



Food Standards Agency

# Wales Annual Report and Accounts

For the year ended 31 March 2020

Food Standards Agency

# Wales Annual Report and Accounts

For the year ended 31 March 2020



© Crown Copyright 2020

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](https://nationalarchives.gov.uk/doc/open-government-licence/version/3)

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at [financial.accounting@food.gov.uk](mailto:financial.accounting@food.gov.uk).

You can download this publication from our website at <https://www.food.gov.uk/about-us/reports-and-accounts>

Printed on paper containing 75% recycled fibre content minimum.

Printed in the UK by APS Group on behalf of the Controller of Her Majesty's Stationery Office.

# Contents

---

## Performance Report

<b>Our year in numbers</b> .....	<b>4</b>
<b>Overview</b> .....	<b>6</b>
<b>Forewords</b> .....	<b>8</b>
Chairman's foreword .....	8
Chief Executive's foreword .....	11
<b>Activities and performance during 2019/20</b> .....	<b>14</b>
The FSA: Becoming an excellent, accountable and modern regulator .....	14
Our strategic priorities .....	14
<b>Principal risks and uncertainties</b> .....	<b>73</b>
<b>Performance Analysis</b> .....	<b>77</b>
Formal enforcement action (England, Wales) .....	77
Formal enforcement action (Northern Ireland) .....	78
Prosecutions .....	78
Complaints including those made to the Parliamentary and Health Service Ombudsman ....	79
Sustainability reporting .....	80

## Accountability

<b>Directors' report</b> .....	<b>88</b>
Details of the Board and Directors .....	88
<b>Management commentary</b> .....	<b>91</b>
<b>Statement of Accounting Officer's responsibilities</b> .....	<b>95</b>
<b>FSA governance statement</b> .....	<b>96</b>
<b>Remuneration report</b> .....	<b>108</b>
Staff Report .....	114
Off-payroll engagements .....	115
Health and safety reporting .....	117
Recruitment practice .....	119
Trade Union (Facility Time Publication Requirements) Regulations 2017 .....	119
Summary of Resource and Capital Outturn .....	121
The Certificate and Report of The Comptroller and Auditor General to The Welsh Parliament ....	122



# Accounts

**Financial statements** ..... **128**  
Statement of Comprehensive Net Expenditure ..... 128  
Statement of Financial Position ..... 129  
Statement of Cash Flows ..... 130  
Statement of Changes in Taxpayers' Equity ..... 131  
**Notes to the Departmental Resource Accounts** ..... **132**



.....

# Performance Report

.....

# Our year in numbers

## Net cost of FSA in 2019/20:

**£112.6m**

## Activity and performance across England, Wales and Northern Ireland:



Estimated foodborne disease-related cases:  
**2.4 million**  
in the UK



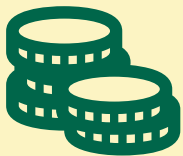
Estimated societal cost of foodborne illness:  
**£9.1bn**  
£3bn – 13 foodborne pathogens.  
£6bn – unattributed foodborne illness



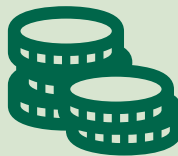
Public attitudes tracker:  
**73%**  
of respondents aware of the FSA and trusted the FSA to do its job



Register a food business:  
**152**  
out of 384 local authorities connected to improved online service



EU Exit:  
**£19m**  
additional ring-fenced funding secured to support FSA preparations




Food hypersensitivity:  
**£4.6m**  
funding for key activities in 2019/20 and 2020/21



More businesses supplying food directly to consumers achieved a food hygiene rating of 5 ('Very good'):  
**72.0%**




Meat food business operators:  
**97.9%**  
rated 'satisfactory' or above for compliance



FSA notified of and investigated  
**2,479**  
food, animal feed and environmental contamination incidents



Food safety in the home:  
**67%**  
reported behaviours are in line with recommended food safety practice (Food and You survey)



Food crime:  
**200+**  
people warned by the National Food Crime Unit of 'fat-burning' DNP risks after allegedly purchasing it



CCTV in all slaughterhouses:  
**234**  
All business operators in England confirmed as having installed a compliant CCTV system as part of the Animal Welfare Action Plan




Northern Ireland nutrition:  
**11,986**  
more recipes inputted by users into MenuCal



The FSA's total science and research spend  
**£12.7m**

**Being the best organisation we can be:**



'High performing' Civil Service Department:  
**67%**  
employee engagement score in Civil Service People Survey



Delivered new pay award strategy:  
**1.5%**  
minimum increase of basic pay guaranteed for eligible staff

More detail about these and other activities and performance can be found below.

# Overview

---

This overview sets out our purpose, key functions and vision.

## Who we are and what we do

The Food Standards Agency (FSA) is the independent Government department that works across England, Wales and Northern Ireland to protect public health and consumers' wider interests in relation to food. We were set up in 2000, following a series of high-profile food safety issues, including the BSE<sup>1</sup> crisis. Our purpose is food we can trust.

There are more than 500,000 food businesses across England, Wales and Northern Ireland<sup>2</sup> and half of our food comes in from other countries. The world in which the food industry and the FSA operate is changing rapidly. We continue to prioritise our reform of the regulatory delivery model so that it is agile in the face of new risks, and it continues to work better for everyone, including post EU exit.

We aim to strike the right balance between protection from risk, support for consumer choice, and support for business growth and innovation, while delivering regulation that is effective, proportionate and sustainable.

## Our key functions

To keep the public safe from foodborne health risks, we:

- design and run the regulations that food businesses have to comply with
- get assurance that businesses are following the rules, and – when they don't – we, or our local authority delivery partners, put them right or enforce penalties
- capture, understand and mitigate risks to public health in the food system, including imports, through surveillance
- use the best science and evidence, often commissioned directly, to develop advice and judgements on food safety
- get vital information on food safety to the public, so that they can make informed choices, eg through the Food Hygiene Rating Scheme
- work with the police and local authorities to tackle food fraud and food crime, through the intelligence gathering and inhouse investigative capabilities of the National Food Crime Unit
- take a lead role internationally on food safety and authenticity, on behalf of the UK

We are committed to operating in the consumer interest, with openness and transparency, and working on the basis of science and evidence.

<sup>1</sup> Bovine spongiform encephalopathy (BSE), known as mad cow disease, is a brain disease that can infect cattle, sheep and goats. If this infected meat is eaten by humans it can result in serious illness and death.

<sup>2</sup> [www.food.gov.uk/sites/default/files/media/document/fsa-19-09-18-annex-a-laems-report-for-2018-19.pdf](http://www.food.gov.uk/sites/default/files/media/document/fsa-19-09-18-annex-a-laems-report-for-2018-19.pdf)

## Our vision

Our overarching mission is food we can trust.

Our organisation's vision is comprised of the following goals:

- food is safe
- food is what it says it is
- consumers can make informed choices about what to eat
- consumers have access to an affordable diet, now and in the future – the FSA only holds nutrition policy in Northern Ireland

## Regulatory principles

The FSA assures the safety of food in England, Wales and Northern Ireland. In doing so, the department strives to be an excellent, accountable and modern regulator, by adhering to the following principles:

- We are proactive and risk-led, acting proportionately to mitigate current and future impacts on public health, and seizing opportunities to further consumer interests.
- We are science and evidence-based, using the most rigorous and up-to-date information and data.
- We are open and transparent in our decision-making.
- We are collaborative by default.
- We are assurers, making sure that all in the food system shoulder their responsibilities.
- We are international in our outlook, recognising the transnational nature of the food industry and its global supply chains.

## Our financial performance

The FSA is financed through the annual Supply Estimates process managed by HM Treasury (HMT).

We also generate a level of income from services provided to external and public sector customers.

We are accountable to HMT, Parliament and the public for how we have used public funds during the year. Annually, we publish our audited consolidated annual report and accounts (ARA) to support parliamentary accountability by comparing the FSA's actual resource expenditure to estimate. The 'Reconciliation of net resource expenditure between estimates, budgets and accounts' provides more detail on the FSA's outturn against its estimate.

We publish our financial performance based on the government's accounting framework in the Statement of Comprehensive Net Expenditure which is found in the Accounts section.

# Forewords

---

## Chairman's foreword



**When I envisaged welcoming the publication of the FSA's latest Annual Report and Accounts, I had assumed that EU Exit would have been the dominant topic of discussion for what has been a very busy year for the FSA. However, as I write this, the UK is facing the biggest health crisis of modern times. The global spread of coronavirus (COVID-19) has brought an unprecedented set of challenges to Government.**

All Government departments are being called on to take extraordinary measures at this time to ensure that the essential work they do can carry on. I am pleased to say that the FSA is doing its part to ensure that people in the UK are supplied with safe food. The same resilience and ingenuity that the department applied to our Brexit preparations over the last year are being utilised again to meet these challenges. The FSA has 20 years of experience in incident management and risk communication, underpinned by the weight of FSA science. We have the capacity, expertise, and relationships with the food industry and local authority enforcement to ensure that food safety does not become an issue for UK citizens during this crisis.

While we are starting the new financial year facing an unprecedented set of challenges associated with coronavirus, it was indeed the UK's exit from the EU that dominated my Board's agenda over the last 12 months. The FSA's objective was to get ready for Brexit and it was the Board's job to set the principles on which we would proceed, scrutinise implementation plans and delivery, and ensure the department continued to put the interests of consumers in England, Wales and Northern Ireland at the heart of our role outside the EU. We set four key principles: maintaining or improving effectiveness in protecting public health; maintaining confidence in food safety and the regulatory regime; minimising disruption for consumers and industry; and alignment with the principles of the FSA's Regulatory Strategy.

Despite the uncertainty that came with three extensions to the UK's departure date from the EU, the FSA delivered on our Brexit objectives: a robust and effective regulatory regime was in place, ready to take over the functions delivered by the EU; statutory instruments were laid and made to ensure retained EU law works properly; and capacity and ongoing resilience has been enhanced to respond effectively to food incidents. This was a huge achievement for the FSA teams involved in this work. Of course, these arrangements are not yet tested for real, but they frame our aspiration to deliver the most open and transparent regulatory regime in the world, operating in the consumer interests, and led by science and evidence.

The UK left the EU on 31 January 2020 and the transition period will run until the end of December. During this time, the FSA will have to deliver a significant programme of work, further complicated by the withdrawal affecting differently the three countries we are



responsible for, and our slightly different mandate in each of them. We will manage the food and feed safety regulatory regime under the terms set out in the Withdrawal Agreement, and strongly represent consumers in cross-Whitehall discussions. My Board will continue to champion the consumer interest, scrutinise progress, and ensure the department delivers on its commitment to maintain the high standard of food safety and consumer protection we enjoy in the UK.

Throughout the last year, the FSA's work on food hypersensitivity has been a key strategic priority and much has been achieved to support those managing allergies.

Everybody deserves food they can trust and when a person lives with a food hypersensitivity that can cause serious harm, or even threaten their life, that trust becomes even more important. Over the last year the FSA has worked in close partnership with a wide range of stakeholders, embarking on a sustained and extensive programme of work on allergies to better protect consumers, widen their choices and support businesses in achieving compliance.

An extraordinary Board meeting in May 2019 set the direction for the FSA's food hypersensitivity strategy, endorsing an ambition for the UK to be the best place in the world to be a food hypersensitive consumer. Since then the FSA has put safety, trust, and choice at the heart of its work in this area, making it a world-leader for tackling food allergies.

In February 2020, we held our first food allergy symposium, which brought together industry, enforcement and consumers to discuss a range of issues around the management of food hypersensitivity. This was a fantastic opportunity to hear from more than 100 delegates from key food industry sectors, local authority enforcement, clinical allergists and allergy consumer groups. The event represented a milestone in setting a shared agenda for how we tackle the challenges of food allergies and intolerances.

Getting simple measures right provides excellent consumer protection and confidence. The Food Hygiene Rating Scheme is a great illustration of this. It remains a success story for the FSA. 72% of food businesses were achieving the highest rating of 5 this last year, while almost 96% were a 3 or above. This is great news for those businesses, their customers, and public health in general. It adds further weight to our arguments to introduce mandatory display in England, as has been the case in Wales and Northern Ireland for some time. The latest figures in this report show us that in autumn 2019 visible display of FHRS ratings at premises in England was 52%, compared to 88% in Wales and 76% in Northern Ireland. The Public Accounts Committee and the National Audit Office support our view on mandatory display, and I hope we see that progressed in the coming year.

There have been changes in senior leadership at the FSA which I would like to acknowledge. We said farewell to Board members Paul Williams, Stewart Houston, Rosie Glazebrook, each of whom made a valuable contribution to the Board and ensuring consumer interests remain at the heart of everything we do. We also saw the retirement of our Chief Executive Jason Feeney at the end of a 38-year career in the Civil Service. Jason was an outstanding CEO, during some very challenging years, and the Board is grateful for his leadership. Emily Miles joined us as our new Chief Executive and has already distinguished herself with her

combination of strategic insight, delivery focus, and in navigating complex and novel regulatory challenges. We are absolutely delighted to have Emily leading the department.

I will be leaving the FSA in the year-ending March 2021 to become Master of St John's College, Cambridge. This is my last foreword to our Annual Report and Accounts. It has been a privilege and a pleasure to lead the FSA into its third decade. The department has a strong Board and excellent executive team, backed by committed, expert and hardworking colleagues across England, Wales and Northern Ireland. The whole team should be very proud of their achievements, often in testing situations, in the last five years.

When I joined the Board in 2015, I had little idea of the challenges that would lie ahead. But these have also created opportunities, to reinvigorate our science base, to focus on new and emerging health challenges such as food hypersensitivity, and to begin modernising the regulatory regime, so it makes better use of data, intelligence and the professional expertise of those delivering controls.

I am proud that the department's relationship with the industry it regulates has strengthened during this period. We are not here to act in industry's interests, but we will do a better job for the consumer if we have open, honest and informed relationships with the complex and ever-changing food system. There is more to do. The way the regime operates in the four countries of the UK can cause unintended complexity, which serves neither the public nor the industry well. The global food system has been moving at a pace that can make it hard for regulators to match, and consumer behaviour can change in remarkably short time too. Life outside the EU will place a huge burden on the FSA, as we take on board the extensive functions of EU institutions, and directly face into the sophisticated lobbying of food interests.

The FSA will best respond to these challenges by remembering the BSE crisis that led to our creation in 2000. We were established as a non-Ministerial government department, deliberately put out of reach of political direction, so we could overtly and consistently act in the consumer interest. From the start, two features have underpinned this: we always work on the basis of science and evidence; and we operate openly and transparently. I believe that our independence within government is fundamental to the ability of the FSA to keep to this consumer-first mission, whether in protecting public health or the consumer's wider interests. That independence should be cherished and protected.

As I write, the FSA is enjoying its highest ever levels of public trust and confidence. We want people to have food that is safe and food that is what it says it is. The FSA plays a critical part in ensuring everyone can trust their food. I am confident that will long continue, and wish the Board, Chief Executive, and colleagues the very best for the future.



**Heather Hancock DL LVO**  
Chairman, Food Standards Agency

## Chief Executive's foreword



**I am pleased to lay before the Westminster Parliament and the Welsh Parliament, and present to the Northern Ireland Assembly, the Food Standards Agency (FSA) Annual Report and Accounts. This edition covers our performance and activities in 2019/20 across England, Wales and Northern Ireland at a net cost of £112.6m.**

Publishing this report allows the FSA to reflect on an eventful and busy year, with many achievements. However, as we prepare this report, the FSA along with the rest of government is focused on responding to the COVID-19 pandemic. COVID-19 is arguably the greatest challenge faced by the Civil Service in recent decades and the FSA has mobilised accordingly.

We are managing our response in the same way we would deal with a major food incident, working in a co-ordinated way to the challenges COVID-19 presents to the integrity of the food supply chain. Ours is a science-led approach and we are putting consumer protection at the heart of all of our planning, ensuring the public has the advice it needs to manage the risks when buying, storing, or preparing food. We are also working closely with local authorities and the food industry to help businesses maintain food supplies without compromising safety.

To achieve our goal of being an excellent, accountable and modern regulator, the FSA Board and executive team set out three top priorities for the FSA for 2019/2020: anticipating, planning for and delivering the consequences of exiting the EU; delivering the food regulation reform programme; and doing the day job exceptionally well.

Preparing for the UK's exit from the EU was always going to be a complex task, even without the delays and uncertainty of the last year. At the end of the transition period the FSA will need to step up, to take on the roles from the European Commission and the European Food Safety Authority. This means that we have developed the capacity and structures to make the risk judgements that have, up to now, been made in the EU, and it means that we need to be ready to support different arrangements for the import and export of food to and from the EU.

For 2019/20 the Treasury allocated an additional £19m ring-fenced funding for the FSA's EU Exit programme. By the time we left the EU on 31 January, the FSA had: created an import and exports regime that will provide safety and authenticity assurances; expanded our capacity to deal with food incidents and food crime; and enhanced our data science and artificial intelligence capabilities to mitigate the possible loss of access to EU risk notifications. All of this was achieved against a backdrop of shifting exit dates and a General Election. The FSA was able to deliver on these objectives and adapt to events as they unfolded through the year. We are now focused on preparing for the end of the transition period, so that we can be at the forefront of global developments in food safety and influence the development of international standards.

FSA science continues to be central to our achievements. This year we published research which provided new estimates of the burden caused by foodborne illnesses in the UK. This was the outcome of an extensive programme of work conducted over a five-year period and provided a more detailed understanding of the wider impacts of foodborne diseases such as norovirus, campylobacter and listeria.

We also tackled the question of how to regulate the sale of Cannabidiol, or CBD, products which have become increasingly popular despite often lacking proper authorisation. We used the latest scientific findings to develop clear guidance for consumers on consumption of CBD, helping them to make informed decisions about these products. We also gave the CBD industry a deadline of 31 March 2021 to submit valid novel food authorisation applications. This science-led approach delivered a pragmatic and proportionate step in balancing the protection of public health with consumer choice.

There were continued achievements in the delivery of our regulatory reform programme, Regulating Our Future (ROF). Using data to more efficiently regulate businesses has always been at the core of ROF and this year we developed the Unified View, a data hub which provides a list of all food and feed businesses known to the FSA, together with a growing collection of datasets about those establishments. Initially we have rolled the service out to key internal users in the FSA.

For our Register a Food Business workstream, 152 local authorities were connected in England, Wales and Northern Ireland to an improved online service by the end of the financial year. This is making it easier for food businesses to register, set up and manage their business.


A further development in the programme has been altering expectations around professional skill levels, so that competent authorities can deploy skilled resources effectively in food businesses and offer appropriate assurance. We are developing a competency framework for all persons engaged in official food control in the FSA, local authorities, and private sector employees who provide assurance that can be used to inform official controls. We are on track to have developed, consulted on and agreed the specification of competency for routine and specialised official controls by March 2021.

Modernising the way we regulate the meat, wine and dairy industries has also been part of our work this year. The Operations Transformation Programme is looking at how we can improve the way in which food hygiene and animal welfare controls are delivered in these sectors. We want a more risk-based regime that recognises recent technological developments and responds to changing consumer needs. Work will continue on the future operating model over the next year.

I am delighted that there is ample evidence throughout this year's annual report of the FSA doing the day job well. For example, we have worked hard over the last year to improve the quality of life for people with food hypersensitivity, this followed a series of tragic allergy related deaths. We have progressed the delivery of the prepacked for direct sale labelling requirements, updated our food business and local authority allergy guidance, held the first FSA allergy symposium, and our #easytoASK campaign has raised awareness of the allergy labelling rules with consumers and businesses.

Responding to food incidents also continues to be an essential role of the FSA. Over the last year, 2,479 incidents of food, feed and environmental contamination were reported to us, which led to 178 alerts being issued. These figures highlight why it was essential for us to prioritise our incidents capability in our preparations for EU Exit. As new trading partnerships develop around the world it is vital that UK consumers continue to have confidence in the food they buy, so it is essential we maintain our ability to identify and deal with problems in the food supply chain.

As this is my first annual report I would like to thank the staff, the Board and our partners for making me so welcome since I joined the FSA. I have been impressed by the enthusiasm and dedication of those I have met across the FSA, and in our partners.



**Emily Miles**

Chief Executive and Accounting Officer

12 June 2020

# Activities and performance during 2019/20

## The FSA: Becoming an excellent, accountable and modern regulator

In 2019 we set out priorities up to 2020 to deliver the Food Standards Agency's statutory purpose to protect public health and the wider interests of consumers in relation to food. The priorities agreed by the FSA Board and executive team are listed below.

Our annual corporate business plan, which details the priorities and follows the strategic aims it identifies, will help us to achieve our ambition of being an excellent, accountable and modern regulator and deliver on our top priorities. In this section of our annual report, we state our activities and performance for the financial year 2019/20 against those priorities, strategic outcomes and their associated capabilities.

### Our strategic priorities

Our performance in 2019/20 saw good progress against all three of the strategic priorities set by the Board in March 2019<sup>3</sup> plus the food hypersensitivity priority as agreed at the extraordinary Board meeting in May 2019<sup>4</sup>:



Deliver our European Union exit plan and embed



To improve the quality of life for people living with food hypersensitivities and support them to make safe and informed choices to effectively manage risk



A new regulatory model giving us more scope to protect consumers within the rapidly evolving global food system



Whilst delivering significant change programmes, we must maintain our performance as a national regulator

3 March 2019 Board paper: [www.food.gov.uk/sites/default/files/media/document/fsa-19-03-17-corporate-priorities-and-budget-for-19-20-final.pdf](http://www.food.gov.uk/sites/default/files/media/document/fsa-19-03-17-corporate-priorities-and-budget-for-19-20-final.pdf)  
4 Watch the May 2019 Board meeting: [www.food.gov.uk/about-us/fsa-board-meeting-may-2019](http://www.food.gov.uk/about-us/fsa-board-meeting-may-2019)

## Overall objective

Deliver our European Union exit plan and embed



EU  
EXIT





### Overall objectives:

Our top priority is ensuring that food remains safe and what it says it is. The high standard of food safety and consumer protection will be maintained as the UK leaves the EU, and the regulatory regime will remain effective at protecting public health in England, Wales and Northern Ireland.

### Objective for 2019/20:

#### Ensure the FSA is ready and prepared for EU Exit

This was measured against the following principles to ensure our statutory objective of protecting public health and consumers' wider interests in relation to food was met:

 <p>Effectiveness in protecting public health</p>	 <p>Maintaining confidence in food safety and the regulatory regime</p>
 <p>Minimising consumer and industry disruption</p>	 <p>Alignment with the FSA's Regulatory Strategy principles</p>

Following the UK's departure from the EU, our objectives for the transition period are to:

- Ensure an understanding of the changes needed during the transition period and support implementation of these across the FSA.
- Represent our strategic objectives in the EU Exit negotiations.
- Respond to the negotiations, understanding the potential impacts of changing negotiation positions and representing our views as these evolve.
- Plan and implement changes required from the negotiations as these crystallise and become certain.
- Understand and design the specific changes required with respect to Northern Ireland, including the implications of the Northern Ireland Protocol, and implement changes based on these designs.










## Funding

2019/20	2020/21
£19.0m	£14.6m

We received additional ring-fenced funding for the EU Exit programme (renamed to ‘EU Transition’ programme) of work, which we will continue to report to HM Treasury. In 2019/20 we used the funding to support 27 local and port health authorities through the administration of funding supporting their exit preparation.

## Progress against objectives

	We delivered an effective import/exports regime. This provided food imports safety and authenticity assurances. We worked with Defra to test the UK’s new import of products, animals, food and feed system (IPAFFS).	
	We laid and made Statutory Instruments (SIs) to ensure operability of retained EU law	
<b>Enhanced our capacity and ongoing resilience to respond effectively to food incidents and food crime through delivery of:</b>		
		
A significantly enhanced National Food Crime Unit	New surveillance systems	Increased incident response capacity
		
A new system for managing food and feed safety alerts	A stronger relationship management system	



## Knowledge gathering and surveillance

The UK leaving the EU demanded that we try mitigating the loss of access to risk notifications and changes related to data sharing agreements. During 2019/20 we have enhanced our data science and artificial intelligence capabilities, enabling us to apply innovative solutions to meet user needs. We built several technical solutions to help identify UK imported risky food and feed from EU and non-EU countries. These technical solutions regularly monitor multiple data sources around the world trawling for food and feed related alerts. A combination of data gathering, data analysis and intelligence sharing extracted from the data, together with predictive models to identify risks are allowing FSA teams to make decisions and take actions based on data-gathered evidence.



## Embed our risk analysis approach into the business

From 1 January 2021 the FSA (with Food Standards Scotland) will be responsible for many functions currently carried out by the European Commission and the European Food Safety Authority. We have established a rigorous and transparent risk analysis process to provide independent food safety advice and risk management recommendations. Our objective was to refine detailed operational procedures underpinning the process to embed and function effectively. We have delivered the following key elements which have helped ensure we are prepared for taking on these new functions:

Reviewed available risk communication guidance and current academic literature

Published webpages describing the risk analysis process.

Embedded collaborative working across the UK, other government departments and devolved administrations, formalising existing working arrangements.

A clear separation between our risk assessment and risk management functions

Staff engagement and training and process guidance, embedding risk analysis principles

Engaged with our Scientific Advisory Committees on their risk analysis role

The application process for regulated products

An internal resilience test of the high-level process and principles and testing of steps.

Established the Advisory Forum on Food & Feed to provide risk management advice



## Building our engagement capability (internally, externally, internationally)

Our drive to become a more outward-facing organisation has been supported by a programme of continuous, systematic and meaningful engagement with our key partners and stakeholders. These include other departments, particularly the Department for Exiting the European Union (DExEU), the Department of Health and Social Care (DHSC), the Department for the Environment, Food and Rural Affairs (Defra), Food Standards Scotland (FSS) and the devolved administrations.

We work in international fora to safeguard food entering the UK and to be at the forefront of international developments in food safety to build assurance of the food we export. Concurrently, we influence international food safety standards as these often then flow into transnational standards and practice which in turn affect UK standards and practice. For example, in November 2019 at the 51st Codex Committee on Food Hygiene (CCFH), the UK achieved two significant successes in advancing text toward final adoption in July 2020. Text, in which we led on the development, is a key codex text which lays the foundation for food hygiene from primary production to final consumer by setting out the approaches and good hygiene practices. Codex is the international food standards setting body, with the dual remit of protecting the health of consumers and ensuring fair practices in international trade.

Internally, we have supported organisational and cultural change. This has included delivering an extensive programme of staff engagement comprising a series of team briefings, workshops and other activities to ensure our people understand the roles different functions play and have a growing sense of purpose.



