

Future arrangements to secure food standards and safety in Scotland

A report on the merits of creating a discrete body in Scotland to perform the functions carried out at present by the Food Standards Agency, including Meat Inspection functions.

March 2012

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Chair's introduction

The Food Standards Agency (FSA) was established in 2000 with a wide remit which included the provision of transparent and independent advice in the fields of food safety, nutrition and labelling. This role continued to the satisfaction of all government departments including the Scottish Government until 2010 when the Machinery of Government changes in relation to nutrition and labelling were implemented by the UK Government.

In July 2011 I was asked to chair an Expert Panel to conduct a study to assess the feasibility of establishing a stand-alone Scottish Food Standards Agency including a Scottish meat inspection delivery body. In doing this we were asked to ensure that the existing statutory objective of the FSA to “protect public health from risk which may arise in connection with the consumption of food, and otherwise to protect the interests of consumers in relation to food” was maintained. We were given wide terms of reference but the overall objective was to make recommendations on the best outcome for Scotland's long-term interests both in relation to the FSA and also the Meat Inspection Service.

The methodology which we adopted is described fully in the report. We carried out a wide range of consultations both by inviting key stakeholders to provide us with their views and also inviting interested organisations to submit their comments and where appropriate to provide their views in person. The FSA both in Aberdeen and in London were very helpful and provided a considerable amount of valuable information. They also responded very quickly to requests for additional information and provided clarification on various points.

I would like to thank the members of the expert panel and the secretariat for their major contributions. I would also like to thank all those who made the time to help us and for their willingness to give us the benefits of their knowledge and skills.

I am pleased to present the findings of the expert panel in this report.

J M Scudamore

Executive Summary

Scottish Ministers asked Professor Jim Scudamore to lead an independent review to assess the feasibility of establishing a stand-alone Scottish Food Standards Agency including a Scottish meat inspection delivery body, maintaining the Food Standard Agency (FSA)'s existing statutory objective to protect consumers. The Panel took written and oral evidence from 40 stakeholders and met seven times.

The Panel recognised the importance of food for Scotland, both for its impact on public health through diet-related disease and foodborne illnesses, and for its contribution to the Scottish economy – over £10 billion per year. The FSA had built a strong reputation for evidence based, consumer-focused, independent, transparent advice on food safety, standards, nutrition and labelling, and any change to how those functions were delivered in Scotland would need to maintain those standards.

The review follows the UK Government's decision in 2010 to move responsibility for nutrition and food labelling and standards in England from the FSA to the Department of Health and the Department of Environment, Food and Rural Affairs. The Panel, and many stakeholders, felt that FSA UK had functioned well prior to the UK Government's Machinery of Government changes in 2010.

One of the FSA's responsibilities is delivering official controls for the meat industry. Red meat abattoirs and processing plants have permanent inspections which follow prescriptive European regulations. Currently these are delivered at a UK level and total costs in Scotland are around £7.7m per year. In future, costs may be fully recovered from food business operators. The Scottish red meat industry has a different structure to the rest of the UK and the Panel were asked to consider whether alternative delivery options for Scotland could be more efficient. The Panel found there was a very difficult relationship between industry and FSA, complaints over the pricing structure and concern over the calibre of official veterinarians and training. Changes in EU requirements due in 2013 could allow significant changes in meat inspection through the adoption of a more risk-based approach.

Food Standards Agency

The Panel established that two basic principles, which were endorsed by stakeholders, should guide the evaluation and conclusions. Firstly as Scotland has unique and complex problems in relation to diet, obesity and certain food borne diseases the Panel considered that food safety should not be divorced from nutrition and labelling and standards. Secondly there was general agreement that such advice on food safety, nutrition and labelling should be independent and transparent and should be provided by an organisation which should remain at arms length from Central Government.

The Panel agreed a suite of 11 key issues by which it would base its analysis and conclusions. Following a detailed analysis of these issues the Panel

considered a number of separate options but concluded that only two options were feasible. These were an administratively enhanced Scottish FSA or a stand-alone Scottish FSA.

The enhanced model would clarify reporting arrangements, resource transfer, access to scientific advisory committees and other requirements, probably through memoranda of understanding. This option would extend FSA Scotland's autonomy, but to a limited extent.

The stand-alone option would create a new public body to fulfil the FSA's functions for Scotland. This would require primary legislation, agreements on competent authority for EU matters, as well as memoranda of understanding and service level agreements for issues on which it made sense to work at a UK level.

The Panel members agreed that these two options were finely balanced on three of the issues: independence from government and industry; evidence-based and consumer focus; and transparency and openness.

On handling food incidents and emergencies; expertise; consistency of policy across the UK; and influence within Europe, the Panel agreed that the enhanced model was preferable but that the stand-alone model would be viable, as long as the necessary relationships with the FSA UK, DH and Defra were put in place.

On flexibility, response time and fit with other Scottish Government policies, the Panel agreed that the stand-alone option was preferable. The enhanced model would be viable only if the necessary resources and organisational culture were put in place.

On cost, the Panel agreed that the enhanced option was cheaper. As further work was needed to develop more robust estimates, the Panel did not take a view as to whether the additional cost of the stand-alone option was in line with its potential benefits.

The Panel recommends that:

- Food safety should not be divorced from nutrition and labelling. Advice on food safety, nutrition and labelling should be independent, evidence-based, consumer focused and transparent.
- Advice on food safety, nutrition and labelling should be provided by an organisation which should remain at arms length from Central Government.
- Both an administratively enhanced Scottish FSA and stand-alone Scottish FSA are viable options and both options could serve Scottish long-term interests.

After considering all the issues, the Panel could only reach a majority view in favour of the stand-alone option. With the exception of one member, the Panel felt that the stand-alone option would offer the best outcome for Scotland's long term interests. The majority felt that the stand-alone model would allow more flexibility to respond quickly to Scottish needs. It would enable the new body to take the most relevant and necessary decisions for Scotland without being subsidiary to UK priorities.

The consumer representative on the Panel felt strongly that the best option was to enhance the status quo, building on the established expertise, practices and reputation of the FSA. She was concerned that the lack of direct access to the greater resources of the FSA could undermine public protection. To negate this as an issue would require adequate resourcing of the FSA's Aberdeen office to ensure that it was able to respond efficiently and effectively to specific Scottish issues and lead its policy on nutrition and labelling and standards.

Meat Inspection

The panel also reviewed the situation regarding the provision of the meat inspection service in Scotland. It was surprising that a poor relationship existed between the Scottish industry and the FSA in London regarding the provision of that service. This appeared to be due to poor communication between all parties. In examining the potential for a separate meat inspection service for Scotland the Panel came to the view that any future arrangement could not involve an entirely separate meat inspection service as this would be too small and therefore not viable. The future of a meat inspection service for Scotland was closely related to the decisions on the future of the FSA.

The Panel identified 4 potential options for the future and undertook an analysis based on 9 key issues which are described in the report. Each of the options was then considered in detail.

Option 1 – create a stand-alone delivery body

Whilst feasible, the Panel concluded that such a body would be relatively small in nature and probably more costly to administer than the current system. Also consumers and industry felt it was important to retain consumer credibility and assurance by using an FSA led delivery model.

Option 2 - brigade official controls with another delivery body in Scotland

The Panel's view that the delivery of officials controls in the meat sector was substantially different to other delivery bodies and concluded that this option was not feasible.

Option 3 - create a Scottish operations group either within a new Scottish FSA or as part of an enhanced FSA/S

The Panel concluded that this option would ensure the red meat supply chain in Scotland could adapt to forthcoming changes to the official controls being developed at EU level and help to address the concerns of all stakeholders. It would also ensure a joined up approach with other official control policy issues.

Option 4 - remain with FSA UK

The Panel concluded that this was also feasible but that it was important that the delivery of meat controls was linked to the wider decision about the future of the FSA.

The Panel recommends that:

- the decision about Meat Inspection Services must be linked to the decision about the future arrangements for the FSA in Scotland
- the responsibility for the policy oversight and the operational delivery of official controls should remain independent from the Scottish Government, as well as the food industry
- the responsibility for the policy oversight and the operational delivery of official controls should remain part of the wider food safety portfolio governance arrangements that are put in place in Scotland.

The elements of the Meat Inspection Service that are relevant to Scotland should be transferred to the FSA in Scotland (whether an enhanced FSA or a new stand-alone Scottish FSA), to be under the operational control of the Director of the FSA in Scotland.

Chapter 1 - Introduction to the Feasibility Review

1. Introduction

1.1 The Food Standards Agency (FSA) was established in 2000 as a UK-wide non-Ministerial Government Department with a wide remit which included the provision of transparent and independent advice in the fields of food safety, nutrition, labelling and standards. This role continued to the satisfaction of all government departments including the Scottish Government until 2010.

1.2 In July 2010 the UK Government transferred nutrition policy and nutrition labelling for England from the FSA to the UK Department of Health (DH). At the same time the Department for Environment, Food and Rural Affairs (Defra) became responsible for Country of Origin Labelling, and other non-safety-related food labelling, standards and food composition policies in England.

1.3 This left the devolved Administrations in a more difficult position with respect to their future arrangements for handling nutrition and labelling and standards. The FSA in Scotland and Northern Ireland has retained responsibility for nutrition and food labelling. The FSA in Wales has responsibility for labelling and standards policy, but nutrition has moved to the Welsh Government. A significant number of staff, formerly based in the FSA headquarters in London transferred from the FSA to Defra and DH. Staff working on nutrition and labelling/standards issues in the FSA's Aberdeen office, as well as colleagues in Northern Ireland and to a lesser extent Wales, therefore now lead the FSA's work on nutrition and labelling issues. The changes have meant that the FSA carries out some devolved functions for Scotland which it no longer has responsibility for in England.

1.4 In July 2011 an Expert Panel (Panel)¹ was appointed to conduct a feasibility study to assess the benefits and cost implications of establishing an independent Scottish Food Standards Agency including a Scottish meat inspection delivery body. In doing this the Panel were asked to ensure that the existing statutory objective of the FSA to *“protect public health from risk which may arise in connection with the consumption of food, and otherwise to protect the interests of consumers in relation to food”* was maintained.

1.5 Although the terms of reference were comprehensive the key overall objective was to make recommendations on the best outcome for Scotland's long-term interests both in relation to the FSA and also the Meat Inspection Service.

¹ Annex A - Expert Panel Members

2. Terms of Reference

2.1 The final terms of reference were agreed by the Panel at the first meeting² the main points are summarised in the paragraphs below.

2.2 The Panel was asked to report on the merits of creating a discrete body in Scotland to perform the functions carried out at present by the Food Standards Agency in Scotland, including Meat Inspection functions. In particular the report should:

- describe the relevance and implications on Scotland of the recent changes to the UK-wide FSA;
- consider the implications of establishing a new public body and the nature of that body, having regard to the Government's continuing commitment to streamline the public bodies landscape in Scotland;
- include a financial appraisal of options; and
- make a recommendation on the best outcome for Scotland's long-term interests, taking into account the main statutory objective to "protect public health from risk which may arise in connection with the consumption of food, and otherwise to protect the interests of consumers in relation to food" also taking into account the Government's purpose of sustainable economic growth.

2.3 In addition the review group were specifically asked to explore the delivery of the Meat Inspection Services in Scotland in relation to the following:

- identify and evaluate alternative delivery options which would allow the meat inspection function to be undertaken in Scottish meat plants in a more efficient and cost effective manner than the current GB wide model, and maintains the current levels of compliance with public and animal health statutory controls, whilst being risk based and proportionate
- consider the case for merging meat inspection delivery in Scotland with other food inspection services (e.g. egg production/processing and hygiene controls in retail premises)
- determine whether there are any legal, practical or contractual issues that have to be considered, should Scottish Ministers decide to introduce an alternative delivery system within Scotland, and make recommendations on how such issues could be successfully managed.

² Annex B - Terms of Reference

3. Methodology

3.1 The feasibility study was independent of both the FSA and the Scottish Government. The Panel determined its own work programme including the process to be followed, documents to be commissioned, stakeholders to be contacted and the questions to be asked. The Scottish Government provided the secretariat for the study, organising meetings, interviews, telephone conferences and acquisition of material to aid the process but this was all under the direction of the Panel. Advice was sought from the secretariat and other Scottish Government officials from time to time on certain aspects of the study.

3.2 In order to explore specific issues in depth background papers and reviews were commissioned or provided from a number of different sources. These gave detailed information and reports on a range of topics. The FSA both in Aberdeen and in London were extremely helpful and provided a considerable amount of detailed briefing about the Food Standards Agency and its role both in the UK and in Scotland. The Panel was also given detailed and comprehensive information about the Food Standards Agency Scotland (FSA Scotland) during a visit to Aberdeen. A list of the material taken into account during the review is set out in the Annexes.

3.3 The Panel considered that stakeholders from all spectrums of interest including industry, consumers, research and enforcement should be involved. Lists of internal and external stakeholders for Scotland and the UK were developed, based on information provided by the FSA. Stakeholders were contacted with the details of the feasibility study, and invited to comment. In addition they were asked if they wished to meet the panel to discuss their views. The Panel also identified a number of stakeholders that they wished to interview. A total of 40 written submissions were received by the Panel³.

3.4 Every effort was made to meet with all the organisations representing different sectors in Scotland as well as UK wide bodies, recognising that any changes had the potential to impact on many different sectors. The panel conducted 25 interviews⁴ either face to face or by telephone.

3.5 The nature of the feasibility study meant that the Panel had to seek views both on future options for the FSA in Scotland and the delivery options for meat inspection functions. When interviewing stakeholders it was usually clear which aspect of the feasibility study they had greatest interest in but the Panel still invited them to comment on both. Therefore whilst every interviewee was asked a set of core questions, they were also asked questions on their specific areas of

³ Annex C - List of organisations that submitted evidence

⁴ Annex D - Interviews

expertise. In addition the Panel often identified issues where further clarity was sought, and in the main the secretariat sought answers from the FSA or the Scottish Government on such issues. Whilst these may have helped influence the understanding by the Panel not all of these issues are covered in this report.

3.6 The Panel met seven times between the summer of 2011 and early 2012. The minutes of these meetings have been published online and can be found here⁵.

4. Evaluation of options

4.1 The Panel identified a number of options which would need to be evaluated in order to meet the terms of reference of the feasibility study in relation to both the FSA and the meat inspection delivery service. To do this the Panel identified a number of issues against which each of the options could be assessed and which would be key to informing the decisions by the Panel on which options to recommend.

4.2 The issues by which the Expert Panel judged the feasibility of the options for the future of the FSA were:

- Independence from government and industry
- Evidence-based and consumer focus
- Transparency and openness
- Handling incidents and emergencies
- Expertise
- Flexibility
- Response Time
- Cost
- Consistency of policy across the UK
- Influence within Europe
- Fit with other Scottish Government Policies

4.3 In the case of the Meat Inspection Services the issues by which the Expert Panel judged the options for delivering meat inspection functions were:

- Ensure consumer safety, compliance and effective audit function
- Relationship with industry
- Independence
- Cost
- Exports
- Future proofing for likely EU developments.
- Operational guidance and advice to industry

⁵ [Expert Panel - Minutes of Meetings](#)

- Public Bodies Policy
- Food Policy

5. Structure of the Report

5.1 This is a comprehensive report which covers a very wide field of work as determined by the terms of reference. The prime aim of the report is to consider the options for the future and to determine which most fit the needs of Scotland in the longer term. In order to achieve this we structured the report around 8 chapters. The first 4 chapters attempt to set the scene with an introduction, identification of the health challenges facing Scotland, description of the Scottish food industry and the current and future changes in Scotland or UK which have or may have an impact on Scotland.

5.2 In preparing the report the Panel agreed that it was important to have a general scene setting introduction to the chapters on FSA and Meat Inspection which described the current situation. It was also agreed that for ease of discussion the two key elements of the feasibility study would be kept separate. Consequently chapters 5 and 6 consider the FSA and the options for the future. Chapters 7 and 8 look at the meat inspection activities and the options for the future delivery of that service.

6. Acknowledgements

6.1 We are grateful to officials in Food Standards Agency and the Scottish Government for their positive input and openness in providing details of the way in which the FSA operated and the issues of concern to both organisations. We would like to take this opportunity to thank those organisations and individuals who made time to discuss their role and who provided considerable input to explain their positions and concerns.

Chapter 2 - Food and Health – The Challenges

7. Introduction

7.1 The purpose of this chapter is to highlight the many challenges Scotland faces regarding the poor health of the population associated with diet and also to reflect on the importance of protecting consumers from foodborne disease. The challenges faced by Scotland are similar, but in some cases, more pronounced than those faced in other parts of the UK. It is important to highlight these so that the relevance of the FSA acting in Scotland's interest can be understood.

8. Food and Health

8.1 The food that we consume has a significant impact on our health. The importance of eating a healthy balanced diet has long been recognised, with Scotland setting dietary targets in 1996. The dietary goals re-affirmed in the National Food and Drink Policy⁶ are appropriate targets at a population level for achieving nutritional balance and protecting health across a broad range of risk factors in the long term.

8.2 Recent analysis⁷ published by FSA Scotland showed that slow progress is being made in reducing the population's intake of saturated fat, total fat and added sugars, according to Scotland's ongoing dietary monitoring programme. The most recent programme report found that the intake of these nutrients continues to be considerably higher than the Scottish dietary targets and that while the estimated consumption of fruit, wholemeal bread and high fibre breakfast cereals increased between 2001 and 2009, there were only very small reductions in saturated fat and added sugar intake. There was no reduction in total fat intake. This has serious consequences for Scotland's health.

8.3 Scotland has one of the highest levels of obesity in OECD countries⁸. There has been a steady increase in the proportion of adults who are overweight or obese since the first Scottish Health Survey⁹ in 1995. Between 1995 and 2010, the proportion of adults aged 16-64 who were overweight or obese increased from 52.4% to 63.3%. The proportion of men and women who are obese, not just overweight, increased from 17.2% to 27.4%. Most of these changes have occurred between 1995 and 2008 and it is possible that the rate of increase may be slowing.

