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Pàrlamaid na h-Alba

Official Report

HEALTH AND SPORT COMMITTEE

Tuesday 27 May 2014

Session 4

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HEALTH AND SPORT COMMITTEE
17th Meeting 2014, Session 4

CONVENER

*Duncan McNeil (Greenock and Inverclyde) (Lab)

DEPUTY CONVENER

*Bob Doris (Glasgow) (SNP)

COMMITTEE MEMBERS

*Rhoda Grant (Highlands and Islands) (Lab)
*Colin Keir (Edinburgh Western) (SNP)
*Richard Lyle (Central Scotland) (SNP)
*Aileen McLeod (South Scotland) (SNP)
*Nanette Milne (North East Scotland) (Con)
*Gil Paterson (Clydebank and Milngavie) (SNP)
*Dr Richard Simpson (Mid Scotland and Fife) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Simon Belfer (NHS National Services Scotland)
Sue Davies (Which?)
Alistair Donaldson (Scudamore Review Panel)
Pamela McLauchlan (Scottish Ambulance Service)
Maggie Waterston (Healthcare Improvement Scotland)
Dr James Wildgoose (Scottish Food Advisory Committee)

CLERK TO THE COMMITTEE

Eugene Windsor

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Health and Sport Committee

Tuesday 27 May 2014

[The Convener *opened the meeting at 10:02*]

Food (Scotland) Bill: Stage 1

The Convener (Duncan McNeil): Good morning and welcome to the 17th meeting in 2014 of the Health and Sport Committee. As usual at this point, I ask everyone in the room to switch off mobile phones and other wireless devices, because they can interfere with the sound system. I point out to our panellists that some members and officials are using tablet devices instead of hard copies of their papers.

I am pleased to say that I have received no apologies. We warmly welcome back Nanette Milne; it is good to see you back, Nanette.

Our first agenda item is to take evidence at stage 1 on the Food (Scotland) Bill. We have with us Sue Davies, who is chief policy adviser at Which?; Dr James Wildgoose, who is the chair of the Scottish Food Advisory Committee; and Alistair Donaldson, who is a former member of the Meat and Livestock Commission and a member of the Scudamore review panel. I welcome you all to our deliberations.

Given the pressure of time, we will go straight to questions, if that is okay.

Gil Paterson (Clydebank and Milngavie) (SNP): Good morning, everybody. Will food standards Scotland merely take over the functions and administrative responsibilities of the Food Standards Agency, or will its doing so mean any benefits either financially or to the health and wellbeing of the Scottish people?

Dr James Wildgoose (Scottish Food Advisory Committee): Perhaps I can explain the role of the Scottish Food Advisory Committee, which I chair. The committee is part of the Food Standards Agency, which is a United Kingdom body, and it inputs information on interests in Scotland to the deliberations of the UK board. I chair that committee and I also sit on the FSA board. We look at all the papers that come for decisions at the UK board and we offer Scottish input. The committee is part and parcel of the FSA.

I should say that, this morning, I am speaking not on behalf of the FSA, but on behalf of the Scottish Food Advisory Committee and the interests in Scotland that are associated with it. There is no financial interest in creating food standards Scotland; it is simply about the regime that we have under the current UK system for allowing Scottish interests to be reflected in the deliberations at UK level. I hope that that is helpful.

Gil Paterson: Okay. Thank you.

Sue Davies (Which?): We think that this is a real opportunity to create a strong new body that will be a consumer champion, so it should be about much more than just a transfer of administrative responsibilities. We campaigned for the setting up of the Food Standards Agency, which was to put consumers first and was to operate openly and transparently. However, some of the responsibilities of the Food Standards Agency in England have been taken away, which was one of the reasons for reviewing whether there should be a separate agency in Scotland.

We think that there is, in the way that food standards Scotland will work, an opportunity not only to enhance openness and transparency but to ensure that it tackles issues that are specific to Scotland. In particular, it could focus more on issues of diet and health than has been possible under the Food Standards Agency.

FSS could also get to the bottom of food safety issues; for example, the need to tackle E coli 0157 and other types of food poisoning. We also have a real problem with food fraud at the moment. Research that Which? did recently found that many lamb takeaways did not contain lamb but instead contained other types of meat. Off the back of the horsemeat contamination incident, there is a need to get to grips with what is happening in that area.

Food standards Scotland will have to be closely linked to, and work closely with, the Food Standards Agency to ensure that it is influencing European Union policy effectively, and that it is getting to grips with a globalised and complex supply chain. However, we think that there is a real opportunity to go further and to make it a much stronger agency that puts consumers first.

Gil Paterson: Thank you. I have another question. Scotland is a significant food producer and we have a big processing interest. During the most recent foot-and-mouth disease outbreak, there was a concern among processors and producers that they were being unfairly treated, given that Scotland was free from the disease. Would the new agency have the powers to take a different line if something similar happened? If the opposite happened—if the incident was peculiar to Scotland and did not affect any other part of the United Kingdom—would the other parts of the UK be able to act differently, or would that be a step further than what is proposed?

Dr Wildgoose: What you suggest would be true in the sense that, with food standards Scotland, decisions would be made in Scotland. However, bugs do not observe borders and there would need to be very close liaison with the rest of the UK about the arrangements. That, in itself, would—I hesitate to say "limit"—influence the policy and the actions that would be taken on things such as foot-and-mouth disease. Food standards Scotland would need to take those arrangements very seriously and co-ordinate its actions very closely with the rest of the UK to fight foot-and-mouth disease and other infectious diseases. That collaboration will be essential in the future, even with the separate body in Scotland.

Rightly, in my view, the proposed body has consumers as its chief focus, as the current FSA has. On safety, standards and nutrition—the whole area—consumers, not producers, are the main focus. However, the key point is that its guaranteeing food as safe—as far as we can—is also in the producers' interests because that means that we are generating a system in which the food that is produced in Scotland is recognised as being safe and of a certain standard. Therefore, although the focus of the bill is not producer interests, by maintaining consumers' interests, we also enhance business. The sustainable business comes from ensuring safe food and food that is of a particular standard.

Alistair Donaldson (Scudamore Review Panel): I certainly emphasise the point that bugs do not recognise boundaries, so a collaborative approach will be needed on some major issues.

I will turn it round and take a more positive view. I was on the Scudamore panel representing the meat sector; there are, partly as a result of changes to EU regulations that are in the pipeline, real opportunities, in respect of meat inspection, to enhance food inspection activities. The ultimate goal should be a farm-to-fork assurance service that would underpin the "Scottish" label. Members will appreciate that the label is internationally recognised; to be able to say that we have a well-placed food safety system in operation can do nothing but enhance the opportunities.

Sue Davies: I agree with Jim Wildgoose's point about bugs not stopping at the border. It will be important to consider issues case by case. It may be appropriate and possible for Scotland to take a different approach on some issues, but the way that the agency works will have to be seen in the context of what happens throughout the UK and how possible it is to put controls in place, as well as in the wider EU context, because much will be decided by EU legislation.

I agree that a strong agency that puts consumers first will have wider benefits for the food industry, but it is really important to ensure that the agency reaches its decisions based on evidence, that it shows clearly and transparently how it does that and that it does not get into trade issues or trade promotion directly.

Gil Paterson: I agree entirely with Dr Jim Wildgoose. When I was visiting China—it was nothing to do with food, but my company does business in China—I was amazed that people approached me about the "Scottish" label. They were interested in purchasing because the food is so trustworthy, not because of what they perceived the quality to be.

The Convener: What will the bill achieve? We heard in a private briefing this morning that the regulation and standards are already in place to monitor foot-and-mouth disease, and that enforcement will lie outwith the agency, with local authorities or supermarket chains, as we heard yesterday, where inspection is much more rigorous. How will the bill enhance any of those functions when the aim is to reassure people that nothing much will change and we will still be plugged into the research and sharing of information? What is the point of the bill?

10:15

Dr Wildgoose: That is a fair question, but there are clear reasons why we have a separate bill and a separate agency.

Members will no doubt recall from the briefing that there were machinery of government changes in the UK in 2010, which removed responsibility from the Food Standards Agency for nutrition in relation to the population, and for a large element of labelling. We therefore had an odd position in which a UK body—the FSA—had responsibility for those issues in Scotland and Northern Ireland but not in England and Wales. That is really not a tenable position, bearing in mind that nutrition—particularly obesity, which is an element within that—will be a fundamental issue for Scotland, going forward. There is a lot that the proposed new agency can do in relation to that. It would need to work closely with other bodies on that, but there is a lot to be gained—quite apart from the things that Alistair Donaldson has mentioned about being able to take decisions in Scotland on controls and so on, which is significant. The new body would not take over the interests of bodies that have interests in nutrition and obesity, but instead could give considerable readership on an issue that has become significant in Scottish public life over some years.

The horsemeat issue has demonstrated the importance of labelling and standards in relation to safety. The machinery of government change that occurred in the UK in 2010 made what was, in my

view, an unhelpful split that came home to roost, so to speak, with the horsemeat incident.

There are other things that I could mention, but they are to do with decisions that can be taken in Scotland relating to regulation and enforcement. However, the two main things that I have mentioned—nutrition and labelling—are fundamental to the new body.

The Convener: I suppose that that is the question that we are asking now, as we did yesterday. What would we do differently? We were told earlier today in a private briefing that Scotland already has the powers to change labelling. If we wanted to change labelling, we could do it now.

Dr Wildgoose: Strictly speaking, that is correct, but responsibility currently lies with the FSA, which is the agency that is giving the advice. There will be a change and the new body in Scotland will give the advice. As the convener said, the legislative position is that those things are devolved and that decisions can be taken, but it would be the new body that would give the advice rather than the FSA.

The Convener: Would we be more likely to do something on labelling?

Dr Wildgoose: Yes—we would be able to take our own decisions on labelling. The advice that will be given will be unashamedly Scottish advice, rather than UK advice.

The Convener: That relates to evidence that we took yesterday about concern among manufacturers that we might have a labelling regime that is different from the regime in the rest of the UK.

Dr Wildgoose: This comes back to co-ordination with others. It is not right to think that we will end up making a whole lot of different decisions. We need to co-ordinate and ensure that the decisions that we make are the right ones and do not hamper industry. There will be certain areas in which we might want to do things slightly differently.

One of the key points is to ensure that issues to do with labelling and with standards more generally are kept together with the food safety issues. They are not kept together down south, but the establishment of the new body in Scotland will mean that they will be kept together north of the border, and that the decisions and issues will be considered in the round, rather than having different parts of Government deciding on them.

The Convener: Would Sue Davies like to comment on the idea of a consumer-led food standards agency?

