



Annual Report & Accounts 2024/25



foodstandards.gov.scot

Contact information

For information about the contents of this report, please contact enquiries@fss.scot

Food Standards Scotland
Pilgrim House,
Old Ford Road,
Aberdeen,
AB11 5RL.

T: 01224 285100

www.foodstandards.gov.scot

At Food Standards Scotland we have a unique role, working independently of Ministers and industry to provide advice which is impartial, and based on robust science and data.

Our remit covers all aspects of the food chain which can impact on public health – aiming to protect consumers from food safety risks and promote healthy eating.

Laid before the Scottish Parliament pursuant to section 15(5) of the Food (Scotland) Act 2015

Abbreviations

Abbreviation	Written in full
ABR	Autumn Budget Revision
AI	Artificial Intelligence
AME	Annually Managed Expenditure
AGHE	Approved Game Handling Establishments
AMR	Antimicrobial Resistance
ARC	Audit and Risk Committee
AUC	Assets Under Construction
BSE	Bovine Spongiform Encephalopathy
BSL	British Sign Language
CEFAS	Centre for Environment Fisheries & Aquaculture Science
CETV	Cash Equivalent Transfer Values
CMI	Continuous Mortality Investigation
CMP	Carbon Management Plan
CMS	Case Management System
CMI	Continuous Mortality Investigation
CoP	Code of Practice
CSPS	Civil Service Pension Scheme
DBO	Defined Benefit Obligation
DDSGG	Digital and Data Steering Governance Group
DEFRA	Department for the Environment, Food and Rural Affairs
DEL	Department Expenditure Limit
DIAA	Directorate of Internal Audit and Assurance
DPA	Data Protection Act
DWP	Department for Work and Pensions
EC	European Commission
ECA	Essential Core Activities
EDI	Equality, Diversity, and Inclusion
EMT	Executive Management Team
EOEW	Eating Out, Eating Well Framework
FBC	Finance and Business Committee
FBO	Food Business Operator
FCSA	Food Crime Strategic Assessment
FReM	Government Financial Reporting Manual
FSA	Food Standards Agency
FSS	Food Standards Scotland
FTE	Full Time Equivalent
GAD	Government Actuary's department
GDPR	General Data Protection Regulation
GMP	Guaranteed Minimum Pension
H&S	Health and Safety
HACCP	Hazard Analysis and Critical Control Points
HEFESTIS	Higher Education and Further Education Technology Infrastructure Services
HFSS	High Fat, Salt and Sugar
HMT	His Majesty's Treasury

HSE	Health, Safety, and Environment
HWL	Healthy Working Lives
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IT	Information Technology
KICK	Keep, Improve, Consolidate, Kill
KPI	Key Performance Indicator
LA	Local Authority
LGPS	Local Government Pension Scheme
LPFA	London Pension Fund Authority
MOU	Memorandum of Understanding
NMO	Non-Ministerial Office
OC	Official Controls
ODITS	Operational Delivery IT Solution
OGD	Other Government Department
PCSPS	Principal Civil Service Pension Scheme
PHS	Public Health Scotland
PPDS	Prepacked for Direct Sale
PSR	Public Service Reform
REUL	Retained European Union Law
ROU	Right of Use
RPS	Regulated Products Service
SAFER	Scottish Authorities Food Enforcement Rebuild
SEI	Science, Evidence and Information
SEFARI	Scottish Environment, Food and Agriculture Research Institutes
SCS	Senior Civil Service
SFCIU	Scottish Food Crime and Incidents Unit
SFSD	Scottish Food Sampling Database
SG	Scottish Government
SLG	Senior Leadership Group
SMC	Shellfish Monitoring System
SND	Scottish National Database
SPFM	Scottish Public Finance Manual
SPI	Strategic Performance Indicator
SPS	Sanitary and Phytosanitary
SRM	Specified Risk Material
SSRB	Senior Salaries Review Body
TMHI	Trainee Meat Hygiene Inspector
TOV	Trainee Official Veterinarian
TU	Trade Union
UKG	UK Government
VAT	Value Added Tax

Contents

1. Performance report 5

Chair and Chief Executive’s report 5

Our year in numbers 7

About Food Standards Scotland 8

Overview..... 10

Performance summary 13

Performance analysis 23

2. Accountability report..... 43

Corporate governance report..... 44

Remuneration & staff report..... 53

Parliamentary accountability disclosures 69

3. Independent Auditor’s Report to Food Standards Scotland, the Auditor General
for Scotland and the Scottish Parliament 71

4. Food Standards Scotland financial statements 77

Statement of comprehensive net expenditure 78

Statement of financial position 79

Statement of cash flows..... 80

Statement of changes in taxpayers’ equity 81

Notes to the financial statements..... 82

SI No SG/2025/25

1. Performance report

Chair and Chief Executive's report

We are pleased to present the Annual Report for Food Standards Scotland (FSS) for the year ending 31 March 2025. This report reflects our unwavering commitment to protecting public health, ensuring food and feed safety, and maintaining consumer confidence across Scotland.

Embracing change and innovation

This year, we advanced our digital transformation programme, notably through a standalone web development project. The near completion of the new FSS website marks a significant milestone in improving our transparency and accessibility for consumers and the food and feed sectors. Continued investment in technology and data analytics has strengthened our ability to monitor food safety, anticipate risks, and respond swiftly to emerging challenges.

Strengthening food and feed safety standards

Throughout the year we published many important reports and risk assessments. This included the first review since 2010 of the diets of Scotland's children (age 2-15). Published in January 2025 "Dietary Intake in Scotland's Children" has been widely welcomed and referenced.

We successfully completed the third tranche of Market Authorisations (Regulated Products) for feed additives. Amendments to the previously published guidance came into force December 2024. These make provision relating to [Food Standards Agency Feed additives guidance](#) which is essential in the use of additives in animal nutrition and feed for specific nutritional purposes in Scotland.

Our Strategy

We are actively developing our FSS Strategy for 2026–2031, to be published in early 2026. This five-year strategy will be underpinned by annual delivery plans and aligned with the Food (Scotland) Act 2015.

In the past year, FSS has made significant progress across all five strategic outcomes, reinforcing its role as a trusted authority in food safety, public health, and consumer empowerment.

- **Digital innovation:** launch of the Shellfish Monitoring System (SMC), improving stakeholder engagement and operational efficiency.
- **Scientific leadership:** publication of shelf-life guidance and a peer-reviewed paper on outbreak investigations.
- **Public health advocacy:** messaging on ultra-processed foods and nutrition standards for early years settings.
- **Industry recognition:** meat Operations awarded silver accreditation by the British Veterinary Association.
- **Consumer insight:** research reports and seminars enhancing transparency on emerging food technologies.
- **Strategic influence:** co-hosting of the SEFARI event and joint publication of "Our Food 2023".

- **Organisational development:** completion of a data maturity assessment to support future transformation.

Financial position

This year presented financial challenges that required difficult decisions regarding resource allocation. Despite these pressures, our commitment to maintaining high standards of food and feed safety remained steadfast. We are exploring additional funding opportunities and efficiency measures to strengthen our financial resilience, though we acknowledge that financial constraints will persist.

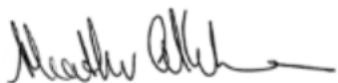
Looking ahead

We are preparing for the implications of the EU/UK SPS Agreement, which will significantly impact our resources. However, we remain confident that through the dedication of our team and the support of our partners, we will successfully navigate the challenges ahead.

For several years we have reported our belief that significant change is required in the way official controls are delivered. We have secured initial funding and shall progress the SAFER programme, which aims to deliver a reformed and modernised system for food law in Scotland. Through close collaboration with stakeholders this will improve efficiency and build sustainability in the processes deployed to ensure food safety.

Closing remarks

We extend our sincere gratitude to the staff of FSS and our partners for their continued dedication and support. Together, we are building a food system that is safe, sustainable, and trusted by all.



Heather Kelman
Chair



Geoff Ogle
Chief Executive

Our year in numbers

	2024/25	2023/24
Total number of approved meat plants at 31 March 2025	92	92
Completed animal feed inspections	1,184	1,186
Incidents investigated	125	125
Commissioned Food Safety and Public Health Nutrition projects	12	19
Number of Food Safety and Public Health Nutrition publications	18	4
Science stakeholder engagements and outreach	176	163
Live applications made to Regulated Products and Application Service	494	465
Samples tested and reported for chemical, microbiological, substitution and labelling	4,500	5,118
Health and safety site visits	7	8
Reportable health and safety incidents	1	1
Full time equivalent (FTE) staff	278.6	279.9
Civil Service People Survey employment engagement index score	72%	72%
Digital marketing campaigns	4	0
Invoices paid within 10-day payment target	96%	91%
Net cost of FSS	£23.2 million	£22.5 million

Table 1 Our year in numbers

About Food Standards Scotland

Food Standards Scotland (FSS) is Scotland's public sector food body. It is a Non-Ministerial office (NMO) of the Scottish Administration, working alongside but separate from the Scottish Government (SG), and accountable directly to the Scottish Parliament.

Purpose and statutory background

FSS's purpose is public health protection – making sure that food is safe to eat, ensuring consumers know what they are eating, and improving diet and nutrition. Its statutory objectives are to:

- protect the public from risks to health which may arise in connection with the consumption of food,
- improve the extent to which members of the public have diets which are conducive to good health, and
- protect the other interests of consumers in relation to food.

Its statutory functions are to:

- develop and help others develop policies on food and animal feed,
- advise the SG, other authorities and the public on food and animal feed,
- keep the Scottish public and users of animal feed advised to help them make informed decisions about food and feed stuffs, and
- monitor the performance of food enforcement authorities.

As a 'competent authority' and an 'enforcement authority', FSS develops assimilated food and feed regulations and protects consumers through delivery of a robust regulatory and proportionate enforcement approach.

Our mission

To be Scotland's leading authority on food safety, standards and healthy eating; using data and evidence to provide assurance and advice that inspires consumer confidence and improves public health.

Our vision

A safe, healthy and sustainable food environment that benefits and protects the health and well-being of everyone in Scotland.

Our values and guiding principles

Consumer focussed

- Keep public health and consumer protection at the heart of what we do.
- Ensure our actions are targeted, recognising the diversity of people in Scotland and taking account of health inequalities.

Based on evidence

- Ensure our work is underpinned by robust science and data.
- Maintain an understanding of the issues that matter most to consumers in Scotland.

Fair and proportionate

- Protect public health and support economic growth – promote compliance by regulating fairly, firmly and proportionately.
- Establish trust, ensuring regulatory objectives are transparent and our actions are consistent and timely.

Independent

- Preserve our independence, working at arm's length from government and industry.
- Influence UK policy development through robust risk analysis, recommending decisions which are in the best interests of consumers in Scotland.

Inclusive and open

- Respect the rights of every individual, organisation and business to have a say in the matters that affect them and work collaboratively to achieve the greatest benefit for the people of Scotland.
- Ensure transparency in our decision making, advice and recommendations, by publishing our evidence base and enabling those impacted to understand the issues.

Use of evidence

As an evidence-based organisation, it is important that FSS gather and use evidence effectively. The [Science, Evidence and Information Strategy](#) supports the FSS statement of performance of functions, including how FSS operates, to ensure that appropriate science governance arrangements are in place to aid the delivery of the FSS vision, policy and strategic priorities.

The SEI strategy helps provide a link for staff between organisational and SEI values under three key themes by providing underpinning approaches and assurance of FSS SEI for the Board.

Scottish Regulator's Strategic Code of Practice (CoP)

The Regulatory Reform (Scotland) Act 2014 included powers for Scottish Ministers to issue a CoP for regulators. We apply the better regulation principles enshrined in the Scottish Regulators' Strategic CoP. The Code seeks to support an enabling approach by applying the key principles of better regulation: transparent, consistent, proportionate, accountable and targeted.

Overview

This overview sets out how we are organised, funded and our priorities.

Organisational structure

The non-executive Chair and Board Members provide strategic direction, and the staff are led by a Chief Executive Officer and the Executive Management Team (EMT). Our staff work in a variety of locations across Scotland. Our operational field staff deliver official controls (OCs) in abattoirs and meat cutting plants. FSS operates a hybrid working model for office-based staff.

The temporary reconfiguration of the FSS structure implemented in February 2023 remained in place until June 2024. Two interim directors headed up the directorates formed by changing reporting lines for some of the existing departments. These changes are detailed in the Senior Leadership Group section within this report. The reconfiguration was driven by organisational need and the intention to drive efficiency and effectiveness to deliver on FSS's agreed priorities whilst presenting development opportunities across FSS. It also created capacity and increased diversity of expertise at a senior level.

In the pursuit of its goals FSS continues to work in partnership with other public bodies, research funders, enforcement authorities, industry, the private sector and government departments in Scotland and across the United Kingdom (UK).

Planning and organising our work

The [2021-26 Strategy](#), titled [Healthy, Safe, Sustainable: Driving Scotland's Food Future \(PDF, 942KB\)](#), provides a high level description of our aims to improve Scotland's diet, reduce food safety risks, and promote compliance; setting out our challenges in adapting to a changing food environment. It defines our ambition to play a more prominent role in representing consumer interests in wider food issues, including food security and sustainability. The five key outcomes detailed in the strategy, with delivery based on six goals, contribute to the National Priorities for Scotland. The six goals describe how we aim to achieve our objectives using data and evidence, maintaining regulatory assurance, driving improvements to the food environment, strengthening our profile and through our relationships with stakeholders, and by engaging more effectively with different communities across Scotland to ensure our advice has impact and lasting benefit.

The [2024-26 Corporate Plan](#) supports the strategy and describes the work FSS aims to deliver, between 2024 – 26, under our seven roles and five strategic outcomes. It describes how all areas of FSS business will contribute to our strategic outcomes whilst enabling us to deliver new responsibilities. The Board paper detailing the funding allocations can be found on the [2024-25 Budget update \(PDF, 311KB\)](#).

Financial resources

The budget for FSS is met from existing resources within the Scottish Consolidated Fund and through income received from industry and other government departments (OGDs) in relation to the delivery of OCs in approved meat establishments. FSS is classed as a directly funded external body which requires separate parliamentary approval from the SG portfolio and consequently the FSS budget is detailed separately in the relevant Budget (Scotland) Act.

The Budget (Scotland) Act 2024 confirmed the FSS budget of £23m with resource budget for the financial year 2023/24 of £22.65m and Annually Managed Expenditure (AME) of £0.35m to cover the estimated provisions linked to pension liabilities that were transferred to FSS from the Food Standards Agency (FSA) as part of its establishment in 2015.

As part of the Spring Budget Revision, FSS was formally allocated additional budget of £166k for the SAFER Programme; internal transfer of £71k for the Pathsafe project; AME additional budget £120k. As a part of ABR, £0.5m of additional ministerial support for meat industry. The total approved budget for the year was £23.8m.

The outturn against the budget is reported in the Performance analysis section and further detail in the Financial Statements.

Corporate outcomes

There are the five strategic outcomes, noted below. Further details can be viewed on the [Food Standards Scotland](#) website.

Strategic Outcome 1: Food is Safe and Authentic

We work with partners to understand risks to the food chain and implement measures which protect public health and consumer interests.

Strategic Outcome 2: Consumers Have Healthier Diets

We drive and influence policy aimed at improving Scotland's diet; helping to reduce levels of overweight and obesity and the burden of diet related disease.

Strategic Outcome 3: Responsible Food Businesses are enabled to thrive

We ensure regulations are applied fairly: enabling food and feed businesses in Scotland to comply with the law and gain the trust of consumers and export markets.

Strategic Outcome 4: Consumers are empowered to make positive choices about food

We promote a food environment which requires businesses to provide clear and accurate information that enables consumers to make informed purchasing decisions.

Strategic Outcome 5: FSS is trusted and influential

We are recognised by consumers and stakeholders as Scotland's leading authority on food law and public health nutrition.

Performance summary

The performance summary section provides information relating to FSS as an organisation and our purpose. It also summarises our priority deliverables we aim to achieve and our performance against these. It also highlights the key risks FSS faces, the impact and how we aim to mitigate those risks.

On 19 May 2021 Food Standards Scotland published its strategic ambitions for the next five years. In May 2024, we also published our [2024-2026 Corporate Plan \(PDF, 726KB\)](#) which describes how we will continue to deliver our strategy until 2026. The priority deliverables (deliverables) agreed for 2024-2026 are:

- Official control delivery
- Food crime
- Incidents
- Trial more effective and cost-effective approaches for shellfish official control sampling
- Measurement of Local Authority food law resource requirements
- Regulated products
- Understanding how to protect consumers from the risks of foodborne illness
- Delivering an effective risk assessment function
- Maintaining food surveillance capability in Scotland
- Public health nutrition surveillance and monitoring
- Delivering an effective risk management function
- Regulatory reform
- Food Hygiene Information Scheme
- Public health nutrition
- Retained EU Law (REUL), trade, constitutional landscape
- Communications
- Imports
- Shared services programme
- Accessibility and inclusive communications
- Content management system replacement (FSS website rebuild project)
- Integrated finance, business and workforce planning model

Due to budgetary and resource challenges, many of our deliverables are key business functions across FSS which attribute to our commitments within the Food (Scotland) Act 2015.

To simplify our performance management processes it was agreed following discussions with the FSS Board, Executive and auditors, to track our deliverables against the seven FSS roles in place of the FSS goals which are noted below. Our deliverables, within each role, are also mapped to one or more of our strategic outcomes to show progress against the outcomes. How our deliverables are mapped against these roles can be seen in Table 3.

At the end of year 1 of our Corporate Plan good progress has been made against our deliverables and these presented in significant detail in the [Deliverables achieved by FSS role 2024/25](#) section.

Corporate outcomes

There are the five strategic outcomes, noted below. Further details can be viewed on the [Food Standards Scotland](#) website.

Strategic Outcome 1: Food is Safe and Authentic

We work with partners to understand risks to the food chain and implement measures which protect public health and consumer interests.

Strategic Outcome 2: Consumers Have Healthier Diets

We drive and influence policy aimed at improving Scotland's diet; helping to reduce levels of overweight and obesity and the burden of diet related disease.

Strategic Outcome 3: Responsible Food Businesses are enabled to thrive

We ensure regulations are applied fairly: enabling food and feed businesses in Scotland to comply with the law and gain the trust of consumers and export markets.

Strategic Outcome 4: Consumers are empowered to make positive choices about food

We promote a food environment which requires businesses to provide clear and accurate information that enables consumers to make informed purchasing decisions.

Strategic Outcome 5: FSS is trusted and influential

We are recognised by consumers and stakeholders as Scotland's leading authority on food law and public health nutrition.

FSS roles

We have 7 key roles in the Organisation which are aligned against the delivery of our key Outcomes, and these are detailed in the two tables below.

Role	Description
Regulator	Our objective is to ensure food and feed is safe by working with delivery partners, professional associations, industry, and stakeholders to develop and implement more effective, efficient and sustainable approaches to regulation, official control delivery and regulatory assurance for food and feed law.
Science and evidence provider	Our objective is to commission research and undertake analyses which ensure our evidence base is scientifically robust and supports advice and decision making on food safety, public health nutrition and consumer interests relating to food
Policy developer	Our objective is to continue to develop policy and advise on food and feed safety, standards, and public health nutrition
Government advisor	Our objective is to continue to advise, inform and assist the Scottish Ministers, public bodies, board members, and

	other persons in relation to food and feed matters and public health nutrition.
Public advisor and influencer	Our objective is to work collaboratively with stakeholders and speak out publicly about areas of consumer interest to encourage high food standards and healthy eating in Scotland
Trade enabler	Our objective is to ensure the safety of imported food and feed and support the strong international reputation of Scotland’s food and drink sector by ensuring our exports are underpinned by an effective and sustainable regulatory system for food and feed law.
Organisational delivery	Our objective is to deliver within our resource constraints and continue to provide the people, resources, and processes to deliver our corporate and statutory services whilst investing in meaningful training, development and opportunity for our staff.