8.4 As well as a personal cost to the individual, the Scottish Government estimates that the total cost of obesity to Scotland was £0.5 billion, and that by 2030 if current trends were maintained, the cost to Scotland could be as high as £3 billion.

⁶ [National Food and Drink Policy](#)

⁷ [Estimation of food and nutrient intakes](#)

⁸ [Organisation for Economic Cooperation and Development](#)

⁹ [Scottish Health Survey \(2010\)](#)

8.5 Obesity has a direct impact on individuals by increasing their risk of disease. Some of the common conditions partly attributable to obesity (all ages)¹⁰ are listed below.

Condition	Attributable Fraction
• Hypertension	36%
• Diabetes (Type II)	47%
• Angina Pectoris	15%
• Myocardial Infarction	18%
• Osteoarthritis	12%
• Stroke	6%
• Colon Cancer	29%
• Ovarian Cancer	13%
• Endometrial Cancer	14%

8.6 The Scottish Government published the Preventing Obesity Route Map in 2010¹¹ which described a wide range of actions to tackle this problem. A key component of the Route Map is the actions to tackle the over-consumption of foods high in fat, salt and sugar. A new Scottish Reformulation Working Group in support of the Route Map has been established with industry partners and chaired by FSA Scotland, at the request of Scottish Ministers. An early priority for this Group is to reduce the calorie and salt content of products and build on the positive steps industry has made in the last few years on the promotion of healthier, less energy dense food.

8.7 Scotland has always operated a separate set of arrangements in regard to public policies on diet and health. In a number of cases FSA Scotland has customised UK wide campaigns on specific health issues in order to meet the specific needs and priorities in Scotland. Scottish Ministers have stated that they expect the FSA in Scotland to continue to have a key role to play in supporting the Scottish Government and wider public and private sector to deliver the aims set out in Recipe for Success and Preventing Obesity Route Map (2010).

9. Food Safety

9.1 The FSA deals with a broad range of food safety issues – from microbiological safety to radiological safety, allergens and risk from chemical contaminants and novel foods and processes. In 2010 the FSA investigated

¹⁰ [Inquiry into Preventative Spending](#)

¹¹ [Preventing Obesity Route Map \(2010\)](#)

1,505 incidents in the UK. Where needed, action was taken to ensure consumers were protected from eating unsafe food (FSA Annual Report of Incidents 2010). Incidents fall broadly into two categories

- Incidents involving contamination of food or animal feed in the processing, distribution, retail and catering chains. These incidents may result in action to withdraw the food from sale and, in certain circumstances, to recall, alerting the public not to consume potentially contaminated food.
- Environmental pollution incidents, for example chemical/oil spills, radiation leaks, which may involve voluntary or statutory action such as orders made under the Food and Environment Protection Act 1985.

10. Foodborne illness

10.1 Foodborne disease is a major cause of illness in the Scottish population. Although the majority of cases are mild, they are unpleasant and uncomfortable and place a significant demand on healthcare services. There have been no specific studies to establish the true burden of foodborne illness in Scotland. However, it is estimated that each year in Scotland:

- around a 132,000 people suffer a foodborne illness
- around 2,330 people receive hospital treatment due to foodborne illness
- there are around 50 deaths caused by foodborne illness
- it costs nearly £140 million.

10.2 Since the FSA was formed in 2000, there has been a reduction in the level of foodborne disease caused by some pathogens. The majority of foodborne illness is preventable and there is scope to reduce levels of disease. The FSA's renewed Foodborne Disease Strategy¹² aims to tackle this by targeting the pathogens that have been identified as causing the greatest burden of disease. Food chain analysis shows that the pathogens whose reduction and control offer the greatest potential for public health gains are:

- *Campylobacter* (which causes most cases of food poisoning)
- *Listeria monocytogenes* (causes the most food poisoning deaths)
- viruses (responsible for an increasing number of cases)

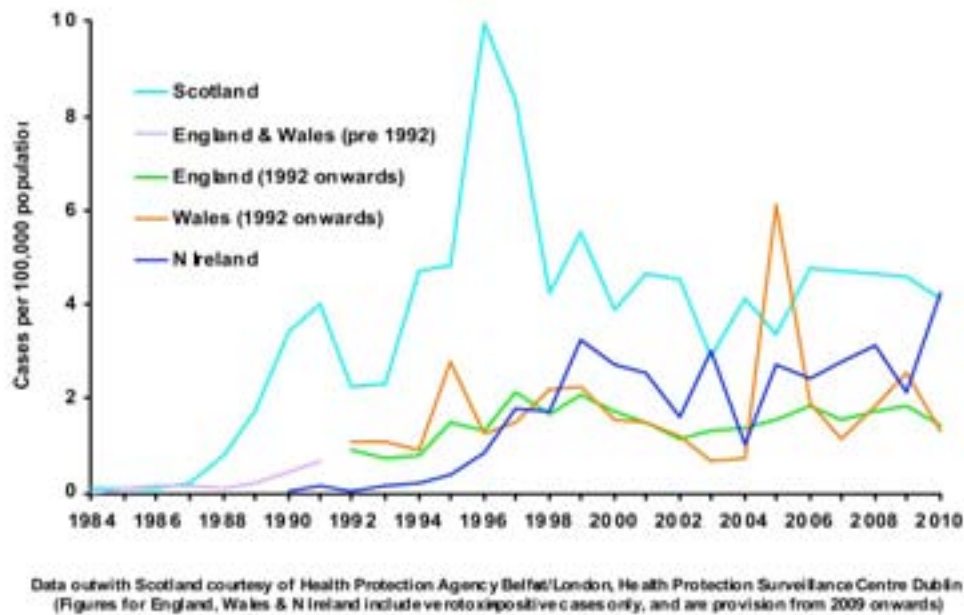
10.3 In Scotland the pathogen *E.coli* O157 is consistently reported more frequently than in the rest of the UK with around 250 cases seen annually. An outbreak of *E.coli* O157 can have devastating effects as seen in the Lanarkshire outbreak of 1996 which resulted in 18 deaths.

10.4 The FSA's strategy is based on a farm-to-fork approach, with the aim of reducing contamination of foods during production and processing and of

¹² [FSA Foodborne Disease Strategy](#)

promoting good food hygiene practice in the kitchen, both commercially and in the home.

Figure 1: Culture positive *E. coli* O157 cases: Rates per 100,000 population, 1984-2010



10.5 The FSA, along with other public agencies and the industry have a role in protecting consumers from foodborne disease, and have to ensure that appropriate cross-border arrangements are in place to handle such incidents.

11. Food Fraud

11.1 Food fraud is committed when food is deliberately placed on the market, for financial gain, with the intention of deceiving the consumer. Although there are many kinds of food fraud the two main types are:

- the sale of food which is unfit and potentially harmful, such as:
 - recycling of animal by-products back into the food chain
 - packing and selling of beef and poultry with an unknown origin
 - knowingly selling goods which are past their use by date
- the deliberate mis-description of food, whilst not necessarily unsafe, deceives the consumer as to the nature of the product, such as:
 - products substituted with a cheaper alternative, for example, farmed salmon sold as wild, and Basmati rice adulterated with cheaper varieties
 - making false statements about the source of ingredients, i.e. their geographic, plant or animal origin

11.2 It is essential that there remains a strong focus on preventing food fraud in the current economic climate. The Food Standards Agency takes the issue of food fraud very seriously and although it does not believe that there is a significant problem in the UK, when it does occur, the Agency has a responsibility to protect the consumer. In Scotland, the Incidents Team within the Enforcement Branch manages and co-ordinates the response to food fraud. The Agency does not directly undertake investigations into food fraud (apart from within FSA approved abattoirs and cutting plants), but provides support, through a number of resources, to Local Authorities whose food enforcement officers have front line responsibility for enforcement of food fraud.

12. Emerging challenges

12.1 Food safety and standards in Scotland also need to be seen in the context of a complex global food supply chain. This means that risks in one part of the world have the potential to affect Scottish consumers. It is important that future delivery mechanisms in Scotland are alert to and can respond to emerging risks – whether as a result of climate change which may introduce new pathogens for example, new hazards introduced because of illegal practices along the food chain or because of the use of new technologies that raise new risks for example. It is also important that they are able to take account of consumers' concerns.

12.2 Some issues will raise a mix of food safety, social, ethical and consumer choice issues as has been seen in the case of GM for example – and which is an issue for other new technologies such as cloning and nanotechnologies.

12.3 Currently the UK Advisory Committee on Novel Foods and Processes (ACNFP), a non-statutory independent body of scientific experts, advises the FSA on any matters relating to novel foods (including genetically modified foods) and novel processes (including food irradiation). The Committee carries out safety assessments of any novel food or process submitted for approval under the EC novel food regulation. GM foods are now subject to approval under a separate regulation. Approval of GM foods now involves centralised risk assessments, which are the responsibility of the European Food Safety Authority (EFSA). The revision of the novel foods regulation now scheduled for 2013 will extend this approach to all novel foods.

12.4 The Panel noted that the Scottish Government and UK Government have taken different views on whether or not the risks of GM foods outweigh the benefits – although no crops have yet been grown commercially in the UK.

13. Conclusion

13.1 There are a number of major challenges facing Scotland not least the problems associated with obesity, the poor diet and consequent diseases such as diabetes, heart diseases and cancer. Outbreaks of foodborne

zoonoses such as *campylobacter* are higher in Scotland as is the number of *E.coli* infections.

13.2 How the problem of obesity and diet related illness are tackled in Scotland and elsewhere in the UK is subject to the political direction set out by the respective Governments. Scotland already has the flexibility to take a different approach but this is dependant on continuing to have access to evidence based advice.

13.3 Maintenance of standards and food safety and ability of consumers to make informed choices is of benefit to the development of the food industry. It is important for Scotland to react quickly to new developments and to new markets as part of the economic recovery particularly where this can be linked to the promotion and consumption of healthier diets. To do this will need adequate resources and an agency that can act quickly and effectively.

13.4 On other issues Scottish Ministers need to maintain a level of understanding that the complex array of activities in and around food are sufficient to ensure that consumer, industry and other stakeholders have confidence that Scotland's public wellbeing and also economic health are not only maintained but enhanced.

Chapter 3 - The Scottish Food Industry

14. Introduction

14.1 The purpose of this chapter is to highlight the importance of the Scottish Food Industry by describing the economic significance of the industry to the Scottish economy. This includes the meat sector of the industry for which the meat inspection service exists.

15. Sustainable Economic Growth

15.1 The Scottish Economic Recovery Plan identifies the Food and Drink industry as a key sector which offers Scotland particular opportunities for growth due to existing comparative advantages and through the potential to capitalise on Scotland's unique natural assets. The recently refreshed food and drink industry strategy provides strong direction for longer-term expansion of the sector, aiming to grow the industry turnover from £10 billion to £12.5 billion by 2017. In achieving this it is essential that food standards and safety are maintained.

15.2 The aim of Scotland's National Food and Drink Policy - Recipe for Success - is to promote Scotland's sustainable economic growth by ensuring that the Scottish Government's focus in relation to food and drink addresses quality, health and wellbeing, and environmental sustainability, recognising the need for access and affordability at the same time. The FSA also has a key role to play in supporting Recipe For Success¹³.

16. The Scottish Food Industry

16.1 The food and drink key sector encompasses food and drink manufacturing, agriculture, sea fishing and aquaculture, and is a critical component of Scotland's economy. In 2009 the food and drink key sector contributed £11.9 billion to turnover in Scotland and employed over 113,000 people¹⁴.

16.2 In 2009 nearly 1,200 businesses were involved in food and drink manufacturing which makes up 13% of all manufacturing business units in Scotland and employs over 44,000 people. The whole of the food and drink supply chain comprises over 75,000 business units and employs 360,000 people. Of these, over 67,000 were employed in the agriculture sector.

16.3 In Scotland, the production of beverages accounts for nearly 70% of manufactured food and drink. Bakery and farinaceous products account for just over 10% with fish, meat and dairy processing covering 7%, 4.5% and 3.4% respectively. Fruit and vegetable processing accounts for less than 0.5% of food manufacturing in Scotland.

¹³ [Recipe for Success](#)

¹⁴ [Food and Drink in Scotland: Key Facts 2012](#).

16.4 28% of all Scottish processors output is sold within Scotland, 45% is sold in the rest of the UK and 27% is exported worldwide.

17. Imports and Exports

17.1 Total food imports in 2010 stood at £1.1b, an increase of 66% from 2007, with the top three sectors being feeding stuff for animals (£406m), dairy (£144m) and fruits and vegetables (£142m). With Argentina (17%), France (17%) and the Netherlands (11%) being the top three countries from which Scotland imported food.

17.2 Food and drink exports were valued at £4.5 billion in 2010, up 28% from 2007. The top three sub-sectors in 2010 were fish and shellfish (£623m, 59%), dairy (£99m, 9%) and cereals (£75m, 7%). 10 countries accounted for 80% of all Scottish food exports. The top three countries to whom we export were France (26%), Irish Republic (9%), and Spain (8%). Food and drink exports to the rest of the UK increased by 36% over the period 2007 to 2010 from £4,355 million to £5,935 million.

18. Meat processing in Scotland

18.1 The Scottish red meat abattoir sector is very diverse in its structure. The FSA lists 32 licensed red meat abattoirs plus 2 micro on-farm facilities; both licensed for farmed deer although one also holds an ovine licence. Ten of these abattoirs are located on islands.

18.2 The ten island abattoirs are multi-species abattoirs providing a significant community service but, with the exception of Orkney, can all be considered to be micro abattoirs with very low throughputs, typically less than 10 cattle, 10 sheep and 5 pigs per week although there can be seasonal variation, particularly on lambs. Most provide a year-round service and one operates seasonally. Those that do operate all year-round operate on only a limited number of days per week.

18.3 Of 22 mainland abattoirs, four are licensed only for pigs, one is only licensed for sheep and two are only licensed to kill cattle. Not all plants slaughter every species for which they are licensed.

18.4 Throughput at mainland plants is diverse with the majority of the kill concentrated into few plants, particularly for sheep and pigs.

Cattle	<= 50 hd/wk	51-100 hd/wk	101-200 hd/wk	201-500 hd/wk	501-1000 hd/wk	>1000 hd/wk
% of mainland Abattoirs	12%	18%	12%	18%	22%	18%
% of mainland kill	1%	2%	3%	11%	34%	49%

Sheep	<= 100 hd/wk	101-500 hd/wk	501-1000 hd/wk	1001-5000 hd/wk	>5000 hd/wk
% of mainland Abattoirs	13%	40%	7%	20%	20%
% of mainland kill	1%	4%	3%	14%	78%

Pigs	<= 50 hd/wk	51-100 hd/wk	101-200 hd/wk	201-500 hd/wk	501-1000 hd/wk	1000-2000 hd/wk	>2000 hd/wk
% of mainland Abattoirs	30%	23%	23%	0%	8%	0%	15%
% of mainland kill	1%	2%	5%	0%	7%	0%	85%

18.5 Scotland has a higher proportion of large abattoirs and the Scottish kill is concentrated in the larger abattoirs: for example 89% of the Scottish cattle kill is to be found in abattoirs handling more than 20,000 head per year. Scotland has a greater concentration of larger abattoirs than England: 37.5% of Scottish abattoirs licensed to kill cattle kill more than 20,000 head per year compared to 12.5% in England. Similarly 22% of abattoirs licensed to kill sheep in Scotland handle more than 100,000 head a year compared to 12.5% in England

18.6 The large Scottish mainland abattoirs are also meat suppliers not service suppliers. That is they do not do contract kill but work as meat wholesalers, with many heavily dependent upon multiple retail contracts. According to the QMS Red Meat Industry profile, during 2010 two-thirds of beef, almost half of sheepmeat and more than 70% of pigmeat leaving Scottish abattoirs is delivered to UK multiple retailers. Such multiple retail contracts come with extensive quality assurance demands either through the British Retail Consortium (BRC standard number 6) or independent multiple retail plant inspections.

19. Conclusion

19.1 The food and drink sector is of considerable importance to Scotland. Maintenance of standards and food safety and ability of consumers to make informed choices is of benefit to the development of the food industry. It is important for Scotland to be able to react quickly to new developments and to new markets as part of the economic recovery. To do this will need adequate resources and an agency that can act quickly and effectively.

19.2 The success of Scotland as an exporting country is determined by the quality of its produce and the confidence that other countries have in Scotland's food safety standards and their enforcement. In addition a key element of the success of Scotland's Food and Drink industry is its ability to

distinguish itself from other areas based on the quality of its produce. To achieve that it is important that food standards and safety are maintained at the highest possible level to ensure the maintenance and enhancement of Scotland's food and drink reputation. The challenge for meat inspection is to find a way of meeting both the requirements of the small, remote abattoirs and the large mainland abattoirs that undergo several plant and process inspections per year from their multiple retail customers.

19.3 Any changes to the FSA and Meat Inspection Service must not have a negative impact on the status and reputation of the Scottish food industry and also fulfil the Scottish Government's priority to protect public health and consumer confidence.

Chapter 4 Impact of current and future changes on Scotland

20. Machinery of Government Changes

20.1 In July 2010 a number of Machinery of Government (MOG) changes were announced. Nutrition policy and nutrition labelling in England were transferred from the FSA to the UK Department of Health on 1 October 2010. This included front of pack nutrition labelling, health and nutrition claims, dietetic food and food supplements; calorie information in catering establishments; reformulation to reduce salt, saturated fat and sugar levels in food; reducing portion size (including in catering establishments); and nutrition surveys and research. The Department of Health also became responsible for the work of the Scientific Advisory Committee on Nutrition (SACN). Responsibility for nutrition policy in Wales was subsequently transferred to the Welsh Government on 1 October 2010. The FSA continues to be responsible for labelling in Wales and nutrition and labelling in Scotland and Northern Ireland.

