Financial Management Plan.

For queries contact:
Garry Mournian
Corporate Services Director
Garry.Mournian@fss.scot
8 May 2019

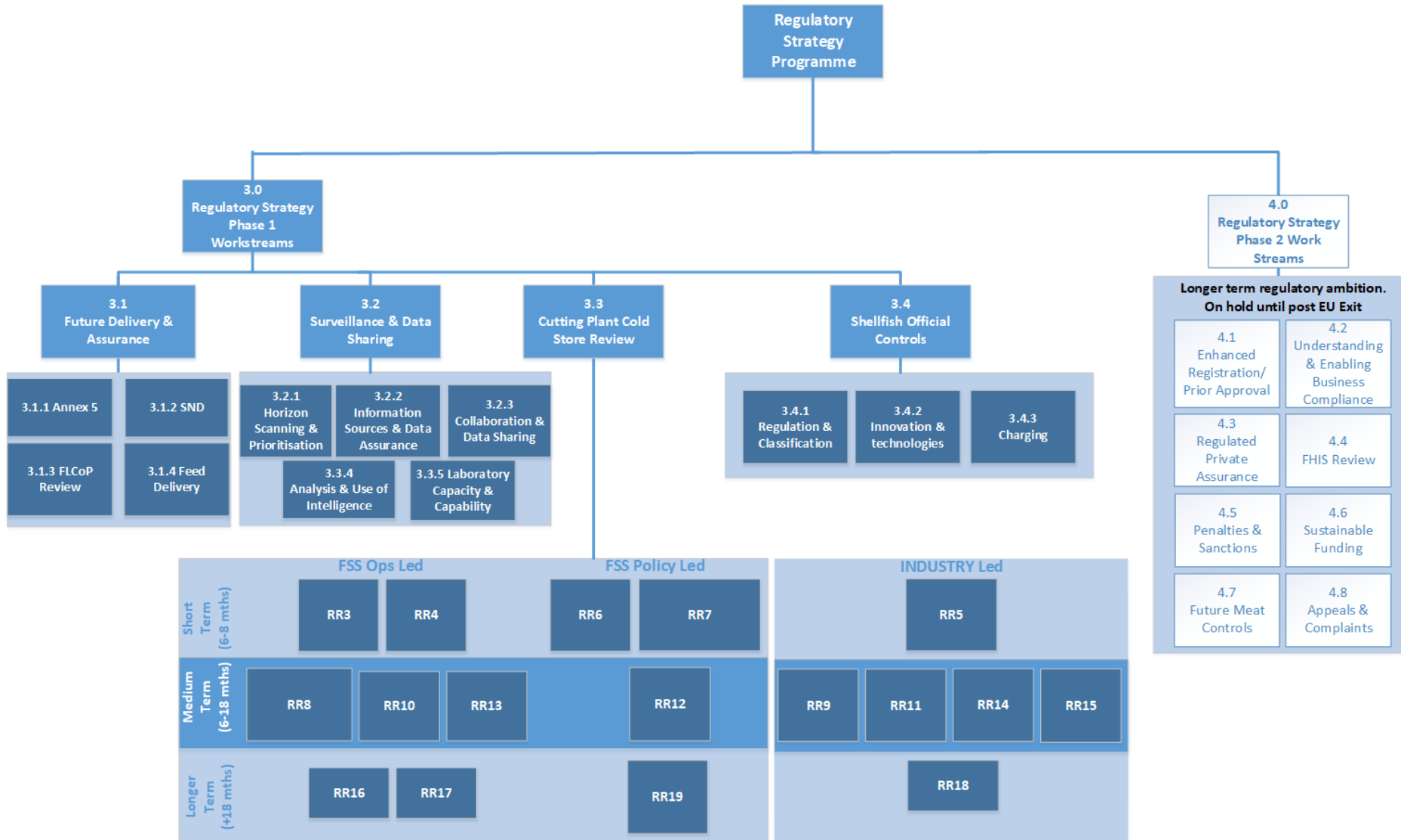
Annex A – 2019/20 Provisional Budget Allocation