## Fully functioning National Food Crime Unit

**We have made substantial progress against procedural, structural and operational delivery areas. This includes:**



Substantial recruitment, training and established robust processes supported by agreed risk thresholds and criteria



Significant investment in digital solutions has seen the implementation of new systems, including end-to-end intelligence and investigation management

Delivered enhanced stakeholder engagement in line with strategic priorities, and developed '4P' plans:



**Pursue**



**Protect**



**Prepare**



**Prevent**



Strengthened or grasp of food crime threat by intelligence analysis culminating in a refreshed Food Crime Strategic Assessment and performance tracking

**We continue to make the case for the Unit to be afforded additional powers to achieve fully autonomous investigative capability. We will continue to work with local authority and policing partners to achieve our operational objectives.**

### Next steps:

- The Withdrawal Agreement provides clarity on the arrangements during the transition period which we will contribute to, to maintain a relationship with the EU. We will manage the food and feed safety regulatory regime under the Withdrawal Agreement terms and prepare for the end of transition period arrangements.
- We have established a revised EU Transition programme that will advance this work during the transition period. This governance will ensure that changes arising, as a result of the UK leaving the EU, are fully embedded into our business as usual.
- Following the programme conclusion, we must ensure that changes are fully embedded into the wider business. This includes the implementation of FSA-relevant obligations under the New Protocol on Ireland/Northern Ireland.
- The changes required for our EU Transition programme are not yet all known and will not be known for certain until EU negotiations are complete. The work may also be impacted by any concurrent trade negotiations with other countries. Much of the work that will lead to design changes that impact across our work to prepare for the end of the transition period will be driven by the crosscutting projects.

## Overall objective

A new regulatory model giving us more scope to protect consumers within the rapidly evolving global food system

.....  
**ACHIEVING  
 BUSINESS  
 COMPLIANCE**  
 .....

In January 2020 the FSA Board considered the current status of the Regulating Our Future (ROF) programme and proposed next steps for the refreshed second phase of work to be titled 'Achieving Business Compliance' (ABC) which were adopted at the March 2020 FSA Board with a focus on:

- a Target Operating Model
- surveillance
- sophisticated risk assessment
- skills for the job.

In 2019/20 the formally known ROF programme prioritised three key workstreams:

**Register a Food Business**



**National Inspection Strategies**



**Food Standards Delivery**



We have continued our work to develop a Unified View of businesses. This is a data hub that provides a managed list of all food and feed establishments and premises known to the FSA. We use it to analyse datasets of food businesses which are enriched and reconciled by related data with business information from in-house and third-party sources.

We also began building a new competency framework for people carrying out official controls (food and feed assurance activities). This will span all relevant roles in the public and private sector and will take account of future requirements to support sustainability of the regulatory system.

## Online food business registration



### Aims

- Easier and quicker registration for food businesses
- Local authorities can provide tailored advice and guidance to start-ups
- Local authorities can capture consistent and high-quality registration data

### Progress



When we asked businesses<sup>5</sup> how easy it was to register their food business, of those who had:

- registered before, 76% of respondents said they found it 'very easy' and understood all the questions
- never registered before, 64% of respondents said they found it 'easy'



Results from an online user survey suggested a reduced administration burden for 152 out of 384 local authorities connected in England, Wales and Northern Ireland



Helped to inform policy development, decision making and the handling of food incidents



We have used a mixture of communication and joint messaging with other organisations to raise awareness of the service

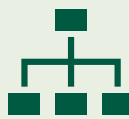
## National Inspection Strategies (NIS)



### Aims

- To test how NIS can contribute to the regulation of compliant, multi-site businesses or co-ordinated business groups
- To evaluate the feasibility and impact of NIS for food
- To reduce the level and frequency of local authority intervention to better target business resources that are a greater public health risk

### Progress



We have developed three draft standards which together give a framework for effective oversight and assurance of NIS



We have worked with two partnerships and developed their NIS proposals for testing in live trials in 2020/21



We have integrated a more proportionate regulatory oversight based on primary authority assessment of compliance using feedback from relevant businesses

<sup>5</sup> Between 1 January and 19 February 2020, a total of 211 food business operators responded to our survey out of a possible 3,500 registration transactions across England, Wales and Northern Ireland.

## Food Standards Delivery



### Aims

- Develop a new regulatory delivery framework that will integrate intelligence, risk and programme-based interventions to be more effective in targeting identified issues within the food supply chain
- Develop a new risk assessment scheme for food standards interventions
- To improve guidance for local authorities and food businesses

### Progress



Reduction in harmful or non-compliant products on the market



Better and more timely exchange of information between the FSA, local authorities and other regulatory partners



Better alignment of enforcement resources to risks within the supply chain



We ran 9 engagement events with 165 local authority officers to test our plans and approaches for the new delivery model



Completed the production of a food standards reference, in which to date, 880 users have access



Refined our proposals for a range of new regulatory approaches and recruited a range of pilot local authorities to test

## Operations transformation

The Operations Transformation programme has been established to modernise and improve how we regulate the meat, wine and dairy industries.

### Drivers for change

While the current model continues to ensure the required food hygiene and animal welfare controls are comprehensively delivered, there are some aspects that could be improved in a reformed operating model.



#### Accountability

We need to redress the balance of accountability between us and the industry. We will develop a more risk and compliance-based regime, by increasing the responsibility of food business operators (FBOs) in the production of safe food.



#### Value for money

We currently recover from industry an average of 57% of the costs. We will develop a more robust, efficient and sustainable operating model that optimises delivery of our regulatory assurance function.



#### Technology

As higher processing speeds and increased automation presents both opportunities and challenges, we will implement technological solutions to improve compliance with food standards and reduce public health risk.



#### Responsiveness

As consumer needs are becoming more sophisticated and fragmented, we will to develop improved working practices with industry to ensure we are aware of changes in national and international food production and can plan for these.



#### Trust & food safety

To maintain and improve consumer confidence in food safety, we will seek to develop new assurance protocols, exploring the opportunities for data sharing and publication of compliance data to generate increased trust in the industry.



As the UK leaving the EU could change the production balance between the export and domestic markets, as well as the regulations we are governed by, we will develop a future operating model that maximises opportunities available us to support international trade.



#### Resource availability

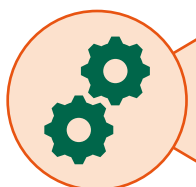
To mitigate any concerns about the future supply of official veterinarians and official auxiliaries resource, we will develop an operating model which is less resource intensive and changes the current demand.



In response to these drivers, we aim to modernise and reform our delivery of Official Controls through the development of a future operating model. We seek to achieve the following:



An **outcome-focused and risk-based model** which seeks to drive industry-owned compliance, with a proportionate and graduated response to the levels of oversight of verification and assurance applied.



Application **guided by segmentation of food business operators (FBOs)** into categories dependent on the species type, and the levels of risk and compliance, which will in turn reflect the costs incurred and charges for Official Controls applied to FBOs.



**Encourage and enable a culture in which FBOs act responsibly** to assure safe food production; promote innovation and continuous improvement and encourage the use of technology to improve production methods and support data collection.



A future operating model that is both **efficient and effective**.



**Improved collaboration and ways of working** with professional bodies to recognise the accountability of industry in the production of safe food, and to **help support FBOs** in achieving this through the development of clear and transparent guidance and instructions.



A future operating model that will **support the assurances necessary for both domestic consumption and for international trade requirements** after the transition period.

## Implementation

We plan to develop the future operating model in a number of phases, which delivers the ambition set out above, over the next 3-5 years. This parallels the life of the new Service Delivery Partner contract (commenced March 2020<sup>6</sup>) and by the end of that contract, official controls delivery in meat, wine and dairy should be quite different.

<sup>6</sup> [www.food.gov.uk/news-alerts/news/contract-for-fsa-delivered-meat-and-dairy-official-controls-awarded-to-eville-and-jones-ltd](http://www.food.gov.uk/news-alerts/news/contract-for-fsa-delivered-meat-and-dairy-official-controls-awarded-to-eville-and-jones-ltd)

## Overall objective

To improve the quality of life for people living with food hypersensitivities and support them to make safe and informed choices to effectively manage risk

FOOD  
HYPER-  
SENSITIVITY

### Overall objectives:

The FSA's work on food hypersensitivity is a strategic priority. In May 2019 the FSA Board endorsed a long-term ambition that the UK should be the best place in the world to be a food hypersensitive consumer following numerous allergy related fatalities. Data on these fatalities is incomplete, but we are aware of several cases each year and those under the age of 24 appear to face higher risks. Achieving this will require a sustained, coordinated strategic approach over a long period of time. As we develop our metrics and performance measures, we will look at best practice in other countries and consider how we can better define our ambition and measure progress.

### Strategic themes:

To support delivery of the Board's ambition, we developed a vision for our programme which will be delivered through these strategic themes:

#### Safety



Consumers have accurate, easily understandable information to make safe and informed food choices. Food businesses understand their responsibilities and embed food hypersensitivity management in a strong food safety culture

#### Trust



Consumers trust the provided allergy information and use it to make informed decisions to manage risk and trust that effective enforcement action is taken

#### Choice



Better public understanding and acceptance of food hypersensitivity, leading to improved choice and inclusion. Consumers have access to a variety of food products and services

## Progress against our eight priorities:

### Implementation of the prepacked for direct sale (PPDS) labelling requirements



PPDS is food sold from the premises in which it was packed. Food that can fall into this category could include meat pies made on site and sandwiches made and sold from the premises in which they are made. We extended the engagement period with industry, local authorities and consumer stakeholders in order to develop guidance to support the new PPDS labelling requirements implementation.

### Shape and prioritise longer term strategy



We developed a vision, objectives, key workstreams, established an FSA-wide programme and were allocated £4.6m for key activities during 2019/20 and 2020/21.

### Publish revised 'Safer food, better business' (SFBB) guidance for FBOs



We have updated our popular SFBB guidance to incorporate the changes for PPDS foods

### Deliver prepacked for direct sale (PPDS) labelling requirements



The Defra Statutory Instrument was laid before Parliament on 5 September 2019 and will commence in autumn 2021.

We have updated our food business and local authority Allergen Labelling Technical Guidance to reflect new requirements.

### Initiate project to deliver food allergic reaction ('near-miss') reporting tool



We began the discovery phase of this project in November 2019 which was completed in March 2020. We have conducted user and stakeholder research to inform the recommendations at the end of the discovery phase.

### Consolidate guidance for local authorities



Designed an initial draft guidance and aid-memoire to ensure a clear and consistent approach to inspection. Work will be taken forward in consultation with local authorities.

### Prioritise and commission future research programme in support of our strategy



The Food Hypersensitivity Working Group Terms of Reference were approved by the Science Council.

We delivered the existing Food Allergy and Intolerance Research programme by releasing high impact publications and allergen reference materials.

We will conduct research on estimating incurred financial costs of people with food hypersensitivity.

Began a social research project exploring business uptake and implementation of allergen labelling rules implementation.

We have commissioned a reported attitudes and practices for food hypersensitive individuals survey to evaluate quality of life. This will value burdens of food hypersensitivity via 'willingness to pay' estimates.

### Communications and engagement events and actions conducted by the FSA



Our Parliamentary reception in October 2019 had allergy and food intolerance as a key theme.

We attended the Takeaway Expo, where we promoted allergy and food intolerance messages.

Our food allergy symposium brought industry, enforcement and consumers together to showcase best practice, awareness and deliver change to improve the lives of the food hypersensitive consumer.

We developed the next wave of our public and industry awareness campaign, but due to the COVID-19 outbreak, we postponed our 2020 campaign plans.

## Overall objective

Whilst delivering significant change programmes related to EU Exit and Regulating Our Future, we must maintain our performance as a national regulator

DOING THE  
DAY JOB  
EXCEPTIONALLY  
WELL

### Overall objectives:

Part of being an excellent, accountable and modern regulator is about the proportional use of resources to leverage the greatest impact possible, operating in the consumer interest in the most efficient and effective way, while always being open and transparent. We make sure that we provide excellent value for money by being risk-based, robust, and taking decisions based on the most up-to-date science and evidence.

To continue to deliver on doing the day job exceptionally well means we need to focus on performance – the delivery of our responsibilities and development, progression and delivery of our capabilities.

### Performance delivery:

To fulfil our ambition to be an excellent, accountable and modern regulator, we have:



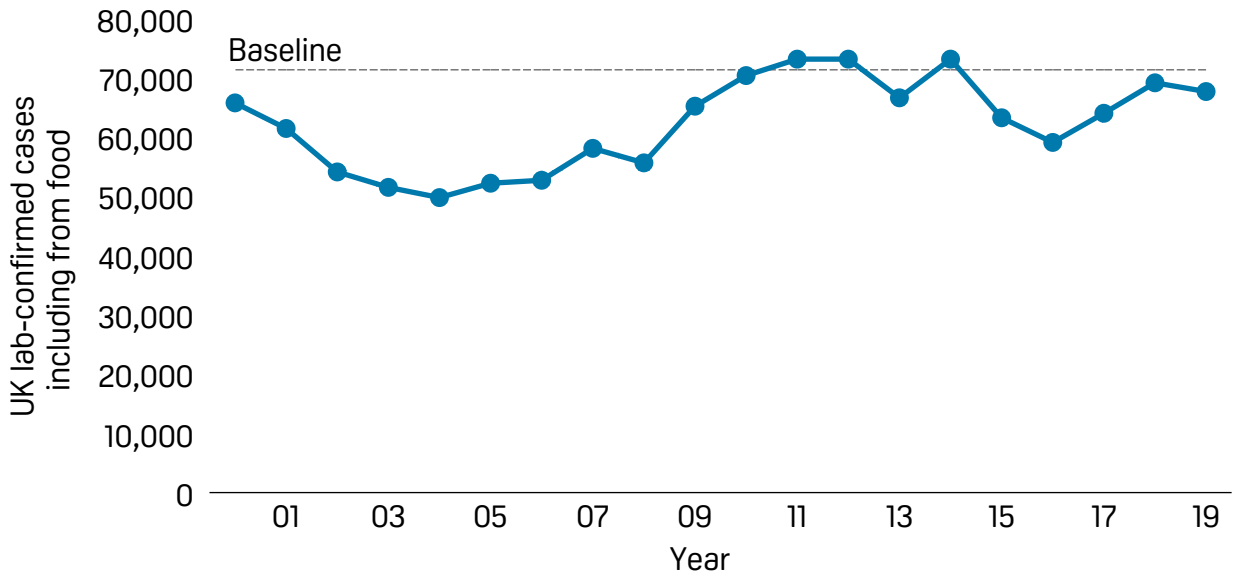
All performance and resources reports are published as Board papers<sup>7</sup>, where updates and progress against these measures are presented. Key areas of our performance are detailed in the following pages.

<sup>7</sup> [www.food.gov.uk/about-us/our-board](http://www.food.gov.uk/about-us/our-board)

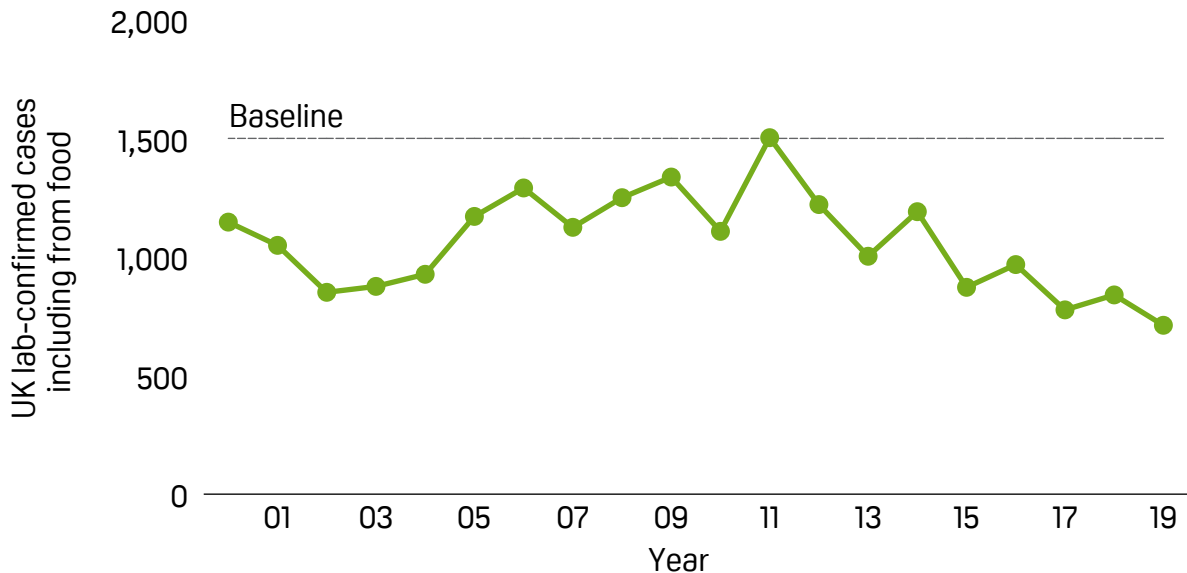
## Foodborne disease

It is the responsibility of people producing and supplying food to ensure it is safe and what it says it is. An estimated 2.4 million people are affected by foodborne disease in the UK annually, costing the economy in excess of £9.1bn. Laboratory confirmed human cases in the UK from 2000 to 2019 of the four major bacterial pathogens are shown below. Only a minority of cases are reported, and samples sent for laboratory analysis. In addition, these figures are for laboratory confirmed cases from any source, not just from food.

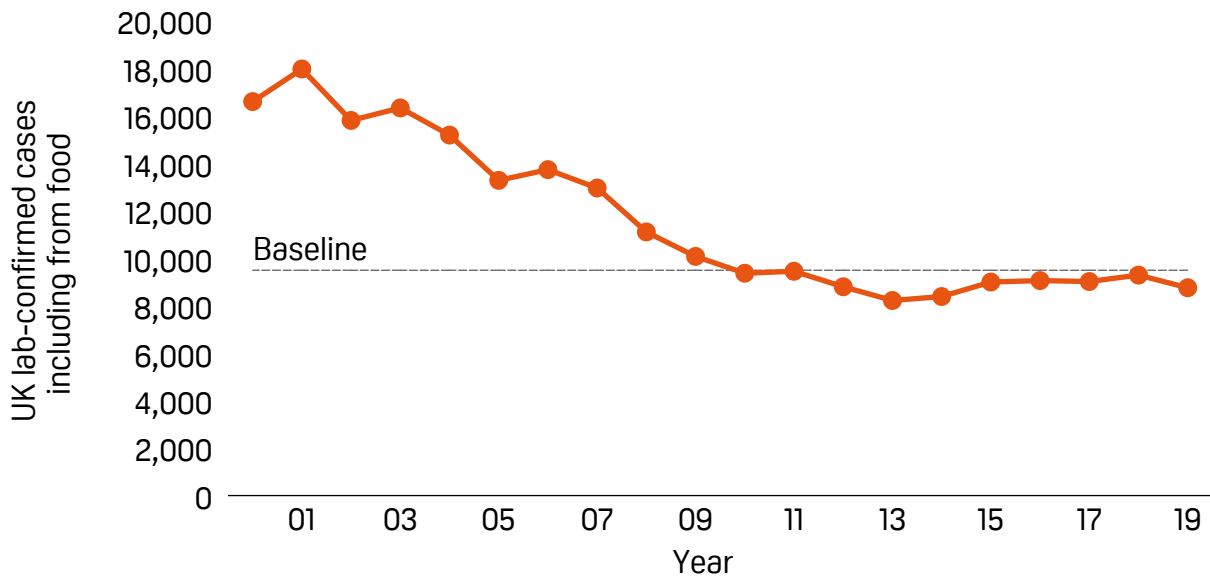
### Campylobacter



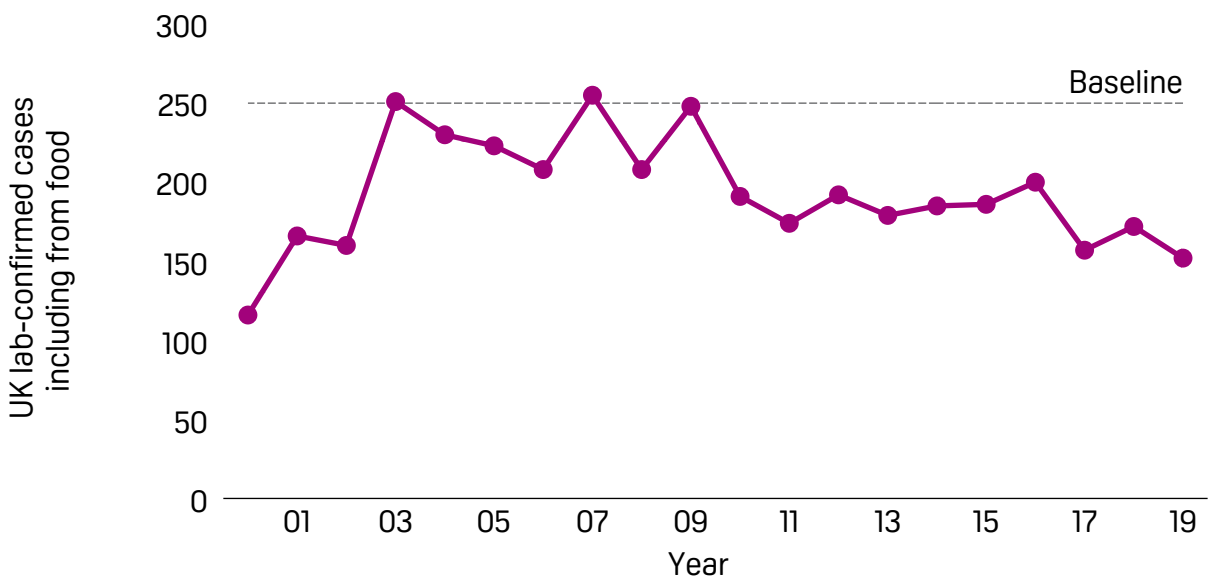
### Escherichia coli O157



### Salmonella



### Listeria monocytogenes



Source: Public Health England, Public Health Wales, Health Protection Scotland and Public Health Agency for Northern Ireland.

Some annual variation in the incidence of foodborne disease is to be expected. Because of this variation, the FSA Board set baseline levels which are the thresholds for action. All four pathogens had decreases in the number of UK laboratory confirmed cases in 2019, therefore leaving all the pathogens below the current thresholds.

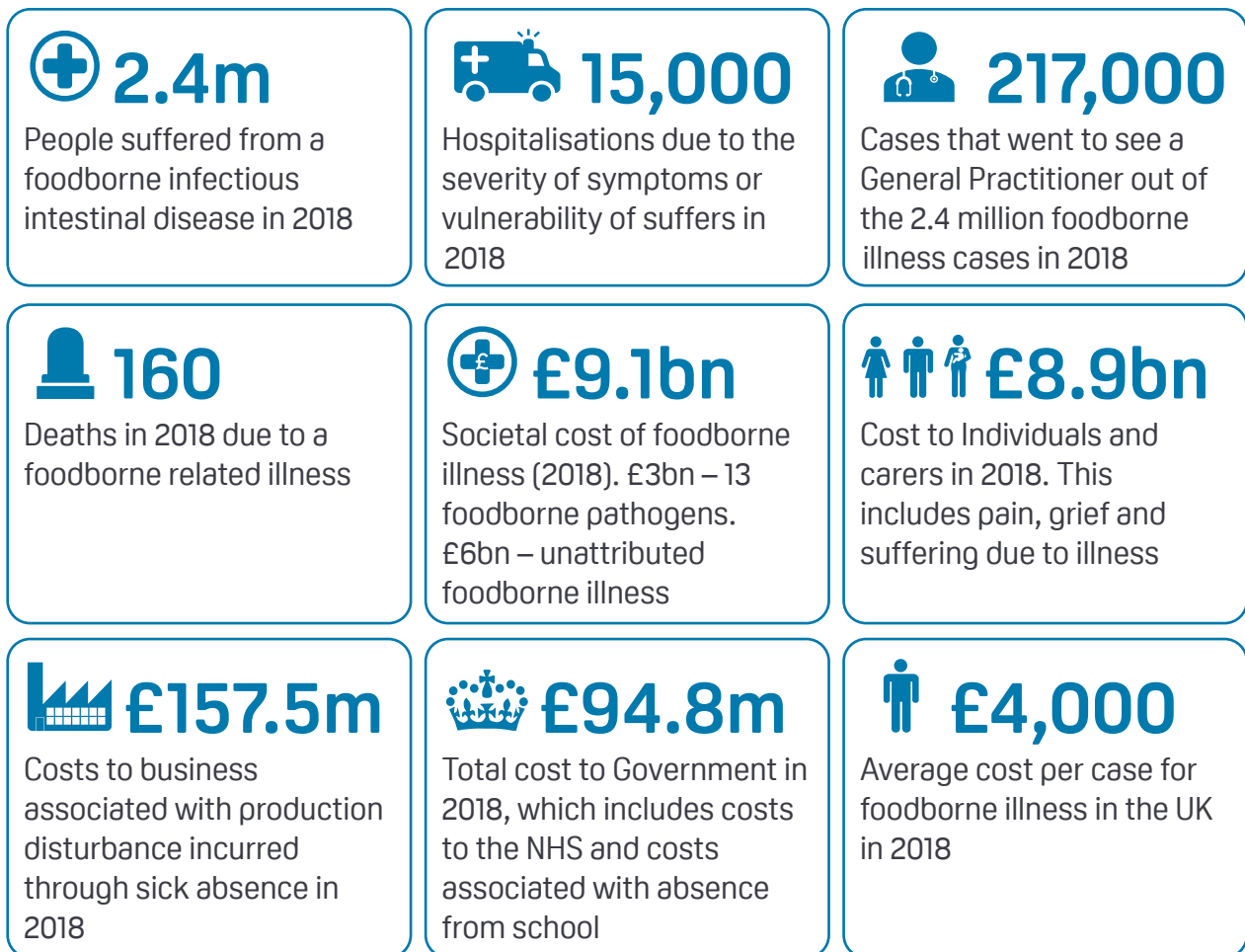


## Cost of illness<sup>8</sup>

The FSA Board wanted to better understand the relative impacts of different food-related health conditions, as an input to the prioritisation of public health interventions alongside issues such as tractability and cost.

Although the work on cost of illness (COI) represents a significant improvement from the previous model, it remains an imperfect science. As we are using datasets from different periods and sources, comparators are not perfect, however, our understanding continues to develop as new science and evidence emerges. Therefore, this work provides a framework for fair comparisons, but expert and informed judgement will still be required to apply it when making strategic decisions.

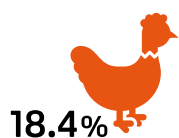
We used a COI approach to identify and estimate the costs of a particular disease to society. This model identifies the direct costs of treating the diseases and indirect costs such as productivity loss resulting from time off work. The COI model we have developed also includes the monetised costs of pain and suffering that individuals incur through a foodborne illness. A summary of key findings can be found below.



<sup>8</sup> FSA research published February 2020: [www.food.gov.uk/news-alerts/news/fsa-research-suggests-new-higher-estimates-for-the-role-of-food-in-uk-illness](http://www.food.gov.uk/news-alerts/news/fsa-research-suggests-new-higher-estimates-for-the-role-of-food-in-uk-illness)

## Retail survey and open data sharing initiative

The FSA began testing Campylobacter in UK-produced, fresh, whole retail chicken in February 2014.



of samples in the first year of testing were found to contain Campylobacter on neck skin at levels above 1,000 Campylobacter forming units per gram (cfu/g). 18.4% for 'high-level' Campylobacter prevalence is a market-weighted average of the top 9 UK retailers.



The high-level Campylobacter prevalence among the top 9 retailers in October 2017 (the final 3 months of testing for the FSA retail survey of major retailers), **indicating a steady decline in the intervening years.**



Since late 2017, we have used industry data to monitor that progress has been maintained for the top 9 retailers. We continue to sample chickens from the minor and independent retailers.



