

28 May 2013

Scottish Government
3 E W St Andrew's House
Regents Road
Edinburgh
EH1 3DG
By email

Dear Sir or Madam

Thank you for the opportunity to respond to the Consultation on Creating a New Food Body. I also appreciate the extension given to the original deadline in order that we can submit a response which reflects the common issues raised by industry organisations, as articulated in their individual responses to the consultation.

This response follows our earlier submission to the Scudamore review. This submission has been drawn together from the individual responses made by many of the main industry bodies in the food and drink industry (who represent the partnership that is Scotland Food & Drink); so this represents a broad spectrum of views across the sector.

Background

By way of background, Scotland Food & Drink is the industry leadership organisation established in 2007 to grow the sector in Scotland and build the nation's reputation as "A Land of Food and Drink". We are a membership organisation, comprising 330 companies and organisations that operate in the food and drink sector. Our Executive Group comprises senior officials from the main trade associations, levy bodies and Scottish Government agencies involved in the industry. The membership of the Executive Group can be found here:

<http://www.scotlandfoodanddrink.org/about-us/our-structure.aspx>

It should be noted that this submission represents the views of the industry organisations on our Executive Group, not the views of our public sector partners.

Scotland's food and drink industry has agreed a single strategy and action plan to grow the sector between now and 2017. This strategy incorporates targets relating to increased turnover, Gross Value Added, productivity and investment in research and development. Further detail on the industry's "Fresh Thinking" strategy can be found here:

<http://www.scotlandfoodanddrink.org/media/17978/industry%20strategy%20refresh%20doc.pdf>

Our comments on any future arrangements for a New Food Body (NFB) activity are made within the context of trying to achieve our collective growth ambition as set out in the strategy. Our thinking is therefore clear: the activity of the NFB can play an important part in creating the right operating environment for the food and drink sector – and companies within it – to flourish. This is for two primary reasons. Firstly, the role of an independent body in protecting public health and ensuring food safety has a central part of play in maintaining and building on Scotland’s food and drink reputation, both at home and overseas. Secondly, the NFB can have a pivotal role to play in ensuring a proportionate, accountable, consistent and scientifically robust regulatory framework for business to operate competitively within.

The general comments below reflect the themes that are common across the responses of the individual industry organisations that are part of Scotland Food & Drink. Those organisations have raised many more issues beyond the general themes below; these often reflected particular issues for their sector of the food and drink industry. However, the points below were common across all responses, irrespective of commodity sector or whether the bodies represented primary production or manufacturing.

Summary of common responses

1. Remit of new body

There is a general consensus that the remit of the current Food Standards Agency is appropriate for the NFB, with one notable exception outlined in paragraph 4. The reputation of the current FSA in Scotland is strong, underpinned by clarity of role and high trust levels amongst consumers. An extension of scope and remit into new areas risks dilution and therefore effectiveness of this core role.

There are already existing bodies and mechanisms tackling issues such as food security, sustainability and wider environmental matters. Little evidence has been presented to suggest a gap in this landscape that the NFB could usefully fill. There is also a clear distinction to be made between policy-making – which should remain the responsibility of the Scottish Government and Scottish Parliament – and policy enforcement/advice, research and consumer advice and information, where the NFB should clearly have a role.

It should also be recognised that in matters relating to dietary health and obesity, both their causes and remedies are multi-faceted. Beyond just diet and food choices, there are many other means of effecting change, from promoting physical exercise to changes in building design. Therefore, future action will require a broad range of partners, hence the work should involve agencies beyond just the NFB.

2. Independence & working relationships with industry and other UK/EU institutions

There is a clear consensus amongst industry bodies that the NFB should retain its independence and that this is a key driver of consumer trust in its advice and information. However, it is critical that ‘independence’ is not interpreted as isolated from industry or

other relevant bodies across the UK and Europe. There are a number of critical relationships which must be forged to deliver a successful NFB.

Relationship with industry: not surprisingly, this relationship is seen as of paramount by the food and drink sector. An understanding of the industry is crucial for the staff and Board of a New Food Body. This will ultimately lead to better and more effective policy enforcement activity and advice. Whilst accepting conflicts of interest must always be managed, involving industry in the early stages of the regulatory discussions leads to better regulation. Crucially, it leads to greater understanding of the purpose of regulation and a feeling of ownership by industry. The FSA in Scotland has, by and large, forged a good relationship with industry organisations and businesses. This must continue under any new arrangements.

