

**MEAT HYGIENE SERVICE (MHS): PROPOSED PERFORMANCE
MANAGEMENT FRAMEWORK FOR 2006/07**

Summary

1. This paper advises the MHS Board of the progress to date on proposing targets for the MHS for 2006/07.
2. The MHS Board is invited to:
 - **Comment** on the Performance Management Framework, currently being consulted on (Annex A);
 - **Comment** on the consultation points received to date;
 - **Note** the process to be followed in order to secure approval and publication of the Performance Management Framework by April 2006.

Contacts:

Business Development Unit

Carol Wakefield: Tel: 01904 456153
Email: carol.wakefield@foodstandards.gsi.gov.uk

Kevin Goddard: Tel: 01904 455636 (GTN 5137 5636)
Email: Kevin.goddard@foodstandards.gsi.gov.uk

**MEAT HYGIENE SERVICE (MHS): PROPOSED PERFORMANCE
MANAGEMENT FRAMEWORK FOR 2006/07**

Issue:

1. To inform the MHS Board of progress to date on proposing targets for the MHS for 2006/07.

Background

2. For 2006/07 the MHS Board agreed that the MHS should take the lead in proposing Key Performance Indicators (KPIs) and targets. At its November 2005 meeting, the MHS Board received and noted Paper (05) 66 which outlined the proposed approach and timetable for the production of targets and a Corporate Business Plan.

Progress since previous MHS Meeting:

3. The MHS Business Planning Working Group met on 23 November and agreed to propose a Balanced Scorecard approach to target setting and monitoring for 2006/07. Subsequently, a document outlining the proposed performance management framework was drafted and shared with FSA officials and the MHS Board Chair, prior to issuing for informal consultation on 19 December. The document is attached as Annex A and was issued to MHS Board Members on 16 December.

Consultation

4. The Consultation period runs from 19 December to 27 January. To date two replies have been received – both from veterinary contractors. The responses make the following points:
 - more importance to be placed on consumer/consumer protection (too much emphasis on FSA/Government requirements resulting in unnecessary bureaucracy)
 - less focus on the meat industry as being the MHS customer – especially as the new Food Regulations come into force.
 - MHS veterinary contractors to be mentioned in order to retain good working relationships and therefore achievement of key objectives.
 - all targets should be 100%, with an acceptable tolerance level.
 - There will never be total alignment between plant operating hours and MHS staff hours due to the nature of business.
 - Objective 7 to be removed as it contradicts the achievement of the other 6 objectives and does not facilitate the pursuit of excellence.

At the end of the consultation period, MHS will draft a response to each of the points received and will share these with FSA officials and MHS Board members before publication.

Next Steps

5. MHS will take note of the consultation points made in further refining the proposed Performance Management Framework and will draft the Corporate Business Plan. The Framework will be put to the March meeting of the MHS Board for formal approval, following which it will be published on the FSA website. The MHS Board will also be asked to note the Corporate Business Plan.
6. The remaining stages of the business planning process are set out in the timetable below:

MHS Board to note progress on targets [Considered under Item 8 Assessment of MHS Performance against Targets: 2005/06]	24-Jan
End of Consultation	27-Jan
Draft Corporate Business plan to Working Group and MHSMB (by correspondence)	3-Feb
Working Group meeting to refine Framework and discuss draft Corporate Business Plan	15 Feb
MHSMB to approve Corporate Business Plan	1-2 Mar
Directorates to draft local Business Plans	6-24 March
MHS Board to approve Performance Management Framework for 2006/07 and note Business Plan	28-Mar
MHS Directorates Business Plans developed and submitted to the MHSMB	3/4 April
MHS Corporate Business Plan and Performance Management Framework published	April
Directorates issue their supporting Business Plans and set staff objectives as part of year end appraisal process	April

Annex A

*Business Development Unit, Room 228
Kings Pool, Peasholme Green
York YO1 7PR*

To: Interested Organisations on attached list

Tel: 01904 456153

Fax: 01904 455502

19 December 2005

Dear Sir/Madam

**MEAT HYGIENE SERVICE (MHS): PROPOSED PERFORMANCE
MANAGEMENT FRAMEWORK FOR 2006/07**

This letter seeks your views on a proposed performance management framework comprising Corporate Objectives and Performance Measures & Indicators for the MHS for 2006/07. Please let us have your views by Friday 27 January 2006.

