

MINUTES OF THE MEAT HYGIENE SERVICE (MHS) BOARD MEETING HELD ON
THURSDAY 3 NOVEMBER 2005 AT FOSS HOUSE, YORK

Attendees

Chair: Chrissie Dunn

MHS Board Members: Valerie Howarth (Deputy Chair)

Jon Bell
Celia Bennett
Maureen Edmondson
Deryk Mead
Alick Simmons

MHS Board Adviser: Eddie Routledge, Defra
(See para 6)

Secretariat: David Bramley, MHS

Officials Chris Lawson, MHS

Participating: Mike Greaves, MHS
Kathryn Davies, MHS
Jane Downes, MHS
Kevin Goddard, MHS
Alan Harvey, FSA

Officials Attending: Jim Ross, FSA Northern Ireland
Tim Studdert-Kennedy, Defra

Item 1: Introduction and Apologies

1. The Chair welcomed Board Members and officials to the meeting and noted that Alick Simmons had been seconded on a short-term basis to Defra to work on Avian Influenza. Apologies had been received from observers from FSA Scotland and Wales.

2. The Chair reminded MHS Board Members of their obligation to declare any relevant interests before agenda items were discussed. No Board Members declared any interests in respect of any item on the agenda.

Item 2: Draft Minutes of the 21 July Meeting

(Paper (05) 62)

3. Members agreed the minutes as an accurate record of the July MHS Board meeting.

Item 3: Actions Arising

(Paper (05) 63)

4. All actions arising from the July meeting were complete. The MHS Chief Executive was asked to update the MHS Board on the position on Service Level Agreements (SLAs) with MHS government customers during his report to the Board [see para 13].
5. In discussion it was noted that invoices for services provided by the MHS are not issued in the month that the service was provided. Therefore, industry receives relatively long payment terms for services provided by the MHS. Overall, there has been a reduction in debtor days and the trend continues to be downwards and was currently exceeding the target. The IT in Plants programme may help to speed up the invoicing process. An update on IT would be provided to the MHS Board as a paper for their next meeting.

Action: Kathryn Davies

Item 4: MHS Board Chair's Report

Defra representation on MHS Board

6. The Chair reminded MHS Board members that she had requested a meeting with Defra's Chief Veterinary Officer (CVO) to clarify Defra's views on representation on the MHS Board. At the meeting, the CVO had indicated that she was not content with the existing arrangements. The Chair reported that following this meeting, she and the Deputy Chair of the MHS Board had met the FSA Chair to discuss the issue. As a result, the Chair of the MHS Board was pleased to report that the CVO had been offered 'adviser' status to the MHS Board, which she had accepted. The CVO hoped to attend as many MHS Board meetings as possible but was unfortunately not able to attend this one.

The Chair invited the CVO's representative, Eddie Routledge, to the meeting table.

7. The Chair also invited the MHS executive team (Mike Greaves, Jane Downes and Kathryn Davies) to the meeting table and looked forward to their further contribution to MHS Board meetings.

Association of Independent Meat Suppliers (AIMS) Conference

8. The Chair reported that she had given a presentation at the annual AIMS conference on 15 October 2005 entitled 'Holding the MHS to account – the role of the MHS Board'. The Chair said she valued the opportunity to speak at the conference and listen to other speakers and to discuss issues directly with AIMS members.
9. It was agreed that a copy of the Chair's presentation would be circulated to MHS Board members

Action: MHS Board Secretariat

Meeting with National Farmers Union (NFU) and British Meat Processors Association (BMPA)

10. The Chair reported that she and the MHS Chief Executive had met with representatives from the NFU and BMPA on 19 October 2005. She explained that the original intention was to hold the meeting earlier in the year but this had not been possible. During the delay, the original issue for discussion had been resolved to all parties' satisfaction. Discussion had therefore concentrated on more general matters. Whilst these fell within the remit of the MHS Executive, the representatives had welcomed the opportunity to meet the Chair of the MHS Board as it demonstrated the MHS's improved openness and willingness to engage with stakeholders.