Sue Davies: That is the key thing. We have an opportunity to ensure that we have a strong consumer champion, and that we have an agency that sets the benchmark for how other agencies should operate. We think—this is also one of the recommendations of the first Scudamore report—that it is important to have food safety, nutrition and standards in one place. As Jim Wildgoose mentioned, since the horsemeat scandal, it has become clear that food standards issues have not been getting enough attention and need to become a greater priority. We also see nutrition as an area in which there is a problem across the UK. Scotland has high rates of obesity and diet-related disease. The issue is complex: giving the new agency the ability to do work on it would be an advantage.

The third area within the objectives that have been set out in the bill concerns the other consumer interests in relation to food. Those are often poorly defined. They are in the remit of the current Food Standards Agency, but many things—to do with food production methods, genetic modification, water being added to food and so on—raise social and ethical issues that affect consumers' decisions about whether to eat particular products. It is important that the new agency consider those issues, too.

Alistair Donaldson: The convener raised an important point about differences that might arise in terms of labelling requirements or legislative requirements in different parts of the United Kingdom. The Scudamore panel, however, went out of its way to emphasise the importance of continuing collaboration, so where are the opportunities for that to happen? With regard to my sector, the meat inspection service is an integral part of the Food Standards Agency and there are opportunities to tailor it to the needs of the Scottish processing industry and to ensure that it delivers an efficient and effective service. Within the industry, there is a view that that would be positive and worth while.

Rhoda Grant (Highlands and Islands) (Lab): From our visits yesterday, I understood that Scotland has led the way on the changes of labelling that are being implemented, and that the rest of the United Kingdom followed Scotland's decision to change labelling. Is that correct, or were we given the wrong information?

Dr Wildgoose: I am not sure about the detail of the issue that you refer to. There is some leeway for separate decision making in Scotland, but I do not know the detail of that. All the labelling legislation is EU based, so the ground rules are set in Brussels. There are some derogations and opportunities for change that member states can make use of. I suspect that that is what you are referring to, so I do not think that there is an inconsistency, as such. However, it is not possible to make wholesale changes to labelling that would

go against what the EU legislation says, and neither are there huge variations that can be made from that legislation.

Rhoda Grant: And that will not change because of the legislation that we are considering.

Dr Wildgoose: No, it will not change.

Rhoda Grant: On nutrition and health promotion, you said that food standards Scotland could lead the way on health-related issues such as obesity. However, that work falls within the remit of local government and NHS boards. What is in the bill to ensure that those organisations work together? It seems to me that the proposal could simply bring another layer into an area in which a number of agencies are all trying to do the same work. How would food standards Scotland interact with those bodies to ensure that they are all singing from the same hymn sheet?

Dr Wildgoose: The answer lies in the question itself. A huge number of bodies are involved in this area and, although we know a lot about what to do with nutrition, I and, indeed, SFAC believe that we need co-ordination and that we get away from the kind of initiativitis—to coin a word—where we have initiative after initiative that might all be good in themselves but which, in my judgment, lack leadership and co-ordination. Various people have provided evidence of that, and SFAC has been dealing with the matter.

Nothing in the bill requires or demands such co-ordination or says that local authorities or any other body will be directed to do this or that. We need leadership to bring people together and to make it clear how we are going to move forward on major issues such as improving nutrition in Scotland and addressing obesity. In the meetings that SFAC has had, we have heard quite a lot about the need for such co-ordination. We know what the answers are and what the prescriptions should be; the question is how to implement them.

This is not about taking things over; it is about trying to lead the debate, to find ways of implementing these solutions and to bring people along. That is how I see it.

Sue Davies: It is important that lots of co-ordination mechanisms are in place for different groups. For example, food standards Scotland will have to be very collaborative in how it works with other groups. One of the key issues will be to ensure that its board has strong consumer and public health representation so that it can send out a strong signal about what it is about and make it clear that it is not an industry promotion body. After all, other bodies have that responsibility.

An important role centrally is to promote good practice and incentivise changes in the food industry. The Scottish Government has started to carry out such work; for example, it has started to look at food promotions in supermarkets, takeaways or whatever, but it has not got very far on that. Moreover, a lot of work still needs to be done on reducing fat, sugar and salt in products. Of course, that is not going to be possible in every instance, but a lot of work has been done on salt and there is now a big focus on sugar. Last week, we published research that showed that some savoury ready meals can contain as much as 50g of sugar. There is a lot of scope to look at what can be done nationally and to see how that can be delivered on the ground locally.

Rhoda Grant: Do you think that the powers to provide leadership in this area are missing from the bill, or will that sort of thing have to be set up in memorandums of understanding, through working together and so on? I cannot see how food standards Scotland can take leadership in an area where others have a statutory responsibility unless it is empowered to do so.

Dr Wildgoose: I am expressing a personal view but, as you have pointed out, we will need collaboration, memorandums of understanding, service level agreements and various such things to bring people together and take hold of the issue on a national basis. Quite a lot can be achieved by bringing people together. I accept that statutory responsibility lies elsewhere, but I do not think that that situation needs to change for us to achieve a better, focused approach. If you sought to change the responsibility, that could be a fundamental change, but I am not sure that it would generate the kind of change that you would want.

10:30

I think that we know the answers to the obesity issues. The question is how best to implement them and to encourage people to—I was going to say make people—do the things that they need to do in order to address the issues. It seems to be more of a question of how to implement that, as opposed to where the powers lie. The leadership aspect is therefore very important.

The measures could fail, but it boils down to how the leadership operates. That is true for the new body with regard to a range of different things. It will need to work collaboratively in various areas, not least in the science. Regulation and enforcement are responsibilities of local authorities, although there is some national responsibility in relation to the EU.

There is a shared type of responsibility, and it boils down to the need for us all to work in the same direction under the same kind of leadership, recognising how important the issues are and addressing problems together. That is how I see the new body working.

Sue Davies: The proposed new body needs to take a leadership role. Its powers to operate openly and transparently and to publish the advice that it gives will be really important in that regard. It is also important that it plays a strong role, sets out exactly what action it expects to be taken and uses its powers to name and shame and to highlight who is and is not taking that action. Even if it does not have the ability to legislate, it can still deliver change across the whole industry.

The Convener: Does anyone have any other comments on this? Do we have evidence regarding the board and the composition of its membership? Sue Davies mentioned that subject.

Alistair Donaldson: I will comment generally. Reference has been made to having the right structure and the right representation on the board, including health representation and consumer representation. It is important to have appropriate food sector representation on the board, too, so that a general understanding of how the industry operates can be taken to the table. All of that is underpinned by putting consumer interests first. It is important that the board is as widely based as possible in its views and experience. Perhaps the maximum number of seven should be considered a bit further.

Dr Wildgoose: I, too, was wondering about seven being the maximum number of members. There is no definitive answer, but that number seemed a bit on the low side.

It is important that the people on the board do not represent their particular sectors. They are working in the public interest, and that is written into the governance of the bill. It is very important that consumers come first. Although people will come from an industry, nutrition or public health interest, they will be working collectively to come to decisions in the public interest, not in the interests of individual sectors. That is how the FSA board works, and I think that that arrangement should apply to the new body, too. Indeed, that is implicit in the bill.

Sue Davies: That is important. It would be dangerous to start to have different industry sectors represented on the board promoting their own particular interests. That would move the new body away from the public health and consumer focus that it needs to have. It should be clearer in the bill that members of the board are there to act in the public interest, and that they should not have any conflicts of interest. That does not mean that they do not have relevant experience and skills but, overall, and as Jim Wildgoose said, they should be there to act together in the public interest.

Separately to my Which? role, I am the chair of the management board of the European Food Safety Authority. The EFSA's ability to provide independent advice and the need for it to make decisions in the public interest, rather than for the promotion of the food industry, come under a huge amount of scrutiny. The composition of the board of food standards Scotland, and the need to put in place clear procedures to ensure that it acts independently, will be important for the body's credibility.

Bob Doris (Glasgow) (SNP): It is helpful that the convener has picked up on some of the corporate governance issues, as that allows me to move on to the nuts and bolts of the bill. As an aside, it would be useful for us to get a brief note—perhaps not in this evidence session—on food safety standards with regard to traceability, welfare and other such things. As the European elections have just finished, it would be good to see the positive role that the European Union can play. It is important to put that on the record as an issue for another day.

I will describe the bill in language that I understand rather than quoting the policy memorandum. My understanding is that, if the trading standards department of a local authority found 100 pairs of fake Nike trainers, it could seize and destroy them. However, if it finds a batch of food that is deemed to be safe but has been passed off fraudulently as something that it is not, a sheriff does not have the power to order the food's destruction. I understand that the bill will introduce powers to allow that to happen. It is quite a glaring omission at present that fraudulent non-food consumer goods can be seized and destroyed while fraudulent food cannot be. I just want to double-check that such a power will be introduced in the bill. Are all three of the witnesses content that the mechanisms in the bill are sufficient to achieve that aim?

Sue Davies: The good thing about the bill is that it will extend many of the provisions that currently apply to food safety to cover what it terms "food information." As you say, that will include the power to seize products that are not labelled properly and are misleading or fraudulent.

The bill also includes measures such as fixed-penalty and compliance notices that have previously been applied only to breaches that involve food safety rather than food standards. That is very important.

We would also like an additional power to be included. In the Scudamore report—I was involved in both reviews—we recommended that the bill should include the power for the body to require food industry testing and the disclosure of testing results. That would ensure that, when a situation arises in which there is potential fraud, we will not be relying on everybody's goodwill. That may work

in some circumstances but not always, so the bill could be strengthened further in that regard.

Bob Doris: Convener, do you mind if I ask a supplementary on that specific point before the other two witnesses come in?

The Convener: No, go on.

Bob Doris: Would the duty to disclose food industry testing be a standard duty? Would it be imposed by a sheriff who was dealing with an issue through the courts? How would it work?

Sue Davies: The problem that arose with horsemeat was that the Food Standards Agency did not, when it realised that there was a problem, have the power to enter many of the premises or require the food industry to carry out testing. The agency managed to get a voluntary agreement with the food industry to do more testing. The provision in the bill would apply in that type of situation to ensure that, when food standards Scotland needed the industry to carry out testing, that would be done. I would assume that, if such testing was not done, it would be a criminal offence.

Bob Doris: That is very helpful.

Sorry gentlemen, I cut you off before you came in. Would Mr Wildgoose like to answer?

Dr Wildgoose: The detail would be for the lawyers, but my understanding is similar to that of Sue Davies. The provisions that currently apply to food safety under the Food Safety Act 1990 will apply to food standards too.

