

Alignment of Public Service Reform and FSS Strategy

1 Purpose of the paper

1.1 This paper provides an integrated assessment of the alignment between Scotland's Public Service Reform (PSR) Strategy, reflects the policy direction outlined in the SNP Manifesto 2026, and assesses alignment with the Food Standards Scotland (FSS) Strategy 2026–31. It also considers the strategic implications of reform for FSS and how FSS's role as an independent, evidence-based public health and regulatory body contributes to prevention, public trust and effective public service delivery in Scotland.

1.2 The Board is asked to:

- **Agree** that PSR should be recognised as a cross-cutting strategic priority, complementing FSS's existing strategic priorities, and delivered in part through programmes such as SPS and SAFER, while recognising that SPS is a distinct policy driver which will need to take account of PSR in its implementation.
- **Agree** that future Board papers should include a section of PSR implications and alignment around the themes of prevention and efficiency.

2 Strategic priorities

2.1 This work supports all the FSS strategic priorities:

- Public health and consumer protection
- Evolving and reforming the regulatory landscape
- Providing an effective public service for the people of Scotland

3 Background – Public Service Reform Strategy – Overview

3.1 The Public Service Reform Strategy published in June ¹⁽²⁰²⁶⁾ sets out a comprehensive programme to transform Scotland's public services into a system that is more preventative, integrated and efficient. Its central premise is that the current model is fiscally unsustainable and overly focused on managing demand rather than addressing its root causes.

3.2 The strategy is structured around three interconnected pillars.

¹ [Scotland's Public Service Reform Strategy: Delivering for Scotland - gov.scot](https://www.gov.scot/publications/scotland-s-public-service-reform-strategy-2026-31/pages/1-introduction.aspx)

- 3.3 First, the shift towards prevention is intended to address the underlying drivers of demand across public services. The strategy highlights that significant costs associated with issues such as obesity, poverty and poor health are avoidable through earlier intervention.
- 3.4 Second, the strategy promotes more joined-up services, organised around people and place rather than institutional boundaries. This includes a clear expectation that organisations will collaborate more effectively and reduce duplication, with services designed to be more fiscally sustainable, accessible and coherent for citizens.
- 3.5 Third, the focus on efficiency seeks to simplify the delivery landscape, reduce the number of public bodies where appropriate, and make greater use of shared services and digital technologies. The ambition to reduce operating costs across government and public bodies by £1 billion over five years underlines the scale of the efficiency challenge.
- 3.6 Taken together, the PSR Strategy represents a significant shift towards system-wide reform, with a strong emphasis on leadership, collaboration and data-driven decision making.
- 3.7 PSR featured heavily as an issue in all party manifestos and the SNP Manifesto 2026 reinforced many of the themes within the PSR Strategy but also introduced additional political and delivery considerations. The manifesto has been more specific than the PSR strategy when it comes to the public body landscape with a clear focus on reducing the number of public bodies. This introduces uncertainty about the future delivery landscape and the role of individual organisations.
- 3.8 In relation to public service reform, the manifesto commits to early legislative action through a Public Service Renewal Bill and signals a strong intent to reduce duplication, secure fiscal sustainability and focus resources on frontline delivery. However, given it is a manifesto inevitably it provides limited detail on the scope of reform, the criteria for change, or the sequencing of implementation. On the face of it, this creates a gap at least in the short term between ambition and delivery planning, which brings a level of uncertainty for FSS while also dealing with our change programmes.
- 3.9 In the area of diet and obesity, the manifesto places significant emphasis on affordability and reducing health inequalities. Measures such as the expansion of free school meals and the introduction of price caps on essential foods are important interventions intended to improve food access and cost of living pressures. From an FSS perspective there is an opportunity to build further on these measures through continued focus on dietary quality, behaviour change, and the wider food environment, all of which are central to delivering sustained improvements in population health.
- 3.10 FSS's strategic ambition to support a healthier food environment strongly aligns with the preventative principles underpinning PSR. In supporting delivery of the manifesto ambition, there may be value in considering how measurable obesity outcomes and a longer-term intervention framework could strengthen the focus on prevention and support longer term impact.
- 3.11 The Population Health Framework Programme provides an important mechanism through which many of these issues may be progressed as part of the prevention agenda focus.

