

## COVID-19: BUSINESS PRIORITISATION

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### 1. Summary

1.1 The Board is invited to consider:

- 1) The reprioritisation work that has been undertaken in response to COVID-19, both cross cutting programmes and within existing business plans.
- 2) The financial impact COVID-19 has on the work programme.

1.2 The Board is invited to comment on, and agree to:

- 1) The proposed reprioritisation of the 2020/21 work programme, as outlined in paragraphs 3.1-3.4.
- 2) The recommendations made to utilise this additional capacity in line with the agreed objectives of the FSA.

### 2. Introduction

2.1 The COVID-19 pandemic is an unprecedented global crisis necessitating central and devolved government coordination and response. The Food Standards Agency's (FSA) objective throughout our emergency response has been to ensure food safety so that the high level of consumer protection in the UK is preserved. We have also supported industry in maintaining food supply thereby keeping wider consumer interests in mind. As the UK hopefully moves into the next phase of the COVID-19 pandemic response, the FSA, working closely with FSS in Scotland, will seek to maintain this approach.

2.2 The COVID-19 pandemic has altered the socio-economic and political context in which the FSA operates in England, Wales and Northern Ireland, and the impacts and effects have created a 'new normal' to which we must adapt.

2.3 Our goal is to lead the food regulatory landscape as it adapts to the 'new normal', rather than reacting to changes as they happen. We will look to seize opportunities to operate more efficiently, adopting smarter ways of working as they present themselves.

2.4 To support this effective and timely response to the incident, and in order to deal with the fact that organisations on whom the FSA is dependent are absorbed in COVID-19 response, some other areas of the FSA's workplan have been deprioritised. Managers have reviewed priorities in the following areas, which between them cover the entirety of the FSA's work:

- Organisation programmes (Hypersensitivity; Achieving Business Compliance Programme (formerly known as Regulating our Future); Operations Transformation; EU Transition)

- Work identified through the Directorate business plans that identified particular priorities for 2020/21 outside of the programmes;
- Work that is day to day business as usual - for example, operating meat hygiene controls.

- 2.5 In undertaking the re-prioritisation, the Executive Management Team (EMT)'s aim was to retain as much of the original work plan as possible. Further, the EMT were interested in identifying areas where the work undertaken through the COVID-19 response could benefit or accelerate the work within other parts of the business.
- 2.6 Due to COVID-19 the FSA has seen a reduction or delay in our activity in a number of different areas, that has generated a forecast underspend for 20/21. Further details are in paragraph 3.5 below.

### **3. Evidence and Discussion**

#### **Prioritisation exercise:**

- 3.1 In response to COVID-19 EMT agreed that COVID-19 should succeed EU Transition as the highest priority programme of work, in that the organisation had to prioritise its response to this above other areas. Accordingly, for the last few weeks the FSA has prioritised its work as follows:
- 1) COVID-19
  - 2) EU Transition
  - 3) Other FSA work
- 3.2 As a result of this agreement, EMT has undertaken a review of the FSA's planned work for 20/21 focused on the priorities agreed by the Board in March 2020.
- 3.3 On programmes, the current status is as follows:
- 1) **EU Transition:** The milestones as planned need to be met given the end of the Transition Period at 31 December 2020. The separate EU Transition paper for this board meeting describes the risks to this programme of work, and the prioritisation that EU Transition programme has undertaken.
  - 2) **Achieving Business Compliance:** This programme has been affected by COVID-19 because there have been heavy pressures internally on the Regulatory Compliance Division, and externally, on local authorities. A review of current milestones is at Annex I, but, to note, the programme's milestones that had been set at the start of 2020/21 had not yet been refreshed in light of the programme refresh that is underway. Overall, the programme will increasingly prioritise work which can be done directly and in partnership with big business (eg with platforms) and will focus on work which can alleviate pressure on local authorities. A refreshed work programme with revised milestones, taking into account both local

authority- resource availability, and the renewed focus on big business, will be brought to the September board meeting.