My slight doubt—this might need to be checked—concerns the destruction of the food. The food can certainly be seized, and there are various other regulatory elements that will apply to standards, but I am not quite sure about whether the bill covers destruction. I am just looking to see whether that is in the bill. That point may need to be checked with lawyers.

I would like to mention one other thing. The standards stuff is important in the additional regulatory arrangements, and some of the bill's powers are enabling powers, rather than actual powers, so how those powers will be implemented will be decided through consultations, and FSS will be responsible for that. It is not the end of the story. The detail of how the bill will work will be in some of the secondary legislation that will take up those powers.

The other important thing, which Sue Davies mentioned, is that ensuring authenticity and standards is essentially international. Some of the legislation will not, and cannot, pick that up, because it needs to be done at an international or EU level, to ensure that long processing chains are properly regulated. That is a key feature that follows from the horsemeat issue, and we are waiting to see how Governments will respond to the Scudamore and Elliott reports. That is an important element, given that the horsemeat issue has shown how international some of those problems are.

The Convener: That is helpful. Mr Donaldson, do you have anything to add?

Alistair Donaldson: I have nothing to add to that. That has covered it comprehensively.

Bob Doris: I would like to clarify something. Are there examples of cases in which food information or labelling has been wrong, where authorities have stepped in and seized the food, and where they have wanted to ensure that that food was not put back into the consumer food chain, even though it was safe—just a case involving wrong food information or food fraud—but where the food still re-entered the world of the consumer? The policy memorandum suggests that that is a possibility as the law stands, because sheriffs do not have the power to keep the food. Is it currently the case that, if they seize the food and it is perfectly safe and not breaking any laws other than food information or food fraud laws, it has to be returned? I found it quite staggering that the policy memorandum suggests that, and I want to be clear about the situation.

Dr Wildgoose: It is my understanding that there is a gap in the legislation. I am not a lawyer and I have not looked at the matter in great detail, but that is my understanding of the position. The detail would need to be checked with the lawyers, but I am pretty sure that the memorandum will have been produced by lawyers and that it will reflect the current position.

Bob Doris: That is fine. When we come to the nuts and bolts of the bill, we find that the bill creates a duty that does not exist at the moment to report breaches of food standards or food information requirements. If you run a small business and seek to enter into an agreement to get some food produce, and then you find out that it is not legit, there has not been a duty on you to report that to the relevant authorities. A good small business would walk away and deal with a legitimate supplier, but it would not be compelled to report the breach. That compulsion is now contained in the bill, and it will be an offence not to report such a breach. Is that a provision that all three of you are content with?

Sue Davies: Yes, we are pleased that that is in the bill. It makes it clear that standards are an important issue. It came out in the Scudamore report, and Elliott's interim report on horsemeat has also highlighted concerns about a culture of turning a blind eye in the industry globally. People have been buying ingredients at prices that could

not possibly be realistic, and the introduction of standards can start to change that culture and make it clear that fraudulent practices are unacceptable.

Bob Doris: I take it that the other witnesses have nothing else to add.

The Convener: I think that there are a couple of supplementary questions on that point.

Dr Richard Simpson (Mid Scotland and Fife) (Lab): One thing that was suggested to us on our visit yesterday was that the ability to fine or punish somebody for fraud is really quite inadequate relative to the profits that are being made through criminal activity. Does the bill, or might the regulations, provide the scope to ensure adequate punishment of criminal activity that is highly profitable?

10:45

Sue Davies: That is being debated at EU level. The European Parliament has been considering the official controls regulation, which will be finalised when the new Commission and Parliament come back in the autumn. The Commission proposed that the fine should be equivalent to the cost of the financial gain from the criminal activity, but the Parliament has suggested that it should be double the financial gain, which we support. We need a range of enforcement tools. The fixed penalty notices will help, as will the requirement to disclose cases of fraud but, ultimately, there needs to be a criminal route as well as tough penalties. As I understand it, that measure would be reflected in the bill, but it is important that the provision is in it.

Dr Wildgoose: I have nothing much to add to that. It is generally recognised that the financial penalties in the area of food are much lower than those for contraventions outside that area, which can be punitive. As Sue Davies says, the issue is being considered at EU level to see what penalties are appropriate. I expect that things will change, depending on decisions in the EU.

Bob Doris: We are thinking about the nuts and bolts and we are trying to ascertain whether there is general support or whether you have concerns. I am glad that there is support in relation to the duty to report non-compliance. The bill uses the terminology of "food business operator". Are you content with the scope of that? Are there other people who might be aware of non-compliance and who would not have a duty to report but who should have such a duty? Many years ago, I was a kitchen porter in a hotel—earning peanuts, frankly. I would not want to put minimum wage staff in catering kitchens in an invidious situation by giving them a duty to report. Of course, there is a balance to be struck.

Is the term "food business operator" clearly defined? Should the scope of the duty to report be widened? I do not necessarily think that it should be widened, but it is important to ask the question.

The Convener: I see that Mr Donaldson's microphone light is on.

Alistair Donaldson: Oh, right—I was not aware that it was on. I am not sure that I am the best person to answer that. It is appropriate that food business operators take responsibility for their actions—I do not think that anybody would disagree with that.

To impinge slightly on the previous question, on sanctions, there are different tools in the box. With major fraud, some of the levels that are mentioned in the bill would be less than adequate. As Sue Davies says, the issue is being considered at the wider EU level.

Dr Wildgoose: The term "food business operator" is a well-defined term in legislation. It is the responsibility of the food business operator to ensure safe food and food of a certain standard. To be honest, I had not thought further than that and considered who else might be involved, but there are ideas for things such as whistleblowing arrangements. Those are more the kind of issue that would be dealt with in a code of practice or through a standard approach. There are plenty of examples of things such as secure phone lines, which are the kind of thing that I would expect FSS to consider—actually, I think that the FSA is considering whistleblowing, which I think is the issue that Bob Doris is referring to. However, it would be dangerous to change the definition of the term, as it is central to the way in which the legislation works.

Sue Davies: Bob Doris raises a good point. It is worth checking that nobody important would be excluded. With the horsemeat incident, all these brokers suddenly emerged that people had not necessarily been aware of. It would be good to ensure that all the intermediaries are covered by the definition of "food business operator".

As Jim Wildgoose was saying, it will also be really important that the new body has effective ways of gathering intelligence more generally. That was something that Scudamore recommended for getting better at economic analysis. Obviously, horsemeat was missed but someone should have been working out that horse is similar to beef and much cheaper than beef, so there was the potential for substitution. I know that it is very difficult, but someone should have been anticipating other areas in which criminals are likely to be making gains as well as looking at wider surveillance.

It is a difficult issue, but someone should be looking at how to get more informal intelligence

from the food industry and at rumours about where particular types of fraud might be taking place.

Bob Doris: That is helpful.

I might come back in later, but I know that my colleagues want to get in just now.

Dr Simpson: The Scottish Food Advisory Committee has an input to the United Kingdom Food Standards Agency. Will the SFAC continue after the creation of the new body?

Dr Wildgoose: The simple answer is no. It will cease on the vesting day of the new body and the arrangements that you are talking about will cease. Those arrangements were set up to allow a Scottish input to UK decisions on food safety and will be taken over wholly by the FSS following vesting day.

Dr Simpson: I realise that the Food Standards Agency Scotland is a subsection of the old Food Standards Agency in the UK, so we needed the separate body to make that input. Will the new FSS have the opportunity to make that input?

Dr Wildgoose: Yes. It is worth saying that the Food Standards Agency Scotland is simply the Scottish executive end of the FSA, so all its line management and so on comes from FSA central headquarters. After vesting day, FSS will be an entirely separate and self-contained body. The arrangements that we have had hitherto have simply been about looking after Scottish interests within the UK setting.

Dr Simpson: Presumably then the FSS will take evidence from Rowett, the Cambridge unit, the Norwich unit, and elsewhere. How can we be sure that the evidence will be compiled in a suitable way? It is all about relationships. Will we still have access to Norwich and Cambridge? I understand that they are complementary to the Rowett. Are they the only bodies?

Dr Wildgoose: No. This is a fundamental point. A number of scientific advisory committees are UK based but also report to Scottish, Welsh and Northern Irish ministers. They cover the whole gamut of food safety and some go beyond that; some of them have a food remit along with other remits. They are standard scientific advisory committees that are charged with providing the Food Standards Agency with the best scientific advice that they can get. When issues arise that require scientific advice, they will frequently provide it.

For example, there is an advisory committee on the microbiological safety of food. It has been very heavily involved in giving advice on a recent issue around raw milk sales. There are nine or 10 such committees and it is really important that the FSS has access to that advice and can ask questions within that forum. That comes very much within the territory of memoranda of understanding and, I assume, is one of the issues that is being worked up in getting ready for vesting day. The arrangements will need to be ready to go at vesting day so that when there is an issue in Scotland that requires scientific advice, that advice can be made available to the FSS.

That is not to say that there should not be co-ordination with the considerable research capabilities in Scotland itself, a number of which already feed into the scientific advisory committees, but I can see a role for something separate happening in Scotland in relation to scientific advice. Indeed, the SFAC looked quite closely at how that might work for Scotland, with the FSS giving advice to the new body. There are issues, such as how the Rowett institute of nutrition and health and various other research bodies around Scotland would link into the chief scientist who is responsible for the science. Those are crucial issues, because taking decisions on food safety relies on the correct science—the best science—being available.

Sue Davies: I do not have much to add to that. It is important that there is a clear agreement about how that will operate to ensure that the existing scientific committees pick up Scotland-specific issues. The new food body might have to set up its own committees on particular issues, in which case we would want it to work in the same way as the FSA has worked—it ensures that it meets in public, and there are strict criteria around independence. Particularly as a lot of universities now rely on food industry funding for the research that they do, we need to ensure that the independence of the research is not compromised and that there is no perception of that.

Dr Simpson: Thank you. We are considering the bill at a difficult time, in the sense that, after 18 September, we might be independent. I wonder whether the bill would have to be adjusted even further or what would happen in the event of independence. How would we link into the systems, which are quite integrated at present?

Dr Wildgoose: That is a nice question and an important one. It would be quite a difficult and costly process to duplicate the 12 or 15 committees of key experts who sit and pronounce on a range of scientific issues. That is why it is important for FSS to latch on to them.

I do not know what arrangements might apply following September, but I would have thought that it would be important to try to get single scientific advice on issues and not to have competing advice, so some sort of accommodation might be required. The advice has all been publicly funded anyway, and it is all in the public domain. How that would be maintained and how the advice would be obtained would need to be considered following a

yes vote in September. That would be an important issue because there are some quite big scientific issues. We hope that we will not have BSE again, for example, but we need good scientific advice to tackle such issues and for other things as well, so it is essential.