Table 2: Our roles

Role	Outcome number				
	1	2	3	4	5
Regulator	✓		✓	✓	✓
Science and evidence provider	✓	✓	✓	✓	✓
Policy developer	✓	✓	✓	✓	✓
Government advisor	✓	✓		✓	✓
Public advisor and influencer		✓	✓	✓	✓
Trade enabler	✓		✓		✓
Organisational delivery	✓	✓	✓	✓	✓

Table 3: The seven roles and how they contribute to our strategic outcomes

Strategic performance indicators

A key set of Strategic Performance Indicators (SPIs) were developed to report against the FSS strategy. The revised strategic outcomes format supports both monitoring outcomes against the strategic goals and the associated strategic risk management process. The benefits of this refreshed approach include:

- a more focused report on progress towards FSS strategic outcomes, and
- a clearer line of sight on FSS deliverables and a shift away from reporting on issues and metrics FSS has no direct control over.

The Strategic Outcomes Measures for quarter three and four 2024/25 were reviewed by the Finance and Business Committee (FBC) in May 2025.

Strategic outcome: Food is safe and authentic

SPI 1	2024	2023	Change
Campylobacter cases	6,729	5,930	+13.5%
SPI 2	2024/25	2023/24	Change
Local Authority (LA) Food Samples unsatisfactory	15% (4,500) *	10.9% (5,118) *	+4.1%

Table 4: SPIs 1 and 2 are annual data and SPI 1 is reported by calendar year
Data on laboratory reports of campylobacter is courtesy of Public Health Scotland

SPI 3	2024/25 Q3 & Q4	2024/25 Q1 & Q2	Change
Enforcement actions overdue	0.84%	2.5%	-1.66%

Table 5: SPI 3 bi-annual data

Strategic outcome: Consumers have healthier diets

SPI 4	2024/25	2023/24	Change
Percentage of people who say they eat healthily	54%	60%	-6%

Table 6: SPI 4 annual data. Not directly comparable due to changes to the question format
Source: Food in Scotland Consumer Tracker, Wave 16: Base 1017, Wave 19: Base: 1009

SPI 5	2024/25 Q3 & Q4	2024/25 Q1 & Q2	Change
Views of nutrition related web pages	134,206	143,823	-6.7%

Table 7: SPI 5 bi-annual data

SPI 6	2024/25	2024/25	Change
Retail calories purchased per capita per day	N/A	N/A	N/A

Table 8: SPI 6 – no change as unable to purchase bi-annual data

Strategic outcome: Responsible food businesses are enabled to thrive

SPI 7, 8 and 9	2024/25 Q3 & Q4	2024/25 Q1 & Q2	Change
Food Business Operator (FBO) final audit outcomes rated as good or generally satisfactory	97.5% (of 79 audit outcomes)	97.5% (of 81 audit outcomes)	N/A
Number of enforcement actions	477	479	-0.4%
Number of trading food businesses	76,194	76,635	-0.5%

Table 9 SPIs 7, 8 and 9 bi-annual data

Strategic Outcome: Consumers are empowered to make positive choices about food

SPI 10, 11 and 12	2024/25 Q3 & Q4	2024/25 Q1 & Q2	Change
Number of consumers who have used Food Hygiene Information System (FHIS)	11,475	9,569	+19.9%
Number of education related page views of FSS website**	65,622	53,295	+23.1%
Active Menucal users	1,855	1,696	+9.4%

Table 10: SPIs 10, 11 and 12 bi-annual data

Strategic Outcome: FSS is trusted and influential

SPI 13	2024/25 December	2024/25 July	Change
Consumers trust FSS to do its job	72%	79%	-7%

Table 11: SPI 13 bi-annual data. Not directly comparable due to changes to the question format

Source: Food in Scotland Consumer Tracker, Wave 18: Base 1027, Wave 19: Base: 1009

SPI 14 and 15	2024/25 Q3 & Q4	2024/25 Q1 & Q2	Change
Number of page views on FSS website	817,827	771,438	+6.01%
Number of social media followers	27,520	26,975	+2.02%

Table 12: SPIs 14 and 15 bi-annual data

Key risks and uncertainties

Whilst FSS's approach to managing risk is covered in more detail in the [Governance Statement](#) section of this report, the key risks that FSS has managed in the interests of the public this year, are shown in the table below.

Risk	Q1	Q2	Q3	Q4
7. changes to FSS roles & remit	100 very high	100 very high	100 very high	100 very high
9. shared services programme ¹	150 very high	150 very high	not applicable	not applicable
10. Official Controls delivery	150 very high	150 very high	100 high	100 high
11. public service reform	100 high	100 high	100 high	100 high
12. maintaining an effective food surveillance capability	75 high	75 high	75 high	75 high

¹ de-escalated at Q2 to the Corporate Services Divisional issue register following successful migration to Oracle Cloud

These risks have been considered by Board Members, and the Audit and Risk Committee (ARC), to be material to the development, performance, position and future prospects of FSS. The updated action plan to mitigate these risks can be viewed in the [Strategic Risk Register \(PDF, 546KB\)](#) and [Strategic Issue Register \(PDF, 407KB\)](#).

Further explanation of the current strategic risks can be seen below.

Risk title	Mitigating Actions updated to reflect end of year position
Changes to role and remit Scottish Ministers drive changes in FSS Strategy and delivery responsibilities.	FSS continues regular engagement with SG Officials and Ministers and ensures FSS Board are kept up to date with strategic and policy developments including input to consultations exercises. Good Food Nation (GFN): Maintain regular contact with the GFN team to represent FSS interests including providing input to the development of relevant GFN outcome indicators.
Official Control Delivery Ensuring we fulfil our statutory obligations of official control delivery, for all sectors in which FSS is the competent authority.	The majority of the mitigation actions for meat delivery have moved to completed or near completion with the successful recruitment campaign for TMHIs and TOVs. Feed Delivery has faced retention and resourcing challenges throughout the year

	<p>due to a combination of factors. Mitigation action was taken by senior leadership in Operational Delivery Division with a temporary management structure introduced in August 2024. A subsequent recruitment exercise has resulted in 3 Senior Feed Officers having been offered appointments with the last Senior Feed Officer having started 01 September 2025.</p>
<p>Public Service Reform Scottish Government drive forward the Public Service Reform agenda in collaboration with FSS and other stakeholders</p>	<p>FSS are in the process of preparing its new 2026-31 Strategy. A key feature of this will be Public Service Reform and the opportunities and benefits it provides. FSS are also working with another delivery body in sharing service provision specifically for all finance related matters. If supported this will mean FSS take on the finance responsibilities for another smaller delivery body in Scotland. This is being considered as best practice and in line with PSR principles. FSS continue to work with IT suppliers & SG Digital teams to map out requirements.</p>
<p>Maintaining an effective food surveillance capability Increasing pressures on FSS budget allocation and lack of Local Authority investment results in compromised surveillance capability which is unable to keep pace with emerging risks to Scotland's food chain.</p>	<p>FSS has continued to fund a targeted surveillance programme through its Food and Health Research Programme, which will be further developed in 2025/26 through the uplift in budget agreed by SG. In addition to this enhanced programme of food sampling, provision has been made to award a small amount of grant funding to the Public Analyst laboratories for method development and training. This support will help to maintain a minimum viable product for laboratory provision in relation to food surveillance and incident response.</p> <p>Following the December 2024 FSS Board meeting, at which concerns regarding the resilience of Public Analyst services were discussed, the Chair wrote to the Minister for Public Health and Women's Health to request that a forthcoming review, by Public Health Scotland, of PA microbiological services was extended to cover all areas of their remit. Subsequently a working group has been set up comprising FSS, Public</p>

	<p>Health Scotland (PHS) and COSLA to develop a target operating model for a more resilient and efficient service that would operate at national level. This work is still at the early stages and is likely to progress beyond 2025/26.</p> <p>The risk level will remain until FSS future budget allocation is confirmed to enable funding for national food sampling to be ring-fenced and a viable solution for safeguarding PA services in Scotland is agreed and progressed.</p>
--	--

Table 13 Risks and mitigating actions

Where a strategic risk has materialised, and mitigation to prevent the risk is no longer appropriate, the risk becomes an issue. Once a risk becomes an issue it is moved to the appropriate level issue register and actions are then taken to manage and monitor the issue.

The most important issues to FSS are those which will affect the delivery of the strategic objectives and key goals.

The key issues that FSS has managed in the interests of the public this year, are shown in the table below. As can be seen below, there has been little movement mainly because resolution of the issues is not entirely within FSS control.

Issue	Q1		Q2		Q3		Q4	
	Priority	Severity	Priority	Severity	Priority	Severity	Priority	Severity
1. FSS budget allocation	very high =	very high =	very high =	very high =	very high =	very high =	very high =	very high =
2. Local Authority Food Law Delivery Model	very high =	very high =	very high =	very high =	very high =	very high =	very high =	very high =
3. External policy pressures	high =	high =	high =	high =	very high +	very high +	very high +	very high +

Further explanation of the current strategic issues can be seen below.

Issue title	Actions
<p>Budget allocation FSS budget allocation is no longer adequate to meet all its outcomes as detailed in the 5 year strategy.</p>	<p>FSS are in the process of preparing the 5 year strategy supplemented by a 5 year finance management plan and people plan. These documents will outline the costs and importantly the risks associated with an underfunded organisation. The plans once finalised will be presented to SG Finance colleagues as a rationale for increased budget to deliver statutory functions from financial year 2026 onwards.</p>
<p>LA food law delivery model Increasing pressures on local authorities and FSS result in a delivery model which lacks the resilience needed to meet future challenges.</p>	<p>Enforcement Delivery has established a performance monitoring role within the team to establish LA performance over time. Built into this is quarterly meetings with each LA Lead Food Officer to determine what support is required to help them deliver the maximum public health benefit with the resource they have.</p> <p>The current model will be subject to review under the SAFER Programme.</p> <p>Support is being given to alternate pathways for qualifications to FSO and EHO level with the 'Fife' pilot being endorsed as a viable alternative. The current competency framework and food law Code of practice will be updated as team resource allows.</p>
<p>External Policy Pressures Impact of UK Government led policy initiatives on FSS' ability to keep pace and meaningfully engage across the breadth of our policy remit.</p>	<p>FSS UK & International Relations team to co-ordinate and provide guidance, where relevant, on FSS input into UK led initiatives. Policy teams and subject matter experts across FSS are fully engaged, where resource allows, to ensure Scottish interests and views are considered in line with UK common framework commitments, where appropriate.</p> <p>CEO Engaging with SG to try and secure additional resource as well as outlining the challenges around the organisations ability to keep pace with policy developments in UKG; FSS prioritisation work to secure additional</p>

	<p>internal capacity. Additional policy recruitment now underway.</p> <p>Continue to engage and influence external stakeholders, both within UK and Scottish Government. Ensure proactive policy engagement with FSA, Defra and DHSC in line with agreed Board positions and obligations under the UK common frameworks.</p>
--	--

Table 14 Issues and actions

Performance analysis

This section provides a review of the budget spend for the year including expenditure for each strategic outcome and analysis of a number of deliverables against each of the outcomes.

Financial performance

Each year a budget is agreed with SG (known as Departmental Expenditure Limit or DEL). This is to cover cash costs, accrued expenditure (capital and operating), net of income from other sources and non-cash costs of depreciation, amortisation, and certain impairments.

FSS's financial performance against delegated budget is shown in the table below.

Financial performance	Actual (£m)	Budget (£m)	Variance (£m)
DEL Operating Expenditure	23.2	23.2	(0.0)
DEL Capital Expenditure	0.1	0.1	0.0
Total DEL	23.3	23.3	(0.0)
Total AME	0.1	0.5	(0.4)
Total Expenditure	23.4	23.8	(0.4)

Table 15 Financial performance

Exclude DEL Capital to align with Net operating expenditure in [Statement of Comprehensive Net Expenditure \(SoCNE\)](#).

The non-cash Annually Managed Expenditure (AME) reflects the cost of pension liabilities recognised within the financial year. This expenditure is subject to material volatility due to external economic and demographic factors, which are incorporated into the actuarial assumptions underpinning the valuation.

FSS drew down £20.0m (2023/24: £24.2m) in cash terms to cover its capital and net operating costs for the year. This has resulted in a bank balance of £0.8m (2023/24: £2.8m) at the end of the financial year which is required to cover accruals in relation to invoices due to be paid less income yet to be received.

Income and expenditure

FSS’s total resource budget was allocated to deliver our essential core activities (ECA).

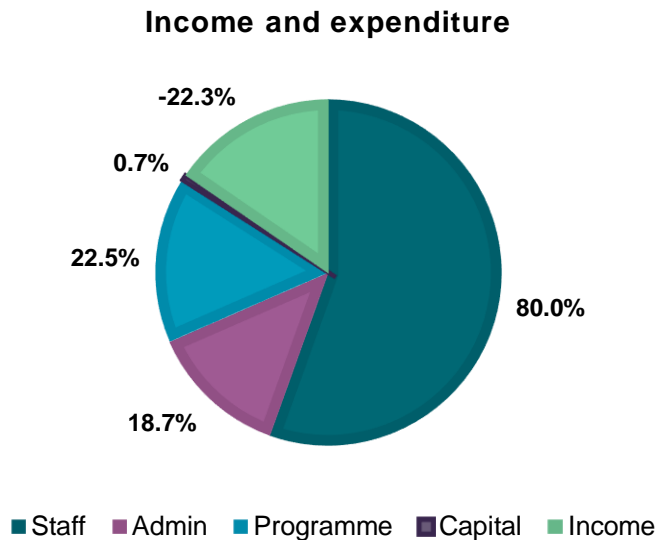


Figure 21 Income and expenditure (%)

Note

Expenditure totals 122.3% however this is offset by the 22.3% of income generated across the financial year.

Spend by outcome

The budget and expenditure are allocated across the five strategic outcomes which achieved our Corporate Plan objectives. The budget allocation shows the revised position following the in-year budget review exercise. The actual spend for each outcome represents the outturn for the year.

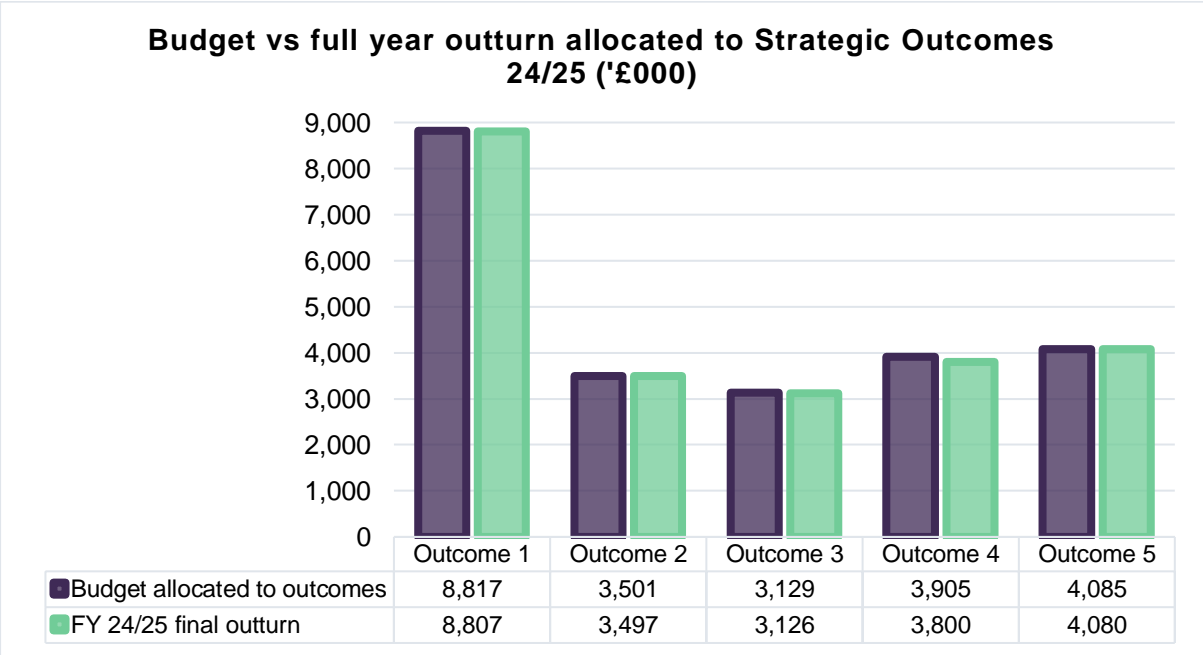


Figure 32 Spend by outcome

Deliverables achieved by FSS role 2024/25

As part of the 2024-26 Corporate Plan, our Priority Deliverables have been planned for delivery across the two years due to budgetary challenges, with the majority due to be delivered in 2025/26. The table below highlights the achievements made towards our high-level priority deliverables in 2024/25.

Regulator (aligned to strategic outcomes 1, 3, 4 and 5)

Deliverable	Achievement
(Market Authorisation of) Regulated products	<p>Continued to work with the FSA to deliver an effective and efficient Market Authorisation of Regulated Products Service across the UK.</p> <p>During the reporting year, following FSS risk management recommendations, Scottish ministers authorised 33 food and feed regulated products. They also agreed to the removal of authorisations in respect of 22 food flavourings and to set a limit for residues of ethylene oxide in food additives. Scottish Statutory Instruments to implement those decisions came into force in June and December 2024.</p>
Measurement of Local authority food law resource requirements	<p>Delivered the 2.0 time management exercise with all Local Authority food law services to gather data on time and effort taken to deliver food law interventions. Delivered resource calculation exercise and planning exercise for LA performance management including development of Scottish National Database (SND) dashboards for data visualisation.</p>
Official Control delivery	<p>Continued to undertake our statutory obligations as a Competent Authority for meat, shellfish, feed and wine, alongside the delivery of Official Controls activities in all FSS-meat approved establishments</p> <p>Continued to deliver the required audit and approvals programmes and Certificates of Competence for slaughterers and animal handlers in Scotland, in line with our Competent Authority responsibilities</p>
Trial more efficient and cost-effective approaches for shellfish Official Controls sampling	<p>Scottish Official Controls monitoring programme successfully delivered for 2024-25</p> <p>Proof of Concept study conducted on the feasibility of using shellfish harvesters to collect monitoring samples.</p>

Food crime	<p>The Scottish Food Crime and Incidents Unit (SFCIU) continued to lead, coordinate and support the response to food and feed crimes impacting on Scotland.</p> <p>Further developed links with stakeholders and other partners has allowed the unit to understand the risk and vulnerabilities in the food, drink and animal feed supply chains, developing an enhanced intelligence picture which has led to joint enforcement, disruptive and preventative activity.</p>
Incidents	<p>The Internal Incident Prevention working group has delivered its first outcome - LA guidance for grey market goods. The group's remit was extended to include horizon scanning. The group has an external outlet via the UK wide Root Cause Analysis Technical Working Group who have agreed to be the reference group for FSS prevention.</p>

Table 16 Regulator role deliverables

Science and Evidence Provider (aligned to strategic outcomes 1, 2, 3, 4 and 5)

Deliverable	Achievement
Understanding how to protect consumers from the risks of foodborne illness	<p>Published a report (Foodborne pathogens on Scottish livestock farms: risks, attitudes, and potential interventions) of on-farm interventions for reducing transmission of foodborne pathogens.</p> <p>Co-ordinated FSS's annual programme of AMR surveillance of healthy animals at slaughter and reported to the Antimicrobial Resistance and Healthcare Associated Infections (ARHI) group for the annual Scottish One Health Antimicrobial Use and Antimicrobial Resistance (SONAAR) report.</p> <p>Completed our pilot project for the HMT funded PATHSAFE programme, led by FSA.</p> <p>Created a novel whole genome sequencing data set, and machine learning models, for determining the source attribution and infection threat of <i>E. coli</i> isolated from food, water and the environment.</p> <p>Completed research that will strengthen understanding of the clinical factors and behaviours which make people vulnerable to foodborne illness. Collaborated with Public Health Scotland (PHS) to promote partnerships in Scotland needed to</p>