Each of the top 9 retailers has sampled and tested chicken to a common protocol agreed with the FSA.

The data is supplied on a quarterly basis. **For each quarter high-level prevalence has been maintained within the range 3.1% to 4.6%.**



In addition, the top 9 retailers publish their own results on their websites for their customers.

Up until September 2019 the FSA publicly commented on the retailers' sampling results on a quarterly basis. Following the request from retailers to review this arrangement, we accept that commenting on results and trends over a longer period will be more beneficial. We have agreed, therefore, that the FSA will not comment on results sent to us on a quarterly basis but would refer to them in our annual update to the Board on Campylobacter.

## CAMPAIGN

# Christmas

**Aim:** Before and during Christmas, target three key decision makers through separate strands of activity to:

- empower home cooks to safely use festive food leftovers
- drive Christmas-party decision makers to the [food.gov.uk/ratings](https://www.food.gov.uk/ratings) to look before they book
- build chef awareness of the risks of serving undercooked liver pâté to consumers

**When:** November/December 2019

**Spend:** £25,000

## Home cooks

To raise awareness of festive food safety and feed into the highly topical conversation of food waste, we delivered the activity in partnership with Love Food Hate Waste and social media influencers. This led to a **reach of 387,000** and a further **3.2 million opportunities to see** through other partnerships such as the Women's Institute and Waitrose.

## Christmas party decision makers

We drove Food Hygiene Rating Scheme (FHRS) website awareness to decision makers for office Christmas parties and encouraged them to **'look before they book'**. We targeted media event websites and publications and created a video 'The Christmas party fail', which was delivered in a targeted, paid social media ad campaign on Facebook and Instagram. The activity **generated 3,851 link clicks** to [food.gov.uk/ratings](https://www.food.gov.uk/ratings) (cost per click: £0.97). The Facebook video was the fourth highest source of traffic to the FHRS site during this period.

## Chefs

Our partnership and social media activity resulted in **2,800 views** of the cooking liver pâté advice page.



## Coronavirus (COVID-19)

We take a proportionate and risk-based approach to meeting our statutory purposes – protecting public health and consumer interests by ensuring that business provides food that is safe and what it says it is – and in itself this supports the wider Government objective of reducing pressure on the NHS. In terms of the demands and challenges of the COVID-19 crisis, we have focused on supporting the Government’s priority to secure the supply of safe food to the nation. We have taken prompt, proactive and pragmatic steps to achieve this, and the industry has been very collaborative and engaged itself in flagging issues we all need to address and resolve.

The main areas of FSA activity:

- providing advice to business<sup>9</sup> and consumers about COVID-19 and its relationship with food
- ensuring meat plants can operate with fewer staff so that meat supply continues<sup>10</sup>
- supporting local authorities and port health authorities to operate with fewer staff and to reduce footfall and avoidable burdens in businesses
- working on urgent policy issues to support the supply of food
- looking after the health and wellbeing of our staff, and by extension those of our main contractor Eville and Jones<sup>11</sup>

Our plans and preparations include helping with the recovery and reopening of businesses as the government science has indicated it is safe to do so.

Although the medium-term impacts of COVID-19 are not fully known, the FSA is undertaking work, through our horizon scanning group, to understand the potential changes in the food system and how we may seek to address them. This may include an acceleration of the use of online platforms, food sharing apps and social media food selling, and potentially a more blended wholesale/retail model in some areas, all of this changing the landscape that the FSA regulates.

In addition, we are identifying future issues related to laboratories and sampling, food business compliance, food crime (risk of substitution, risk of illegal, dangerous or deceptive food supplements), vulnerable consumer groups, changes to how and where food is sold and cooked and preparing for the world after lockdown fully ends. This includes looking at new business models and seeing which changes to consumer behaviour will continue beyond this crisis, and how economic fluctuations will affect consumers and food businesses.

We will use the circumstances facing the food and feed sector to be innovative and trial new approaches, where the law allows, so that we can learn and move forward from the experience, coming out stronger as an organisation and in our relationships with industry and across other parts of Government.

9 Our scientific evidence and guidance on COVID-19 in relation to food was published on 26 March 2020 for the food industry: [www.food.gov.uk/news-alerts/news/fsa-publishes-guidance-for-food-businesses-on-coronavirus-covid-19](http://www.food.gov.uk/news-alerts/news/fsa-publishes-guidance-for-food-businesses-on-coronavirus-covid-19).

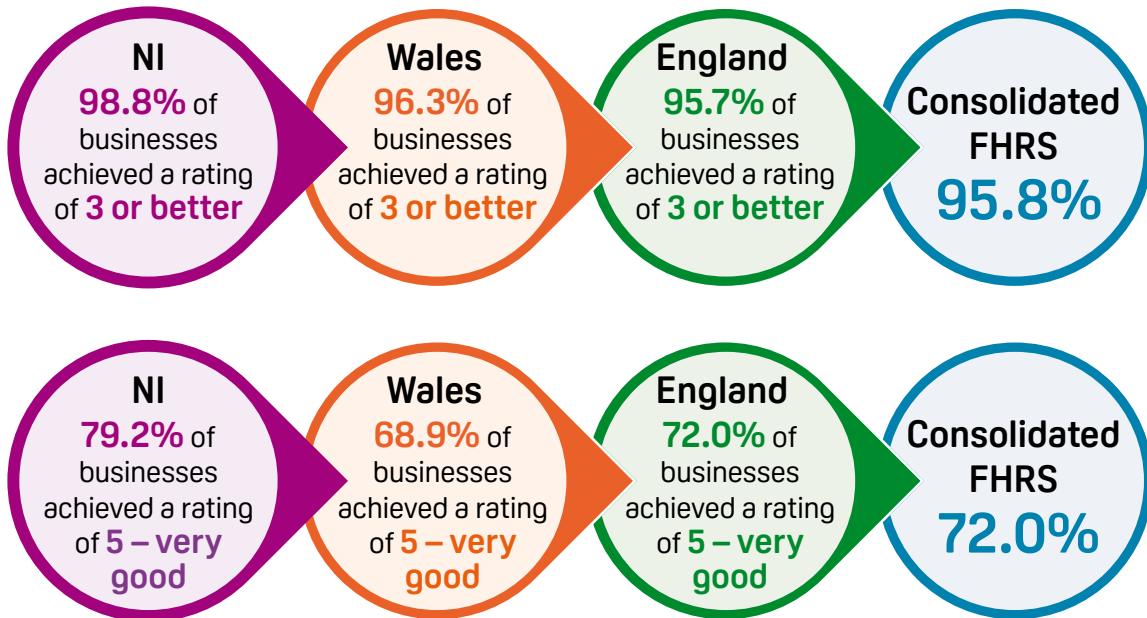
10 In April 2020 we put meat industry contingency plans in place in response to coronavirus [www.food.gov.uk/news-alerts/news/fsa-puts-meat-industry-contingency-plans-in-place-in-response-to-coronavirus](http://www.food.gov.uk/news-alerts/news/fsa-puts-meat-industry-contingency-plans-in-place-in-response-to-coronavirus)

11 This supplier delivers official controls in approved meat and dairy establishments in England and Wales on behalf of the FSA

## Food Hygiene Rating Scheme (FHRS)

The FHRS is operated in partnership with local authorities across England, Wales and Northern Ireland. The scheme provides information about food business hygiene standards at the time of local authority inspections. Businesses supplying food directly to consumers, such as restaurants, pubs, cafés and others are included in the scheme. In Wales, business to business traders are also included. Analysis carried out by the FSA has linked higher ratings to lower levels of microbes found in food businesses, ultimately lowering the risk to consumers of foodborne illness when eating food from higher rated premises<sup>12</sup>. The FHRS was identified at the end of 2019 as number 13 in the Royal Society for Public Health’s list of the top 20 public health achievements of the 21st century<sup>13</sup>.

**441,129** Food establishments with food hygiene ratings published, across England, Wales and Northern Ireland as at 31 March 2020:

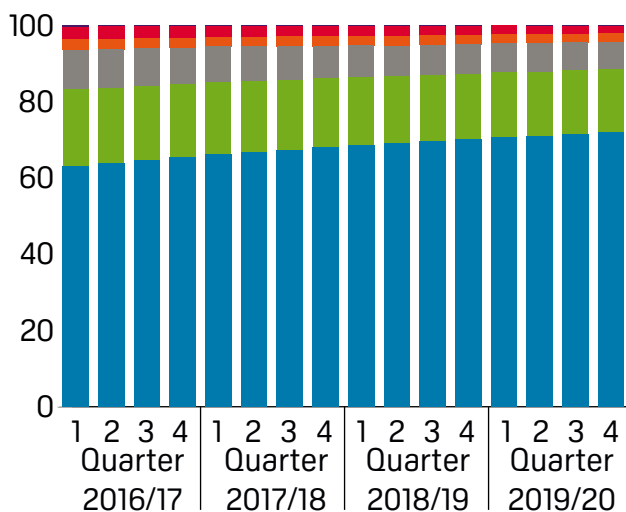


12 [www.food.gov.uk/sites/default/files/media/document/Chief-Scientific-Adviser-report-on-FHRS.pdf](http://www.food.gov.uk/sites/default/files/media/document/Chief-Scientific-Adviser-report-on-FHRS.pdf)

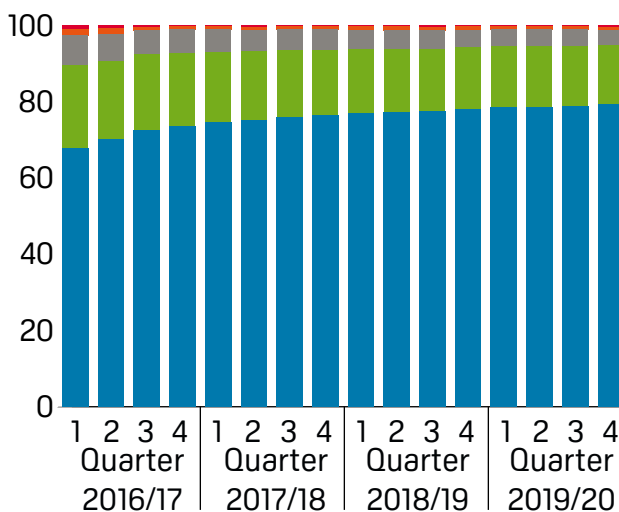
13 [www.rsph.org.uk/about-us/news/top-20-public-health-achievements-of-the-21st-century.html](http://www.rsph.org.uk/about-us/news/top-20-public-health-achievements-of-the-21st-century.html)

Graphs below show % distribution of overall FHRs ratings by country as at 31 March 2020:

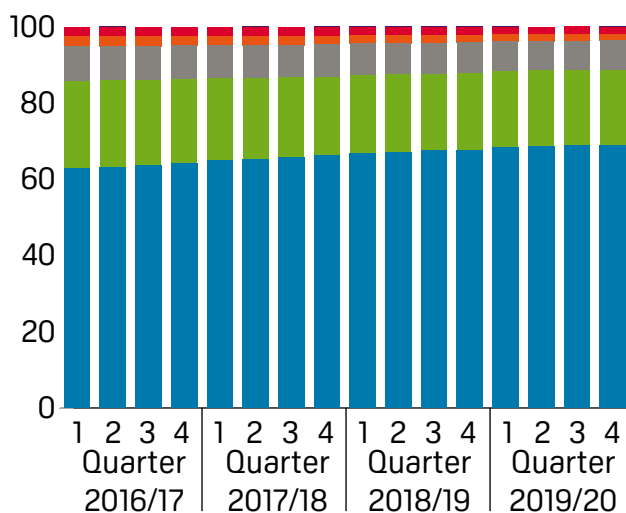
**England**



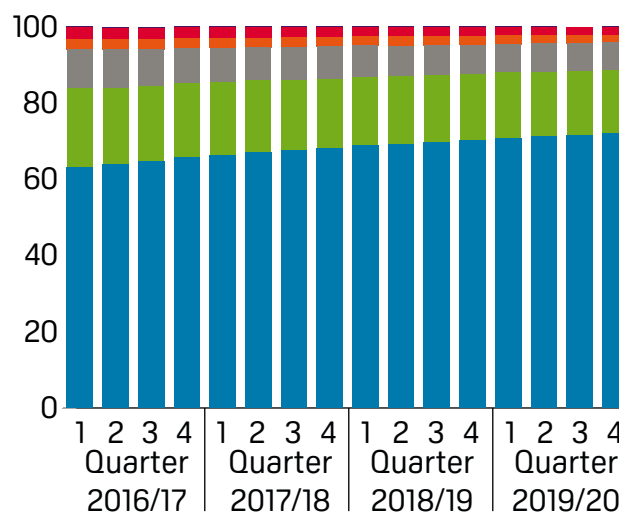
**Northern Ireland**



**Wales**

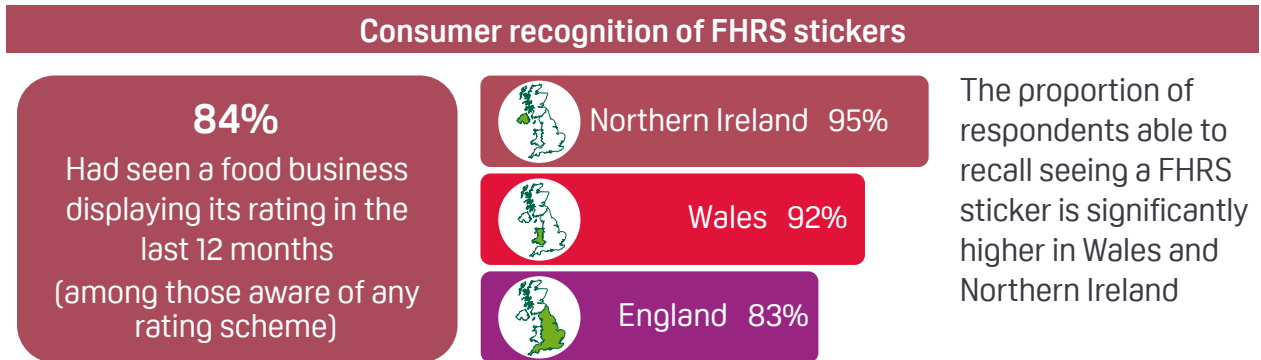


**Total FHRs**



- 0 - Urgent improvement necessary
  - 2 - Improvement necessary
  - 4 - Good
- 1 - Major improvement necessary
  - 3 - Generally satisfactory
  - 5 - Very good

The FHRs consumer tracker gives an overall picture of consumer awareness, attitudes towards, and use of the FHRs in England, Wales and Northern Ireland. The following figures are taken from the 2019 research:



\*Mandatory display was introduced in Wales in November 2013 and in NI in October 2016

An audit of businesses in autumn 2019 indicated that visible display of FHRs ratings at premises in England was 52% where display is voluntary (unchanged from last year), compared to 88% in Wales and 76% in Northern Ireland, where display is mandatory. This is compared to 32% in England, 21% in Wales and 38% in Northern Ireland in 2011/12 after the voluntary scheme was first implemented.

The FSA remains committed to extending mandatory display to England. This is the right thing to do for consumers, for businesses and for public health outcomes. Both the Public Accounts Committee and the National Audit Office have recommended that this is progressed as soon as possible.

## Local authority performance

A key element of our role as the central competent authority for food safety is provision of oversight and assurance of delivery of official food controls by local authorities in England, Wales and Northern Ireland. During 2019 we started to transition to a new approach to doing this – the balanced scorecard approach.

Previously, our approach to obtaining assurance of delivery was underpinned by a system of audit with separate programmes in each of the three countries. In England, this process was increasingly being used to tackle specific performance issues in individual local authorities rather than assessing the effectiveness of the system by looking at delivery in a cross section of local authorities.

Our expectations of local authorities in the delivery of official food controls are set out in the Food and Feed Law Codes of Practice<sup>14</sup>. We monitor delivery against these through the annual local authority enforcement activity – Local Authority Enforcement Management System (LAEMS) – returns and other sources of intelligence. Where we identify performance issues we have worked with and supported local authorities to make the necessary improvements.

### Updated and improved approach



We have separated our local authority audit and performance management functions in England to enable more targeted and flexible action to be carried out to address performance issues



To have more flexible, efficient and data driven performance measures. This will provide a more rounded and accurate picture of local activities aimed at protecting consumers and maintaining confidence in the food chain



In principle, the same approach will be adopted in Wales and Northern Ireland once it has been further developed but there will continue to be flexibility to reflect the different priorities in each country


<sup>14</sup> [www.food.gov.uk/about-us/food-and-feed-codes-of-practice](http://www.food.gov.uk/about-us/food-and-feed-codes-of-practice)




## Performance management programme

The initial programme, which extended to England only, included two key elements:



**1**  After separating audit and performance management functions, we identified the local authorities to engage with by reviewing open audits. Those with an outstanding action in relation to performance were included.

**2**  Identified local authorities with food hygiene performance issues via LAEMS data assessment, based on applying performance indicators for delivery of due interventions across all food business risk categories. For each identified local authority, other identified performance issues were raised with them.

## 2017/18 LAEMS data



## 2018/19 LAEMS data

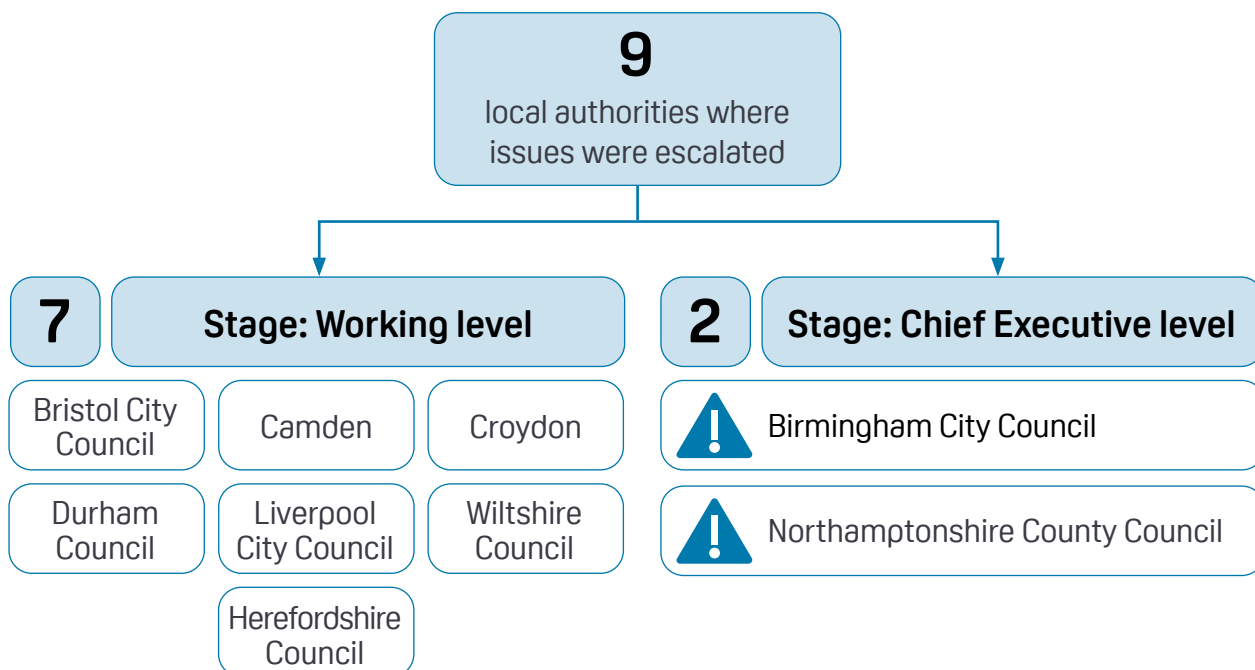


In Wales and Northern Ireland, performance data derived from the 2019/20 LAEMS returns has been used to inform the local authority audit programmes. It has also been used as the basis for discussions with relevant local authorities to challenge any performance issues, including overdue interventions, and for escalating matters where necessary.

The future plan is to have a consistent approach to performance management across the three countries and we are currently working to develop this system.

Where appropriate action is not taken or where improvements are not sustained, we follow an escalation procedure, agreed in March 2019, so that public health is protected, and consumer confidence maintained. A graduated approach is taken with engagement at different tiers of management within the FSA and the local authority.

**Local authorities subject to escalation:**



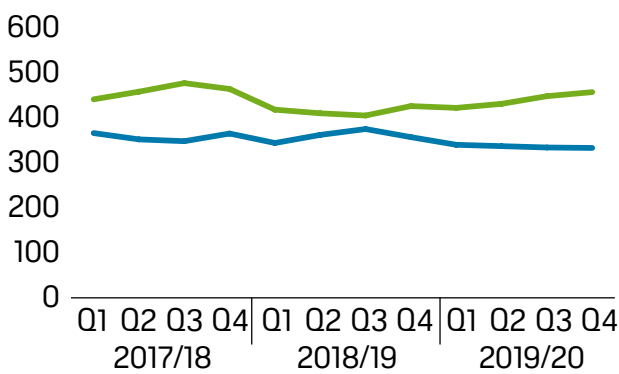
Our engagement has been constructive, time bound action plans have been agreed, and we are monitoring progress toward securing the necessary improvements.

Looking forward to 2020, we will further develop our approach regarding current expectations of local authorities and moving from an annual performance management programme based on LAEMS returns to a rolling performance management programme based on a wider set of data, integrating FHRS data. We will consider and identify what LAEMS and FHRS indicators will enable us to most effectively measure and drive improvements in local authority performance.

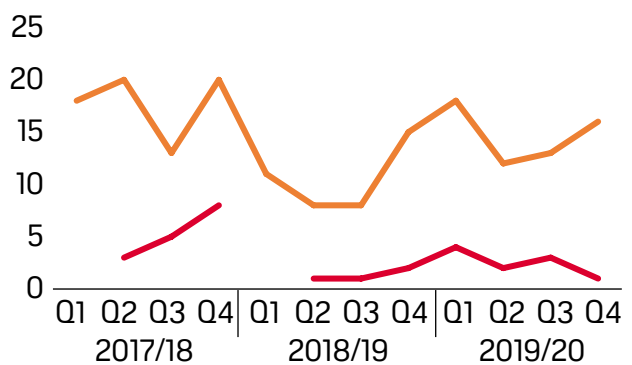
## Meat food business operator compliance with regulations

It is the responsibility of meat food business operators (FBOs) to comply with food safety, hygiene and animal welfare regulations. As part of the system of official controls the FSA carries out food business audits to verify compliance and works with food business operators to identify where improvements are necessary. We have audited a total of **913** food businesses as at the end of the 2019/20 financial year and audit outcomes are categorised according to compliance levels as – ‘**Good**’, ‘**Generally satisfactory**’, ‘**Improvement necessary**’ and ‘**Urgent improvement necessary**’.

Number of Meat FBOs in England rated ‘**Good**’ or ‘**Generally satisfactory**’

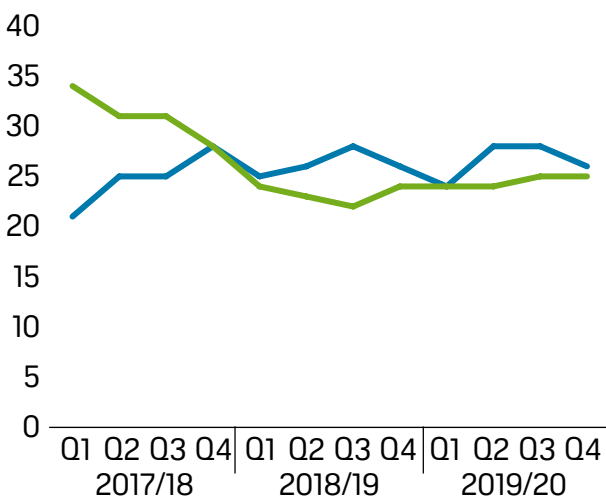


Number of Meat FBOs in England rated ‘**Improvement necessary**’ or ‘**Urgent improvement necessary**’\*

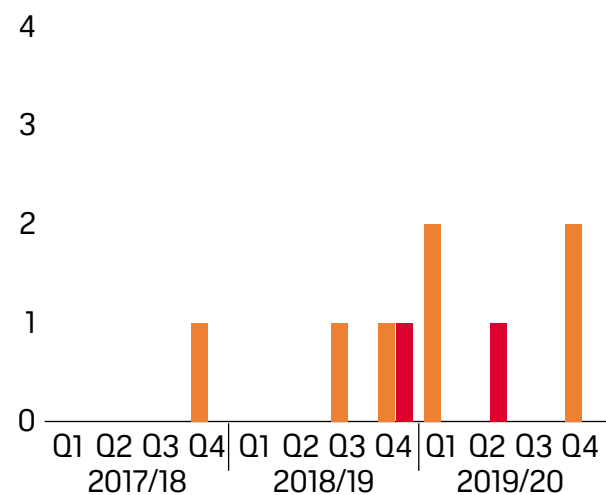


\*There were no FBOs in England rated ‘**Urgent improvement necessary**’ in Q1 of 2018/19.

Number of Meat FBOs in Wales rated ‘**Good**’ or ‘**Generally satisfactory**’

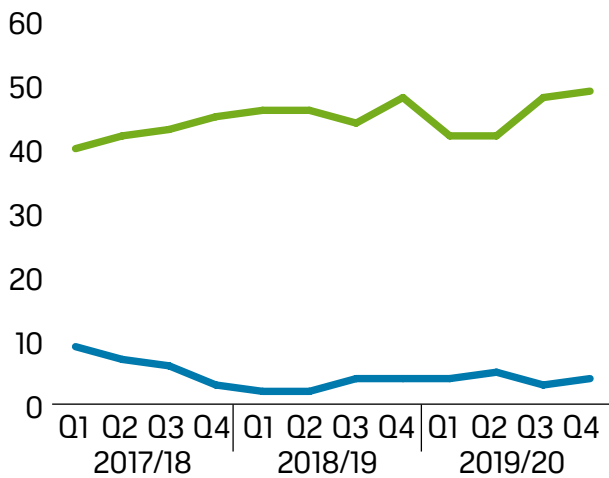


Number of Meat FBOs in Wales rated ‘**Improvement necessary**’ or ‘**Urgent improvement necessary**’\*

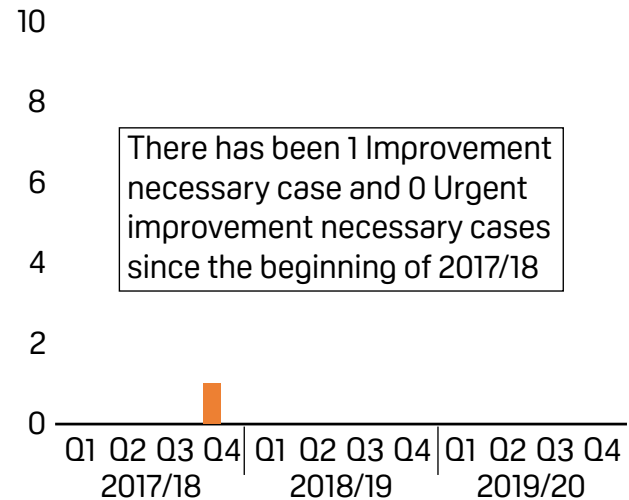


\*There were no FBOs in Wales rated ‘**Improvement necessary**’ or ‘**Urgent improvement necessary**’ between Q1 and Q3 of 2017/18, Q1 and Q2 of 2018/19 and Q3 of 2019/20.