With the changes to the machinery of Government that occurred in 2010, the important Scientific Advisory Committee on Nutrition—SACN—became part of the Department of Health down south, and it has now moved on to health protection England, I think.

Sue Davies: It is Public Health England.

Dr Wildgoose: Yes—I got that wrong. That means that it does not meet in public—it is internal. There might be a specific issue about that committee in Scotland. The issue really boils down to how the new body would work with the access that is available, given how significant nutrition is likely to be for the new body.

However, those are not things specifically for the bill; they are questions about how the new body will work, which are matters for memoranda of understanding.

Sue Davies: A lot of advice now comes from the European Food Safety Authority, which is the basis for a lot of European Union legislation, approvals of particular types of products and the setting of safe levels for chemical contaminants. A close relationship with it is important. Obviously, that will change, depending on what happens in September. Relationships with other bodies, such as the World Health Organization, will also be important.

11:00

Alistair Donaldson: I endorse that. It is an important point, which will require real consideration to ensure that we can find the best way forward and one that enhances food standards Scotland's role.

The Convener: In the consultation, respondents to the call for evidence raised the issue of the new body being properly resourced. Yesterday, issues were raised about the current situation, irrespective of what happens on 18 September. Issues were raised to do with the science, which I think has been covered; the direction and funding of research; who would decide the priorities; relationships with the Rowett and others; and how we would get a balance there. Are there any views on that in respect of resources? The budget that was mentioned yesterday was around £11 million, I think. Around £5 million is currently being negotiated back from the UK body. The new body will have an influence in and be a focus for the whole area and we are talking about it having a budget of around £16 million.

Dr Wildgoose: The whole area of research, access to research and research commissioning will need to be looked at very carefully for the new body. We in the SFAC have done a little bit of work on that to give to those who will be involved in constructing the new arrangements. There will need to be a mechanism for linking into Scotland-based scientific advice, and that will need to be done fairly carefully if access to the main scientific advisory committees continues, as we would not want competing advice. I see a role for that and for perhaps setting up a separate committee in Scotland. I notice that the bill allows for the construction of separate committees, for example. That is right, as there are other areas in which that approach might be important, as well.

The amount of research funding that is available to the FSA in Scotland is very modest compared with the requirement for scientific advice. Therefore, collaboration with others, such as the scientific research bodies across the UK and, not least, the Scottish Government, with the money that it spends on other bodies, and access to their money will be fundamental in getting answers to some of the questions that have been raised.

On the general issue of budgets, the budget that has been set in the documentation that members have looks to me to be on the low side. The proposed new body will, of course, be part of the Scottish Administration and so will be included in the Government's funding allocation process. If more resources are needed, bids will go in through that route.

That is my general view. Future science provision to the FSS is a crucial issue. The new body will need to work hard on that to ensure that the right memoranda are around and that there are the right linkages and collaboration so that the right scientific advice and research come forward.

Alistair Donaldson: The research budget may look small. I was a board member of Quality Meat Scotland, which had a research budget of around £300,000, but it attracted additional funding from the Scottish Government and other sources, including European sources. There are plenty of mechanisms to build on the core funding and for being led by the scientific needs and securing funding through those particular routes.

Sue Davies: Collaboration will be important, where it is possible—in many areas, there will be only a limited number of experts to draw on. It is important that the source of the funding is clear, particularly in more controversial areas such as new food technologies, where one needs to ensure that one is relying on independent research.

On how you assess the scientific evidence, the scientific committee structure works well as it ensures that you get a mix of people with a background in various disciplines to weigh up the evidence and provide advice. Jim Wildgoose referred to the existing Food Standards Agency committees. In new areas, it is important to follow that model and to look at ensuring that a real mix of people are brought together to get the best outcome.

The Convener: I am interested in the point made by Mr Donaldson and Dr Wildgoose that there are individual budgets in different compartments, if you like, of different departments. Do we have any idea what the global figure is? The health service is looking at all this and is spending some money on research in relation to obesity, for example. The Food Standards Agency is doing likewise, as are others. Is there a global figure that could probably be used more effectively to focus on significant problems in Scotland?

Dr Wildgoose: I do not have a figure. I am not sure whether one exists somewhere—it may well do. However, I can tell you that there is a huge programme going on at the moment on E coli, which is a very important organism for Scotland. We tend to have a much larger incidence of shedding of E coli from cattle than elsewhere in the world, and certainly in comparison with the rest of the UK. A big programme on that is going on and a lot of Scottish Government money is going into it—it is not just FSA money. There might be research council money in it, too. I envisage collaborations being brought together to look at issues that are important for Scotland. You could envisage that kind of thing being important for the shellfish industry, which is important for Scotland, and perhaps for other areas. It all boils down to how food standards Scotland would take that agenda forward.

The Convener: The issue is not just the sum of money that would be available, but the independence of the research, which Sue Davies referred to. Some general concerns about that were raised. Do you have any comments on that?

Alistair Donaldson: That is a perfectly sensible comment. It underlines the importance of FSS being independent and transparent. Funding sources should be very clear; I do not think that anybody would have an issue with that.

Dr Wildgoose: I am sorry for coming back to this so often, but one of the UK committees is the General Advisory Committee on Science, which is a new development from the past five or six years. GACS looks at issues to do with the arrangements of science, such as the use of industry-led data and so on; it has done work on that kind of thing. I am not aware of it having done any work on access to funds through industry, but it performs quite an important procedural role to do with how these things would work across the scientific advisory committees and research establishments. That is quite an important role for addressing the very question that you raise about industry money coming in in certain areas and the use of industry data, too.

The Convener: Who would decide the priority in the budget? Would it be the board? Would there be influence from Government?

Dr Wildgoose: The General Advisory Committee on Science has tended to produce guidelines or procedures for use in particular areas. The one that I remember is on the use of data from other industry sources and how it can be best handled in research so that that is seen to be independent and objective.

The Convener: Are you all satisfied that the bill will ensure independence, or will that be done through memoranda?

Sue Davies: A lot of that is to be left to be sorted out at the next stage, through memoranda. That is why I said that the bill needs to be more explicit on issues such as the board's make-up and avoiding conflicts of interest, although more general requirements on ethics in public life, for example, will apply.

The more the bill is explicit on such issues, the better. We found with the Food Standards Agency and the Food Standards Act 1999 that, when priorities change, things that have been left a little ambiguous can easily be weakened in later years.

Bob Doris: Dr Wildgoose gave a balanced answer about how the best scientific advice is obtained when it is necessary. He said that the pre-eminent person or committee with the advice is approached, irrespective of whether that is for Scotland, the rest of the UK or Europe. The more I heard about funding, whether it is via the Scottish Government, UK research councils or Europe, the more I became—dare I say it—slightly excited, if that is the right expression, about the opportunities that are out there.

Could food standards Scotland be ahead of the curve on working with higher education institutions and others to scope horizon 2020—the €80 billion European fund for research and innovation—and identify areas for future research? Could the body be a bit more proactive—gung-ho is perhaps the wrong term—in identifying the next big thing in research, getting funds for it and being progressive? Do you see such a remit for food standards Scotland? A lot of money is swishing about, particularly Europe-wide, that I want Scotland's research institutions to access. Will food standards Scotland have a role in some of that partnership work?

Sue Davies: It will be important that food standards Scotland is linked in and takes opportunities where it can. As Jim Wildgoose said, lots of the same discussions are happening in lots of places. For example, the European Commission had a workshop a couple of weeks ago on tackling campylobacter, which is still the main type of food poisoning, and the Food Standards Agency will have a workshop on that next week. When the same experts are looking at different issues, it is important to work together.

One of the initial consultation documents about the new food body asked whether FSS should have the role of co-ordinating all food research. We were a bit concerned about that, because a lot of the stuff that will come out of horizon 2020 will—rightly—concern agricultural promotion, food industry promotion and developing new products, which are important but are not core to FSS's work. Making that distinction is important. FSS should take opportunities where it can, but it should not be distracted or compromised by going into different areas.

Dr Wildgoose: The answer to the questions that Bob Doris posed is yes. FSS could have a role in leading the curve on certain issues. That will boil down to how FSS works, which is not an issue for the bill. The body will need to choose the issues that it is involved in, because it will not be able to do everything, but it could be seen to be promoting excellence in certain areas.

Aileen McLeod (South Scotland) (SNP): I was going to ask about horizon 2020, as I will return to our relationship with the European Union. I know that that is not part and parcel of the bill, but that relationship is important, given that much legislation on food policy comes from the EU. What percentage of the legislation that the FSA deals with comes from the EU? How do you see the new body developing or enhancing the relationship with EU institutions—not just the Commission and the Council but the European Parliament, which plays an important role as it is a co-legislator with the Council on a lot of food safety legislation?

Concerns were expressed in written evidence about ensuring that the new body has an effective voice at an early stage in the EU policy-making process and that we can put forward Scotland-specific concerns. Given the new body's new role with regard to diet and nutrition, how do you see that working? For the moment, the UK remains the key avenue of influence for Scotland to have its say on European legislation.

11:15

Sue Davies: Pretty much all food safety and food labelling legislation is decided at European level, but there is a certain amount of flexibility in implementation. The food information to consumers regulation, which was adopted a couple of years ago, is a big piece of food labelling legislation that covers everything from country of origin labelling and the labelling of meat products to nutrition labelling; the traffic light labelling scheme, which is voluntary, was developed after that came out. There is also slight flexibility around, for example, the amount of meat in sausages and pies and the retention of some of those reserve descriptions, but generally all the decisions are made at European level.

The diet and health area offers real scope and the most potential for doing things differently. Although certain aspects are covered by EU policy initiatives, they are more for guidance rather than regulation, and a lot of that is about encouraging and incentivising the industry to do things as well as regulating where there is the potential to do so.

The relationship with EU bodies will be important and, again, it will depend on what happens with the referendum. At the moment, the Food Standards Agency would, as the UK's competent authority, be represented on EFSA's advisory forum and the Standing Committee on the Food Chain and Animal Health. Any memorandum of understanding will have to ensure that, as happens at the moment, FSS has a clear role in inputting into those positions, particularly in the development of policy.

More informal relationships will obviously be important. The FSA does a lot of work on, for example, emerging risks, and it will be important to have a two-way flow of information in that respect.

Dr Wildgoose: I agree entirely. More than 90 per cent of the legislation in question will be EU based. However, you will be aware of how policy gets developed in the EU; ideas float around Brussels and Luxembourg for a long time before they actually become legislation, and the process offers an opportunity to influence matters. Indeed, in our response to the consultation exercise, we suggested having secondments from the body in Scotland to the European institutions. We believe that being on the spot is really important in how those discussions move forward and in being able to influence things, and we feel that a more or less formalised approach to secondments will be very important if the body is not only to influence the debate but simply to get information back about what is going on and where the key issues lie. That links back to Sue Davies's comment about having the right memorandums of understanding and SLAs.

