

**DRAFT MINUTES OF THE MEAT HYGIENE SERVICE (MHS) BOARD MEETING HELD  
ON WEDNESDAY 21 NOVEMBER 2006 AT MONKS CROSS, YORK**

**Attendees**

**Chair:** Chrissie Dunn

**MHS Board Members:** Valerie Howarth  
Celia Bennett  
Maureen Edmondson  
Deryk Mead  
Alick Simmons

**MHS Board Adviser:** Debby Reynolds, Chief Veterinary Officer, Defra (Item 4 onwards)

**Secretariat:** David Bramley, MHS

**Officials** Chris Lawson, MHS

**Participating:** Steve McGrath, FSA  
Jane Downes, MHS  
Mike Greaves, MHS  
Kathryn Davies, MHS  
Paul Adams, MHS  
Kevin Goddard, MHS

**Item 1: Introduction and Apologies**

1. The Chair welcomed all attendees to the meeting and Steve McGrath, MHS Chief Executive designate, to the meeting table. Apologies had been received from MHS Board member John Harwood, David Hart from the FSA and representatives from FSA Scotland, Wales and Northern Ireland.
2. The Chair reminded MHS Board members and adviser of their obligation to declare any relevant interests before agenda items were discussed.

Item 2: Draft Minutes of the 27 September 2006 Meeting

(Paper (06) 57)

3. Subject to an addition to para 41, bullet 2 [shown below in bold], MHS Board members agreed the minutes as an accurate record of the MHS Board meeting held on 27 September 2006:

- *agreed to recommend to the FSA Board that a programme be established to review the delivery of official controls in approved meat premises in the future. The review should explore the costs and benefits associated with alternative options. The options considered must include the current MHS structure **and would also include detailed consideration of control body systems.***

Item 3: Actions Arising

(Paper (06) 58)

4. Actions arising from the May meeting were recorded as complete except the actions at:

- *para 7 of the September minutes – for the Chair of the MHS Board to report on further progress on the review of Audit Committee arrangements in the FSA and MHS. The Chair would cover this in her report (See para 7, bullet 3)*
- *para 15 of the September minutes – the MHS Chief Executive would discuss benchmarking with the FSA Chief Executive.*
- *para 26 of the September minutes – the MHS are discussing with FSA Northern Ireland the possibility of benchmarking sickness absence - The MHS Chief Executive said that action on benchmarking had started but had not progressed significantly due to other pressures. He would explore other options for progressing this action with John Harwood and further progress would be reported to MHS Board members by mid-January.*

**Action: MHS Chief Executive**

- *para 40 of the September minutes – it would be helpful to inform MHS Board members of progress against each recommendation in the Wall report – Jane Downes, MHS Veterinary and Technical Director would provide a verbal update during the meeting (see para 29 and Annex).*

- *para 26 of the May minutes – the MHS Board agreed to receive updates on the development of the HR strategy twice a year. This has been added to the MHS Board meeting agendas for November 2006 and April 2007.*
5. Alick Simmons informed other MHS Board members that at the British Veterinary Association Congress [para 5 of September minutes] there had been considerable discussion about how best to ensure that a sustainable veterinary knowledge and skills base for livestock work was maintained despite a continuing decrease in livestock work.
6. An MHS Board member observed that further BSE positives are to be expected and that the latest Defra statistical analysis suggested the likelihood was that there would be three per annum. Due to the nature of the statistics, it was noted that there could be significant variation to this number.

**Item 4: MHS Board Chair's Report**

7. The Chair reported that:
- this would be Valerie Howarth's and Chris Lawson's last formal MHS Board meeting. The Chair thanked both for their significant contributions to the MHS and said that there would be a later opportunity for the MHS Board to mark their departure;
  - she was pleased to welcome Steve McGrath, MHS Chief Executive Designate, to the meeting table and said that the MHS Board looked forward to working with him to build on Chris Lawson's legacy;
  - the MHS Board had first raised concerns about the lack of linkages with the MHS Audit and Risk Committee in July 2005. The MHS Board had been keen to make progress following the completion of the review of Audit Committee arrangements in the FSA and MHS so the MHS Board could fully discharge its responsibility to hold the MHS to account, on behalf of the FSA Board. A paper recommending changes to both FSA and MHS Audit Committee arrangements had now been sent intersessionally to the FSA Board and copies had been given out to MHS Board members and adviser. The recommendations in the paper also reflected guidance contained in the recent draft HM Treasury Audit Committee Handbook. Initial comments from the MHS Board were:

