

Charges for Export Health Certification in Approved Certification Hubs in Scotland

Guidance Document

January 2021



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1. Introduction

- 1.1 Food Standards Scotland (FSS) is a non-Ministerial Office of the Scottish Administration. It is responsible for the delivery of EHCs in Certification Hubs to facilitate the export of fishery products and Live Bivalve Molluscs (LBM). Local authorities are also the competent authority for issuing official certificates such as the EHC (this is set out in schedule 5 of the Official Feed and Food Controls (Scotland) Regulations 2009).
- 1.2 This document explains the legal requirements that FSS must comply with in charging for EHCs in Certification Hubs, and how the charging is calculated and carried out. Paragraph 21 of this guide explains how a Certification Hubs can keep charges to a minimum. It also outlines the requirements of the business to pay the costs of official controls and other activities on the production on an invoice.

2. Charging for Export Health Certifications

- 2.1 The need for charges comes from:
 - The Official Control Regulations (Regulation EU 2017/625).
 - Regulation (EU) 2017/625, Art 1(2) (a) applies to official controls carried out in the areas of food and food safety. Article 88 lays out the requirements regarding official certificates, which shall be issued by the competent authorities. The issue of EHCs at the Certification Hubs falls within this.
 - The Official Feed and Food Controls (Scotland) Regulations 2009 (SSI 2009/446) schedule 5 states that both the food authority and FSS are the competent authority for issuing Art 88 certificates and for the purposes of Art 89 (also regarding official certificates).
 - In Article 83, regarding collection and application of fees and charges, references are made to, ‘an operator’ being charged rather than a Food Business Operator (FBO) specifically. The term is defined at Article 3(29) as ‘operator’ meaning any natural or legal person subject to one or more of the obligations provided for in the rules referred to in Article 1(2). Article 1(2) (a) covers, “any stage of production, processing and distribution of food” and we consider that the Certification Hub activities are covered by these terms.
 - Further information can be found in Chapter VI ‘Financing of Official Controls and other official activities’ of Regulation (EU) 2017/625 - Articles 79(2)(a) and (c) and 80.
 - A requirement by HM Treasury (“Managing Public Money” found at (<https://www.gov.uk/government/publications/managing-public-money>) for FSS to charge the appropriate customer for the services provided; and
 - The relevant sections contained within the Scottish Governments ‘Scottish Public Finance Manual’ <http://www.gov.scot/Topics/Government/Finance/spfm/Intro>.

3. Whom does FSS charge and for what does it charge?

- 3.1 As of 1 January 2021, FSS provides EHC services in three Hubs in Scotland's central belt:
- DFDS, based in Larkhall,
 - Mesguen, based in Harthill,
 - O'Toole, based in Bellshill.
- 3.2 FSS will charge for the EHC service by adopting a full cost recovery charging model. As per the Scottish Public Finance Manual (SPFM) Fees and Charges section <https://www.gov.scot/publications/scottish-public-finance-manual/fees-and-charges/fees-and-charges/> the full cost of delivering the service will be recovered.
- 3.3 An hourly charge out rate will be devised to cover costs from two components:
- Direct costs of FSS Certifying Officer (CO), Food Competent Certifying Officer (FCCO) and Certifying Support Officer (CSO) staff only (e.g. salary costs – including National Insurance and pension contributions)
 - Indirect costs driven by the delivery of EHC work (e.g. operational and administrative support to CO and CSO staff, IT infrastructure)
- 3.4 Additional information on what can and cannot be charged for is contained within Annex 2 of the SPFM fees and charging guidance <https://www.gov.scot/publications/scottish-public-finance-manual/fees-and-charges/annex-2-calculating-costs/>
- 3.5 A single charge rate will be applied for COs, FCCOs and CSOs. This calculation will factor in the total cost of delivering the certification work and spread the overall FSS cost over the estimated total chargeable hours. Premium payments for weekend and public holiday working will be included in the cost envelope.
- 3.6 A Business Agreement (BA) will be developed and agreed with each Hub on a quarterly basis. It will include key information required for accurate charging and details of the weekly estimated charges for each Hub and the hours of work for FSS staff. Any time worked in excess of the BA will also be charged on a monthly basis.
- FSS time based charges are calculated by multiplying the time spent carrying out certification work (to the nearest quarter hour) by the appropriate hourly charge out rate.
 - FSS will charge the Hubs for all of the hours specified in their BA except where staff are not required and they can be redeployed elsewhere; or where there are other significant reasons to be considered on a case-by-case basis.