Number of Meat FBOs in Northern Ireland rated 'Good' or 'Generally satisfactory'



Number of Meat FBOs in Northern Ireland rated 'Improvement necessary' or 'Urgent improvement necessary'



As part of the FSA commitment to encourage food businesses to take their responsibilities for producing safer food more seriously, we have set an ambition to reduce by 25% the overall number of premises receiving audits that are rated urgent improvement necessary or improvement necessary audits. The aim is to reduce the risk of driving perverse behaviours in the audit team and FBOs. To help achieve this, we have worked to strengthen our processes in non-compliant premises by applying more robust, consistent and transparent protocols with earlier interventions. These have been delivered proportionately before and during the review of approvals, with FBOs being left in no doubt as to the consequences of their continued failure to comply.

## Animal welfare

The ‘**Deter, Prevent, Detect, Enforce**’ programme is delivered through the Animal Welfare Action Plan which is FSA owned and a tool used to document, track and evaluate the effectiveness of delivering animal welfare improvements. We have a zero-tolerance approach towards animal welfare non-compliance. All non-compliances result in appropriate action, such as informal action, effective in avoiding future non-compliance where breaches are minor and formal action, where non-compliance is most severe e.g. causing pain or suffering or where informal enforcement has not resulted in subsequent compliance.

The action plan is monitored by a steering group comprised of representatives from the FSA, Welsh Government and Defra, who review outstanding actions and approve new activities. With the agreement of the steering group, activity ownership can be allocated to stakeholders other than the FSA, for example Defra.

In 2019/20, we continued to carry out activities agreed in the Animal Welfare Action Plan. These were identified in the 2018 and 2019 Board papers. In summary we have:

### Strengthened verification of compliance by:

- Working with Defra and industry to implement the requirements of Council Regulation (EC) No 1099/2009.
- Working with Defra and other government departments to evaluate the effectiveness of implementation of mandatory CCTV regulations that are only applicable in England. All 234 business operators in England installed a compliant CCTV system.
- Completing our third animal welfare themed audit.

### Improved accountability and collaboration through:

- Our programme of visits by the dedicated FSA Welfare Assurance Team.
- Successful negotiations with Defra and Welsh Government for increased funding for delivery of animal welfare controls.
- Our contribution to the Public Policy Exchange discussions on reversible stun and its acceptability for religious non-stun slaughter.
- Expanding our joint working relations with industry representatives in the red and white meat sectors dedicated to continuous improvement of animal welfare.

### Improved education and awareness by:

- Working with Defra to produce guidance and Q&A that sit alongside the Council Regulation (EC) No 1099/2009 legislation.
- Publication of themed best practice guidance relating to:
  - standard operating procedures; the provision of water in lairages; the restraint of cattle for slaughter

### Improved quality of our analysis reporting through:

- Production and publication of animal welfare non-compliance statistics.
- Continued refinement of the animal welfare non-compliance database.
- Enhanced service level agreement tracking and case conferences with Defra and Welsh Government.
- Enhanced reporting of the FSA Welfare Assurance Team visits.

## Food incidents

A fundamental right of the consumer is the ability to make informed decisions about the food they choose to buy and eat. This can only be made possible when this food is correctly and accurately identified and is appropriately labelled. Incident, resilience and consumer protection teams across England, Wales and Northern Ireland manage and coordinate the FSA’s response to food incidents and foodborne outbreaks ensuring that products not in compliance with safety legislation are removed from the market. The FSA’s Incident Management Plan outlines the plans and procedures for meeting our responsibilities in response to non-routine food-related incidents. A key tool to enable swift reaction when risks to public health are detected in the food chain is RASFF – the Rapid Alert System for Food and Feed. It provides a service to ensure that urgent notifications are sent, received and responded to efficiently.

### 2019/20 objectives



Continue to do the ‘day job’ exceptionally well



Build upon Incident Management Capability



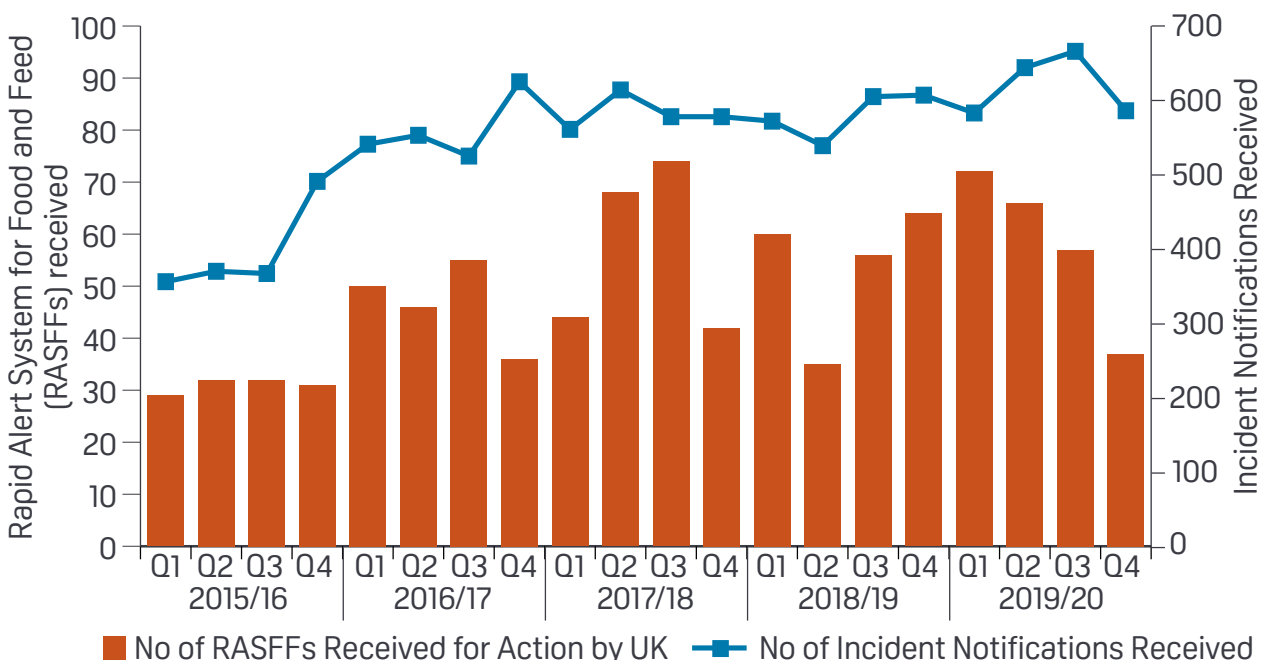
The UK leaving the EU

### Progress against objectives

**2,479** Food, feed and environmental contamination incidents that we were notified of and investigated in the UK during the 2019/20 reporting year, a **6.7%** increase compared to **2018/19**.

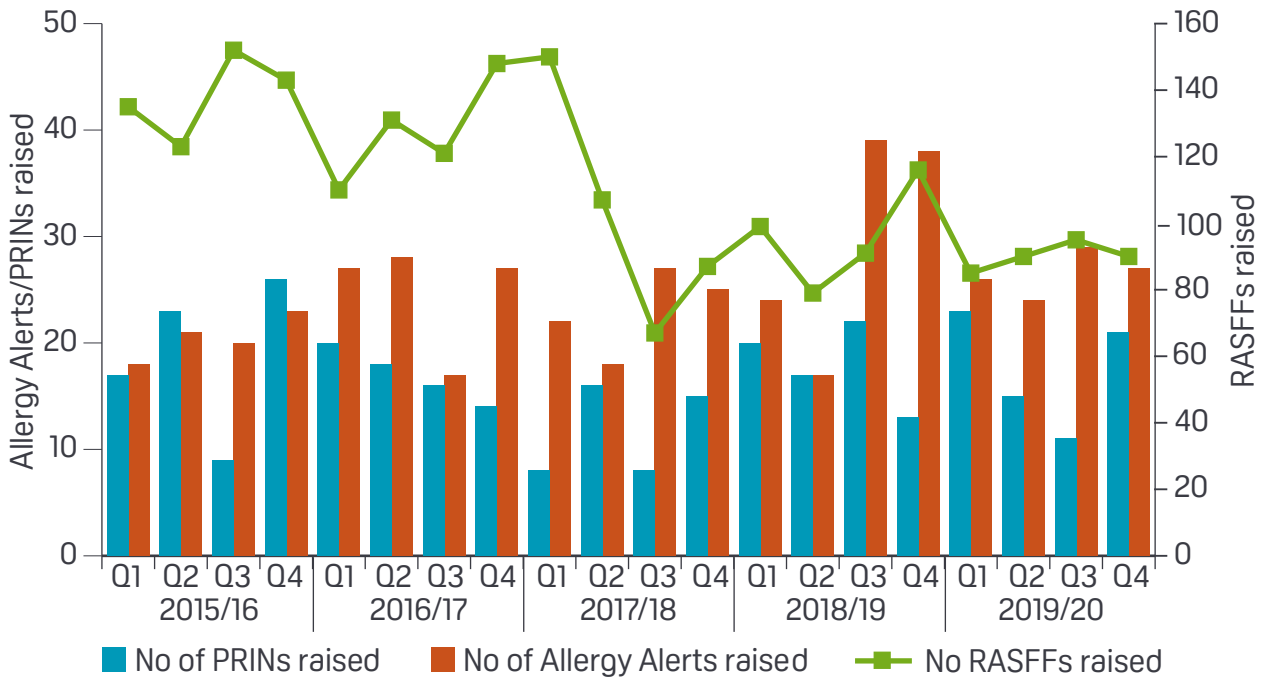
**178** Alerts issued in 2019/20, representing a 6.3% decrease when compared to 2018/19. The fall in the number of alerts issued in 2019/20 is not necessarily indicative in a change in the UK food safety profile.

### Notifications received



### Alerts raised

Product Recall Information Notices (PRINs) are issued when a product has been / is being, recalled from consumers to resolve an issue.



### The UK leaving the EU

The Incident Response Unit’s preparations for the UK leaving the EU were completed as planned at the end of March 2019. These included:

	<p>Developing and implementing an enhanced stakeholder engagement programme, further building relationships with food safety competent authorities in other countries alongside a UK food industry liaison group used during major incidents.</p>
<p>Embedding a secondee in the International Food Safety Authorities Network (INFOSAN), managed jointly by the Food &amp; Agriculture Organization and the World Health Organization.</p>	<p>The number of countries the UK can reach due to this extensive communication network.</p>
<p>Maintained and improved our high standards of food safety by strengthening our incident management processes. This included:</p>	
<p>Establishing additional systems with capacity and capability to proactively identify signals indicative of food safety risks.</p>	<p>Recruiting and training additional staff to support the new functions which are fully operational.</p>
	<p>We triggered our Incident Management Plan to provide emergency response capability to support and resolve any eventualities due to the UK leaving the EU.</p>

## CAMPAIGN

## World Food Safety Day (product recalls)

**Aim:** To raise consumer awareness of our alerts system and increase withdrawal and recalls guidance downloads.

**When:** June 2019

**Spend:** £11,000

Twenty partners supported the campaign including a mixture of trade associations, product brands, restaurants and café chains, supermarkets and caterers, **creating 1,126,527 opportunities**, such as Aldi tweeting to 370k followers and Anaphylaxis Campaign sharing to their 8,724 followers.

We promoted new guidance and a quick reference guide to help food businesses carry out withdrawals and recalls with greater ease and effectiveness.

Our activity for World Food Safety Day (WFSB), themed around recalls, was reduced due to a food incident, despite this **we doubled the number of subscribers to our alerts service** than in an average week (599). We also saw a peak in downloads of our withdrawals and recalls guidance, bringing the total to 1,776 at the end of WFSB.





## National Food Crime Unit (NFCU)



The NFCU was formed in 2014, initially to deliver a criminal intelligence function. At this time, investigative activity fell to local authorities or wider law enforcement. In June 2018, HM Treasury approved additional funding for the FSA Board to develop the NFCU to include investigative and preventative functions. The aim is to provide an end-to-end response to combat criminal activity within the food supply chain by April 2020. Key areas of progress during 2019/20 is described below.

### DNP (2,4-dinitrophenol)

DNP is a toxic chemical which can be illegally marketed as a fat-burning substance, suitable for human consumption. There have been five UK fatalities linked to DNP toxicity since April 2019. The Unit's efforts to counteract this have been varied and substantial.

 <p>Concluded a multi-national initiative under the annual Operation OPSON. This includes physical interventions at addresses linked to DNP sale and broader messaging around DNP threat via social media activity in the UK</p>		
 <p><b>12</b> social media profiles removed since 2015</p>	 <p><b>400</b> specific marketplace listings removed since 2015</p>	 <p><b>89</b> websites removed since 2015</p>
 <p><b>35</b> disruptions of online trade via complaints, website takedowns and social media account closures</p>	 <p>Overseas, our investigations have led to notable judicial outcomes linked DNP sales in or to the UK</p>	 <p><b>200+</b> People warned of the DNP risks by the Unit via letters or from local police forces after allegedly purchasing it</p>

### Relationships

<p><b>Internal</b></p> 	<p>Our review of the FSA Incident Management Plan includes 'engagement'. This is to ensure processes and responses to incidents are properly supported by and reflect the widened capability and scope of the NFCU.</p> <p>We agreed an internal protocol on joint working across NFCU and FSA Field Operations.</p>
<p><b>External</b></p> 	<p>Agreed a protocol for securing support from policing partners. Work is ongoing with the Northern Ireland Police Service.</p> <p>Created and agreed a Memorandum of Understanding on joint working with the Association of Chief Trading Standards Officers.</p> <p>Enhanced access to industry authenticity data through the Unit's Information Sharing Agreement with the Food Industry Intelligence Network.</p>

## NFCU Investigations

Intelligence logs

**1,462**

Recorded disruptions to  
food criminality

**64**

New or existing  
investigations pursued

**11**

## Knowledge, systems and capabilities

The Unit's expansion and developing maturity has manifested in several areas where we can point to significant structural and procedural milestones being met.



**73 FTE**

Recruited staff  
(of 83 established)



Induction training delivered  
besides relevant  
professional development



Agreed standard operating  
procedures to regulate our  
approach



Secured access to several national systems, fundamental for an intelligence led law enforcement approach, including the Police National Computer (PNC), Police National Database (PND), and the main local authority intelligence database



Engagement with independent QC to define the mandate of NFCU activities as an interim position, pending legislation delivery to access powers under the Police and Criminal Evidence Act (PACE) and changes to the Food Law Codes of Practice



Implementation of end-to-end intelligence and case management system



Research, drafted and delivered a revised Food Crime Strategic Assessment



Developed arrangements for the authorisation & conduct of covert activity, including liaison with the Investigatory Powers Commissioners Office

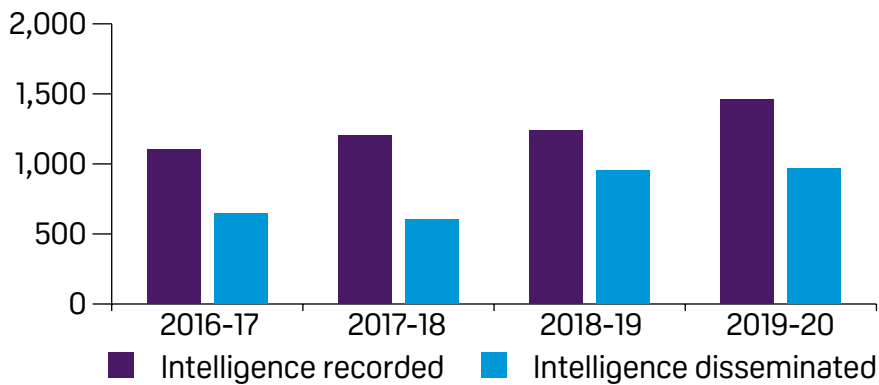


Review of structure and  
business processes to  
optimise service delivery



Implemented refined,  
professional tasking &  
coordinated methods








### Receipt, evaluation and dissemination of intelligence



**33%**

Increase in annual volume of intelligence recorded by the Unit since 2016

### Disruptions

	Multiple online interventions to block the sale of unsafe substances		Identified unsafe health products for sale, enabling their removal from the market
	Delivered Operation OPSON activity as part of European Commission focus on organic certification		Convened multi-agency day of action leading to non-compliance detections in shellfish harvesting
	Co-ordinated multi-agency interventions at meat handling businesses across multiple local authorities		Co-ordination to support ongoing investigations about equine exports
	Intelligence coordination leading to warrant execution and the removal of non-compliant imported products across several local authority areas		

## Surveillance

### Overall objective:

To develop a systematic approach across the FSA to effectively identify food and feed risks. We need to identify direct impacts such as a microbiological risk, crime, changes in consumer attitude to food, changes in business models, then to technical advancements in food production and our engagement. We undertake surveillance in order to protect consumers now and in the future, with the foresight to predict and act in a timely manner. This is an underpinning strategic principle for the FSA.

### Objectives for 2019/20:

To use modern data and technology enabled approaches to deliver surveillance. Taking cues from past and ongoing FSA Science Council work in horizon scanning, data usage and digital technology. The focus is on using data, enabled by leading technology, with human input, to proactively develop situational awareness before issues arise to protect consumers and ensure that food is safe and authentic.

### Summary of key achievements:



#### Horizon scanning

We published the Horizon Scanning report resulting in dedicated resource. We will develop a system as an integrated component of our wider surveillance system and continue to work within the developing allergens programme.



#### Develop overarching integrated system

We began developing the design of the overarching surveillance system. Given the broad surveillance activity occurring across the FSA, it would be useful to us and the consumer to build on, optimise and share its insights.



#### Data hub

We collated and improved local authority collected data via the Unified View – a tool developed to collect food business related data from local authorities.



#### Sampling

We have broken down sampling into 3 core types to allow efforts to be focused on delivery in different ways, recognising that these various types of sampling have very distinct purposes and goals:

- **hypotheses answering**
- **intelligence gathering**
- **official controls**



### Analytics

We have estimated the number of UK imported high-risk food consignments from non-EU countries that are not checked at UK entry points as they enter through an EU country. We continued to research into better understanding trends and circumstances around food hypersensitivity reactions and consequential health encounters.

We led the delivery of proof of concept research to predict FBO compliance for new establishments based on initial operating factors. We are addressing previous limitations by:



Using more advanced Artificial Intelligence (AI) deep learning techniques.



Adding external open sources of data.



Evaluating the macro scale of the UK.



Developing a framework to capture the food crime impact on the UK economy.

### Social science



Social scientists monitor, measure, describe, explain, predict and evaluate social and economic phenomena. This year we focused on:

- Predicting trends and changes, including understanding the drivers of food choices in Generation Z (typically people aged 16-25).
- Changes in consumer risk perceptions and acceptability of new food technologies.
- Using open social media allowing us to track consumer views in near real time.

### Imports



We further strengthened working relationships with port health authorities.



Introduced several innovative tools that increased the data-driven decision-making capability aiding in the targeted inspections of imported food.



We collaborated with several other Government departments at the border to investigate the risk of non-compliant food entering the UK via the parcel network.

## Strategic surveillance



Developed a flexible, responsive data enabled strategic surveillance capability. Through this we are developing a picture of the food system, its risks and vulnerabilities, so that we can manage consumer food risks.

We have achieved our primary objective for this year and provide a responsive capability to help mitigate risks associated with leaving the EU and future changes in trade patterns. This includes systems, better data knowledge, models, algorithms and skills.

## Strategic surveillance use cases delivered in 2019/20

	Risk likelihood dashboard		Aflatoxin risk prediction
	Meat establishments dashboard		Unregistered businesses
	Signal prioritisation		Pesticide risk prediction
	Food consumer experience		Trade routes and volumes at ports
	Non-UK Rapid Alert System for Food and Feed (RASFF)		Online display of FHRS scores
	UK food sectors most exposed to change in value of the pound		

## Next steps

- Recognise good practice and use gap analysis to ensure pinch points are identified. Use a modern integrated approach to identify areas of good practice and learning opportunities.
- Future propositions will include expected outcomes to ensure identified benefits are measured.
- Commence the design of a model that identifies the various required functional elements and identify a use case that can be used to exercise how a new model might work but building on what we already have.
- Use information gathered by the Science Council Working Group 4 report, on the exploitation of data.

## Northern Ireland Nutrition

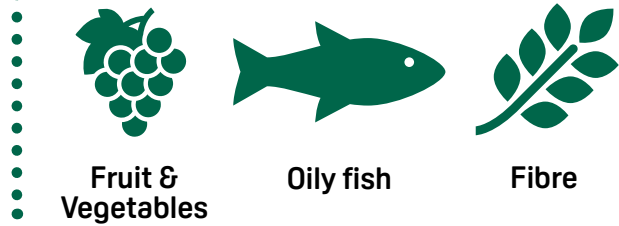
The delivery of nutrition and dietary health policy is the responsibility of the FSA in Northern Ireland (NI). The aim is to improve consumer nutrition and health outcomes by making healthier food products available and to increase consumers' understanding of nutrition, to allow the healthy choice to be the easy choice. Our key role is to develop and lead policies focusing on all sectors of the food industry and the organisations that influence and support them.

**Figure 1. NI Nutrition Surveillance Data on Dietary Intakes**

**In NI we are eating too much:**



**And not enough:**



The prevalence of obesity and overweight people in NI in the past 10 years is a concern. Currently in NI, over half of adults (62%) and a quarter of children aged 2-15 (27%) are overweight or obese (Department of Health, 2020) (Figure 2).

**Figure 2. Northern Ireland Dietary Intakes**

**6 / 10 adults in NI are classified as overweight or obese**



**1 in 4 children in NI aged 2-15 are classified as overweight or obese**



The FSA in NI has worked with local food manufacturers, retailers and the out-of-home sector (restaurants and others) on the 4-5-year 'Eating Well Choosing Better' (EWCB) programme. We support small and medium sized enterprises in NI with reformulation and reducing portion sizes to make healthy choices easier. We continue to align our action and delivery plan with Public Health England's in relation to reducing children's sugar and calorie consumption.

As part of the EWCB programme, we published the 'Nutritional Content of Scones' report in partnership with the 11 district councils which surveyed and sampled scones sold in NI high street coffee shops. Results suggested that most sampled scones were homemade, presenting opportunity for reformulation. We then commissioned the College of Agriculture, Food and Rural Enterprise (CAFRE) to conduct reformulation trials and to develop technical guidance for businesses. This guidance was launched at a scone reformulation event in

January 2020 allowing businesses to test a range of reformulated scones. Evaluation of the event demonstrated that:



**73%**

Considered reformulating scones to make them healthier



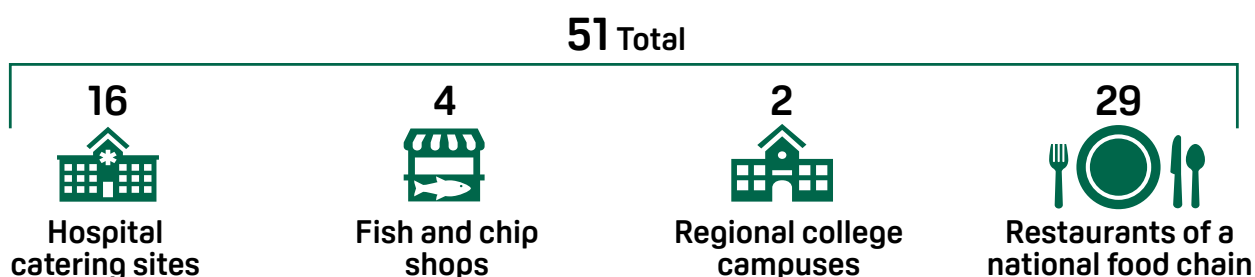
**80%**

Considered reducing portion sizes of scones

We have continued our partnership with the district councils through the survey and sampling of portions of cheesecake sold in restaurants which have been analysed to determine nutritional content and portion size.

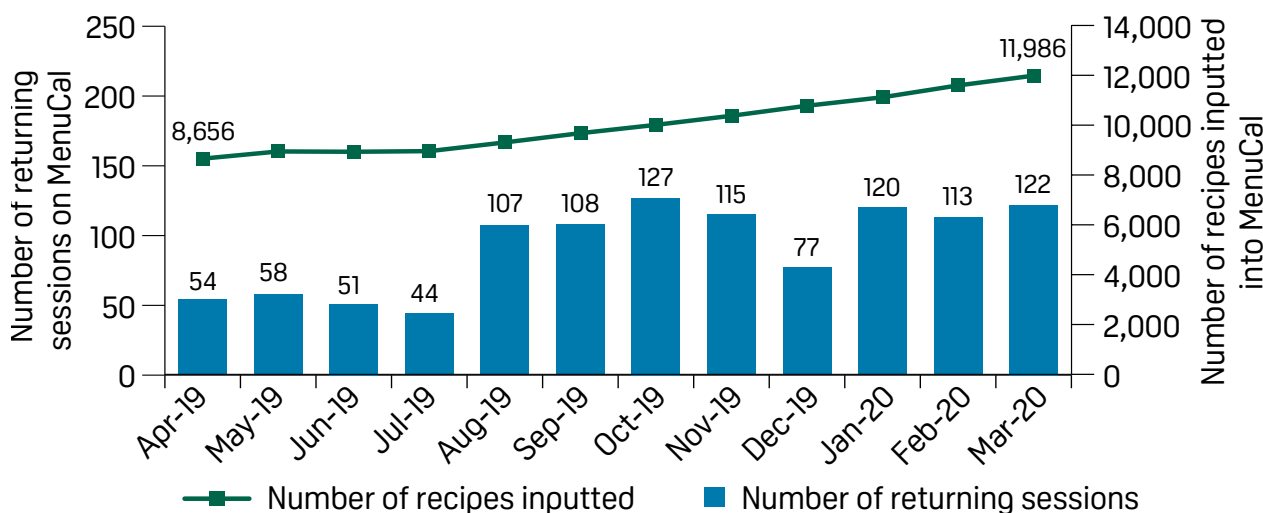
Within the out-of-home sector, the Calorie Wise scheme continues to be delivered in partnership with the 11 district councils. This scheme encourages food businesses to voluntarily calorie label food and drink items on their menus, with help from the FSA’s free online calorie calculator called MenuCal. Over the last year the FSA and district councils have engaged with a wide range of local businesses. More than 30 businesses have received our support to implement the four principles of the Calorie Wise Scheme and on the use of MenuCal.

### Calorie Wise Gold Award achievements



MenuCal use continues to grow with a 24% increase in the number of NI users since April 2019 (to the end of March 2020). The number of returning sessions (number of logins) increasing by 38% shows there is regular use of MenuCal as users log in to add new recipes or make amendments to existing ones (Figure 3).

**Figure 3. Number of returning sessions and recipes inputted into MenuCal**





CAMPAIGN

## Check the label

**Aim:** A behavioural change through a clear call to action which encourages NI consumers to ‘check the label’ when food shopping to help them make informed healthier choices.

**When:** February/March 2020

**Spend:** £110,000

We used a ‘Did you know’ approach to highlight the calories in an average portion of commonly purchased foods and encouraged consumers to check the label. We worked in partnership with the Public Health Agency (PHA) and combined a key message from PHA’s Choose to Live Better programme, ‘**Just 100 calories extra a day could mean 10lbs of weight gain a year**’. Our target audience was women in lower socioeconomic groups, as the FSA’s Food and You survey results reported that women are more likely to have all or most of the responsibility for food shopping.