- 3) **Food Hypersensitivity:** This programme has been affected by the COVID-19 response particularly because of dependencies on Defra and local authorities and is expected to suffer a 3-month delay to delivery. Delivery milestones are still expected to be largely completed in 20/21.
- 4) **Operations Transformation:** This programme may seek to take advantage of some of the flexibilities introduced in operations in response to COVID -19. This work can be used as pilots to inform our future thinking and so there is the potential for certain elements of the programme to proceed more quickly than originally anticipated.

A more detailed summary of outputs of this exercise is shown in annex I.

### **Business plans and delivering our ‘business as usual’:**

- 3.4 EMT has agreed that the delivery of directorate business plans will remain the responsibility of individual directors. However, this work has also been impacted by COVID-19. The reprioritisation flowchart at Annex II shows the process that was followed for the recut of business plans. Day to day business as usual work will also remain the responsibility of individual directors to prioritise and deliver.

Additional financial capacity:

- 3.5 The FSA is currently forecasting a full year underspend as a result of COVID-19. A summary of the forecast financial underspend to the Westminster and devolved budget is shown below.

<b>Expenditure Area</b>	<b>Current Forecast underspend</b>
<b>Admin</b>	£1.5m
<b>Programme</b>	£3.5m
<b>EU Transition</b>	£1.0m
<b>Capital</b>	£1.3m
<b>Total</b>	£7.8m
<b>Devolved</b>	£3.1m

- 3.6 This forecast underspend has occurred due to:
  - Delay in recruitment resulting in a reduction of onboarding new recruits
  - All staff working from home resulting in severely reduced T&S spend
  - Other areas of work being delayed in order make staff available for the incident response and in line with stakeholder’s expectations. For example, a number of consultations have been put on hold in recognition of the pressures faced by the audiences and sectors that the consultations are aimed at, primarily local authorities and food businesses, and is in line with the approach adopted across government. As we move into the next phase of the pandemic response, we are looking at how we activate these

consultations, without placing an unnecessary burden on those we seek to consult with.

- 3.7 We are currently developing plans to make use of these underspends – for example with increased science and sampling work, to support priority programmes, and to mitigate risks in EU Transition, as described in paragraph 3.8. To note whilst the FSA has a large investment pipeline for the additional financial capacity created by COVID-19, there is still pressure on existing FSA resources, including capacity, capability and leadership. The ability of FSA staff to spend this money in an effective manner, securing value for money, may be a constraint on its use.

**Outcomes of re-prioritisation exercise:**

- 3.8 Following the completion of the prioritisation exercise the EMT agreed that it made sense to invest available capacity to support the delivery of the priorities, in line with the prioritisation approach above (paragraph 3.1 - 3.3):
- 1) COVID -19: ongoing contingency and further support for front line staff. For example, in response to the incident, the FSA has made some adjustments to its charges to food business operators for official veterinarians and meat hygiene inspectors where unplanned covid-19 related downtime meant resource was no longer needed.
  - 2) EU Transition: ongoing planning and implementation, including investment in additional policy and legal staff to manage the increased workload in these areas
  - 3) Other priorities: including investment in science and evidence, and the ABC programme.
- 3.9 The Investment Board will continue to review and approve relevant expenditure to ensure value for money, affordability and to provide assurance over this expenditure.

**4. Conclusions**

- 4.1 This paper offers reassurance that deprioritisation due to COVID-19 and the corresponding bidding process to utilise available resource has been carried out in a consistent way across the FSA, in line with the department's strategic objectives as set by the Board.
- 4.2 The FSA will continue to apply these principles in any further reprioritisation that is required as the COVID-19 situation continues to evolve.
- 4.3 The Board is invited to comment and agree to:
- 1) The proposed reprioritisation of the 2020/21 work programme, as outlined in paragraphs 3.1-3.4;
  - 2) The recommendations made to utilise this additional capacity in line with the agreed objectives of the FSA.

5. Annexes

ANNEX 1 See attached PowerPoint Slides

ANNEX 2 Reprioritisation Flowchart



Business Plan Covid-19 prioritisation approach:

