

## **Guidance document**

Business agreement guidance for approved meat establishments in Scotland for April 2024-25

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## **Abbreviations**

OV

BA Business Agreement
EC European Commission

**EU** European Union

FBO Food Business Operator
FOC Field Operations Coordinator
FSS Food Standards Scotland
HOD Head of Operational Delivery
HOFO Head of Field Operations
MHI Meat Hygiene Inspector
OM Operations Manager

Official Veterinarian

### 1. Purpose and introduction

#### 1.1 Purpose

This guidance is designed to support Food Business Operators (FBO) in the process of working with Food Standards Scotland (FSS) to develop a Business Agreement (BA) specific to their establishment.

#### 1.2 Introduction

The BA (Annex A) is a tailored document setting out how the establishment will operate in terms of hours and throughput and details the minimum charges for FSS resources to be supplied. The BA should be drafted in collaboration between the FBO and FSS. By working together, the BA will lead to a clear understanding of each other's business needs, maintaining a productive and positive working relationship and agreement of FSS resources to be supplied. Both parties will endeavour to deliver cost savings for both industry and FSS and ensure compliance with regulatory requirements.

Drafting of the BA will be formally undertaken by the assigned FBO representative and the FSS Operations Manager (OM).

The OM will be supported by feedback from the Official Veterinarian (OV) and FSS inspection staff. It is anticipated that the OM will continually consult with the FSS team on FBO process to assess what would be the appropriate level of FSS resources required in the establishment concerned.

The BA will establish initial staffing levels and will be a living document to be kept under regular review by the OM and the FBO. A formal review should take place before the start of a new accounting year along with a minimum informal review each quarter. Either party may suggest changes to the BA as and when business need or circumstances require it, but a BA will only be amended by agreement between quarterly reviews if there have been material changes to the way in which an establishment operates.

In the circumstances where there is a lack of agreement between the two parties the BA will be completed by the OM, with the resource allocation that FSS determine is required, but noting the FBO's comments in the relevant section of the BA and covering letter. The FBO is then able to enter appeals process to pursue the issue, please see the section on the BA appeal process below.

The BA does not supersede or replace any legal requirement applicable to either FSS or the FBO under relevant legislation.

### 2. Business Agreement

#### 2.1 Establishment details

FSS will populate the following information:

- registered name
- GB approval number
- plant type
- discount further information on this calculation can be found in the <u>Charging Guide</u>

As a BA is establishment specific, a separate BA will need to be written for each approved establishment regardless of whether those establishments are under the same ownership.

#### 2.2 Operational throughput details/average

The throughput, line speed, species, design of the line (carcass presentation), and inspection positioning will all to a greater or lesser extent influence the number of FSS staff required at the specific establishment.

The throughput data in the BA should be an estimate of the average number of animals that are expected to be processed each day. These details are not designed to limit the throughput allowed, instead they provide FSS as accurate a forecast as possible of the throughput demand, and this allows staffing requirements to be more accurately planned in accordance with ergonomic risks and the effective application of official controls per carcase cycle at the point of inspection.

Where significant changes are anticipated, such as seasonal variations or other known business fluctuations, these should be noted in the business information section of the BA. The relevant tables should be completed to agree the operating hours and staffing levels required for that period.

In multi-species establishments, fewer FSS staff are needed to inspect some species. Therefore, it may be possible to reduce inspection resources where an FBO can commit to processing species in a particular order, particularly if fewer staff are required at the start of the day. This should be considered by the FBO and FSS team when drafting the BA.

#### FSS staffing allocation of average hours, coding, and operating hours

As well as providing the FBO with more detail about how FSS staff will be deployed, the information from this table is used to complete the 'FSS staffing average total hours' table (these tables are contained within the BA examples attached). For a multi species plant, the data should be replicated for each species indicating grade of staff etc.

The tables will be jointly completed by the FBO and the OM and will establish when the relevant grade of FSS staff is required for the processing of animals.

Operating hours will identify when the plant starts and finishes. When determining hours of operation, the following issues should be considered:

- stock delivery times
- time taken for ante-mortem bearing in mind that ante-mortem can be carried out up to 24 hours before slaughter
- anticipated start and finish time for processing
- facility time needed for FSS staff to prepare for the day and the time needed to clean down and report at the end of the day

The table will also detail the start and finish times for FSS staff and grade required e.g. OV and Meat Hygiene Inspectors (MHI) for the processing of animals at the individual establishment. Where possible, start times should be identified to ensure FSS has the maximum opportunity possible to efficiently deploy staff.