In common with all other Executive Agencies, the MHS is required to work to, and report on, published annual performance targets. In a change to previous practice, the MHS Board¹ has determined that the MHS is best placed to propose, for its approval, a performance management framework for 2006/07 which would demonstrate the degree of achievement of Corporate Objectives. This letter seeks your comments on the proposed framework shown in the Annex.

Please send your comments to Carol Wakefield at the address below:

Meat Hygiene Service
Room 228
Foss House
Peasholme Green
York YO1 7PR

Email: Carol.wakefield@foodstandards.gsi.gov.uk

A pre-paid envelope is enclosed for your comments. Alternatively you can download the information from our web site (www.food.gov.uk/enforcement/meathyg/mhservice/) and return your comments electronically.

¹ The MHS Board was established in 2004 as a sub-committee of the FSA Board to set targets for the MHS and to hold the MHS to account.

The comments received will be analysed and considered by MHS officials. Thereafter, the proposed performance framework for 2006/07 will be considered by the MHS Board, taking into account the comments and suggestions received.

Once approved by the MHS Board, the 2006/07 performance framework will be announced by the MHS and published on the FSA website. The new framework will take effect from 1 April 2006.

If you require any further specific information on any of the above, please contact Carol Wakefield (details as above).

Yours faithfully.

Kathryn Davies
Director of Corporate Services

**CONSULTATION ON MEAT HYGIENE SERVICE PERFORMANCE
TARGETS 2006/07**

**LIST OF INTERESTED ORGANISATIONS IN ENGLAND, SCOTLAND AND
WALES**

1. Association of British Abattoir Operators
2. Association of Independent Meat Suppliers
3. Association of Meat Inspectors
4. British Meat Processors' Association
5. British Poultry Council
6. British Retail Consortium
7. British Veterinary Association
8. Chartered Institute of Environmental Health
9. Cold Storage and Distribution Federation
10. Consumers' Association
11. Country Land and Business Association
12. Defra
13. Farmers' Union of Wales
14. Federation of Wholesale Distributors
15. Food Commission
16. Food Standards Agency
17. Foodaware
18. General Consumer Council of Northern Ireland
19. Guild of Welsh Lamb and Beef Suppliers
20. Halal Food Authority
21. Human BSE Foundation
22. International Meat Traders' Association
23. Islamic Council of Scotland
24. Islamic Cultural Centre
25. LACORS
26. Meat & Livestock Commission
27. Meat Training Council
28. MHS Contractors
29. MHS Staff
30. Muslim Council of Britain
31. National Association of British Markets Authorities
32. National Association of Catering Butchers
33. National Association of Poultry Suppliers
34. National Cold Storage Association

35. National Consumer Council
36. National Consumer Federation
37. National Council of Schechita Board
38. National Council of Women (GB)
39. National Farmers' Union
40. National Farmers' Union (Scotland)
41. National Farmers' Union (Wales)
42. National Federation of Consumer Groups
43. National Federation of Meat and Food Traders
44. National Federation of Poultry Meat Merchants
45. National Federation of Women's Institutes
46. Quality Meat Scotland
47. Regional Development Authority Representatives
48. Royal Environmental Health Institute of Scotland
49. RSPCA
50. Rural Payments Agency
51. Rural Payments Agency
52. Scottish Association of Meat Wholesalers
53. Scottish Consumer Council
54. Scottish Federation of Meat Traders' Associations
55. Scottish Game Dealers and Processors Association
56. Small Abattoirs Federation
57. Soil Association
58. Sustain (The alliance for food and farming (umbrella organisation of c100 groups))
59. The Anglian Poultry Producers' Action Group
60. Townswomen's Guilds
61. UNISON
62. Veterinary Medicines Directorate
63. Veterinary Public Health Association
64. Welsh Consumer Council
65. Which?