Media channels used included a range of organic and paid for social media, videos on ITV Hub and Sky AdSmart, outdoor advertising, radio advertising with Cool FM, as well as digital display content using Belfast Live. Using these channels **we generated over 4.5 million opportunities** (to see) and the Check the Label webpage on food.gov.uk received over 4,000 page views during the campaign.

Several stakeholders and partners offered support including nutrition organisations, consumer support groups, public sector agencies, academic and learning centres. **This created 415,449 opportunities to see ‘Check the Label’ content** on their channels and networks.

Did you know?

Just **100 calories** extra a day could mean **10lbs** of weight gain a year.

Food Standards Agency  
HSC Public Health Agency

Energy 594kJ 142kcal 7%

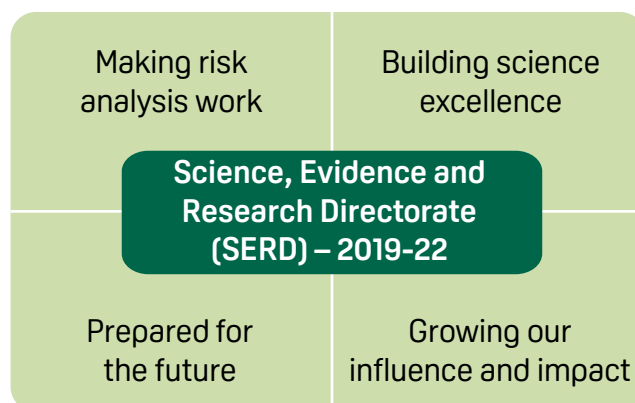
2,000 2,500

**Check the label.**  
Learn more at [food.gov.uk/CheckTheLabel](http://food.gov.uk/CheckTheLabel)

\* Based on an average of the front of pack calorie information found on four different chunky chocolate brands readily available in NI supermarkets.

## Science and evidence

Science is fundamental to the FSA, providing an evidence base to inform delivery of statutory responsibilities and shape strategic priorities. Science and evidence are important in relation to concerns about new products or processes being allowed onto the market as part of new free trade agreements. We have developed a four-part strategic plan for the next three years and propose future priorities to continue to improve our approach to the acquisition and use of science.






### Internal and external capacity:

# 33%

SERD’s 2019/20 capacity growth in preparation for the UK leaving the EU and to strengthen our risk analysis process. This focused on improving critical capability for microbiological and toxicological risk assessment.

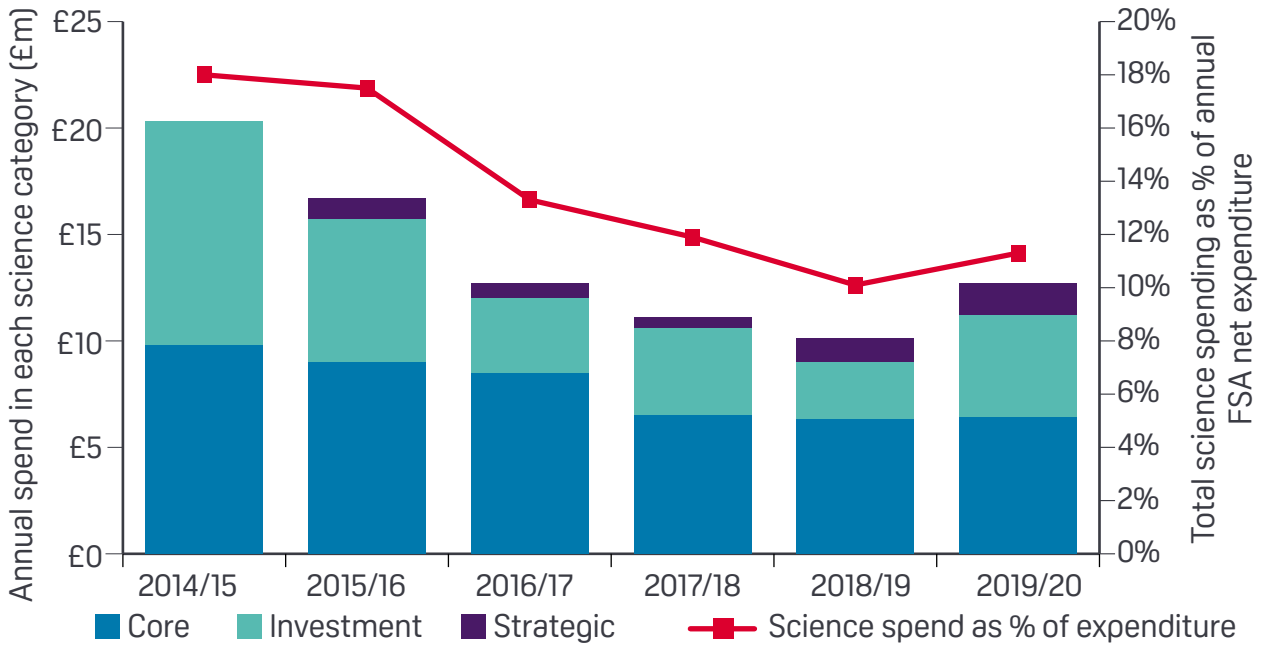
We strengthened our cross-cutting capability across our wider evidence needs and created the new Science Strategy, Capability and Research (SSCR) unit. Each are responsible for a specific area of SERD’s deliverables:

<ul style="list-style-type: none"> <li>● Biological and chemical risk expertise.</li> <li>● Risk assessment function.</li> </ul>	<ul style="list-style-type: none"> <li>● Socioeconomic and statistical expertise.</li> <li>● Evidence gathering, assessment and analysis function.</li> </ul>	<ul style="list-style-type: none"> <li>● Science strategy and assurance.</li> <li>● National laboratory coordination.</li> <li>● Strategic project function.</li> </ul>
<p><b>Risk Assessment Unit</b></p> 	<p><b>Analytics Unit</b></p> 	<p><b>Science Strategy, Capability and Research Unit</b></p> 

### Science spend:

The 2019/20 science research spend has increased to **£12.7m** in comparison to 2018/19 (£10m), reversing a declining trend seen over previous years. The key drivers are an increased capacity and capability for our Scientific Advisory Committees; increased capabilities to improve strategic surveillance and rapidly deliver research projects.

Figure 4: External total science spend as proportion of FSA budget 2014-20



**Building science partnerships – progress to date:**



Improved our external engagement and developed partnerships with a range of stakeholders, created new partnerships and gained funding to deliver our priorities.



We have worked actively with partners to develop our strategic food safety programmes including the new Transforming Food programme, an initiative that joins partners with government departments to generate transformative change in our food system.



Significantly strengthening the FSA’s Scientific Advisory Committees (SACs) capability.



Increased the membership of Register of Specialists to **300+ experts**.

Following the transition period, the UK will need to assess the safety of:



**Food additives**



**Food contact materials**



**Animal feed additives**

- So, we have set up a
- system of 3 Joint
- Expert Groups
- (JEGs)



Total cost of the FSA’s use of SACs and the Science Council, an increase of £259k from 2018/19. The increase is due to increased workloads and SACs Secretariat support. These roles are responsible for supporting increased risk assessments, repatriated following EU Exit.



The new risk analysis process has been embedded into our ways of working, with the Chief Scientific Adviser overseeing high-level assurance of the risk assessment and evidence elements of the process.

## Key successes:

**Science Council** – The Science Council has made progress with two working groups:

1

Identified and considered emerging data tools, techniques and technologies which could have the greatest impact in the future, and the implications of advancements in open data, data sharing and how we can promote in a responsible manner.

2

Food hypersensitivity strategy review, ensuring it has access to the best available science and evidence to support the delivery of appropriate and effective actions to ensure food safety and consumer choice.

## Horizon scanning



Delivered a new horizon scanning system allowing us to better identify emerging risks and new technological advances. This coordinates work within and outside the FSA enabling us to better predict emerging risks and protect the consumer.

## Review of national laboratory capability and sampling strategy

Established a team to address issues regarding recommendations to the Government on laboratory services and funding required to keep food safe.

We have also established a cross-government working group to ensure a joint approach to:



National laboratory capability



Coherent and efficient sampling strategy

## Areas of research interest



We will provide a more strategic approach to research and development programmes by increasing collaboration within government and across the academic community. We have reviewed the research questions we face ensuring that all FSA needs are supported by research.

## Antimicrobial Resistance (AMR) National Action Plan

Further information can be found below in the AMR section.

## Norovirus, foodborne disease and the cost of illness



Estimated foodborne illness cases from a published scientific review we conducted, a 1.4m increase from the 2009 estimate. We also published a ground-breaking five-year study into the extent of norovirus in food carried out by a consortium of UK scientists. **Further information can be found in the Foodborne disease section above.**

## Cannabidiol (CBD) and food safety



CBD is classified as an unauthorised novel food, with little information in the published scientific literature. The Committee on Toxicity used publicly available medicinal CBD information to identify intakes where adverse effects could occur and any vulnerable groups. We used this to recommend maximum intake levels and to advise pregnant and breastfeeding women and those taking medication to avoid CBD.

## Future priorities for consideration



### Be prepared for the future

Continue to build and integrate our scientific evidence, surveillance and capability



### Build science excellence

Grow and develop new capabilities and make the FSA a 'go to' choice for career scientists



### Building technical capability

Develop and expand our technical capabilities and make the FSA an attractive department for specialists



### Make risk analysis work continuous improvement

Continuous improvement of our approaches to risk assessment and to science and evidence assurance



### Grow our influence and impact

Improve our science communications strategy and international engagement

## Antimicrobial resistance (AMR)

Antibiotics are drugs used to treat bacterial infections in both humans and animals. They have no effect on viruses or fungal infections. Improper use of antibiotics can increase the chance that bacteria will adapt and become resistant to them.

Addressing the public health threat posed by AMR is a strategic priority for the UK. In January 2019, the Government published its 20-year vision for AMR and a 5-year (2019 to 2024) AMR National Action Plan (NAP), which identifies actions required to deliver the vision and slow AMR development and dissemination. We continue to contribute to the development and delivery of the NAP, through enhancing our knowledge of the role the food chain plays in this issue and encouraging food industries to reduce antimicrobial usage. A Delivery Board has been created to oversee the NAP delivery and FSA led work linked to food safety.

The NAP emphasises the need for better food safety to limit the contamination of foodstuffs and spread of resistance along with:



**More research on the diversity and burden of AMR genes in foods and the gut microbiome**

- This helps quantify AMR intake through food in the UK diet and inform risk assessments



A comprehensive food chain surveillance system to monitor the emergence, spread and decline of AMR in real-time



**Further research is required to assess the impact of food processing.** We continue to commission research and surveys to improve our knowledge of the role of the food chain in AMR.

### Summary of key AMR achievement to date

We published the fourth-year findings of two of our AMR in retail chicken surveys:

#### AMR Campylobacter isolates from retailed chilled chicken in the UK



Further detail of which can be found above in the Retail survey and open data sharing section above.

#### An EU harmonised survey of AMR E. coli in UK retail chicken

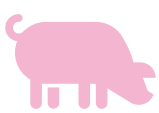


**Early results suggest a decline in AMR E. coli contamination of UK retail chicken compared to previous years.**

- This indicates tighter controls on antimicrobial usage is having a positive impact on AMR E. coli levels detected in chicken, but further work is required to explore this correlation.

While these surveys provide evidence that AMR bacteria are present on chicken sold in the UK, it is encouraging that the levels found are at worst, stable, and at best, reducing. The risk of getting AMR-related infections through eating or preparing contaminated meat remains very low, if consumers follow good hygiene and cooking practices.

	<p>We began a programme of social science research, including a literature review investigating consumer and business awareness, attitudes and behaviour towards AMR in the food chain and hygiene behaviours in consumers and caterers.</p>
	<p>We used quantitative research to understand awareness and knowledge of factors contributing to AMR among caterers.</p>
	<p>And a survey of consumers to understand changes in levels of AMR awareness and understanding in the food chain.</p>







**Most of our work in the agriculture sector has focused on livestock.**



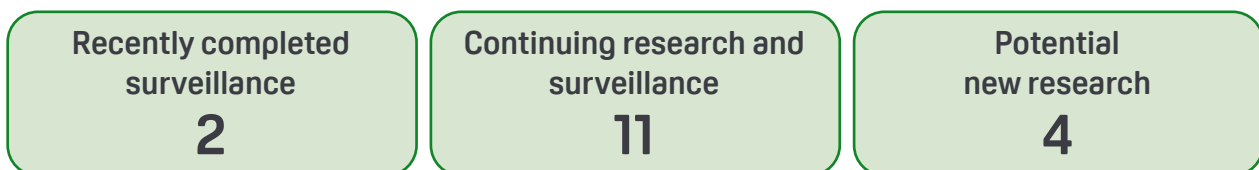
Antibiotic treated crop plants represent another pathway for AMR bacteria to enter the human microbiome which is less well recognised.

Following increased antibiotic use to treat bacterial plant diseases, **we have collaborated with Defra Plant Health on a review** summarising the most recent available knowledge of the extent of antibiotic use on crops, to help us better understand this emerging issue.

We commissioned the Centre for Environment, Fisheries and Aquaculture Science (Cefas) to:

	<p><b>Critically review the scientific literature concerning the diversity of microorganism that colonise microplastics and aggregates of nanoplastics</b></p>	
<p><b>Outline key pathways that these microbiologically contaminated plastics can enter the food chain from environmental sources and the associated risks these may pose to human health.</b></p>		
		
<p>Air</p>	<p>Soil</p>	<p>Water</p>

AMR surveillance research by number:



For further detail on individual AMR surveillance cases visit the FSA website.



## Food and You

Food and You is our flagship consumer survey, which provides official statistics about the public’s reported food hygiene behaviours, attitudes and knowledge relating to food safety and other food issues, such as food shopping, eating out, food security and food allergies and intolerances. The results of the survey are used to monitor our progress towards our strategic objectives and help to identify where further action or research may be required. It yields a unique open dataset valued by policymakers and analysts across Government as well as by the wider academic community.

The latest wave of fieldwork (Wave 5) was conducted between June and December 2018 and the results were published in 2019/20. A random sample of 3,069 adults (over 16) took part across England, Wales and Northern Ireland. Key findings from Wave 5 are presented below.

From 2020, Food and You will be combined with the Public Attitudes Tracker to form a new modular survey (Food and You 2) that uses web-push methodology with increased samples in Wales and Northern Ireland, allowing us to analyse behaviours against attitudes.

### Shopping habits

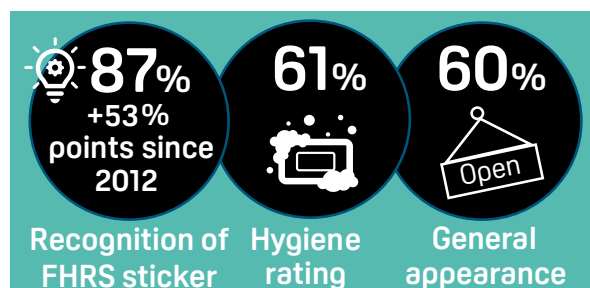


### Eating out

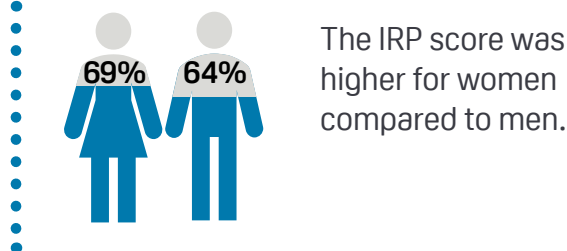
What’s important when deciding where to eat out?



How is hygiene assessed when eating out?



### Food safety in the home





## Food poisoning



Of respondents reported that it was highly likely that they had experienced food poisoning in the last year (question asked between June-December 2018).



Of respondents agreed that they were unlikely to get food poisoning from food prepared in their own home.

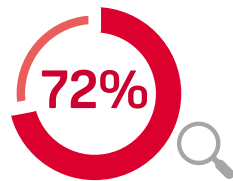
## Confidence in the FSA



The FSA would take action to protect the public if there was a food poisoning outbreak.



The FSA puts the public first.



The FSA would respond as soon as possible to new evidence about food safety.



The FSA is impartial (acts independently of external sources).

## Food security



of respondents are considered 'food insecure' (households with low or very low food security).



of respondents live in households with marginal food security.



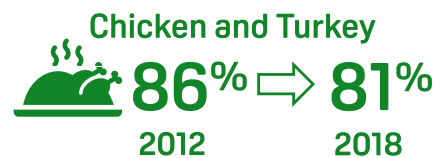
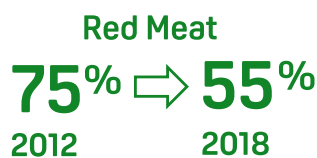
of respondents reported they had experienced food running out when they did not have money to get more.

## Dietary preferences

There are still only a small proportion of respondents who identify as:



There has also been a decline in the consumption of red and processed meat once a week with a smaller decline in chicken and turkey as seen below:



## Public reputation and trust

We have tracked public trust through a regular tracker since 2001. Questions cover several topics of interest for the FSA, which can be found below along with Wave 19 key findings:

### Food issues of concern



**31%**

Reported being concerned about food hygiene when eating out (no change since Wave 18).

**53%**

Were concerned about the amount of sugar in food.

**57%**

Were concerned about food waste (+6% points difference since Wave 18).

### Food recalls



**25%**

of respondents reported being aware of a food recall alert in the last twelve months.



**+8% points** since wave 18.

### Food poisoning



Salmonella and E. coli were the most commonly known type of food poisoning (**92%** and **86%** respectively), followed by Listeria (**61%**) and Norovirus (**60%**).

- **81%** of respondents thought that they were
- most likely to get food poisoning from raw
- chicken and turkey, followed by shellfish
- (**57%**) and reheated takeaway (**50%**).



Awareness of the ten activities that may mitigate food poisoning has increased since May 2018 (between **4** and **13%** points).



## Allergens



**12%** reported having a food allergy or intolerance.



**8%** reported being aware of the rules about allergens.



**42%** were unaware of allergen rules.



**16%** Reported being concerned about the availability of food allergen information.



**+13% points** increase since Wave 18.



## Awareness and trust in the FSA



Have heard of the FSA, **67%** report knowing some or a lot of information about the FSA.



Average score of the composite measure of trust in the FSA.



**73%** of those aware of the FSA trusted the FSA to do its job. **+7% points** since Wave 18.



## Attitudes towards the food system



**80%** Were confident that food is labelled correctly.



**83%** Reported they had enough information about what food contains.



**65%** Were confident the food system was regulated fairly.



**62%** Confident authorities are effectively preventing food fraud.



Average score of the composite measure of trust in the food system.



## FSA Explains social media promotion

**Aim:** To enable non-expert consumers to understand and engage with our work. Our FSA Explains suite of assets use the values of evidence, expertise and independence to explain objectively the most pertinent facts.

**When:** February 2020

**Spend:** £19,000



We produced a selection of short videos covering a range of subjects to help increase consumer recognition, confidence in the FSA and for consumers to better recognise us as the trusted voice on food.

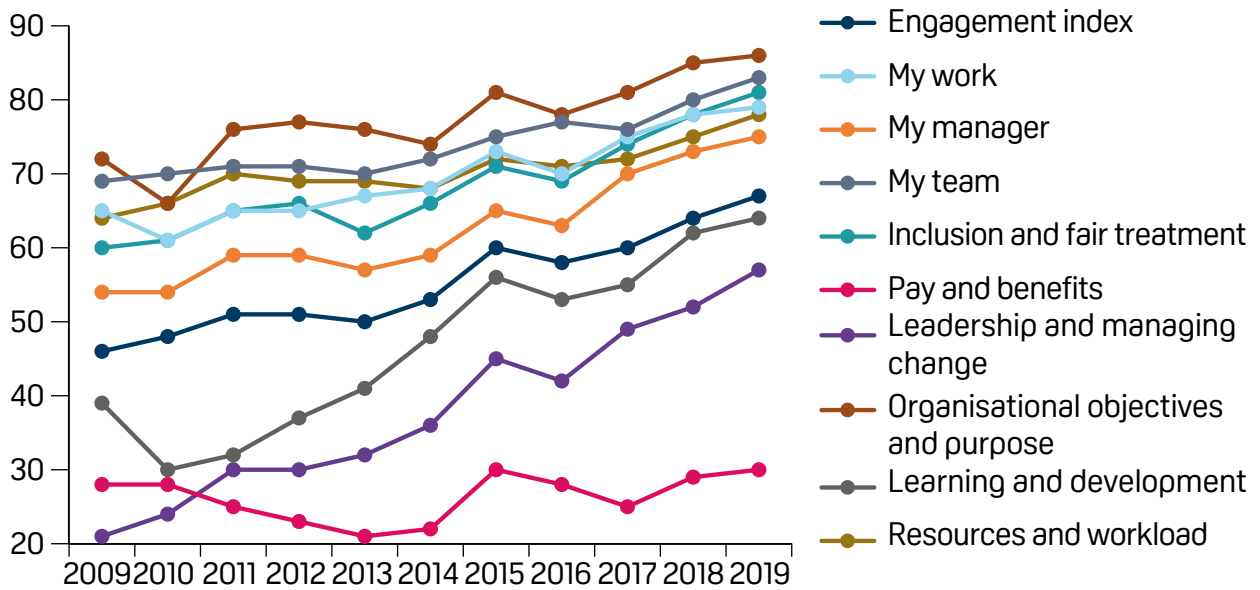
In February (10 to 29) we promoted four short videos across Facebook, sharing GM Foods, Hypersensitivity, Campylobacter and Listeria. We generated over **3.1 million opportunities to see** and more significantly there were over 352,400 views of our videos, the Listeria video was the most viewed with 211,800.



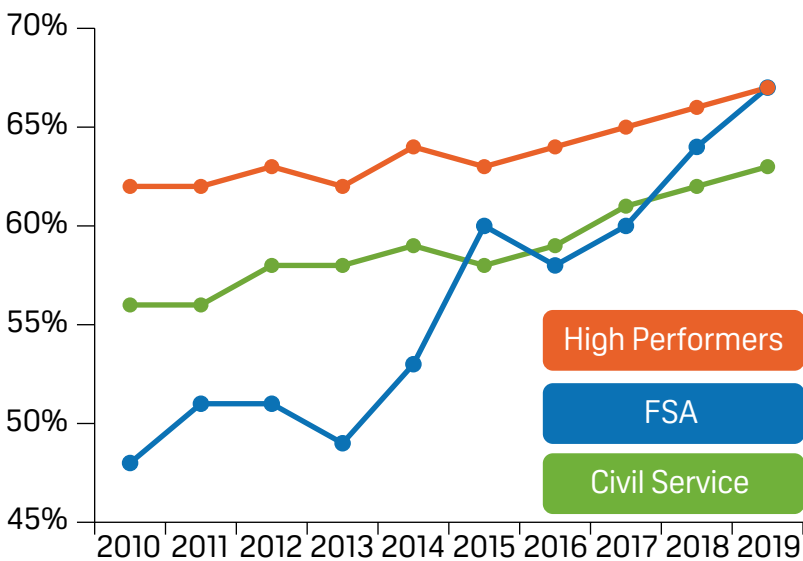
## People Survey

The Civil Service People Survey gives our people a voice and an opportunity to let senior managers know what helps them perform at their best and what more we can do to get better at communicating and working effectively together. We get lots of data on where there is room for improvement but also on what's going well in the FSA. This was conducted in October 2019 and the FSA employee engagement score increased from 64% in 2018 to 67% in 2019, our highest engagement level to date. Scores have increased in all nine of the key themes with eight out of nine reaching their highest ever score. The largest increase was seen in 'Leadership and Managing Change' (+5% points).

The FSA's Civil Service People Survey Scores 2009-2019

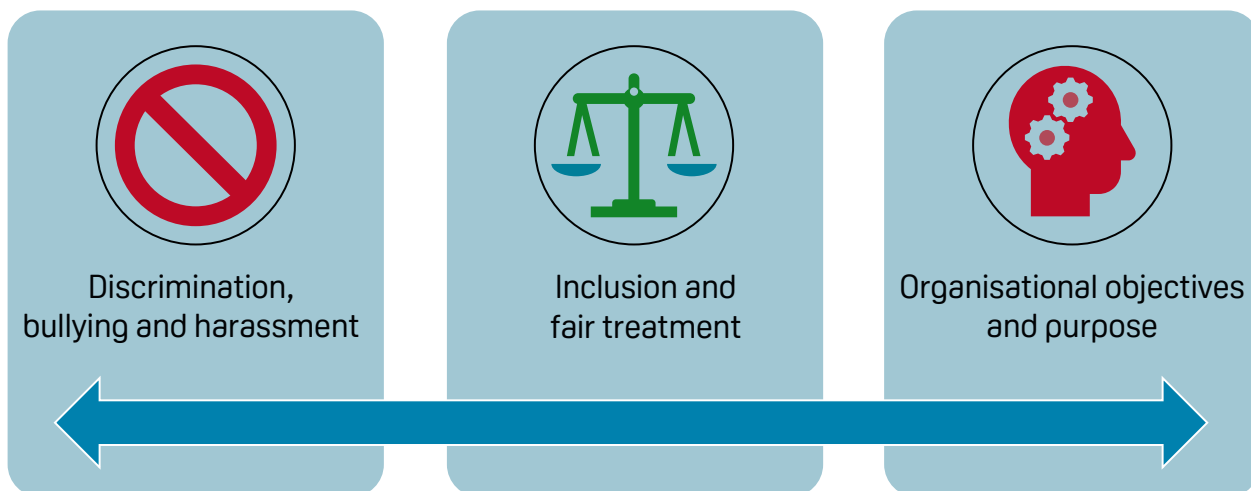


People Survey engagement



The FSA is now classed as High Performing Civil Service Department, **scoring in the top 25% for Engagement**

We have developed a corporate people survey action plan to address the issues identified in the survey. The action plan focuses on **three key themes**:



The infographic below shows the largest increases and largest decreases in % positive scores:



Increase in those that believe the FSA keeps them informed about matters that affect them (70%)



Increase in those who feel that change is managed well in the FSA (47%)



Increase in staff who would recommend the FSA as a great place to work (67%)



Decrease in those who feel their work gives them a sense of personal accomplishment (79%)



Decrease in the number of people who feel their pay is reasonable compared to people doing a similar job in other organisations (23%)



Decrease in the number of staff who believe there are opportunities to develop their career at the FSA (58%)

## Delivery through Capability Building

For us to achieve the above priorities, and so deliver the best outcomes for consumers, it is necessary for us to invest in building and developing its capabilities. We have done this by focusing on the key areas below.



### Our Ways of Working (OWOW)

**Overall objective:** To build a vibrant, progressive, learning organisation that attracts and retains the best staff who are engaged, motivated to deliver, collaborative and well led.