- the paper addresses concerns raised by the MHS Board
  - careful consideration needed to be given to ensure that relevant specialist or technical skills are possessed by the MHS Audit Committee;
  - Footnote 8 was incorrect – the MHS Board has seven members (not six), of whom 5 are non-executive; and
  - it may be helpful to recognise in the Terms of Reference that the FSA is governed differently from other Government Departments;
- the Chair of the MHS Board asked for any further comments to be sent to her or to David Bramley by Friday 24 November 2006. Comments would then be collated and sent to the FSA Board secretariat;  
**Action: MHS Board members and Adviser**
  - a draft of the Chair of the MHS Board's report to the FSA Board had been prepared and copies would be given to MHS Board members at the end of the Board meeting. Comments on the report were requested by Friday 24 November 2006; and  
**Action: MHS Board members and Adviser**
  - as part of her continuing commitment to visit each region at least once per year, she intended visiting plants in the MHS South and West Region next week.

**Item 5: MHS Chief Executive's Report**

**(Paper (06) 59)**

8. The MHS Chief Executive said that he would provide some supplementary verbal briefing to his first written report and would be happy to answer any questions. He noted that there was an error in paragraph 14 of his report and that the future visit by an FVO mission on BSE controls would actually take place from 20 – 29 November 2006 rather than in October.

**Accommodation**

9. The MHS Chief Executive said that MHS Headquarters had temporarily relocated to Triune Court, Monks Cross on 20 November 2006. The relocation had been smooth and he was grateful for the way that it had been approached by staff.

**Animal Health and Welfare Delivery Board**

10. The MHS Chief Executive said that he and Steve McGrath, the MHS Chief Executive Designate, had represented the MHS at the inaugural meeting of Defra's Animal Health and Welfare Delivery Board. The Board brought together representatives from delivery agents from across the Animal Health and Welfare spectrum and was not intended to alter or supplant existing governance relationships. Initially, the intention was for the Board to meet every two months.
11. The Chief Veterinary Officer said that this was an important Board for Defra to help deliver animal health and welfare outcomes and real organisational change.
12. In response to a question from an MHS Board member, the Chief Veterinary Officer confirmed that organisations operating solely in Northern Ireland are not involved in the Board because Defra do not fund or pay for services through these organisations. The aim of the Board is to help ensure that Defra invest or spend their money wisely. The simplicity of the current arrangements make it more likely small discreet improvements can be achieved which then can be disseminated more widely as best practice. In response, the MHS Board member said they remained concerned that there were not closer links with Northern Ireland and asked that consideration be given to inviting Northern Ireland representatives in, at least, an observer capacity to mitigate the risk that policy in GB and Northern Ireland could drift apart.

**Review of Models for Delivering Official Controls in Approved Meat Premises (Para 2)**

13. The MHS Chief Executive said that the Review was made up of three projects each with clear deliverables and deadlines. The project to consider options within the existing delivery architecture was being led by the MHS. Projects on options for alternative delivery models and options for charging mechanisms were being led by the FSA to which the MHS would contribute. The MHS Chief Executive invited Steve McGrath to provide an update from the project group meeting held yesterday. He reported that:
  - a dedicated programme team would oversee the three projects and ensure that linkages between the projects are not lost;
  - the Steering Group for the programme includes Steve McGrath, FSA officials and Defra's Chief Veterinary Officer;

- the first consideration of options by the FSA Board was scheduled for January 2007. At this stage the options would largely be conceptual. Preferred options would be taken forward and worked up in detail including information on costs;
- all stakeholders would be actively engaged. The options would be discussed with industry and trade union representatives to help spread the message that this is an opportunity to improve the service provided by the MHS; and
- the Review would also take into account meat inspection services provided by DARD in Northern Ireland to learn from the strengths and weakness of the DARD model, which is an alternative option to the current system in GB.