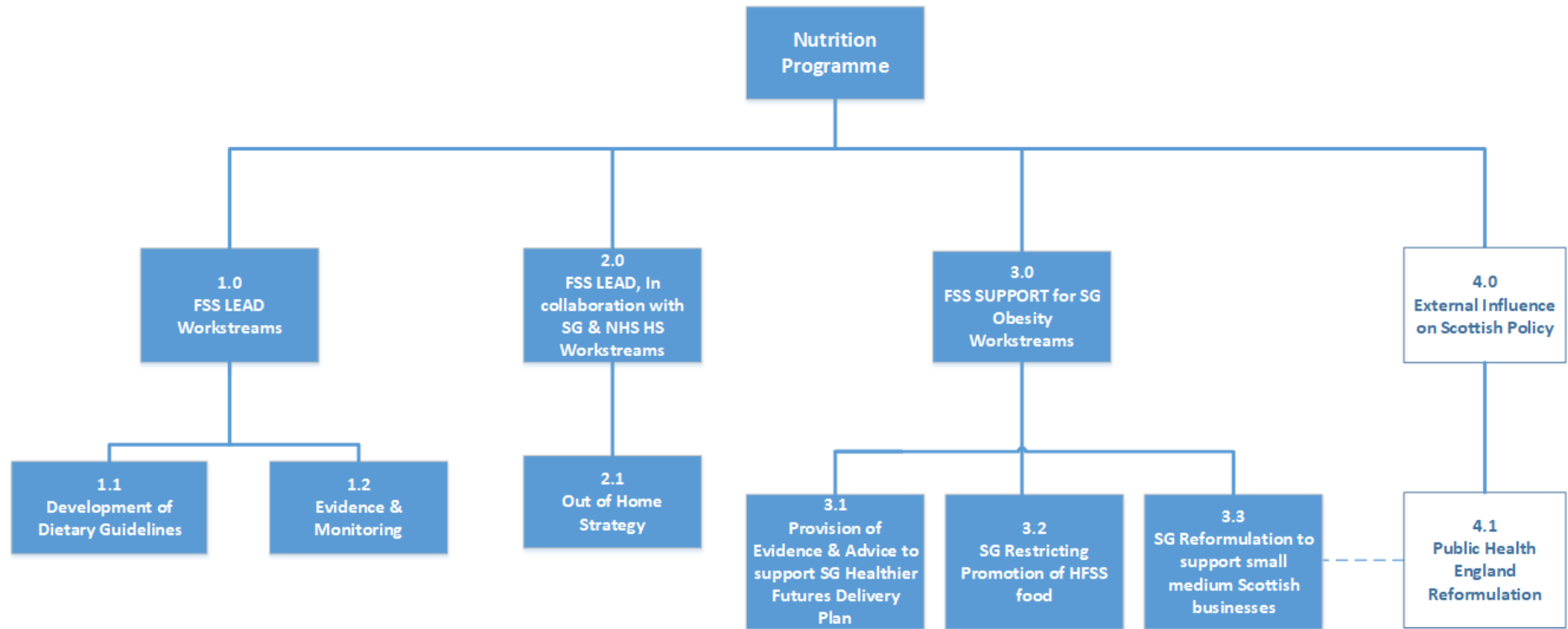
Budget and Strategic Outcomes Summary	Food is safe	Food is authentic	Consumers choose a healthier diet	Responsible food businesses flourish	FSS is a trusted organisation	FSS is efficient and effective	Total Core Activity	Brexit Work Programme	Diet & Nutrition Work Programme	Regulatory Strategy Work Programme	Total Work Programme	Total Budget Allocation
Staff	3,363,859	724,435	508,615	705,900	1,043,226	831,563	7,177,597	813,248	522,572	607,610	1,943,429	9,121,026
Administration	883,693	518,558	495,318	501,300	641,188	563,713	3,603,770	43,274	52,311	108,368	203,952	3,807,723
Programme	4,394,086	322,499	0	49,333	322,665	225,666	5,314,250	250,000	62,882	0	312,882	5,627,132
Capital	0	0	0	0	0	0	0	0	0	0	0	0
Income	(2,415,965)	(351,566)	0	(7,500)	(351,566)	(344,066)	(3,470,664)	0	0	0	0	(3,470,664)
Total Core Activities	6,225,673	1,213,925	1,003,932	1,249,033	1,655,514	1,276,875	12,624,954	1,106,522	637,764	715,977	2,460,263	15,085,217
% of budget allocated to strategic outcome	49%	10%	8%	10%	13%	10%						