	<p>implement a One Health approach for tracking the sources and transmission routes for pathogens and antimicrobial resistance (AMR) in food, water and the environment.</p> <p>Published the findings from Wave 8 of the Food and You 2 survey carried out in Scotland.</p> <p>Scientific paper (Reasons for difficulties in isolating the causative organism during food-borne outbreak investigations using STEC as a model pathogen: a systematic review, 2000 to 2019) authored by FSS scientists was published in the journal Eurosurveillance.</p>
Delivering an effective risk assessment function	<p>Co-authored, with FSA, several risk assessments including those relating to the safety of titanium dioxide additive and Highly Pathogenic Avian Influenza (HPAI) from imports of US dairy products.</p> <p>Completed evidence review of the microbiological risks associated with venison produced by Scottish Approved Game Handling Establishments (AGHEs) and the proposed introduction of intermediary Collection Centres (CCs).</p> <p>Published new guidance on shelf-life determination (PDF, 1,098KB) for managing microbiological risks in food</p>
Maintaining food surveillance capability in Scotland	<p>Commissioned and managed a targeted food sampling programme for 2024/25, with findings to be published.</p> <p>Analysed and reported on trends in food sampling undertaken by FSS and LAs in 2024/25 and recorded on FSS's Scottish Food Sampling Database (SFSD).</p> <p>Designed a sampling framework for a new shopping basket survey approach based on the findings of research published in 2023/24.</p> <p>Published a summary report and response (Review of ready-to-eat food products sold over social media in Scotland) as part of a project aimed to provide an overview of ready-to-eat food products offered for sale on Facebook Marketplace in Scotland.</p>

	<p>Managed FSS's contribution to the management of the UK National Reference Laboratory (NRL) network and input to initiatives for supporting OC capacity and capability.</p> <p>Collaborated with PHS and Scottish Government to initiate a review of laboratory services for food and feed in Scotland, and a model for safeguarding these services into the future.</p>
Consumer insight	<p>Delivered Wave 18 of the consumer tracker, including interim research for continuity.</p> <p>Initiated the redevelopment of the tracker survey to enhance brand tracking.</p> <p>Established a cross-office Consumer Insight Group to coordinate and share learning.</p>
(Dietary) Public Health Nutrition surveillance and monitoring	<p>Published robust assessment (Dietary Intake in Scotland's Children (DISH) research report) of children and young people's diets in Scotland.</p> <p>Published data on out of home behaviours for 2022 and 2023 to monitor the impact of policy on the out of home food environment and support policy development.</p> <p>Published a 'food on the go' report, providing and assessing the calorie content of products purchased for immediate consumption when out of home.</p> <p>Published an assessment of the retail food environment in Scotland, including an assessment of price promotions from 2019-2022.</p> <p>Published a repeat analysis of the calorie content of sweet discretionary products in the out of home sector in Scotland in 2023.</p>
Provide statistical, data science and social research support for delivering the evidence base needed to inform FSS's programme to transform the delivery of food law in Scotland	<p>Reviewed lessons learned in implementing the system to date and made recommendations for areas that should be considered when FSS is designing improvements to food law delivery as part of the SAFER programme. The Evaluation of the Food Law Rating System was published in October 2024.</p>

	Throughout this year, FSS data scientist have made a number of improvements to national reporting of food business compliance and enforcement data through the Scottish National Database (SND). This work supports the time recording of LA delivery and FSS’s role in monitoring LA performance as the SAFER programme develops.
--	--

Table 17 Science and evidence provider role deliverables

Policy Developer (aligned to strategic outcomes 1, 2, 3, 4 and 5)

Deliverable	Achievement
Delivering an effective risk management function	<p>Worked with the FSA to undertake reviews of GB import controls for High-Risk Food and Feed of Non-Animal Origin to statutory timeframes, including the delivery of any changes to Scottish subordinate legislation as required.</p> <p>Our third review was completed with the implementing Scottish Statutory Instrument (SSI) coming into force in December 2024. The fourth review is currently underway and the fifth review started in January 2025.</p> <p>During the reporting year, we worked to implement the outcome of the review of the Bread and Flour Regulations 1998, to include the mandatory fortification of non-wholemeal flour with folic acid. This has been a key piece of work across the UK and development of the Bread and Flour Amendment Regulations 2024 saw close collaboration between FSS, the UK Government and devolved administrations in Wales and Northern Ireland.</p> <p>The legislation was laid in Scotland on 20th December 2024 and the folic acid provisions will come into effect in December 2026, following a 2-year transition period.</p> <p>FSS continues to engage with industry during the transition period to support them make the required changes.</p>
Regulatory reform	Progressed opportunities for targeted reform of the Market Authorisation of Regulated Products, working closely with the FSA, UK and devolved governments, to make the authorisation process more efficient and effective while maintaining high

	<p>levels of consumer protection and improving the service to businesses.</p> <p>Initial reforms proposed the removal of the requirement for the periodic renewal of authorisations that exist for certain regulated products regimes and to allow authorisations to come into effect following ministerial decision and to be published in an official list or register, rather than being prescribed by a statutory instrument.</p> <p>Ministerial agreement and Scottish Parliamentary consent to the GB- wide statutory instrument (SI), made under the Retained EU Law (Revocation and Reform) Act 2023, was given in February 2025 and came into effect in April 2025.</p>
Food Hygiene Information Scheme (FHIS)	<p>The FHIS guidance document (Local authority update guidance on the operation of the Food Hygiene Information Scheme) has been updated after being consulted upon with local authorities.</p>
Public health nutrition	<p>Advised Government on evidence-based actions to improve the food environment by working with PHS to develop and pilot the Eating Out Eating Well framework and code of practice for children's menus. It has been externally evaluated and policy proposals for Scottish Government are being progressed.</p> <p>Updated consumer facing content and resources to reflect emerging issues including ultra-processed foods (UPFs) and the updated SACN recommendations for feeding young children aged 1-5 years.</p> <p>Led the technical working group that reviewed and updated nutritional standards for early learning and childcare settings in the Scottish Government guidance titled Setting the Table. This included publication of a technical working group report.</p>

Table 18 Policy developer role deliverables

Government Advisor (aligned to strategic outcomes 1, 2, 4 and 5)

Deliverable	Achievement
Retained EU Law trade, constitutional landscape	<p>Continued to work closely with the FSA in finalising the Food and Feed Safety and Hygiene Framework, which of the three that FSS is responsible for, is nearest to completion in line with timelines agreed across respective governments. This is an entirely inclusive area of work, and in support of this, a further review of the memorandum of understanding (MoU) with FSA is also nearing its final stages.</p> <p>Good progress has also been made with Defra on the Food Labelling and Compositional Standards Framework and DHSC in relation to the nutrition-related Food Compositional Standards and Labelling Common Framework (PDF, 656KB).</p>
Public health nutrition	<p>Reviewed evidence on out of home calorie labelling and provided updated recommendations to Ministers regarding the FSS position on calorie information in the Out of Home sector in Scotland (PDF, 255KB).</p> <p>Completed assessment of the implications of climate change recommendations to reduce meat and dairy on dietary intakes of adults in Scotland.</p> <p>Provided evidence-based recommendations (Reserved actions to support a healthier and more sustainable food environment (PDF, 165KB)) on reserved actions to improve the food environment.</p>
(business plan activity supporting this deliverable)	<p>Supported the successful delivery of the Opsen event at Holyrood.</p> <p>Facilitated FSS presence at political party conferences, enhancing visibility and stakeholder engagement.</p> <p>Established a cross-office influencing group and supported the development of Westminster and Holyrood influencing strategies.</p> <p>Delivered Dietary Intake in Scotland's Children (DISH) webinar (5 February) with 278 in attendance.</p>

	<p>Delivered Preventing food crime: Reducing risk across the sector (24 February).</p> <p>We invited Professor Chris Elliott, David Thomson from FDFS and Deputy Government Chemist Selvarani Elahi to speak about food crime and the food crime Risk Profiling Tool, and 238 attended.</p>
--	---

Table 19 Government advisor role deliverables

Public Advisor and Influencer (aligned to strategic outcomes 2, 3, 4 and 5)

Deliverable	Achievement
Communications	Successful development and publication of the joint FSS/FSA Our Food 2024 annual report, ensuring strong collaboration with FSA colleagues and effective internal engagement.
Public health nutrition	<p>Supported the delivery of the Food and Drink Federation Scotland (FDFS) Reformulation for Health programme, which supports all small and medium-size food businesses in reformulating their products, by supporting grant funding for the healthier food service and disseminating supporting evidence to stakeholders at the annual conference.</p> <p>Members of multiple research advisory groups, met with MSPs, issued multiple press releases following publication of reports and presented at webinars and conferences to fulfil our role as public advisor and influencer in public health nutrition</p>

Table 20 Public advisor role deliverables

Trade Enabler (aligned to Strategic outcomes 1, 3 and 5)

Deliverable	Achievement
Imports	<p>Supported delivery of the Trusted Trader proposals, led by Defra, in line with Border Target Operating Model policy, liaising with SG, FSA, Defra as appropriate.</p> <p>Upheld World Trade Organisation obligations, including notification of five sanitary and phytosanitary (SPS) and technical barriers to trade (TBT) measures applicable in Scotland.</p>

Table 21 Trade enabler role deliverables

Organisational Delivery (aligned to Strategic outcomes 1, 2, 3, 4 and 5)

Deliverable	Achievement
Shared Services Programme	<p>The successful implementation of the new Scottish Government Oracle IT System went ahead as planned from 01 October 2024.</p> <p>Oracle Cloud is a cloud-based application which replaced existing HR, finance and purchasing systems from 01 October 2024, bringing these all into one platform. Oracle Cloud provides a modern, intuitive system that will streamline how we perform a number of day to day and more complex tasks. There are a number of benefits that the new system will bring to the employee and manager experience through the 'journeys' which will guide them through key processes.</p> <p>The FSS HR and Finance teams engaged in the Business Change programme over a two-year period, led by the Scottish Government (SG) Shared Services Programme colleagues and Business Change managers throughout the duration of the project to Go Live. Engagement in the project was cross cutting over a variety of functions in both HR and Finance, involving regular attendance at a range of meetings, workshops, training and user acceptance (UAT) as well as ensuring all Business Readiness tasks are completed in the implementation phase.</p> <p>FSS successfully achieved a Business Readiness score of 90% prior to Go Live. Oracle Cloud Finance and HR successfully launched between 01 to 14 October.</p>
(FSS website rebuild) Content management system replacement	<p>The Discovery, Define, and Design phases of the website project were completed, with a Project Board set up to provide oversight and guidance. Content was reviewed and streamlined for migration to the new site, and the Information Architecture was approved.</p> <p>A website prototype was built and tested with a range of stakeholders, including food businesses, local authorities, consumers, and other partners. The design was updated based on feedback from this testing.</p>

	<p>The Eat Well Your Way website integration work began to improve user experience, reduce duplication, and save costs.</p> <p>The project passed both stages of the Digital Assurance Office (DAO) assessment and has now moved into the Develop phase.</p>
Accessibility and inclusive communications (AIC) steering group	<p>The AIC group evolved from the British Sign Language (BSL) group and formed to support FSS's compliance with public sector accessibility regulations.</p> <p>FSS's first Accessibility and Inclusive Communications Plan was published and mandatory accessibility training has been introduced for all FSS staff.</p>

Table 22 Organisational delivery role deliverables

Maintaining Organisational Excellence

Digital Transformation Programme

In an increasingly complex and fast-paced digital environment, we have harnessed the power of data and the sustainable use of digital technologies to develop a data-led and digitally enabled approach to our work. This collaborative approach resulted in the significant progress made in the completion of Phase 1 of our Operational Delivery IT Solution (ODITS) a key official control system for meat regulation, the delivery of our Azure cloud infrastructure, and the assessment of our cybersecurity posture benchmarked against the Scottish public sector cyber resilience framework v2.0.

Our digital and data steering governance group (DDSGG) continues to provide a forum for controlling data and digital developments in a more strategic and co-ordinated way. The DDSGG provided the governance structure that supported the best use of our very limited pool of specialist digital and data science expertise to make progress in the following areas:

- development of a new in-house system (ODITS) replacing our current, externally contracted database for the collection of data on official controls in slaughterhouses. A project with a value of £600,000 as at 2022 and following unsuccessful invitation to tender procurement exercise, ODITS Phase 1 was developed using inhouse resources at the cost of £132,000 – the annual salary of two additional digital resources added to our digital transformation team.
- provisioning an Azure cloud environment on the SG cloud infrastructure to provide a secure, sustainable, and cost-effective platform for hosting FSS systems which complies with industry standards and supports systems and

data interoperability. Savings of £100,000 was achieved using our in-house digital team to provision the cloud environment.

- increased focus on data analysis across the business, including the use of Power Bi in performance reporting, in depth analysis of our Scottish national database datasets to support SAFER, and in-house modelling of data generated through citizen science research on domestic fridge temperatures.

In addition to these outputs, cyber resilience continues to be a priority for our senior management team and the Board. In 2024, FSS was selected with seven other Scottish public sector organisations to work with HEFESTIS as part of the SG cyber coordination centre (SC3) pathway pilot 2. This engagement provides FSS with an integrated cyber risk management service that is helping us to understand the controls we need and will provide us with greater confidence in navigating the potential cybersecurity risks we may face in the future.

Our ability to further develop data and digital capacity and expertise in FSS will be highly dependent on resourcing. Whilst we have taken steps to retain our small team of digital specialists during the 2025/26 financial year, the organisation lacks resilience, particularly in relation to the maintenance of systems for hosting our official data and the availability of in-house analytical/data science expertise. It will therefore be necessary to review our future ambitions in this area and the level of resourcing that we will need to maintain and strengthen organisational capability into the future.

Review of the Corporate Services Division

In October 2024 the Corporate Services Division undertook a comprehensive continuous improvement exercise to identify efficiencies and strengthen resilience in our support of FSS Strategy.

Environmental Matters

As a Public Body, FSS commits to the Scottish Government's 2045 Net Zero targets and management of our own carbon emissions. FSS recognises its role as both industry food regulator and advice contributor. Our responsibility extends beyond mere regulation; it encompasses active participation in the environmental and sustainability agenda, advising on the nation's dietary health. The principles outlined in the [Sustainability Plan \(PDF, 12.3MB\)](#) serve as the guiding framework.

To ensure accountability and transparency, FSS maintains simple and effective governance structures of Board Member and the Executive Management Team. FSS monitor and report on the progress of our sustainability initiatives, both internally and to external, fostering a culture of awareness, continuous improvement and accountability. FSS' journey towards to net zero features in the annual Review of FSS Environmental Emissions and Reporting, which is subject to independent scrutiny by the Audit and Risk Committee (ARC).

FSS has committed to the following:

- Environmental sustainability remains a cornerstone of all future strategic plans developed by FSS. Our overarching approach prioritises sustainability in alignment with global goals.

To this end FSS has commenced management discussion regarding what the organisation and its estate should look like, post 2029, when the current headquarters' lease comes to an end. Attendance at recent environmental forums is helping to shape these discussions.

- Environmental considerations are integrated into every policy decision made by FSS. We understand the critical role policies play in shaping sustainable practices within the food industry.

As an example, and as part of FSS' corporate deliverables, FSS' Public Health Nutrition division have assessed the implications of climate change recommendations to reduce meat and dairy on dietary intakes of adults and children/young people in Scotland following a request from Scottish Ministers. In addition, the Public Health Nutrition Division have commenced a review of the Scottish Dietary Goals to ensure they reflect current scientific evidence on diets and align with the policy landscape in Scotland. Any changes to the current set of Goals will be led by consensus evidence of the diets that improve and support the health of the Scottish population. However, given the growing evidence of the impact of our food system on the environment, we are also considering sustainability as part of the review – specifically to understand any benefits or risks to the environment (particularly on greenhouse gas emissions) associated with achieving the Scottish Dietary Goals. The outcome of the Goals review will be published in 2026.

- FSS remains committed to reducing its direct environmental footprint. Through sustainable practices and resource-efficient operations, we aim to minimize our impact on the environment.

In the past year FSS has worked with the new Pilgrim House landlord to resolve wasteful building heating issues. Stairwells and unoccupied meeting rooms regularly had temperatures in excess of 26°C. Intermittent water loss which often occurred out of hours due to faulty bathroom appliances in full flow were reported, faults traced and fixed. Work is ongoing to understand compliance requirements for electric vehicle charging at Pilgrim House.

Carbon Management and Environmental Reporting

FSS' 2024-2029 Carbon Management Plan (CMP) details the approach to monitoring and reporting on climate emissions and reductions, aligned with Scottish Government targets. FSS' 2023-2024 total carbon dioxide equivalent emissions were the highest recorded (368.5 tCO₂e). Emission trending (Figure 1) enables FSS to understand contributing sources and consider areas for carbon reduction.

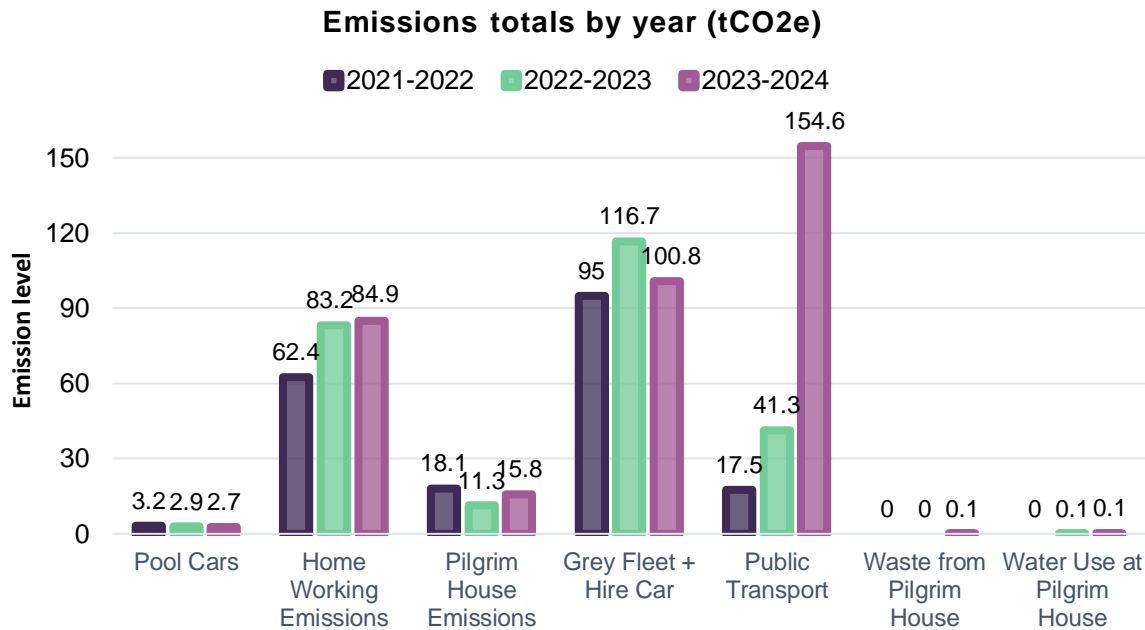


Figure 3 FSS emission level over a three-year period. At time of publishing the 2024/25 data was not available.

FSS’ emissions patterns reflect the organisation delivery requirements. FSS staff include those that must visit remote and rural locations. The majority of staff use their own vehicles for work related travel, including during antisocial times of the day, when no alternative means of travel is available. Vehicle use is therefore essential for FSS staff undertaking their official duties. Options such as salary sacrifice for E-vehicles are currently unavailable to civil servants, hindering our carbon reduction ambition in this area. Home working carbon data lacks granularity relating to housing stock.

For FSS to meaningfully contribute to the Scottish Government’s 2045 Net Zero targets, while maintaining service delivery, will require a radical change of approach to carbon management.