The current formal position is already set out in memorandums that relate to the UK's representation in Brussels. If there is a yes vote in September, the ground rules will no doubt change

but, at the moment, those are the memorandums that we work within. Certain informal channels are very important. As I have said, secondments will be very important for information flow and influence on what is going on, and the new body will have opportunities in that respect.

Aileen McLeod: Secondments are a very good idea, but we also need access to all the relevant advisory and scientific committees not just at a UK level but in the EU.

Dr Wildgoose: Indeed. The same point applies.

The Convener: Richard Lyle will ask the next and final question.

Richard Lyle (Central Scotland) (SNP): This is not a question, just a comment. Dr Wildgoose said that bugs know no borders so, whatever happens in September, I am sure that the English and Scottish agencies will work with each other.

I have another comment. There are many universities that are doing good research. The research does not need to be done at FSS.

I have a question about local authority environmental health officers, who have not been covered. For 15 years, I was a manager in a grocery shop and I was previously a councillor. I came across environmental health officers who were extremely committed to ensuring food safety and ensuring that the public were safe.

I will ask about a comment that was attributed to Which? Sue Davies may dispute it or agree with it. Which? noted that there was great variation across local authorities in the effective enforcement of food law and argued that FSS should oversee and co-ordinate that to ensure consistent standards. Did you say that? Did you mean that? What do you suggest FSS should do? Why did you suggest that environmental health officers, who I know have worked extremely well to safeguard the public in their local areas, need to be more effective?

Sue Davies: Yes, we said that. It was based on some research that we did, which we published in January.

We were conscious that local authority resources were under a lot of pressure, so we examined how local authorities throughout the UK carried out hygiene enforcement and ranked them taking into account the level of compliance that they achieved in high and medium-risk premises. We did not consider the lower-risk premises, because we appreciated that local authorities had to prioritise. We also considered how proactively they tried to address non-compliance by examining how many of their planned interventions had been achieved and whether they got round to rating new premises.

That research showed that there was real variation throughout the country. For example, West Dunbartonshire Council had around 50 per cent compliance whereas others, such as Orkney Islands Council and North Lanarkshire Council had much higher levels of compliance. The picture was similar throughout the UK.

We appreciate that many local authorities are doing a really good job, but the research shows that there are variations in the resources that they have available to them and the nature of the premises that they deal with. Some of the cities may have a big turnover of premises that are constantly opening, and keeping on top of that can be difficult.

We appreciate that hygiene enforcement is a local authority responsibility but it seems that there is a need for a more strategic view to be taken so that it is not just a lottery that depends on whether somebody lives in an area where the local authority has really cut back and is having difficulty getting around to food hygiene or food standards work, or in one that has a 97 per cent compliance rate.

The new food body would have an important role in examining which local authorities are struggling and supporting them, examining what kinds of food business exist and how we can match that with the expertise that we have within the environmental health profession to ensure that we have better coverage throughout the country. In Scotland, there are already good mechanisms for co-ordinating the 32 local authorities, such as the Scottish food enforcement liaison committee, but we envisage FSS having a more proactive role than the one that the Food Standards Agency has performed until now.

Dr Wildgoose: That is an important issue as well. I keep saying that there are important issues, but the linkage is important because the vast majority of businesses that require regulation are regulated through local authorities. Although it is the local authorities' responsibility, there is a kind of overall responsibility to Scotland to ensure that the legislation is complied with.

The key point that Sue Davies mentioned is the pressure on resources. We can see that. In the job that I do, I go round and see environmental health departments. I very much agree that environmental health officers are very committed, but I also see cuts, lots of change and churn and loss of experience with older people leaving. That can have an effect on the operation of the regulatory activity.

The new body will need to look carefully at the existing model and consider collaborating much more with local authorities in the use of resources and so on. It goes back to the issue that I

mentioned earlier in relation to nutrition. There will need to be much more of a collaborative effort to ensure that the right things are done at the right time. I think that it is still possible to do that with declining budgets, but it needs to be looked at carefully—that is key. I do not see the issue of declining budgets going away anytime soon.

I am involved in looking at audits of what local authorities are doing to comply with the legislation, and it is clear that there is pressure in certain areas. There is greater pressure on the food standards side, because of the resources, than there is on the environmental health side. However, there is pressure on both sides, and that will need to be addressed by the new food standards body.

The Convener: There is a lot of surveillance inspection on food hygiene and so on, but NHS Lothian made the point that there is no dietary surveillance. Perhaps there should be a role in that for the new body. What is your view on that? Is that a function of the FSA? If so, why will it not be transferred?

Dr Wildgoose: Some good information is already available under various surveys. They tend to be done on a UK basis, and Scotland sometimes augments the sample to get better information. That information is used, for example, to look at the dietary targets on salt, fat and sugar. A fair amount of work is being done, but it is a very expensive area to survey. Given its responsibility for diet, FSS should look at whether the information that it gets back is fit for purpose or whether more could be done in that area.

The Convener: On behalf of the committee, I thank you for the time that you have spent with us this morning and the evidence that you have provided.

11:27

Meeting suspended.

11:32

On resuming—

NHS Boards Budget Scrutiny

The Convener: We move to agenda item 2 and continue our NHS boards budget scrutiny. Today we are taking evidence from a number of special NHS boards, and I welcome Simon Belfer, director of finance and business services at NHS National Services Scotland, Pamela McLauchlan, director of finance and logistics at the Scottish Ambulance Service, and Maggie Waterston, director of finance and corporate services at Healthcare Improvement Scotland.

In the interests of time, we will move directly to questions, and our first question is from Richard Simpson.

Dr Simpson: I will ask about planned efficiency savings. I know that there is not a target this year, although 3 per cent is understood to be the continuing target. I notice that Healthcare Improvement Scotland says that it is planning efficiency savings of 5.6 per cent, that the Scottish Ambulance Service is planning 4 per cent savings, and that NHS National Services Scotland is planning 3 per cent savings. Can you give some examples?

I am particularly concerned about savings being made in terms of the workforce. HIS says that 70 per cent of the savings will be achieved through workforce planning. Given the demand for the services of Healthcare Improvement Scotland in inspection and monitoring, I am slightly surprised that you will be able to make those savings. Could you give some examples of how you will do that, and say which are cash savings and which are design savings?

Maggie Waterston (Healthcare Improvement Scotland): Healthcare Improvement Scotland has created and resourced its local delivery plan—LDP—for this year. We had a voluntary redundancy scheme two years ago, and some of the savings from that are recurring and have come through in the past couple of years. That has helped us to re-engineer our workforce and reinvest in scrutiny—for example, we have put an extra £0.5 million into scrutiny in the past two years to enable that work to be done. That particular cash-releasing efficiency saving has allowed us to focus more on delivery.

Dr Simpson: That is a historical gain from redundancies that you have previously achieved—

Maggie Waterston: That we have previously made.

Dr Simpson: And it is now coming through as a saving in your workforce and employee budget.

Maggie Waterston: Yes. We also need to look at the make-up of our budget. A considerable proportion of our budget is in separate allocations from the Scottish Government. We are working with the Government to see what we can transfer into our baseline, because some of that money pays for staffing as well.

Dr Simpson: So there are savings from the non-recurring becoming recurring.

Maggie Waterston: Yes.

Dr Simpson: Right. Someone else may want to ask about that.

Pamela McLauchlan (Scottish Ambulance Service): I will pick up on efficiency savings from our perspective. Dr Simpson is correct that we have to produce 4.1 per cent efficiency savings. In 2014-15, 3 per cent of that will be cash and 1.1 per cent productivity gains. The ambulance service has historically achieved in excess of 3 per cent cash-releasing efficiency savings in the past three years, which have totalled somewhere in the region of £20.1 million.

We have been successful because we tend to have work plans that go right across the organisation rather than giving individual targets to individual areas. One of our key workstreams at present is on our scheduled care service. We have a five-year plan to redesign that particular service, which will make it more efficient and effective. Workforce savings have emanated from that and we have achieved them through natural wastage when people have decided to retire or move on to careers elsewhere, predominantly within the ambulance service.

We have other workstreams that are not workforce related; I can highlight those if the committee so desires. First, I will hand over to Simon Belfer, who can explain the efficiencies in his area.

Simon Belfer (NHS National Services Scotland): Our position is very similar to that of the ambulance service. The majority of our efficiency savings come from service productivity gains. We are creating, launching and delivering new services and driving efficiencies from existing services. The minority of our efficiency gains come from workforce savings. All our savings are recurring.

I have been in this role for five years now. We have consistently delivered between 3, 4 and 5 per cent of cash-releasing savings each year, and we have overdelivered against our LDP target each year. In addition, along with Healthcare Improvement Scotland and two other special health boards, we have actually returned cash to the Scottish Government for each of the past few years. That will total the best part of £20 million by the time we get to next year.

The single biggest thing that we have done as an organisation is our property consolidation and rationalisation programme, which will save the best part of more than £40 million over 10 years. That has been the real driver. We will of course get to a point at which we cannot continue to deliver incremental savings because we have run out of properties to rationalise and consolidate, and we will hit that over the next couple of years or so, but the programme has been the cornerstone of our savings.

Dr Simpson: I have a supplementary specifically for the ambulance service. Issues such as double manning, the ratio of paramedics to technicians and passenger transport have been raised in the Parliament. What is happening in those three areas? Are you improving the double-manning situation and ensuring that ambulances are always double-manned when it is relevant? Are you ensuring that the ratio of paramedics to non-paramedics is improving?

Pamela McLauchlan: Your question is specifically about the paramedic-technician ratio and single crewing. On the emergency side of the organisation, which we classify as unscheduled care, we have progressed well and do not have planned single crewing. Unfortunately, resources sometimes have to be single crewed at very short notice, but that happens in less than 1 per cent of cases. Our paramedic response units are deliberately single crewed, as those are the services that we target at patients who can safely and effectively remain at home and who require diagnostics and treatment in their home environment.

We are endeavouring to have a 60:40 paramedic-technician ratio for our traditional double-crewed ambulances. About two years ago, we were supported by the Scottish Government to increase the number of paramedic staff by 150. It takes time to train and educate staff to paramedic level, so we do not quite have a 60:40 ratio at present, but we are endeavouring to achieve that ratio during this financial year. We must ensure that staff with the right skill mix attend the patient. That will sometimes be a paramedic and a technician, but at other times it will be other skill mixes.