Meat Hygiene Service (MHS): Proposed Performance Management Framework for 2006/07

Background

In line with all public sector organisations, it is essential that the MHS is transparent, responsive and accountable. Consistent, clear reports of performance and publication of results are important to record progress and identify areas for improvement.

To achieve this, the MHS is proposing a new performance management framework focussed on the achievement of a number of proposed Corporate Objectives. Achievement of the objectives will be verified by MHS performance against a number of Measures & Indicators.

Corporate Objectives

The proposed Corporate Objectives for 2006/07 are:

Objective 1: To deliver customer requirements, as set out in all our Government Service Level Agreements.

Objective 2: To enhance relationship management with our Government Service Level Agreement customers at all levels.

Objective 3: To enhance our reputation by improving industry knowledge and perception of our work, and satisfaction with our service delivery.

Objective 4: To embed new legislative changes, in particular the new EU Food Hygiene Regulations and the new BSE testing regime.

Objective 5: To equip all our people with the necessary skills, knowledge and information to enable them to deliver our services effectively.

Objective 6: To operate within delegated resource budget and delegated cash budget for 2006/07

Objective 7: To improve efficiency

Q1: Do you think that these objectives cover all areas of MHS business? Do you think they cover all priorities for the MHS in 2006/07?

If not, what additional objectives would you propose?

Q2: Are there too many objectives? Would you exclude any, and if so, which ones?

To verify achievement of the Corporate Objectives, a number of supporting Performance Measures & Indicators are proposed.

Performance Measures & Indicators

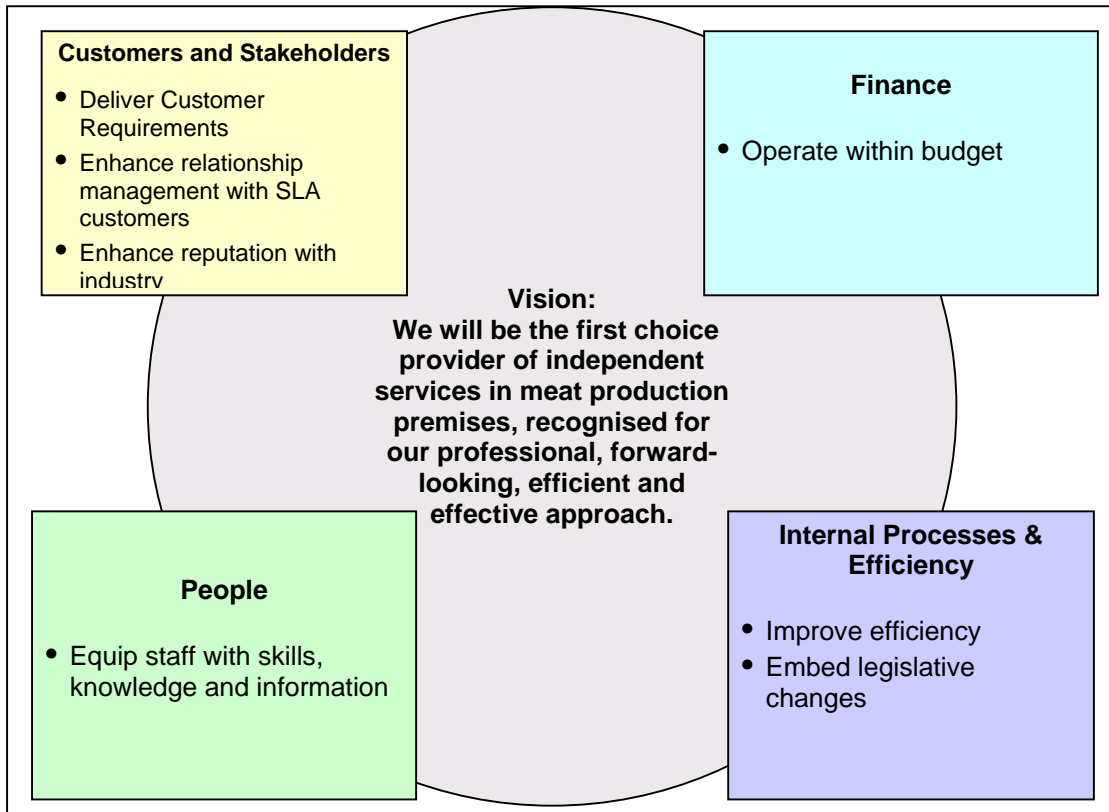
For 2006/07, the MHS is developing a performance management system based on a Balanced Scorecard. This approach supports performance management by:

- Giving a balanced assessment of performance, by reporting on both external customer & stakeholder outputs, and internal activities which support improvement;
- Establishing clear Performance Measures & Indicators;
- Aligning corporate reports;
- Ensuring a consistent evaluation of Performance Measures & Indicators;
- Highlighting areas of good performance and poor performance;
- Enabling and clarifying performance management responsibilities at different levels within the MHS, and with the MHS Board.

The Balanced Scorecard approach is used widely in the private and public sectors. The Scorecard will enable all MHS staff to identify how their work relates to the achievements of the MHS Corporate Objectives and Performance Measures & Indicators. It will also enable the MHS Management Board and the MHS Board to focus their time where it is most needed, i.e. on those areas where the Measures & Indicators are performing below the desired level of performance.

The MHS Balanced Scorecard comprises four areas – Customers & Stakeholders, Finance, People and Internal Processes & Efficiency. Some of the Performance Measures will have desired levels of performance to be attained, whilst others are more general Indicators of performance.

The following diagram shows how the Corporate Objectives relate to the MHS Balanced Scorecard.



We will monitor our performance through use of a RAG (Red Amber Green) system. The Scorecard will also indicate the trend of each Performance Measure & Indicator – improving, remaining the same, or declining.

Green will mean that performance is on track to achieve or exceed that planned. Amber will mean that performance is below the desired level of performance, but an action plan and resources are in place to return performance to the desired level without further intervention. Red will mean that performance is below the desired level of performance and the action plan and resources in place may not be sufficient to return to the desired level, necessitating further intervention.

All Performance Measures & Indicators which are at red or amber will require an explanation detailing the reasons why they are not on target and the action proposed to return to the desired level of performance. Performance will be monitored and assessed by both the MHS Management Board, and the MHS Board on behalf of the FSA Board.

Q3: Do you think that the Balanced Scorecard areas cover all aspects of MHS business? If not, what additional areas would you propose?

Proposed Performance Measures & Indicators are shown below for each area of the Balanced Scorecard, linked to the Corporate Objective that they will support achievement of. Some measures and indicators are linked to proposed levels of performance. However, before implementation of the framework, levels of performance will be agreed with the MHS Board for all measures and indicators.

Customer & Stakeholders

The MHS has a wide variety of customers and stakeholders with individual and collective interests in what we do and how well we do it. Communicating effectively with all our customers is essential in building their confidence with MHS services. They need to feel listened to and involved.

Objective 1 : To deliver customer requirements, as set out in all our Government Service Level Agreements

Our Government SLA customers expect us to deliver all the services detailed in our Service Level Agreements (SLA) to the specified level of performance. We will evaluate our performance against the specified levels in the SLAs using the RAG system. Three critical areas where excellent performance is expected by our SLA customers are:

- Cattle identification;
- BSE/TSE testing and supervision;
- Supervision of Specified Risk Material (SRM) controls

Proposed level of Performance: 100%

Objective 2 : To enhance relationship management with our Government Service Level Agreement customers at all levels.

By aiming to provide the services required of us by our customers as efficiently and effectively as possible, and improved communication, we will seek to improve levels of customer satisfaction.

Objective 3 : To enhance our reputation by improving industry knowledge and perception of our work, and satisfaction with our service delivery

We will maintain our Award for compliance with the Charter Mark standard for organisations delivering public services. The MHS Charter Mark Award is independently and rigorously evaluated and assessed annually.

We will consult with our customers and stakeholders on their preferred methods of communication.