Health and Safety

In addition to previously described governance arrangements, FSS has three functional Health, Safety and Wellbeing Committees, with union attendance and chaired by management.

FSS’ leading or lagging indicators Key Performance Indicators (KPIs) are used to monitor and drive safety performance across the organisation (Table 1).

KPI performance demonstrates FSS’ continued focus and progress across the organisation, with seven of the eight KPI targets being met or surpassed. Incident rates remain below pre covid lock down levels (Figure 2). The commitment to incident management remains paramount, ensuring incident information is promptly reported, enabling timely investigations, the implementation of effective corrective actions and communication of lessons learnt.

Last year included five months of interim arrangements, while a replacement HSE Manager was recruited. Performance delivery with this reduced resource, provides

additional reassurance that health and safety management is embedded into the organisation's culture.

The performance summary for each KPI in the 2024-25 period follows:

	KPI	Descriptor Against KPI	2024-25 Baseline Target	2024-25 Stretch Target	2024-25 Actual YTD	2023-24 Actual YTD
i	Office Inspections / FBO Safety Tours	Office Inspections and FBO Safety Tours completed on approved premises with permanent FSS presence	90%	95%	97%	90%
ii	Injury (per 100,000 hrs)	Manage and prevent injurious incidents	1.1	1.0	1.36	0.65
iii	Mandatory HSE Training Completed	Timely completion levels of staff's mandatory HSE Training	85%	90%	87%	91%
iv	Management System Development	Review and publication of HSE Management System Documents	8	12	8	NA
v	Risk Assessment Review	Review of live risk assessments to ensure they are up to date, effective and relevant	90%	95%	95%	97%
vi	Post Incident Risk Assessment Review	Completion of post incident topical safety tour or risk assessment review	80%	90%	100%	100
vii	Incidents Investigated <1 Working Day	Timescale for commencing investigation into H&S incidents	90%	95%	92%	96
viii	Incident close out within 90 Days	Close out of incidents through implementing effective controls, following investigation.	80%	90%	92%	NA

Table 23 Health and safety performance summary

Notes

- I. Office Inspections / FBO Safety Tours: Excellent sustained performance throughout the year, exceeding stretch target.
- II. Injury (per 100,00 hrs): Note that the Injury (per 100,00 hrs) rate is an all-injury rate, including minor injuries where no first aid was administered.

- III. Mandatory HSE Training exceeded target levels, reflecting positive staff engagement with H&S initiatives. Figures include staff on long term absence e.g. maternity/paternity leave
- IV. Management System Development. Target was met and KPI aimed at driving continued review and improvement of existing safety management processes.
- V. Risk Assessment Review: Stretch target achieve.
- VI. Post Incident Risk Assessment Review: Outstanding performance, indicating a proactive approach to risk mitigation.
- VII. Incidents Investigated <1 Working Day: Achieved target.
- VIII. Incident close out within 90 Days. Surpassed stretch target.
- NA. Not applicable. Target new for 2024-2025.

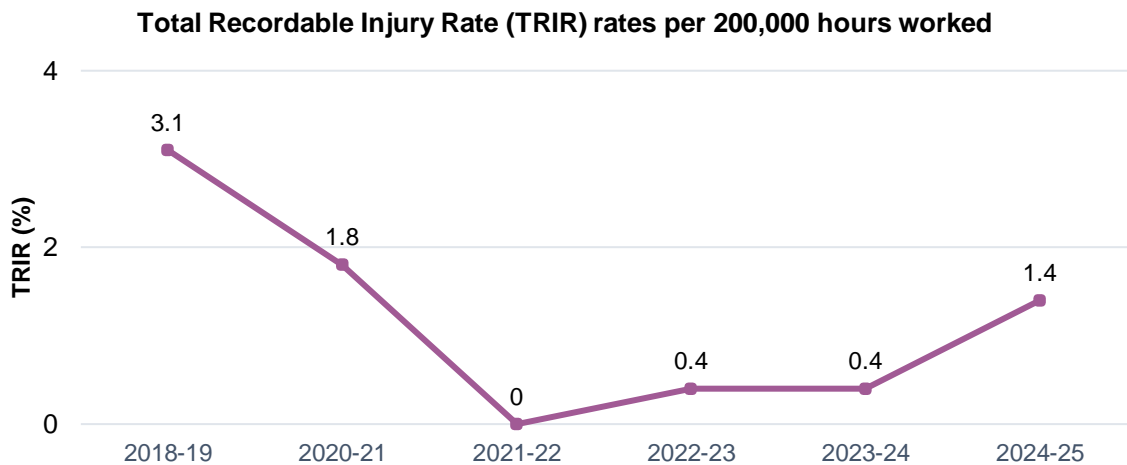


Figure 4 Total recordable injury rate per year

The full FSS 2024-25 Health and Safety Annual Summary report can be found on the [Food Standards Scotland website](#).

Payment Performance

FSS requires that all supplier invoices not in dispute are paid within the terms of the relevant contract. FSS aims to pay all invoices, including disputed ones once the dispute has been settled, on time in these terms. During the year ended 31 March 2025, 100% (2023/24, 100%) of invoices were paid within these terms.

Additionally, in accordance with SG’s guidance on prompt payment, an associated 10-day payment target also exists, for all valid and undisputed invoices. During the year ended 31 March 2025, 96% (2023/24, 91%) of invoices were paid within these terms.

Public Services Reform (Scotland) Act 2010

Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 impose a duty on FSS to publish information on certain expenditure incurred during the year. The relevant areas are: public relations; overseas travel; hospitality and entertainment; and external consultancy. FSS is also required to publish any relevant information on what it has done to promote sustainable growth, improve efficiency, effectiveness and economic stability in the exercise of its functions.

The information is required to be published as soon as is reasonably practicable after the end of each financial year. The information required to comply with these disclosure requirements is published annually in the publications section of the [Food Standards Scotland](#) website and via our annual [Financial approach paper \(PDF, 128KB\)](#) and a [Financial performance update \(PDF, 545KB\)](#) each quarter.

SAFER Programme

Evidence gathered by FSS and the Society of Chief Officers of Environmental Health in Scotland (SoCOEHS) indicates that LA official control delivery is under pressure, with a year-on-year shortfall in Authorised Officer numbers. This has resulted in some LAs being unable to deliver all food law activities required under the Food Law Code of Practice. In addition, the current framework is outdated and requires modernisation to embed digitalisation and data-led efficiencies.

This strategic issue has been on the FSS risk register for several years and is shared by Ministers and the Scottish Government. To address these challenges, FSS has developed the SAFER Programme, which recognises that the current delivery model requires reform to mitigate public health, economic, and trade risks. SAFER proposes a transformation of the food law regulatory system and its delivery in Scotland, ensuring the model is efficient, robust, and sustainable, targeting interventions that optimise public health protection and support a thriving food sector.

The programme will be formally launched on 7 October 2025, when the inaugural Programme Board is scheduled to meet.

Human Rights, Anti-Corruption and Anti-Bribery

FSS respects the human rights embodied within the European Convention on Human Rights, giving them due consideration in all its actions and decisions.

FSS has a gifts and hospitality policy, incorporating guidance on the requirements of the Bribery Act. Counter fraud and whistleblowing policies and procedures are in place to ensure the effective management of risks associated with these issues. An annual [Whistleblowing disclosure \(PDF, 182KB\)](#) is published on the FSS website each year.

Plans for 2025/26

The financial year 2024-25 was once again dominated by a flat-line budget with an additional £1m of unavoidable additional costs that had to be managed. The 35-hour working week was introduced with the impact equivalent to a loss of capacity of 16 FTE.

At the start of this financial year (2025-26) FSS had a budget gap of £2.5 million between allocation and need. The Scottish Government acknowledged the identification of the core operating pressure of £2.5 million against the published budget. Any adjustments to address the pressure identified and reallocation between resource split will take place at either the Autumn or Spring Budget Reviews. At the last meeting of Board in March 2025, the Board agreed that FSS could plan for an

expenditure budget of £24.5m (net of income and depreciation) to support the organisation's priorities, statutory functions, and essential core business. The annual budget will be subject to ongoing scrutiny through the 2025-26 financial year.

Our operating environment is evolving, and our work continues to be dominated by external factors, which makes it challenging for FSS to meaningfully engage, and keep pace with, developments across the breadth of our food safety, standards and nutrition policy responsibilities at a UK and international level.

This is likely to continue into the next financial year, particularly following the announcement made at the UK-EU Summit on 19 May 2025 on a future UK-EU Sanitary and Phytosanitary (SPS) Agreement. Subject to the nature of what is agreed with the EU on dynamic alignment with EU food safety and general consumer protection rules, we can expect impacts across the breadth of GB food safety systems and regulatory processes, which will have resource implications across our policy, science and operational delivery functions. Whilst there is some potential to reduce administrative burdens on UK food safety authorities, these are likely to be offset by any additional legislative work that is required to maintain dynamic alignment, under any future agreement.

The FSS staff engagement score remained stable at 72% which puts us in 3rd place against comparably sized organisations and 9th overall across the GB civil service. Whilst workload continues to increase the focus in this year remains staff wellbeing, capacity creation and hybrid working opportunities. Our staff are highly skilled and without the budget to increase the resource numbers we are again re-prioritising to best meet and address regulatory workload and statutory demand.

FSS has adopted a hybrid working model and recognises that it introduces a more modern way of working as well as leadership challenges that come with an organisation that is split between field, home based and head office staff. Pilgrim House attendance levels remain consistent albeit we have seen some increase this year compared to the years since COVID. FSS have established a people and place SLWG to review all current guidance and best practice with view to bringing forward proposals exploring all ways of working including hybrid working, flexible working and other options and alternative models such as 9-day fortnight.

Public Service Reform continues to be an FSS and SG priority and this has been further cemented with the recent publication of its 10-Year Public Service Reform (PSR) Programme to overhaul the way public services are delivered, with a focus on early intervention, prevention, and citizen-centred outcomes. PSR is core to achieving a fiscally sustainable Scotland, focusing on aligning spending with strategic priorities via a new Fiscal Sustainability Delivery Plan. The FSS SAFER Programme is groundbreaking in this regard entirely aligned with transformation and reform and closely aligned with the PSR principles of Preventive, citizen-led public services, Cross-sector collaboration and budget pooling efficiency via digital, estates, procurement

Signed by:

15A0942B5FBC4F1...

Geoff Ogle
Chief Executive and Accountable Officer

Date: 17 December 2025

2. Accountability report

The Accountability Report comprises of three elements; Corporate Governance Report; a Remuneration and Staff Report and a Parliamentary Accountability Report.

In this section of the report we set out:

- Corporate Governance Report
- CEO' Report
- Statement of Accountable Officer's responsibilities
- Governance Statement
- Governance Framework
- Remuneration and Staff Report
- Parliamentary Accountability Report

These elements contribute to FSS's accountability to Parliament and demonstrate that the organisation operates in a way that is proportionate, transparent and accountable, constitutes good decision-making practice, and is consistent with best practice principles of good governance.

The Annual Report and Accounts are prepared to meet the requirements of Section 15 Food (Scotland) Act 2015. The Accounts for the financial year ended 31 March 2024 have been prepared in accordance with the Accounts Direction given by Scottish Ministers, in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000. The Board has a role in approving FSS's Annual Accounts and ensuring that the Annual Report and Accounts are laid before Parliament. The Annual Report and Accounts were approved by the Board and authorised for issue by the Chief Executive and Accountable Officer on 10 December 2025.

Corporate governance report

Directors' report

The Directors' report provides information relating to membership of the Board, the Senior Leadership Group, and on the auditors of FSS.

Register of interests

A [Register of board members' interests](#) is maintained and is available for inspection by members of the public. Declarations of conflicts of interest are standing agenda items at each Board and Committee meeting. Members of the Executive are required to note and update a register of interests but there is no requirement to publish the details.

Auditors

Under the Public Finance and Accountability (Scotland) Act 2000, the Auditor General for Scotland appointed Deloitte LLP as auditor of FSS from 2022-23. The duties of the auditor are set out in the Code of Audit Practice approved by the Auditor General. Details of the external auditors' fee of £52,590 is explained and shown at note [1.8](#).

FSS Board

The [Food Standards Scotland Board](#) is responsible for the exercise of all functions of FSS. It exercises its powers and authorities through a [Scheme of Delegation \(PDF, 242KB\)](#), which it determines and approves.

Board members are subject to the Ethical Standards in Public Life (Scotland) Act 2000 and the Board's Code of Conduct, Terms of Reference and Standing Orders are published on the [Food Standards Scotland](#) website.

Board Appointments are made by Scottish Ministers through an open public appointments process and appointments are overseen by the Commissioner for Ethical Standards in Public Life in Scotland.

Board member	Appointed to Board	Term	Date at which current term of appointment ends
Heather Kelman (Chair)	1 April 2022	1st	31 March 2027
Alban Denton (Deputy Chair)	1 July 2021	1st	30 June 2025
Carol Evans	1 July 2021	1st	30 June 2025
Aileen Brown	1 January 2022	1st	31 December 2025
Phillip Couser	14 November 2022	1st	13 November 2026
Paula Charlesworth	1 April 2023	1st	1 April 2027
Kate Richards	1 April 2023	1st	1 April 2027
Christina Bichan	1 April 2023	1st	1 April 2027

Table 24 List of the 8 FSS board members

Heather Kelman, who has been a member of the FSS Board since its creation in 2015, was appointed as the new FSS Chair and took up the post on 1 April 2022. Alban Denton was appointed as Deputy Chair of the FSS Board on 24 April 2023 for

a period of two years. Due to three Board members tenure ending on the 31 of March 2023 three new Board members were appointed from 01 April 2023 (Kate Richards, Christina Bichan and Paula Charlesworth).

The Board meets in public and did so five times during 2024-25. Minutes of the Board meetings are publicly available on the [Food Standards Scotland](#) website, together with the members' [Code of Conduct \(PDF, 822KB\)](#). In addition to its formal meetings, the Board held briefing seminars to increase its understanding of a wide range of relevant topics. The Board conducted the Annual Board Effectiveness Review on 24th March 2025.

All Board members have the opportunity for on-going training and are subject to an annual appraisal by the Chair. The Chair produces a yearly report for Caroline Lamb, Scottish Government Director General Health and Social Care, with an invitation to meet in person if required.

Audit and Risk Committee

The ARC has been appointed by the Board and has been established to provide assurance to the Board and Chief Executive, as Accountable Officer, that the appropriate risk management, governance structures and internal controls are in place. It is also responsible for reviewing the integrity of financial statements and the annual report.

The ARC, which meets four times per a year, is currently comprised of four non-executive members and the Chair is appointed from the membership of the ARC by the FSS Chair under delegated powers. The external and internal auditors attend its meetings and have free and confidential access to the Chair of the ARC. The Committee operates independently of, but reports to, the Board and provides quarterly reports to inform the Board of the Committee's discussions and an annual report on its activities. The ARC also provides an annual assurance statement to assist the Board in its consideration of the Annual Report and Accounts.

Relevant induction training and development has been, and will continue to be, provided to members of the Committee. The ARC annually reviews its own effectiveness and reports the results of that review to the Board and Accountable Officer, recommending any changes it considers necessary. An ARC Effectiveness Review was completed on 10 March 2025

Finance and Business Committee

The FBC is a Committee of the Board providing appropriate high-level oversight of financial and operational matters at Board level and supporting the translation of policy into effective results through a process of constructive challenge.

The FBC met four times per year and is comprised of three non-executive members which includes the Chair of the FBC (Deputy Chair of the FSS Board). The FBC conducted an effectiveness review in December 2024 and reviewed the Terms of Reference for the Committee. The FBC Annual Report was presented at the Board Meeting on 19th June 2024.

Board, ARC and FBC attendance 2024/25

Board member	Board attendance	ARC attendance	FBC attendance
Heather Kelman (chair)	6/6	not applicable	not applicable
Alban Denton (deputy chair)	4/6	not applicable	4/4
Aileen Brown	6/6	4/4	not applicable
Carole Evans	6/6	4/4	not applicable
Phillip Couser	6/6	4/4	not applicable
Paula Charlesworth	6/6	not applicable	3/4
Kate Richards	6/6	4/4	not applicable
Chistina Bichan	5/6	not applicable	3/4

Table 25 Attendance at board meetings, the audit and risk committee and the finance and business committee

Senior Leadership Group (SLG)

The SLG provides corporate leadership to FSS and support in delivering of its statutory objectives as well as directing the day-to-day business of the organisation.

The responsibilities of our SLG, who were in post during the period 1 April 2024 and 31 March 2025, are set out below:



Geoff Ogle, Chief Executive, provides strategic leadership to FSS, ensuring that its aims and objectives are met, its functions are delivered, and its targets are met through effective and properly controlled executive action.



Ian McWatt, Deputy Chief Executive, oversees food and feed official controls delivery and policy, FSS science teams, local authority enforcement, incident and intelligence response, veterinary audit and technical advice. He also has overall responsibility for food premises approvals, shellfish controls including service level agreement, contract and performance management and wine standards

Senior Leadership Group (SLG) – from 01 April 2024 to 30 June 2024



Garry Mournian, Interim Director of Policy and Science, Garry had overall responsibility for Policy and Regulatory affairs, and FSS’s Science division before reverting to Head of Food Safety and Standards in June 2024 where he oversees the regulatory policy function.



Garry McEwan, Interim Director of Corporate Services, Garry had overall responsibility for FSS’s Comms and Marketing, Corporate Support, Digital Transformation, Finance, Procurement and HR functions until June 2024 when he returned to his role as Head of Corporate Services with oversight and responsibility for Organisational Finance, Human Resources and Corporate Support.

Full biographies can be found on the [Food Standards Scotland](#) website.

Changes to Senior Leadership Group members

SLG Member	From February 2023 - June 2024	From June 2024
Garry Mournian	Interim Director of Policy and Science	Head of Food Safety and Standards
Garry McEwan	Interim Director of Corporate Services	Head of Corporate Services

Table 26 Changes to Senior Leadership Group members

Statement of Accountable Officer’s responsibilities

Under Section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, FSS is required to prepare annual accounts for each financial year in the form and on the basis set out in the Accounts Direction issued by Scottish Ministers at the end of these financial statements.

The accounts are prepared on an accruals basis and must give a true and fair view of FSS’s state of affairs at the year end and of its comprehensive net expenditure, cash flows and changes in taxpayers’ equity for the financial year.

The Permanent Secretary of the Scottish Administration has appointed me, the Chief Executive, as the Accountable Officer for FSS. In preparing the accounts, the Accountable Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to:

- observe the accounts direction issued by Scottish Ministers, including the relevant accounting and disclosure requirements, and applying suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards, as set out in the FReM have been followed, and disclose and explain any material departures in the financial statements
- prepare the accounts on a going-concern basis

The responsibilities of the Accountable Officer, including responsibility for the propriety and regularity of the public finances for which they are answerable, for keeping proper records and for safeguarding FSS's assets, are set out in the Accountable Officer's Memorandum issued by Scottish Ministers.

The Accountable Officer confirms that so far as they are aware, all relevant audit information has been made available to the auditors. I have taken all necessary steps to ensure that I am aware of any relevant audit information and to establish that the auditors are also aware of this information.

The Accountable Officer confirms that the Annual Report and Accounts as a whole are balanced, understandable and present a fair view of FSS's state of affairs as at the end of the financial year. They take personal responsibility for the Annual Report and Accounts and the judgements required for determining that taken together they are fair, balanced and understandable.

Governance Statement

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of FSS's policies, aims and objectives. I am also responsible for safeguarding the public funds and assets, in accordance with the Scottish Public Finance Manual (SPFM).

FSS is a non-Ministerial office and part of the Scottish Administration, with direct accountability to the Scottish Parliament. Whilst our accounts are not consolidated with those of the SG, we liaise with SG colleagues on a regular basis to provide them with information relating to our expenditure and anticipated outturn; and to inform preparation of the annual Scottish Budget Act.