Close the OWOW Programme and transfer any remaining activities to BAU

#### Summary of achievements:

2019/20 saw the successful completion of the OWOW programme with all critical programme milestones met. Phase 3, the concluding element, aimed to ensure that best practice was embedded, value for money was delivered for taxpayers and better outcomes delivered for staff. Other Phase 3 activities included a review of the People Offer working patterns to check that they are still fit for purpose, and implementing updates to the choosing and changing process, including issuing OWOW contracts for casual Operations staff and clarifying MHS<sup>15</sup> terms and conditions. Activity around tools and tech focused on change management to support staff in Field Operations with using new smartphones and Thin Clients (PCs connected to the FSA network) using our Fit for Change approach (a 3-step framework that helps managers identify the stages of the change process), as well as supporting all staff to use our digital collaboration tools. We also continued with our Clive Alive project to look at making better use of the space in our Clive House, London, workspace, which included acting on responses from a staff survey, producing an etiquette guide and introducing meeting room and desk monitoring software. OWOW is now our business as usual and staff enjoy a work life balance which is completely aligned with our business need.

#### Delivery



OWOW People Offer contracts reviewed and included in the recruitment and induction process.



Uplift in Digital Super User activity to support staff in using digital collaboration tools on laptops and mobile phones.



Premises-based casual Operational staff have been issued with OWOW contracts.



Training to support premises-based Operations staff to use the new Thin Client technology.



Etiquette guide developed and meeting room software installed to optimise the workspace in Clive House.

<sup>15</sup> The Meat Hygiene Service (MHS) was established on 1 April 1995, taking over meat inspection duties in fresh meat premises from local authorities in England, Scotland and Wales. MHS existed until 31 March 2010, then it became part of FSA.

## People Strategy

### Overall objective:

Achieve our corporate priorities while continuing to deliver our core business and remain compliant in all our people policies and practices. Constructs of this include building our leadership and management capability; recognising and valuing individual effort; striving to improve performance and support capability and skills development by providing opportunities to enable career development.

### Objectives for 2019/20:



Create motivated and engaged staff and improve engagement to be high performing organisation



Lead staff through change, by embedding the fit for change approach



Support development in line with the Skills and Capabilities plan



Develop senior leaders and management through the establishment of a Management Development Framework



Continue to embed the FSA's diversity and inclusion strategy (2018-2020) and to strengthen and support staff networks



Obtain Treasury and Cabinet Office approval for a new Pay Strategy, negotiate with the Trade Unions and launch

### Delivery

#### Developing Skills and Capabilities for the Future



Identified and delivered business critical skills as part of the Strategic Capabilities plan



Continued to improve the onboarding process and induction through the launch of the FSA Foundation programme for new starters



Procured an FSA customised E-learning solution



Finalised and published the FSA Corporate Training Plan capturing business training requirements to deliver FSA priorities



## Building a Highly Effective Resilient Organisation



Pay business case approved by HM Treasury and Cabinet Office (January 2020). Pay negotiations and implementation was achieved in March 2020



Further developed and embedded our ASPIRE values across the full employee life cycle



Improved Diversity and Inclusion across the FSA with increased staff network support



Organisation Design reviewed, in line with the developing FSA Strategy and phase 1 and 2 changes have been implemented



All EU critical posts filled on time or ahead of schedule

## Leading and Managing through Continual Change



Fit for Change model embedded across the organisation and positive feedback received



Continued to develop our flexible and progressive leadership development programme for senior leaders



Launched the FSA Management Fundamentals Framework



Develop a light touch Talent Strategy, which aligns with the FSA's performance management scheme

## Data and Digital

### Overall objective:

To deliver great services and data for consumers and business users to support our policy and operational delivery needs.

### 2019/20 objectives:



Data driven  
FSA



Evergreen  
IT<sup>16</sup>



Develop  
digital  
capability



Develop  
digital services  
& support



Protecting data  
& business  
resilience



Service  
management  
improvements

### Summary of achievements:

BACKLOG

40

DISCOVERY

26

ALPHA

36

BETA

25

LIVE

56

We continued to iterate, embrace innovative, modern and user centric approaches enabling us to be service driven. We embraced portfolio management transparent oversight of our services from inception through to live ensuring we support consumer and business needs. We championed openness by making our data available and sharing how we work. We supported the business with tools and services to build resilience and collaborate in continuously innovative ways.

We improved data quality, ensuring users spent less time finding, understanding, manipulating and cleaning data. We mapped a more detailed data ecosystem to understand fundamental FSA entities and ensure standardisation. We modelled new datasets into reporting quality, ensuring users had shared areas, times and people to compare data with.

### Further deliverables

Developed and embedded new Surveillance Service and developing a predictive risk approach, utilising Artificial Intelligence to drive data led and smarter interventions

Embedded security and privacy principals into service design, ensuring we are compliant with GDPR from the outset

Taken the rollout of our corporate business intelligence from pilot to full roll out

Undertook a second distributed ledger pilot on pork export health certification

Provided training & guidance across multiple channels to maximise use of our digital tools

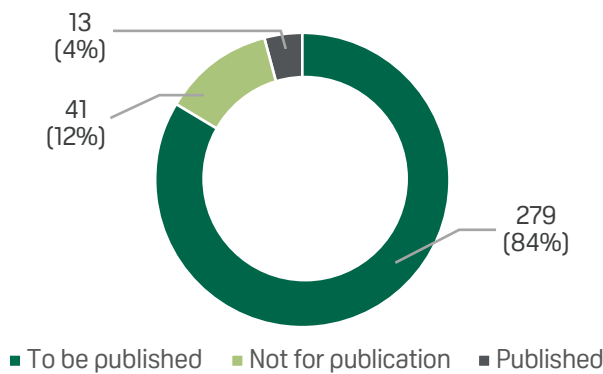
<sup>16</sup> Refers to services comprised of components that are consistently up to date. It encompasses the services at the user level and all underlying infrastructures.

## Open data

Open data is data that is readily available online for everyone to access, use and share. One of our objectives is to become a data-driven organisation and that our data is ‘open by default’. Our open data catalogue is available at <https://data.food.gov.uk/catalog>

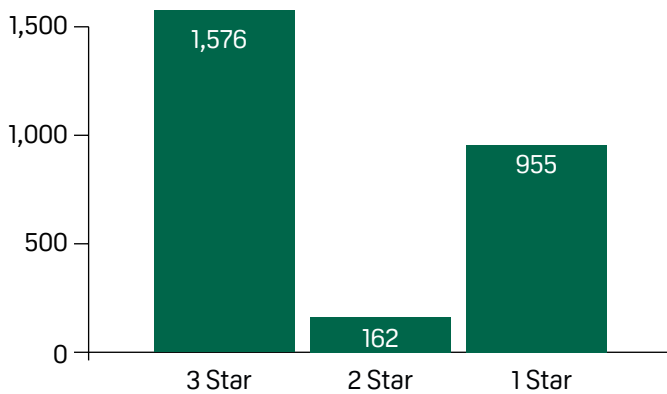
This year we have made great progress in achieving our target of publishing as much of our data as open data, helping users get their data fit to publish, and providing them with the skills and tools to publish it themselves. In 2020/21 we want to maintain our publishing rates and focus on improving the quality of our data sets and their supporting documentation. The charts below show progress in achieving our ‘open by default’ aim.

### Open data publication progress: 333 datasets identified:



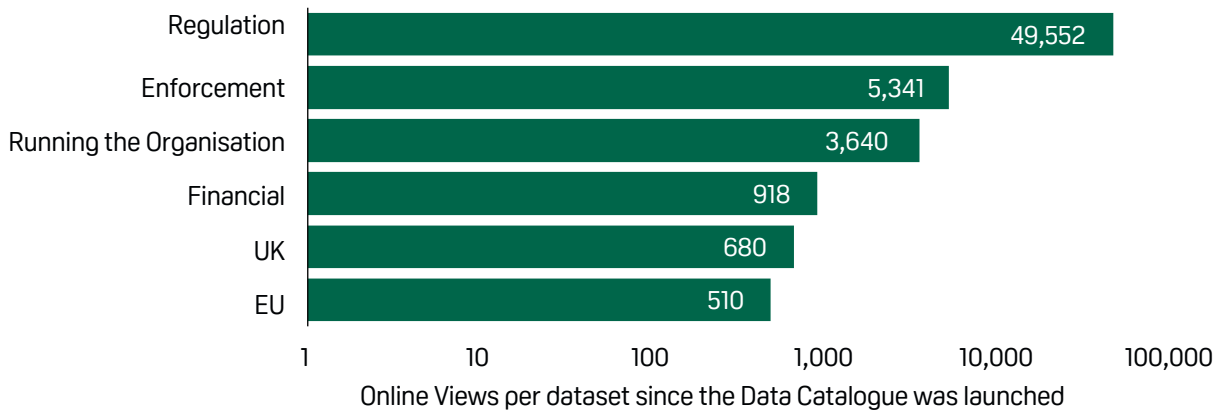
**Target:** To achieve as high proportion of published data as possible, accounting for data that cannot be published for data protection, commercial, security or other associated reasons.

### Openness rating of 2,693 published files:



Datasets are given a simple star-based rating based on the ‘Five Stars of Openness’ system developed by Tim-Berners-Lee. The criteria are based on published file format, our target is 3 stars.

### Data catalogue online views by area of interest:



# Principal risks and uncertainties

We set out our approach to managing risk as part of the FSA Governance Statement 2019/20 on page 96. FSA risks are **Identified, Assessed, Managed, Reviewed and Recorded** at the appropriate level across the FSA. Governance is provided through:

- monthly exception
- review quarterly, ensuring the right risks are prioritised, and
- annually as part of the corporate business planning process

**Risk Registers** are used to record our risks, aid assessment, prioritise actions and monitor progress.

To deliver ‘Food we can trust’ whilst managing reducing resources and external uncertainty we have an appetite to take considered risks and exploit opportunities and innovation. Our approach to innovate can differ depending on the nature of the risk, therefore, we align risks to themes which can be seen below:



**Food we can trust**



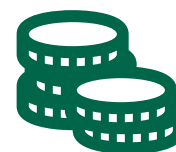
**Operational/ Policy delivery**



**Compliance/ Legal regulation**



**Reputational/ Credibility**






**Financial/ Value for money**

FSA risks are identified and categorised in the following way:




Internal	External	Strategic	Major change
Fraud	Economic downturn	Food incident	Shifting requirements
Health and safety	Malicious attack	Regulatory control	Slippage in delivery timeframe
Capacity and capability	Extreme weather	Credibility	Failure to deliver
Data security	Delivery partner pressures	Trust	
Delivery partners	Funding constraints		
	Industry uncertainty		

To support the appropriate analysis, treatment and monitoring, our policy is to use risk registers (a number of which are mandatory) as part of our management approaches. Where appropriate, risk registers will be used to record the escalation or de-escalation, transfer or aggregation of risks to ensure that they are managed at the most appropriate level within the FSA and by those best placed to take decisions as to how best to handle them.

## Corporate risk register

Risk	Key mitigating actions
<p><b>The risk of not working effectively and cohesively across countries</b></p> 	<p><b>Context</b></p> <p>Increased divergence, complexity and variation between systems that may result in consumers being less well protected. Ensure there is a single FSA across England, Northern Ireland and Wales and ensure co-ordination with Food Standards Scotland (FSS).</p> <ul style="list-style-type: none"> <li>● The FSA Chair has maintained engagement with UK Ministers to widen understanding, expectations and co-create requirements.</li> <li>● We actively engaged in formal joint UK Government and Devolved Administration working groups on UK regulatory frameworks post EU Exit, supported by continuous informal engagement with devolved colleagues.</li> <li>● We developed training with suppliers and delivered to staff involved in policy development or risk analysis to raise awareness of the devolved landscape.</li> </ul>
<p><b>National Food Crime Unit (NFCU) Expansion</b></p> 	<p><b>Context</b></p> <p>The NFCU expansion broadens our remit from an intelligence unit functionality, to one that has the resources and capability to address serious fraud and food crime within food supply chains, through criminal investigation and other disruptions. We must deliver tangible outcomes to demonstrate value for money and operation as a credible, professional law enforcement entity.</p> <ul style="list-style-type: none"> <li>● The Unit has been working with external partners to develop and deliver enhanced proactive intelligence collection capabilities to ensure we can identify, understand and investigate food crime as efficiently and effectively as possible.</li> <li>● We continue to engage with Ministers to seek support for primary legislation to secure necessary enforcement powers.</li> </ul>
<p><b>The risk that the FSA fails to provide an adequate response to a major food incident</b></p> 	<p><b>Context</b></p> <p>Failing to establish effective contingency and resilience arrangements to manage major food safety incidents would affect our ability to minimise consumer detriment and reduces consumer confidence in the food sector.</p> <ul style="list-style-type: none"> <li>● Remain alive to our response and management of non-routine incidents, embedding learning and best practice to enhance our process and incident handling through conducting lessons learnt.</li> <li>● Strengthen our incident prevention and investigatory capability to ensure we proactively approach incident and outbreak management.</li> </ul>

Risk	Key mitigating actions
<p><b>Maintaining relationships across government &amp; internationally to advance consumer protection</b></p> 	<p><b>Context</b></p> <p>The risk of failure to influence/inform Government (within the UK, EU or internationally) relationships affects our ability to protect consumers, now and in the future. It is vital that we can influence Government effectively, in Westminster, Wales, Northern Ireland, the EU, and beyond (e.g. in Codex).</p> <ul style="list-style-type: none"> <li>● Review stakeholder plans ensuring active stakeholder relationships management and work with Government departments to contribute to and influence thinking on key priorities.</li> <li>● Maintaining and building international relations as we exit the EU is vital. We are leading or co-leading a range of dossiers within Codex, the global food standards body, including on allergen labelling and use of third-party assurance data. We continue to have good relationships with senior food safety regulators and are building new relationships within in Asia, Africa and Latin America and expanding our relationships with multilateral bodies.</li> </ul>
<p><b>Being able to identify, assess and act on a food risk to prevent harm to consumers</b></p> 	<p><b>Context</b></p> <p>Keeping people safe and reducing food risk is our fundamental purpose. This relies on us understanding the complex food landscape and risks that may arise; having the scientific capability to make professional and timely risk assessments and the policy capability to provide appropriate risk management advice.</p> <ul style="list-style-type: none"> <li>● We have undertaken a programme of work to review our risk analysis process, which is used to identify, assess and manage food risk, which is scheduled to be rolled out in 2020/21.</li> <li>● Build on our strategic surveillance capability and its integration into our Strategy function and ‘risk analysis process’.</li> </ul>
<p><b>Managing Service Level Agreements contracts and delivery partners</b></p> 	<p><b>Context</b></p> <p>Our service delivery partners may fail to deliver the agreed level of service and required transformational change, as a result of economic, social, or demographic issues. Through our regulatory role, we interact with those producing and selling food, to ensure sure consumer interests are protected.</p> <ul style="list-style-type: none"> <li>● An open policy making approach allowing for rigorous options challenge and increased our engagement with local authorities.</li> <li>● Continue to focus on the delivery of food hygiene controls and develop indicators to assess local authority performance in relation to food standards controls.</li> </ul>

Risk	Key mitigating actions
<p><b>Managing EU Exit related challenges</b></p> 	<p><b>Context</b></p> <p>Failure to have prepared the minimum requirements to ensure that food and feed safety and authenticity are not compromised up and beyond Day 1 of the UK leaving the EU. We have a key role in the work to transition from EU to UK legislation that continues to protect consumer interests and is clear on the responsibilities of food businesses to safely produce food.</p> <ul style="list-style-type: none"> <li>● We have delivered our formal programme of activity to manage response to exit.</li> <li>● Additional staff recruited and trained to take on responsibilities to be repatriated from EU, necessary legislation amendments to ensure a functioning body of law on exit day and changes to processes to take account of loss of access to key systems.</li> <li>● We continue to support UK Government’s negotiations with the EU on a free trade agreement, and prepare to implement the arrangements domestically at the end of the transition period.</li> </ul>
<p><b>Being adequately resourced</b></p> 	<p><b>Context</b></p> <p>The risk that we have insufficient resources, financial and people, or fail to effectively utilise the resources available resulting in detriment to consumers. We have had a reducing budget for several years, and our settlement in the 2015 Spending Review means that our budget will reduce by a 7% in real terms over the four years to 2019-2020.</p> <ul style="list-style-type: none"> <li>● Our budget was agreed in the 1-year Government wide spending round SR19, with focus on delivering the FSA’s top priorities.</li> <li>● We have implemented our Strategic Capabilities Plan, to ensure our people have the right skills and capabilities to support delivery of the FSA Strategy.</li> <li>● The appointment of our Strategy, Legal and Governance Director will ensure that our external strategy on regulatory reform, the UK leaving the EU, and internal organisational strategy, are fit for the future.</li> </ul>
<p><b>Maintaining public confidence in FSA public reputational trust</b></p> 	<p><b>Context</b></p> <p>Any loss of confidence, trust and credibility in us poses a risk of reputational damage that impacts our ability to deliver our strategic objectives. Our capital is all about trust and confidence (of consumers, media, Government, industry and partners).</p> <ul style="list-style-type: none"> <li>● We continue to deliver and implement a more robust, and proactive planning, listening and horizon scanning.</li> <li>● Working with consumers and representatives from the food business industry to track their views and opinions.</li> </ul>

# Performance Analysis

## Formal enforcement action (England, Wales)

In accordance with the requirements of the Food Standards Act 1999, we report each year on enforcement action taken by the FSA. Statutory notices may be served for failures in hygiene, unsatisfactory structural matters, to stop the use of particular types of equipment, to impose conditions on the meat production process, to close down the operation completely, or to stop a particular practice that contravenes the hygiene provisions of the legislation. Statutory notices must accurately reflect the non-compliance, refer correctly to the relevant legislation, and be clearly legible and unambiguous, to be legally valid.

### England and Wales: formal and informal enforcement action taken during 2019/20

Formal action	Number of notices 1 April 2019 to 31 March 2020	Number of notices 1 April 2018 to 31 March 2019
<b>Hygiene Emergency Prohibition Notice</b> , served under the Food Safety and Hygiene (England) Regulations 2013 and the Food Hygiene (Wales) Regulations 2006, giving a food business operator a day's notice of the intention to apply to a court for the granting of a Hygiene Emergency Prohibition Order which would result in an immediate cessation of business	1	Nil
<b>Hygiene Improvement Notice</b> served under the Food Safety and Hygiene (England) Regulations 2013 and the Food Hygiene (Wales) Regulations 2006	126	165
<b>Remedial Action Notice</b> served under the Food Safety and Hygiene (England) Regulations 2013 and the Food Hygiene (Wales) Regulations 2006	150	231
Informal action	Number of notices 1 April 2019 to 31 March 2020	Number of notices 1 April 2018 to 31 March 2019
Written advice	2,460	2,642



## Formal enforcement action (Northern Ireland)

Formal action	Number of notices 1 April 2019 to 31 March 2020	Number of notices 1 April 2018 to 31 March 2019
<b>Hygiene Emergency Prohibition Notice</b> , served under the Food Hygiene Regulations (Northern Ireland) 2006, giving a food business operator a day's notice of the intention to apply to a court for the granting of a Hygiene Emergency Prohibition Order which would result in an immediate cessation of business	Nil	Nil
<b>Hygiene Improvement Notice</b> served under the Food Hygiene Regulations (Northern Ireland) Regulations 2006	Nil	5
<b>Remedial Action Notice</b> served under the Food Hygiene Regulations (Northern Ireland) 2006	Nil	3

Informal action	Number of notices 1 April 2019 to 31 March 2020	Number of notices 1 April 2018 to 31 March 2019
Written advice	35	31

The continued downward trend in formal and informal enforcement actions is largely because of improved compliance levels by meat food business operators.

## Prosecutions

Following an investigation referral and full criminal investigation, prosecutions of offences committed at approved premises can be taken by the relevant enforcement authority.

In England and Wales, prosecutions for food hygiene breaches are taken by the FSA. Cases in relation to alleged breaches of animal welfare, animal by-products and some transmissible spongiform encephalopathy (TSE) requirements are prosecuted by the Crown Prosecution Service (acting on behalf of the Department for Environment, Food and Rural Affairs) or the Welsh Government. In 2019/20, the FSA Criminal Investigation Branch accepted 91 referrals from Operations Directorate for investigation with a view to prosecution. The outcome of these investigations are subject to evidential and public interest tests.

The timescales for prosecutions mean that it is rare for a case to progress from referral to a final court hearing within the same reporting year. Therefore, many of the cases referred for investigation in 2019/20 have yet to be concluded.

During 2019/20, 12 cases investigated by the FSA were concluded at court with convictions secured against 17 defendants. A further 13 cases are currently being prosecuted.

There were 75 recorded investigation referrals in England and Wales during 2018/19.

The outcomes or status of those referrals are as follows:

Outcomes/current status	Number of referrals
Convictions	14
Warning letters issued	7
Ongoing prosecutions in Court	13
Acquittals	0
Withdrawn prosecutions	1
No prosecution taken	40

## Complaints including those made to the Parliamentary and Health Service Ombudsman

The FSA will always seek to address and learn from any issues identified through its Complaints Policy. We aim to resolve all complaints quickly and as close as possible to the point of delivery. For this reason, complaints are normally handled at the 'local' level in the first instance. Where the complainant is dissatisfied with how the FSA has responded to their complaint, they can escalate the matter through to the 'central' level of our process. This level effectively offers two stages of 'appeal' firstly through the office of the Complaints Co-ordinator and secondly, through the office of the Chief Executive.

Launched in April 2019, details of our Complaints Policy can be found online: [www.food.gov.uk/contactconsumersfeedback/complaints-and-comments-about-the-fsa](http://www.food.gov.uk/contactconsumersfeedback/complaints-and-comments-about-the-fsa)

Where a complainant remains dissatisfied having exhausted the FSA's process, at both the 'local' and 'central' levels, they can refer their case to the Parliamentary and Health Service Ombudsman (PHSO). Further details about the PHSO are available online: [www.ombudsman.org.uk/](http://www.ombudsman.org.uk/)

During the calendar year 2019:

- 15 cases were responded to at the 'local' level (3 before the launch of the new Complaints Policy and 12 afterward). 6 cases were not upheld and 9 were partially upheld.
- 4 cases were subsequently escalated to the 'central' level of our process and responded to through the Complaints Co-ordinator where 2 were not upheld and 2 were partially upheld.
- 3 cases were further escalated to the office of the Chief Executive where 1 was not upheld and 2 were partially upheld.
- No cases were referred to the PHSO.

This compares to 11 complaints progressed beyond the level of a local response during 2018. Of these:

- 5 cases were not upheld.
- 5 were partially upheld and 1 was withdrawn.
- No cases were investigated by the PHSO.

## Sustainability reporting

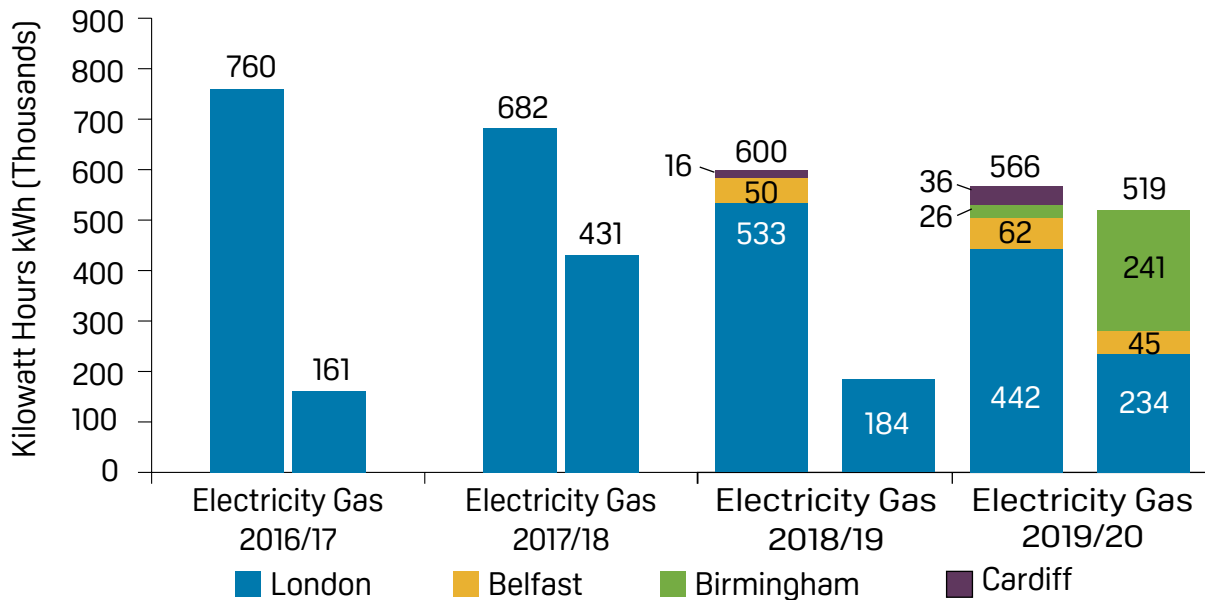
### Greenhouse gas emissions – Scope 2 (indirect)<sup>17</sup>

The FSA has increased its focus on sustainability in the reporting year. In early 2019 the FSA moved into its fifth office, Apex House, Birmingham to give a small central location for the FSA’s National Food Crime Unit and field-based staff. This increased our accommodation footprint and subsequently saw an increase in our overall energy consumption in this financial year. The figures for the previous two years also include our offices in Wales and Northern Ireland.

We will continue to work with our landlords to better understand the energy usage information they provide to us, and to deploy approaches to further reduce our energy consumption across our estate.

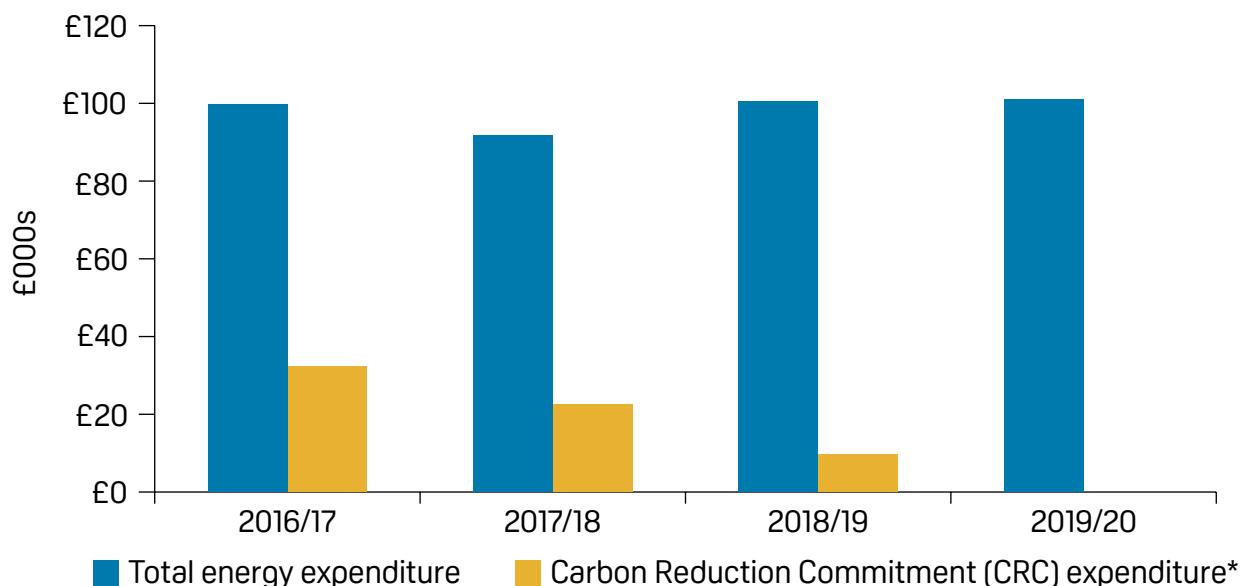
The FSA’s CRC charge ceased in 2019/20 as this is now paid by our Landlord rather than directly by the FSA as a result of the FSA moving to Clive House in London.

