

**PAPER (05) 52**

**MINUTES OF THE MEETING OF THE MHS BOARD,  
AVIATION HOUSE, LONDON: THURSDAY 9 JUNE 2005**

**Attendees**

**Chair:** Chrissie Dunn

**MHS Board Members:** Maureen Edmondson

Jon Bell

Alick Simmons

Valerie Howarth

Richard Ayre

**Secretariat:** PK Khaira, MHS

**Officials** Chris Lawson, MHS

**Participating:** David Hart, FSA

**Officials Attending:** Timothy Studdert-Kennedy, Defra

**Agenda item 1: Introduction and Apologies**

1. The Chair welcomed members and officials to the meeting. The Chair welcomed Timothy Studdert-Kennedy, an Enforcement Liaison Officer from the Delivery Partners Co-ordination Unit at Defra. Apologies had been received from FSA Scotland, Wales and Northern Ireland who were unable to send representatives on this occasion.
2. The Chair asked whether the Defra representative had any comments he wished to make ahead of the discussion. Mr Studdert-Kennedy confirmed he had none.
3. The Chair gave notice of one AOB item on MHS Board membership.

**Agenda item 2: Assessment Meat Hygiene Service (MHS) Performance  
Against Targets 2004/05 PAPER (05) 51**

4. The Chair commented on how useful it had been having the MHS performance indicators report circulated in advance of the overall assessment paper and thanked those concerned. The Chair then invited David Hart, Head of the Meat Hygiene Business and Meat Plant Licensing Branch, FSA to introduce the paper to the MHS Board.
- 5 He explained that the paper contained an assessment of the MHS' performance against the targets set for the 2004/05 period. This recognised a number of successes for the MHS, but also recorded some failures, particularly some breaches of the BSE controls. It was pleasing to observe the rapid and effective corrective action that was taken by the MHS following the breaches. However, whilst the OTM breaches did not represent a significant risk to public health, they were serious failures with the potential for adversely affecting public confidence. Thus his recommendation that this target had been failed in part. All others he had recommended as being met.
- 6 The Chair invited general comments from MHS Board members on the paper. In response to a question it was confirmed that Defra had been consulted when drafting the paper and no comments received. Additionally, there had been extensive internal consultation between the FSA and MHS.
- 7 The MHS Board discussed how they could measure whether targets had been met or not on a pass/fail basis. Members were concerned about the scale or criteria against which a target could be assessed as pass/fail or even partially met. Each of the targets represented a huge amount of work and assigning pass/partial pass/fail to such large-scale targets did not sufficiently acknowledge the achievement of the MHS in what had been a very challenging and difficult year. The MHS Board felt that if this issue in assessing targets was not addressed this would result in confidence in the MHS being unnecessarily compromised.

- 8 The MHS Chief Executive pointed out that in considering this issue, the MHS Board should not feel constrained by the previous form of publication of the assessment of MHS performance against targets in the MHS Annual Report and Accounts. This could be published in whatever format the MHS Board thought best illustrated the performance of the MHS.
- 9 One MHS Board member commented that it was necessary for the MHS Board to define its success criteria. This year however, was a baseline year for the new style MHS targets as a result of which there was nothing to compare with from previous years. The MHS Chief Executive confirmed that when the targets had been set by the Meat Hygiene Advisory Committee, they had made clear that 2004/05 would be a baseline year, and that the assessment would require a judgement to be made broadly across each target on MHS performance. This would be preferable to assessing every individual indicator within each target on a pass/fail basis.
- 10 The MHS Board agreed that 'improvement' targets should be set from the baseline year for future years, and concluded that overall the MHS should be commended for the tremendous amount they had achieved over the 2004/05 period. However, some fundamental questions had been raised about the nature of the assessment that the MHS Board should make against the targets. Consequently, the MHS Board agreed to make a broad assessment of the main components of each of the targets, based on the commentary in the paper prepared by Mr Hart, but not assign a pass/fail conclusion.

***Target 1 Apply Hygiene, by-products, animal welfare, BSE, TSE and HACCP legislation, and the Clean Livestock Policy, in line with the Enforcement Concordat principles, with the aim of improving levels of operator compliance with the law***

- 11 There was broad agreement that there had been a lot of progress with many of the indicators showing high levels of performance. Whilst it was difficult to establish a clear causal link, the general feeling was that this was overwhelmingly positive. At the same time, there had to be recognition of the failures to test 24-30 months casualty bovines for BSE (which had carried forward into the early months of 2004/5) and the more recent breaches of the OTM rule.