Our [Framework document \(PDF, 417KB\)](#), which is our agreement with the SG and sets out our relationship, was revised in May 2021 and is published on our website. The Framework document is currently being updated in line with the development of our new FSS Strategy for 2026-31.

Governance Framework

As Accountable Officer, I have responsibility for reviewing the effectiveness of the systems of internal control. The FSS Governance Framework accords with the SPFM and these processes have been in place for the year ended 31 March 2025 and up to the date of approval of the annual report and accounts.

The system implemented by FSS is designed to manage risk to a reasonable level, rather than eliminate all risk. It is proportionate and provides reasonable assurance of effectiveness.

Within FSS, the systems of internal control are a key element of the assurance and governance framework, based on an on-going process designed to:

- identify and prioritise risks to the achievement of FSS's statutory purpose, aims and strategic objectives
- evaluate the likelihood of those risks being realised, and the impact, should they be realised
- manage them efficiently, effectively and economically

FSS relies on core SG Divisions for the provision of certain business critical functions, such as core services relating to Information Technology (IT) network provisions, procurement support and human resources shared services. Assurance within these areas is primarily provided through the work of the SG's Internal Auditors.

FSS has adopted the three lines of defence governance model as its basis. This model is a useful way to ensure robust financial assurance provision across FSS. The first line of defence is management assurance and applies to business units by means of letters of delegation and monthly finance discussions between finance and budget holders. This covers day to day financial management and application of internal controls. The second line is at the corporate oversight level which is undertaken by Executive Management Team (EMT) of monthly review of budgets against actual and forecast spend. The third line is led at a strategic level by FBC as well as external and independent review of accounts by Deloitte on behalf of Audit Scotland. This brings independent, objective and a professional perspective to assurance on financial management.

Risk and Control Framework

ARC has responsibility for risk, control assurance and governance and can raise any issues with the Board. The Committee recommends the appointment of our internal auditors and receives our annual accounts and internal and external audit reports.

The Board reviewed the risk appetite and carried out the annual review of the FSS Strategic Risk Register and Issue Register at its December meeting, and the minutes and review documents can be found on the [Food Standards Scotland](#) website. Board Members also consider risks in relation to each of the papers presented at its meetings.

FSS has continued to adopt the principles of the SG approach to managing risk. The FSS Risk Management Policy outlines the FSS risk appetite and how FSS seeks to consistently identify and manage risks effectively, through a tiered approach. The

Strategic Risk Management Forum regularly reviews the Strategic Risk Register ahead of reporting to ARC at their quarterly meetings.

Internal Audit

The internal audit function, which is a key element of the internal controls and governance arrangements, is provided by SG Directorate of Internal Audit and Assurance (DIAA). The relationship with SG DIAAs is formalised through a MOU between the two parties which ran until 31 March 2025. Internal Audits are conducted in accordance with the UK Public Sector Internal Audit Standards and are based on an annual audit plan which is approved by the Accountable Officer and the ARC.

During 2024-25, the DIAA committed to undertake three risk-based audits covering FSS Engagement and Communications, Review of Performance Indicator Creation and Monitoring and finally Income Sustainability. Of the three audits completed two received a Substantial and one a Reasonable assurance rating respectively.

The Internal Auditors issued their report on Internal Audit Activities for 2024-25, including their annual assurance opinion of FSS. A Substantial annual assurance opinion for 2024-25 has been provided by SG DIAA noting FSS controls are robust and well managed.

Official Controls Delivery Assurance

The audit of delivery of official controls is carried out by FSS Audit Assurance Team who endeavour to follow the principles contained within the [Guidance on the Conduct of Audit](#) on the implementation of the audit function. Other competent authorities in the UK (e.g. Food Standards Agency) also follow this guidance.

FSS takes a risk-based approach to audit planning for audits of official control systems and so establishes an inventory of all audit areas relevant to FSS competent authority responsibilities before considering the audit programme for the year. The Audit plan for 2024-25 was approved by FSS ARC on the 8th March 2024.

During 2024-25 the Audit Assurance Team undertook three audits covering:

- Specified Risk Material (SRM) Controls and Verification.
- Hazard Analysis and Critical Control Point (HACCP)
- Scottish Food Enforcement Liaison Committee.

Action plans have been put in place to address recommendations made and these will routinely be followed up by the Auditors to check progress on implementation. Audit files will be formally closed following satisfactory implementation of each action plan.

The Audit Assurance Division produced an Annual report and Statement which summarises the audit work undertaking during the reporting year. The report indicated that Varying degrees of progress continues to be made in addressing the findings of the above audits. FSS management have continued to demonstrate an ability and willingness to address the issues identified through the audits, but we also note that some of these issues, primarily resource, are out with the direct control of

the individual Divisions. Progress continues to be made however and is being monitored.

Controls Assurance Statements

As part of the year-end process, the Deputy Chief Executive Officer completes an assurance statement, based on the requirements of the SPFM Internal Controls checklist. These statements set out how an effective system of internal controls has been maintained within their respective business areas. I have reviewed all the statements produced and can confirm that no serious issues have been reported in relation to the effectiveness of internal controls.

Information Security

During 2024-25, FSS continued to safeguard the security and protection of all personal information that we process, and to provide a compliant and consistent approach to data protection. FSS continues to embed a data protection culture across all business areas that is effective, fit for purpose and demonstrates an understanding of, and appreciation for the UK General Data Protection Regulation (GDPR) and the UK Data Protection Act (DPA) 2018.

FSS's Data Protection Officer and Senior Information Risk Officer provided strategic leadership in data protection and information security and are active members of our Executive Management Team. Information Asset Owners have provided assurance of the security of their respective assets and updating information assets on the Information Asset Register on a regular basis. FSS Records Management Plan is regularly reviewed and updated to comply with the requirements of the Public Records (Scotland) Act 2011.

Over the last 12 months **245 (84%)** members of staff have undertaken the Data Protection training or refresher training which shows a high level of compliance.

Fraud, Corruption and Bribery

FSS has counter fraud policies and procedures in place which are available to all staff on the FSS intranet.

No incidents of fraud occurred at FSS in 2024-25.

Details on how to report suspected food fraud are outlined in the food crime section of the [Food Standards Scotland](#) website, alongside information on the protection afforded to employees by the Public Interest Disclosures Act 1998.

Review Effectiveness of Internal Control and Risk Management

The review of effectiveness is informed by the work and structures highlighted in the Governance Statement and supported by the work of internal and external audit and through the oversight and views provided by the ARC on the assurance arrangements within FSS.

FSS continues to demonstrate a substantial assurance that it has sufficient levels of internal controls in place to mitigate the risks to which the organisation is exposed. The Assurance Mapping framework is integrated into the new risk management

policy and guidance. FSS has also notably matured its use of the three lines of defence assurance model across the risk management function.

The framework reflects best practice as outlined in the internal control checklist section of SPFM. Whilst there have been no significant governance issues raised, it is recognised that FSS is still developing some areas of our systems of internal control and there is a commitment to improve continually in this area.

As Accountable Officer, I can confirm I am content with the effectiveness of FSS's current arrangements to ensure good standards of governance and systems of internal control in compliance with generally accepted best practice principles and relevant guidance. There are, in my opinion, no other significant matters arising which would require to be raised specifically in the Governance Statement.

Remuneration & staff report

The sections marked (audited) in this Remuneration and Staff Report are subject to a separate opinion by Deloitte LLP. The other sections of the Remuneration and Staff Report were reviewed by Deloitte LLP to ensure they were consistent with the financial statements.

Remuneration Policy

The remuneration, allowances and expenses paid to Board Members comply with specific guidance issued by Scottish Ministers. Further information about the policy may be found on the [Scottish Government](#) website.

The remuneration of senior civil servants is set in accordance with the [Civil Service management code](#) and with independent advice from the Senior Salaries Review Body (SSRB). Further information on the work of the SSRB can be found on the [UK Government](#) website.

Staff employed below senior civil service level are part of the SG main collective bargaining unit for the determination of salary. Remuneration is determined by the SG and, in determining policy, account is taken of the need for pay to be set at a level which will ensure the recruitment, retention and motivation of staff. Also taken into account are the UKGs policies on the Civil Service and public sector pay and the need to observe public spending controls.

Salaries, benefits in kind and pension entitlements (audited)

Full details of the remuneration of Board Members and the remuneration and pension interests for SLG are detailed below.

	Salary £'000	Sal.	Benefits in kind (to nearest £100)	Ben.	Pension benefits (to nearest £'000) ¹	Pen.	Total £'000	Tot.
	2024/ 25	2023/ 24	2024/25	2023/ 24	2024/25	2023/ 24	2024/ 25	2023/ 24
Heather Kelman	30-35	25-30	-	-	-	-	30-35	25-30
Carol Evans	10-15	10-15	-	-	-	-	10-15	10-15
Alban Denton	10-15	10-15	-	-	-	-	10-15	10-15
Aileen Brown	10-15	10-15	-	-	-	-	10-15	10-15
Phil Couser	10-15	10-15	-	-	-	-	10-15	10-15
Christina Bichan	10-15	10-15	-	-	-	-	10-15	10-15
Kate Richards	10-15	10-15	-	-	-	-	10-15	10-15
Paula Charlesworth	10-15	10-15	-	-	-	-	10-15	10-15
Geoff Ogle ²	125- 130	115- 120	-	-	-	-	125- 130	115- 120
Ian McWatt	90-95	85-90	-	-	60-65	60-65	150- 160	145- 155
Garry Mournian ³	20- 25	80-85	-	-	10-15	20-25	30-40	100- 110
Garry McEwan ⁴	20- 25	80-85	-	-	5-10	30-35	25-35	110- 120

Table 27 Salaries, benefits in kind and pension benefits

¹ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

² Geoff Ogle opted to join Partnership Pension schemes from 1 April 2018. As such it is not possible to disclose the pension benefits above as the pension is no longer provided by Principal Civil Service Pension Scheme (PCSPS). The employer contributions towards the Partnership pensions for Mr Ogle have been disclosed within the Pension benefits table as part of this Remuneration and Staff report.

³ Garry Mournian stepped back from being part of SLG on 30 June 2024, therefore only a part year of his salary and pension benefits were reported in 2024/25.

⁴ Garry McEwan stepped back from being part of SLG on 30 June 2024, therefore only a part year of his salary and pension benefits were reported in 2024/25.

Salary (audited)

'Salary' includes gross salary, overtime and any other allowances to the extent that it is subject to UK taxation. This report is based on accrued payments made by FSS and recorded in these accounts.

Pension Benefits (audited)

	Accrued pension at pension age as at 31 March 2025	Real increase in pension and related lump sum at pension age	CETV at 31 March 2025	CETV at 31 March 2024	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Geoff Ogle ¹	-	-	-	-	-	18,770
Ian McWatt	55-60	2.5-5	1,169	1,068	54	-
Garry Mournian	30-35 plus a lump sum of 80 - 85	0-2.5 plus a lump sum of 0 - 2.5	600	587	8	-
Garry McEwan	5-10	0-2.5	94	83	6	-

Table 28 Pension benefits for SLG

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced: the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha.

Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus), with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase Legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on the 1st April 2012 remained in the PCSPS after the 1st April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on the 1st April 2012 switched into alpha sometime between the 1st June 2015 and the 1st February 2022. All members who switched to alpha have had their PCSPS benefits 'banked'. For those with earlier benefits in one of the final

¹ Geoff Ogle opted to join Partnership Pension schemes from 1 April 2018. As such it is not possible to full disclose the information required in the table above in relation to Accrued Pension, Real increase in pension, cash equivalent transfer value (CETV) and Real increase in CETV.

salary sections of the PCSPS, those benefits are based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha, as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (Partnership Pension Account).

Employee contributions are salary-related and range between 4.60% and 8.05% for members of classic, premium, classic plus, nuvos and alpha.

- Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, and a lump sum equivalent to 3/80ths of final pensionable earnings for each year of service is payable on retirement.
- Premium is a defined benefit scheme, with benefits based on final salary. Members contribute a percentage of their pensionable earnings. Unlike classic, there is no automatic lump sum.
- Classic plus is essentially a hybrid pension with benefits for service up to 30 September 2002 calculated broadly as per classic, and benefits for service from 1 October 2002 worked out like premium.
- In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year to 31 March, the member's earned pension account is credited with 2.3% of their pensionable earnings, adjusted each year in line with rises in the cost of living. Members can exchange some of their pension for a tax-free lump sum on retirement.
- Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. Like nuvos, members can exchange some of their pension for a tax-free lump sum on retirement.

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of Classic, Premium and Classic Plus, 65 for members of Nuvos, and the higher of 65 or state pension age for members of Alpha. (The pension figures quoted for officials show pension earned in PCSPS or Alpha, as appropriate. Where the official has benefits in both the PCSPS and Alpha the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found on the [CSPS](#) website.

Cash Equivalent Transfer Values (audited)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A Cash Equivalent Transfer Values (CETV) is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV (audited)

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Fair Pay Disclosure (audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

Total remuneration includes salary, non-consolidated payments and job specific allowances. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

	2024/25	2023/24
Band of highest paid director's total remuneration	£120,00 - £130,000	£115,000 - £120,000
Remuneration range (band)	£25,235 - £130,000	£23,735 - £120,000
% change from previous year of highest paid director	5%	5%
% change from previous year of all employees	5.9%	6.5%
Lower quartile remuneration	£35,203	£34,177
Ratio	3.6	3.4
Median remuneration	£42,244	£38,874
Ratio	3.0	3.0
Upper quartile remuneration	£54,952	£48,031
Ratio	2.3	2.4

Table 29 Fair pay disclosure

The changes in the current financial year's pay ratios compared to the previous year is attributable to the pay and benefits of the FSS employees taken as a whole. The median pay ratio for 2024 - 2025 is consistent with the pay, reward and progression policies for the entity's employees.

Staff Report

Staff Costs (audited)

Overall staff costs for the year were £18.7m. Staff costs comprises wages & salaries, social security costs and other pension costs for all staff as well as agency costs. It excludes the wages & salaries and pension costs of the Board Members and those of Contract Inspectors and Official Veterinary costs.

			2024/25	2023/24
	£'000	£'000	£'000	£'000
	Wages	Board	Total	Total
Wages and salaries	12,816	114	12,930	12,120
Social security costs	1,409	6	1,415	1,315
Other pension costs	3,363		3,363	2,988
Sub total	17,588	120	17,708	16,423
Apprenticeship levy	51		51	46
Agency staff	974		974	740
Inward secondment	103		103	291
Total	18,716	120	18,836	17,501
Less recoveries in respect of outward secondments	(119)		(119)	(105)
Total net costs	18,597	120	18,717	17,396

Table 30 Administration costs

	2024/25	2023/24
	£'000	£'000
Contract inspectors and veterinary costs	160	177
Total	160	177
Less recoveries in respect of outward secondments		
Total net costs	160	177

Table 31 Programme costs

Civil Service Pension Schemes

PCSPS

For 2024-25, employers' contributions of £3.256 million (2023-24, £2.902 million) were payable to the PCSPS at a rate of 28.97% regardless of salary band. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2024-25 to be paid when the member retires and not the benefits paid during this period to existing members.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £33,820 (2023-24, £26,570) were paid to one appointed stakeholder pension provider. Employer contributions are age-related and range from 8-14.75% of pensionable pay.

Local Government Pension Scheme

The Local Government Pension Scheme (LGPS) is a defined benefit scheme which is administered by London Pensions Fund Authority and governed by the Local Government Pension Scheme Regulations 2013. There are currently 32 (2023-24, 32) FSS employees who are active members of LGPS. For the year ended 31 March 2025, contributions of £108k (2023-24, £91k) were paid to the fund at the rate determined by the Actuary appointed to the fund. For the year ended 31 March 2025, this rate was 9.3% (9.3% in 2023-24) of pensionable remuneration.

On the basis of the updated actuarial valuation, under International Accounting Standard 19 (IAS 19), the FSS fund surplus at 31 March 2025 was £8.518m (2023-24, £6.728 million). After application of asset ceiling this was reduced to £0.137 million (£0.321 million 2023-24).

A triennial valuation process carried out in autumn 2022 determined FSS's employer contribution rate (9.3%) for a three-year period starting 1 April 2023. The actuary has estimated the employer's contributions for 2024-25 to be £83k.

The projected unit method of valuation has been used to calculate the service cost under IAS 19.

Average Number of Persons Employed

The average number of FTE persons employed at 31 March 2025.

Number of Senior Civil Service (SCS) Staff

Band	2024/25	2023/24	2022/23
SCS 2	1	1	1
SCS 1	1	1	2

Table 32 Number of SCS staff

FTE Persons Employed

	2024/25	2023/24	2022/23
Board*	8	8	8
Directly Employed Staff	266.6	270.2	271.6
Temporary Staff	3	10	3.9
Inwards Loan/Secondments	1	3.7	4.3
Total	278.6	291.9	287.8

Table 33 Number of FTE staff

*Board Members are not employed full time but have been included for completeness and to provide a full picture of the persons employed within FSS (these figures do not include employees on Maternity/Paternity Leave).

Average Number of Persons Employed

	2024/25	2023/24	2022/23
Board*	8	8	7.3
Directly Employed Staff	269	269.5	277.3
Temporary Staff	4.3	10.35	6.9
Inwards Loans/Secondments	0.75	4.25	3.6
Total	282.1	292.1	295.1

Table 34 Average number of staff

*Board Members are not employed full time but have been included for completeness and to provide a full picture of the persons employed within FSS (these figures do not include employees on Maternity/Paternity Leave).

Staff Turnover

Staff turnover during the year was 4.4%. This figure is calculated on the average number of persons employed and those who left the organisation during 2024 - 25. This is a decrease of 2.78% on 2023–24. The main reasons for leaving during 2024–25 included retirement, promotion in wider SG/OGD and new opportunities. Staff who leave FSS complete an exit questionnaire and attend an exit interview with FSS HR to provide feedback on their employment at FSS. The feedback is regularly reviewed by the FSS HR team for continuous improvement purposes.

People

In addition to delivering our strategic goals and priorities, it is important for FSS to continue to operate effectively as a public body. Our People Strategy 2022–26 is now embedded and good progress has been made to date with high level outcomes and strategic objectives. Our people are our greatest asset, and we rely on well trained, skilled and motivated individuals and teams working collaboratively to

achieve results. The People Strategy is a 'living document' providing the flexibility to respond to future changes, retaining focus on our core pillars.

Our Four Core People Pillars are:

- Pillar 1 – Effective Leadership
- Pillar 2 – Internal Change
- Pillar 3 – Employee Experience
- Pillar 4 – Talent & Skills

Equality, Diversity and Inclusion is the 'golden thread' which underpins each of the pillars. The FSS People Board has continued to meet on a bi-monthly with representation from across the organisation. The purpose of the People Board is to monitor the delivery of all People related actions and identify key priorities.

Resourcing

FSS resourcing is undertaken by SG HR Resourcing team as part of our Shared Services Memorandum of Understanding (MOU) which has been updated following the introduction of the integrated HR and Finance system, Oracle Cloud from 01 October 2024. Their policies align with the Civil Service recruitment principles. All recruitment during the year was carried out in accordance with these principles as well as internal FSS policies and procedures relating to the approval of recruitment of staff. The FSS HR team work closely with line managers and SG colleagues to ensure policy and practice are consistently applied.

The Executive Management Team (EMT) established a Resourcing Panel in May 2024 to review all proposed resourcing requests to ensure they continue to meet the needs of FSS, its statutory obligations and overall Corporate and strategic goals.

Our People are our best asset; focus on Workforce Planning and Control and aligning the size of our workforce to financial and delivery commitments ensures FSS is on a sustainable path for the future. Analysing the makeup of our current workforce and comparing against predicted future demands will allow FSS to determine where any capacity and capability gaps may be. This will enable us to plan for how we can potentially address these gaps within our resource budget allocation. A number of recommendations for action were made within the Workforce Plan and are ongoing. The FSS People Board monitors progress of these actions to ensure they are delivered across the business and provide regular updates on progress to Strategy Forum and the FBC.