The Board may want to emphasise the importance of these considerations in any correspondence with SG.

4 FSS Strategy 2026-31 – Strategic Position

- 4.1 The FSS Strategy sets out a clear vision of delivering a safe, authentic and healthier food environment, grounded in independence, scientific evidence and public trust.
- 4.2 A strength of the strategy is its clarity of purpose. FSS maintains a statutory role focused on protecting public health, improving diet, and safeguarding consumer interests, while also contributing to economic confidence in Scotland's food system.
- 4.3 The strategy identifies three core areas of focus.
1. The first is public health and consumer protection, where FSS will continue to drive actions for reducing the risks of foodborne illness in Scotland and strengthen its leadership role in dietary health. This includes a clear commitment to supporting decision-making through robust evidence, transparent reporting and authoritative advice, underpinned by research and data.
 2. The second is regulatory reform, with a programme of work to modernise food law delivery and improve efficiency and compliance.
 3. The third is the delivery of effective public services, including investment in digital capability, data science and public engagement. The strategy explicitly recognises the importance of contributing to the PSR agenda and delivering services in a more efficient and citizen-focused way.
- 4.4 Point 1 aligns with PSR focus on prevention, reflecting FSS's role in delivering prevention across the food system, including reducing avoidable harm, supporting healthier diets, strengthening consumer trust, and reducing downstream pressure on health and enforcement systems.
- 4.5 Overall, the FSS Strategy is well developed and operationally credible and the annual delivery plans will provide further detail.

5 Comparative Alignment Analysis

- 5.1 There is clear alignment between the two strategies in several key areas.
- 5.2 In relation to prevention, both strategies emphasise the importance of addressing health inequalities and improving long-term outcomes. The PSR Strategy provides a structured approach to prevention while the FSS strategy contributes more specifically through its focus on dietary health, food safety, and the wider food environment.
- 5.3 FSS strategic focus on helping to create a healthier food environment aligns with the preventative ambitions underpinning PSR. Delivering sustained improvements to dietary health is likely to require a combination of public health interventions, collaboration with industry, consumer engagement and regulatory measures where appropriate. In this

respect, the food environment reform represents a key area through which the wider prevention agenda could continue to develop.

- 5.4 As highlighted in the Board [paper](#) improving dietary health outcomes remains a complex, long term challenge. A determined focus on obesity prevention, particularly in children, would deliver on the “Christie Principles” contributing to improved public health outcomes, and reducing NHS costs and supporting wider social and economic wellbeing.
- 5.5 In terms of system reform, there is strong consistency in the emphasis on efficiency, simplification and collaboration. FSS’ regulatory reform agenda – especially SAFER - aligns closely with these objectives and positions the organisation as an early example of reform in practice.
- 5.6 A further area of alignment is the increasing importance of data and evidence. Both the PSR Strategy and the FSS Strategy place significant emphasis on data-driven decision making and transparency. This represents a key strength for FSS, which already operates with a mature evidence base and analytical capability. While both PSR and the FSS Strategy place increasing emphasis on data-driven decision making and evidence-based intervention, there remains an important dependency on sustained investment in research, surveillance and analytical capability to generate the underlying evidence base required to support these ambitions.
- 5.7 Despite these areas of alignment, there are also notable tensions.
- 5.8 The most significant relates to obesity and dietary health which has already been addressed. While prevention is a stated priority across all frameworks, there is a risk that delivery bodies will be expected to demonstrate impact without having the necessary levers to do so.
- 5.9 There is also a structural tension between centralisation and local empowerment. The PSR Strategy promotes place-based delivery but as a national regulator, FSS will need to navigate this tension carefully, maintaining its statutory role while supporting more integrated local delivery models.
- 5.10 Finally, there is a potential tension between regulation and economic growth. The manifesto’s emphasis on affordability and growth could create pressure to present regulation as a constraint, whereas FSS’ role is to ensure safety, standards and protect public health. A “less regulation” focus also underplays the argument for a more level playing field when it comes to food sector changes. This all reinforces the need to frame regulation as enabling trust, protecting public health, securing and protecting trade and sustainable growth. It is also the case that, assuming there is a SPS agreement and there is dynamic alignment, there will be very limited opportunity for less regulation.