**Flexibility Project (Paras 6 and 7)**

14. In response to a question from a MHS Board member, the MHS Chief Executive confirmed that, at present, there was no financial incentive for Food Business Operators (FBOs) to reduce Official Veterinarian (OV) attendance under the current charging regime. Reductions in OV attendance could actually result in the FBO needing to make changes to plant operating practices thereby increasing costs or time pressures. This meant that the flexibility project might not achieve the targeted amount of savings.
15. MHS Board members expressed concern that the FSA were considering measures that could increase MHS charges before considering measures that could reduce MHS charges.

**Patent Blue Dye**

16. In response to questions from MHS Board members the MHS Chief Executive said that:
- the Meat Trades Journal request for an interview had been turned down based on legal advice in view of the possibility of further legal proceedings; and
  - the Health and Safety Executive had carried out a risk assessment on Patent Blue Dye in 2002 and concluded that it posed no hazard to human health.

**Service Level Agreement (SLA) with Defra**

17. The MHS Chief Executive reported that he and Defra's Chief Veterinary Officer had signed the overarching part of the SLA between the MHS and Defra setting

out the general principles and had agreed the content of the annexes detailing the specific work carried out on behalf of Defra. This was a moving document and would be reviewed every quarter. The MHS are working with Defra to set KPIs for 2007/08 and further refine the content of the annexes in line with the MHS business planning process.

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

18. The Chair reminded Board members that an OTM testing Implementation Review Group was set up to oversee implementation of the BSE testing regime for its first 12 months of operation, and that Celia Bennett represents the MHS Board on the Group. The Chair of the MHS Board had written to the Chair of the FSA highlighting the concerns discussed by the MHS Board at their September meeting. A response from the Chair of the IRG providing assurances that these matters were being pursued had been received.
19. The Chair invited Celia Bennett to provide an update on the IRG's work. Celia reported that:
  - she was grateful for the note from the Chair of the MHS Board to the Chair of the FSA and was encouraged with the progress being made, particularly on cattle identification performance indicators, which would be discussed further at the IRG meeting on 22 November 2006;
  - ineligible animals continued to be presented at abattoirs and on average four pre-August 1996 cattle were being presented per week. She thanked the Chief Veterinary Officer and Alick Simmons (MHS Board member and the FSA Veterinary Director) for raising the issue publicly;
  - three extra meetings of the IRG had been arranged for 22 November 2006, 13 December 2006 and 17 January 2007. This would allow the delayed audit report by PKF to be considered and the IRG would formally report to the FSA Board on 14 March 2007;
  - the IRG considered that there was no need to prolong its life beyond January although consumer organisations had expressed concern at the demise of the IRG. A consumer friendly summary of the outcome of IRG's work would be produced; and

- an OTM animal had entered the food chain in Northern Ireland without being tested for BSE. A full report would be submitted to the IRG meeting on 22 November 2006.

20. The MHS Chief Executive said that UNISON had made allegations that brain stem substitution had occurred in abattoirs in England. In one case, the plant had been identified and the MHS had conducted an investigation and found no evidence of substitution. In the other case, UNISON had refused to identify the plant concerned. This had resulted in the MHS Director of Operations instigating an investigation at all OTM plants to make sure that procedures were being followed correctly and to establish whether there was any evidence to support the allegation. The IRG had considered 100% supervision, as proposed by UNISON, was not needed as this was neither proportionate or justified. The IRG had also considered further changes to reduce the possibility of sample substitution such as introducing tamper-evident pots.

21. The MHS Chief Executive updated the MHS Board on the GB position regarding the slaughter of OTM animals for human consumption as at the end of October 2006:

- 63 plants had been approved;
- 261,392 OTM cattle had been slaughtered of which 157 were 'no tests' and three BSE positive tests had been confirmed;
- the initial estimate was 500,000 cattle to be slaughtered in the first year. This was now expected to be closer to 300,000; and
- 160 pre August-1996 cattle had been presented for slaughter. There were two repeat offenders – one in England and one in Northern Ireland.