Employee Engagement

FSS took part in the Civil Service People Survey 2024. The employee engagement index score of 72%, remained the same for a third year running, and ranked FSS once again in the Civil Service high performers. At 9th overall place out of 103 organisations which took part, FSS came in the top 25% of participating organisations who had a score at or above 68%. We are proud of our achievement and FSS is in a in a good position. FSS has taken positive action on results of the survey as part of the people survey cycle and strategic priority areas for action were agreed by the SLG and progress against these actions is monitored by the People Board.

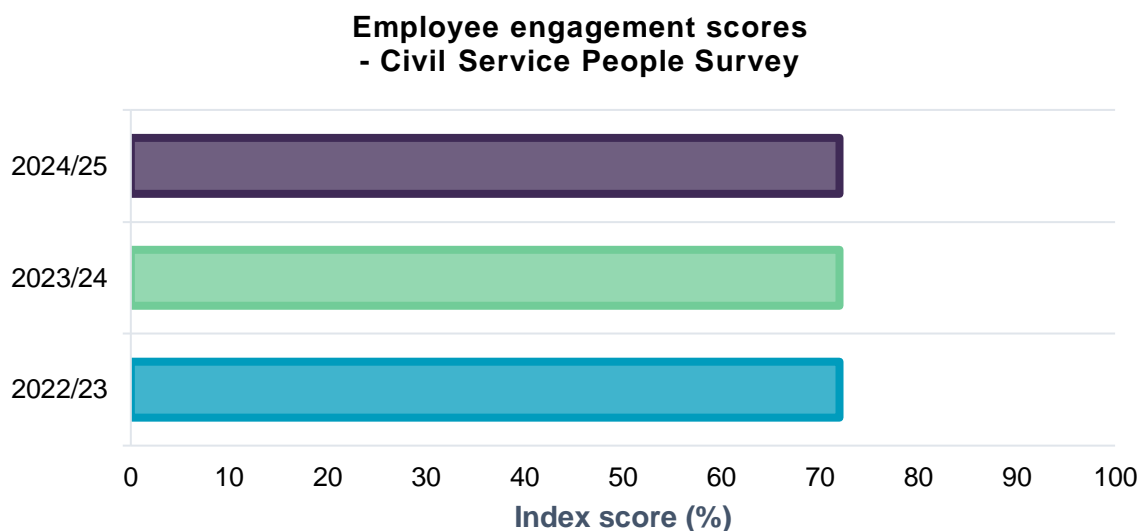


Figure 5 Civil Service People Survey employee engagement index (%)

FSS ensures that staff are kept informed and engaged in its work through a variety of modes of communication. During the year 2024-25 these include:

- monthly head office and monthly field staff meetings
- a range of internal and external guest speakers on a broad range of topics
- in person and online employee experience events, including an Employee Experience and the People Survey event in September 2024 and Breathing Space week w/c 03rd February 2025
- weekly blogs & newsletters, including a dedicated newsletter ‘For The Field’ and HR business partners provided a monthly written update to their client groups
- communication and information sharing via MS Teams channels, including the Healthy Working Lives channel
- the Internal Communications Steering Group
- the FSS Pathways learning & development site

Employee Wellbeing

Employee wellbeing is a key aspect of our Employee Experience which is a Pillar in our People Strategy. To align with our strategy and objectives FSS has continued to utilise the Healthy Working Lives framework in planning Employee Wellbeing activities. During 2024 – 2025 the HWL team continued to offer a range of wellbeing initiatives including social events, Plant Swap, volunteer Aberdeen Beach Clean and Macmillan Coffee morning event in conjunction with HR. FSS also receives monthly wellbeing material from our Occupational Health provider Optima and these are posted on Pathways and communicated to staff via internal communication channels. In February 2025, the HR Team organised a Breathing Space Week which included a series of events to mark Breathing Space Day which highlighted the services of Breathing Space and included guest speakers from Scottish Government L&D and FSS HSE Manager. We also marked Time to Talk Day with a mental health quiz and mini health checks were on offer to staff. Further events will be arranged in future.

Sickness Absence Data

There is a decrease in the overall level of sickness absence during the year 2024-25. Short term absence has however seen an upward trend and the overall level of average working days lost due to short term absence has increased by 0.6 working days per employee. Long term absence has decreased by 2.0 working days per employee during 2024 - 25. Long term absence occurs when employees have been absent for 4 weeks or more. The FSS HR team proactively support line managers to review long term absence cases, providing advice and guidance in a range of interventions available including arranging Occupational Health referrals, offering advice and support on implementation of workplace adjustments and phased return to work options to aid a return to the workplace.

	Average total sick days per employee 2024/25	Average total sick days per employee 2023/24	Average total sick days per employee 2022/23
Short term absence	3.0	2.4	3.0
Long term absence	4.1	6.1	3.0
Total	7.1	8.5	6.0
Trend	Decrease	Increase	Increase

Table 35 Sick day absences

Equality and Diversity

The Equality Act 2010 and the Equality Act (Specific Duties) (Scotland) Regulations 2012 set out a single equality duty and statutory specific duties for listed public bodies in Scotland. Listed organisations, including FSS, must meet these duties in order to ensure positive and real change for people with protected characteristics.

In accordance with statutory responsibilities, FSS carries out regular monitoring of equality and diversity data relating to the nine protected characteristics, this includes data relating to recruitment and its workforce. This enables FSS to identify any gaps or issues in its recruitment and employment practices to find ways innovative ways to try to address any inequalities.

FSS continues to encourage the self-declaration of equality and diversity information which staff can self-report via Oracle Cloud, the new integrated HR and Finance system. FSS HR team will continue to encourage employees to self-report equality and diversity information on a regular basis to help us deliver and shape policies that improve diversity and inclusion.

Equalities Mainstreaming Report

FSS published the main [Equality mainstreaming progress report 2024 \(PDF, 5.0MB\)](#) on 30 April 2024. This is a statutory requirement which we are required to publish our main report every four years, and progress report published every two years. Due to the year FSS was established we are out of step with other Public Sector bodies and our next Equalities Mainstreaming Report is due for publication on 30 April 2026.

The report reviews our progress against our Equality Outcomes since the publication of our main [Equality mainstreaming report 2022 \(PDF, 1,040KB\)](#) in April 2022. It also

sets out our three Equality Outcomes and actions we will take (see page 9 of the report) and how we will embed equality across FSS in order to meet the general and specific duties, as well as looking at how delivery of its functions impacts on those with protected characteristics. The report also sets out our successes to date, section 7.3 references our successes to date including employee experience events and Civil Service People Survey statistics.

In 2024/2025, an EDI Champions Framework has now been introduced with representatives from a cross section of the organisation. The EDI Group is chaired by an HR Business Partner and has continued to meet regularly. The purpose of the group is to promote and further equality, diversity and inclusion across FSS and take action to drive and deliver equality and diversity activities derived from our Equality Outcomes and our Strategic and Corporate Plans.

Ethnicity

	2024/25	2023/24	2022/23
No. of staff from an ethnic minority	2.9%	2.5%	2.0%
Trend	Increase	Increase	Decrease

Table 36 Percentage of staff from an ethnic minority

2.9% of the FSS workforce are from an ethnic minority; this is a has increased by 0.4% since 2023/2024. This can be attributed an increase in recruitment activity during the past year. It is worthy of note that there is also a significant amount of data suppressed to protect identity due to low numbers declared. It is important to note that the data is management information only and should not be considered as official statistics as this may vary from other sources of information.

Gender Balance

At 31 March 2025, the gender split within FSS is almost 50:50, 48% of our staff are female and 52% are male. Read the [Equality mainstreaming progress report 2024 \(PDF, 5.0MB\)](#) for further detail. FSS Board is diverse and has strong female representation with 75% female members. The senior leadership team recognises the importance of having a diverse workforce and women are actively encouraged to apply for leadership roles and development opportunities.

	Female		Male		Unknown	Total	
	24/25	23/24	24/25	23/24	24/2025	24/25	23/24
Board Members	6	6	2	2	0	8	8
Senior Management Team (including Chief Executive and Deputy Chief Executive)	0	0	2	2	0	2	2
Employees	137	134	150	150	0	287	284
Unknown	0	0	0	0	2	2	0
Total	143	140	154	154	2	299	294

Table 37 Gender balance of Board members and Senior Management Team

Note

These figures do not include agency temps and based on actual headcount not FTE. The data is management information only and not considered Official Statistics and may vary from figures in other sources. In Q1 2024/25 there were 2 additional male members of SMT.

Age

As of 31 March 2025, approx. 40.1% of staff in the organisation were 50 or over, which is an increase of 3.5% from the previous year.

The proportion of staff in FSS in the 16–29 category has decreased to 7.9% which is a decrease of 2% from previous year. This could be attributed to limited opportunities at entry level A3/A4 posts. We will continue to seek opportunities to nurture young talent via our participation in Career Ready Mentoring Scheme. We will also consider ways to increase participation and promote Modern Apprenticeship opportunities at the A3 grade as part of our long-term talent management strategies. The proportion of staff in the 30–49 category remains broadly the same as the previous year with 52.6% of staff in this age group.

During 2024-25 we received a small number of partial retirement and retirement applications from staff across the organisation. As with previous years it had been identified that we have a high proportion of field-based staff in the 55+ category who are nearing retirement age. To address potential skills gaps in the Field, FSS has continued to offer trainee Meat Hygiene Inspector opportunities with five staff recruited in 2024. A campaign will begin shortly to recruit further trainees to commence during 2025. Trainee Official Veterinarian posts have also been recruited to address gaps in the veterinary field and there is ongoing recruitment with further trainees due to onboard in 2025.

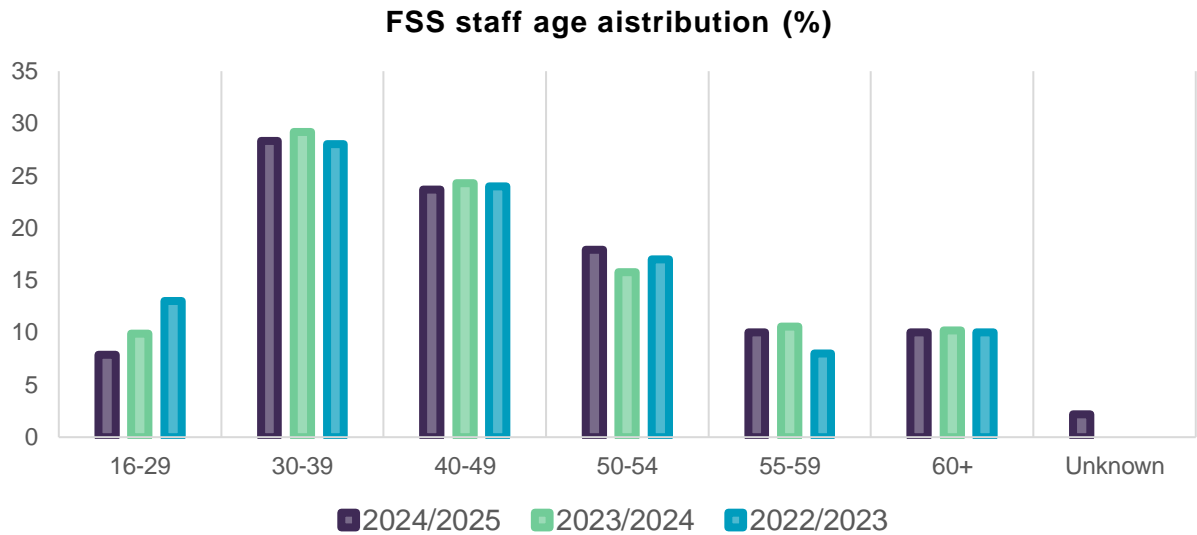


Figure 6 Staff age distribution

Notes

These figures do not include agency temps and based on actual headcount not FTE. The data is management information only and not considered Official Statistics and may vary from figures in other sources.

Disability Confident Scheme

FSS is committed to equality of opportunity in employment and welcomes applications from people across all sections of society. In July 2024, FSS HR successfully completed a self-assessment and received confirmation of our status as a Disability Confident Employer (Level 2) and ongoing participation in the scheme valid up to 14 July 2027.

We display our Disability Confident Employer status on our website and job adverts. Disabled applicants who meet the minimum criteria for vacant posts will be invited for interview, and ensure we offer and implement where required, reasonable adjustments to the recruitment and selection process as necessary. This commitment enables us to draw from the widest possible talent pool and ensure that disabled people get a fair chance through the Guaranteed Interview Scheme.

FSS recognise that staff may also develop a long-term health condition or disability during the course of their employment. The scheme recognises our commitment and there are a range of FSS and SG HR policies which take into account the wider employment of staff who may require additional support and reasonable adjustments to enable them to remain in work. FSS HR team continue to promote the benefits of the Employee Passport launched in 2023, which is a tool to enable staff to facilitate a conversation with their line manager to discuss any adjustments they may require or to review existing arrangements.

Guidance and training is available to managers relating to management of staff who have a disability and ensuring fair treatment. All staff are subject to Performance Management and in setting objectives ensure that consideration is given when setting objectives and ensure that the individual has access to a full range of learning and development opportunities, offering adjustments where required to ensure they

can access the learning. Managers will also undertake monthly conversations with employees to keep objectives under review, which includes a wellbeing discussion and opportunity to review if there are any further workplace adjustments that can be made to help them or further training and development, they could do to enhance their career development.

Fair Work Framework

We are guided by the Fair Work Framework, which sets out the ambition that, by 2025, people in Scotland will have a world-leading working life, where fair work drives success, wellbeing and prosperity for individuals, businesses, organisations and society. FSS aligns to the SG’s Fair Work Agreement.

Trade Union Relationship

FSS is committed to working in partnership with its recognised Trade Unions (TU) and believes that a partnership approach to employee relations is at the heart of ensuring it’s a fairer, more successful employer. The local Partnership Group meets bimonthly to consider common employee relations issues and FSS has positive working relationships with both Public Commercial Services and Prospect Unions. Involving the trade unions as partners contributes to the success of FSS and the well-being of its employees.

Under the Trade Union (Facility Time Publication Requirements) Regulations 2017 there is a requirement for public sector employers to report annually on paid time provided to TU representatives for trade union duties and activities:

Number of employees who were relevant union officials during 2024/2025	FTE employee number	Percentage of pay bill spent on facility time	Time spent on paid TU activities as a percentage of total paid facility time hours
2	1.75	0.03%	36.1%

Table 38 Employee trade union time

Percentage of time spent on facility time	Number of employees
0%	0
1 – 50%	2
51% - 99%	0
100%	0

Table 39 Percentage of employee time spent on facility time

Compensation for loss of office (audited)

There have been no leavers who received compensation for loss of office during the 2024 - 25 financial year.

FSS had no redundancy and other departure costs in 2024 - 25 related to active staff members. Exit costs are accounted for in full in the year of departure. Where FSS has agreed early retirements, the additional costs are met by the FSS and not by the Civil Service pension scheme.

Ill-health retirement costs are met by the pension scheme and are not included in the table. There were no retirements made on ill-health grounds in 2024 - 25.

Community, social and human rights

In September 2024 we published our first [Accessibility and Inclusive Communications Plan](#). The plan details the specific actions that we aim to deliver by 2026 to ensure there are limited barriers in accessing FSS information and guidance.

The goals of the plan, which is overseen by our Accessibility and Inclusive Communications Group, are to:

- Enhance awareness and understanding of the importance of accessibility and inclusive communications and embed best practice and a collective responsibility right across the organisation
- Provide resources for colleagues to ensure content is accessible and inclusive
- Ensure contracted third-party organisations and suppliers comply with accessibility and inclusive communications regulations/ requirements across all outputs
- Identify any new legislation and emerging technologies and be prepared for change
- Consider specific tactics to communicate with vulnerable and minority groups
- Continue to deliver British Sign Language (BSL) commitments
- Strengthen relationships and engagement with key stakeholders/groups

Progress in delivery of the plan:

- Mandatory accessibility training launches for all FSS staff in October 2024. The aim of this is to ensure staff are equipped with an understanding of different accessibility considerations that must be taken into account in order to comply with legislation, as well as general best practice to minimise barriers to accessing our guidance and advice.
- Made contact with ContactScotland BSL to understand more about the service they offer and how we can work together to engage with the BSL community in Scotland. They agreed to present at a staff meeting in 2025 to speak about BSL awareness.
- Met with inclusive communication leads from Social Security Scotland to share best and learn from their experience of embedding inclusive and accessible communications within an organisation.
- For our annual campaign to encourage people to take a vitamin D supplement, campaign information was again translated into Polish, Ukrainian, Urdu, Bengali and Simplified Chinese, as well as Hindi for the first time. This was to expand the reach of the campaign among people who may not have English as their first language.

Parliamentary accountability disclosures

Consultancy

There were no contracts for consultancy services during the year.

Charitable Donations, Gifts and Paid Sponsorships

FSS did not make any charitable donations during the year. In line with the SPFM, no gifts were given or donated by FSS during 2024-25.

Losses and Special Payments

During the year to 31st March 2025, there were no losses and special payments recorded in the SoCNE (2023-24, nil).

Fees and Charges

To comply with EC Regulation 882/2004, FSS provides a range of services, regulated and non-regulated in approved meat establishments in Scotland. Some of these services are paid for by OGDs and others are charged to FBOs. The charges for these services are covered in more detail in the [Food Standards Scotland website](#).

Industry receives a discount on the full costs of providing this service. To comply with the requirements of the SPFM regarding full-cost recovery, approval by the Cabinet Secretary for Finance and Sustainable Growth to continue with partial cost recovery was agreed in February 2014.

With the discount system in place, there currently remains a shortfall between the costs for FSS of delivering meat official controls and the income received from FBOs for these services. This was effectively a subsidy of approximately £1.3m to the meat industry with an adjustment being made for plant closures since 2015. For the 2024-25 financial year the subsidy was £1.069m.

The income received from industry and government for services provided by FSS during the year is outlined below:

	2024/25	2024/25	2024/25	2023/24	2023/24	2023/24
	Income	Full cost	Surplus / deficit ¹	Income	Full cost	Surplus / deficit
	£'000	£'000	£'000	£'000	£'000	£'000
Industry	4,774	5,843	(1,069)	4,043	5,110	(1,067)
Government	392	392		297	297	-
Other (e.g. assessment centre charges)	33	33		62	62	-
Total	5,199	6,268	(1,069)	4,401	5,468	(1,067)

Table 40 Income received for services

¹ In 2024-25, following a challenge from the meat industry over a 15% increase in charge rates from 2023-24, Ministers awarded a one-off £500K supplementary subsidy payment. This amount has not been recorded in the table.

Guarantees, indemnities and letters of comfort

No guarantees or letters of comfort were provided during the 2024-25 reporting year.

Signed by:

15A0942B5FBC4F1...

Geoff Ogle
Chief Executive and Accountable Officer

Date: 17 December 2025

3. Independent Auditor's Report to Food Standards Scotland, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of Food Standards Scotland for the year ended 31 March 2025 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2024/25 Government Financial Reporting Manual (the 2024/25 FReM). In our opinion the accompanying financial statements:

- give a true and fair view of the state of the body's affairs as at 31 March 2025 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2024/25 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, we report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

We report in our Annual Audit Report the most significant assessed risks of material misstatement that We identified and our judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using our understanding of the central government sector to identify that the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers are significant in the context of the body;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the body operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements.
- Do not have a direct effect on the financial statements but compliance with which may be fundamental to the body's ability to operate or to avoid a material penalty. These include the Data Protection Act 2018 and relevant employment legislation.