The OV attendance data should state the start and finish time for OV presence. The MHI attendance should also establish the required start and finish times for the inspection team. It should be noted that if species are slaughtered in a particular order, the start time for some of the inspection team could be later than others.

Before agreeing attendance hours, FBOs (Food Business Operators) should take care to ensure they are fully satisfied that the proposed hours reflect all the potential unavoidable variations in working hours.

#### 2.3 FSS staffing average total hours

This table is completed using the operating hours and throughput requirements and the number of FSS staff required. The calculation of average hours should not be seen as a minimum or maximum but more as the anticipated average hours required for each of FSS functions, broken down by hours chargeable to industry, and hours chargeable to other Government Departments. The data will set the minimum weekly charge that will be levied on the FBO for the services provided.

#### 2.4 Other business information

This section should be used to record any other information which is of relevance to the efficient use of FSS resources. Matters for consideration can include, but are not limited to the following:

- whether the FBO or FSS has identified any FBO working practices which, if altered could improve the efficient deployment of FSS resources e.g. changes to the line which could lead to more efficient working arrangements for FSS team or greater predictability in the supply of stock
- whether the FBO or FSS team has identified any areas where changes to FSS processes / procedures could lead to the more efficient use of FSS resources

- predictable seasonal variability to ensure FSS has as much warning as possible about significant seasonal changes to throughputs
- where an FBO wishes to work on Bank/Public Holidays or to alter their operating hours to accommodate religious festivals, they should be encouraged to provide details of these events as early as possible to help plan FSS attendance
- any other comments which have been identified during the drafting process which could lead to the more efficient deployment of FSS staff
- any comments which the FBO wishes to make which are not considered elsewhere in the document
- FSS staff allowances should be stated in the Business Information box to ensure the FBO is aware of contractual overtime and/or allowances being levied on invoices
- FSS employed staff have an entitlement of up to 30 minutes facility time per day. The provision of chargeable facility time is in addition to the start and finish times as stated in section 1.2 of the BA

Where an OV is on site and is suitably authorised, then they may conduct certification work, including internal movement documents, at the FBO's request, provided that it does not negatively impact on OV capability to perform their core official controls as outlined within the BA. Certification work does not form part of the formal BA process and is an agreement under local request and FSS consent.

#### 2.5 Next review date

The frequency of the review will be determined by individual circumstances and should be mutually agreed between the OM and the FBO. However, all BAs (Business Agreement) should be reviewed prior to the start of a charging year with an informal review being undertaken each quarter.

If at any stage, there is substantial change to the operation or inspection requirements, the BA may be reviewed immediately, and changes implemented with 15 days' notice or implemented with immediate effect if under mutual FBO and FSS consent.

#### 2.6 Co-located and standalone cutting plants

A BA will not be required for standalone, co-located cutting plants and seasonal low throughput plants by agreement. Cutting plants will be charged for official controls, such as audit, in accordance with Annex A of the <a href="Charges for Official Controls in Meat Establishments">Charges for Official Controls in Meat Establishments in Scotland guide.</a>

#### 2.7 Wild game establishments

In wild game handling establishments, a BA is required when official controls are to be provided. Attendance may be seasonal therefore seasonal requirements should be recorded in the BA and other relevant information should be recorded.

In some limited circumstances, it may become necessary for FSS to implement short notice increases to the level of official controls provided, which are not laid out in the current BA. Examples of such circumstances are in response to:

- health and safety concerns
- bullying and harassment of FSS staff
- high levels of non-compliance which pose a risk to public health (such as significant levels of contamination of final product requiring inspection)
- review and/ or withdrawal of "low-capacity" designation and associated reduced OV/ MHI attendance

In these circumstances, FSS will revise the BA as soon as practicable after the introduction of increased resource. A new BA will be produced when the increased level of resource has been reduced again. The increased level of official controls will be chargeable pursuant to schedule 2, paragraph 6 of The Meat (Official Controls Charges) (Scotland) Regulations 2009 as amended, and article 79 of Retained Regulation (EU) 2017/625.

#### 2.8 Completed BAs

It is the responsibility of the OM that the BA is completed following the discussion and issued to the FBO. The BA should be signed by both parties and a copy given to the FBO as a record of the agreement.