Annex B – ECA Breakdown by Strategic Plan Outcomes and Branch

Strategic Plan Outcomes - allocation by branch	Category	Board	SMT	PO	C&M	CS	SSIA	RP	FPSS	NSP	SLA & Contracts	Area 1	Area 2	Area 3	ED	FCU	Audit	Total Forecast
Outcome 1 - Food is safe Total		21,591	45,910	47,710	138,921	586,747	0	22,383	561,286	0	2,510,938	304,775	252,707	567,758	578,836	221,078	365,033	6,225,673
Outcome 2 - Food is authentic Total		21,591	45,910	47,710	41,676	586,747	0	22,383	47,398	0	(30,650)	43,539	36,101	81,108	49,333	221,078	0	1,213,925
Outcome 3 - Consumers choose a healthier diet Total		21,591	45,910	47,710	138,921	586,747	43,391	22,383	0	97,280	0	0	0	0	0	0	0	1,003,932
Outcome 4 - Responsible food businesses flourish Total		21,591	45,910	47,710	55,568	586,747	0	268,596	0	0	0	0	0	0	49,333	173,578	0	1,249,033
Outcome 5 - FSS is a trusted organisation Total		21,579	45,882	47,681	374,842	586,395	43,378	89,532	0	0	111,899	43,539	36,101	81,108	0	173,578	0	1,655,514
Outcome 6 - FSS is efficient and effective Total		21,579	45,882	47,681	55,853	586,395	43,378	22,383	0	0	111,899	43,539	36,101	81,108	0	181,078	0	1,276,875
Total Forecast		129,523	275,404	286,200	805,782	3,519,777	130,146	447,660	608,685	97,280	2,704,086	435,394	361,009	811,083	677,503	970,390	365,033	12,624,954

Annex C – Programme Structure





Annex D – New Bids and Activities (including projects placed on hold, postponed or deemed to be lower priority)

Statutory and Work Programme Priorities

Branch/WP	Cost Centre	New project or activity	Weighted Score	Strategic Outcome	New Staff Nos	Staff	Admin	Programme Bid 19/20	Bid per meeting 18 Feb	Programme 20/21 and beyond	Capital	Total	Comments
SLA & contracts	313208	Sanitary Surveys		1,2	0	0	0	350,000	350,000	916,000	0	350,000	Statutory - scaleable
Diet & Nutrition	313231	Acquisition of data on retail purchase and price promotion	4.4	3	0	0	0	90,000	90,000		0	90,000	Essential to support FSS and SG policy
Diet & Nutrition	313231	Acquisition of data on Out of Home purchase	4.4	3	0	0	0	45,000	45,000	90,000	0	45,000	Essential to support FSS policy development.
Diet & Nutrition	313231	Calorie labelling: engagement with local authorities and health boards to adopt calorie labelling in their local areas, including public sector and SMEs.	3.25	3	0	0	0	30,000	30,000	0	0	30,000	Essential to support a key element of the OOH strategy
Reg Strategy	313232	Coordinated food sampling grants	4.2	4	0	0	0	150,000	150,000	0	0	150,000	Priority - scaleable
Reg Strategy	313232	Progress Phase 2 of the review of the Food Law Code of Practice (the Code)	4.7	4	0	0	0	5,000	5,000	0	0	5,000	Priority - reduce amount
Reg Strategy	313232	Review of the new Food Law Rating Scheme (FLRS)	4.4	4	0	0	0	5,000	5,000	0	0	5,000	Priority - reduce amount
												675,000	

Branch Priorities (managed within reduced budget allocation)