#### Energy consumption by building



<sup>17</sup> Data relates to FSA London, Birmingham, Wales and Northern Ireland only. Data for office in York is accounted for by Defra.

### Expenditure

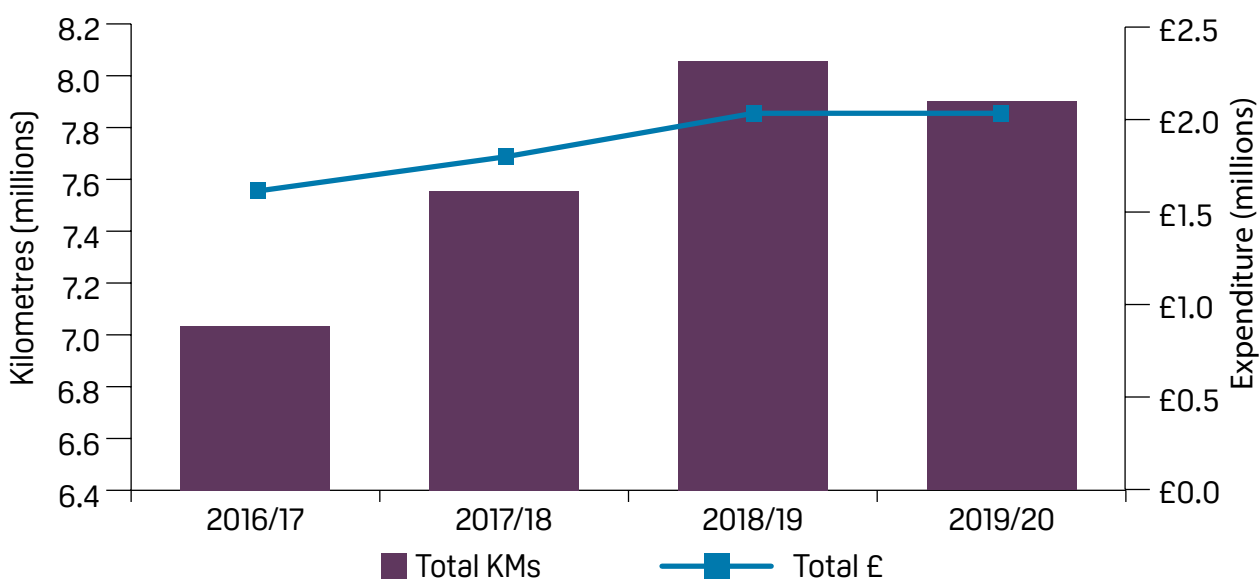


\*Carbon Reduction Commitment was a UK mandatory scheme aiming to cut carbon emissions by 1.2 million tonnes of carbon per year by 2020.

### Greenhouse gas emissions – Scope 3 (indirect)<sup>18</sup>

The FSA has seen a reduction in both rail and air travel distance and related emissions, primarily used by office-based staff. This reduced business travel has been supported through greater use of technology to communicate and collaborate with each other across our business. The FSA plans to continue to develop these new tools to further reduce our travel related emission throughout 2020/21, including exploring opportunities to reduce road travel, which is essential for many of our Operational staff.

### Official business travel

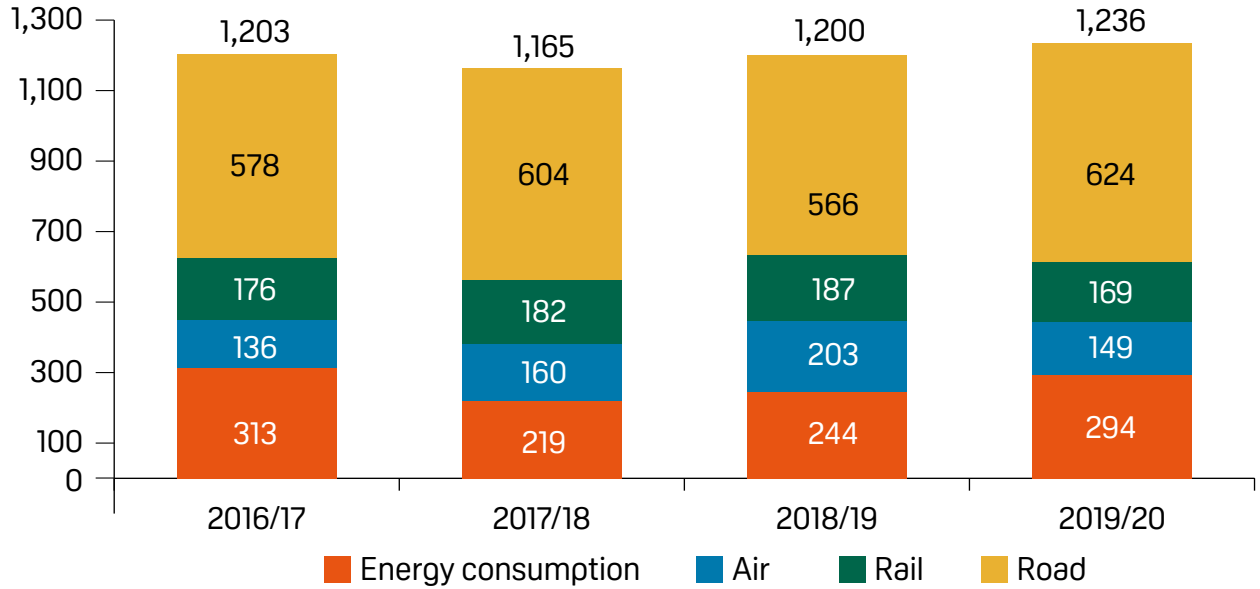


<sup>18</sup> UK-wide data.

### Greenhouse gas emissions – Scope 2 + Scope 3 (indirect)

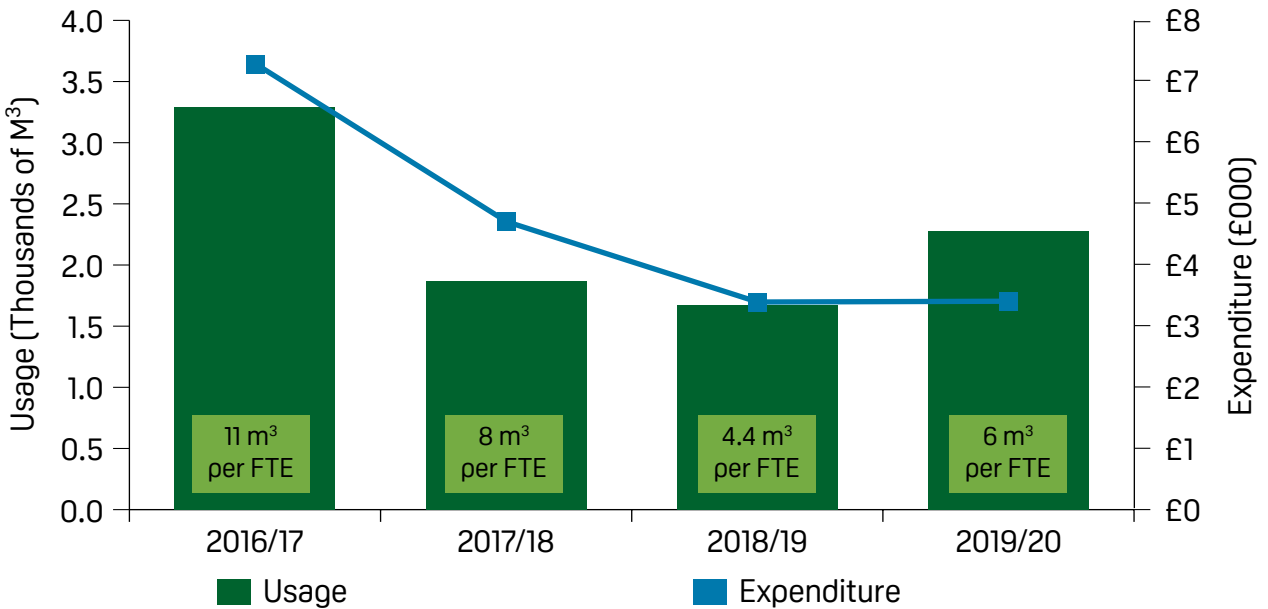
#### Total CO<sub>2</sub>e Tonnes (Scope 2 + Scope 3)

The FSA’s total greenhouse gas emissions are relatively unchanged from the previous year. This is in spite of increased energy consumption, due to the new Birmingham Office, driving an increase in greenhouse gas emissions from our offices.



### Finite resource consumption

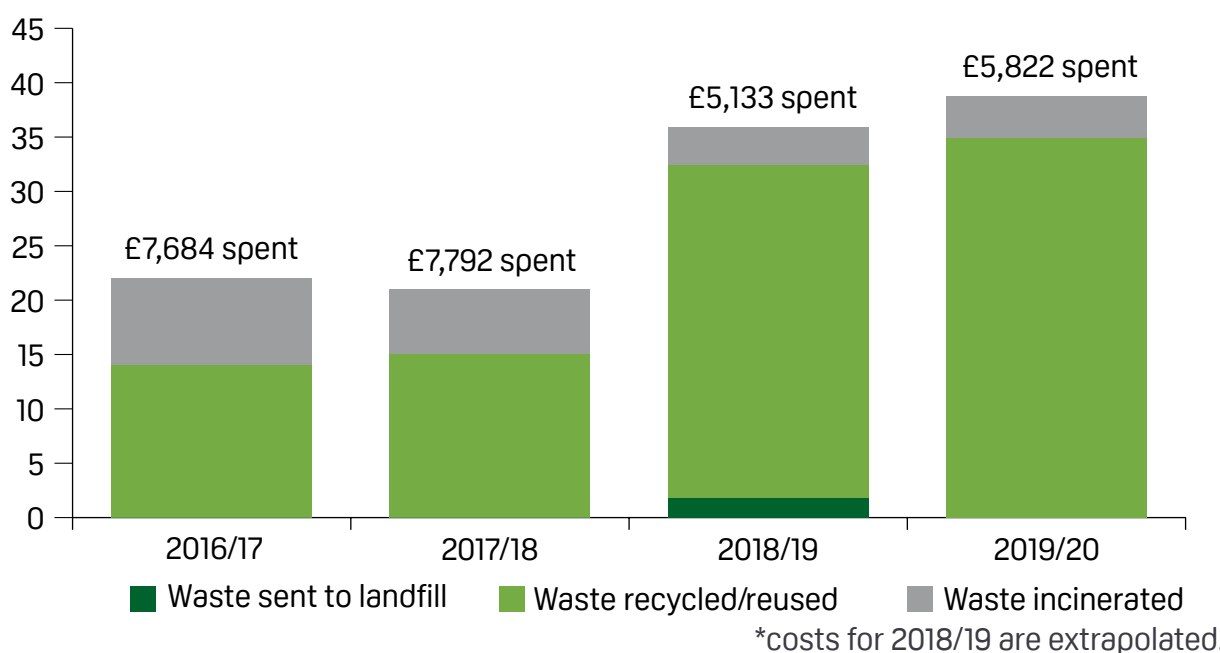
#### Water consumption



The leasing of Apex House in 2019 and the inclusion of our Wales and Northern Ireland office in this year’s report has led to an increase in water usage per full time equivalent (FTE).

## Waste minimisation and management

Waste (Tonnes)



Under the new accommodation arrangements, as part of a multiple-occupancy site, the waste figures reported for 2019/20 are a percentage split of the whole building figures, based upon our occupancy space. Therefore, whilst we can implement initiatives to reduce waste this may not always be reflected in our reported figures due to this allocation process. Costs have declined as FSA is no longer a landlord.

## Climate change adaptation

Climate change and the resulting environmental impact is one of the biggest global issues of our time.

The FSA has formed the Climate & Environment Action Group (CEAG) staff group to focus on the challenges posed by climate change and to limit any negative environment impacts of agency operations. The group has a remit to assess the current standing of the FSA on this issue, identify areas for improvement, make recommendations to the Executive Management Team and implement green initiatives across the organisation.

The principal aim for CEAG is to have tangible and 'real' impact on our operations with a view to enhancing our resilience, reducing our environmental impact and promoting sustainable best practise. This will enable the FSA to ensure that it is best placed to deal with the impact of climate change as well as being a leader across government.

2019/2020 has seen the formation of the CEAG and the approval of its Terms of Reference, a document which formally lays out the objectives and sustainable vision of the group. The CEAG has also successfully secured funding from the FSA Investment Board to take the organisation through the rigorous demands of an internationally recognised ISO 14001 accreditation (Environmental Management) which will provide a solid baseline on which our future progress on sustainability and environmental best practice can be measured.

Going forward, the CEAG will focus on driving inclusion of environmental/sustainability factors through review and change to organisational policy across a range of business streams such as travel and subsistence, energy provision, estates and waste reduction/recycling.

## **Non-financial matters**

### **Social matters**

Our Diversity and Inclusion Strategy focuses on attracting and retaining a diverse workforce, championing inclusivity across our leadership and management community, and developing and supporting staff networks in strengthening an inclusive culture.

The FSA is a signatory of Business in the Community's Race at Work Charter, a member of the Employers' Initiative on Domestic Abuse and the Equality and Human Rights Commission's Working Forward network. The FSA featured in the Top 30 Employers for Working Families 2019 and won a Top Employer Award for Innovation in Flexible Working at the workingmums.co.uk 2019 awards.

The FSA actively promotes volunteering and provides three paid special leave days for non-statutory volunteering and six paid special leave days for statutory volunteering, which includes school governors. Employees are encouraged to take part in activities which support charitable or non-profit-making organisations that serve the public and make an impact on local or national communities. The FSA supports Government commitments to be an exemplar employer of Reservist employees and to encouraging civil servants to become special constables.

### **Respect for human rights**

The FSA values equality and diversity and respects human rights through our commitment to putting consumers first in everything we do by both being open and engaging ourselves, and also to encouraging industry to be transparent about issues of importance to consumers. We are working hard to create a diverse and inclusive culture where everyone feels they can be themselves and are recognised, respected and valued for their unique contributions and that we have a workforce representative at all levels of the population we serve. We have systems and processes in place for contracting and procurement, recruitment and employment and are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business.

### **Anti-fraud, corruption and bribery matters**

The FSA requires staff, partners and contractors to act honestly and with integrity at all times and safeguard the public resources for which they are responsible. This includes mandating employee training to highlight personal responsibilities to tackle fraud, corruption and bribery. The FSA has a zero tolerance in relation to acts of fraud, bribery and corruption and every case of alleged fraud, bribery and/or corruption will be thoroughly investigated and where appropriate, disciplinary and/or legal action taken including referral to the police where appropriate. The FSA subscribes to the cross-Government internal fraud initiative which includes compiling a database of staff who are dismissed for fraud and applying a ban on such staff being re-employed in the Civil Service for a period of 5 years.

In 2020 the FSA adopted the Government's Counter Fraud Functional Standard (GovS 013) and is currently progressing a self-assessment against this, together with the completion of fraud risk assessments. Outputs from these two workstreams will inform the establishment of a new counter fraud, corruption and bribery strategy and policy.



**Emily Miles**

Chief Executive and Accounting Officer

12 June 2020





.....

# Accountability Report

.....

# Directors' report

The FSA<sup>19</sup> is a non-Ministerial Government Department. Staff are accountable through a Chief Executive to the Board, rather than directly to ministers. The Board consists of a Chair, Deputy Chair and up to 12 members. The Chair and Deputy Chair are appointed by the Secretary of State for Health and Social Care in agreement with health ministers in Wales and Northern Ireland. The Board is mainly appointed by the Secretary of State for Health, with one member appointed by the Welsh Health Minister and one by the Northern Ireland Health Minister.

The Board is responsible for the overall strategic direction of the FSA, ensuring that it fulfils its legal obligations so that its decisions or actions take proper account of scientific advice, the interests of consumers and other relevant factors. Day-to-day management of the FSA is delegated to officials through the Chief Executive. In addition to the FSA Board, the FSA has advisory committees, chaired by Board members, in Wales and Northern Ireland. The role of the committee in each country is to advise the Board. The Board is required by statute to take account of their advice in its work.

## Details of the Board and Directors

### The FSA Board<sup>20</sup>

During the year, the membership of the non-executive FSA Board was:	
Heather Hancock DL LVO	FSA Chair
Dr Ruth Hussey CB OBE	Chair of the Welsh Food Advisory Committee
Colm McKenna	Chair of the Northern Ireland Advisory Committee
David Brooks	Board member
Mary Quicke MBE DL	Board member
Margaret Gilmore	Board member from November 2019
Mark Rolfe	Board member from November 2019
Timothy Riley	Board member from November 2019
Paul Williams	Board member until May 2019
Stewart Houston CBE	Board member until May 2019
Stuart Reid CBE	Board member

<sup>19</sup> More information about our organisation and structure can be found on our website: [www.food.gov.uk/about-us/who-we-are](http://www.food.gov.uk/about-us/who-we-are)

<sup>20</sup> More information about our Board members can be found on our website: [www.food.gov.uk/about-us/our-board](http://www.food.gov.uk/about-us/our-board)

Executive Management Team<sup>21</sup>

<b>During the year, the membership of the Executive Management Team was:</b>	
<b>Emily Miles</b>	<b>Chief Executive from September 2019</b>
<b>Paul Morrison</b>	<b>Director of Strategy, Legal &amp; Governance from December 2019</b>
<b>Professor Guy Poppy</b>	<b>Chief Scientific Adviser</b>
<b>Dr Colin Sullivan</b>	<b>Chief Operating Officer, and COVID-19 Incident Director from March 2020</b>
<b>Martin Evans</b>	<b>Acting Chief Operating Officer from March 2020</b>
<b>Chris Hitchen</b>	<b>Director of Finance and Performance</b>
<b>Julie Pierce</b>	<b>Director of Openness, Data, Digital and Wales</b>
<b>Steve Wearne</b>	<b>Director, Global Affairs until January 2020</b>
<b>Maria Jennings</b>	<b>Director of Regulation, Compliance, People and Northern Ireland</b>
<b>Rebecca Sudworth</b>	<b>Director of Policy</b>
<b>Professor Rick Mumford</b>	<b>Acting Director of Science, September 2019-January 2020</b>
<b>Catherine Bowles</b>	<b>Interim Director of Strategy, Legal &amp; Governance July-November 2019</b>
<b>Jason Feeney CBE</b>	<b>Chief Executive until June 2019</b>
<b>Rod Ainsworth</b>	<b>Director of Strategy, Legal &amp; Governance, and interim Chief Executive July-September 2019</b>

All senior officials have been appointed under the rules laid down by the Civil Service Commissioners. Salary and pension details of the Board and the EMT are disclosed in the Remuneration Report.

<sup>21</sup> More information about members of the EMT can be found on our website: [www.food.gov.uk/about-us/leadership-team](http://www.food.gov.uk/about-us/leadership-team)

## FSA advisory committees<sup>22</sup>

During the year, the membership of the food advisory committees was:

Northern Ireland	
Colm McKenna	Chair
Fiona Hanna	
Lorraine Crawford	
Aodhan O'Donnell	
Dr Elizabeth Mitchell	
Greg Irwin	
Sara McCracken	
Phelim O'Neill	

Wales	
Dr Ruth Hussey CB OBE	Chair
Alan Gardner	
Dr Philip Hollington	
Beca Lyne-Pirkis	
James Wilson	Until January 2020
Dr Norma Barry	
David Peace	
Ronnie Alexander	

## Audit and risk assurance committee

Membership of the FSA Audit and Risk Assurance Committee:

Non-executive members	
Colm McKenna	Chair
Dr Ruth Hussey CB OBE	
Paul Williams	Until May 2019
Mary Quicke MBE DL	
Timothy Riley	

<sup>22</sup> More information about the committees of the FSA Board can be found on our website: [www.food.gov.uk/about-us/committees-of-the-fsa-board](http://www.food.gov.uk/about-us/committees-of-the-fsa-board)

# Management commentary

## Directors' report – business review

The following management commentary discloses the matters required to be disclosed in the business review under section 417 of the Companies Act 1968.

## Preparation of accounts

The Consolidated Resource Accounts have been prepared in accordance with the direction given by HM Treasury. They are presented to the House of Commons pursuant to Section 6(4) of the Government Resources and Accounts Act 2000. The costs of FSA offices in Wales and Northern Ireland are funded through the relevant devolved authority.

## Supplier payment policy

It is FSA policy to pay all invoices not in dispute within five days of receipt. During 2019/20, 93% of all invoices were paid within this target. The policy is to remain the same for 2020/21, and we aim to improve the results.

To support our suppliers' cashflow during the Covid-19 pandemic, and in alignment with the Cabinet Office issued PPN 02/20, invoices submitted by suppliers will be paid immediately on receipt between the period of March 2020 and June 2020. The duration of this temporary policy amendment will be reviewed and aligned to any changes covered in future PPN notices.

To support our suppliers' cashflow during the Covid-19 pandemic, and in alignment with the Cabinet Office issued PPN 02/20, invoices submitted by suppliers will be paid immediately on receipt between the period of March 2020 and June 2020. The duration of this temporary policy amendment will be reviewed and aligned to any changes covered in future PPN notices.

## Financial instruments

The FSA has no borrowings. It relies primarily on departmental grants for its cash requirements, and is therefore not exposed to liquidity risks. It also has no material deposits. All material assets and liabilities are in sterling, so the FSA is not exposed to significant interest rate risk or currency risk.

## Consultancy

Consultancy spend in 2019/20 was £104,423 relating to 8 suppliers with the greatest spend by one supplier being £59,939.

Consultancy spend in 2019/20 was significantly lower than in 2018/19. This is largely due to there being 3 material external consultancy workstreams in 18/19 providing strategic advice which has not been repeated in 19/20.

## Details of paid sponsorship agreements over £5,000

We have not secured any paid-for sponsorship deals, preferring to work with partners who can offer help for free through their own channels and networks.

## Going concern

The FSA has significant net liabilities relating to the pension liabilities of staff who are members of the Local Government Pension Scheme (LGPS). The accounts, however, are prepared on a going concern basis since, as a government department, all liabilities will be met by future funding from Parliament.

## Pensions

FSA employees are civil servants. Most are members of the Principal Civil Service Pension Scheme (PCSPS) and Civil Servant and Other Pension Scheme (CSOPS). These are central government unfunded pension schemes. Pension payments are made through the resource account. Board members are not civil servants therefore they are not members of these schemes. However, some previously had similar pension arrangements independent of them. Some employees are members of the LGPS. This is a defined benefit scheme governed by the Local Government Pension Scheme Regulations 1995. It is administered by the London Pension Fund Authority (LPFA), whose financial statements are prepared for the whole LGPS.

## Disclosure of Board members' interests

Board members are appointed to act collectively in the public interest, not to represent specific sectors. Provisions for declaration of interests and withdrawal from meetings are intended to prevent the Chair, Deputy Chair, and members being influenced or appearing to be influenced, by their private interests in the exercise of their collective public duties. All personal or business interests which may, or in the judgement of the member may, be perceived by a reasonable member of the public to influence their judgement, should be declared. Such interests include, but are not limited to, involvement in the agriculture, food, and related industries. The Code of Conduct for Board members includes a guide to the categories of interest that must be declared. Details of Board members, their register of interests, and the Code of Conduct are on our website: [www.food.gov.uk/about-us/our-board](http://www.food.gov.uk/about-us/our-board)

## Auditors

The accounts have been audited by the Comptroller and Auditor General in accordance with Schedule 4 of the Food Standards Act 1999. The audit fee for all the FSA's accounts for the year was £88,250 (2018/19 £87,000). I have taken all necessary steps to make myself aware of relevant audit information and to ensure that information is made available to the auditors. The Comptroller and Auditor General contracted out delivery of the financial audit to Mazars in 2019-20. Mazars have delivered £46k of non-audit services in respect of taxation advice and auditing the Charge Out Rate calculation. No payments have been paid to the Comptroller and Auditor General for non-audit work in 2019/20 (2018/19 £nil).

## Public sector information

The FSA has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance. Reporting of personal/sensitive data losses and/or incidents This information is provided as part of the FSA Governance Statement 2019/20 on page 96.

## Important events which have occurred since the end of the financial year

In response to coronavirus, we put meat industry contingency plans in place in April. Since 20 April 2020, new measures have been available for the FSA to implement in slaughterhouses to ensure consumer safety and animal welfare protections are maintained. The measures are to be used in exceptional circumstances as a result of a reduction of FSA resources and are not expected to affect the majority of sites. The measures are on a strictly time-limited basis and kept under review.

## Departmental core tables – Westminster only

This information can be found on our website:  
[www.food.gov.uk/about-us/reports-and-accounts](http://www.food.gov.uk/about-us/reports-and-accounts)

## Performance in correspondence with public and MPs including Parliamentary Questions

The FSA does not centrally record all incoming and outgoing correspondence and contact with members of the public. Contact details for FSA business areas are available on the FSA website for members of the public and food businesses to contact directly. During 2019/20, the FSA's general enquiries helpline handled 5,421 emails and 4,918 phone calls from members of the public (in 2018, 2,592 emails and 10,234 phone calls were handled). Additionally, FSA Private Office officials managed 213 items of correspondence, including items sent by members of the public to Ministers, the FSA Chair, FSA Chief Executive or other, replying to 89.2% within target (in 2018/19, 252 items of correspondence were managed and 86.7% were replied to within target). The FSA also drafted answers for 43 Parliamentary Questions, returning 97.6% on time to the Department of Health and Social Care to answer via their ministers.

## Better regulation

Better regulation is fundamental to our ambition to be an excellent, accountable and modern regulator and we apply the principles of good regulation to all our regulatory activities.

The FSA strives to take a clear, proportionate and risk-based regulatory approach to protecting public health. Excessive or unclear regulations place unnecessary burdens on business and hinder the intended regulatory benefits to consumers and business. All new regulations are subject to post-implementation reviews to ensure the objectives are being met and the regulations remain necessary.

## Business Impact Target (BIT) reporting

The FSA introduced no qualifying regulatory provisions under the BIT in the last Parliament. In line with our statutory reporting requirements the FSA published details of its regulatory activities in June 2019, as well as contributing to the Government's End of Parliament BIT Report. Details of the FSA BIT reporting are published on our website at [www.food.gov.uk/about-us/regulatory-approach#business-impact-target-reporting](http://www.food.gov.uk/about-us/regulatory-approach#business-impact-target-reporting)

A handwritten signature in black ink, appearing to read "Emily Miles", with a horizontal line underneath.

**Emily Miles**

Chief Executive and Accounting Officer

12 June 2020



# Statement of Accounting Officer's responsibilities

Under section 5(2) of the Government Resources and Accounts Act 2000, HM Treasury has directed the Food Standards Agency (FSA) to prepare, for each financial year, resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the department during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the FSA and of its net resource outturn, resources applied to objectives, changes in taxpayers' equity and cash flows for the financial year.