20.2 Defra became responsible for non-safety-related food labelling and food composition policies in England. This included food labelling, where this does not relate to food safety or nutrition; food composition policy, standards and labelling (agreeing the components and standards for characterising products such as honey, jam, chocolate, ice-cream or meat content of sausages), where unrelated to food safety; country of origin labelling; and leading on EU negotiations for all non-safety aspects of food labelling, except for nutrition. The FSA continues to be responsible for these in Scotland, Wales and Northern Ireland.

20.3 As a result of these changes in England, 71.8 full time equivalent (FTE) staff transferred to DH on 1 October 2011 (53.9 FTE core nutrition; 8.8 FTE analytical support, 10.0 FTE communications support). The associated transferred staff costs made up £3.868m of the total £14.327m baseline budget transfer from FSA to DH. A total of 21.6 FTE staff transferred to Defra. The associated transferred staff costs made up £0.940m of the total £1.732m baseline budget transfer from FSA to Defra.

20.4 Secretary of State for Health Andrew Lansley MP, said: “*The transfer ... means we can give the general public more consistent information. It will also mean a more coordinated and coherent policy-making process; and a more effective potential partnership between Government and external stakeholders.*”

20.5 The transfer of nutrition and labelling and standards from the FSA marked a major change in the way policies were developed and the availability of experts to support the policy development. There were a number of consequences:

- There is no longer a statutory obligation of primacy for consumer interests when developing nutrition and labelling policy in England
- As nutrition and labelling policy is developed by and within UK Government Departments, there is the potential for discussions and decision making to be held behind closed doors and for the evidence base either to be ignored or not to be established in the first place. This may make it harder for representatives of consumers and the research community to challenge policies.
- Responsibility for policy-making on food safety, nutrition and non-food-safety labelling is now split between DH, Defra and the FSA in England, but a number of issues require all three aspects to be considered: for example issues such as animal cloning involve issues of food safety, and consumer information/ choice.
- The transfer of staff from FSA to DH and to Defra meant that their expertise in nutrition and labelling was no longer formally available to FSA staff working on these issues for Scotland, Wales (labelling only) and Northern Ireland. As nutrition and labelling priorities changed in England, and as staff moved, the informal links have weakened.
- As DH is now responsible for SACN, there is no formal means for devolved priorities to be fed into SACN's work programme, though the Chief Medical Officers can request advice. The FSA was not given a seat in respect of its responsibilities for nutrition in Scotland and Northern Ireland; the Scottish Government offered it their observer seat. The remit for SACN is currently under review.
- FSA Scotland were denied access to the Eatwell website, which was previously a UK-wide resource and had been removed following the Machinery of Government changes. A separate Scottish website has had to be set up.

21. Regulatory Reform in England

21.1 Reducing regulation is a key priority for the Coalition Government. The Reducing Regulation Committee (RRC), a Cabinet sub-Committee, has been established to take strategic oversight of the delivery of the Government's regulatory framework. It has broad terms of reference to consider issues relating to regulation. These include scrutinising, challenging and approving all new regulatory proposals as well as proposals for transposing EU obligations. All regulatory proposals in England must be submitted for clearance to the RRC and be accompanied by the Regulatory Policy Committee's opinion of the impact assessment supporting the proposal.

21.2 In addition the One-in, One-out (OIOO) rule means that no new primary or secondary UK legislation which imposes costs on business or civil society organisations can be brought in without the identification

of existing regulations with an equivalent value that can be removed. Policy-makers will need to think about identifying a corresponding regulatory policy that can be removed early in the policy development process.

21.3 To support the effective operation of the OIOO rule and to help make sure that collective management of regulatory policy is based on good quality evidence, the Regulatory Policy Committee (RPC) - an independent external body - will provide external scrutiny of the impact assessments of all new regulatory proposals (and the associated proposed 'OUTs' under the OIOO rule) being brought forward by departments, including those implementing EU legislation.

21.4 These arrangements only apply to England. The consequence is that if the FSA wish to introduce new regulations they have to go through a complex procedure which will take time and need considerable input to justify the introduction of the new regulations. This raises the issue as to whether the situation in England could lead to unnecessary delays moving ahead with important public protection measures in Scotland. The FSA board in a recent discussion, emphasised the need to ensure consistency, but also recognised that it should not move at the slowest pace. The Panel did hear concerns that there had been delays on some issues since the changes were bedding down, but the FSA now seems keen to show that it is prepared to move at different paces when needed. It is, however, too early to tell if there will be any problems applying this approach in practice.

21.5 There are a number of other reviews either underway or recently commissioned that will have a bearing on the FSA going forward. Any recommendations flowing from these reviews will have to be considered and fed into any changes that come from decisions taken by Scottish Ministers regarding this report.

22. Review of official controls

22.1 The FSA is currently undertaking a review of official controls delivery in the UK. It is working closely with industry and enforcement bodies like local authorities. This review will look at all food safety and standards official controls undertaken by local authorities and port health authorities, which fall within the Agency's remit. This will include:

- food hygiene in all UK countries
- food safety issues for food composition and labelling in all UK countries
- food traceability and imports in all UK countries
- feed hygiene, composition, labelling, traceability and imports in Great Britain
- the adequacy of laboratory and analytical support for delivering official controls.

22.2 There are four key stages to the review:

- outlining the principles and outcomes and identifying, collating and analysing evidence, which will be completed by March 2013
- describing and comparing the different options, which will be completed by July 2013
- consultation on the recommendations from September 2013 to March 2014
- implementation from April 2014 onwards

22.3 Ultimately this review may make recommendations for changes in the way in which official controls are delivered across the UK. It is considering different models and whether a centralist approach is needed for example, different models around the UK, or whether the status quo should be maintained. This will have implications for the way that official controls are delivered in Scotland. It is feasible in that situation that the final review may conclude that different systems are appropriate in devolved countries. Scottish Ministers will ultimately decide on the approach that should be followed in Scotland.

23. Capability review of the FSA

23.1 The UK Government announced a Capability Review of the FSA in March 2012. It will follow the model of self-assessment set out in the Cabinet Office Capability Review framework. An external panel will be put in place to provide challenge and will be supported by a secretariat from within the FSA. The review is due to report at the end of spring 2012.

23.2 The review will consider whether, following the reconfiguration of functions within the FSA, the new arrangements are working as envisaged. The review should also provide reassurance that the Agency has robust capability to face future challenges and to achieve a high level of performance over the medium term.

24. Impact of Scottish Government policies and reviews

24.1 The Scottish Government has committed to holding a referendum to ask whether Scotland should become an independent country. The independence referendum consultation¹⁵, Your Scotland, Your Referendum was launched by the First Minister on January 25, 2012 and it closes on 11 May.

24.2 The Scottish Government is committed to protecting and improving public services; to improving performance and efficiency; and to simplifying the delivery landscape. The purpose of the programme is to review and simplify Scotland's landscape of national

¹⁵ Your Scotland, Your Referendum

public bodies and achieve more effective government. In particular, it aimed to make financial savings and achieve the wider benefits of:

- improved user focus
- more coherent decision making and leadership
- more effective and clearer delivery structures
- more co-ordinated approaches to key strategic challenges
- enhanced links between policy development and delivery by drawing some arms length bodies into core government.

24.3 The Government has reduced the number of public bodies from a baseline of 199 in October 2007 to 144, and on present plans this will reduce further to around 112, exceeding its original commitment to a 25% reduction.

24.4 Audit Scotland plans to audit consumer protection services, including some FSA functions, as part of its 2012/13 work programme.

24.5 The Scottish Government policy on simplifying the delivery landscape is relevant to this feasibility study as the creation of new delivery bodies would not be acceptable unless there is strong justification for doing so.

Chapter 5 - The Food Standards Agency

25. Introduction

25.1 When the FSA was established in the aftermath of the BSE crisis, confidence of the British public in food safety was at an all-time low. Following the James Report¹⁶ the Government recognised the need for a body that would restore the public's confidence and end "the climate of confusion and suspicion about the way that food safety and standards issues have been handled"¹⁷.

25.2 The FSA was established by Act of Parliament, the Food Standards Act (1999),¹⁸ on 1 April 2000. The Act gives the FSA a wide remit, and it operates at arms' length from Ministers. As set out in the Act, the FSA has responsibility for protecting public health from risks that may arise in connection with the consumption of food, and otherwise to protect the interests of consumers in all matters connected with food. This includes wide-ranging responsibilities in the area of animal feed.

25.3 The independent Dean Review of the FSA, commissioned to assess its effectiveness in delivering its objectives and core values to coincide with its fifth birthday in 2005, found that "[the FSA] was of an organisation that has done well in taking forward the experiences of the previous regime and had begun to build its own reputation" and that "for the majority of stakeholders, its accomplishments have far outweighed the occasions on which its stance has attracted criticism."¹⁹

25.4 In its most recent update of its Strategic Plan the FSA highlighted the changes to its role in England and the impact that this has on its role in representing the UK and the devolved administrations on nutrition and labelling and standards issues more widely. The FSA's UK-wide Strategic Plan for 2010-2015 was published in December 2009, and following further consultation with stakeholders, was refreshed and re-published as in March 2011 as the Strategy to 2015. The Strategy sets out the main programmes of action the FSA will undertake to improve food safety across the UK, and in Scotland and Northern Ireland, the nutritional balance of people's diets. The Strategy also covers the priority areas for food standards and food labelling where the FSA still leads in Scotland, Northern Ireland and Wales. The Strategy pursues six outcomes, namely that:

- Food produced or sold in the UK is safe to eat

¹⁶ "Food Standards Agency: An interim proposal" Professor Philip James, April 1997

¹⁷ "The Food Standards Agency – a force for change" Government White Paper, January 1998

¹⁸ Food Standards Act 1999.

¹⁹ "2005 Review of the Food Standards Agency" – The Rt Hon Baroness Brenda Dean, February 2005

- Imported food is safe to eat
- Consumers have the information and understanding to make informed choices about where and what they eat
- Food producers and caterers give priority to consumer interests in relation to food
- Regulation is effective, risk-based and proportionate, is clear about the responsibilities of food business operators, and protects consumers and their interests from fraud and other risks
- Enforcement is efficient, consistent, risk based and proportionate and is focussed on improving public health

25.5 In addition the FSA will continue to represent the UK Government on food safety and standards issues in the EU. The FSA works in close collaboration with the European Commission, the Council of the EU, Standing Committees, the European Parliament and the European Food Safety Authority. It also works internationally, representing the UK Government on international bodies for example on the Codex Alimentarius Commission with the World Health Organization (WHO) and the Food and Agriculture Organization of the United Nations (FAO) where it seeks the views of the devolved administrations. However, with the move of nutrition and labelling into DH and Defra it is the UK Government that now leads on negotiations on these issues for UK and the devolved administrations.

26. Governance of the FSA

26.1 The Food Standards Agency is an independent UK wide non-Ministerial Government department with responsibility for protecting public health and the interests of consumers in relation to food. The FSA is governed by a Board²⁰, appointed by Ministers to act collectively in the public interest, and is accountable to the UK Parliament and to the devolved governments through Health Ministers or their equivalents.

26.2 The Board consists of a Chair, Deputy Chair and between 8 and 12 additional members and meets in public. The Chair and Deputy Chair of the Board are appointed by all four administrations across the UK, acting jointly. Membership of the FSA Board includes two members who are appointed by the Scottish Ministers, following consultation with the other administrations. The Board is responsible for the FSA's overall strategic direction within the framework of the Food Standards Act 1999. This includes ensuring that the Agency's legal obligations are fulfilled, and that decisions and actions take proper account of scientific advice as well as the interests of consumers and other stakeholders.

²⁰ [FSA Board Members](#)

26.3 The Board is the policy making body and all policy discussions are held in open, public session. The Board operates on a UK basis with meetings held around the UK and thus takes a UK wide view, ensuring that policy takes account of the situation in all four of the UK countries. Scotland, Wales and Northern Ireland have statutory Food Advisory Committees that are tasked with considering policies from the perspective of each devolved country. Their views are fed into the Board discussion. The FSA Board advice will then be communicated to Ministers across all 4 UK countries.

26.4 The day to day operations of the Agency are managed by its Chief Executive and its staff are civil servants. Feed and food safety and standards are devolved matters in the UK, so in addition to its headquarters in London and its operational centre in York, the FSA has offices in Scotland, Wales and Northern Ireland. Each of these offices is headed by a Director accountable to the FSA's Chief Executive.

26.5 The FSA is responsible for seven public bodies, all of them advisory committees²¹. Additionally, up to October 2010 the Agency shared responsibility for three public bodies with DH and one with Defra.

27. Role of the FSA

27.1 The FSA has a very wide range of functions and responsibilities many of which are detailed in legislation. The roles can fall into 8 main categories which are:

- Policy making including the drafting of legislation and the provision of advice
- Food Law enforcement in specific areas
- Audit of the official controls carried out by local authorities and official controls delivered in approved meat premises.
- International negotiation in the EU and other international bodies on behalf of the UK.
- Science involves obtaining independent expert advice through the science advisory committees
- Evidence through funding of research
- Communications and publicity
- Boards and committees

27.2 Within each of the above categories the FSA has a range of functions and responsibilities covering many technical areas such as:

- food hygiene/microbiological safety of meat, milk, eggs, shellfish and general matters
- chemical food safety related to contaminants
- food contact materials

²¹[Scientific Committees](#)

- radiological food safety
- food incidents
- and other areas in relation to nutrition and labelling in Scotland and northern Ireland.

28. FSA Scotland

28.1 The Food Standards Agency in Scotland operates within the FSA UK-wide framework. This allows for consistency of approach while also allowing for specific Scottish circumstances to be fully taken into account in the implementation of policy in Scotland. Food safety and standards are devolved matters and legislation relevant to Scotland is determined by the Scottish Parliament. The FSA in Scotland provides advice to Scottish Ministers, and is accountable to the Scottish Parliament through Health Ministers.

28.2 The Director in Scotland is responsible for the delivery of the FSA Strategic objectives and priorities in Scotland and has a range of business delivery objectives in respect of protecting consumer interests in relation to food and feed safety and standards and nutrition and healthy eating. The Director also has corporate and capability objectives detailing his responsibilities relating to the role in the overall strategic leadership of the FSA, as a member of the Executive Management Board, and to ensure that the FSA in Scotland is governed effectively and efficiently.

28.3 The staff of the FSA are civil servants, and all staff working in the FSA in Scotland office are currently employed by the FSA. FSA in Scotland currently has a staff complement of 73 full time equivalents²².

28.4 Food Standards Agency in Scotland handles issues in Scotland involving²³:

- Food standards, nutrition and diet
- General food hygiene, fish, shellfish and milk hygiene
- Hygiene controls on meat and meat products
- Regulation of animal feeding stuffs
- Novel foods, radiological safety and emergencies

28.5 The work of the FSA in Scotland is captured within the Scotland Group plan and demonstrates the link between the FSA strategic objectives, and the more detailed work captured in branch plans in Scotland. The FSA in Scotland has a responsibility to undertake work that enables the FSA to deliver the full range of FSA strategy and therefore actively contributes to all of the strategic outcomes. The progress of the FSA in Scotland Group Plan is monitored and reported quarterly to the Chief Executive and contributes to the quarterly updates on delivery of the Strategy to the FSA Board.

²² Annex E - FSA Scotland Organisation Chart

²³ Annex F - Agency function

28.6 The statutory Scottish Food Advisory Committee (SFAC)²⁴ was set up to give advice to the FSA on food safety and standards issues affecting Scotland. It has the power to publish its advice. Equivalent arrangements are in place in Wales and Northern Ireland

28.7 The Chair, Deputy Chair and nine members of SFAC were selected for their breadth of expertise, their experience and their practical knowledge. This, combined with their wide range of backgrounds, aims to ensure that a broad range of perspectives are taken into account, ensuring the production of thorough and well-considered advice on the future direction of food issues in Scotland

28.8 The Food Standards Agency in Scotland receives its funding from the Scottish Government through the Health and Wellbeing portfolio.

28.9 The FSA in Scotland's budget for 2011/12 is allocated internally within FSA as follows:

Staff Costs	£2,650,000
Administrative Costs (inc. Depreciation)	£1,800,000
Programme Costs	£6,400,000
Capital	£50,000
TOTAL	£10,900,000

28.10 The office in Aberdeen relies on Head Office for support for IT, Human Resource and communications though it does have limited capacity to deliver aspects of that. It also relies on head office for wider support on areas requiring specific expertise such as economics.

²⁴ [Scottish Food Advisory Committee \(SFAC\)](#)

Chapter 6 - Future options for the FSA in Scotland

29. Introduction

29.1 The Panel established two basic principles, which were generally endorsed by stakeholders that would guide our analysis and conclusions. Firstly as Scotland has particular challenges in relation to diet (and in particular obesity) and certain foodborne diseases the Panel considered that food safety should not be divorced from nutrition and labelling. Secondly there was general agreement that such advice on food safety, nutrition and labelling should be independent and transparent and should be provided by an organisation which should remain at arms length from Central Government.

29.2 On the basis of having adopted these two guiding principles the Panel were able to rule out the option of transferring labelling and nutrition into the Scottish Government and this was not considered further.

30. Key issues to judge feasibility of options

30.1 The Panel was able to identify and agree a suite of key issues by which it would base its analysis and conclusions. They were:

- Independence from government and industry
- Evidence-based and consumer focus
- Transparency and openness
- Handling incidents and emergencies
- Expertise
- Consistency of policy across the UK
- Flexibility
- Response Time
- Cost
- Influence within Europe
- Fit with other Scottish Government Policies.

Independence from government and industry

30.2 The Food Standards Agency is a non-Ministerial Department, which means it does not report to a specific Minister (though it reports through a Minister to Parliament), nor is it subject to direction by a Minister. This means that stakeholders perceive it as independent. Whilst on the whole the FSA enjoys a good working relationship with food industry it regulates, it maintains the necessary distance from the powerful food and drink industry lobbying; its advice on front of pack

traffic light labelling is one example of this. The panel considered that this independence is a crucial factor in creating and retaining consumer and industry confidence in FSA advice.