- FSS will not charge for time incurred for EHCs for exports to NI as detailed in the Movement Assistance Scheme. FSS will agree with each Hub a formula for the deduction of such charges from the monthly invoice and FSS will recover these costs from the Department for Environment, Food and Rural Affairs (DEFRA).
- Where there are changes in FSS charging, for example changes to the hourly rates, these will be applied from the date of the change and not retrospectively. Time based charges may include transactions and adjustments from earlier periods where they have not already been processed.
- FSS will include any costs associated with the provision of support attestation by LAs and charged by FSS in the charge out rates.

4. How are the charges calculated

4.1 The table at **Annex A** sets out the hourly charging rates for the EHC service. Hourly charge rates are devised to cover costs from two components:

- Direct costs of FSS CO and CSO staff only (e.g. salary costs – including National Insurance and pension contributions)
- Indirect costs driven by the delivery of EHC work (e.g. operational and administrative support to CO and CSO staff, IT infrastructure)

4.2 Support costs are worked out on an activity-based costing model.

Business Agreement (BA)

4.3 From 1 January 2021, the charging arrangements for each Hub in Scotland are set out in the Hub's BA.

4.4 The BA will be agreed and signed by both parties at the beginning of each business year and reviewed on a quarterly basis. It will include the key information required for charges – based on estimates of expected staff deployment hours. The BA will include details of the weekly estimated charges.

4.5 Any time worked in excess of a BA will be charged on a monthly basis.

4.6 Time-based charges are used to estimate the costs for the BA. Further information about the (BA) can be found on the FSS website.

Hourly charge-out rates

4.7 FSS charge-out rates are calculated each year and are made up of CO/CSO staff costs and overheads. Changes to hourly charge-out rates for EHC services are made after advance notification to the Hubs. The Hubs will always be given a minimum of fourteen days notice prior to any new charge-out rates coming into effect. The charge-out rates are included in this guide at **Annex A**.

Chargeable allowances

- 4.8 Certain allowances that are paid to FSS staff because of a Hubs' business operating hours are chargeable, and are added to the time cost calculation. The amounts charged to the Hubs include the amount paid to FSS employees plus costs such as National Insurance and pension contributions.
- 4.9 Information about the various categories of chargeable allowance will be included in the BA, and any allowances paid but not in the BA will be invoiced quarterly. The following are some of the types of allowances that might be covered:
- daily unsocial/night hours - where an Inspector has worked outside FSS core hours; or
 - casual overtime – where regular casual overtime is worked it will be included in the BA.
- 4.10 Allowances will not be included in time costs when the employee is not available to carry out work.

Overtime and other local staffing arrangements

- 4.11 Overtime and other local staffing arrangements will also be included in the agreed BA

Public and bank holidays

- 4.12 Public holidays for 2021 will be identified on the BA and are as follows:

Date
Friday, 1 st January
Monday, 4 th January
Friday, 2 nd April
Monday, 5 th April
Monday, 3 rd May
Monday, 27 th December
Tuesday, 28 th December

- 4.13 The above listed days will be charged at a premium rate. Additional Bank Holiday charges will not be included in the BA but will be included within the monthly invoice. However, the normal hours for the day on which the bank holiday falls is included in the BA. Bank holidays that are not worked will be credited.

Overtime

- 4.14 When a Hub needs FSS employees to work beyond their normal contracted hours FSS will pay them at their contracted rate, which may be a premium

overtime rate. This cost is chargeable to the Hub and will be included as part of their total time costs.

Relief cover

4.15 If the normal Officer is unavailable, FSS will supply a replacement. The costs of the replacement (including the costs of any allowances the replacement Officer may receive) will be included as part of the time costs charged. The Hubs will not be charged for the normal Officer in addition to the replacement Officer.

Travel time

4.16 FSS employees are paid for any time spent travelling during their normal working hours. This paid travel time is not chargeable directly to the Hub but the cost is included in the hourly charge-out rates.

5. Keeping charges to a minimum – hints and tips

5.1 To make sure that charges are kept to a minimum, the Hubs can do the following:

- **Make sure that their operating hours and working practices are agreed with FSS and are documented in the BA.**
- **Give FSS as much notice as possible when there are temporary changes to the operating hours and working practices documented in the BA.** Where a Hub plans to make longer term changes, give FSS at least 15 days' notice. The more notice that is provided the better the opportunity that FSS has to redeploy staff without incurring additional costs.
- **Make sure that regular contact is made with FSS Operations Manager for your Hub.** They will be able to advise on any issues that may impact charges, keep you informed of future changes and can help make the best use of FSS resource.

6. Invoices and payment

When will Certification Hubs get their FSS invoice?

Invoices

6.1 FSS works in accounting periods - each containing four or five weeks (these are shown at **ANNEX B** – Monthly Timetable). The Hubs will normally receive an invoice each month, approximately two to three weeks after the end of the accounting period within which the work was carried out. Actual charges will be provided on a monthly basis.

What should the Hubs do if they have a query with their invoice?