Branch/WP	Cost Centre	New project or activity	Weighted Score	Strategic Outcome	New Staff Nos	Staff	Admin	Programme Bid 19/20 –	Priorities within €75k	Programme 20/21 and	Capital	Total	Comments	Location
SSIA	313230	Assistant economic support, social science support and data science		1,-6	B2,C1/B3	0	0	0	10,000	0	0	10,000	Priority new allocation. Code Clan – data scientist	New request
Comms & Marketing	313203	Food Safety – Allergens Marketing Campaign	3.75	1,-6	0	0	0	170,000	7,850	0	0	7,850	Priority branch – need €7,850. Reduce to low level social media / PR campaign. Consider campaign for 2020/21 as an alternative.	313203 Comms and Marketing folder
Comms & Marketing	313203	FSS Schools and Education Activities	3.7	1,-6	0	0	0	40,000	5,000	0	0	5,000	Priority branch – need €5k. Reduce to partnership with SRU in schools in areas of multiple deprivation only	313203 Comms and Marketing folder
Comms & Marketing	313203	SFCIU – promotion of Scottish Food Crime Hotline	4	1,2,5,6	0	0	0	10,000	5,000	0	0	5,000	Priority branch – need €5k. Reduce spend but keep as priority building on promotional activity this FY.	313203 Comms and Marketing folder
Comms & Marketing	313203	Biannual Consumer Tracking Survey waves 8 and 9	5	1,-6	0	0	0	42,150	42,150	0	0	42,150	Priority branch	313203 Comms and Marketing folder
Comms & Marketing	313203	Search Engine Optimisation strategy	4.75	1,-6	0	0	0	10,000	10,000	0	0	10,000	Priority branch. Important to focus on improving FSS's search standing.	313203 Comms and Marketing folder
Comms & Marketing	313203	Young Scot Partnership	4.15	1,-6	0	0	0	10,000	5,000	0	0	5,000	Priority branch – need €5k. Reduce spend but keep as priority	313203 Comms and Marketing folder
Comms & Marketing	313203	FSS Events Programme	3.55	1,-6	0	0	0	60,000	0	0	0	0	Removing budget would mean FSS does not attend any events in 19/20 other than ToG/RHS	313203 Comms and Marketing folder
Comms & Marketing	313203	FSS Conference	3.75	1,-6	0	0	0	35,000	0	0	0	0	Had agreed with the Board we would run biannually so would need to discuss	313203 Comms and Marketing folder
FPSS	313206	Antimicrobial Resistance (AMR) in animals presented for slaughter and foods targeted at retail	3	1	0	0	0	30,000	7,500	0	0	7,500	Priority branch – need €7,500. Continue current programme of abattoir	313206 Food Protection Science and Surveillance folder
FPSS	313206	Development and delivery of catcher training to reduce Campylobacter transmission in poultry farms	3.45	1	0	0	0	25,000	10,000	0	0	10,000	Priority branch – need €10k. Priority for Campylobacter programme. Reduced costs in line with revised estimate from contractor.	313206 Food Protection Science and Surveillance folder
FPSS	313206	Extension of the SIRA Tool for Identifying the Provenance of Scottish Beef	3.1	2	0	0	0	30,000	17,500	0	0	17,500	Priority branch – need €17.5k. Costs reflect developments needed to complete the database.	313206 Food Protection Science and Surveillance folder
FPSS	313206	Contribution to FSA research programme on the burden of allergenic disease in the UK	2.7	1	0	0	0	40,000	40,000	0	0	40,000	Priority branch – need €40k. Bid based on agreement with FSA – to be confirmed	313206 Food Protection Science and Surveillance folder
SLA & contracts	313208	Regrade the current B1 position to a B2 (increase training, T&S costs)	4.05	1,4,5,6	B2 x 1	7,729	5,000	0	12,729	0	0	12,729	Priority branch	313208 SLA and Contracts folder
Operations, Area 1	313209	TMHIs from October 19	4	6	B1 x 4	67,184	5,000	21,000	93,184	0	0	93,184	Priority branch. Six months costs only for staff (added in admin and programme)	313209 Operations Area 1
Enforcement Delivery	313215	Local Authority Food Law Training	4.3	1,2	0	0	0	69,000	75,000	138,000	0	75,000	Priority branch – need additional funds €15k to delivery DCV training courses. €60k will be prioritised for advanced HACCP/Predictive modelling training to support the approved establishment and Brexit programmes of work and to top up the emergency	313215 Enforcement Delivery
Enforcement Delivery	313215	Emergency Planning and Resilience	4	5,6	0	0	0	40,000	0	160,000	0	0	Included in bid above see comments.	313215 Enforcement Delivery
												330,913		