Evidence-based and consumer focus

30.3 The FSA has a sole statutory objective: to protect public health from risks that may arise in connection with the consumption of food, and otherwise to protect the interests of consumers in all matters connected with food. It does this by basing its decisions on the best scientific advice available, including independent expert advice from its advisory scientific committees and specifically commissioned research. The FSA also ensures that it takes a consumer focus through a programme of consumer research and engagement, including appointment of consumer representatives to its scientific committees and a recently established consumer panel. This is reflected by two of its three core values: putting the consumer first and science and evidence-based. Again, the panel felt that the FSA's sole focus on consumers, delivered by robust, evidence based policy and implementation, is a crucial factor in creating and retaining consumer and industry confidence in FSA advice.

Transparency and Openness

30.4 The Food Standards Agency has the unusual power to publish advice it gives to Ministers. It also makes its board meeting available live and on demand and publishes board papers in advance. This is in contrast to the workings of Government Departments and other public bodies whose advice to Ministers is not routinely published. This means that the FSA is seen by consumers and industry as independent of government, and that when Ministers take a decision, the public and industry can see the advice that has been given in relation to consumer protection. (Ministers will consider other issues such as legal issues, cost, impact on industry etc in addition to considering the FSA's advice when making a decision.) Its scientific committees also all meet in public to ensure that risk assessment advice is transparent and it is clear where a risk management decision adopted by the Board may diverge. The FSA values this power; openness is one of its three core values: "Being open means that we will use plain language and communicate in a timely way, that we will explain the reasons for our decisions and advice, and that we will publish our targets and our achievements against them". The panel considered that this transparency and openness is a crucial factor in creating and retaining consumer and industry confidence in FSA advice.

Handling Food Incidents and Emergencies

30.5 Food emergencies can pose a very serious risk to public health, and also to our economy. The current UK wide system for handling food emergencies has an excellent record and the FSA is closely linked

into international networks for example through EFSA. Poor handling of food emergencies, such as the German *E.Coli* contaminated beansprouts²⁵ incident, can have a substantial impact on confidence in the competence of Governments and Agencies by the public, industry and the media as well as a direct impact on the economy and health of the population. Therefore the panel considered that any change to the structure or workings of the Food Standards Agency would have to ensure that both consumer and industry confidence in the handling of food emergencies was at a minimum maintained at current levels and that mechanisms are in place to identify emerging risks.

Expertise

30.6 The Food Standards Agency's advice and work is evidence-based. It commissions both scientific research and consumer surveys, employs scientists and takes advice from nine independent scientific committees, which comprise more than 140 independent experts who are appointed through open competition. These scientists provide independent advice and challenge that is fundamental to the Agency's work and reputation. The FSA also works closely with EFSA through membership of its Advisory Forum made up of Member States as EFSA has responsibility for EU-wide risk assessments and scientific advice. The panel considered that any new model would have to have access to a similar level of scientific expertise, in order to maintain the necessary consumer and industry confidence and to support Scottish Ministers in policy development.

Consistency of policy

30.7 As a general principle, FSA maintains consistency in its approach across the UK. The rationale is three-fold:

- there is free movement of food across the UK, so regulation should be consistent to ensure safety;
- consumers move throughout the UK so for their safety and to avoid confusion, advice and safety precautions should be consistent; and
- most importantly, as the FSA's advice is evidence-based it would only give different advice across the UK if the evidence differed across the UK.

The panel therefore considered that consistency in industry regulation and consumer advice across the UK was desirable, though not essential.

²⁵ [European E.Coli Outbreak](#)

Flexibility

30.8 In tandem with the discussions on consistency, the Panel and stakeholders frequently discussed the desirability of flexibility. Almost every aspect of the FSA's work is devolved in Scotland, but its approach was usually to seek consistency across the UK. With different political priorities in each administration, Scotland-specific work to support a particular Scottish objective (such as the Preventing Obesity Route Map) is likely to be needed in future. The panel considered that it would be desirable, though not essential, for any new arrangements to allow action to better protect consumers to be taken in Scotland even if that action could or would not be taken elsewhere in the UK, or if that action was not deemed the same level of prioritisation as Scotland.

Response Time

30.9 There had been occasions when action could have been taken more swiftly in Scotland, perhaps because of a different industry structure or because there was a consensus amongst stakeholders which was unique to Scotland. In particular, the UK Government's Better Regulation Strategy and moratorium on government advertising campaigns meant these variations in speed of action were becoming more common, as action that would be acceptable and desirable in Scotland might be slowed or blocked in England, in order to meet new schemes designed to minimise bureaucracy. The panel therefore considered it essential that work in Scotland should be able to progress at the fastest possible pace, rather than being held up by issues in other parts of the UK.

Cost

30.10 It has proved very difficult to generate accurate costs as any estimate is extremely sensitive to how a new or remodelled organisation is organised and managed. For example a new organisation might choose to employ its own scientists or alternatively commission its own research, or it could enter into an agreement to share research costs with the UK FSA or another organisation closer to home. It is likely that any new structure would have to collaborate extensively with the existing FSA and other agencies. The panel considered that any additional transition or running costs from any new arrangements would need to be justified by an improved service to the public.

Influence within the European Union

30.11 The European Union develops much of the food regulation in the UK. Before the machinery of government changes, the Food Standards Agency led negotiations for all of the UK. Because the FSA is a science and evidence-based organisation combined with its

political independence, it has established a strong reputation amongst other member states. It remains the competent authority for food safety and therefore represents the UK in key EU and international fora, such as the Standing Committee on the Food Chain and Animal Health and EFSA's Advisory Forum. It was previously seen as driving the food agenda across Europe, for example measures to reduce salt intake even where voluntary approaches were being used rather than legislation. Since the machinery of government changes, that leadership has been lost in respect of nutrition and labelling. As well as diluting the UK voice, the changes have also meant that when government policy differs in different parts of the UK, the Scottish position may not be well-represented in European negotiations led by the Department of Health (e.g. on labelling issues). The panel therefore considered that it would be desirable for any new arrangements to give Scotland a strong voice in developing the UK position, and give the UK a strong position in Europe.

Wider Scottish Government policy

30.12 The Scottish Government's purpose is to focus government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth. A number of specific Scottish Government policies were relevant to the Panel's considerations:

- Food and health policy
- Sustainable economic growth policy
- Food and drink policy
- Public Bodies policy

31. Options

31.1 Having agreed the key issues against which each option would be assessed, the Panel then identified a number of options which it considered in some depth:

- Option 1 Status Quo
- Option 2 Enhance the current structure
- Option 3 Stand-alone FSA Scotland.
- Option 4 FSA Scotland bolted on to existing Scottish Public Body

31.2 For the purpose of the report we describe options 1 and 4 first as they can be discounted.

Option 1 - Status Quo

31.3 The Panel felt it necessary to consider the implications of the status quo even though it was clear that this was unlikely to be a viable option and that the remit had explicitly set them the task of looking at the feasibility of a discrete body.

31.4 The Panel considered the status quo to mean the system as it currently stands following the movement of nutrition and labelling into DH and Defra in England and the retention of those functions in Scotland. The Panel noted that since the recent change no major problems had been observed but they did identify some inconsistencies and issues that would make the status quo difficult going forward. These were:

- Recognition that the continued capacity for the Aberdeen office to provide Scottish Ministers advice on nutrition and labelling policy relies on adequate resourcing agreed by the UK FSA Board, as well as constructive relationships with staff in Defra and DH. It is the opinion of the Panel that whilst the staff in Aberdeen can rely on DH and Defra continuing with current existing work, it is possible over time that the UK Government would wish to pursue different areas of work on nutrition and labelling leaving the Scottish FSA in a position where it will need to have its own independent capacity to provide advice to Scottish Ministers.
- It is also possible that the FSA in Aberdeen would be unable to react swiftly to any request from Scottish Ministers, as they would need time for staff to be redeployed, recruited or work commissioned, although the FSA Board assured us they were prepared to respond to any new demands.
- Where previously the FSA was the body that represented the UK in negotiations in Europe on nutrition and labelling that function would now be carried out by DH and Defra. Some members of the Panel were concerned that whilst DH and Defra are required to reflect other devolved administration's views there was likelihood that Scotland's position may not be heard adequately.
- It was therefore felt that while maintaining the status quo was feasible, other options could provide a more stable footing for on-going work.

31.5 Therefore the Panel agreed that Option 1 was not in the best interests of Scotland

Option 4 - FSA Scotland bolted on to existing Scottish Public Body

31.6 The Panel gave serious consideration to the possibility of securing the FSA within an existing public body as a means by which a discrete FSA in Scotland could be established with maximum efficiency.

31.7 The Panel noted that the FSA has a unique role in protecting the consumer, a key feature of which is its ability to publish its advice. That level of freedom from Ministerial influence was identified by Scottish Ministers as a key element that they wished to retain as they felt this was crucial to retain consumer confidence.

31.8 The Panel considered a limited number of existing bodies that were deemed potential candidates for this role. However, they agreed that no other existing body would be suitable, partly because there were none which allowed a neat fit by function but more specifically as none of those considered had that same ability to publish its advice. The Panel felt that moving functions to a different body could jeopardise the arms-length nature of the organisation from the government which had been deemed essential in maintaining consumer confidence.

31.9 One of the main reasons for considering a bolt-on model would be to avoid duplication with any other public body, particularly around support functions such as IT, HR, finance etc. However most of those benefits could be realised through contracting out to the private sector or through a service level agreement (SLA) with an existing public organisation. In terms of core work, there was felt to be little duplication with other bodies. There were already SLAs in place with animal welfare. Research work could already be jointly commissioned where more than one body had an interest, and research bodies such as the Rowett Institute were already focussing their research activities on Government priorities.

31.10 A variation on this option would be to move only some of the current functions of the Food Standards Agency to other bodies. The most obvious functions that might be moved would be nutrition and compositional and country of origin labelling, as in England. However there was overwhelming support from stakeholders to keep these functions together with food safety and food standards, so the Panel did not investigate this possibility further.

31.11 There might be some scope for a very radical rethink in creating new public bodies that bring together the functions of various existing bodies. One might be a farm to fork official controls body, discussed later in this report. Another might be an independent Public Safety / Resilience Body that dealt with food emergencies, health emergencies, environmental disasters such as flooding and storms and other emergencies such as terrorist attacks. However removing the

emergency handling from other food safety work could pose its own problems.

31.12 In summary, the Panel considered that there was no great duplication with any other public body's work, moving functions to a different body could jeopardise the independence from government and openness that was necessary to maintain consumer confidence, potential efficiencies from sharing support functions could be realised through other means, and stakeholders were overwhelmingly in favour of keeping nutrition and labelling functions with food safety and food standards. Therefore the Panel agreed that this option was not viable and it was not considered further.

31.13 Having discounted options 1 and 4, the Panel focussed its deliberations on the remaining two options. Enhancing the current structure and a stand-alone Scottish Food Agency.

Option 2- Enhancing the current structure

31.14 The current structure of the FSA is expressly a UK structure, without formal devolution to its regional offices. Option 2 considers an arrangement whereby the Scottish office and Director would have more autonomy and were able to advise Scottish Ministers directly on some issues, such as nutrition.

31.15 The Panel considered whether such autonomy could be acquired in two ways.

- An administrative model achieved by clarifying reporting arrangements, resource transfer and other requirements to allow the Scottish FSA to function more autonomously. This might be achieved through memoranda of understanding between various partners.
- A legal model which would see the creation of a legal entity (for example the Scottish Director or a Scottish Board) and endowing certain functions upon that entity, such as advising Scottish Ministers on particular issues.

31.16 Advice on the second of those two options considered by the Panel suggested that the legal model was not tenable and was therefore not considered further.

31.17 The Panel considered the option of an enhanced administrative model against the options. For the purposes of the report reference to enhanced model refers to the enhanced administrative model.

Option 3 - Stand-alone Scottish Food Standards Agency

31.18 A stand-alone Scottish Food Standards Agency would mean creating a new legal person, or more probably body. This new Scottish board would be endowed with all the powers of the current FSA for Scotland. Advice to Scottish Ministers would come from that board. There would be likely to be significant collaboration and co-operation between the new body and the FSA UK on issues such as food incident handling and research. Memoranda of Understanding and Service Level agreements could be used to formalise this relationship.

31.19 Creating a new body from scratch would mean that new functions, or a new focus, would be possible. Stakeholders were strongly in favour of the FSA's core values of putting the consumer first, openness and independence and science and evidence-based. Given such strong support, the Panel therefore felt that a new stand-alone Scottish body should also have these values, a single statutory purpose of consumer health and protection and powers to publish advice to Ministers. The analysis of the options makes those assumptions.

31.20 Few stakeholders gave opinions as to the type of public body a stand-alone Scottish body should be, and those who did believe it should be a non-Ministerial Department, (like the FSA UK). As there was no intention to change the functions, there would be no rationale to change the type of public body, so the analysis assumes that a new stand-alone body would be a Scottish non-Ministerial Department.

31.21 Given this assumed purpose of consumer health, the Panel felt that it would be inappropriate to have SFAC as currently constituted as the Scottish board, given the direct industry representation. The Panel therefore assumed a new Scottish board for the purposes of its analysis.

32. Analysis of remaining options against the key issues

Independence from government and industry

32.1 The FSA already has an established reputation for independence which would continue under an enhanced model. Therefore as long as a new Scottish FSA was established as Non-Ministerial Department and given the same objective and values as the UK FSA, there should be no difference between options 2 and 3. There may slightly more risk of change to the FSA's current, highly valued ways of working, in the stand-alone option, but assuming the majority of staff would transfer from FSA Scotland and would thus be well-versed in these ways of working, the risk could be minimised.

Evidence-based and consumer focus

32.2 The enhanced model would enable continuing access to the evidence available through the different parts of the FSA across the UK and through the FSA's links with EFSA and other international bodies. However, it is likely that the FSA would have to establish an agreement with the DH and Defra to ensure that they had continuing access to evidence gathering that they were engaged in and which would be required to allow FSA Scotland to develop their work. The FSA has already established methods of consumer engagement and research, including involvement of consumer representatives in its scientific advice. As a stand-alone body's sole focus would be on Scottish consumers, rather than UK consumers, it may be able to take a more tailored approach and commission specific research to benefit Scottish public health – although it may be cost-effective in some instances to join forces with the FSA on more complex issues.

Transparency and Openness

32.3 The enhanced model would maintain and possibly strengthen the transparency and openness of existing arrangements. Again, with the same objective and values for a stand-alone body as the UK FSA, there should be no impact. Establishing a stand alone body may take time to embed these working practices, but can also learn from current practice of the FSA.

Handling of emergencies and incidents

32.4 The Panel noted that the present system is robust and works well. Any change will introduce an element of risk to such a system. However, they also noted that there was scope to improve some aspects of handling with a greater degree of flexibility for local input rather than always handling every issue from the centre, though that should be carefully managed. Linkages with key international bodies and the ability to identify emerging risks would be critical but more difficult for a stand-alone body.

32.5 At the early stage of the feasibility study the Panel became aware of the fatal [outbreak](#) of Shiga-toxin producing *Escherichia coli* in Germany last summer, followed by similar reports from the French authorities, and in particular the confusing and conflicting comments from agencies and officials not just across countries on the continent but also within countries as to the source of the outbreak. As well as the health impact, the resulting confusion was no doubt damaging to the producers of the foods concerned and also impacted on the public's confidence in the ability of the system to manage such outbreaks. The Panel perceived that the failure to communicate a consistent message was partly due to the federated nature of the systems in Germany, and the response of national agencies trying to deflect the problem rather

than working together to present a coherent assessment of the problem.

32.6 The Panel noted that the consumer groups who responded to the feasibility study were strongly in favour of retaining the current processes and communication links.

32.7 In the event that either option was adopted the Panel agreed that that a clear communication and handling strategy would be required by the Scottish FSA with agencies across the UK and also across Europe. The Panel noted that such arrangements exist between the Health Protection Agency and Health Protection Scotland which allow them to manage incidences collectively, although their remit is much narrower and they are not dealing with the complexity of the global food chain in the same way.

Availability of Expertise

32.8 The Panel noted that the FSA in Scotland had, prior to the transfer of nutrition and labelling functions into Westminster Departments, significant access to expert advice and support from colleagues in the London office of the FSA. In addition they have had access to several advisory groups which are now subject to Machinery of Government changes. The main impact of the changes has been around access to the Scientific Advisory Committee on Nutrition (SACN) as the other key committees still fall under the FSA's responsibilities. As part of the changes to the FSA in London the secretariat for SACN has moved into DH and therefore the UK FSA currently has no locus in determining the agenda or work programme for SACN. SACN is currently subject to Machinery of Government changes, although as yet these have not been clarified, and therefore the role of the devolved administrations has yet to be determined. The Scottish Government has observer status on SACN, which has been delegated to FSA Scotland.

32.9 There did seem to be a genuine desire on the part of the FSA Board to continue nutrition and labelling work. There was concern from some Panel members that there was an over reliance on the expectation that they would be able to rely on good will of colleagues now working in DH. The Panel recognised that whilst relationships have been maintained between colleagues that transferred into DH and those in Scotland but that over time the potential for working relationships to deteriorate was significant. This may be accelerated if the agenda on nutrition and labelling diverges between countries. Some Panel members were however convinced by the FSA's assurances that it would provide resources on nutrition and labelling issues as required to meet Scottish Ministers requests for advice and meet its responsibilities to Scottish consumers. This could be clearly articulated in a memorandum of understanding.

32.10 It was noted that there was potential for the Scottish Government to ensure that the work undertaken by the Rowett Institute, a centrally funded resource based in Aberdeen, was able to reflect the needs of the FSA in Scotland to ensure that they could continue to provide some evidence based advice to Scottish Ministers. But the nature of this advice was very different to the analysis provided through the FSA – which would at times need to commission additional work to inform its policy advice. A key risk for the FSA in Scotland was ensuring continuing access to UK wide surveys on diet and nutrition as these were now under the control of DH. There was no suggestion that the FSA would not have access to that information but under either option a clear understanding of the access and involvement in its further development should be articulated. The FSA in Scotland often paid for additional work to be undertaken to enhance the Scottish element. It may be that if these surveys were to be decommissioned that Scotland could not afford to undertake the survey on its own.