Invoices queries

6.2 If a Hub has any difficulty in understanding their charges, or they suspect that FSS may have made an error, they should contact a finance representative by email, within 30 days of the date on the invoice, who will be happy to assist them:

- FSS invoice queries – Fiona Bruce or email: charging@fss.scot

6.3 For all invoices not queried within the 30 days, FSS will be expecting payment.

How can the Hubs pay for their charges?

Payment terms

6.4 FSS invoices are due for payment immediately. If payment is not received promptly then recovery action may be taken (see paragraphs 6.5 to 6.10).

Payment methods

6.5 Payment for FSS services can be made in a number of ways:



By internet banking or BACS, our account details are:

Bank Account	GBS Natwest Food
Sort Code	60-70-80
Account	10019715
Reference	“Receipts [and the invoice number]”

Overdue invoices

6.6 Invoices unpaid over 31 days will be considered as debt; initially contact will be made by FSS asking for payment. If payment is not received within a week of the contact the overdue invoices will be forwarded to FSS debt collection agency for commencement of civil debt recovery proceedings through the courts. If court action is taken to recover outstanding debts, the court will be asked to award FSS with the total debt, court costs and interest.

6.7 Successful court action will result in a judgment or a decree against the debtor and FSS would then be able to use a range of enforcement action to obtain payment, including the withdrawal of the Export Health Certification service.

6.8 If a Hub lodges a complaint under FSS Complaints Procedure (see paragraph 30) or lodges an appeal under the BA appeals process (see [BA Guidance](#)), they must continue to pay their FSS invoices otherwise they could still face legal proceedings. Payment will in no way prejudice the consideration of complaints and if upheld the appropriate credit will be made as soon as possible.

Withdrawal of official controls

6.9 If a Hub fails to pay for their Export Health Certification service, FSS may be forced to withdraw its services from the Hub.

Appeals

6.10 Businesses also have the statutory right to appeal to a sheriff if a business does not agree with a charge under regulation 8 of the Fishery Products (Official Controls Charges) (Scotland) Regulations 2007 (SSI 2009/262).

7. Suggestions, comments and complaints

- 7.1 If a Hub is at all dissatisfied with any aspect of the service provided by FSS, they should contact their Operations Manager in the first instance. If this does not resolve their problem and they are still not satisfied, FSS complaints procedure is available to all customers and stakeholders. A copy of the complaints procedure is available from FSS's website within the '[How we work](#)' section.
- 7.2 FSS welcomes comments on this guide and FSS charging process in general. If you do have any comments or suggestions for improvement on any aspect of FSS charging policy or this guide, please send them to:

Charges Guide
FSS Finance Department
Pilgrim House
Old Ford Road
Aberdeen
AB11 5RL
Email: charging@fss.scot

Annex A – Charge Rates

2020/21 Charge Rates to Food Business Operators from 1st January 2020

For FSS time spent on the Export Health Certification service, which are the hours the Hubs will be charged for the hourly charge rates for 2020/21 from 1st January 2020 can be found below:

Single time	£43.63
Monday to Saturday Overtime	£43.63
Double Time	£87.26
Public Holidays	£130.89

Annex B – Monthly Timetable

FOOD STANDARDS SCOTLAND MONTHLY ACCOUNTING TIMETABLE 2020-21

Months /Period	Week Number	Week Commencing (Monday)	Week Ending (Sunday)
January Period 10 (4 weeks)	40	28-Dec-20	03-Jan-21
	41	04-Jan-21	10-Jan-21
	42	11-Jan-21	17-Jan-21
	43	18-Jan-21	24-Jan-21
February Period 11 (5 weeks)	44	25-Jan-21	31-Jan-21
	45	01-Feb-21	07-Feb-21
	46	08-Feb-21	14-Feb-21
	47	15-Feb-21	21-Feb-21
	48	22-Feb-21	28-Feb-21
March Period 12 (4 weeks)	49	01-Mar-21	07-Mar-21
	50	08-Mar-21	14-Mar-21
	51	15-Mar-21	21-Mar-21
	52	22-Mar-21	28-Mar-21

Version Control

Version	Date	Last review carried out	Next review due	Comments
1.0	January 2021	N/A	April 2021	First version

Abbreviations

Hub	Certification Hub
BA	Business Agreement
CO	Certifying Officer
CSO	Certifying Support Officer
DEFRA	Department for Environment, Food and Rural Affairs
EHC	Export Health Certificate
EU	European Union
FBO	Food Business Operator
FCCO	Food Competent Certifying Officer
FSS	Food Standards Scotland
IT	Information Technology
LBM	Live Bivalve Molluscs
OM	Operations Manager
NI	Northern Ireland
SPFM	Scottish Public Finance Manual



**For safe food and
healthy eating**

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