- 12 Concern was also expressed at the apparent lack of progress made with implementing HACCP in meat plants. One MHS Board member considered this to be a far greater risk to public health than the OTM breaches. The MHS Chief Executive reminded the Board that there was a high percentage of HACCP implementation, but, inevitably, closing the final gap would be very difficult. Bearing in mind proposals in other sectors, any target dates for 100% compliance needed to be realistic. The MHS Board agreed there should be a specific target for HACCP implementation in 2005/06.
- 13 It was pointed out that care needed to be taken in the wording of this target. The application of legislation was an important consideration not only because of the Public Health aspects but also because of the need to ensure standards were being maintained as well as improved. Overall, it was considered that there was already a good level of industry compliance.
- 14 Better ways to measure and express statistics used for monitoring performance should also be explored. Trends needed to be observed over longer periods of time otherwise they were not always fair pictures of overall activity. David Hart confirmed that this was an issue he and the MHS were currently pursuing with statistician colleagues in the FSA.
- 15 The Chair concluded that the MHS Board noted the very encouraging indicators and high level of success but there were serious concerns over implementation of HACCP, where improved industry compliance was needed particularly as the date for implementation of the new EU Hygiene Regulation approached. Overall, the Board was happy with the draft assessment, but wished the final sentence of paragraph 9 to be deleted.

***Target 2 Operate within a delegated resource budget and delegated cash budget for 2004/05***

- 16 The MHS Board agreed that this had been a considerable success. The language should be more upbeat to reflect achievements in what had been very difficult circumstances. It was important though to closely monitor the pensions position.

**Target 3 *Improve the expertise, knowledge, motivation and skills of staff and develop the internal culture necessary to deliver organisational objectives***

17 The MHS Board agreed that there had been some real achievements, but there were some worrying trends and there was still a lot of work to do. Bench marking was essential, and targets for disability and ethnicity/diversity should be reviewed to reflect the differences between operational and administrative staff, and the make up of the more rural areas in which staff worked. The staff survey results were a key driver in making improvements. This area remained a key target where the Board wanted to see real progress. An empowered and motivated workforce was key to the overall success of the MHS as an organisation, and staff needed to feel valued.

18 It was agreed that the first sentence of paragraph 13 should be deleted. The pay and grading review should also be mentioned as this was key to resolving some of the problems identified in the staff survey.

**Target 4 *Improve levels of customer satisfaction with MHS performance as a professional and fair organisation***

19 The MHS Board was concerned over the customer satisfaction survey of plant operators. Whilst it showed some positive and encouraging results, it was essential to put these in the context of the very low response rate, and recognise the contrast with the views expressed by industry representative bodies. The survey results should not therefore be over interpreted and should be regarded as a baseline only.

20 In spite of this, the MHS Board noted the positive response from those that had had enforcement action taken against them, but also the need to make sure that complaints were listened to carefully and lessons learned. The key issue for the forthcoming year was to take action to improve the response rate in future surveys to ensure that the results were meaningful.

21 Overall, the MHS Board emphasised the importance of good stakeholder relations, recognised the good work that was being done in this area, but confirmed that there remained a need for improved, proactive communication with all stakeholders. In that context, it agreed that the Autumn stakeholder event planned by the MHS Board as a forum for debate and interaction with stakeholders would be a welcome part of this ongoing work.

22 The MHS Board agreed that the text assessing this target needed some careful redrafting to reflect the Board's views.

### **Target 5 *Improve efficiency***

23 In response to comments from MHS Board members about the apparent emphasis in assessing efficiency on reduction of costs, the MHS Chief Executive explained that as this had been the thrust from the FSA, this had dominated the way in which MHS efficiency had been pursued. The MHS Board accepted that it had been very important to reduce MHS costs but there was now a need to consider value for money and effectiveness in delivering a quality service in setting efficiency targets.

24 One MHS Board Member was also concerned about the apparent slow progress on implementing IT in meat plants. The MHS Chief Executive advised the MHS Board that all the designated plants now had IT equipment, and that two of the four systems had been implemented. Delays remain with the full implementation of electronic timesheets and throughput recording. Staff were inputting data as part of IT familiarisation, but because these were underpinning systems to the management of the MHS finances, it was essential that these be fully tested and user assured before they were signed off and went live.

25 The MHS Board acknowledged that this was crucial to maintaining the integrity of MHS financial control, but felt it was important to set a deadline for completion of this overall phase of the project in the 2005/06 MHS targets.

26 The MHS Board agreed that the 'cost per livestock unit' measure was an important indicator of efficiency in the MHS, and it was pleased to note that this cost had reduced as compared to 2003/04. It was important that this

trend continue, particularly if more cattle were to be inspected in 2005/06 when more resources could be required.

27 The MHS Board agreed that the text assessing the target should be redrafted in light of their discussion.

**Actions: MHS Board Secretariat, David Hart**

28 In the light of this discussion, the MHS Board agreed that the targets for 2005/06 should be reviewed. It was also suggested that in the future, the MHS, rather than the FSA, should take the lead in both assessing its performance and identifying areas for improvement in setting targets to put to the MHS Board.

### **Agenda item 3: Any Other Business**

#### **MHS Board Membership**

29 The Chair advised the MHS Board that due to other commitments, Richard Ayre would now be stepping down as a member of the MHS Board. The MHS Board Chair thanked Richard for his extremely valuable contribution in establishing the MHS Board.

30 As a consequence, Valerie Howarth had now agreed to become a permanent member of the MHS Board and to continue in her role as Deputy Chair. The Board expressed their appreciation for Valerie's continuing contribution.

#### **Date of next meeting**

31 The next MHS Board Meeting will be held on 21 July 2005 in York, with a dinner for members on the previous evening.

#### **MHS Board Secretariat**

**July 2005**