32.11 The Panel noted that under either option the FSA in Scotland would need to establish Memorandum of understanding or other arrangement with DH and advisory committees to ensure ongoing access and to avoid where possible unnecessary duplication.

Consistency

32.12 This was an issue raised by industry and consumer stakeholders in particular. Their rationale for consistency was the desire to minimise administrative burden and also limit confusion and misunderstanding by industry and consumers who operate or travel across the UK.

32.13 There were arguments that with an enhanced Scottish FSA operating within a federated structure the possibility for consistency of approach was potentially easier. However, it was noted that as nutrition and labelling are devolved it has been possible and indeed the reality to have different positions across the UK. Arguably the amount of variation may be limited if organisations across the UK develop and implement policy based on evidence but there remains scope for such evidence to be interpreted differently.

32.14 The Panel felt that the enhanced option would offer most consistency, but noted that much of the new legislation is EU based so there is little scope for variation in what Scotland might do differently than the rest of the UK. The main exception is in relation to nutrition policy which needs to be taken forward through a mix of voluntary and regulatory initiatives – although the companies concerned will generally operate on a UK-basis regardless.

Flexibility

32.15 Whilst consistency was, in some cases, desirable, the Panel recognised that there were others in which it was important for Scotland to be able to act alone, particularly to support specific Scottish Government objectives (such as the Prevention of Obesity Route Map). Whilst under an enhanced model the Scottish FSA office might have the legal powers to do so, this would always depend on the resources allocated to it by the UK FSA. Further, as the division of responsibilities between the Scottish and wider UK offices would be agreed in legislation, there was the possibility that flexibility to take a Scottish approach might be needed in future. As there would be no such constraints of the work programme of a stand-alone body, the Panel therefore considered that the stand-alone option would offer most flexibility.

Response Time

32.16 For example it had been suggested that the UK FSA offices in London had diverted resources and attention to dealing with the “[Red Tape](#)” challenge and to manage the UK Government’s “[one in, one out](#)” policy whereby government agencies and departments have to either justify existing regulations or where they want to introduce a new regulation have considered which regulations to drop which had a negative impact on Scotland. The Scottish Government is also fully committed to better regulation and reducing unnecessary burdens on business to promote sustainable economic growth and have adopted 5 key principles requiring any regulation to be transparent, accountable, proportionate, consistent, and targeted.

32.17 However, we found little evidence to support the concerns that had been raised. For example the Panel were made aware that the introduction of Remedial Action Notices which was initially an issue but is now being progressed in Scotland. Meat industry representatives also expressed concern that they would have been able to move ahead with new IT systems to enable effective food chain information to be communicated to the slaughterhouse. It is feasible that a stand-alone or enhanced FSA in Scotland could have acted more quickly than counterparts in the UK.

32.18 The UK FSA Board suggested at the meeting on 25 January with the Expert Panel they do not wish to move at the slowest, but rather makes progress where possible as examples of best practice to other countries and that they were moving towards allowing offices working with devolved administrations to move ahead more rapidly. An enhanced arrangement could help solve this issue.

Cost

32.19 The Panel agreed that the enhanced option was cheaper as it would require minimal additional cost, unless the UK FSA was unable to meet requirements of FSA Scotland to deliver Scottish Ministers aspirations. In that case the Scottish Government may be required to increase allocation to the FSA in Aberdeen.

32.20 The Panel found it difficult to assess the overall costs of the stand-alone option. Based on estimates from the FSA the cost of a stand-alone agency in Scotland could be approximately £15 million (including costs for a Meat Inspection Service). This would be broadly covered by existing expenditure but assumed, reasonably, ongoing collaboration with FSA. Additional analysis of potential costs of a stand-alone agency that had limited or no collaboration with the FSA in England suggested that the cost could be as high as 50% more than the fully collaborative stand-alone agency. The Panel agreed that further work was needed to develop more robust estimates and did not take a view as to whether the additional cost of the stand-alone option was in line with its potential benefits.

Influence within Europe and internationally

32.21 The UK FSA represents the UK Government (including the devolved administrations) on food safety and standards issues in the European Union. Up until the changes the UK FSA also represented the UK and the devolved administrations on nutrition and labelling. This is now being handled directly by DH on nutrition and Defra on labelling. While the UK government is obliged to seek the views of the devolved administrations the overall position is now being handled by officials under the control of Ministers who do not share the same views on nutrition and labelling as those held by Scottish Ministers. Therefore there may be a risk that the position of Scotland and other devolved administrations is not being adequately represented.

32.22 However, neither option would necessarily alleviate that as an issue, as Scotland does not have the right to be present at such negotiations as that falls to the Member State which is the UK. It may be possible under either option for the FSA in Scotland to take a greater role in engaging with other European countries in support of the Government's policy ambitions, but there would be a cost associated with that. This could also only be done on a more informal basis.

32.23 Where the UK FSA still represents the UK in Europe on food safety, either option is likely to lead to a greater input on Scottish matters but that it may be that the enhanced Scottish FSA has greater potential influence as it is still part of the UK FSA.

33. Fit with other Government policies

Fit with public bodies policy to streamline public bodies landscape in Scotland

33.1 The stand-alone option would require the establishment a new Scottish public body. The Public Bodies Team advised that the addition of a public body would be within the remit of the policy if it could be justified by the benefits it would bring, but that it would have to contain both the FSA and the Meat Inspection Service as they could not justify the creation of two separate bodies.

Fit with Scottish Government food and health policy

33.2 Scottish Ministers have re-iterated their view that policy must be based on evidence. Both options would support that and would be consistent regardless of the option chosen. There would need to be a discussion with the UK FSA, UK Government and Scottish Ministers over the provision of resources to help develop and maintain an appropriate evidence base in Scotland for advice on food safety, standards, nutrition and labelling, particularly if the variation in policy between administrations continued

Fit with Scottish Government sustainable economic growth & food and drink policy

33.3 A reputation for safe, quality food is essential for the success of the Scottish food and drink industry. The UK FSA already has a strong reputation with consumers for ensuring safe, healthy food, its statutory purpose. This is likely to be more easily maintained if an enhanced Scottish FSA is adopted. The consistency in regulation and enforcement which the enhanced option would be likely to bring should minimise costs for UK-wide retailers and producers who sell UK-wide. It was noted by some members of the Panel that there was a very strong perception that a Scottish FSA may have better relationship with industry and that it could help minimise bureaucracy for food producers, processors and retailers. Therefore both options bring potential advantages for industry. It would need to be ensured that independence was not compromised.

34. Conclusion

34.1 The Panel members agreed that the options were finely balanced on three of the issues: independence from government and industry; evidence-based and consumer focus; and transparency and openness.

34.2 On handling food incidents and emergencies; expertise; consistency of policy across the UK; and influence within Europe, the Panel agreed that the enhanced model was preferable and that the

stand-alone model would be viable, as long as the necessary relationships with the FSA UK, DH and DEFRA were put in place.

34.3 On flexibility, response time and fit with other Scottish Government policies, the Panel agreed that the stand-alone option was preferable. The enhanced model would be viable only if the necessary resources and organisational culture were put in place.

34.4 On cost, the Panel agreed that the enhanced option was cheaper. As further work was needed to develop more robust estimates, the Panel did not take a view as to whether the additional cost of the stand-alone option was in line with its potential benefits.

34.5 The Panel was therefore able to agree that both an administratively enhanced Scottish FSA and stand-alone Scottish FSA were viable options and both options could serve Scottish long-term interests.

34.6 The Panel wanted to determine whether it could make a recommendation as to the best option for Scotland's long-term interests. After considering all the issues, the Panel could only reach a majority view in favour of the stand-alone option.

34.7 Panel members' individual preferences between the two options were determined by the importance that they individually placed on specific issues, and on how well each panel member thought the proposed models would work. For example, an enhanced model with sufficient resources for Scotland and a culture of taking the initiative on Scottish issues would rate more highly on flexibility than an enhanced model where resources were tight and FSAS was dissuaded from being proactive. Similarly, a stand-alone model with excellent formal and informal relationships with FSA UK would rate more strongly on incident handling than a stand-alone model with ineffective communications.

34.8 Of the issues where there was significant difference between the two options, the Panel member with experience of consumer representation issues felt that handling of incidents and emergencies, expertise, consistency (while allowing Scotland the flexibility to move ahead when necessary), independence, transparency and influence in Europe were the most important issues for the long-term interests of Scottish consumers. The enhanced model was preferable for each of these issues. She considered that while a stand-alone model might bring in extra capacity and flexibility in nutrition and labelling, the benefits lost would be a high price to pay. She also considered that further efficiency in meat inspection could come at the expense of rigour in food safety and standards.

34.9 The Panel member with wide experience of the meat industry felt that the stand-alone option had better potential for more efficient

and effective meat inspection. The Scottish meat brands have an international recognition and reputation for quality and high standards and the industry would not accept any dilution of these. It also provides a very real opportunity for more effective stakeholder engagement in decision making processes

34.10 The Panel agreed that the enhanced administrative option could be achieved more simply than creating a stand-alone option, which would require primary legislation. However, it also provided less certainty as it relied on memoranda of understanding which are not legally binding; the success of the model would rely on all parties adhering to the agreement with Scottish Ministers. Therefore the effectiveness of this option would depend on the actions of three UK Government Departments (UK FSA, DH and DEFRA). The majority of the Panel felt it was not in the best long-term interests of Scotland to rely on UK Government Departments' actions on a devolved issue. They recognised that relationships with UK Departments were also crucial to the success of the stand-alone model, particularly on expertise, handling incidents and emergencies and influence within Europe, but felt there was less risk of inadequate relationships in the stand-alone model.

35. Recommendation

35.1 The Panel, and many stakeholders, felt that the UK FSA functioned well prior to the machinery of government changes. It was regrettable that decisions taken by the UK Government resulted in the need for this review.

35.2 The Panel agreed that both an administratively enhanced Scottish FSA and stand-alone Scottish FSA would be feasible.

35.3 The options the Panel considered were defined by their structure and governance. But the Panel recognised that the organisational, management, cultural, staffing and other resource implications of each option would be just as crucial to its desirability.

35.4 The consumer representative on the Panel felt strongly that the best option was to enhance the status quo, building on the established expertise, practices and reputation of the FSA. She was concerned that the lack of direct access to the greater resources of the FSA could undermine public protection. This would require adequate resourcing of the FSA's Aberdeen office to ensure that it was able to respond efficiently and effectively to specific Scottish issues and lead its policy on nutrition and labelling issues.

35.5 The remaining members of the Panel felt that the stand-alone option would offer the best outcome for Scotland's long term interests, as the enhanced model did not offer the necessary certainty. The stand-alone model would allow more flexibility to respond quickly to

Scottish needs and it would enable the new body to take the most relevant and necessary decisions for Scotland without being subsidiary to UK priorities

Chapter 7 - Official Meat Controls

36. Official Controls

36.1 The Panel's term of reference include a requirement to identify and evaluate alternative delivery options which would allow the meat inspection function (official controls) to be undertaken in a more efficient and cost effective manner than the current GB wide model.

37. History of official controls

37.1 Scotland had a long standing tradition of veterinary supervision in abattoirs to provide public health controls dating back to the late 1800s. That was a time of rapid expansion and structural change within the meat industry, caused in part by the extension of the rail network and the growth in the trade of imported livestock and chilled/frozen meat being shipped to the UK from overseas to meet the demands of the industrial revolution. Around the same time many public health professionals were concerned about the risk to human health from diseased meat.

37.2 The Public Health (Scotland) Act 1867 provided the powers for police officers and authorised vets to seize, detain and where necessary destroy meat deemed unfit for human consumption. Over the intervening years further controls were introduced and updated to reflect the current scientific evidence and advice. In the early 1900s specific training in meat inspection protocols and procedures was introduced and qualified inspectors assumed the statutory functions previously exercised by the police. The Public Health (Meat) Regulations were introduced in 1924 which imposed quality standards and provided enforcement powers to local authorities.

37.3 Prior to the establishment of the Meat Hygiene Service (MHS) in 1995 the delivery of meat inspection function was the responsibility of local authorities across Great Britain. The meat inspectors were employees of the local authority on public service terms & conditions. The MHS was fully merged with the FSA in April 2010, when delivery of official controls in approved meat establishments became part of the FSA Operations Group.

38. Scottish livestock controls and health status

38.1 Scotland has been successfully developing a high health status for its herds and flocks of domestic livestock over the last 10 years. Strategic and economic drivers have contributed to this and it has been achieved through the combined and coordinated efforts and ambitions of the Scottish livestock industry working with the Scottish Government. Evidence for this development in health status, for the proactive approach taken and the lessons learnt in Scotland are outlined below.

38.2 In 2001 Scotland dealt very effectively with Foot and Mouth Disease (FMD). It remained free from FMD and Bluetongue in 2007 and dealt with an Avian Influenza incident and Newcastle Disease outbreak in 2006. Scottish Government has responded effectively to recommendations of the enquiries into disease outbreaks such as the Anderson, Royal Society, Royal Society of Edinburgh and Scudamore reports. In addition, since 2008 Scotland has not reported any cases of BSE and only a handful of scrapie cases while enforcing rigorous surveillance of slaughtered and fallen stock. Scotland gained officially tuberculosis free (OTF) status in 2009. For many years, the majority of bovine tuberculosis (BTb) cases have been successfully traced back to animals moved into Scotland from other parts of the UK and the Republic of Ireland. It is worth noting that a significant proportion of these cases have been detected at post-mortem inspection.

38.3 The experience gained through the above examples has reinforced the need for a proportionate, risk and evidenced based approach to disease control in Scotland. This approach is implemented through disease prevention measures, surveillance and livestock traceability. Disease prevention and control measures include a 13 day standstill for cattle and sheep, a 21 day standstill for pigs; pre- and post-import testing for BTb since 2005 and new risk based on-farm BTb testing regime.

38.4 Scotland's veterinary surveillance system is operated by the Scottish Agricultural College (SAC), it comprises 8 Disease Surveillance Centres (DSCs) whose locations broadly reflect livestock distribution and provide good geographic coverage. Throughput of the DSCs in Scotland is at a higher level per livestock unit than elsewhere in GB and the system has a strong track record of finding new conditions. The overall purpose of the system is to detect exotic diseases, new and emerging conditions and public health threats while complying with EU obligations.

38.5 Scotland's livestock traceability system has been under continuous development for 10 years, using technology to implement systems that are robust, accurate and timely. Scottish cattle farmers rapidly adopted the use of the 'CTS online' system for reporting moves; Scottish markets provide 'four way reporting' (off-farm, on-market; off-market, on-farm) for cattle and sheep which both reduces burden and expedites movement reporting. Scotland implemented sheep electronic identification (EID) through automated collection of electronic tag data at markets and abattoirs, this data populates the ScotEID database in near real-time. The ScotEID database's interoperability with market, abattoir and on-farm software combined with its interrogation function that allows excellent individual animal traceability.

38.6 The database has now been developed to capture pig movements and continues to be developed for other purposes. For example the ScotEID database has the capacity to hold health status

information and is being equipped to record BVD status as part of Scotland's BVD eradication scheme. Further opportunities are emerging to link data systems in the food chain, from farm to fork, through the European Commission's proposals to implement bovine EID, although selection of the appropriate technology (High Frequency or Ultra High Frequency - the food chain standard, not Low Frequency - the standard for companion animals), is likely to be key to success in this regard.

38.7 Recent discussions between the Scottish Government, FSA, and the meat processing sector have identified an opportunity to pass CCIR (Collection and Communication of Inspection Results) data back to farmers from abattoirs, via FSAS and the ScotEID database; this could be taken forward relatively quickly. Food Chain Information (FCI) data flow from farms to abattoirs is also becoming a possibility as a consequence of improvements in livestock identification and traceability systems. However it is a more complex proposition than for CCIR data flow that would require detailed scoping work, planning, project working and investment in data/IT systems at abattoirs.

38.8 The above measures are supported in Scotland by a well developed and coordinated farm quality assurance scheme, widespread adoption of annual health planning and provision of consistent, accurate livestock health information and advice through both commercial and publicly supported streams, including novel innovation and education mechanisms such as 'Monitor farms'.

39. EU review of official controls on meat for human consumption

39.1 The objective of meat inspection is to protect public health, animal health and animal welfare. Traditional meat inspection has been conducted for more than 100 years and the meat inspection function is still targeting hazards well known at that time. Today, both in Europe and elsewhere in the world, some of the old hazards have been eradicated and replaced by others with these being described in a scientific report published by EFSA following a mandate from the European Commission (EC). EFSA has been asked to look at: domestic swine, poultry, bovine, domestic sheep and goats, farmed game and domestic solipeds.

39.2 The Scientific Opinions on meat inspection for the different species are to be delivered in a staged basis by EFSA. These Opinions will:

- Identify and rank the main risks for public health that should be addressed by meat inspection at EU level.
- Assess the strengths and weaknesses of the current meat inspection methodology and recommend possible alternative methods, taking into account implications for animal health and welfare.

- Recommend additional inspection methods in case other previously not considered hazards have been identified above (e.g. *salmonellosis*, *campylobacteriosis*).
- Recommend possible alternative methods and adaptations of inspection methods and/or frequencies of inspections that provide an equivalent level of protection within the scope of meat inspection or elsewhere in the production chain that may be used by risk managers in case they consider the current methods disproportionate to the risk, e.g. based on the risks or on data obtained using harmonised epidemiological criteria.

39.3 The ongoing EU review for all species will not be completed until 2014. The opinion on pigs was delivered in September 2011 and is currently under discussion between the EC and stakeholders. A series of meetings has been held and the EC will bring forward their proposals in the near future. As the main risks to public health (*Salmonella*, *Yersinia*, *Toxoplasma* and *Trichinella*) are not detectable by *post mortem* examination there will be increased emphasis on controls on farm and at other levels of the chain such as at the end of the slaughter line. Whilst there will be changes to *post mortem* requirements for public health reasons it will still be important for *ante mortem* examination and also measures in the abattoir to detect animal health and animal welfare problems. The opinions on poultry and other species are expected in the next two years.

