

**MEAT HYGIENE SERVICE (MHS): PROGRESS ON ACHIEVING  
MHS CORPORATE OBJECTIVES 2008/09**

**Summary**

1. This paper advises the MHS Board of progress to date on achieving the MHS corporate objectives for 2008/09, as measured by the MHS Balanced Scorecard.
  
2. The MHS Board is invited to:
  - **Note and Comment** on MHS performance to date on achieving the MHS corporate objectives.
  
  - **Note and comment** on the proposed Key Performance Indicators in going forward.

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**Issue**

1. To inform the MHS Board of performance to date on achieving the MHS corporate objectives for 2008/09.

**Background**

2. The MHS Corporate Balanced Scorecard was introduced in 2006/07. With MHS Board approval, the MHS has continued to use the Balanced Scorecard approach for 2008/09 to manage performance.
3. The Corporate Balanced Scorecard (Annex A) shows MHS performance to July 2008. The Scorecard details the high level indicators which the MHS needs to achieve to meet its Corporate Objectives. Many of the Corporate Indicators draw on a number of sub-indicators which are managed separately within the Directorates' Scorecards. A Scoring Process measures the effect each of the Directorate Indicators has in supporting the achievement of the overarching Corporate Indicator.
4. Each sub-indicator has been assessed as to whether it is High, Medium or Low priority in terms of contributing to the overall success of the Corporate Indicator.
5. A score is assigned to both the Priority level and the monthly RAG performance:

**Priority:**

High = 3

Medium = 2

Low = 1

**Monthly Performance:**

Green = 3

Amber = 2

Red = 1

6. Each month the latest Performance score is automatically multiplied by the Priority to give the weighted score for each indicator. The weighted scores are added together to give an overall score. This score is linked to, and automatically updates, the RAG status for the appropriate Corporate Indicator in the Corporate Balanced Scorecard.
7. Exception Reports are completed for all Corporate Indicators showing Red or Amber status.

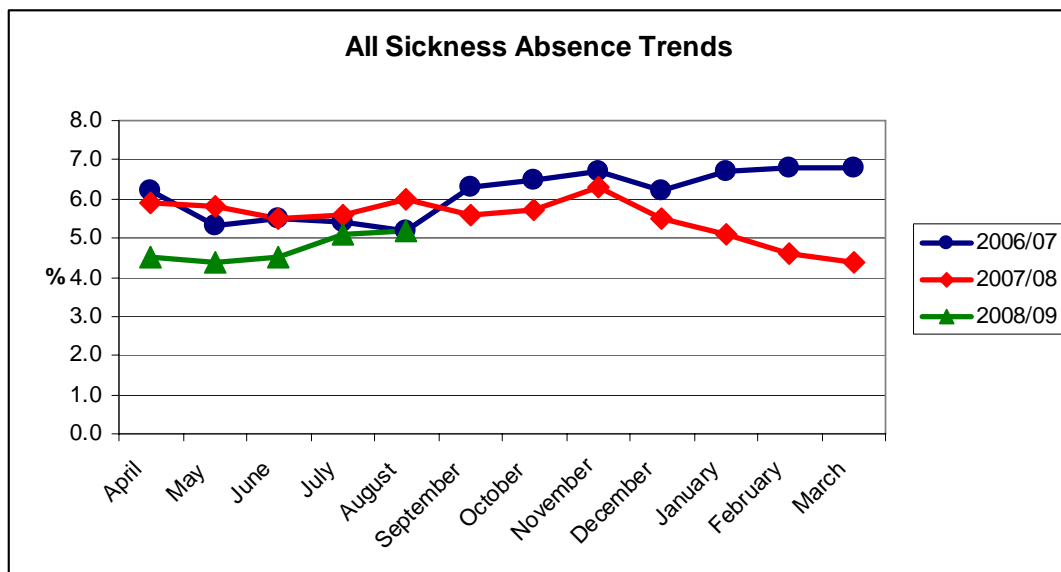
### **Performance to July 2008**

8. As at the end of July 2008, MHS performance is on track to achieve the Corporate Objectives, as set out in the MHS Corporate Business Plan 2008/09-2010/11.
9. The MHS are currently running below budget by £530K on net cost, and nearly £1.2M on gross cost of operations. The Cost Per Livestock Unit is substantially under budget at £10.79 against a target of £12.84<sup>1</sup>.
10. There has been one SRM breach to date which occurred in June, where a sheep carcass side was detained at Smithfield Market because it contained the entire spinal cord. Both the FBO and MHS staff were reminded of their responsibilities regarding SRM control and health mark application. A revised SRM training protocol was put in place where all staff were reinstructed in SRM procedures after lamb slaughter and prior to beginning ewe slaughter.
11. Overall, the BSE indicator is still within the agreed tolerance level and remains at Green.

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<sup>1</sup> The CPLU is calculated by dividing total gross MHS costs (for all industry and government activity) by the total livestock units.

12. The final visit of the 3 year ISO Assessment cycle took place week commencing 7 July. Only one minor non-compliance relating to document controls was identified and a corrective action plan has been put in place to address this. The MHS has been successfully reaccredited with ISO 9001:2000, certifying that MHS management systems and processes meet the international quality standard.
  
13. Progress is being made on moving towards risk based controls. A new initiative was recently launched to permit cold inspection in red meat slaughterhouses provided that certain criteria are met.
  