FSS will implement the agreed staffing levels and working hours on an agreed date as detailed within the BA. This version will be retained on the FSS IT system **for a minimum period of 2 years.** 

In the event that the FBO is not content with the outcome of the discussion and a determination, including non-signing of the BA, the FBO may enter the appeals process. During the appeals process the BA will be implemented as specified and constructed by the OM.

A completed, up to date BA should be displayed in all relevant FSS offices.

The business will be charged for FSS time chargeable to industry covered by the agreement **AS A MINIMUM**. The business will also be charged for any FSS chargeable time that is needed in excess of the agreed levels in the BA as provided for in Schedule 2, paragraph 6 of The Meat (Official Controls Charges) (Scotland) Regulations 2009 as amended.

#### 2.9 How the BA affects FBO official controls charges

FSS time-based charges are calculated by multiplying the time that has been recorded on FSS inspection team timesheets as time spent carrying out official controls, by the appropriate hourly charge-out rate. FSS will charge the FBO for all the hours specified in the BA with the following exceptions:

- where staff are not required, <u>and</u> they can be redeployed elsewhere to other chargeable activity
- where force majeure applies

Charges will be levied for unutilised FSS time within the BA in the event of on-site operational failures or shortfalls in agreed operating hours due to the activities/decisions of the FBO subject to the paragraph above.

Any time worked over the BA will be charged e.g. if the daily finishing time of the plant extends beyond that specified in the BA. (Note where this occurs frequently, the BA should be reviewed to provide a more accurate reflection of the operating hours at the establishments).

The FBO should provide FSS with as much notice as possible when intending to change the operating hours at the establishment. By giving reasonable notice of changes, FSS will have time to try and re-arrange resources to fit the new requirements without incurring additional costs. For major or permanent changes, 15 working days' notice are required to enable FSS to give notice to its staff and contractors where contractual changes are necessary. The FBO should always notify FSS in writing of the intended start date of any change.

For short term changes where, due to their temporary nature, a permanent change to the BA is inappropriate, the FBO should aim to give FSS as much notice as possible and we will endeavour to meet the FBO's needs if at all possible. Where FSS cannot meet temporary requirements without incurring additional costs, then charges will apply as outlined above.

For further details of how charges are calculated please refer to the <u>Charges for Official Controls in Scotland guide</u>.

## 3. BA appeals procedure

FSS recognises that there may be occasions when an FBO and the OM do not agree locally on the level of resources and the number of chargeable hours required at the establishments. Where this happens, FSS will allocate the staffing level and hours to the business that it considers appropriate, but the business will be able seek a review of the allocation by following the BA appeals process. The appeals process is a two-stage process including an internal and external component. This is intended to give confidence in the system, but also to encourage FBOs and FSS to work collaboratively to agree resource allocations.

A £250 fee is payable by the FBO at the outset of the review process as a contribution to FSS costs. Reviews will not commence until the fee has been paid. If the review/appeal rules in the FBO's favour the £250 will be refunded.

While the appeal is being carried out, the FBO is still required to pay FSS invoices in full, including the cost of any disputed resources. If the appeal is upheld, the FBO will receive a credit on a future invoice. If the FBO's appeal is not successful, then the charges will not be credited and the charges will stand. FSS may in certain circumstances continue to retain the disputed resources in the plant, even after an appeal is lost by FSS, where it is considered necessary to meet the requirements of the official controls, but the FBO will not be charged for the excess attendance.

#### 3.1 Stage 1 – Internal review appeal process

#### 3.1.1 Step 1 – Business seeks a review

The OM will use the information available (current operating hours, throughput levels, line speed, etc.) to produce a BA. The BA will show the allocated number of MHIs (Meat Hygiene Inspectors) and OVs (Official Veterinarian), and their hours that FSS considers should be allocated to the plant, and the business will be charged for these. The FBO will be given a copy of the BA.

The FBO may request that the resource allocation in the BA be reviewed. This request must be made within 21 days of FSS providing the FBO with the BA. A £250 fee will be payable on lodging a request for review, refundable if the business' challenge is upheld following internal review or subsequent appeal. Upon lodging the request for a review, the business will be expected to state the grounds for disagreeing with FSS resource allocation. No review will commence until the £250 fee has been paid.