Projects placed on hold

Branch/WP	Cost Centre	New project or activity	Weighted Score	Strategic Outcome	New Staff Nos	Staff	Admin	Programme Bid 19/20	Bid per meeting 18 Feb	Programme 20/21 and beyond	Capital	Total	Comments	Location
Diet & Nutrition	313231	Consumer awareness campaign on front of pack labelling	4.55	3	0	0	0	35,000		0	0	35,000	This could be reduced to £5k on the basis of agreement with SG	313231 Diet and Nutrition work programme - all in one document
Diet & Nutrition	313231	Exploration of consumer views and potential behavioural responses to proposed Out of Home policy interventions	4.1	3	0	0	0	20,000		0	0	20,000	Would like to maintain spend for FY as identified as requirement by NP Board.	313231 Diet and Nutrition work programme - all in one document
Diet & Nutrition	313231	Business impact assessment of calorie labelling	4.2	3	0	0	0	20,000		0	0	20,000	Possible to use in house resource to do this essential piece of work.	313231 Diet and Nutrition work programme - all in one document
Diet & Nutrition	313231	Literature review of behaviour of young people aged 16 – 30 years.	3.55	3	0	0	0	20,000		0	0	20,000	Could be done in house	313231 Diet and Nutrition work programme - all in one document
Diet & Nutrition	313231	Dietary guidelines	3.9	3	0	0	0	100,000		0	0	100,000	Could be postponed until funds become available	313231 Diet and Nutrition work programme - all in one document
Reg Strategy	313232	Developing a mechanism for employing economic indicators in food surveillance	3.9	1,2,4	0	0	0	70,000		0	0	70,000	Put on hold just now	313232 Reg Strategy work programme
FPSS	313206	Knowledge transfer on food authenticity testing		1	0	0	0	10,000		0	0	10,000	Would like to maintain - funding with FSA & DEFRA - to confirm	313206 Food Protection Science and Surveillance folder
FPSS	313206	PAHs in smoked products produced in Scotland	2.7	1	0	0	0	0		0	0	0	Alternative approach to develop guidance in house	313206 Food Protection Science and Surveillance folder
FPSS	313206	Association between Campylobacter subtypes and epidemiological characteristics of human cases of infection in Scotland	2.7	1	0	0	0	60,000		10,000	0	70,000	Put on hold pending consultation with scientists	313206 Food Protection Science and Surveillance folder
FPSS	313206	Review of On-line Tools for promoting food safety management in the fresh produce and smoked fish sectors	3.3	1	0	0	0	40,000		0	0	40,000	Put on hold until phase 2 of Reg Strategy	313206 Food Protection Science and Surveillance folder
FPSS	313206	Survey of Campylobacter in Raw Duck on Retail Sale in Scotland	2.8	1	0	0	0	50,000		50,000	0	100,000	Put on hold to explore sampling through LA grants	313206 Food Protection Science and Surveillance folder
FPSS	313206	Microbiological Survey of Unpasteurised Cheeses	3.35	1	0	0	0	50,000		50,000		100,000	Put on hold to explore alternative through SFELC sub group	313206 Food Protection Science and Surveillance folder
SLA & contracts	313208	Request for new post in branch	4.35	1,4,5,6	A4 x 1	31,494	0	0		0	0	31,494	Put on hold just now	313208 SLA and Contracts folder
Operations, Area 3	313211	Redevelopment of OV course			0	0	0	20,000		0	0	20,000	Put on hold just now	313211 Operations Area 3
Enforcement Delivery	313215	Local Authority Engagement	4.5	1,2	0	0	0	48,000				48,000	Put on hold just now	313215 Enforcement Delivery
Enforcement Delivery	313215	Approved establishments – Roll out of improvement package	4.75	1,2,4	0	0	0	20,000				20,000	Put on hold just now	313215 Enforcement Delivery

Projects Postponed to 2020/21

Branch/WP	Cost Centre	New project or activity	Weighted Score	Strategic Outcome	New Staff Nos	Staff	Admin	Programme Bid 19/20	Bid per meeting 18 Feb	Programme 20/21 and beyond	Capital	Total	Comments	Location
Diet & Nutrition	313231	Business impact assessment of portion size reduction	4.1	3	0	0	0	0		20,000	0	20,000	Postponed to 2020/21	313231 Diet and Nutrition work programme - all in one document
Diet & Nutrition	313231	Business impact assessment of improving children's food outside the home	4.1	3	0	0	0	0		20,000	0	20,000	Postponed to 2020/21	313231 Diet and Nutrition work programme - all in one document
Diet & Nutrition	313231	Calorie labelling: raising consumer awareness	3.15	3	0	0	0	0		50,000	0	50,000	Postponed to 2020/21	313231 Diet and Nutrition work programme - all in one document

Lower Priority Projects

Branch/WP	Cost Centre	New project or activity	Weighted Score	Strategic Outcome	New Staff Nos	Staff	Admin	Programme Bid 19/20	Bid per meeting 18 Feb	Programme 20/21 and beyond	Capital	Total	Comments	Location
Corporate Services	313204	Development of Operations OWS	3.45	6	0	0	0	0		0	195,000	195,000	Not priority for organisation	313204 Corporate Services folder
Corporate Services	313204	Phase 2 development for SHS2 system	3.95	1	0	0	0	0		0	220,000	220,000	Not priority for organisation	313204 Corporate Services folder
Corporate Services	313204	Stakeholder management system	3.65	6	0	0	0	0		0	100,000	100,000	Not priority for organisation	313204 Corporate Services folder