40. Wider roles and responsibilities regarding official controls

40.1 The Food Standards Act sets out the Food Standard Agency's (FSA) functions. It has a wide remit for feed and food safety and standards issues from 'farm to fork', including developing policy and representing the UK on feed and food matters at EU level, and responsibility for making and implementing feed and food law. Responsibility for monitoring and verifying compliance with official controls and enforcement is shared between the FSA (including other authorities working on the Agency's behalf), and local authorities.

40.2 The Food Standards Act 1999 and EC Regulation (No.) 882/2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare [rules](#), provides the FSA with a package of statutory powers to strengthen its influence over enforcement activity, and to help in the delivery of national priorities and objectives. The Act gives the FSA powers to set standards of performance in relation to enforcement of feed and food law and to monitor and audit enforcement authorities against those standards in order to assess their performance. It also gives the FSA powers to require local authorities to provide information relating to feed and food law enforcement. The FSA may enter local authority premises to inspect records and take samples, and it may make reports to individual authorities which may give guidance on improving performance. It can also require enforcement authorities to

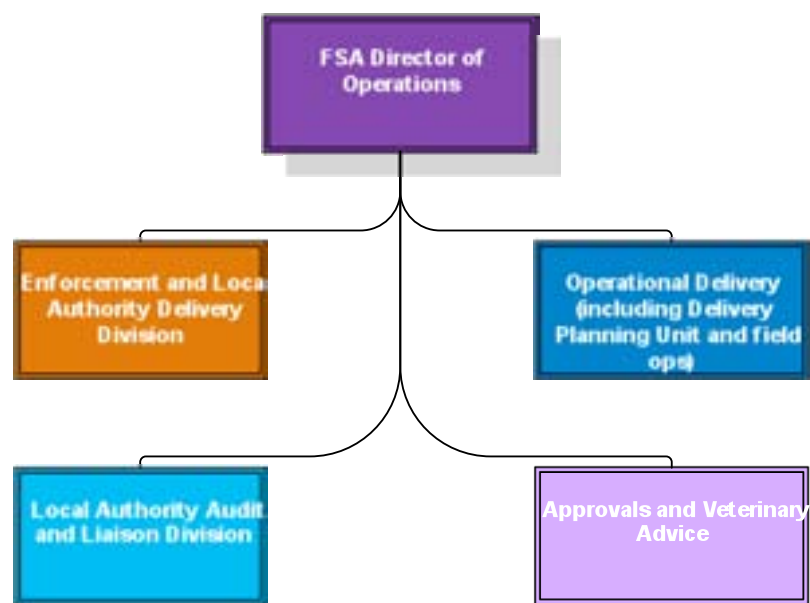
publish these reports and to state what action they propose in response.

41. Current arrangements for delivery of controls

41.1 The FSA Director of Operations has overarching responsibility for the implementation and effective delivery of official controls across the UK for all of the Agency's Competent Authority food and feed responsibilities.

41.2 The current high level management structure within the FSA Operations Group is shown in **Figure 2**.

Figure 2 – FSA Operations Group high level management structure



41.3 The FSA Director of Operations works closely with FSA Directors for Scotland, Wales and Northern Ireland on operational matters in these countries.

41.4 The Head of Operational Delivery and Head of Approvals and Veterinary Advice are members of the FSA Operations Group Senior Management Team, with the Head of Enforcement, Local Authority and Liaison Division and the Head of the Local Authority and Liaison Division and report performance to the FSA Director of Operations.

41.5 April 2012 will see the introduction of a new structure for meat controls, which will include a specific operations group for Scotland.

42. Costs

42.1 In recent years, there has been substantial progress on modernising the delivery of official meat hygiene controls across the

UK, in order to ensure that costs are as low as possible.

42.2 Since 2006, efficiencies in delivery have driven the costs of meat controls to industry down by £14.5m in Britain - from £69.9m in 2006/07 to £55.5 million in 2010/11. Costs have primarily been reduced by:

- the closure of five regional offices operated by the former MHS and centralisation of field support.
- introduction of a new field structure in 2009, allowing for more efficient use of resources.
- revised terms and conditions for field staff.
- a move towards more risk-based BSE controls and changes to work carried out for other parts of government under SLAs.
- the merger of the former MHS with the FSA, bringing together corporate service functions and establishing the Operations Group which applies across all aspects of official controls delivery across the feed and food chain within the UK.
- revisions to the approvals process and refusal to approve persistently non-compliant businesses.

42.3 In 2010/11, 11.6% of total hours recorded by OVs and MHIs were in premises in Scotland. The table below provides an estimate of charges for Britain (£44.3m) and Scotland (£5.1m) in 2011/12.

Table 2 - Projected charges in Great Britain and Scotland 2011/12

Cost	2011/12 Budget for Great Britain (£m)	2011/12 Scotland £m (based on 2010/11 proportion of total hours)
Industry cost	55.0	6.4
Pension deficit cost	(4.7)	(0.5)
Industry cost (excluding pension deficit costs)	50.3*	5.8
Cost savings	(5.0)	(0.6)
Low throughput support	(2.7)	(0.3)
Target charge to industry 2014/15	42.6	4.9
Plus throughput increase adjustment	1.7	0.2
Rebased target charge to industry 2014/15	44.3	5.1

* Direct costs account for £40.0m and indirect costs for £10.3m.

42.4 The agreed budget for 2011/12 is £55m but this has recently been adjusted to £50.3m, with the recent decision that pension deficit costs would be removed from charges to industry. The FSA is now committed to reducing the costs of meat controls further to £45.4m by

2014/15, thereby limiting costs increases to businesses in the route to full cost recovery.

Chapter 8 - Future options of official controls delivery in Scotland

43. Introduction

43.1 The Panel considered official controls delivery within the wider context of the public and animal health benefits such controls provide. The Panel noted that FSA had made substantial progress in reducing the total cost of official meat hygiene controls delivery in recent years. The Panel also had due regard for the work ongoing at EU level to revamp the current inspection protocols to more fully address the risks presented by modern day livestock farming practises and meat processing methods. The group considered the relative merits of a number of alternative options to deliver official controls. Finally the Panel identified a number of issues which have precipitated this aspect of the review:

- A difficult relationship between industry and FSA
- Extent to which industry and FSA were engaging on issues of substance
- Calibre of OV's and training
- Complaints about the pricing structure, and in particular whether it gives a fair allocation of overhead costs.
- Ownership of costs/what has been included in overheads charge/view of external audit

43.2 However rather than addressing these issues *per se*, the Panel considered the cost effectiveness of establishing a Scottish official controls delivery service, which may or may not be the best way to deal with these concerns.

Legal issues

43.3 The Board of FSA is currently responsible for overseeing the delivery of official controls throughout the UK. In Scotland they exercise these powers on behalf of Scottish Ministers.

43.4 In any model, the FSA UK would have to remain as the competent authority for Scotland as the UK remains the EU member state.

44. Key issues to judge feasibility of options

44.1 The Panel identified the following key issues in order to determine how it would base its analysis and reach a conclusion.

- Ensuring consumer safety, compliance and effective audit function
- Relationship with industry

- Independence
- Cost
- Exports
- Future proofing against likely EU developments and potential for “farm to fork” service
- Operational guidance and advice to industry
- Public bodies policy
- Food Policy

45. Options

45.1 The Panel identified 4 options which it considered in some depth.

- Option 1 - Stand-alone
- Option 2 - Brigade official controls with another delivery body in Scotland
- Option 3 - Create a Scottish operations group either within a new Scottish FSA or as part of an enhanced FSA/S
- Option 4 - Status Quo (remain with FSA UK).

46. Disregarding some options for official controls in Scotland

46.1 The Panel were able to disregard two options very quickly.

Option 1 – create a stand-alone delivery body.

46.2 Whilst feasible the Panel concluded that such a body would be relatively small in nature and probably more costly to administer than the current system. Also consumers and industry felt it was important to retain consumer credibility and assurance by using an FSA led delivery model.

Option 2 - brigade official controls with another delivery body in Scotland.

46.3 The Panel's view that the delivery of officials controls in the meat sector was substantially different to other delivery bodies and concluded that this option was not feasible.

46.4 Neither of these two options were considered further.

47. Analysis of the remaining Options against the Issues

47.1 The Panel considered that both remaining options of either the creation of a Scottish operations group either within a new Scottish FSA or as part of an enhanced FSAS or the Status Quo (remain with UK FSA) compared well across the majority of issues.

Ensuring consumer safety, compliance and effective audit function

47.2 The Panel considered that both remaining options would be able to meet the requirements of consumers, industry and Government. The transfer of the Meat Inspection Service into an enhanced or stand-alone FSA would carry some risk associated with any change but this would reduce over time.

Relationship with industry

47.3 The Panel were of the view that the transfer of the Meat Inspection Service to a Scottish FSA would reinforce the already good relationship that the FSA had with industry in Scotland. It was clear that if the status quo was the way forward then both industry and the FSA would have to work much harder at building relationships and engaging in positive dialogue.

Independence from government and the industry

47.4 The Panel were clear that creating a new delivery body may risk undermining the reputation for independence that the FSA has worked hard to establish in the aftermath of the BSE and *E.coli* crises. An enhanced or stand-alone FSA in Scotland would have to quickly establish its credentials as an independent champion for the consumer whilst building on the good relationship it has with the food industry in Scotland. The Panel noted it would be a key challenge to achieve and maintain that balance but felt that there was no reason why this should not happen.

Cost

47.5 Industry and other stakeholders were clear that a Meat Inspection Service in Scotland could deliver savings if full responsibility for operational delivery in Scotland was transferred to FSA Scotland. Under the new contracts awarded by FSA following evaluation of the tenders submitted the new contracts are expected to deliver an annual cost reduction of some £2.35 million from current cost. As official control costs in Scotland are approximately 12% of the GB total that would equate to a cost reduction of £282,000 for delivery operations in Scotland.

Exports

47.6 The potential risk of the Scottish red meat being disadvantaged in accessing third country export markets should the delivery of official controls no longer come under the direct control of FSA, as the central competent authority ((CCA) was highlighted to the Panel.

47.7 It was subsequently confirmed by the FSA that it is the UK CVO who is solely responsible for negotiating all third country health certification agreements on behalf of the UK Government. Further investigation also confirmed that the delivery of third country certification for other food products, such as fish, shellfish, dairy products etc, was not under the direct control of FSA as the CCA. Consequently the Panel concluded the ability of the red meat sector in Scotland to service demand for its product in third countries would not be materially disadvantaged by any option which removed official control delivery in Scotland from the direct control of FSA UK.

Future proofing against likely EU development and potential for “farm to fork” service

47.8 The Panel concluded that a Meat Inspection Service in Scotland would ensure the red meat supply chain in Scotland could adapt to forthcoming changes to the official controls being developed at EU level and help to address the concerns of stakeholders. It would also allow a joined up approach with other official control policy issues.

Operational guidance and advice to industry

47.9 The panel recognised there would remain an ongoing need for interface between FSA Aberdeen and FSA UK Operations group as policy and guidance on the application of the official controls was updated and amended in the future to reflect changes agreed at both EU and UK level. The panel concluded that this could be best achieved by the establishment of a service level agreement between the Operations Director and the head of FSA in Scotland to ensure that front line inspection staff deployed in Scotland were applying the official controls to the same level as elsewhere in the UK and EU.

Public Bodies policy

47.10 It was clear that transfer of Meat Inspection Service into the FSA in Scotland under either option would not breach the public bodies policy as it would be subsumed into an existing public body and was therefore not an issue.

Food policy

47.11 The Panel noted that the Scottish Government attached considerable importance to social and economic benefits that a

successful food and drink industry could bring to Scotland. The red meat sector plays an important role in cementing Scotland's reputation through its quality branded red meat products. The processing sector is also a significant contributor to Scotland's food exports with the potential to further achieve further growth and home and abroad in the future.

48. Conclusions

48.1 The Panel recognised that the decision about Meat Inspection Services was linked to the decision about the future arrangements for the FSA in Scotland.

48.2 The Panel concluded that responsibility for the policy oversight and the operational delivery of official controls should remain a) independent from the Scottish Government and industry b) remain part of the wider food safety portfolio governance arrangements that are put in place in Scotland.

48.3 The Panel recognised that a Scottish Meat Inspection Service could be more efficient than the current UK service. It also noted that the relationship between industry and the FSA in Scotland as well as other stakeholders was positive with examples of good working relationships. However, the Panel were also clear that the FSA in Scotland and the Meat Inspection Service would have to work hard to not only maintain such positive relationships but also be able to reassure consumers of their independence.

48.4 The elements of the Meat Inspection Service that are relevant to Scotland should be transferred to the FSA in Scotland (whether an enhanced FSA or a new stand-alone Scottish FSA), to be under the operational control of the Director of the FSA in Scotland.

Annexes

49. Annex A - Expert Panel Members

Jim Scudamore Chair	Formerly UK Chief Veterinary Officer (CVO), now Professor of Livestock and Public Health at the University of Liverpool.
Sue Davies	Chief Policy Adviser, Which?
Pam Whittle	Formerly Director Public Health & Health Improvement in the Scottish Government
Mac Johnston	Emeritus Professor of Veterinary Public Health at the Royal College of Veterinary Surgeons
Alistair Donaldson	Formerly Board member of Quality Meat Scotland, Executive Manager of Scottish Association of Meat Wholesalers and General Manager Scotland of the Meat and Livestock Commission

50. Annex B - Terms of Reference

Feasibility Study: Food Standards Agency - Review of Functions in Scotland

Feasibility study to assess the benefits and cost implications of establishing an independent Food Standards Agency for Scotland including a Scottish meat inspection delivery body, maintaining the statutory objective of the Food Standards Agency to "protect public health from risk which may arise in connection with the consumption of food, and otherwise to protect the interests of consumers in relation to food".

Terms of reference

To report on the merits of creating a discrete body in Scotland to perform the functions carried out at present by the Food Standards Agency in Scotland, including Meat Inspection functions.

A report of the study's conclusions and recommendations should be made available to Scottish Ministers by February 2012.

Specifically, the report should:

- Describe the relevance and implications on Scotland of the recent changes to the UK-wide FSA;
- Consider the implications of establishing a new public body and the nature of that body, having regard to the Government's continuing commitment to streamline the public bodies landscape in Scotland;
- Include a financial appraisal of options; and
- Make a recommendation on the best outcome for Scotland's long-term interests, taking into account the main statutory objective to "protect public health from risk which may arise in connection with the consumption of food, and otherwise to protect the interests of consumers in relation to food" also taking into account the Government's purpose of sustainable economic growth.

Specifically on explorations of Meat Inspection Services:

- The report should identify and evaluate alternative delivery options which would allow the meat inspection function to be undertaken in Scottish meat plants in a more efficient and cost effective manner than the current GB wide model, and maintains the current levels of compliance with public and animal health statutory controls, whilst being risk based and proportionate.

- The study should also consider the case for merging meat inspection delivery in Scotland with other food inspection services (e.g. egg production/processing and hygiene controls in retail premises).
- The report should also determine whether there are any legal, practical or contractual issues that have to be considered, should Scottish Ministers decide to introduce an alternative delivery system within Scotland, and make recommendations on how such issues could be successfully managed.

51. Annex C - List of organisations that submitted evidence

1	Enforcement - Aberdeen City Council
2	Public Health NHS – NHS Lothian Director of Public Health and Health Policy with Specialist Health Protection and Promotion- NHS Lothian
3	Public Health NHS - Ayrshire & Arran
4	Enforcement - The Royal Environmental Health Institute of Scotland (REHIS), Scottish Food Enforcement Liaison Committee (SFELC), Society of Chief Officers of Environmental Health in Scotland (SoCOEHS) Convention of Scottish Local Authorities (CoSLA)
5	Industry - Beekeepers Association
6	Industry – SAMW
7	Industry - Scottish Beef Cattle Association
8	Enforcement – REHIS
9	Enforcement - South Lanarkshire Council
10	Enforcement - Scottish Food Enforcement Liaison Committee
11	Enforcement - Society of Chief Officers of Environmental Health in Scotland
12	Enforcement - Renfrewshire Council
13	Industry - Scottish Federation of Meat Traders Association
14	Industry - Scottish Food and Drink Federation
15	Enforcement - Veterinary Public Health Association
16	Industry - Quality Meat Inspection
17	Industry - Dairy UK (Scotland)
18	Research - Rowett Institute
19	Industry - Association of Independent meat suppliers
20	Enforcement - NHS Lanarkshire
21	Enforcement - Moray Council
22	Industry - NFU Scotland
23	Research - James Hutton Institute
24	Consumer - Consumer Focus Scotland
25	Enforcement - Falkirk Council
26	Enforcement - NHS Forth Valley
27	Enforcement - NHS National Services – HPS Scotland
28	Industry – British Hospitality Association
29	Industry - Scotch Whisky
30	Enforcement – Aberdeenshire
31	Government –SEPA
32	Enforcement - North Ayrshire Council
33	Scottish Food Advisory Committee (SFAC)
34	Enforcement -East Lothian Council
35	Enforcement -North Lanarkshire Council
36	Public Health British Heart Foundation
37	Industry – Scottish Food and Drink
39	Enforcement - AMI
39	Enforcement – UNISON
40	Consumer – Which?