6 Strategic Implications for FSS

- 6.1 As the Board will recall, the approach we took with this latest strategy was to enable a more agile and flexible approach given the frequency with which our agenda has been influenced by external factors. The combination of the fiscal challenge, SPS and PSR reform all point to a more uncertain and demanding operating environment for FSS over

the next five years. We should expect an increasing demand for FSS to demonstrate its value, impact and distinct contribution within a potentially simplified and more integrated system. This will require a clear articulation of what **must** be protected, particularly independence, scientific credibility with evidence-based policy and the integrity of regulatory functions.

- 6.2 At the same time, FSS has an opportunity to strengthen its role as a system leader. Its established strengths in evidence, public health and regulatory delivery position us well to influence the development of prevention policy, particularly in areas where current policy is underdeveloped. There is also a need to reframe the role of regulation within the growth agenda. By demonstrating how food standards support consumer confidence, exports and economic resilience, FSS can align its statutory role more closely with wider government priorities.
- 6.3 Finally, effective engagement across the system will be critical. This includes working closely with government, local authorities and other delivery bodies to shape reform and ensure that the food system remains central to wider public service outcomes. Annex A provides information on all activities and changes that would be covered by PSR.

7 Discussion

- 7.1 While FSS is well placed in terms of PSR, the Board will recall the discussion on the FSS Operating Environment paper and in particular the financial situation FSS finds itself in. Our financial challenge is acute and there is no doubt that our pace to be able to change will be influenced by the resources we have available to transform our delivery. The investment in dedicated data and digital will help, but ultimately, there are likely to be limitations on how much change we can make and the speed at which we can make it.
- 7.2 For FSS, PSR is more than SAFER and it should therefore be recognised as a cross-cutting strategic priority, complementing FSS' existing strategic priorities and it is recommended that we do so. However, making it a priority will not address the capacity issues and indeed could feel like more pressure is being added to the organisation. That said, given SAFER is a priority and within the PSR approach, the additional "burden" on resource is unlikely to be more than it is now. The key issue of course in the short term is that SPS is going to become the primary focus given the policy, legal and industry implications of an EU agreement. We can also expect additional requirements subject to Ministerial decisions on the level of engagement and involvement they want FSS to have in a post SPS world.
- 7.3 The other area of concern relates to PSR requirements around "back office" costs and the sharing of services. From a FSS perspective, we have already reduced back-office costs by £400k since 2022/23 and the scope for further reductions is likely to be limited unless some of the requirements are reduced. Specifically, the volume and scale of reporting requirements is significant and many of them are statutory requirements and thus cannot be avoided. Similarly, PSR advocates strongly for the setting up of clusters and it is possible for organisations to be in more than one cluster, but it is less clear how prioritisation would be applied (e.g. more than one cluster looks at shared services) and

indeed there is likely to be some additional resource requirements in the short term to deliver the cluster efficiencies.

- 7.4 There may well be other requirements from PSR that we are unaware of yet; rationalisation of the number of public bodies in Scotland.