Induction Visits for MHS Board Independent members

11. The Chair reported that both Celia Bennett and Deryk Mead had now undertaken induction visits to MHS Headquarters and meat plants. As new and independent members of the Board, the Chair thanked them for the contributions they had already made to MHS Board meetings and their commitment to developing a thorough understanding of the work of the MHS.

12. Deryk and Celia provided an overview of their visits and thanked MHS staff for organising the visits. The Chair reported that since the last MHS Board meeting, FSA Board members Chris Pomfret and Sati Ariyanayagam had attended induction visits to meat plants. The Chair said that induction visits demonstrated the value that the MHS and FSA Boards place on appreciating the environment in which MHS plant staff work.

Item 5: MHS Chief Executive's Report

Service Level Agreements (SLAs)

13. The MHS Chief Executive updated the Board on the position of SLAs with government departments:

- the global SLA with Defra is being finalised and the individual SLAs (including the Over-Thirty Month Scheme) were expected to be signed this week;
- the individual SLA with the British Cattle Movement Service (BCMS) was expected to be signed imminently. To help improve working relationships and the flow of information, the MHS and BCMS hold formal quarterly meetings supplemented by additional meetings involving MHS Operations staff and their BCMS colleagues; and
- a revised version of the SLA with the FSA was considered at the beginning of the week and the main issues of principle had been agreed. The SLA was expected to be finalised and signed shortly.

Pay and Grading

14. Pay and grading proposals for MHS staff were put to UNISON at the end of September and were currently the subject of a ballot of UNISON members.

The proposals include:

- a three year pay deal from August 2004 offering headline rates of 5%, 4% and 3.5% in successive years;
- introduction of formal grading and job evaluation;
- pay scale progression;
- new terms and conditions handbook; and
- removal of TUPE (Transfer of Undertakings (Protection of Employment)) terms and conditions after a three year protection period.

UNISON had not made a formal recommendation to its members to accept or reject the agreement but had noted that they thought it was the best deal that

could be achieved through negotiation. The ballot was due to close on 4 November and result expected on 10 November 2005. If the result of the ballot is in favour of the agreement, the MHS Pay team was aiming to implement the pay agreement, with back pay accrued from August 2004, in November salaries. If the result is negative, then discussions would be restarted in 2006 and an interim 2% increase in salary would be implemented.

15. The job evaluation exercise resulted in many veterinary posts in the MHS being graded as equivalent to Senior Executive Officer (SEO) level where previously these posts had been ungraded but paid equivalent to Grade 7 levels [a grade higher than SEO]. This situation was being managed carefully and could have implications for veterinarians employed by Defra and FSA. Supernumerary senior Meat Hygiene Inspectors have not undergone job evaluation and consequently may be paid more than other staff doing the same work. Due to the size and complexity of the exercise, other anomalies may also emerge and would need to be addressed.

16. In discussion:

- the MHS was optimistic of a 'yes' vote;
- the implications on MHS finances of implementing the deal have already been taken into account; and
- the MHS Board will be informed of the results of the ballot once it was known.

Action: MHS Board Secretariat

Avian Influenza

17. The MHS Chief Executive reported that the MHS continued to have close links with FSA and Defra in relation to animal disease and worker protection. The MHS Contingency Planning Group was considering issues including dealing with suspect birds in plants. Defra has confirmed that they have no intention to involve MHS in the slaughter of confirmed cases. The MHS Chief Executive said that it was important to note that cases of Avian Influenza do occur under normal circumstances albeit relatively infrequently. Defra has set up a small working group, chaired by the Deputy CVO, to prepare a joint protocol and guidelines if suspect birds are discovered. This group involves the MHS as well as the State Veterinary Service and poultry industry. Separately, the MHS is considering the possibility that MHS staff may be

considered as 'key workers' and therefore could be included in the first round of vaccination.