22. In discussion:

- in England and Wales animals incorrectly presented at abattoirs would be disposed of and not returned to the producer. The producer would lose the value of the animal and could be asked by the abattoir to pay their disposal costs;
- prosecution of producers who incorrectly present animals at abattoirs is the responsibility of Local Authorities;
- the producer is responsible for the correct presentation of animals and should not depend on backstops from the MHS or FBO. Celia Bennett

agreed to reinforce this message at the IRG meeting and ask about the number of pre-August 1996 cattle in GB. Steve McGrath would also ask about the number of pre-August 1996 cattle during his visit to BCMS on 22 November;

**Action: Celia Bennett and Steve McGrath**

- the MHS Board agreed that UNISON should have informed the MHS of the plant where these allegations originated from so they could be investigated fully. By not identifying the plant, consumer health could be put at risk;
- the MHS Director of Operations said that he had written to UNISON at the beginning of 2006 asking them to identify the plant at the centre of the allegation so that it could be fully investigated. He said that he appreciated the support of the MHS Board; and
- the incident underlined the importance of having an effective whistleblowing policy.

**Item 7: Assessment of MHS Performance against Aims for 2005/06 (Paper (06) 60)**

23. Kevin Goddard, Head of the Business Development Unit, introduced this paper and reported that, whilst the majority of indicators are on track to achieve the end of year target, five indicators are currently at red or amber status. Kevin highlighted these areas and said that further details, including any action to be taken to address performance, was detailed in the exception reports.

24. In discussion:

- Indicator 1 – BSE controls (RED) was determined to be at red due to two breaches of domestic SRM controls, one in April and one in May. Although failure to remove the spinal cord in two bovine carcasses occurred, the quarters did not enter the food chain.
- Indicator 1 – Animal Health and Welfare (AMBER):
  - 94.8% of the cleansing and disinfection forms had been returned against a target of 100%. Cleansing and disinfection had been carried out in the remaining 5.2% of cases however, forms had not been returned.
  - three goats were missed for TSE testing in April due to plants operating on Good Friday and laboratory testing not being available over the Bank Holiday.

- the target for Sheep TSE surveillance sampling is 5%. Only 4.6% of samples were collected from eligible sheep during July bringing the average for the year to 4.9%. This was due to problems at one plant that had difficulties in increasing the percentage sampled from 1% (the required level of sampling in January to June 2006) to 5%. It is intended that the shortfall will be made up later in the year
- Indicator 17 – Cost per Unit Livestock (AMBER) was 77 pence higher than the target of £13.93. This was largely due to a lower than expected throughput of OTM animals. In June 2006, the MHS had 96 contract meat hygiene inspectors and by November this had been reduced to 57. Excluding the costs and income related to processing OTM cattle for human consumption from the calculation results in the cost per unit being 17 pence lower than the target;
- Indicator 20 – Review appraisal and PRP schemes (GREEN) – the MHS Management Board have recently agreed a revised target of 31 March 2008 for the implementation of a new performance appraisal system, which was a delay of 12 months. This decision reflects the substantial work required to put in place a new system that focuses on the achievement of agreed objectives and takes account of supporting competencies. An MHS Board member agreed that it was important to implement an effective appraisal system that is linked to Investors in People;
- Indicator 23 – (i) Achieve workforce representation of 4.1% ethnic staff (AMBER); (ii) Achieve 2.5% operational disabled staff (AMBER); and (iii) Achieve 3.7% non-operational disabled staff (RED) – there had been very little opportunity for the MHS to improve the diversity statistics due to low staff turnover, and there was some concern over the accuracy of the information with regard to the lack of disclosure by staff, particularly in relation to disability.
- the MHS Board welcomed the scoring system for SLA indicators. Care needed to be taken to ensure that the SLA indicators accurately reflect the full range of work carried out by the MHS. Consideration should be given to:
  - refining the existing indicators to recognise public health and animal welfare outcomes rather than tasks;
  - including a measure for the surveillance of exotic diseases in the balanced scorecard for 2007/08.
- the balanced scorecard gives an effective feel of the overall status of the organisation. Whilst MHS Board attention is best focused on indicators

which are red and amber the credit for having the majority of indicators at green should not be lost;

- this is the first year the MHS have used a balanced scorecard approach for performance management. Comments from MHS Board members and other stakeholders would be sought and considered in developing and refining the balanced scorecard for 2007/08;
- Celia Bennett offered to provide some comments on the presentation of the balanced scorecard outside of the meeting;

**Action: Celia Bennett**

- the MHS Board would be kept informed of how and when they could engage with the MHS Business planning process so that their comments could influence the process at a timely stage.