# 3.1.2 Step 2 – Initial discussion between FBO and the Head of Field Operations

When notified that the £250 fee has been paid, the OM will, within 5 working days, provide the Head of Field Operations (HOFO) with a copy of the BA, and a paper setting out the reasons for the resource allocation, and any other relevant information, including the FBO's written reasons for the appeal. A copy will be supplied to the FBO.

The HOFO will conduct the review together with an industry representative to be nominated by an appropriate representative body.

The review team will consider the grounds put forward by the FBO for disagreeing with the resource allocation and carry out the review in the light of the information supplied to them, and any that they obtained from the business or the OM. The team will be able to seek appropriate advice, e.g. from FSS Veterinary Managers or Health & Safety Advisors. The team will prepare a report with recommendations for consideration by FSS Head of Operational Delivery (HOD). A copy will be sent to the FBO.

#### 3.1.3 Step 3 – Consideration by FSS Head of Operational Delivery

FSS Head of Operational Delivery (HOD) will consider the review team's report and recommendations and will make a decision on the appropriate level of resources for the establishments. The business will be charged accordingly for official controls - with any charges that have been overpaid being reimbursed. These will be charges for official controls delivered after the £250 payment had been received by FSS, that FSS HOD determined to be in excess of those necessary to deliver the appropriate level of official controls.

It is intended that the review will take no more than four weeks to complete.

If the review upholds the appeal, the £250 fee will be returned as a credit on a future invoice to the FBO.

#### 3.1.4 Step 4 – Business disagrees with final FSS resource allocation

If the FBO disagrees with the decision by FSS HOD they may request an independent appeal. This stage 2 appeal must be requested within one week of being notified of the decision by FSS HOD.

#### Stage 2 - The independent appeal process

#### 3.1.5 Step 5 – Independent review

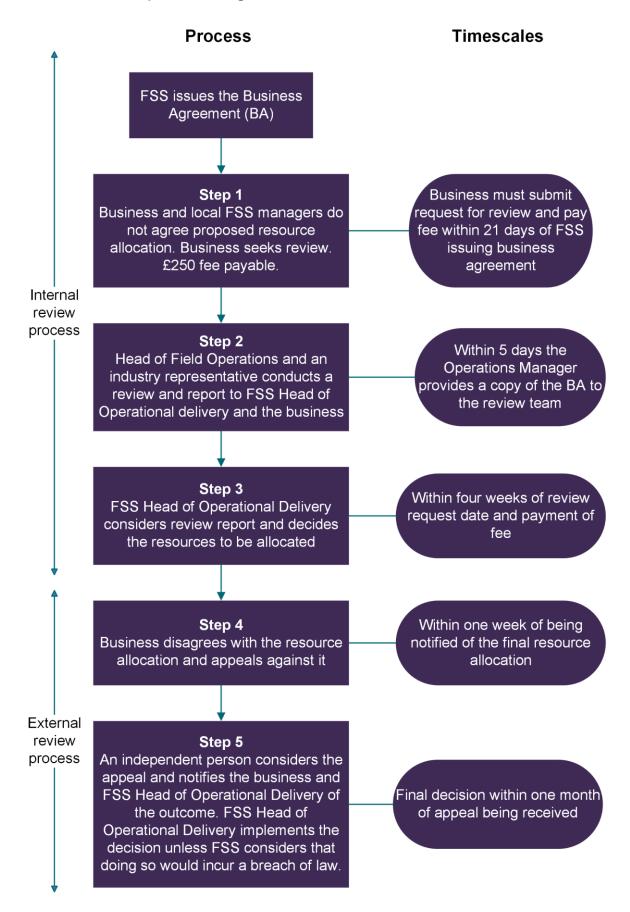
The appeal will be determined within one month by an independent person nominated by FSS. The nominated person:

- will give the FBO and FSS an opportunity to make representations on the matter to be determined
- will determine the matter concerned
- can order the FBO or FSS to pay costs
- will notify the FBO and FSS HOD of the determination and of any order for costs