As a result of performing the above, we identified the greatest potential for fraud was in relation to the requirement to operate within the expenditure resource limits set by the Scottish Government as part of the Budget (Scotland) Act. The risk is that the expenditure in relation to year-end transactions may be subject to potential manipulation in an attempt to align with its tolerance target or achieve a breakeven position. In response to this risk, we obtained confirmation of the resource limits allocated by the Scottish Government and tested a sample of accruals, prepayments and invoices received around the year-end to assess whether they have been recorded in the correct period.

In common with audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulation described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of

the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities in respect of irregularities explained in the audit of the financial statements section of our report, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the

Remuneration and Staff Report

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the

Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

In our opinion, based on the work undertaken in the course of the audit: the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations We require for our audit.


We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

DocuSigned by:

939DA8CCECEB448...

Sarah McGavin, CA, (for and on behalf of Deloitte LLP)
8th Floor
The Silver Fin Building
455 Union Street
Aberdeen
AB11 6DB
17 December 2025

4. Food Standards Scotland financial statements

In this section of the report we set out:

- Statement of Comprehensive Net Expenditure
- Statement of Financial Position
- Statement of Cash Flows
- Statement of Changes in Taxpayers' Equity
- Notes to the Accounts
- Direction by Scottish Ministers

Statement of comprehensive net expenditure

	Note	2024/25	2023/24
		£'000	£'000
Other operating income	4	(5,199)	(4,401)
Total operating income		(5,199)	(4,401)
Staff costs	Staff	18,878	17,572
Purchase of goods and services	3	4,367	4,343
Depreciation and impairment charges	3	739	807
Provision expense	3	23	18
Pension expense	3	71	68
Finance costs	3	23	
Other operating expenditure	3	3,790	4,090
Ministerial subsidy to industry	4	500	-
Total operating expenditure		28,391	26,898
Net operating expenditure		23,192	22,497
Other comprehensive net income			
Actuarial gain on pension scheme liabilities	13.3	117	286
Total comprehensive net expenditure		23,309	22,783

Table 41 Statement of Comprehensive Net Expenditure (SoCNE)

Statement of financial position

	Note	2024/25 £'000	2023/24 £'000
Non-current assets			
Property, plant and equipment	5	437	519
Intangible assets	6	358	444
Right of Use Asset	7	1,931	2,344
Net pension asset	13.3	251	460
Total non-current assets		2,977	3,768
Current assets			
Trade and other receivables	10	793	619
Other current assets	10	807	763
Cash and cash equivalents	9	500	2,798
Total current assets		2,100	4,181
Total assets		5,077	7,949
Current liabilities			
Trade and other payables	11	(715)	(423)
Other liabilities	11	(2,029)	(1,515)
Provisions	12	(19)	(20)
Lease liability	7	(433)	(393)
Total current liabilities		(3,196)	(2,351)
Total assets less current liabilities		1,881	5,598
Non-current liabilities			
Accumulated dilapidation	12	(114)	(100)
Provisions	12	(87)	(101)
Net pension liability	13.3	(169)	(196)
Lease liability	7	(1,622)	(2,055)
Total non-current liabilities		(1,992)	(2,452)
Total assets less total liabilities		(110)	3,146
Taxpayers' equity and other reserves			
General fund		(110)	3,146
Total taxpayers' equity		(110)	3,146

Table 42 Statement of financial position (SoFP)

Signed by:

Geoff Ogle

15A0942B5FBC4F1...

Geoff Ogle

Chief Executive and Accountable Officer

Date: 17 December 2025

Statement of cash flows

	Note	2024/25	2023/24
		£'000	£'000
Cash flows from operating activities			
Net operating expenditure	SoCNE	(23,192)	(22,497)
Adjustment for non-cash transactions	3, SoCiE	829	899
Increase/(decrease) in trade and other receivables	10	(217)	208
Decrease/(increase) in trade and other payables	11	806	(574)
Less movements relating to items not passing through the SoCNE			
Use of provisions	3, 13	80	72
Cash contribution to pension deficit	12, 13.3	(29)	(30)
Payment of lease interest	7	(23)	(390)
Net cash outflow from operating activities		(21,746)	(22,312)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(65)	(32)
Purchase of intangible assets	6	(92)	(92)
Net cash outflow from investing activities		(157)	(124)
Cash flows from financing activities			
From the Consolidated Fund (Supply)	SoCiE	20,000	24,200
Payment of lease liabilities	7	(393)	0
Net financing		19,607	24,200
Net (decrease)/increase in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		(2,296)	1,764
Cash and cash equivalents at the beginning of the period	9	2,796	1,032
Cash and cash equivalents at the end of the period	9	500	2,796

Table 43 Statement of cash flows (SoCF)

Statement of changes in taxpayers' equity

	Note	2024/25	2023/24
		General Fund	General Fund
		£'000	£'000
Balance at 01 April		3,146	1,676
Net parliamentary funding		20,000	24,200
Net operating expenditure for the year	SoCNE	(23,192)	(22,497)
Actuarial (loss)	13.3	(117)	(286)
Auditors' remuneration and expenses	3	53	52
Balance at 31 March		(110)	3,146

Table 44 Statement of changes in taxpayers' equity (SoCiE)

Notes to the financial statements

1 Statement of accounting policies

The accounts have been prepared in accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 and also in accordance with the FReM applicable for the year. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of FSS for the purposes of giving a true and fair view has been selected.

1.1 Basis of accounting

These accounts have been prepared under the historical cost convention. As at 31st March 2025, FSS has significant net asset £0.137 million after application of asset ceiling (£0.321 million 2023/24) relating to pension for former FSA staff, both retired as well as current FSS employees, who are members of the LGPS. In addition, there is also a small liability for former FSA in Scotland Board Members who are members of the PCSPS. The FReM requires that preparers of financial statements should have regard to the underlying assumption that financial statements shall be prepared on a going concern basis. As a government department, any liabilities due for these pensions will be subject to allocation of additional funding from the Scottish Parliament as services are presumed to continue.

1.2 Critical accounting judgements and key sources of estimation uncertainty

In applying the accounting policies, FSS are required to make judgements (other than those involving estimations) that have a significant impact on the amount recognised and to make estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing the accounts, no critical accounting judgements have been made.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are:

IAS 19 Employee Benefits

- Uncertainty – Estimation of the net liability/asset to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality

rates and expected return on pension fund assets. There is further detail in note [13](#) to the accounts which includes a table setting out the potential sensitivity of change in assumptions on the pension liability. A firm of consulting actuaries is engaged to provide FSS with expert advice about the assumptions to be applied.

- Effect if actual results differ from assumptions - The effect on the net pension liability of changes in individual assumptions can be measured. For instance, at note [13.2](#), a 0.5% increase in the discount rate assumption would result in a reduction in the pension liability of £1,157k. However, the assumptions interact in complex ways. During 2024/25, the FSS's actuaries advised that the net pension liability had increased in part by £1,000k following an update on assumptions (£4,000k decrease 2023-24).

1.3 Non-current assets

The capitalisation policy applies to all individual or group major equipment purchases and capital projects totalling £5,000 or more.

All plant and equipment assets are carried at depreciated historic cost as a proxy for fair value. This is in accordance with FReM requirements as these assets have short useful lives or low values or both. Assets Under Construction (AUC) are shown separately under Intangible Assets and are not depreciated until the month after they are brought into use.

Details of Non-Current Assets, including AUC, are presented at notes [5](#) and [6](#).

Computer software and software licences with a purchase cost in excess of £5,000 (including irrecoverable VAT and delivery) are capitalised at cost and amortised over the life of the licence, or over 7 years if the licence is bought in perpetuity.

Depreciation and amortisation are applied on a straight-line basis to write off costs evenly over the asset's anticipated life. This is in accordance with FReM requirements as a proxy for current value in existing use or fair value as these assets have short useful lives or low values or both. Estimated useful lives are reviewed during the year and assets adjusted where applicable:

Assets	Estimated useful life
Computer equipment	2 to 5 years
Office machinery	7 years
Furniture, fixtures and fittings	7 years
Furniture, fixtures and fittings – fit out Pilgrim House	14.5 years to cover life of lease
Vehicles	7 years
Computer software and software licences	2 to 7 years

Table 45 Estimated useful life of assets

1.4 Operating Income

Operating income is income which relates directly to the operating activities of FSS. Income for the year is recognised on an accruals basis reflecting the value of the work undertaken and is shown net of VAT. FSS has income from meat official controls and related work including export health certificates.

Income from official controls and related work is recognised as time recorded by staff multiplied by charging rates and invoiced to both industry and government customers. For the majority of meat industry customers discounts are applied to charges.

1.5 Administration and Programme Expenditure

The Statement of Net Comprehensive Expenditure is analysed between administration and programme costs. The classification of expenditure as administration or programme follows the definition of administration costs set out in Consolidated Budgeting Guidance 2024-25 by HM Treasury.

1.6 Pension Arrangements

Pension assets and liabilities attributable to FSS in the LGPS are recorded in line with IAS 19 with a valuation undertaken annually to measure the value of pension assets and liabilities at the Statement of Financial Position date, determining the benefits accrued in the year and the interest on assets and liabilities. The value of benefits accrued is used to determine the pension charge in the SoCNE and the interest on scheme assets and liabilities is included within interest receivable/payable.

The change in value of assets and liabilities arising from asset valuations, changes in benefits, actuarial assumptions or change in the level of deficit attributable to members, is recognised in the Statement of Changes in Taxpayers' Equity. The resulting pension liability or asset is shown on the Statement of Financial Position. The IAS 19 valuation includes sensitivity analysis and the potential impact and this information can be found in note [13](#) together with the costs in relation to the LGPS scheme. Further details about LGPS pensions can be found on the website [LPFA](#) website.

Pension liabilities in the legacy FSA Board Pension Scheme are calculated by the Government Actuary's Department (GAD), and a valuation is undertaken annually. The change in value of pension liabilities arising from changes in benefits or actuarial assumptions is recognised in the Statement of Changes in Taxpayers' Equity. The resulting pension liability is shown in the Statement of Financial Position.

1.7 Leases

Accounting Policies

IFRS 16 Leases, issued by the International Accounting Standards Board in 2016, was adopted by FSS from 1st April 2022. It replaced the previous Standard IAS 17 Leases.

Scope and Classification

Leases are contracts, or parts of a contract that convey the right to use an asset in exchange for consideration. Contracts or parts of contract that are leases in substance are determined by evaluating whether they convey the right to control the use of an identified asset, as represented by rights both to obtain substantially all the economic benefits from that asset and to direct its use.

Initial Recognition

At the commencement of a lease (or the IFRS 16 transition date, if later), a right-of-use asset and a lease liability are recognised. The lease liability is measured at the present value of the payments for the remaining lease term, net of irrecoverable value added tax, discounted either by the rate implicit in the lease, or, where this cannot be determined, the rate advised by HM Treasury for that calendar year. The liability includes payments that are fixed or in-substance fixed, excluding, for example, changes arising from future rent reviews or changes in an index.

Lease Expenditure

Expenditure includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability.

Lease Pilgrim House

IFRS 16 Leases impacts the accounting treatment of the rental expenditure for the lease of Pilgrim House in Aberdeen. A right-of-use (ROU) asset representing the right to use the underlying leased asset and a lease liability representing the obligation to make lease payments are recognised on the Statement of Financial Position. As a consequence, depreciation of the ROU asset and interest on the lease liability are recognised on the Statement of Comprehensive Net Expenditure, and cash repayments of the lease liability are classified into a principal portion and an interest portion and presented on the Statement of Cash Flows.

1.8 Audit costs

A charge reflecting the cost of the audit is included in the operating costs. FSS is audited by Deloitte LLP as Appointed by the Auditor General for Scotland. No charge by Audit Scotland is made for this service but a non-cash charge representing the cost of the audit is included in the accounts. There were no non-audit services provided by Deloitte LLP that FSS was charged for in the year.

1.9 Value Added Tax (VAT)

Operating costs are stated net of VAT where VAT is recoverable by FSS. FSS is registered for VAT as part of the SG, which is responsible for recovering VAT from HM Revenue and Customs. Irrecoverable VAT is charged to the Statement of Comprehensive Net Expenditure, or if it is incurred on the purchase of a non-current asset, it is capitalised in the cost of the asset.

1.10 Provisions

Provisions are recognised in accordance with IAS 37. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation, arising from a past event, at the Statement of Financial Position date.

The Early Departure pension provision has been discounted at the rates set by HM Treasury. Other provisions have not been discounted as the resulting adjustments are not considered material to these accounts.

1.11 Liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, FSS discloses, for parliamentary reporting and accountability purposes, certain contingent liabilities where the likelihood of a transfer of economic benefit is remote.

These comprise:

- Items over £100,000 (or lower, where required by specific statute) that do not arise in the normal course of business and which are reported to Parliament by Departmental minute prior to the Department entering into the arrangement.
- All items (whether or not they arise in the normal course of business) over £100,000 (or lower, where required by specific statute or where material in the context of resource accounts) which are required by the FReM to be noted in the resource accounts.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amounts reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

1.12 Financial assets and liabilities

FSS holds the following financial assets and liabilities:

Assets	Trade and other receivables
	Other current assets
	Cash and cash equivalents
Liabilities	Trade and other payables
	Other liabilities
	Provisions
	Lease Liability

Table 46 Financial assets and liabilities held by FSS

Financial Assets and Liabilities are accounted for under IAS 32, Financial Instruments: Presentation, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosure.

Cash balances are measured as the amounts received in FSS's bank account. FSS does not currently have cash equivalents. Trade receivables are measured at fair value with an impairment review carried out on a monthly basis. Trade and other payables are measured at fair value, with use of agreed invoiced amount, or management estimate in the case of accrued expenditure, forming the basis for valuation.

1.13 Government grants receivable

Grants and grant in aid in respect of revenue and capital expenditure are treated as a source of financing and are credited to the general reserve.

2. Net costs by group

Division	Administration	Ad.	Programme	Pr.	2024/25	2023/24
	Costs	Income	Costs	Income	Net operating cost	Net op cost
	£'000	£'000	£'000	£'000	£'000	£'000
Board, Executive Leadership Team and Private Office	742	-	-	-	742	675
Directorate of Policy, Science and Operations	-	-	-	-	-	848
Scottish Food Crime and Incidents Unit	1,695	-	31	-	1,726	1,382
Science, Delivery and Research	1,272	-	653	-	1,924	2,096
Food Safety and Standards Policy	1,282	-	-	-	1,282	1,131
Local Authority Delivery	2,057	-	695	-	2,753	2,188
Operational Delivery	8,016	-	3,559	(5,199)	6,377	5,781
Directorate of Strategy and Corporate Affairs	-	-	-	-	-	562
Governance and Infrastructure	5,115	-	-	-	5,115	4,845
UK and International Relations	708	-	-	-	708	295
Audit Assurance	599	-	-	-	599	425
Communications and Marketing	947	-	173	-	1,120	972
Public Health Nutrition, Science and Policy	620	-	226	-	846	841
Regulatory Strategy Work Programme	-	-	-	-	-	361
Totals	23,054	-	5,337	(5,199)	23,192	22,402

Table 47 Net operating costs by division

FSS identifies reportable segments in the form of Directorates, Divisions and Programmes, which reflect the organisational structure. The financial system also reflects the organisational structure and enables income and expenditure to be analysed and reported by segment. Staff costs by branch are contained within the Administration costs presented above.

Administration costs also include organisational wide expenditure such as facilities (depreciation and interest expenses relating to rent, rates, utilities), shared service

costs (IT, Procurement, HR) and the pension liability payments we need to make in relation to legacy pension agreements that pre-date FSS and were transferred upon vesting in 2015.

The Audit figures presented above relate to the running costs associated with our Audit Assurance Branch. The work of this team involves conducting audits of local regulations.

A summary of staff costs is shown in the table below. Additional detail regarding staff number and costs can be found in the [Staff Report](#).

	2024/25	2023/24
	£'000	£'000
Staff costs	17,709	16,423
Apprenticeship levy	51	46
Agency staff	974	740
Inward secondment	103	291
Contract inspectors and veterinary costs	160	177
Less recoveries in respect of outward secondments	(119)	(105)
Total net costs	18,878	17,572

Table 48 Summary of staff costs

3. Non-pay expenditure

	2024/25	2023/24
	£'000	£'000
Goods and services	4,367	4,343
Depreciation and impairment charges: non cash		
Depreciation	147	147
Amortisation	178	246
Amortisation of ROU asset	414	414
Subtotal	739	807
Provision expense		
Dilapidation	14	14
Early departure	9	4
Subtotal	23	18
Pension expense/(write back)	71	68
Finance costs	23	-
Other operating expenditure		
Accommodation costs including rates, estate management and security	417	408
Support systems costs – other	807	887
Legal costs	441	465
Other admin costs	792	857
Internal auditors' remuneration and expenses	42	39
Travel & subsistence and hospitality	465	472
Training and development	92	127
Other	14	17
IT costs	255	182
Lease expense	82	80
Lease interest	-	27
Research and development expenditure	332	477
Nominal charge: external auditors' remuneration and expenses	53	52
Subtotal	3,792	4,090
Ministerial subsidy to industry	500	-
Total	9,515	9,326

Table 49 Total non-pay expenditure

4. Operating Income

Operating income, analysed by classification and activity, is as follows:

	2024/25	2023/24
	£'000	£'000
Income for official controls charged to industry	4,774	4,043
Income for meat hygiene work charges to other government departments	392	297
Other income – e.g. assessment centre charges	33	62
Total income	5,199	4,401

Table 50 Operating income by classification and activity

The meat hygiene charging system was jointly developed by FSS and the Scottish Meat Industry and implemented with their full support. At that time, the FSS scheme maintained the previous FSA level of government subsidy (£1.3m), through a new discount system designed to incentivise compliance and efficient utilisation of official control resources. This was approved by SG Ministers and FSS was directed to apply the discount scheme, accepting that this is a departure from the default full cost recovery as required by the SPFM

During 2024-25 there was a discount subsidy of £1.069m provided to the meat industry. FSS has some discretion on where it can apply charges. Legally, we are not able to charge for more than we do, but we have some discretion over indirect costs. FSS continues to absorb the costs of “corporate activities” which are not charged to industry. These relate to some chargeable activities such as specified risk material (SRM) controls for BSE, and non-chargeable activities such as recruitment, corporate training, team meetings and non-regulated work.

In 2024-25, following challenge from the meat industry over a 15% increase in charge rates on 2023-24, Ministers awarded a one-off additional £500K supplement, subject to the payment of any outstanding debt. The main drivers of the higher than usual increase were pay awards, the move to a 35-hour working week from 1st October 2024 and the increased cost of agency backfill to sustain service capacity and cover FSS employed vacancies because of difficulties in recruiting OVs. This supplement has been recorded as a ministerial subsidy to industry in the non-pay expenditure section of the report.

5. Plant and equipment

	Fixtures and fittings	Office equipment	Computer equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2024	821	60	766	136	1,782
Additions			65		65
Disposals	(2)		(19)		(22)
At 31 March 2025	818	60	812	136	1,826
Depreciation					
At 1 April 2024	584	55	551	73	1,264
Charged in year	45	1	82	19	147
Disposals	(2)		(19)		(22)
At 31 March 2025	626	56	613	92	1,389
Carrying amount at 31 March 2025	192	4	198	44	437
Carrying amount at 31 March 2024	236	5	214	63	518
Asset financing					
Owned	192	4	198	44	437
Carrying amount at 31 March 2025	192	4	198	44	437

Table 51 Plant and equipment 2024/25

	Fixtures and fittings	Office equipment	Computer equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 April 2023	834	263	802	136	2,035
Additions		-	32	-	32
Disposals	(14)	(203)	(69)	-	(285)
At 31 March 2024	821	60	766	136	1,782
Depreciation					
At 1 April 2023	553	257	538	53	1,401
Charged in year	45	1	82	19	147
Disposals	(14)	(203)	(69)	-	(285)
At 31 March 2024	584	55	551	73	1,264
Carrying amount at 31 March 2024	236	5	214	63	518
Carrying amount at 31 March 2023	281	6	264	82	633
Asset financing					
Owned	236	5	214	63	518
Carrying amount at 31 March 2024	236	5	214	63	518

Table 52 Plant and equipment 2023/24

6. Intangible assets

Intangible assets comprise computer software, software licenses and AUC.