25. The MHS Board:

- noted the MHS Balanced Scorecard report and the revised date for implementing a new performance appraisal system, and;
- subject to receiving a clear timeline for development of the corporate business plan for 2007/08, agreed to provide comments on objectives and indicators for 2007/08.

**Item 8: Developing the HR Strategy – Update**

**(Paper (06) 61)**

26. The Chair welcomed Paul Adams, Acting MHS Human Resources Director, to the table and invited Kathryn Davies, MHS Director of Corporate Services, to introduce the paper. In discussion:

- the HR strategy is being developed in an uncertain environment and therefore needs to be flexible;
- a new managing attendance policy was launched in autumn 2005. The policy results in much earlier management interventions and was rolled out with a two-day training session for all line managers. Subsequently, there have been significant reductions in long term sickness, which continues to fall;
- UNISON were planning to hold a ballot on further strike action by the end of the year in relation to their dispute with the Government over possible changes to the Local Government Pension Scheme;

- in relation to Poultry Inspection Assistants (PIAs):
  - FBOs need to give 30 days notice should they wish to change from having their own employed PIAs to MHS provided meat inspectors;
  - the FSA are planning to talk to the British Poultry Council to discuss sustainable longer term options;
  - training for PIAs is provided by external providers; and
  - to provide more flexibility, the MHS are working to increase the proportion of dual (red and white meat) qualified meat inspectors
- Information on age is useful for succession planning and is collected by the MHS. Future reports on HR Strategy to the MHS Board would include age statistics.

**Action: Kathryn Davies**

27. The MHS Board welcomed the paper and the assurance it provided that development of an HR strategy was receiving due attention.

**Item 10: MHS Prioritisation**

**(Paper (06) 62)**

28. Jane Downes, MHS Veterinary and Technical Director, introduced this paper.

In discussion:

- the MHS Board welcomed the paper as a model of collaborative working between the FSA, Defra and the MHS;
- the MHS Board should be able to challenge policy makers and influence policy development, where appropriate, to ensure that there was no gap between policy and delivery;
- relevant targets will be set depending on priority;
- changes to the policy on vertebral column removal had been agreed by the FSA at short notice and required approval of premises by local authorities;
- consideration needs to be given on how the FVO fits into the prioritisation process and whether risks should be influenced by political considerations; and
- implications for Broiler welfare would be included in the prioritisation paper once it was clear what activities would be required of the MHS.

29. Jane Downes provided a verbal update on progress against recommendations in the Wall report [this is attached in table form at annex].

**Item 11: MHS Strategic Direction 2007/08 – 2009/10**

**(Paper (06) 63)**

30. Kevin Goddard introduced this paper. In discussion:

- the MHS is a delivery agent and there are many external factors that are outside the MHS's direct control, including policy development;
- it is sensible to include the regulatory vision within the FSA strategy as there needs to be a clear connection. This provides clear direction for the MHS three year corporate plan;
- adoption of the regulatory vision by the FSA would help support consistency of meat inspection across the UK; and
- the regulatory vision reflects the MHS's role in safeguarding animal health and welfare.

31. The MHS Board:

- noted that its long term regulatory vision is likely to be included in the revised FSA Strategic Plan;
- noted that MHS service delivery will be set out in a three-year corporate plan, in line with the new FSA framework for planning documents; and
- noted the key milestones in development of the corporate plan

**Item 12: Any Other Business**

MHS Board Effectiveness Review

32. The Chair of the MHS Board said that she was keen to progress an MHS Board Effectiveness Review by early next year to capture the considerable experience and knowledge of Valerie Howarth, before the end of her appointment to the FSA Board, and Chris Lawson, before his retirement from the MHS. The review would also provide an opportunity to evaluate the role of adviser to the MHS Board.