52. Annex D - Interviews

	<i>Name and role</i>
21 October 2011	Koen Van Dyck, Health & Consumers Directorate General, EU
16 November 2011	British Retail Consortium
16 November 2011	Consumer Focus Scotland
16 November 2011	CoSLA
16 November 2011	National Farmers Union Scotland
17 November 2011	Quality Meat Scotland
17 November 2011	REHIS
17 November 2011	Scottish Association Meat Wholesalers
17 November 2011	Scottish Food Advisory Committee
12 December 2011	Scottish Food and Drink Federation
12 December 2011	CoSLA, SFELC, SoCOEH, REHIS
12 December 2011	UNISON
12 December 2011	Association of Meat Inspectors
24 January 2012	Veterinary Public Health Association
26 January 2012	Professor Hugh Pennington
26 January 2012	British Hospitality Association

Scottish Government Officials

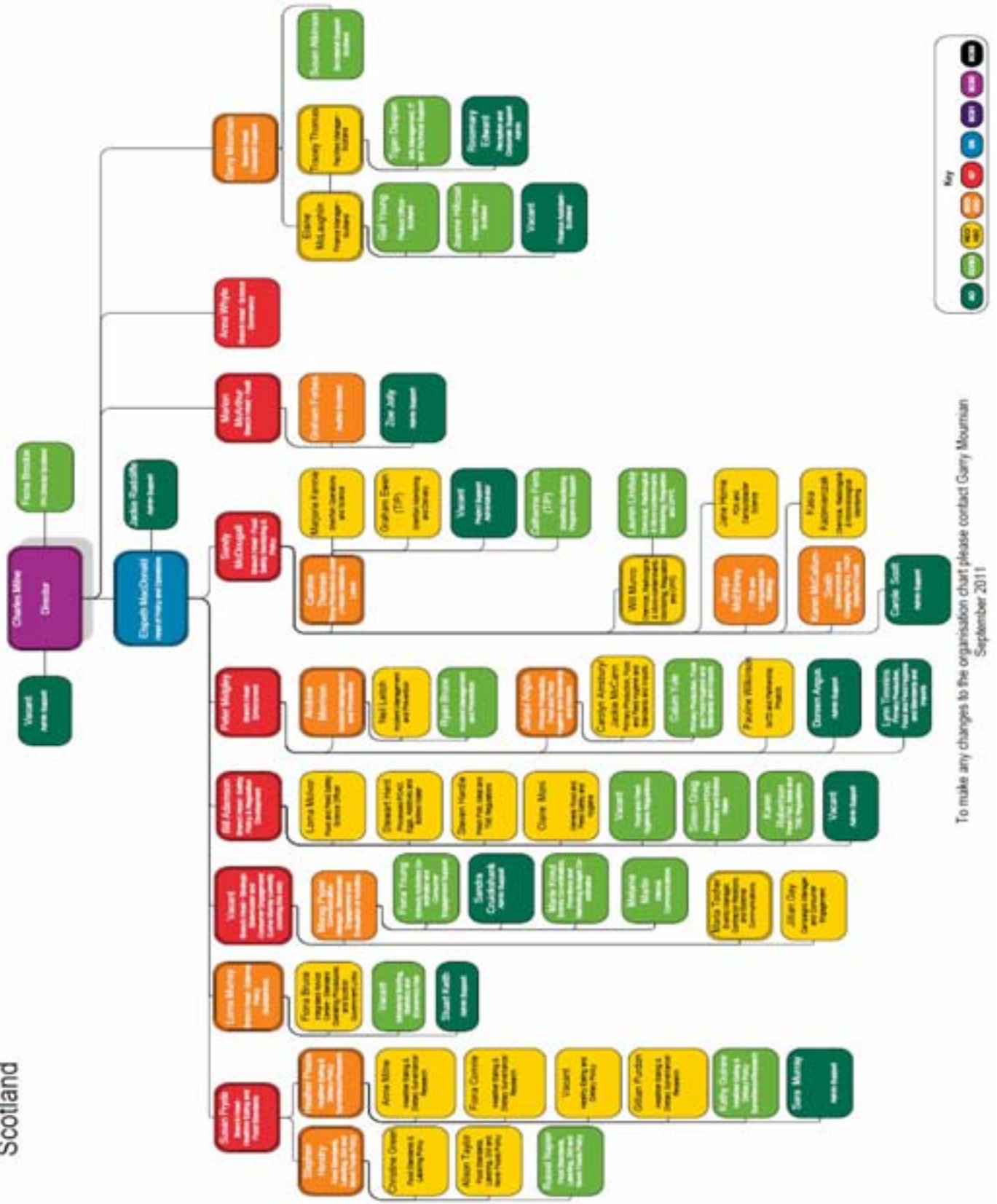
	<i>Name and role</i>
9 September 2011	Fergus Millan, Head of Healthy Living Team, Public Health Division
12 December 2011	Martin Morgan, Livestock Policy, Food, Drink and Rural Communities Division
26 January 2012	Gareth Brown, Health Protection Team, Public Health Division
31 January 2012	Jonathan Pryce, Director, Rural and Environment
31 January 2012	Sir Harry Burns, Chief Medical Officer

Other Government Departments and Agencies

<i>Date</i>	<i>Name and role</i>
21 October 2011	Charles Milne, Director, Food Standards Agency Scotland
12 December 2011	Tim Smith, Chief Executive, Food Standards Agency
17 January 2012	Andrew Rhodes, Director of Operations, Food Standards Agency
25 January 2012	The Board, Food Standards Agency

53. Annex E – FSA Scotland Organisation Chart

Scotland



To make any changes to the organisation chart please contact Garry Mourman
September 2011

54. Annex F - Agency function

Functions and Responsibilities of the Food Standards Agency in Scotland -
mapped against statutory provisions of Food Standards Act 1999

Functions and Responsibilities of the Food Standards Agency in Scotland (Sheet 1 of 2) - mapped against statutory provisions of Food Standards Act 1999	Section 4 – report to UK and devolved parliaments and assemblies	Section 5(1) – establish and convene country advisory committees	Section 6 – develop policy	Section 6 – advise public authorities (including governments and local authorities)	Section 6 – draft secondary (and occasional primary) legislation	Section 6 – lead UK department in negotiations in the EU, Codex Alimentarius and internationally (see footnotes)	Section 7 (food) and 9 (feed) – provide advice and guidance to stakeholders	Sections 8-10 – carry out research	Sections 8-10 – carry out surveillance	Section 10 – carry out other observations of food and feed production and supply	Section 12(1) – monitor enforcement actions of others	Section 12(2) – set performance standards relating to enforcement by others
Food hygiene/microbiological food safety – meat (inc. TSEs and zoonoses)	√	√	√	√	√	√	√	√	√	√	√	√
Food hygiene/microbiological food safety – milk	√	√	√	√	√	√	√	√	√	√	√	√
Food hygiene/microbiological food safety – eggs	√	√	√	√	√	√	√	√	√	√	√	√
Food hygiene/microbiological food safety – shellfish	√	√	√	√	√	√	√	√	√	√	√	√
Food hygiene/microbiological food safety – general (including micro. criteria)	√	√	√	√	√	√	√	√	√	√	√	√
Chemical food safety (excluding pesticides and veterinary residues) – additives	√	√	√	√	√	√	√	√	√	√	√	√
Chemical food safety (excluding pesticides and veterinary residues) – contaminants	√	√	√	√	√	√	√	√	√	√	√	√

Chemical food safety (excluding pesticides and veterinary residues) – food contact materials	√	√	√	√	√	√	√	√	√	√	√	√
Pesticides in food (see footnotes attached)	√	√ x		√ x		x	√ x		√	√	√	x
Veterinary residues in food (see footnotes attached)	√	√ x		√ x		x	√ x		√	√	√	x
Radiological food safety	√	√	√	√	√	√	√	√	√	√	√	√

Functions and Responsibilities of the Food Standards Agency in Scotland (Sheet 1 of 2) - mapped against statutory provisions of Food Standards Act 1999	Section 4 – report to UK and devolved parliaments and assemblies	Section 5(1) – establish and convene country advisory committees	Section 6 – develop policy	Section 6 – advise public authorities (including governments and local authorities)	Section 6 – draft secondary (and occasional primary) legislation	Section 6 – lead UK department in negotiations in the EU, Codex Alimentarius and internationally (see footnotes)	Section 7 (food) and 9 (feed) – provide advice and guidance to stakeholders	Sections 8-10 – carry out research	Sections 8-10 – carry out surveillance	Section 10 – carry out other observations of food and feed production and supply	Section 12(1) – monitor enforcement actions of others	Section 12(2) – set performance standards relating to enforcement by others
Food incidents and emergencies	√	√	√	√	√	√	√	√	√	√	√	√
Nutrition and healthy eating policy, including salt reduction, fortification and reformulation	√	√	√	√	√	√	√	√	√	√	√	√
Food for particular nutritional uses, including infant formula	√	√	√	√	√	√	√	√	√	√	√	√
Food supplements	√	√	√	√	√	√	√	√	√	√	√	√
Food labelling – relating to food safety	√	√	√	√	√	√	√	√	√	√	√	√
Food labelling – relating to nutritional content	√	√	√	√	√	√	√	√	√	√	√	√
Nutrition and health claims	√	√	√	√	√	√	√	√	√	√	√	√
General food labelling and food composition (including, for example, fish and bottled water)	√	√	√	√	√	√	√	√	√	√	√	√
Animal feed (safety and composition)	√	√	√	√	√	√	√	√	√	√	√	√
Food allergy and intolerance	√	√	√	√	√	√	√	√	√	√	√	√

Novel foods and processes, including food and feed application of GM and nanotechnology	√	√	√	√	√	√	√	√	√	√	√	√
General food law (including traceability)	√	√	√	√	√	√	√	√	√	√	√	√
Central competent authority for food and feed law enforcement	√	√	√	√	√	√	√ -		-	√	√	√
Auditing delivery of food and feed controls by delivery partners	√	√	√	√ -		√	√ -		-	√	√	√
Hosting of Food and Veterinary Office missions/audits	√	√	√	√ -		√	√ -		-	√ -		-
Imports	√	√	√	√	√	√	√	√	√	√	√	√
Food export certification	x x		x	√ x		√	√ -		-	√ x		x

Functions and Responsibilities of the Food Standards Agency in Scotland (Sheet 2 of 2) - mapped against statutory provisions of Food Standards Act 1999 and other relevant enactments	Section 17 – make emergency orders and declarations	Section 19 – publish information	Section 21 – provide education and training	Section 21 – grants and financial support for other bodies	Section 21 – investigate and take prosecutions (see footnotes attached)	Section 22(2) – collaborate with government departments and other bodies	Section 23 – risk management	Section 29 – consultee on policies and controls that are the responsibility of others	Other – carry out official controls and enforcement action itself	Other – issue licences, approvals and authorisations	Section 42 of Food Safety Act 1990 - default powers, where appointed to discharge any function of a food authority
Food hygiene/microbiological food safety – meat (inc. TSEs and zoonoses)	√	√	√	√	x	√	√	√	√	√	√
Food hygiene/microbiological food safety – milk	√	√	√	√	x	√	√ -		x	x	√
Food hygiene/microbiological food safety – eggs	√	√	√	√	x	√	√ -		x	x	√
Food hygiene/microbiological food safety – shellfish	√	√	√	√	x	√	√ -		√ x		√
Food hygiene/microbiological food safety – general (including micro. criteria)	√	√	√	√	x	√	√ -		√ x		√
Chemical food safety (excluding pesticides and veterinary residues) – additives	√	√	√	√	x	√	√ -		x	x	√
Chemical food safety (excluding pesticides and veterinary residues) – contaminants	√	√	√	√	x	√	√ -		x	x	√

Chemical food safety (excluding pesticides and veterinary residues) – food contact materials	√	√	√	√	x	√	√ -		x	x	√
Pesticides in food (see footnotes attached)	√	√	√	x	x	√	√	√ x		x	√
Veterinary residues in food (see footnotes attached)	√	√	√	x	x	√	√	√ x		x	√
Radiological food safety	√	√	√	√	x	√	√	√ x		√	√

Functions and Responsibilities of the Food Standards Agency in Scotland (Sheet 2 of 2) - mapped against statutory provisions of Food Standards Act 1999 and other relevant enactments	Section 17 – make emergency orders and declarations	Section 19 – publish information	Section 21 – provide education and training	Section 21 – grants and financial support for other bodies	Section 21 – investigate and take prosecutions (see footnotes attached)	Section 22(2) – collaborate with government departments and other bodies	Section 23 – risk management	Section 29 – consultee on policies and controls that are the responsibility of others	Other – carry out official controls and enforcement action itself	Other – issue licences, approvals and authorisations	Section 42 of Food Safety Act 1990 - default powers, where appointed to discharge any function of a food authority
Food incidents and emergencies	√	√	√	√	x	√	√	√	√	√	√
Nutrition and healthy eating policy, including salt reduction, fortification and reformulation	x	√	√	√	x	√	√ -		x	x	x
Food for particular nutritional uses, including infant formula	√	√	√	√	x	√	√ -		x	x	√
Food supplements	√	√	√	√	x	√	√ -		x	x	√
Food labelling – relating to food safety	√	√	√	√	x	√	√ -		x	x	√
Food labelling – relating to nutritional content	x	√	√	√	x	√	√ -		x	x	√
Nutrition and health claims	x	√	√	√	x	√	√ -		x	x	√
General food labelling and food composition (including, for example, fish and bottled water)	√	√	√	√	x	√	√ -		x	x	√
Animal feed (safety and composition)	√	√	√	√	x	√	√	√ x		x	x
Food allergy and intolerance	√	√	√	√	x	√	√ -		x	x	√

Novel foods and processes, including food and feed application of GM and nanotechnology	√	√	√	√	x	√	√	√ x		√	√
General food law (including traceability)	√	√	√	√	x	√	√ -		x	x	√
Central competent authority for food and feed law enforcement	-	√	√	√ -		√	√ -		-	-	-
Auditing delivery of food and feed controls by delivery partners	-	√	√	√ -		√	√ -		-	-	-
Hosting of Food and Veterinary Office missions/audits	-	√	√	√ -		√ -		-	-	-	-
Imports	√	√	√	√	x	√	√	√ x		x	√
Food export certification	-	√	√	x	x	√ -		x	x	x	x

Key:

	Aberdeen office is active in this UK-wide activity, although the lead is usually taken by FSA headquarters teams. May involve collaboration and liaison with other Government departments, in which case Aberdeen office would lead on work with the Scottish Government.
	As above, except Aberdeen office either takes the lead or has a higher level of input due to expertise of local staff
	Aberdeen office provides secretariat to Scottish Food Advisory committee; role of FSA headquarters is limited to setting general procedures for the operation of country Food Advisory committees
	Combination of locally driven and delivered activity in Scotland, and activity led by FSA headquarters
	Led by FSA headquarters with minimal input from Aberdeen office
	No current activity in Aberdeen office

55. Annex G – FSA Issues Analysis

Issue	Enhanced UK FSA	New stand-alone Scottish FSA	i) Stakeholder views ii) Conclusion
Independence from government and industry	No change from status quo – established reputation, clear requirements in the Food Standards Act and mechanisms for demonstrating that acting independently e.g. open board meetings, open scientific committees.	As long as a new Scottish FSA was established as an NMD and given the same objective and principles as UK FSA, there should be no difference between options, although a stand alone agency will need to establish and embed these principles. There may be slightly more risk of change to current ways of working by setting up a new organisation, partly because of the closer positive working relationship in Scotland between the Government, Industry and the FSA in Scotland. There is no reason to assume that the objectives and principles on which it was established would not be met.	i) Stakeholders overwhelmingly in favour of retaining these principles. ii) Enhancing the existing FSA structure is the simplest solution in terms of mechanics as a stand-alone option would require primary legislation and the enhanced UK FSA some form of MOU between Scottish Ministers and the UK FSA.
Evidence-based and consumer focus	No change from status quo, as the FSA is required to be evidence-based and put the consumer first under the Food Standards Act. However, there could be some loss of evidence gathering and analytical capacity and therefore support for Scottish Ministers in helping deliver their obesity strategy as such work on nutrition and labelling previously delivered by the UK FSA in England is now delivered by DH and Defra. This will depend on the additional resources made available for FSA Scotland to allow such work to continue in support of Scottish Ministers aspirations. Some of those resources may be sourced from the UK FSA. This option would have the advantage of ensuring that the Agency remained linked into the breadth of FSA expertise and scientific committees across food safety issues, as well as other programmes of work that were retained after the Machinery of Government	If established on the same principles then a stand-alone FSA in Scotland would require to be evidence-based and put the consumer first. Greater potential to be more focused on Scottish, rather than UK consumers, so would be able to take a more tailored approach to benefit Scottish consumers. Stand-alone option would still require development of close working relationships with the remainder of the UK FSA and to a certain extent DH and Defra to enable access to all relevant evidence gathering and analytical work. Opportunity for Stand-alone FSA in Scotland to develop good working relationship with EFSA which is responsible for EU-wide risk assessments, but this would have to be on an informal basis. Sufficient resources would be needed to ensure that there is adequate capacity for programme of consumer research to inform the agency's approach.	i) Stakeholders overwhelmingly in favour of retaining these principles. ii) Enhancing the existing FSA structure is the simplest solution in terms of mechanics as a stand-alone option would require primary legislation and the enhanced UK FSA some form of MOU between Scottish Ministers and the UK FSA. Under both options adequate resources would need to be made available to ensure evidence and analysis was sufficient to

	changes. In addition it would be able to retain links to existing EU and international networks e.g. European Food Safety Authority where the UK FSA still has a direct role.		meet needs of Scotland.
Issue	Enhanced UK FSA	New stand-alone Scottish FSA	i) Stakeholder views ii) Conclusion
Transparency and openness	No change from status quo – clear mechanisms and ways of working already established.	As long as a new Scottish FSA was established as an NMD and given the same objective, values and budget (e.g. for open meetings) as UK FSA, it should be able to operate to the same principles of openness. If what is best for Scottish consumers varies from what is best for UK consumers, the analysis of that difference may be more accessible. Provided decision making would be made by a Scottish Board in open meetings as occurs with the current UK FSA Board and that other approaches (e.g. openness around how scientific advice is provided) are maintained, there would be limited change There may be slightly more risk of change to current ways of working by setting up a new organisation, but assuming most staff transfer from FSAS the risk should be minimal.	i) Stakeholders overwhelmingly in favour of retaining these principles. ii) As long as principles and procedures of openness and transparency are the same then the Stand-Alone option should mirror the enhanced FSA which already has the benefit of operating openly and transparently.