	Computer software and software licences	AUC	Total
	£'000	£'000	£'000
Cost of valuation			
At 1 April 2024	2,113	29	2,143
Additions	49	73	122
Transfers		(29)	(29)
At 31 March 2025	2,162	73	2,235
Amortisation			
At 1 April 2024	1,698		1,698
Charged in year	178		178
Disposals			
At 31 March 2025	1,877		1,877
Carrying amount at 31 March 2025	286	73	358
Carrying amount at 31 March 2024	415	29	444

Table 53 Intangible assets 2024/25

	Computer software and software licences	AUC	Total
	£'000	£'000	£'000
Cost of valuation			
At 1 April 2023	2,944	103	3,047
Additions	166	29	195
Transfers		(103)	
Disposals	(996)		(1,099)
At 31 March 2024	2,113	29	2,143
Amortisation			
At 1 April 2023	2,449	-	2,449
Charged in year	246	-	246
Disposals	(996)	-	(996)
At 31 March 2024	1,698		1,698
Carrying amount at 31 March 2024	415	29	444
Carrying amount at 31 March 2023	495	103	598

Table 54 Intangible assets 2023/24

7. Capital and other commitments

At 31 March 2025 there were no commitments for the purchase of capital items.

Commitments under leases

From 1st April 2022, under IFRS 16 Leases a ROU asset representing the right to use the underlying leased asset and a lease liability representing the obligation to make lease payments have been recognised on the Statement of Financial Position. The asset is depreciated annually, with the depreciation and interest expenses for the reporting year being recognised on the SoCNE.

Food Standards Scotland does not face a significant liquidity risk with regard to its lease liabilities

Building	2024/25 £'000	2023/24 £'000
Right of use asset	2,344	2,758
Depreciation	(414)	(414)
At 31 March	1,931	2,344
Obligations under leases		
No later than 1 year	433	393
Later than 1 year and no later than 5 years	1,622	1,756
Later than 5 years	-	299
Total	2,055	2,448

Table 55 Commitments under leases

The expenses relating to payments not included in the measurement of the lease liability is as follows:

	2024/25 £'000
Amounts recognised in the SOCNE	
Depreciation	414
Interest expense	23
Amounts recognised in the SCF	
Cash flows	416
Interest expense	23

Lease liabilities reconciliation

Reconciliation of liabilities arising from financing activities	2023/24 £'000	Cash flows	Interest	2024/25 £'000
Lease liabilities	2,448	(416)	23	2,055
Total liabilities from financing activities	2,448	(416)	23	2,055

Other financial commitments

FSS did not have any other financial commitments as of 31 March 2025.

8. Financial instruments

As the cash requirements of the organisation are met through the estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with FSS expected purchase and usage requirements and FSS is therefore exposed to little credit, liquidity or market risk.

9. Cash and cash equivalents

	2024/25	2023/24
	£'000	£'000
Balance at 1 April	2,798	1,033
Net charges in cash and cash equivalents	(2,298)	1,765
Balance at 31 March	500	2,798
The balances at 31 March held at		
Government Banking Service	500	2,798
Balance at 31 March	500	2,798

Table 56 Cash and cash equivalents

10. Trade and other receivables

	2024/25	2023/24
	£'000	£'000
Amounts falling due within one year		
Trade receivables	423	379
VAT recoverable	369	240
Total	793	619
Other current assets		
Prepayments and accrued income	807	763
Total	807	763

Table 57 Trade and other receivables

11. Trade and other payables

	2024/25	2023/24
	£'000	£'000
Amounts falling due within one year		
Other taxation and social security	363	16
Trade payables	0	394
Other payables	351	12
Total	715	423
Other current liabilities		
Accruals	2,029	1,515

Table 58 Trade and other payables

12. Provisions for liabilities and charges

Provisions are recognised when FSS has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

			2024/25	2023/24
			£'000	£'000
	Early departure	Dilapidations	Total	Total
Balance at 31 March 2024	121	100	221	226
Provided in the year	14	14	29	21
Provisions not required written back	(2)		(2)	
Provisions utilised in the year	(24)		(24)	(23)
Borrowing costs (unwinding of discount)	(3)		(3)	(2)
Balance at 31 March	106	114	220	222

Table 59 Early departure and other provisions

			2024/25	2023/24
			£'000	£'000
	Early departure	Dilapidations	Total	Total
Within one year	19		19	20
Total current provisions liability	19		19	20
Between one and five years	61	114	175	168
Thereafter	26		26	32
Total non-current provisions liability	87	114	201	200
Provisions balance at 31 March	106	114	220	220

Table 60 Analysis of expected timing of discounted flows (excluding LGPS and former FSA Scotland Board pension provisions)

12.1 Dilapidations

FSS are recognising a provision in relation to dilapidations as a result of a 2017 survey report confirming FSS could reasonably expect costs of approximately £185,000 to be incurred should it vacate Pilgrim House at the end of the current lease. The provision will be made annually on a cumulative basis over the lease term (15 years). Dilapidations were not recognised in the first 2 years and therefore is spread over the remaining 13 years of the lease.

12.2 Early departure costs

Early departure cost refers to liabilities to staff for early retirement. FSS is meeting the additional costs of benefits beyond the normal PCSPS and LGPS benefits in respect of employees who retire early by paying the required amounts annually to the pension fund over the period between early departure and normal retirement date. FSS provides for this in full when the early retirement programme becomes binding on the department by establishing a provision for the estimated payments discounted by the His Majesty's (HM) Treasury discount rate of -2.40% (2023/24 -2.45%) in real terms. During 23/24, no early departure costs were incurred in relation to current staff members.

13. Pension assets and liabilities

13.1 Pension provision for former FSA Board Members

Pension liabilities in the Board Pension Scheme are calculated by the GAD and a valuation is undertaken annually. The change in value of pension liabilities arising from changes in benefits or actuarial assumptions is recognised in the Statement of Changes in Taxpayers' Equity. The resulting pension liability is shown in the Statement of Financial Position. Board pension provision relates to the by-analogy pension scheme with the PCSPS that applies to former Scottish FSA Board Members' pension arrangements. The pension arrangements are unfunded with benefits being paid as they fall due and are guaranteed by FSS. There is no fund and therefore no surplus or deficit. The payments are inflation-linked and are expected to be made over the remaining lifetimes of the current scheme members. The methodology and results of the assessment were undertaken by the GAD and is in accordance with IAS 19 and the FReM governing UK Accounting for Departments/Non-Department Public Bodies.

The total value of the pension benefits payable by the FSS's Pension Schemes as at 31st March 2025 is £55,000 (31st March 2024, £56,000). The disclosures confirm that over the period the defined benefit liability has decreased by £1,000. This is attributable to changes to the actuarial financial and demographic assumptions.

It is likely that the current scheme liabilities will gradually decrease over time, as the expected pension payments are made to the scheme members. In the short-term changes in the scheme liability may be primarily driven by the assumptions used for future assessments (particularly the financial assumptions prescribed by HM Treasury).

Financial assumptions

Liabilities are valued on an actuarial basis using the Projected Unit Method. The main actuarial assumptions are as follows:

	Year ending 2024/25	Year ending 2023/24
Discount rate	5.15%	5.10%
Rate of increase in pensions in payment	2.65%	2.55%
CPI inflation assumption	2.65%	2.55%

Table 61 Actuarial assumptions

Mortality

Life expectancy is based on the actuarial assumptions. Based on these assumptions, the average life expectancies at retirement age are summarised below.

	As at 31 March 2025	As at 31 March 2025	As at 31 March 2024	As at 31 March 2024
Current pensions exact age	Men (years)	Women (years)	Men (years)	Women (years)
60	26.5	28.5	26.7	28.2
65	21.9	23.6	21.9	23.3

Table 62 Average life expectancies at retirement age

Present value of scheme liabilities

	Value at 2024/25	Value at 2023/24
	£'000	£'000
Liability in respect of		
Current pensioners	55	56
Total present value of scheme liabilities	55	56

Table 63 Value of scheme liabilities

Analysis of movement in scheme liability

	2024/25	2023/24
	£'000	£'000
Scheme liability at the beginning of year	56	60
Movement in the year		
Interest cost	3	2
Actuarial gain	1	1
Benefits paid	(5)	(7)
Net pension liability at end of year	55	56

Table 64 Movement in scheme liability

Analysis of amount charged to operating expenditure

	2024/25	2023/24
	£'000	£'000
Current service cost (net of employee contributions)		
Interest cost	3	2
Total expense	3	2

Table 65 Amount charged to operating expenditure

Analysis of amounts to be recognised in statement of changes in taxpayers' equity

	2024/25	2023/24
	£'000	£'000
Experience loss arising on the scheme liabilities	0	5
Changes in financial assumptions underlying the present value of scheme liabilities	1	(4)
Net total actuarial gain recognised in the statement of changes in taxpayers' equity	1	1

Table 66 Analysis of amounts to be recognised in SoCiE

Sensitivity of the Defined Benefit Obligation (DBO) to changes in the Significant Actuarial Assumptions

Change in assumptions*		Impact on DBO	Impact on DBO
		%	£'000
Rate of discounting scheme liabilities	+0.5 a year	(4)	(2)
Rate of increase in CPI	+0.5 a year	4	2
Life expectancy: each member assumed to retire 1 year earlier than expected		4	2

Table 67 Sensitivity analysis

* Opposite changes in the assumptions will produce approximately equal and opposite changes in the DBO. Doubling the changes in the assumptions will produce approximately double the change in the DBO. The sensitivities show the change in assumption in isolation. In practice such assumptions rarely change in isolation and given the interdependencies between the assumptions the impacts may offset to some extent.

13.2 Provision for LGPS pension

The London Pension Fund Authority (LPFA) fund valuation set the FSS primary contribution rate for the period from 1st April 2023 to 31st March 2025 at 19.3%. For this period, the FSS secondary contribution rate is set at -10% and the minimum funding requirements in the LGPS at 9.3%. The contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions. The projected unit method of valuation has been used to calculate the service cost under IAS 19.

An allowance for an asset ceiling has been included in the LPFA fund valuation for 2024-25. The asset ceiling is calculated as the difference between the accounting surplus attributable to the employer and the surplus limit. The surplus limit is calculated as the expect future cost of accrual, calculated in line with the discount rate, minus the present value of the certified contributions payable by the employer. The disclosures confirm a net surplus of £0.137m (£0.321m 2023/24) after the asset ceiling has been taken into account.

McCloud/Sargeant Judgement

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in

the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment.

The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022.

The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

Virgin Media Case

Following last year's Court of Appeal judgment in Virgin Media Limited v NTL Pension Trustees Limited, which raised questions about the validity of certain historical pension changes, there is now increased uncertainty across the pensions industry. In response, legislation is being introduced to enable affected pension schemes to retrospectively obtain written actuarial confirmation that these historic benefit changes complied with the required standards. The Department for Work and Pensions (DWP) will collaborate with HM Treasury (HMT) to determine how this will apply specifically to public sector schemes.

Financial assumptions

The major financial assumptions used by the actuary when providing the assessment of the accrued liabilities as at the following dates for the Resource Accounting assessments were:

	Year ending 2024/25	Year ending 2023/24
	% p.a.	% p.a.
Discount rate	5.70%	4.85%
Rate of increases	2.95%	2.90%
RPI inflation	3.30%	3.30%
Salary increases	3.95%	3.90%

Table 68 Major financial assumptions

Mortality

The post-retirement mortality is based on the Club Vita mortality analysis. These base tables are then projected using the Continuous Mortality Investigation (CMI) 2023 Model (CMI 2022 2023/24), allowing for a long-term rate of improvement of 1.25% p.a., smoothing parameter of 7.0, an initial addition parameter of 0.0% p.a. and a 2023 weighting of 15% (2022 weighting of 25% 2023/24).

		As at 31 March 2025	As at 31 March 2024
Retiring today	Males	19.3	19.3
	Females	22.3	22.2
Retiring in 20 years	Males	20.4	20.4
	Females	24.3	24.3

Table 69 Post-retirement mortality projections

Movement in liabilities

	2024/25	2023/24
	£'000	£'000
Opening defined benefit obligation	21,979	22,508
Current service cost	185	208
Interest cost	1,035	1,047
Change in financial assumptions	(1,969)	(134)
Change in demographic assumptions	(52)	(272)
Experience (gain)/loss on defined benefit obligation	(47)	64
Estimated benefits paid net of transfers in	(1,346)	(1,480)
Contributions by scheme participants	58	63
Unfunded pension payments	(25)	(25)
Closing defined benefit obligation	19,818	21,979

Table 70 Movement in liabilities

Movement in assets

	2024/25	2023/24
	£'000	£'000
Opening fair value of employer's assets	28,511	27,351
Interest on assets	1,354	1,281
Return on assets less interest	(484)	1,213
Administration expenses	(9)	(8)
Contributions by employer including unfunded	108	116
Contributions by scheme participants	58	63
Estimated benefits paid plus unfunded net of transfers in	(1,371)	(1,505)
Closing fair value of employers assets	28,167	28,511

Table 71 Movement in assets

Assets in the scheme and the expected rate of return

	Value at 2024/25	% at 2024/25	Value at 2023/24	% at 2023/24
	£'000		£'000	
Equities	16,613	59%	17,263	61%
Target return portfolio	5,115	18%	4,918	17%
Infrastructure	3,213	11%	3,275	11%
Property	2,567	9%	2,608	9%
Cash	659	2%	447	2%
Market value of assets	28,167	100%	28,511	100%
Present value of scheme liabilities	(19,818)		(21,979)	
Net pension asset	8,349		6,532	

Table 72 Expected rate of return for assets in the scheme

Reconciliation of asset ceiling

	2024/25	2023/24
	£'000	£'000
Opening impact of asset ceiling	6,211	4,171

Interest on asset ceiling	301	200
Actuarial losses	1,700	1,840
Closing impact of asset ceiling	8,212	6,211

Table 73 Reconciliation of asset ceiling

Analysis of amount charged to net operating expenditure

	2024/25	2023/24
	£'000	£'000
Service cost	185	208
Administration expenses	9	8
Net interest on the defined (asset)	(18)	(34)
Total	176	182
Employer contributions to be set off	(108)	(116)
Amount charged to operating cost	68	66

Table 74 Analysis of the amount charged to net operating expenditure

Analysis of amount recognised in statement of changes in taxpayers' equity

	2024/25	2023/24
	£'000	£'000
Return on fund assets in excess of interest	(484)	1,213
Change in financial assumptions	1,969	134
Change in demographic assumptions	52	272
Experience gain/(loss) on defined benefit obligation	47	(64)
Asset ceiling allowance	(1,700)	(1,840)
Remeasurement of the (defined liability)	(116)	(285)

Table 75 Analysis of the amount recognised in statement of changes in taxpayers' equity

Sensitivity analysis

	£'000	£'000	£'000	£'000	£'000
Adjustment to discount rate	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	18,746	19,599	19,818	20,040	20,975
Projected service cost	139	152	155	159	173
Adjustment to long term salary increase	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	19,936	19,841	19,818	19,794	19,703
Projected service cost	155	155	155	155	155
Adjustment to pension increases and deferred revaluation	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of total obligation	20,883	20,023	19,818	19,616	18,847
Projected service cost	174	159	155	152	139
Adjustment to life expectancy assumptions		+1 year	None	-1 year	
Present value of total obligation		20,573	19,818	19,093	
Projected service cost		161	155	150	

Table 76 Sensitivity analysis

13.3 Summary of pension charges and liability charged to net operating expenditure

	Board Pension	LGPS	Total 2024/25	2023/24
	£'000	£'000	£'000	£'000
Net pension liability at 1 April	(56)	321	265	612
Current service cost	-	(185)	(185)	(208)
Administrative expenses	-	(9)	(9)	(8)
Employer contributions set off	-	108	108	116
Interest cost	(3)	18	15	32
Charged to net operating expenditure	(3)	(68)	(71)	(68)
Deficit payments	5	-	5	7
Actuarial (loss) recognised in SOCTE	(1)	(116)	(117)	(286)
Net pension (liability)/asset	(55)	137	82	266

Table 77 Pension charges and liability charged to net operating expenditure

Unfunded liabilities included in the figure for present value of asset/(liability) is -£169k (2023/24 -£196k).

14. Contingent liabilities

14.1 Guaranteed minimum pension

The valuation of defined benefit and unfunded liabilities on 31st March 2019 and therefore included in the starting position for 2024 (1st April 2024) as disclosed in note [13](#), includes an allowance for the potential ‘past service cost’ in light of the Lloyds ruling on the equalisation of Guaranteed Minimum Pension (GMP) between genders. This allowance is therefore incorporated in the roll forward approach and is re-measured at the accounting date along with the normal LGPS liabilities. The ruling requires pension schemes, such as LGPS, to equalise the effect of unequal GMPs accrued between May 1990 and April 1997 by virtue of them having been paid to scheme members at different ages (65 for men, 60 for women).

The actuarial valuation assumption for GMP is that the Fund will pay limited increases for members who have reached Statutory Pension Age (SPA) by 6th April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, it is assumed that the Fund will be required to pay the entire inflationary increase. This assumption is consistent with the consultation outcome published by the Government on 23rd March 2021. Therefore, the FSS management has taken the actuaries view that there is no need to make any adjustments to the value placed on the liabilities as a result of the outcome.

14.2 Goodwin contingent liability

The Government have confirmed that a remedy is required in all affected public sector pension schemes, which includes the LGPS. The actuaries do not yet have an accurate indication of the potential impact this may have on the value of employers’ liabilities or the cost of the scheme. It is their understanding that the GAD is undertaking a review to assess the potential impact on public sector pension schemes, which the actuaries expect will be minimal for LGPS funds.

15. Related party transactions

The SG is regarded as a related party as FSS is an NMO of the Scottish Administration and receives grant in aid funding. During the year, FSS had various material transactions with the SG, mainly in relation to the provision of corporate shared services for IT, HR and Legal support. The disclosure threshold for related parties is £1m.

FSS has had various material transactions with other government departments and other central government bodies. The main entities within government with which FSS has had dealings with, apart from SG, is the Centre for Environment Fisheries & Aquaculture Science (CEFAS). Details are included in the following table.

	2024/25		2023/24	
Organisation	SG	CEFAS	SG	CEFAS

Income	345,192	N/A	360,916	N/A
Expenditure	1,225,734	3,382,232	1,570,575	2,901,883
Debtors	0	N/A	26,681	N/A
Creditors	0	0	43,993	100,394

Table 78 Related party transactions

During the year no Board or SLG members have undertaken any material transactions with FSS.

16. Events after the reporting period

In accordance with the requirements of IAS 10 'Events after the Reporting Period', post balance sheet events are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date the Accountable Officer signs off the accounts following the Board's approval.

There are no post balance sheet events to report that occurred between the end of the reporting period and the date when the financial statements were authorised for issue relating to the 2024-25 financial year.

17. Early adoption of IFRSs, amendments and interpretations

FSS has not adopted any IFRSs, amendments or interpretations early.

18. Application of newly issued accounting standards

FSS has not adopted any newly issued accounting standards.



FOOD STANDARDS SCOTLAND

DIRECTION BY THE SCOTTISH MINISTERS

In accordance with section 19(4) of the Public Finance and Accountability Scotland Act 2000, The Scottish Ministers hereby give the following direction:

1. Food Standards Scotland will prepare accounts for the financial year ended 31 March 2016, and subsequent years. The accounts shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRM) which is in force for the year for which the accounts are prepared.
2. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year of Food Standards Scotland in the exercise of its functions
3. This direction shall be reproduced as an appendix to the accounts.

Signed by the authority of the Scottish Ministers

A handwritten signature in blue ink, appearing to read 'A. J. Sturgeon'.

Dated 20 April 2016