Our industry customers expect us to provide the service they require on demand, subject to them providing the requisite notice. ***Proposed level of Performance: 100%***

Q4: Do you think that the Performance Measures & Indicators proposed will verify achievement of the Corporate Objectives relevant to Customers & Stakeholders? If not, what additional measures and indicators would you propose? Would you exclude any measures and indicators and if so, which ones?

Q5: Do you agree with the levels of performance where proposed? If not, what levels would you propose?

Finance

The MHS must ensure that it has sufficient finance in place to operate but must also demonstrate operational efficiency and effectiveness.

Objective 6 : To operate within delegated resource budget and delegated cash budget for 2006/07

Following the implementation of the Maclean Task Force recommendations, which removed the requirement for the MHS to fully recover all its costs, it is essential for the MHS to secure sufficient finance to fund the services required by our customers. If the demand for services from our industry customers is greater than budgeted there is a risk that we would be unable to meet the legislative requirement to provide services on demand, and we would need to seek additional funding from the FSA.

We will not exceed our delegated resource and cash budgets without prior approval by the FSA.

Q6: Do you think that the Performance Indicator proposed will verify achievement of the Corporate Objective relevant to Finance? If not, what additional measures and indicators would you propose?

Q7: Do you agree with the level of performance proposed? If not, what level would you propose?

People

We value our staff, who are our most valuable resource. It is essential that our workforce have the right skills and experience necessary to deliver our services.

Objective 5 : To equip all our people with the necessary skills, knowledge and information to enable them to deliver our services effectively

Staff who enjoy working for the MHS are more likely to deliver the quality of service expected by our customers.

We will strive to address the areas for improvement identified in the 2004/05 staff survey. In particular, we will seek to improve levels of attendance of our staff, which will in turn improve the efficiency of our service delivery.

We will commence work on a pay remit for 2007/08 and beyond.

We will seek to improve the effectiveness of our Health & Safety management.

We will introduce a new competency framework and appraisal system to focus staff on achieving our Corporate Objectives. **Proposed implementation date: 1 January 2007**

We will develop and deliver a Corporate Training Plan. **Proposed completion date: 31 March 2007**

We will assure the effectiveness of our people development strategies by maintaining our accreditation to the Investors in People Standard.

We will support the Government's commitment to a diverse Civil Service by continuing to implement our Diversity Action Plan.

Q8: Do you think that the Performance Measures & Indicators proposed will verify achievement of the Corporate Objectives relevant to People? If not, what additional measures and indicators would you propose? Would you exclude any measures and indicators and if so, which ones?

Q9: Do you agree with the levels of performance or implementation where proposed? If not, what level/dates would you propose?

Internal Processes and Efficiency

We recognise that improvements to the efficiency of our internal processes will better support service delivery.

Objective 4 : To embed new legislative changes, in particular the new EU Food Hygiene Regulations and the new BSE testing regime

We will amend our processes to deliver the outputs required by new legislation.

In line with Government requirements, we will develop a Sustainability Action Plan. **Proposed completion date: 31 March 2007**

The new EU Official Feed and Food Controls Regulations (OFFC) will be implemented from 1 January 2007.

We will plan for adaptations to the MHS charging system.

Objective 7 : To improve efficiency

We will continue to deliver savings of £300,000 per annum through further development of IT in plants.

The MHS calculates an indexed cost per livestock unit indicator from forecast throughput levels and budgeted expenditure. We will seek to achieve the budgeted indexed cost per livestock unit.

We will seek to improve the alignment between plant operating hours and MHS staff hours.

Q10: Do you think that the Performance Measures & Indicators proposed will verify achievement of the Corporate Objectives relevant to Internal Processes and Efficiency? If not, what additional measures and indicators would you propose? Would you exclude any measures and indicators and if so, which ones?

Q11: Do you agree with the levels of performance or improvement where proposed? If not, what dates/levels would you propose?

The MHS Board is invited to:

- **Comment** on the Performance Management Framework, currently being consulted on;
- **Comment** on the consultation points received to date;
- **Note** the process to be followed in order to secure approval and publication of the Performance Management Framework by April 2006.

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