Ombudsman Cases

18. The MHS Chief Executive updated the Board on progress on two complaints being handled by the Ombudsman. In the first case, regarding the MHS not taking sufficiently seriously an allegation about illegal export of wild game, further written evidence had been supplied to the Ombudsman and the MHS were awaiting a response. In the second case (involving Defra and the MHS), regarding the failure to enforce in two abattoirs the 20 second rule in halal slaughter, the Ombudsman's ruling is awaited.
19. In discussion, it was noted that most complaints to the MHS were about decisions made by Official Veterinary Surgeons (OVSs). The MHS Chief Executive said he was satisfied that each of the complaints referred to him had been thoroughly investigated and the correct decision made by the OVS.

MHS Financial Position

20. The MHS Chief Executive reported that the 6-month financial forecast, excluding pensions, was close to budget. There were additional cost pressures arising from:
- introduction of, and training for, the new Hygiene regulations;
 - reducing income from changes to supervision required in cutting plants post 1 January 2006;
 - higher than expected costs of the MHS Board; and
 - additional costs, as well as additional income, from the Over-Thirty Month rule change.
21. The MHS Chief Executive thanked Board members for their positive comments on the Annual Report and Accounts for 2004/05. The management letter from the National Audit Office had identified three minor issues that would be addressed for the future.

Newcastle Disease

22. The MHS Chief Executive confirmed that the previous threat of Newcastle disease had been dealt with and was no longer a significant issue.

Withdrawal of Service

23. The MHS Chief Executive informed Board members that the plant from which the MHS had withdrawn service due to an apparent breach of a court order against the plant operator, was now under the control of a new operator. Therefore, the MHS was providing a service to the plant again.

Over Thirty Month (OTM) Breaches

24. The MHS Chief Executive reported that had been no breaches since the last MHS Board meeting in July 2005. In total there had been one breach this financial year and three since January 2005. September data had been received from the BCMS and was currently being checked, however, the MHS's own checks had not revealed any breaches. Previous breaches had resulted in seven recommendations for prosecution against plant operators - three of which were still being pursued.

Over Thirty Month (OTM) Rule Change

25. The MHS Chief Executive reported that as of the morning of 3 November 2005 in Great Britain (MHS does not cover Northern Ireland):

- six plants had been approved to take OTM animals (three in Scotland and three in England);
- four plant assessments were completed this week, one plant had been refused because it did not meet the prerequisites for licensing due to difficulties with its lairage;
- five or six plants should start taking OTM animals next week (four in Scotland, one in Central region and one in North region);
- 642 MHS staff had been trained and passed the competency test; and
- Area Official Veterinarians were all in place, trained and operational.

Item 6: Update on the Over-Thirty Month Implementation Review Group (OTM IRG)

26. The Chair invited Celia Bennett, as the MHS Board member of the OTM IRG, to provide an update on the Group's work. In discussion the following points were made:

- the first meeting of the IRG took place on 6 October 2005 and the Group agreed and reviewed action taken in response to recommendations from the Wall Report. Whilst most recommendations have been addressed, some require further consideration which would be carried out at the IRG's next meeting;
- there was concern that clearer lines of accountability were needed and that each layer of audit needed to demonstrate that it added value and provided value for money for taxpayers. A diagram explaining lines of accountability would be circulated to MHS Board members;

Action: Alan Harvey

- Celia agreed to provide a note on outcomes from the next meeting of the OTM IRG intersessionally; and

Action: Celia Bennett

- A leaflet explaining the changes to consumers had been published and copies would be circulated to the Board.

Action: Secretariat

Item 7: DNV Report – Future Veterinary Structure within the MHS (PAPER (05) 64)

27. The Chair invited Mike Greaves, MHS Director of Operations, to introduce this paper. Mike explained that his intention was to publish the report alongside a formal consultation document on proposals for future veterinary structure within the MHS. The result of the consultation would be reported to the MHS Board meeting in March. In discussion:

- Area Official Veterinarians (AOVs) will need management as well as technical skills. Regional Veterinary Advisers (RVAs) would be responsible for assessing training needs. Mike Greaves agreed to clarify RVA responsibilities and training needs separately;