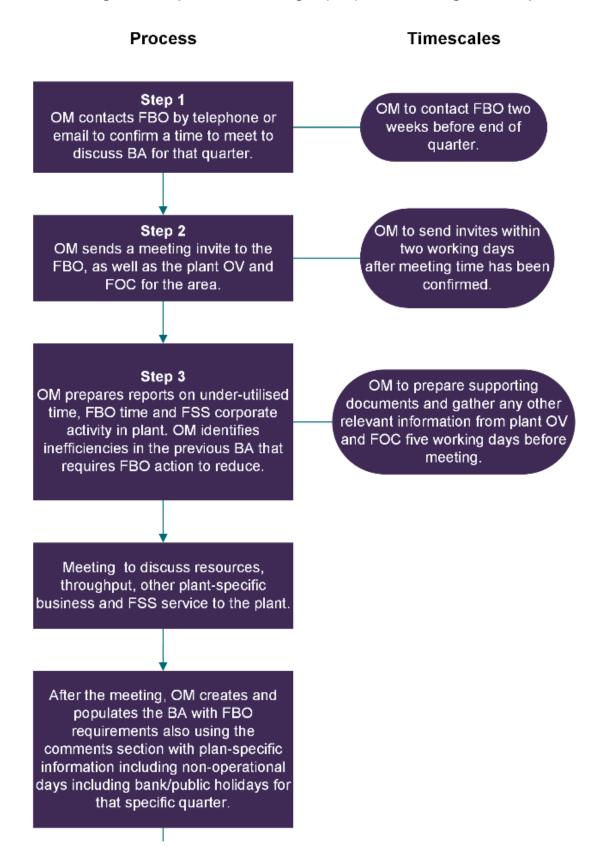
If the independent nominated person finds in favour of the FBO, the £250 fee for initiating the appeals process would be returned to the FBO.

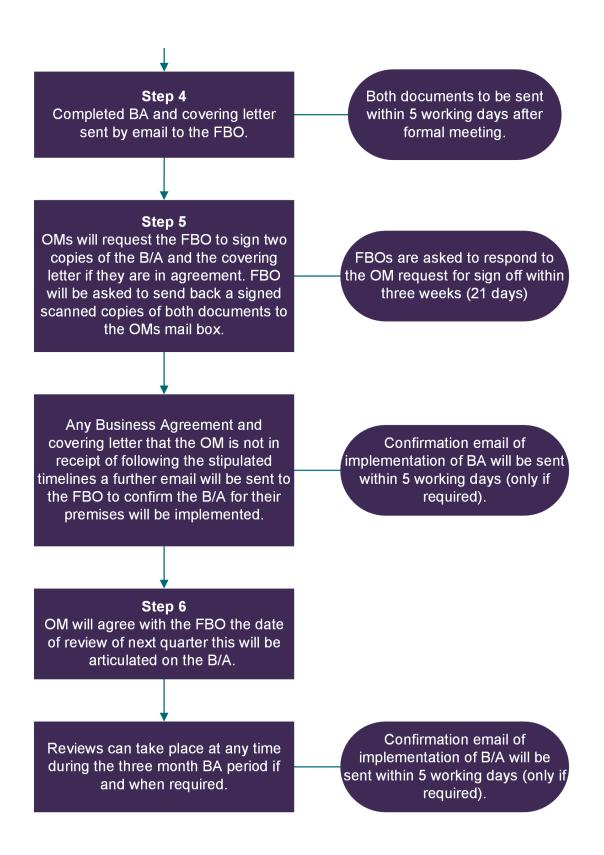
FSS will implement the determination unless FSS considered that the determined resource allocation was insufficient to enable official controls to be carried out in accordance with EC law. If that were to be the case, the FBO would not be charged for any staff/hours that were in addition to those determined as necessary by the independent nominated person. This would apply from the date that the £250 had been received.

#### 3.1.6 Review process diagram



#### 3.1.7 Diagram of Operations Manager (OM) Business Agreement process





Field Operations Coordinators (FOC) will be trained in the BA process, this will give assurance to FSS Senior Management that contingency measures are in place, to monitor delivery and provide the built-in resilience that is required to deliver BA needs.

#### Training measures:

- FOC will require to have a good understanding of the Business Agreement Guidance and Business Agreement Charging documents.
- FOC will Shadow the Operations Manager while conducting Business Agreement visits to build up experience and understanding of the process.
- Operations Managers will cascade the principles of the Business Agreement flow diagram to the FOC.
- FOC will be monitored and assessed while undertaking a Business
   Agreement meeting by the Operations Manager. Completion of Business
   Agreement and covering letters will be supervised until the FOC is competent
   in the application.