14. Sickness levels have continued to decline over the past year. However, the MHS is committed to reducing absences further and has appointed an interim HR Manager to focus solely on attendance levels.



15. The scope of the Equality and Diversity targets has recently been revised to ensure that the whole organisation is covered. Progress in changing the composition of the MHS workforce will be difficult due to the current downsizing exercise. Work continues on raising awareness of Equality and Diversity across the MHS.

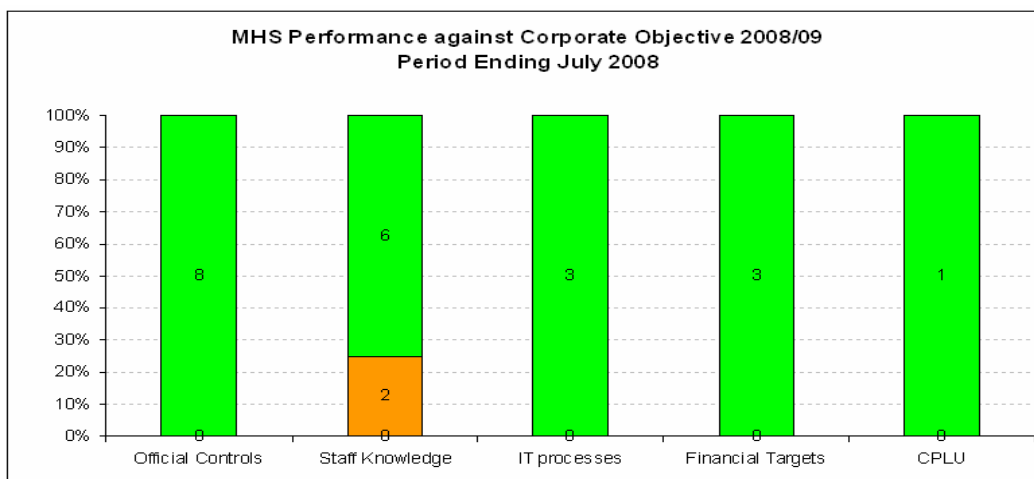
16. The Health & Strategy is currently showing Amber. This is due to the development of a generic control measure for the management of noise at work being slightly behind schedule due to competing priorities. However, the work should be completed by mid-September.

**Performance against objectives**

17. In terms of setting targets for the MHS, the MHS Board agreed that for 2008/09, MHS performance would be assessed against achievement of five corporate objectives. These are:

- Objective 1 To deliver effective official controls in line with customer requirements.
- Objective 2 To further develop teams with the right knowledge, information, behaviour and capability to deliver our services effectively.
- Objective 3 To adopt appropriate electronic services where justified, in partnership with customers and end users.
- Objective 4 To operate within the key financial targets:
  - Gross Costs of operations
  - Net Costs of operations
- Objective 5 To reduce the Cost Per Livestock Unit (CPLU) year on year.

18. The following bar chart shows the status of the indicators against their related objective, to give an overview of performance against each objective:



20. The SMT believes that the MHS is on track to substantially achieve the desired outcomes of the five objectives.

### Next Steps

21. Whilst the MHS will continue to use the Balanced Scorecard approach for 2008/09, procedures are in place to begin aligning the MHS performance reporting system with that used by the FSA.
22. As recommended by the Advisory Body, and agreed by the FSA Board, the MHS has identified a limited number of high level Key Performance Indicators to manage performance. This was presented in the MHS Board Chair's Report to the FSA Board in September. The proposed Key Performance Indicators, incorporating the Chair's comments, are detailed in Annex B. Board members are asked to comment on the indicators.

### Recommendations

23. The MHS Board is invited to:
- **Note and comment** on MHS performance to date on achieving the MHS corporate objectives.
  - **Note and comment** on the proposed Key Performance Indicators submitted to the FSA.

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## Annex B: Proposed KPIs for 2009/10

	KPI	Measure
<b>Volume</b>	FBO Compliance	Average monthly FBO Audit Score
		Reduction in number of persistently non-compliant premises. [Criteria being developed]
		Problems presented (inc contamination) by: <ul style="list-style-type: none"> <li>- species</li> <li>- slaughterhouse type</li> <li>- disease</li> </ul>
<b>Quality</b>	Accuracy of post-mortem inspection.	[System for assessment being developed]
	Accuracy of auditing	Measured by Lead Veterinarians and MHS and FSA Audit.  [Measurement methodology to be agreed]
	Customer Complaints	Number of complaints upheld.
<b>Customer Service</b>	Industry and Government Satisfaction	Annual customer satisfaction results. <ul style="list-style-type: none"> <li>- Day to day inspection service</li> <li>- Value for money</li> <li>- Communication</li> </ul>
<b>Efficiency</b>	Cost Per Livestock Unit	Does not exceed budget for CPLU.
	Reduction in overhead	Continuous relative reduction in overhead cost.
<b>Financial</b>	Gross Costs of Operation, including: <ul style="list-style-type: none"> <li>- Admin</li> <li>- Slaughterhouse</li> <li>- Function</li> </ul>	Deliver savings identified in Corporate Business Plan.
	Net cost of operations	Does not exceed budgeted net cost of operations.
<b>Staff</b>	Quality and experience	<ul style="list-style-type: none"> <li>- Staff survey results</li> <li>- Headcount</li> <li>- Skill set</li> <li>- Training</li> <li>- Sickness Absence</li> </ul>