Action: Mike Greaves

- standards for employed and contracted Official Veterinarians would be the same;

- a dual management structure with separate line management chains for operational and technical staff may cause difficulties;
- clear lines of accountability were needed;
- consideration should be given to:
 - providing more background in the consultation document;
 - including predictions on future workforce;
 - allowing time for H123 and OTM changes to settle down before consulting on further changes;
- the options of either indicating a future preferred option but explaining why it is impractical at the present or alternatively not indicating a preferred option at all to encourage a fuller debate should be considered .
- concerns were raised that the paper did not adequately reflect FSA views and that further discussion between the FSA and MHS was needed to jointly agree a way forward.

28. The Chair of the MHS Board said that before the MHS Board could agree to the publication of a consultation paper further work by the MHS together with the FSA was needed. For expediency, the MHS Board would stand ready to consider a revised paper intersessionally.

Action: Mike Greaves

**Item 8: Setting Strategic Direction of the MHS: Outcomes and Way Forward
(PAPER (05) 65)**

29. The Chair of the MHS Board introduced the paper and summarised discussions from a session held prior to the Board meeting. The purpose of this session had been to begin to bring together outcomes from the MHS Board's awayday, brainstorm and stakeholder meetings and then agree a way forward.

30. The MHS Board agreed to:

- publication of the records of the MHS Board Awayday, Strategic Brainstorming Session and Stakeholder meeting subject to:
 - Removing the scores as these could be considered to be arbitrary or misleading;
 - Further explanation of the context of headlines for the stakeholder meeting; and

- Removing the 'others' section and humorous headlines, which could cause offence and detract from the other headlines.
- seek to engage consumer representatives separately to ensure strategic direction is balanced;
- consider a draft vision statement, prepared by the MHS, for the MHS Board meeting in January 2006; and
- consider draft strategic themes at the MHS Board meeting in March 2006. (The vision will inform further development of the strategic themes.)

Action: Kevin Goddard

Item 9: MHS Corporate Business Plan and Targets for 2006/07

32. Kathryn Davies, Director of Corporate Services introduced this paper. In discussion, the following points were made:

- a combination of approaches when consulting is sensible and will appeal to a wider-range of stakeholders;
- FSA are moving to three year rolling business plans;
- consideration should be given to whether FSA Consumer Branch could help the MHS to engage stakeholders and particularly consumer representatives;
- a business plan is not attractive reading and everyone needs to be realistic about the number of responses that are likely to be received; and
- Defra would be happy to assist with drafting of particular targets.

Action: Kathryn Davies

Item 10: Progress Update on Corporate Targets for 2005/06

33. The Chair invited Kevin Goddard, Head of the MHS Business Development Unit, to the table to introduce this paper. Kevin explained that, following the July MHS Board meeting, changes had been made to the report including adding an index page and textual analysis of progress towards targets. Kevin invited comments from MHS Board members. In discussion it was noted that overall progress towards targets was encouraging and the textual analysis provided a helpful insight into progress towards targets.

Item 11: Any Other Business

MHS Chair's report to the FSA Board

34. The Chair reminded MHS Board members that she would be presenting her report to the FSA Board at its open meeting on 8 December 2005. She said that MHS Board members would have opportunity to comment on the draft report but forewarned them that a quick response would be required because of timescales for submitting the report.

Audit

35. The amount of audit to which the MHS was subject was raised and whether it provided value for money. A one page summary setting out the current levels of audit of the MHS, including by whom and what frequency, would be prepared for the next MHS Board meeting.

Action: MHS Board Secretariat

Contacting authors of Board papers

36. The Chair of the MHS reminded Board members that should they have questions regarding meeting papers they should not hesitate to contact directly the paper authors.

Action: MHS Board Members

Date of next meeting

37. The possibility of holding the January 2006 meeting of the MHS Board following the FSA Board meeting on 12 January would be considered. [Post-meeting Note: the meeting will now be held on 24 January 2006 (in York) to ensure availability of papers and MHS Board members.]

MHS Board Secretariat

January 2005