Consumer Engagement

33. An MHS Board member proposed that the information paper on consumer engagement should be discussed at a future MHS Board meeting

**Action: MHS Board Secretariat**

**Date of next meeting**

34. The next MHS Board meeting will be held on 21 February 2007 in York.

**MHS Board Secretariat  
January 2007**

**PROGRESS AGAINST WALL RECOMMENDATIONS  
(AS AT NOVEMBER 2006)**

Wall Recommendations	Action taken
<p><b>R1&amp;2</b> Prioritisation. Agree new TSE sampling of casualty cattle SLA with Defra to include satisfactory key performance measures.</p>	<p>Completed. Paper presented to the MHS Board in November 2006.</p>
<p><b>R3</b> Current instructions should be revised to make it practicable to implement in all circumstances and the logic behind the instruction clarified.</p>	<ol style="list-style-type: none"> <li>1. Amendment 134 issued to Chapter 10, part 2 in Jun 04 clarifying instructions on bovine animals that require testing. Also included was the veterinary rationale behind the requirement to test these animals.</li> <li>2. Staff newsletters were published to highlight the amended instructions.</li> <li>3. Operations Manual Instructions were changed to enable implementation in all circumstances. This was done in conjunction with amendment summaries to explain the reason for change. The new instructions have been carried over into the new Manual for Official Controls (MOC). A wall poster was also introduced for MHS Plant Offices to assist MHS Staff in deciding which 24 to 30 Month Bovines require testing.</li> <li>4. A revised MHS 50 (now AID5/1) form is in use that caters for both OTM and UTM bovines, and is sent with each batch killed to BCMS to enable them to analyse age and identity of all bovines presented for slaughter for Human Consumption.</li> </ol>
<p><b>R4,5,6,7 and first sentence of 10</b> MHS structure. MHS to appoint an external consultant with expertise in change management to develop and provide costed options for delivery of recommendations.</p>	<p>In September the MHS Board supported the change to the veterinary structure as recommended. This restructure has not yet gone ahead.</p>

**PROGRESS AGAINST WALL RECOMMENDATIONS  
(AS AT NOVEMBER 2006)**

<p><b>R8&amp;9 OVS Designation and training.</b> The training of OVS's should be improved. There should be a review of arrangements for designating OVS's to ensure that a satisfactory level of clinical expertise can be demonstrated and that candidates can perform to a required standard under GB slaughterhouse conditions before designation is made.</p>	<ol style="list-style-type: none"> <li>1. OVS designation courses held at Bristol and Glasgow Universities have been revised as a direct result of the testing failures. Both syllabuses contain specific tutorial seminars on TSE and ABP, with an emphasis on the over 24 month testing requirements.</li> <li>2. OVS CPD modules have been developed with a review of ABP and SRM controls delivered.</li> <li>3. New OV syllabus agreed by FSA subject to consideration by RCVS for post-graduate module. Probationary period of 200 hours work under supervision has been introduced.</li> </ol>
<p><b>R10</b> MHS,FSA &amp; Defra working arrangements</p>	<p>Integration of services has been improved by the introduction of wall posters for MHS Offices that show the relationships between the various enforcement bodies, and how to contact them as necessary.</p>
<p><b>R11</b> Establish a mechanism so that practical experience in the front line can be taken into account by those responsible for drafting instructions.</p>	<p>Involvement of MHS operational staff in drafting operational instructions is invaluable in securing a rounded instruction. Another benefit is that their input helps secure ownership from the main users of our new MHS Manual for Official Controls. The volunteer user panel (vup) consists of a diverse selection of operational staff and reflects the varied users and skills base.</p> <ol style="list-style-type: none"> <li>1. Voluntary internal reviewer group established, consisting of RVA, SMHI, MHI &amp; MT, to review major chapter amendments.</li> <li>2. Established feedback procedure from RVA, via OMA system.</li> <li>3. Established post implementation survey, 10 plants per amendment.</li> <li>4. Veterinary Advisers visit premises to maintain operational skills.</li> </ol>
<p><b>R12</b> Ante-mortem facilities and staffing levels</p>	<p>Link between ante Mortem and Post Mortem. Form MHS 100 has been introduced, and carried into the MOC. This form related post mortem findings back to ante-mortem findings to aid the OVS in how the ante-mortem process is carried out.</p>

**PROGRESS AGAINST WALL RECOMMENDATIONS  
(AS AT NOVEMBER 2006)**

<p><b>R13</b> Strengthen the link between post mortem and ante mortem inspections and findings.</p>	<ol style="list-style-type: none"><li>1. Introduced PM abnormality report – MHS 100 (now PMI4/13)</li><li>2. BSE testing 'flowchart' produced as A3 poster in red meat slaughterhouses.</li><li>3. Electronic system not yet in place, awaiting IT infrastructure.</li></ol>
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