The other side of our organisation is scheduled care—you described it as the patient transport service—which does not have a specific skill mix. However, through our patient needs assessment, we are ensuring that we ask the right questions to find out who requires medical assistance en route to hospital or on their return from hospital. We want to ensure that, for example, if someone requires the assistance of two trained individuals

from the ambulance service, that is what they get. In some instances, they may require only one trained individual. Through our patient needs assessment, we ensure that we are getting the right resources to patients.

Dr Simpson: That is helpful. I have one final question in this section. We get annual reports of the efficiency savings that have been achieved and the targets for the next year. However, Maggie Waterston says that quite a lot of the savings are made over a number of years. You plan changes in the service, redundancies or retirements allow you to implement those service redesigns and, as a consequence, you make savings subsequently. Should we not be looking at such things in the longer term? That feeds into what Simon Belfer said, as well. As the savings are achieved year on year, there will be a finite achievement in areas such as estates. It would be helpful for forward budgeting if we had the opportunity to look at such things over a three-year period rather than a one-year period. Do the witnesses have any comments to make on that?

Simon Belfer: We are all required to submit at least a three-year plan every year as part of our LDP, including our service plan, our workforce plan and our financial plan, so the information is there. A number of boards—mine included—look ahead five years anyway. We ask where we want to be in five years' time and track back to the present the actions and activity that we need to undertake, which leads us down a slightly different route than we would take if we evolved from where we are. Government officials have detailed savings information from every board for at least three years, and that information should be available.

Pamela McLauchlan: Likewise, the Scottish Ambulance Service has a five-year plan for our scheduled care service, which is a key workstream that will progress. We are currently in year 3 of that. As Simon Belfer says, we are also required to submit three-year financial plans, which means that some of the efficiency savings that we have identified in 2014-15 will continue in 2015-16 and 2016-17 although others will be completing.

The Scottish Ambulance Service has property in 150 locations across Scotland so we have opportunities to co-locate. We are trying to do that, predominantly with health boards, but if that is not possible in a particular area and we require to be located there, we are also examining opportunities with the other emergency services—fire and police. That work started this year and it will go on for several years. We have made really good initial progress with NHS Dumfries and Galloway, and NHS Ayrshire and Arran.

That will be more efficient for the public purse and it will provide opportunities for staff to be co-located with other healthcare or emergency services staff. The efficiency and effectiveness that that brings and the improvements that it can make to direct patient care cannot be ignored.

11:45

Maggie Waterston: HIS is just three years old and it has legacy organisations, so we have had a bit of sorting out to do to change our model to deliver our purpose. At this stage, we have a relatively stable strategic environment. We have the 2020 vision, which is the quality strategy that is taking us to 2020. We have just redone our own strategy that takes us to 2020 and aligns itself very closely with the 2020 vision.

We are now looking to the longer term and how we can deliver what we need to deliver. We are looking at different ways of delivering that strategy. Inspection might not be just inspection; it might be a comprehensive analysis of a board. We will use different factors. We will not just go into a health board and do an inspection; we will look at what patients, the public, staff and perhaps the ombudsman have to say. We will look in the round at a different way of delivering our strategy and working in collaboration with others to deliver what we have to deliver.

Dr Simpson: That last bit is very welcome; thank you very much indeed.

The Convener: I would like some detail as to what "efficiencies" actually means. I know that HIS is to achieve 70 per cent of its saving through efficiencies via the workforce. Does that mean that your existing workforce needs to go and be replaced with the workforce that you will need in the future? Is that the transition that you are talking about?

When the committee took evidence on this two years ago, there was a big question about whether HIS had sufficient budget to do what it had to do. We lost a lot of institutional knowledge through losing inspectors. I think that you started to recruit or were using contractors. Is that all in place or was that just a temporary and transitional period?

Maggie Waterston: You have touched on quite a few things that are still being finalised. A lot of our savings will come through vacancy management. We have quite a big churn in our workforce during the course of the year. That is largely because of our funding model. We have a baseline budget, but we also get separate allocations from Government for things like the patient safety programme, so we have been able to recruit people only on a fixed-term basis.

That is all about to change, because we are discussing with the Scottish Government how to resource those programmes. We are not,

therefore, expecting the same staff turnover. Last year, our turnover was about 9 per cent, so we felt that achieving 70 per cent of our efficiency savings through that route would be manageable. We obviously have to keep a close eye on it, and it might mean that, if some of the corporate services posts for which I am responsible become vacant, we might just delay recruiting for a month or two. We will look at every vacancy that comes up and see how we can do things differently and how it can enable us to change the way in which we deliver.

The Convener: It is not encouraging to hear that you have had that churn. To be fair, we know that Healthcare Improvement Scotland is a young organisation and that it is being asked to do increasing amounts of work with regard to children, prisons and so on, but it is something of a concern.

As some of the questions that I am about to ask will also apply to the other witnesses, I will appreciate it if they can pick them up. First, I wonder whether you can help me understand the situation with earmarked funding, with regard to the 70 per cent of efficiencies that you have just mentioned. Particular initiatives that you have been directed by the Government to implement are covered by earmarked funding, so they are okay. However, that means that you will have to make the efficiencies on your core funding, and basically there will be negotiations about packages of money to deal with the recruitment crisis or to be able to take on additional responsibilities or play a bigger role in inspecting acute or clinical services for elderly care or whatever. Is that the way it works?

Maggie Waterston: Yes. Our efficiency savings will be made on our baseline funding. The funding that we then receive for, say, the patient safety programme will not be subject to efficiencies. The money that we receive from the Government will be spent—

The Convener: As has been specified.

Maggie Waterston: Indeed. We have resourced ourselves up to the local delivery plan that has been agreed, but, during the year, we might get ad hoc requests from the Government or we might decide to concentrate on certain pieces of work and we would look to the service to help us resource that. It is really important that whatever we do happens in collaboration with the service. Indeed, in the past, we have been assisted by experts in the territorial health boards. The philosophical point is that if we are a central body we have to be as lean and as leanly resourced as it is responsible to be to ensure that we deliver real value and free up funding for patients.

The Convener: My final question goes back to a point that was highlighted earlier. Do you need a bit more flexibility? I believe that you said that you were discussing with the Government the possibility of using some of the fixed funds to deal with core issues. After all, you might well have earmarked funds that you might not be spending at the moment but which, if you had the flexibility, you could use elsewhere in the organisation.

Maggie Waterston: We would still intend to use that money for the purpose for which we received it. We are discussing with the Scottish Government the possibility of that funding being earmarked in our baseline, which could give us more flexibility.

The Convener: I will come to Simon Belfer in a moment, but I want to pursue this wee question, because I think that the issue applies to you all.

How can you make plans for your workforce five years in advance when your funding stream is as you have just described it and when you do not know what a Government, irrespective of what it might be, might ask you and your workforce to do in the next five years? Where are the planning and control in all this?

Maggie Waterston: We can make those plans because we understand our purpose and because we largely set our own direction. Healthcare Improvement Scotland gets some ministerial direction and has to meet certain legislative responsibilities, but we can plan them in. It comes back to my point about having a relatively stable strategic environment until the 2020s.

The Convener: Getting good value is important, but given that we are dealing with health services, quality is also important.

Maggie Waterston: Absolutely.

The Convener: But what happens if we have people coming and going all the time?

Pamela McLauchlan: Our 2020 vision is in line with the Scottish Government's 2020 vision of delivering more care locally to people in their own homes, and from that, we are planning what our workforce will look like by 2020. We expect that it might look significantly different from how it looks at the moment. We simply have to go with that, make certain assumptions and carry out different types of scenario planning; indeed, that is what we are doing at the moment.

We need to ensure that we have support from our territorial boards. If we are to deliver more care at home, it is important that we have effective professional-to-professional support networks. We are putting such support in place in different parts of Scotland.

It is possible to plan for the future, regardless of what the funding allocations are likely to be. That can be done by making certain assumptions and building a workforce that is flexible and responsive to the changes in the external environment.

The Convener: I am sure that we will come on to risk and accountability, because if people are working in an uncertain environment, who can be held to account?

Simon Belfer: Workforce planning is an interesting issue, but I would like to return to earmarked funding. The strict definition of efficiency savings applies to the baseline. However, earmarked funding may continue at a flat rate for several years, although the costs of delivering the relevant services might not remain flat, so to live within the means of the earmarked funds, one often has to make efficiencies. That is just the way of the world.

It is interesting that Maggie Waterston says that we are in a stable strategic environment. From an NSS perspective, the situation is a little different. The Public Services Reform (Scotland) Act 2010 was passed a few years ago and the Public Bodies (Joint Working) Scotland Act 2014 is now being implemented. Under the 2014 act, we are the only board that is subject to a section that says that we can operate outside of health; indeed, we are expected to be willing to do that. We know that health and social care integration is taking place and that a great deal of activity is under way on the sharing of services by health, local authorities and other public sector bodies. There is real clarity about our baseline, which relates to the services that we provide within the health service, but there is quite significant uncertainty about the scale and timing of other requirements that might be placed on us.

It is relatively easy for us, as an organisation, to create flexibility to deal with some of those requirements. If we take information technology, there is a ready market of flexible resource to help organisations to scale up and scale down IT activity—we have just run the Scottish wide area network programme, for example—but when we get into areas such as how data integration might work, there is not necessarily a ready market of qualified people with the right values and perspectives. We are trying to plan five years ahead. In some areas of our activity, that is relatively straightforward to do, but in others it is harder.

We believe that we are involved in all the right governance groups and all the right conversations, but I suspect that only time will tell when it comes to whether we have managed to get the right balance between efficiency and effectiveness, which means not having people and resources that we do not need while having the ability to deliver when we are required to. We think that we are doing a decent job, but I am not going to say that I know that for sure.

Bob Doris: The convener has been pursuing an important line of questioning.

Ms Waterston, did you say that staff turnover, if core staff and staff on fixed-term contracts are included, was 9 per cent?

Maggie Waterston: Yes, it was 9 per cent last year.

Bob Doris: It would be quite helpful to know what the turnover is among your core staff. If you do not have that information to hand, perhaps you could send it to the committee. The 9 per cent figure could be a bit misleading, because you might employ 50 people on a two-year contract for a specific piece of work. Turnover of those staff is a bit different from core staff turnover. Can you give us an idea of how you account for those two different things?

Maggie Waterston: I will come back to you on that, as I do not have that information to hand.

Bob Doris: Right. I would be concerned—

The Convener: Could you describe the difference between your core and your contracted staff? Are the contractors inspectors?

Maggie Waterston: No. The scrutiny and inspection work is done predominantly by core staff.