8 Identification of risks and issues

- 8.1 As we appear – at least for the time being – well placed in terms of PSR and our own strategy, the Risk Appetite Statement does not need to be re-considered as it has already been addressed through the lens of SAFER. There is nothing else at this stage that suggests the Board needs to review its risk appetite.
- 8.2 With regards to risks, the Executive and ARC reviewed the latest set of strategic risks and further work has been agreed to ensure that the risks are captured appropriately. They will be reviewed again at the next ARC meeting, and this will ensure that PSR is adequately reflected if indeed it is deemed to be a strategic risk. As PSR develops, the risks will continue to be reviewed, especially if there was to be any tension with our own strategy.
- 8.3 As the Board are aware, the current budget position places significant limitations on the scope for investment to improve efficiency, especially in terms of digital development. With a projection of staff costs being well over 90% of our total current allocation by 2028/29, it becomes clear that reform investment becomes increasingly constrained, especially if we also see a reduction in natural turnover to facilitate staff number reductions.
- 8.4 The final risk is the potential draw on resources (outside of SAFER) that PSR places as that inevitably would mean a diversion of resource from existing requirements. Again, this issue is being addressed through work commissioned by the board.

9 Equality Impact Assessment and Fairer Scotland Duty

- 9.1 There are no equality Impact nor Fairer Scotland duties issues to consider at this stage.

10 Consumer Duty

- 10.1 Prevention is a core theme of the PSR strategy and of course aligns with our ambitions and statutory obligations around public health improvement and protection. While PSR does not focus specifically on improving the food environment, that is captured elsewhere in the Population Health Framework and programme of activity. There is nothing to indicate that PSR would be against the consumer interest.

11 Conclusion/Recommendations

- 11.1 The PSR Strategy and FSS Strategy are broadly aligned in their ambition to deliver better outcomes through prevention, reform, and efficiency. However, the system is entering a period characterised by high ambition with, currently, limited delivery clarity although with

a dedicated Cabinet Secretary post focusing on PSR it is likely that the pace will increase and more detail will provide clarity.

- 11.2 At a strategic level, there is clear coherence. PSR and FSS Strategies both emphasise prevention, improved outcomes for citizens, and the need to reform delivery systems to ensure fiscal sustainability. Specifically, the FSS Strategy is notably well aligned with these ambitions, particularly through its focus on evidence-led public health, regulatory reform and system efficiency.
- 11.3 In this context, the key consideration for the Board is that FSS is strategically well aligned and comparatively well prepared, we must be proactive in shaping the reform agenda, clearly articulating its value, and protecting its independence and core functions. Resource will continue to have an impact of the scale and pace of change FSS can deliver across all our activities. The key challenge will be to move beyond alignment and take an active leadership role in shaping how reform is implemented, while safeguarding FSS independence and core functions.
- 11.4 The Board is asked to:
- **Agree** that PSR should be recognised as a cross-cutting strategic priority, complementing FSS's existing strategic priorities, with delivery supported by programmes such as SAFER, and SPS taking account of PSR where appropriate.
 - **Agree** that future Board papers should include a section of PSR implications and alignment around the themes of prevention and efficiency

Please direct queries to:

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Annex A

PSR Related Activities

SAFER - a programme to reform and modernise the delivery of food law in Scotland to ensure safe and authentic food for consumers by:

- Creating a delivery system that is sustainably resourced.
- Being intelligence-led, risk-focused and assurance-driven.
- Harnessing data and digital technologies to improve compliance.
- Driving efficiency and effectiveness across the system.

It seeks to build a future-ready regulatory system that is sustainably resourced, intelligence-led, and digitally enabled, while driving efficiency and effectiveness across the food law delivery landscape.

It forms part of wider Public Service Reform (PSR) and is focused on:

- Improving public health outcomes.
- Strengthening Food Law Delivery system resilience and consistency.
- Making better use of data and digital tools.
- Ensuring long-term sustainability of food law delivery.