Relationship with research community: In the context of research, investment in this area will remain critical to ensure that NFB activity is robust and science-based. It is important that this research base is comprehensive and this must include looking at international research as well as industry-led research which, if robust, can provide a significant contribution to the NFB.

Relationships with the rest of the UK: There is a clear cut view across the industry that the NFB must maintain good working relationships with FSA in London and UK Government. That must be the case irrespective of the accountability of an NFB in Scotland, or indeed any future constitutional changes in the UK. The research base and networks that exist through the FSA in London remain of value. Also, in order to ensure value of money, efficient operations and to avoid duplication; knowledge and activities must be shared on a UK basis where appropriate and where they would underpin the delivery of NFB's remit in Scotland.

Relationship with EU: in this area, Scotland Food & Drink would echo the comments made above in relation to UK relationships. However, there is an added dimension here. Whilst the UK is the member state in Europe, there is a need to have robust relationships and mechanisms in place to ensure that Scottish-specific issues are adequately reflected and which ensure consistency of approach across operating boundaries.

3. Potential new powers and scope

Paragraph 1 noted the general view within industry that the scope and remit of the NFB should be broadly the same as that of the current FSA in Scotland. However, there is one area identified for which NFB could take a new lead responsibility. This is in relation to **export and veterinary health certification in the red meat sector**. Currently Defra leads in this area but there is a widespread view in the sector that this is not sufficiently resourced.

The Scotland Food & Drink industry strategy prioritises export development. A new industry export target has been established of £7.1billion by 2017, of which the red meat sector will make a significant contribution. Reaching this milestone would mean Scotland will have almost doubled its food and drink exports in a decade. As Scotland's biggest and fastest growing international export, the food and drink sector would value a proactive approach

and clear responsibilities for the NFB around export certification for the red meat sector. Obviously, to avoid the concerns around Defra activities in this area, adequate resourcing for this new role is critical. Indeed, on that broader point, it is noted that there is no indication in the consultation on how any future NFB activities will be resourced, particularly where there are suggestions to broaden their scope. This has hampered the debate and our analysis over the practicality of an expanded remit for the NFB.

4. Enforcement activity

An over-riding theme of industry responses around future enforcement activity of the New Food Body is of consistency. This issue arises at a number of levels. Within Scotland, the NFB should advocate the adoption of a more consistent approach to enforcement across different local authorities. This remains a source of frustration where different companies on different sites will find conflicting interpretations of regulation. Whilst accepting this is always a challenging area, improvements must be made.

At a UK level, with many business operating both north and south of the Scottish border, the NFB must again ensure effective working relationships with other UK regulators to ensure a consistent approach across what is often a single trading area for companies.

The other theme emerging on the issue of enforcement is efficiency of operations. Whilst we advocate that the NFB should have a remit broadly similar to the current FSA, the industry recognises there are a suite of regulators with a remit which touches the industry, whether at a primary production level or through manufacturing and retail. There is potential to minimise the number of different inspections for food businesses by allowing inspectors to carry out activity across a number of different agencies. The Scottish Environment and Rural Services (SEARS) approach – a partnership of nine government agencies - provides a model to follow in this regard.

5. Further statutory powers

There is little evidence presented that would justify further statutory powers for a new food Body. In relation to the recent horsemeat episode, it is not clear that greater statutory powers would have prevented the problem or reduced its scale. There are some views that penalties should be reviewed, to create a more effective deterrent, but the case for new statutory powers is unproven. Furthermore, it is important to distinguish between the activities of rogue traders purposefully trying to mislead consumers and those of responsible companies navigating their way through new and complex legislation, who already undergo numerous audits and inspections under a range of standards. This is in addition to legal compliance under general food safety and specific regulations.

By outlining the common issues across the Scotland Food & Drink industry partners, I hope we have contributed to your analysis of industry responses. Obviously, Scotland Food & Drink would be pleased to continue to input as this process progresses, taking our lead from the industry organisations that are at our core.

Yours sincerely

James Withers
Chief Executive
Scotland Food & Drink