Bob Doris: It would be extremely helpful if all three witnesses could supply us with that information.

I would expect you to be able to tell me what a healthy turnover of core staff would be that would give you the flexibility and scope to redesign services without having to make compulsory redundancies and what level of turnover you would consider to be a danger—that is the wrong expression; I mean a level of turnover that would not be ideal for the management of the organisation. A turnover of 9 per cent would seem to be too high, but I suspect that the figure for core staff will be a lot lower than that.

Maggie Waterston: It will be a lot lower than that for us. One of the key things with regard to the demographic of our workforce is that approximately 10 per cent of our workforce is 55 or over, which means that a lot of extremely experienced people are heading for retirement. We are considering ways of keeping that experience in the organisation. Those people might be willing to reduce their hours, which would certainly save us some money and would keep that experience in the organisation. There is some engineering to be done around the demographic of the workforce.

12:00

Pamela McLauchlan: With regard to its core staff, the Ambulance Service is not in the same position as Healthcare Improvement Scotland. Our turnover was 5.3 per cent last year. With regard to the demographics, 25 per cent of our workforce is aged over 50, which means that, over the next few years, we will experience a significant amount of turnover.

Historically, people have tended to enter the Ambulance Service through our scheduled care service and are able to progress their careers into unscheduled care. However, among the more recent additions to our workforce, there are more well-qualified people who are coming out of university with degrees, but not degrees in paramedicine.

In the future, our workforce will require different types of specialist skills. The Ambulance Service will be able to provide some of that education, but we are also looking to the university sector. We currently have a partnership with Glasgow Caledonian University, which undertakes our undergraduate training, and we are looking to universities with regard to some of the postgraduate qualifications.

Bob Doris: I was going to ask whether you are planning for ways to deal with that ageing workforce, but you clearly are.

Pamela McLauchlan: Yes.

Bob Doris: That is reassuring. Does Mr Belfer want to add anything?

Simon Belfer: I do not have any information to hand, but I will try to get something to you.

Bob Doris: Is there an overlap in the different terminologies that we are using? Could earmarked—I almost said ring-fenced, but that is not right—funding also be non-recurring funding? Is there an overlap? Can they be the same pound?

Pamela McLauchlan: They could be different. We sometimes get earmarked funding for specific workstreams. That might not be just for one year, non-recurrent, but it could be for two or three years.

For example, the Ambulance Service has just taken on specialist retrieval services for Scotland for adult, neonatal and paediatric services. That funding is earmarked to ensure that we utilise it for that intended purpose and to enable the service to be fully established and taken forward. The funding will be recurrent and will stay within our baseline, because we intend to look after that service well for the next few years.

Another element of ring-fenced or earmarked funding is the funding for the Commonwealth games, which we are receiving this financial year. Obviously, that is just for one year, although we had some planning funding for two years previously. However, once the Commonwealth games are completed successfully, the funding stream ceases.

Bob Doris: I am just trying to find out whether there is an overlap. I assume that you can be told, "This is earmarked funding for a two-year programme. You must use the funding for that, so it is non-recurring after two years." I take it that, in general terms, there will be overlap. I do not want to dwell on the point; I just want to be clear. Is there an overlap between those two things?

Simon Belfer: When we are dealing with the health finance department, we are clear that there are three categories of funding: baseline funding; earmarked funding; and additional allocations.

Baseline funding recurs from year to year, with an annual uplift that is decided by others, for territories and for special health boards—we can talk further about that if you want. Earmarked funding tends to be slightly longer-term than additional allocations: I have certainty this year that earmarked funding that we have been told will be provided for two, three or four years will recur. Additional allocations relate to issues such as the Commonwealth games and programmes that will not continue into the next year if a particular directorate does not have money next year.

Some of the additional allocations can be a little unrealistic. For example, we have had discussions with various parts of the health directorate around the human papillomavirus vaccination programme. When that was first launched, some additional allocations were made. As we considered how we would get the staff—this goes back to Maggie Waterston's point—we reflected that we were being asked to start providing a long-term service. We would not suddenly start the HPV programme and then change our minds after two years; we would have to carry on and at least monitor it.

We have been extensively involved in trying to transfer money from additional allocations into baseline where that is appropriate. That gives me an efficiency ask, as I need to find 3 per cent of the money. In order to find permanent staff and get the right IT contracts in place, it is important to have the money in the right buckets. We have taken out about 70 per cent of our additional allocations over the past few years, either because the programmes have finished or because of things being moved across to the baseline.

I am sorry that that was a long answer.

The Convener: No, it is all right—I was just scratching my head.

Bob Doris: Those points are really important. This is perhaps my lack of understanding, rather than a lack of clarity—I apologise for that. I think that I am right in understanding that Ms Waterston was talking about earmarked funding that could be recurring for a number of years—but not ad infinitum, obviously—and about how it is better, rather than having staff on fixed-term contracts, to make them permanent members of staff. The discussions that you have with Government are about when earmarked funding should come under the core and baseline funding. The question is how much you transfer over to baseline funding on an annual basis.

Maggie Waterston: We are transferring the money over, but on a recurring basis. That would follow the model that Simon Belfer just described.

We have a number of allocations. Last year, we had about 40 separate allocations of funding. In itself, that becomes a bit of a cottage industry in the finance team—chasing, finding and allocating the funding—which is not sustainable, for us or for the Scottish Government. We are working closely with the Government to transfer that across. There is an efficiency to be had immediately in terms of admin support.

Bob Doris: Let me paint a picture of the situation. There are 40 different individual pieces of funding, earmarked and recurring for a length of time—that is fine; we get all that. However, if some of them have been kicking about for quite a long time, it could make sense to track them, bundle them together and transfer them into the core baseline budget, and that is the discussion that you are having with Government. That transfer gives greater stability for staff members and gives them a career pathway, and there is an efficiency saving.

Is that right? I do not want to put words in your mouth, but I am trying to be clear in my own mind about the situation.

Maggie Waterston: That is exactly it. In that situation, because we would have permanent staff, we would be able to engineer exactly the type of staff that we want and the flexibility that we want. We would have to seek efficiencies within all that, to do with our processes and the different areas of our organisation working much more closely together so that we are not all sitting in separate departments. There are lots of ways to do that. We would have to lean our processes going forward, and I am not saying that such an approach would be easy or that it is a simple solution to things. It is difficult—but it is difficult for a lot of people to manage budgets.

Bob Doris: This question is almost a procedural one. When do you think that it would be relevant for the committee—whoever sits on it in future—to ask for an update on the work that you said was on-going and on how many of the various different pots of cash for earmarked funding are now in baseline funding, to ask what that means for staff terms and to ask how many individual members of staff have become part of the core staff team and had that career pathway and that stability? Should that be this time next year, in two years' time or in three years' time?

You will say that it is an on-going process. Let us say, however, that there is a baseline of today for that process. When do you think we should get an update to ascertain its success?

Maggie Waterston: I am confident that negotiations with the Scottish Government are going well. It has the same will that we have to make Healthcare Improvement Scotland's baseline more realistic. I expect that we would be budgeting on a bigger baseline for next year, because we would have resolved those separate allocations by then.

Simon Belfer: The health service works in annual cycles. Each year, you can see absolute data and see how much is in each pot. It is rather like a bath with a tap and a plug: as we sort out the stuff that we know about today, new ideas, activities and issues start coming in as new projects. The question is: when is something a project, and when is it business as usual? The important thing is the transfer process. On an annual basis, you would absolutely get the data.

Bob Doris: I take it, Ms McLauchlan, that the Scottish Ambulance Service is in a bit of a different situation.

Pamela McLauchlan: Yes. Our earmarked funding comes to about £9.6 million. As I have indicated, £6.6 million of that is for specialist retrieval, which is a service that we will continue to provide for the foreseeable future. As the amount is relatively small with regard to our overall funding, we are not in the same position as Healthcare Improvement Scotland.

Simon Belfer: Just to put this into context, I note that, five years ago, our earmarked funding came to more than £100 million; last year, it was £57 million and this year £33 million. We have made real inroads into that issue.

Bob Doris: Thank you for your patience in taking me through all of that. I have found it very helpful.

Rhoda Grant: I want to take you back to non-recurring funding. The Scottish Ambulance Service has provided some easy-to-follow examples of that funding, and I wonder whether the other boards can provide similar examples.

Maggie Waterston: Yes. We have non-recurring funding to deal with, for example,

adverse events. Last year, we undertook a big piece of work on adverse events in all the health boards, and we have created a framework that we are now implementing across the health service to ensure that people can learn from others who have dealt with such events. That work cost about £300,000.

Our non-baseline funding is all non-recurring and covers not only the patient safety programme, which costs £1 million, but the new death certification review system that we are busy moving to. This year, we expect to receive about £1 million for that process until things have stabilised and settled down. The non-baseline funding also includes some money for the Scottish Medicines Consortium's new medicines review. Again, that is a new process that we are developing and implementing, and we expect it to go into the baseline in due course. Those are probably the largest examples of non-recurring funding.

Simon Belfer: I can highlight three quite different examples, the first of which is funding for abdominal aortic aneurysm screening. Such screening is new and, while it is in project phase, it is not included in our baseline but is counted as separate funding. I hope that, over time, it will transfer into our core business in the same way as some of Maggie Waterston's programmes have done for her.

Secondly, we have been developing a project focusing on tooth-specific data capture and information. As far as dentists have been concerned, that information has been at mouth rather than tooth level. The approach is already delivering savings, but it is still in the project phase.

Thirdly, through one of our operating teams—Health Facilities Scotland—we do a lot of work on the health service estate and other such assets. The state of the estate report has been produced on the back of software that we have installed, and we are doing further iterations of project work to keep refining things and digging into what is going on. Elements of that activity receive short-term funding instead of being in our baseline.

Rhoda Grant: It seems to me that an awful lot of those things will be included in your baseline funding in the future. How does non-recurring funding impact on your ability to plan or, indeed, recruit staff? Are you confident that you are carrying out those pieces of work as efficiently as possible and getting the right people for the jobs? After all, you can offer only short-term contracts at the moment. Would it not have been better for this funding to have been included in your budget from day 1?

Simon Belfer: We as an organisation have to decide how much risk we are willing to take. If someone is simply not interested in working for our organisation on a fixed-term contract but the service still needs to be provided, we end up having to take the risk of employing someone permanently and seeing what happens at the end. Depending on other conversations that we might have with Government or other health boards and public sector bodies, that individual or team might have other things to do when the time comes; of course, that will depend on how transferable their skills are.

For us, there are no black and white rules; it is not that if we receive short-term funding we get only fixed-contract people. Things are not that straightforward, because in many instances we would not be able to deliver the service to the required quality, time and other standards. We have to take those risks.

Pamela McLauchlan: Speaking from a Scottish Ambulance Service perspective, I should say that if we know that the funding is non-recurring and is only for a defined period of time, we tend to target it at education, training and research. However, some members of staff might get involved in projects. For example, as part of the local unscheduled care project, we are piloting community paramedics in three areas of Scotland, and we are seconding staff from their current roles to work there.

I believe that secondments are a very valuable way of developing staff, as they give staff opportunities to work in areas that they perhaps have not previously worked in. If the funding source does not continue, you can place them back in their previous workplace.

12:15

Maggie Waterston: My organisation has had to take the risk of employing people permanently to ensure the continuity of the patient safety programme.

When it comes to, for example, the new medicines review and death certification, we have agreed with the Scottish Government what we expect it to cost to recruit all the people to deliver the work. In essence, we will draw down that money from the Scottish Government as we spend it, rather than the Government giving us it all at once. In the case of the new medicines review, the Government may not give us the £815,000—we will draw down the money as we spend it. Although there is a plan for how we spend the money and implement the process, there may be delays and it may be slightly more expensive. We would therefore negotiate with the Scottish Government as we go.

Once the processes are complete and are resourced properly, the funding will go into our baseline and the staff will be permanent recruits.

Rhoda Grant: On a slightly different subject, could I ask Pamela McLauchlan about the scheduled care efficiency savings that the Scottish Ambulance Service intends to make?

Pamela McLauchlan: As I indicated, we have a five-year project that is looking at our scheduled care, which is planned transportation of people who require medical attention en route to hospital. Such care is predominantly provided for out-patient appointments and is sometimes provided for oncology or renal dialysis. We are also increasingly using the resource for planned discharges, to assist the territorial boards in optimising their bed capacity. That may involve a transfer from a hospital setting to perhaps step-down care, nursing home care or a patient's own home.

Various workstreams are on-going as part of that project. As I said, the key to this is a patient needs assessment, because we must ensure that there is a robust process in place to appropriately assess the individual people who require such medical assistance. That feeds through into how we plan the use of our resources and day control, to ensure that we have a flexible resource that can respond to the needs of the patient and assist territorial health boards.

Rhoda Grant: That concerns me, because one of the biggest bugbears of my constituents in the Highlands and Islands is the lack of provision for patient transport services, which is what I think we are talking about. Disabled people are sometimes not told until the day before their appointment whether they will be transported to hospital—in most cases they will not be—which means that they cannot attend and, given the timescale, their appointment cannot be filled. That creates huge inefficiencies in clinics and hospitals, because they have a no-show. It can also cause a great deal of distress to patients, who are sometimes elderly and cannot make their own way to the hospital. Is any work being done to see how we can provide a reasonable service? I get complaints about missed appointments from both patients and clinicians throughout my area.

Pamela McLauchlan: Absolutely. That is why we are looking, through our planning and our day control, to ensure that the situations that you describe do not happen. We are also looking at our phone lines, because a lot of the demand that we get on our phone lines is from people checking whether their transportation is booked. We are carrying out work in that area to ensure that the reassurance that they seek is provided.

As I am sure you are aware, a lot of people who require transportation to access healthcare, especially in the Highlands and Islands, do not have a medical requirement for such assistance. In that case, it is about working with the voluntary sector and other transport providers to ensure that a transport mechanism is available for people who require only transportation and do not have a medical requirement en route to hospital. We are doing work on that specifically in the Highlands and Islands.

Rhoda Grant: Given that a large number of places have no public transport and people have a medical requirement to attend hospital, surely we are building a two-tier system if there is no way that they can do so other than via the patient transport service.

Pamela McLauchlan: That is absolutely why we are working with the voluntary sector, which provides a valuable service, predominantly in those areas, to ensure that people have door-to-door transportation. We are doing what we can to signpost people in those areas. The Scottish Ambulance Service has responsibility for people who require medical assistance en route to or going from hospital.

Rhoda Grant: I am aware that the voluntary sector also helps out with disabled-adapted minibuses, for example, but it is given very little notice of when it is required, as are most of the volunteer drivers. Will there be better planning? What will happen where there is no voluntary capacity? Whose responsibility is it to ensure that people can access healthcare? That is what it is about.

Pamela McLauchlan: I am sure that you are aware that it is the health boards' responsibility to ensure that people have access to healthcare. The Scottish Ambulance Service has a role to play for those with medical requirements—if somebody requires oxygen, for example.

We are working collaboratively in different areas and looking at transport hubs. Strathclyde partnership for transport is working closely with us in its area. We are also looking to see what can be done in the more remote parts. I absolutely take your point. There is no public transport available in those areas, or there is not the frequency of public transport that people require.

Richard Lyle: I had a number of questions about efficiencies, but most of them have been asked.

I will move on to the service development proposals. I note that Healthcare Improvement Scotland has indicated expenditure on the SMC new medicines review, which was touched on earlier. Extra money is being spent. NHS National Services Scotland expects service increases with

regard to cochlear implants and congenital cardiac conditions. It would be interesting to know what the Scottish Ambulance Service intends to do with regard to urgent demand services and investment in discharges from hospital, which was touched on slightly. How will the SAS make a contribution in the discharge process? How has that changed compared with that for past demand and strategy? I would be interested to know what service improvements you intend to make. We had all the bad news a minute ago; can we have all the good news now?

Maggie Waterston: Do you want to discuss the new medicines review specifically or things in general?

Richard Lyle: You could tell us what you intend to do for each of the services.

Maggie Waterston: The new medicines review is about increasing the transparency of the decision process and meeting in public. It started at the beginning of May. The whole system for end-of-life and orphan drugs is changing, and those decisions will have an impact by the autumn.

We are looking at a more collaborative model for scrutiny and assurance with the health service. We are looking to move to working with boards, so that they do a little bit more self-evaluation and we can come in and help them to improve. We may put in improvement people first rather than an inspection team; we may put in an inspection team and an improvement team will follow; or the teams may go in together for a comprehensive assessment of care rather than just a pathway of care.

We are looking at empowering more people and helping health boards to implement the participation standard. We are also looking at assisting health boards with involving the public in health and social care integration.

Richard Lyle: So there is quite a lot of work to do and you will be promoting quite a lot of good news during the next year.

Maggie Waterston: We are also looking at the quality strategy and how we can help health boards improve their quality infrastructure. That is on the stocks as well.

Simon Belfer: Services such as those for cochlear implants and cardiac conditions exist now and will develop and grow. The exciting stuff and the good news come in some of the new things. The pancreatic islet cell work that we are doing will benefit patients with certain types of diabetes. It could be absolutely life changing; Scotland is leading the world in that area, and that work will start to take off.

We have two IT projects that will very much enable clinical activity, the first of which concerns things such as the emergency care summary, the key information summary and the electronic palliative care summary. The project itself is all about expanding the information that is available and expanding the user base into scheduled care. Huge numbers of clinicians make daily use of that information to provide significantly improved care. I will not talk about the Scottish specialist transport and retrieval—ScotSTAR—stuff and our work with red blood cells.

The second IT project is the Scottish wide area network—SWAN. The contract has been signed, and we are now starting the roll-out phase to get health, local authorities, Education Scotland and other bodies on to one common platform into which we can plug things that are genuinely effective and efficient—things that will increase access to services and the efficiency and resilience of services. Although SWAN sits very much in the background, it is critical to the Government's digital strategy.

Richard Lyle: So all the efficiencies that you have made and which we have just discussed have helped you to look at, transform, innovate, and promote other things that the committee will be interested in and which patients are quite rightly saying they want.

Simon Belfer: Yes.

Richard Lyle: Has Pamela McLauchlan anything to say about this with regard to the Scottish Ambulance Service?

Pamela McLauchlan: I was just going to lead on from Simon Belfer's comments about data. Having access to a patient's records and medical information is vital to the Scottish Ambulance Service, and the key information summary and emergency care summary that Simon Belfer mentioned are two ways in which our staff who are working in the community can access information that will enable them to look after their patient and which will, we hope, enable the patient to remain in their home or in a homely setting. That is why we are developing the community paramedics in three pilot sites in Scotland.

Richard Lyle: Where are those pilot sites?

Pamela McLauchlan: In the Borders, Lanarkshire and Shetland.

If those pilots are successful—and we have to ensure that they are evaluated appropriately—we hope that we will be able to roll out that model of care further across Scotland. We have been very successful with that particular model in the Western Isles, where it has been used for several years, and we really want to get a bit of momentum behind it.

As for other areas in which we are investing during this financial year, the resuscitation rapid response unit—or what we call the 3RU—is very innovative; in fact, it is world class. Where a cardiac arrest has been witnessed, we are targeting that and, instead of sending the traditional two resources or double crew, we are sending three resources, which could be a double-crewed vehicle plus a single responder, a paramedic response unit or even first responders. We have found, especially in the Lothian area where we have piloted the approach, that spontaneous circulation has returned. Across the world, spontaneous circulation sits between 15 and 20 per cent, and we have been able to increase it to 29 per cent. We have seen the value of that approach, and this financial year we are investing in training and education and are rolling the model out to Lanarkshire and greater Glasgow.

12:30

Historically, we have predominantly used our accident and emergency resources to respond to urgent demand, which tends to be interhospital transfers. In Lothian, for example, there might be transfers from Edinburgh royal infirmary to St John's or the Western general. Also, general practitioners contact the Ambulance Service with what we classify as GP urgent calls, which might be batched as requiring a one-hour, two-hour, three-hour or four-hour response time. It is right to send urgent resources to those cases, but we do not have sufficient resources to meet demand and are currently reconfiguring our scheduled and unscheduled care services to ensure that we can increase those resources and that our emergency, urgent and scheduled care resources are ring fenced and used for emergency, urgent and scheduled care activities. By targeting things and ensuring that we send the right resource to the patient, we will ensure that the patient sees an improved service for their condition.

Richard Lyle: I compliment Maggie Waterston and Simon Belfer on the work that they do, but I should tell Pamela McLauchlan that I have had personal involvement with the Scottish Ambulance Service and want to compliment her on the excellent service that it provides. Very often you get criticised, but I think that the three of you have highlighted very groundbreaking and innovative projects that will contribute to what I suggest is one of the world's best health services.

The Convener: I call Colin Keir.

Colin Keir (Edinburgh Western) (SNP): In the interests of time, convener, I will pass.

The Convener: As there are no more questions, I thank all the witnesses for giving up their valuable time to attend the meeting and give us their evidence.

As previously agreed, we will now move into private session.

12:32

Meeting continued in private until 12:40.

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