The programme is overseen by a dedicated Programme Board, with representation from key stakeholders and subject matter experts. Decisions made by the board will be evidence-led, transparently assessed and supported by consultation and codesign. No outcomes are predetermined – there is no centralisation agenda, and all viable options will be considered.

Data and Digital Developments since 2024/25

ODITs – a replacement of the current OWS system in operations which also intends to import industry data to improve management information and reporting back to FBOs. Saving over £800k with in-house development of ODITS and creation of custom fit workflows baked in organisational knowledge with no licensing fees or external Agency support. FSS has full control over development and any continuous improvement changes to the ODITS system.

Cloud Migration – FSS are utilising/leveraging the SG's public sector Cloud offering and standardised reproducible solutions. E.g. the ePass licensing platform to host Scottish Public Sector datasets including the Scottish Funeral Sector, Tobacco and Vaping and FSS food safety data with additional Scottish organisations planned for onboarding, creating better joined up services and focus on helping people, per the PSR reform strategy.

SFCIU – greater use of analytics (Power Bi) on incident data to help inform a preventative approach with the intention to share information with industry to inform their own food safety management processes

Horizon Scanning – enhanced use of data platforms that enable global risk monitoring and insight to improve FSS’s ability to detect potential emerging and future risks to Scotland’s food chain.

Improved monitoring of food law delivery – through advanced analytics and data visualisation using R, Shiny and Power BI, we are now able to identify trends more accurately within our data. This has the potential to enable us to better identify risks and promote more effective targeting of interventions through our own delivery of official controls and across local authorities, helping to drive compliance and enhance public health outcomes across Scotland.

Other PSR related Activities

Governance Changes into “mission led” portfolios with corporate services portfolio readily aligned with PSR requirements

Shellfish Official Controls (OCs) – work has been progressed to optimise the use of microbiological and biotoxin risk data in shellfish harvesting areas, through the development of analytical dashboards to enable targeted OC sampling, alongside exploration of improved data-sharing arrangements with government partners. These initiatives aim to support a more efficient and cost-effective approach to fulfilling statutory sanitary survey and monitoring requirements.

Non-negotiable/essential costs – costs reduced by £400k since 2022/23- around 11%. Back-office costs were 15% of allocation in 22/23, reducing to 13% in 2026/27. That is not excessive when that includes shared services and the requirement to absorb all SG pay costs which are passed on. Includes finance, HR, procurement, legal etc.

Over the past year, FSS has prioritised fiscal sustainability by ensuring that all Data and Digital initiatives deliver maximum value within the limited available resources in the organisation. We have embedded cost-conscious decision-making processes with strong financial governance that supported the delivery of our refreshed Website, ODITS, SND data share, Cloud environment, and the continuous delivery of two big programmes – SAFER and SPS.

Procurement – change of approach in the process where SG procurement provides a “risk assessment” with FSS owning the risk management decision which should speed up the decision-making process.

Dietary Surveillance Strategy - a six-year framework from 2026 to 2032 and outlines our vision for a credible, high-quality monitoring system that provides timely and policy-relevant evidence to improve diet and public health in Scotland.

The forthcoming strategy supports the ambitions of PSR, particularly the shift towards prevention, by strengthening the evidence base needed to inform policy on improving the food environment and reducing obesity and other diet-related disease. By providing timely, robust data on dietary intakes and behaviours across the population, including in children and key at-risk groups, the strategy will enable a more proactive and preventative approach to public health, supporting early intervention and helping to address health inequalities.

The strategy will maximise the use of existing data sources and build on established stakeholder relationships, while forging new partnerships to enhance insight and reduce duplication. Advances in digital data collection (e.g. Intake24) will significantly improve the timeliness of data availability, reducing what were previously lengthy analytical timelines and enabling more responsive, prevention-focused policy development. In parallel, the use of enhanced data analytics and visualisation tools (e.g. Power BI) will support more efficient analysis, clearer communication of findings, and improved accessibility of evidence to inform decision-making