Issue	Enhanced UK FSA	New stand-alone Scottish FSA	i) Stakeholder views ii) Conclusion
Handling of emergencies and incidents	<p>No change from status quo. FSA has experience of dealing with food incidents, particularly as it has to establish ways of working in the aftermath of BSE and subsequently over-saw the largest ever product recall as a result of Sudan I contamination. It also has the benefit of being linked into international co-ordination arrangements through the European Commission, EFSA and WHO and has invested in better ways of identifying emerging risks.</p> <p>There was a suggestion that handling of communications could be improved by allowing a greater degree of local input. This was felt to be a significant issue by the FSA Scotland in relation to a recent contamination incident at the time we interviewed them.</p> <p>But as food risks don't respect national boundaries and will require adequate resources to rapidly assess the risk and respond, the existing structure has the benefit of ensuring a UK-wide approach and ready access to a wide range of expertise.</p>	<p>Any change introduces risk to a system which works well at present.</p> <p>An additional tier of communication would be needed which could mean a risk of delaying a rapid response.</p> <p>New systems of communications between FSA and Scottish FSA would be needed.</p> <p>For example HPS / HPA arrangement works well and disease / infections just as disrespectful of boundaries.</p> <p>With a separate stand alone Scottish FSA clear arrangements would need to be developed to handle emergencies as this would be to the benefit of the whole of the UK. This would be based on contingency planning and cooperation accepting that in these situations it is in the interests of all countries to have effective mechanisms in place.</p> <p>German beansprouts example of potential problems due to a failure to communicate a consistent message possibly because of federal system and/or national agencies deflecting problem rather than working together to solve it needs to be reflected on. There are better examples of co-operation on animal health issues between Member States effectively e.g. handling of handled the Bluetongue disease outbreak demonstrated potential of collaborative working that could easily be transferable to this situation.</p>	<p>i) Consumer groups in favour of retaining current system.</p> <p>ii) Enhanced best option as Stand-Alone automatically introduces potential risks when system is changed. Further layer of communication could delay/confuse response and would need to be mitigated against.</p>

Issue	Enhanced UK FSA	New stand-alone Scottish FSA	i) Stakeholder views ii) Conclusion
Availability of expertise:	<p>FSA has an extensive breadth of expertise on a wide range of issues, including many aspects of food safety. It also continues to have responsibility for nutrition policy in Northern Ireland (and labelling for NI and Wales). Working on a UK level can be more efficient though it can also be less responsive to local needs.</p> <p>It also enables the FSA in Scotland to have access to supporting expertise in areas such as communications, economics and social research. Usually only minor differences between UK analysis and Scottish analysis that you might expect between different interpretations of the science or understanding of the implementation of action in context.</p> <p>FSA UK Board considers that Scotland gets far more value than 10% of budget, as advice to one country on any issue is shared with all countries. Currently there seems genuine desire from FSA Board and Executive to continue nutrition work in order to lead Europe and world.</p> <p>FSA Board and Executive indicate that they consider the current arrangement for nutrition to be effective, and that in future resources will be moved as necessary though arguably they have been slow to state this.</p> <p>FSA has no central staff to service Scotland and Northern Ireland 's nutrition and labelling needs after machinery of government changes. Any additional work would have to be sourced from existing FSA budgets or elsewhere provided the funds were available. This would have to be established in an MOU or equivalent between Scottish Ministers and the UK FSA.</p>	<p>This option would require additional staff and other resource. It would be for the new Board to identify what was required by way of resource in discussion with Scottish Ministers to ensure that they could deliver the primary objective of putting consumers first and support Scottish Ministers fulfil their aspirations on supporting sustainable economic growth and a healthier Scotland.</p> <p>Given the breadth and depth of expertise needed it is unlikely that all the work can be delivered by staff in-house. Therefore it will require agreements with other bodies in UK across Europe and globally as well as have sufficient resource to undertake this activity as well as commission evidence gathering and analysis. Where possible they may be able to liaise with UK FSA, DH and Defra but this may prove difficult if policy continues to diverge or move at different rates.</p> <p>Co-operation with FSA / DH will therefore be important- FSAS staff have indicated problems gaining access to the material they need on some occasions.</p> <p>SG has seat (observer status) on SACN which has been delegated to FSA Scotland. SACN remit still undergoing machinery of government change.</p> <p>Small risk that may not get much influence over agenda / topics on UK scientific committees tackle. Little sense establishing new committees to duplicate UK committees. Small pool of experts in some fields so likely to be getting advice from the same group of experts</p>	<p>i) no specific comments ii) Some aspects of enhanced potentially better as would enable resources in key areas to be enhanced without having to duplicate or re-establish other aspects that work well.</p> <p>Stand-alone would have ability to directly reflect Scottish aspirations in a timely way due to small scale. The stand-alone option would need increased staffing levels and resources to allow commissioning of key work. It would also expect to draw on current expertise within FSA (UK) for food safety and standards, and in the short term easier to benefit from goodwill/existing relationships.</p>

	Being part of the UK FSA gives the agency in Scotland easier access to those scientific committees that the FSA still run and expertise in those areas in which they have a role. However, UK FSA no longer provides secretariat for key committees such as SACN as these are now serviced by DH.	as before Potential to redesign current research activity to meet FSA/Government needs (for example through the Rowett – already underway).	
Issue	Enhanced UK FSA	New stand-alone Scottish FSA	i) Stakeholder views ii) Conclusion
Consistency – regulation, enforcement, policy application and legislation	<p>A high volume of routine, technical work (e.g. food additives and flavouring). A separate Scottish approach is necessary but piggy backs on UK FSA approach which is tartanised.</p> <p>Legislation mainly EU based so little scope for differences when implementing EU legislation. EU legislation moving from directives towards regulations, so even less scope to vary in future.</p> <p>UK-wide food market, so consistency often desirable (especially in labelling) to allow foods to be sold cross border.</p> <p>Consistency often needed in order to facilitate exports of food</p> <p>The problem arises where consistency is not required by law or by practice and where taking a UK-wide approach could delay action in Scotland.</p>	<p>Could vary considerably, but will be limited if both organisations are evidence based and implementing EU legislation.</p> <p>However interpretation of evidence can vary and nutrition policy in DH may not be as evidence-based as it was. The FSA has stated that it can respond to requests from Ministers and show leadership on nutrition and labelling issues, but this may be easier in a stand alone agency given different approaches of Westminster and Scottish Government around intervention on nutrition policy.</p> <p>Other bodies manage cross border regulatory & consistency issues, but food travels far more.</p> <p>A stand-alone option may allow the Scottish Government and the Scottish FSA to act faster and where appropriate develop procedures to benefit the Scottish consumer which might not be acceptable in the other administrations for political, financial or administrative reasons – although the FSA has stated that it will ensure that it does not move at the slowest pace.</p>	<p>i) Whilst some Scottish stakeholders were concerned about consistency it was a more major issue for the overall GB industry and UK stakeholders.</p> <p>ii) Either option is viable. The Enhanced option is important where consistency often desirable or required by EU and stakeholders but the stand-alone option has the advantage that Scotland can develop procedures where consistency is not a requirement,</p>

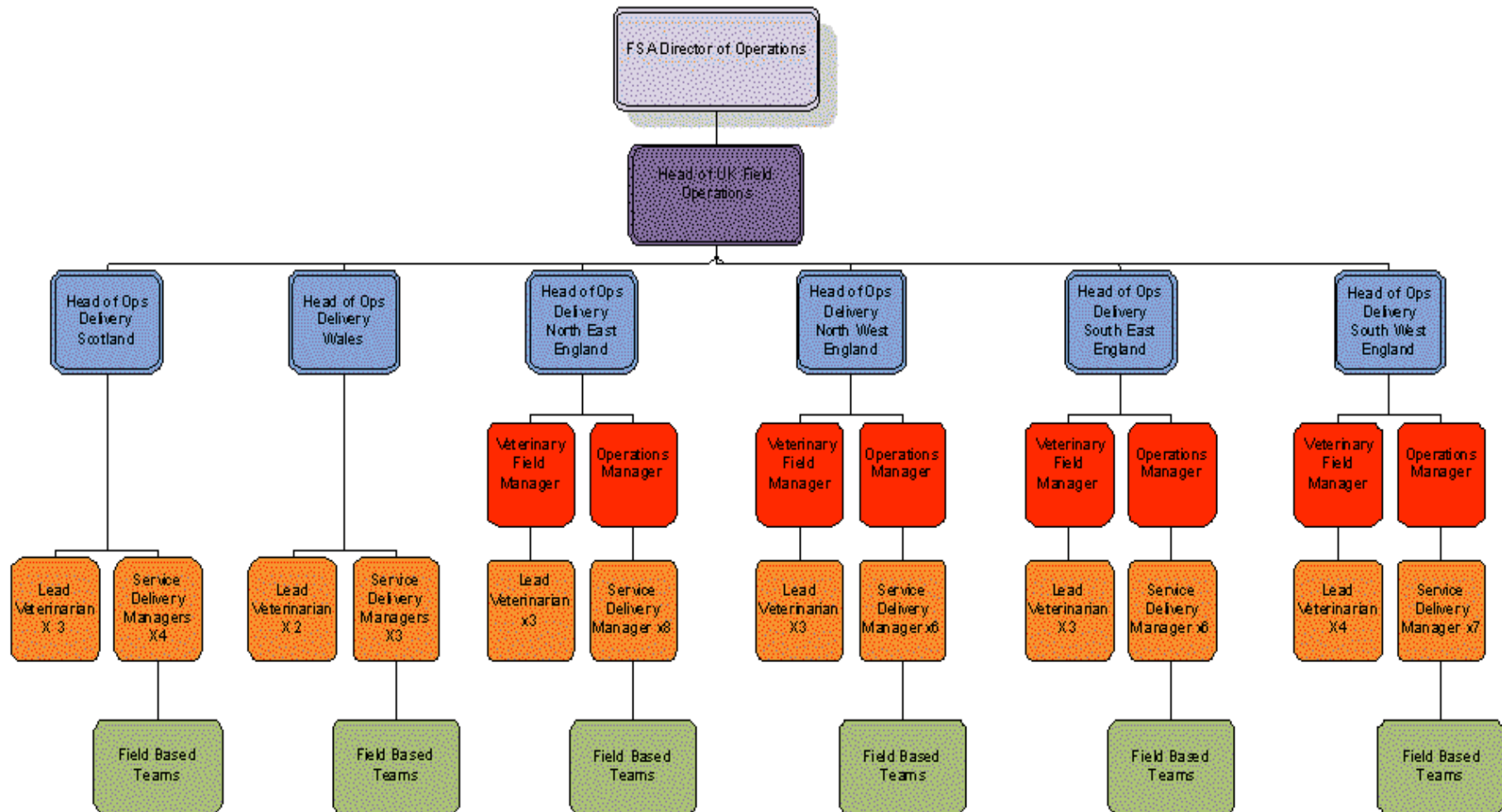
Issue	Enhanced UK FSA	New stand-alone Scottish FSA	i) Stakeholder views ii) Conclusion
Flexibility	<p>Constrained by resources FSA allocates to issues specific to Scotland, or by decisions taken by Board which have adverse impact on Scotland.</p> <p>In the case of nutrition and labelling it depends on understanding of Scottish issues and willingness for potential conflict with Westminster on policy given current political differences.</p> <p>FSA has recently been showing greater willingness to move forward with devolved issues even if action has to be delayed in England because of the Red Tape Challenge e.g. Remedial Action Notices (RANs).</p>	<p>Flexibility only relevant for Scottish only issues but this could be important in the light of current Scottish problems of obesity and food borne disease outbreaks.</p> <p>Limited scope for flexibility in specific areas because of EU regulation, export requirements and UK-wide food marketing</p> <p>A stand-alone Scottish FSA would be constrained by resources available to new body. However, in the event of an important issue for Scottish consumers the Scottish Government could provide additional funds to ensure that where permissible flexible measures could be introduced in Scotland even if they were not introduced in the remainder of the UK. – although this could also be the case for the enhanced model.</p>	<p>i) stakeholders stressed the need for consistency, but also to ensure the flexibility to respond to specific Scottish issues that impact on consumers.</p> <p>ii) Stand-alone may give greater flexibility (e.g. for action on nutrition), although enhanced options could also achieve the flexibility necessary.</p> <p>However, EU regulations, export requirements and UK-wide food markets can limit the scope for action.</p>
Cost	<p>Minimal - extra cost of more formal role for SFAC and potential establishment of groups on nutrition and labelling to support SFAC. Also changes to internal FSA structures to allow more resources for the nutrition and labelling work in Scotland.</p>	<p>Could be between 50% more and double current costs, depending on how much collaboration there is with FSA.</p> <p>Transition costs of transferring pension (£15m) legislation and organisational change if the meat inspection service is included within the stand-alone agency.</p> <p>Back office functions including IT, Human Resources, finance etc would need to be covered by the stand-alone agency with a need to negotiate with new provider.</p> <p>If FSA and DH share science and research, scientific committees etc then these would not be required in Scotland otherwise there could be considerable cost in replicating them</p> <p>Extra cost of duplicating analysis and</p>	<p>i) no comments although stakeholders would not expect an increase in costs falling on to themselves.</p> <p>ii) Enhanced option will be less expensive unless UK FSA unable to meet requirements of FSA Scotland to deliver Scottish Ministers aspirations in which case Scottish Government may be required to increase allocation to FSA Aberdeen.</p> <p>It is difficult to assess the overall costs of the stand-alone option. This would depend on the extent to which the current workload was increased</p>

		<p>implementation should be lower if FSA, DH and Defra are willing to collaborate e.g. joint marketing campaigns (depends on shared priorities e.g. nutrition which would bring it more in line with an enhanced model)</p> <p>Additional costs will result from the need to establish and maintain a separate Scottish Board with board members and the backup secretariat and administration</p> <p>An additional issue would be the costs of including the meat inspection service in Scotland within the stand-alone Scottish FSA.</p>	and whether the stand-alone option would continue to rely on output from the FSA.
Issue	Enhanced UK FSA	New stand-alone Scottish FSA	<p>i) Stakeholder views</p> <p>ii) Conclusion</p>
Fit with other Scottish Government policies: simplification, food & health, food & drink policy / sustainable economic growth	<p>No new public body needed</p> <p>May face resource and permission constraints in supporting Scottish Government food and health policy. FSA Board indicated they are willing to provide necessary resource.</p> <p>Strong reputation for safe, healthy food helps the public and food industry.</p>	<p>Public bodies officials content to create a one Scottish body to replace UK wide FSA, but would resist creating 2 (an FSA and a separate MHS)</p> <p>Easier to take radical action to support food & health policies in Scotland. It would need to be ensured that there was not undue influence from key industry sectors in Scotland who may expect to have a closer relationship than under the UK FSA, compromising the agency's independence.</p>	<p>i) FSA Scotland important in supporting Scottish Government developing policy on Food and Drink and Obesity.</p> <p>ii) Stand-alone would undoubtedly be freer to fit directly in with Government policy in Scotland.</p>

Other issues to consider:

Issue		
<p>Would FSA be prepared to restructure as a result of panel's report?</p>	<p>For the enhanced This option would require an MOU between Scottish Ministers and the UK FSA but only for the additional support from the FSA to fulfil the nutrition and labelling functions by the Aberdeen office. Further agreement would be required between FSA, DH and Defra. Legislation would not be an option in helping shape this option.</p>	<p>Against the enhanced But the FSA could argue that the present system meets the needs of the whole of the UK and that no change is needed. Any MOU is not binding legally. It is almost certain that Scottish Ministers would also have to rely on the existing concordats between Scottish Ministers and Westminster Departments for continued cooperation on nutrition and labelling, but this would be the case for a stand alone option too.</p>
<p>Would FSA, DH and Defra co-operate with a Scottish FSA and how might it effect relationship with industry?</p>	<p>For the Stand-alone Scottish FSA FSA staff maintained relationship with staff that moved to DH and Defra so likely to maintain relationship. People move on but it is still possible to form relationships with their replacements although this would take effort from the staff of a Scottish FSA. It would be in the interests of the Departments to cooperate with a Scottish FSA. Staff from the Scottish FSA would need to be very proactive and should not rely on the UK departments contacting them. Already good – and strikes the right balance.</p>	<p>Against the Stand-alone Scottish FSA No guarantees. FSA may be unhelpful due to resource constraints or unwillingness to change even if formal arrangements put in place. Its priorities would also change if no longer required to specifically take account of Scottish issues. Similarly DH and Defra could be unhelpful but it is difficult to assess the response of the UK departments to any change although they are all under serious resource constraints which may influence their ability or willingness to work together. We were told that UK Departments can unintentionally forget to include Scotland in discussions. Big UK based producers could forget about Scotland (e.g. lack of focus on this review) .Any policy / regulation differences across UK could lead to antagonism</p>

56. Annex H – Meat Inspection Service Organogram



57. Annex I - Glossary

ACNFP	Advisory Committee on Novel Foods and Processes
CCA	Central Competent Authority
CCIR	Collection and Communication of Inspection Results
Defra	Department of Environment and Rural Affairs
DH	Department of Health
EFSA	European Food Safety Authority
EHO	Environmental Health Officer
FCI	Food Chain Information
FSA	Foods Standards Agency
FSAS	Food Standards Agency Scotland
HACCP	Hazard analysis and critical control points
MHS	Meat Hygiene Services
NFUS	National Farmers Union Scotland
OC	Official Controls (formerly food hygiene services)
OIOO	One In, One Out
OV Official	Vet
QMS	Quality Meat Scotland
REHIS	Royal Environmental Health Institute of Scotland
RRC	Regulatory Policy Committee
SACN	Scientific Advisory Committee on Nutrition
SAMW	Scottish Association of Meat Wholesalers
SBCA	Scottish Beef Cattle Association
SFAC	Scottish Food Advisory Committee
WHO	World Health Organisation

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