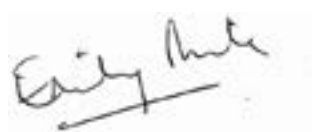
In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

HM Treasury has appointed the Chief Executive as Accounting Officer of the FSA. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records, and for safeguarding the FSA's assets, are set out in Managing Public Money published by the HM Treasury.

The Accounting Officer is required to confirm that, as far as she is aware, there is no relevant audit information of which the entity's auditors are unaware, and the Accounting Officer has taken all the steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

The Accounting Officer is required to confirm that the annual report and accounts as a whole is fair, balanced and understandable and that she has personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.



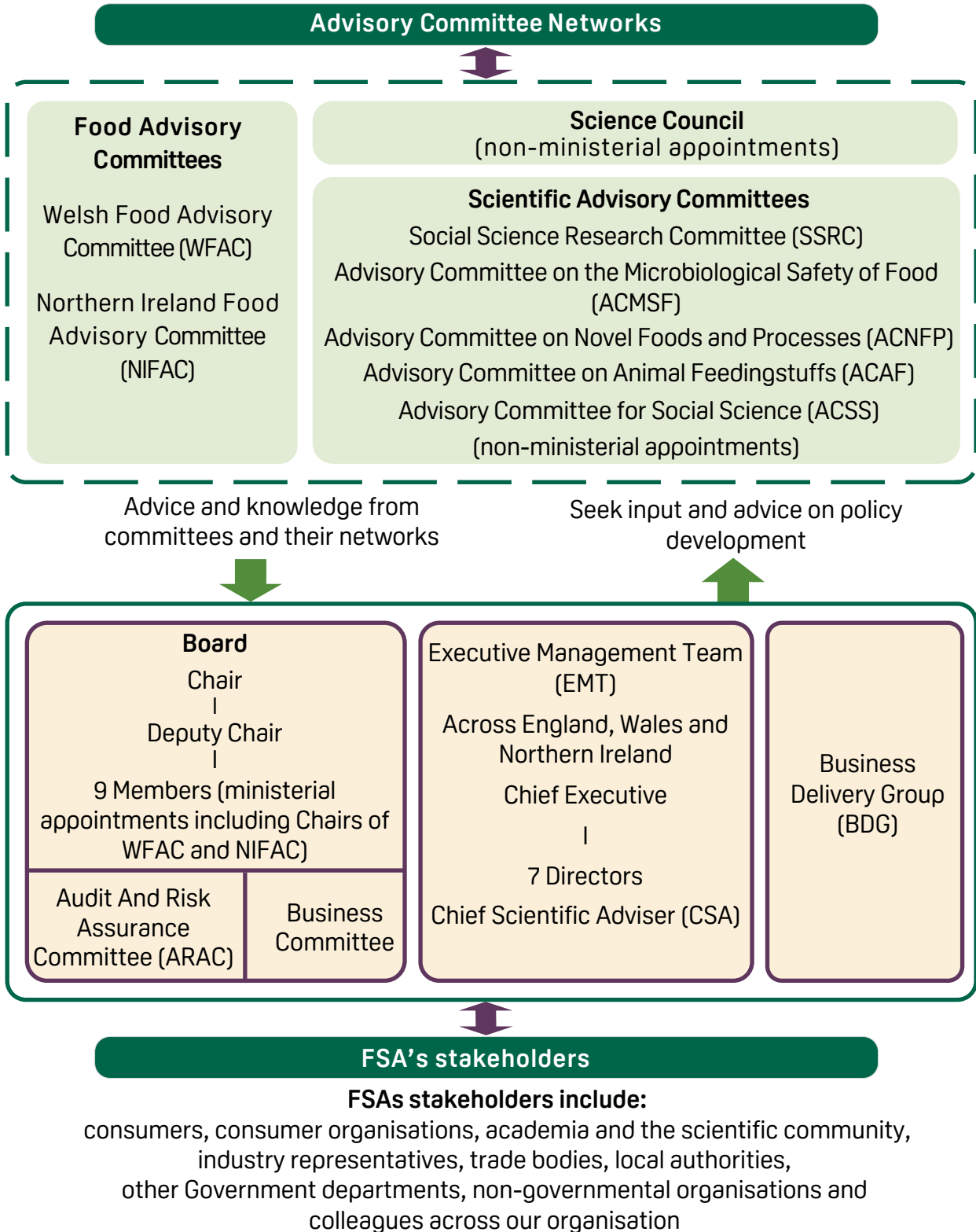
**Emily Miles**

Chief Executive and Accounting Officer

12 June 2020

# FSA governance statement

## Governance structure



1. As an independent, non-Ministerial Government Department, the FSA has a statutory obligation to protect public health and consumers' wider interests in relation to food. The FSA consists of a non-Executive Board which complies with the relevant requirements of the Corporate Governance Code for central Government Departments. In line with the FSA's culture of openness, the Board holds its decision-making meetings in public, and they are broadcast live via the FSA's website. The agendas and minutes of Board and Business Committee meetings are also published on the FSA website, where recordings of all meetings are also accessible<sup>23</sup>.
2. Board members including the Chair and Deputy Chair are appointed by the Secretary of State for Health and Social Care, with Devolved Administration approval. One Board member is appointed by Welsh Ministers, and one Board member by Northern Ireland Ministers.
3. The Board has two committees: The Business Committee comprises the full Board and Executive, and the Audit and Risk Assurance Committee (ARAC) comprises a smaller number of Board members.
4. Board members review the impact and outcome measures set for the FSA strategic priorities, to track delivery of the annual business plan through the quarterly Performance & Resources Report.
5. The Board takes advice from Food Advisory Committees (FACs) in each of the Devolved Administrations. The Chairs of these Committees report formally to each Board meeting on issues considered.
6. The Chair of ARAC provides the FSA Board with an oral update following each committee meeting and reports formally in writing annually. Full written reports have been sent after each meeting as of April 2019.
7. As Accounting Officer, I attend all Board and Business Committee meetings, and I am invited to attend all ARAC meetings.
8. Heather Hancock announced she would be stepping down from her role as Chair of the FSA Board in the year-ending March 2021. The terms of office for Stewart Houston and Paul Williams came to an end on 31 May 2019.
9. Ruth Hussey was re-appointed as Board member for Wales and Chair of the Welsh Food Advisory Committee for a second term of one year as of 1 July 2019 until 30 June 2020. Colm McKenna was re-appointed as Board member for Northern Ireland and Chair of the Northern Ireland Food Advisory Committee (NIFAC) for a second term of two years as of 1 September 2019 until 31 August 2020. Three new Board members were appointed by the Secretary of State for Health and Social Care to the FSA Board for terms of three years as of 18 November 2019 until 17 November 2022: Margaret Gilmore, Timothy Riley and Mark Rolfe.
10. Delays to the recruitment of the new Board members impacted in particular the ARAC, who were only quorate when three members were in attendance.

<sup>23</sup> [www.food.gov.uk/about-us/our-board/meetings](http://www.food.gov.uk/about-us/our-board/meetings)

## FSA Board performance and effectiveness review

11. Every year, the FSA Board reviews the effectiveness of the Board. In the last three years this has taken account of the changing demands on the FSA and the Board as a result of EU Exit. In 2019, the Board had expected to be able to review the effectiveness of the new arrangements made to enable the Board to play its full and proper role in risk management outside the EU. However, the delay to exiting the EU meant this was not possible, and the review had to be delayed. It remains on the Board agenda once the new arrangements have had the opportunity to be tested and bedded in beyond the transition period.
12. The Board also reviewed the progress that had been made in improving the contribution of the Food Advisory Committees for Wales and for Northern Ireland and were content that the changes to the operation of these Committees had enhanced their contributions to the FSA.
13. In 2019, the Board expressed its concern at the scale of delays to appointment of its new Chief Executive and of replacement Board members and Deputy Chair. These delays were outside the FSA's control but impacted on the effectiveness of the Board, on stakeholder relationships and on the FSA's staff.
14. In addition to the Science Council, the FSA is lead sponsor for five Scientific Advisory Committees (SACs): the Advisory Committee for Social Science (ACSS); the Committee on Toxicity (COT); the Advisory Committee on the Microbiological Safety of Food (ACMSF); the Advisory Committee on Novel Foods and Processes (ACNFP); and the Advisory Committee on Animal Feedingstuffs (ACAF). The Science Council and the ACSS are Departmental Expert Committees of the FSA and the other four SACs are Advisory Non-Departmental Public Bodies (ANDPBs). All the SACs continue to provide an independent expert advice, challenge and assurance function.
15. Professor Sandy Thomas, Chair of the Science Council gave her annual formal report to the FSA Board at the March Board meeting in 2020.
16. The Board agreed the FSA's priorities and high-level budget for the financial year 2019/20 at its March 2020 meeting.

## Attendance at Board and ARAC meetings 2019/20

17. Records of each Board member's attendance at Board meetings and at ARAC meetings are detailed below.
18. The Board meeting scheduled for 4 December 2019 was moved to 21 January 2020 in line with the pre-election guidance released concerning the General Election on 12 December 2019.

### Record of attendance FSA Board meetings 2019/20

Board Member	May 2019	June 2019	September 2019	January 2020	March 2020
Heather Hancock DL LVO	✓	✓	✓	✓	✓
Ruth Hussey CB OBE	✓	✓	✓	✓	✓
Colm McKenna	✓	✓	✓	✓	✓
Paul Williams	✓				
Stewart Houston CBE	absent				
David Brooks	✓	✓	✓	✓	✓
Mary Quicke MBE DL	✓	✓	✓	✓	✓
Stuart Reid CBE	✓	✓	✓	absent	✓
Timothy Riley				✓	✓
Mark Rolfe				✓	✓
Margaret Gilmore				✓	✓

### Record of attendance ARAC meetings 2019/20

Board Member	May 2019	June 2019	September 2019	January 2020	March 2020
Colm McKenna	✓	✓	✓	✓	✓
Ruth Hussey CB OBE	✓	✓	✓	✓	✓
Mary Quicke MBE DL	✓	✓	✓	✓	✓
Paul Williams	✓				
Timothy Riley				✓	✓

## Audit & Risk Assurance Committee

- ARAC considered a range of issues in the year including: the FSA's consolidated accounts for 2019/20; the National Audit Office's (NAO) Audit Completion Report; the Head of Internal Audit's annual opinion; various internal audit reports (details of which are outlined in the Chair's Annual Report); and the audit assurance plan for 2020/21. ARAC sought to comply with the requirements of HM Treasury's Audit & Risk Assurance Committee Handbook whilst undertaking its duties.
- The Committee discussed the Corporate Risk register at the meetings in May, September and November 2019. Members' discussions focused on the Executive's assurance to ARAC that risks were being managed effectively, challenging where needed.

21. Committee members had bilateral meetings with representatives of the FSA's external auditors, the NAO and their contractors Mazars, and with the Head of Internal Audit to ensure a clear understanding of expectations and current issues.
22. Committee members completed a self-assessment on the effectiveness of the ARAC in line with HM Treasury guidance which advises that a self-assessment is completed annually. Agreed actions, relating to induction for new members and training, from that assessment were implemented during the year.
23. In the Committee's annual report to the FSA Board, the ARAC Chair noted that sufficient and comprehensive work was undertaken by ARAC and that internal and external assurances were received during the year to adequately inform the Committee's assessment on the effectiveness of FSA risk management control and governance arrangements. Based on this, he concluded that the arrangements in place during the year were satisfactory.
24. Throughout the year ARAC reviewed and considered the management of risks associated with the FSA strategic programmes including EU Exit and Regulating our Future (RoF).
25. Paul Williams's terms of office expired during the year and his membership of ARAC lapsed. Dr Timothy Riley was appointed to the Committee during the year.

## The Leadership Team

26. The Executive Management Team (EMT) provides corporate leadership to the FSA and supports me, as the FSA's Accounting Officer, in delivering the FSA strategy, directing the day-to-day business of the FSA and championing the values of the FSA. EMT meets in person twice a month and each director has biweekly check ins with me.
27. On 31 March 2020 membership of the EMT comprised seven Directors, including a suitably qualified Finance Director, the FSA's Chief Scientific Adviser and Emily Miles as Accounting Officer. On 23 September 2019 Rod Ainsworth stepped down as Interim Accounting Officer and Acting Chief Executive and Emily Miles assumed responsibility.
28. Handover documents were exchanged between Rod Ainsworth, Acting Chief Executive, and Emily Miles. In the letter, it states that Emily was appointed as a new permanent Chief Executive from 23 September 2019 and her role as the FSA's accounting officer should begin from the 3 October 2019. Emily Miles received Accounting Officer training through the Cabinet Office in the months September and November 2019.
29. The FSA's performance is discussed in public by Board members and EMT at the Business Committee meetings, which gives assurance over the FSA's delivery of the strategic plan, key objectives and value for money.

## Business Delivery Group

30. In July 2018, the Business Delivery Group (BDG) was established to oversee the day to day delivery of the FSA's priorities as set out in the annual business plan. The BDG is made up Senior Management representative from each Directorate, meeting monthly. Its purpose

is to take a lead role in developing the FSA's Business Plan, take forward key programmes and deliver day-to-day business. whilst enabling EMT to focus on strategic challenges.

## Select Committees

31. The FSA has provided the following evidence to Select Committees during 2019/20.

Committee	Inquiry title	Written evidence	Oral evidence
Environment, Food and Rural Affairs Committee	Work of the Food Standards Agency <sup>23</sup>	None provided	Heather Hancock, 24 April 2019
Public Accounts Committee	Ensuring food safety and standards <sup>24</sup>	None provided	Emily Miles and Steve Wearne, 28 October 2019

## External Assurance Reviews

32. The FSA has undergone a number of external reviews. These reviews have contributed to assurance on the effectiveness of our governance framework and also identified some opportunities for improvement, which have been implemented.
33. The NAO Value for Money team concluded their review of the Food System, the scope of which included the FSA, Defra, Local Authorities and others. The report entitled "Ensuring Food Safety and Standards" was published on 12th June 2019 and focused on cross- government responsibilities, the resources available and the performance of the food system in England. The Public Accounts Committee held an evidence session on 28 October 2019, where Emily Miles and Steve Wearne represented the FSA.
34. The FSA accepted all the report's recommendations and has been making progress across all fronts and updating ARAC quarterly on this. The NAO continue to provide relevant insights from their subsequent work, and we are working with the NAO on getting cross-Whitehall input into the recommendation on funding for local authorities.
35. Other external reviews covered penetration testing and vulnerability assessment for the IT solution at remote sites and an IT security test of the FSA's internal and public facing infrastructure.

## Internal management

### FSA risk management framework and capacity to handle risk

36. The FSA has a well-established risk management framework that is used to provide assurance to the FSA Board, ARAC and me as Accounting Officer that risks to achieving business objectives are being effectively identified and managed and that those involved understand their roles and responsibilities.

<sup>24</sup> <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/environment-food-and-rural-affairs-committee/work-of-the-food-standards-agency/oral/101349.html>

<sup>25</sup> [www.nao.org.uk/wp-content/uploads/2019/06/Ensuring-food-safety-and-standards.pdf](http://www.nao.org.uk/wp-content/uploads/2019/06/Ensuring-food-safety-and-standards.pdf)



37. The framework is founded on a Risk Management Strategy, which outlines our plans for continuing to embed a risk management culture across the FSA and further raise the FSA's maturity in risk management as set out in HM Treasury's Risk Management Assurance Framework.
38. EMT's regular discussions of risk clearly drive mitigating actions that reduce the level of risk. In addition, ARAC reviewed progress at their quarterly meetings, and there was a joint Board and Executive workshop in January 2020 which considered the strategic risks the organisation faces and reviewed the FSA's risk appetite.
39. The high-level focus during the year by EMT and Board members on the corporate-level risk register was complemented by systematic risk management at different levels across the FSA. We have an established network of risk advisors, who engage with cross-Government risk management networks and who share best practice and help ensure that good risk management practice and processes are consistently embedded across the FSA.
40. Corporate-level risks are defined by the FSA as those which:
  - a. materially alter our ability to achieve our strategic outcomes; and/or
  - b. fundamentally damage the ability of the FSA to operate (including reputational risks); and/or
  - c. cannot be managed or mitigated at a lower level within the organisation
41. As Accounting Officer, I have overall responsibility for risk management, and each of the risks on the corporate risk register has an executive 'owner' and a mitigation plan. At the end of the financial year, the risks on the FSA's corporate level risk register included:
  - a. the risk of failing to provide an adequate response to a food incident;
  - b. the risk of failing to deliver a new regulatory model to ensure 'Food we can trust' in terms of food safety and authenticity, in a modern, sustainable global food system; and
  - c. Failure to have prepared the minimum requirements to ensure that food & feed safety and authenticity are not compromised up to, from and beyond Day 1 of exiting from the EU
42. The Board considered Strategic Risk in its March meeting, recognising that the FSA is a risk-based organisation with our primary purpose being to protect consumers from unacceptable food safety risk.

## Director assurance statements

43. In March 2019 the FSA Board approved the FSA budget, and the Accounting Officer notified Directors of their budget delegation to deliver the priorities agreed. Throughout the year the Accounting Officer ensured that the FSA has been on track to deliver its priorities within budget through performance management, monthly financial forecasting, and risk management, which is underpinned with corporate governance.



44. We have continued to increase our focus on performance management, and further improved the EMT performance report which is used to ensure key performance indicators are met.
45. Quarterly ‘in-year’ reviews are held to ensure key milestones for our Corporate priorities are delivered and progress made each quarter in delivering our business plan. The reviews also identify any potential areas in need of extra support to deliver business objectives.
46. The FSA Investment Board has continued to improve the Value for Money the FSA delivers. It considers all material discretionary expenditure, in particular the strategic alignment, benefits and costs and priorities for each business case. Investment Board reports back to EMT on decisions made regarding programmes of work to start, or where programmes have changed or stopped, and continuously re-prioritises our work to align to our priorities.
47. To support the Governance Statement, we have continued to undertake an annual assurance framework mapping assessment of each directorate. In an environment of increasing expectations and declining resources, assurance maps are increasingly seen as a key part of good governance.
48. The assurance map is a structured means of identifying and mapping the main sources of assurance in the organisation, and it provides a holistic view of assurance being given and aids identification of where assurance is duplicated or absent. The use of the assurance maps has strengthened the FSA’s existing assurance arrangements by providing a consistent, comprehensive overview of assurance provision across the organisation. It has aided Directors in completing their end of year assurance statement by setting out how an effective system of internal controls has been maintained. All the end of year assurance statements produced by my Directors were reviewed and I can confirm that no serious issues have been reported in relation to the effectiveness of our internal controls.

## Information security

49. The Director of Openness, Data and Digital is responsible for Information Security. Safeguarding our information assets against an evolving and changing cyber risk landscape continues to be a priority. We take a proportionate view of the threat to our organisation based on the nature of our business, the information we handle, our risk appetite, and our approach to transparency.
50. All staff are required to complete the Responsible for Information e-learning course annually which is provided by Civil Service Learning. In addition to the Responsible for Information training we have also conducted awareness campaigns to raise and promote security awareness.
51. We have a robust security incident management policy and, in line with the HMG Government Standards, we have reporting and compliance controls in place.
52. There were no incidents that required reporting to the Information Commissioner’s Office (ICO) in 2019/20.

## Effectiveness of the FSA whistleblowing and raising a concern policy

53. As Accounting Officer, it is important to me that the FSA has in place effective and trusted 'speak up' arrangements, where members of staff feel able to raise concerns, including a qualifying disclosure or a breach of the Civil Service Code, confident that they will be heard and that their complaint will be properly responded to.
54. In 2019 we continued to monitor the development of model policy and guidance produced by Civil Service Employee Policy and have included these outputs within a scheduled review of our own Whistleblowing and Raising a Concern Policy, which was due to complete in April 2020 but had been delayed due to the impact of the Covid-19 incident.
55. We held our annual internal whistleblowing and raising a concern awareness campaign in September, once again supplementing FSA-wide communications with targeted inputs aimed at impacting those parts of the organisation where our data shows both awareness of, and confidence in, our 'speak up' arrangements can continue to improve.
56. The Civil Service People Survey 2019 told us that we had met our ambition to be one of the Civil Service 'High Performers', when measured against all three Civil Service Code indicators<sup>26</sup>. Whilst it is right to celebrate this achievement, we recognise that it will require continued effort to build on this success and work continues in this regard.
57. We presented annual update reports on Whistleblowing and Raising Concern to the Executive Management Team and the Business Committee of the FSA Board<sup>27</sup>, ensuring that senior management continue to shape our approach in this important area.
58. In 2019/20 we handled 1 case referral. This did not identify deliberate wrongdoing but led to recommendations around ongoing personal development in the workplace.

## Shared Services

59. The FSA uses the Oracle Shared Service provided by Shared Services Connected Ltd (SSCL) for its Finance and Procurement systems. This system is being used by many other government departments including DWP and Ministry of Justice. Although some weaknesses and failings have been identified in SSCLs controls through the year FSA has worked closely with SSCL to monitor and improve the services provided to FSA.
60. Due to the Covid-19 incident and its impact on SSCL's businesses in India, the expected third party assurance report for the year ending 31 March 2020 is not available. However, an Agreed Upon Procedures Report has been produced which covers the period until February 2020 and Government Shared Services and Government Internal Audit Agency have taken adequate assurance from that.

---

<sup>26</sup> Three questions concerning; awareness of the Code; how to raise a concern under the Code; and confidence that concerns raised under the Code will be investigated properly.

<sup>27</sup> [www.food.gov.uk/sites/default/files/media/document/fsa-19-09-21-annual-report-foi-complaints-and-wbing-final\\_0.pdf](http://www.food.gov.uk/sites/default/files/media/document/fsa-19-09-21-annual-report-foi-complaints-and-wbing-final_0.pdf)

## Macpherson Review of Quality Assurance of Government models

61. In line with the recommendations of the Macpherson Review of Quality Assurance of Government, we maintain an up-to-date list of business-critical models (currently circa 10) and have processes in place to quality assure their inputs, methodology and outputs.

## Head of Internal Audit's opinion

62. Based on the results of the audit work completed during the nine-month period to 31st December 2019 and understanding the FSA's control environment, the Head of Internal Audit's opinion is that the FSA has maintained adequate risk management, control and governance arrangements.
63. The majority of internal audits completed were placed in the top two categories of audit assurance opinions and none were in the lowest, fourth category. Where issues have been reported, management have taken appropriate actions to address these and have proactively involved Internal Audit where necessary in identifying root causes for the issues highlighted in Audit Reports.
64. Business planning and prioritisation of resources processes are now well established and ensure resources target key priorities. These are supported by maturing risk management and assurance frameworks which ensure risks at corporate, directorate and programme or project level are identified, assessed and mitigated appropriately.

## Looking ahead

65. As part of the FSA's Value for Money Programme, as Accounting Officer and CEO I continued the 'Star Chamber' approach to budget setting for 2020/21. This constituted a review of the FSA priorities and budget, and Directors challenged each other on the economy, effectiveness and efficiency of the priorities and resources presented. This resulted in a first draft budget being presented to Business Committee for early comment at the January 2020 Board Retreat. Final revisions were made and presented for approval at the March 2020 Board meeting. This approach has allowed planning for the 2020/21 year to start earlier than in prior years.
66. The FSA needed to re-visit its priorities and resources to ensure an effective response to the Covid-19 incident. This included appointing a dedicated Incident Director to deal with the immediate response to the incident. I chaired the Strategic response meetings, the first of which was on the 6th March, and gave regular updates to the Board. The FSA worked closely with Industry stakeholders and officials from other Departments in Westminster, Wales, Northern Ireland and Scotland to ensure an effective response. FSA already has a Covid-19 lessons learned initiative as part of its response, and will look to embed positive change resulting from the incident. An updated set of priorities and resources will be presented to the Board at the June '20 meeting, which will retain as much of the content of the original plan as possible.

67. The FSA worked closely with HMT to agree £19m of funds for EU Exit in addition to FSA's baseline in 2019/20 (including a supplementary £3m for no-deal preparations). This enabled it to put in place the changes needed to successfully manage food safety in the post EU Exit environment. The FSA and HMT have agreed to continue £14.6m (and depreciation) in addition to its baseline funding in 2020/21 to ensure the implementation of a solid and resilient regulatory regime following the departure from the EU.
68. FSA has made good progress in increasing its future science capability. In particular new sampling systems have been developed, for which testing is underway, which will enhance our efficiency and improve the way we collaborate with stakeholders. We will continue to improve the integration of the business planning and budgeting process and to continue to build the link to risk management all of which will support the delivery of the strategy within the FSA's Spending Review settlement to March 2021.

### Significant internal control weaknesses

69. I am able to report that there were no significant weaknesses in the FSA's systems of internal controls in 2019/20 which affected the achievement of the FSA's key strategic outcomes, aims, objectives and policies.
70. I can also confirm that there have been no Ministerial Directions given during the course of the year.

### Exiting the European Union

71. Following the UK's exit from the EU on 31 January 2020, the Food Standards Agency's priority remains to ensure that there remains a robust and effective regulatory regime for maintaining the safety of food for the benefit of UK consumers and of the UK food industry, during the Transition Period (31 January to 31 December 2020) and beyond. We are working closely with the Cabinet Office, Department for Health and Social Care, Department for Environment, Food and Rural Affairs, other government departments and the devolved administrations of the UK in order to fulfil this objective.
72. During the transition period the UK will be subject to EU requirements (the EU Communities Act (1972) was repealed on 31 January but certain effects have been saved allowing EU laws to continue to have impact in the UK). The UK no longer has the right to participate in the institutions and bodies of EU but otherwise EU law continues to apply as it did during the UK's full membership.
73. During the Transition Period the UK will have access to the EU TRACES system for import and export notification. When the Transition Period ends imports to the UK will use Defra's import notification system IPAFFS. The FSA has played a pivotal role in defining the scope and development of this system, in line with our support for ensuring the introduction of a robust, national import controls system. The FSA is concerned, however, that the latter stages of the project are currently unfunded. We also anticipate a considerable business readiness challenge following the impact of Covid-19.

Contingency actions are being explored. When exporting to the EU business will have to notify the EU via the TRACES system.

## Northern Ireland

74. The Assembly passed the Budget Act (Northern Ireland) 2020 in March 2020 which authorised the cash and use of resources for all departments for the 2019-20 year, based on the Executive's final expenditure plans for the year. The Budget Act (Northern Ireland) 2020 also authorised a Vote on Account to authorise departments' access to cash and use of resources for the early months of the 2020-21 financial year. While it would be normal for this to be followed by the 2020-21 Main Estimates and the associated Budget (No. 2) Bill before the summer recess, the COVID-19 emergency and the unprecedented level of allocations which the Executive has agreed in response, has necessitated that the Budget (No. 2) Bill is instead authorising a further Vote on Account to ensure departments have access to the cash and resources through to the end of October 2020, when the Main Estimates will be brought to the Assembly and the public expenditure position is more stable.



**Emily Miles**

Chief Executive and Accounting Officer

12 June 2020

# Remuneration report

---

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. In reaching its recommendations, the Review Body has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits; and
- the Government's inflation target

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at <https://www.gov.uk/government/organisations/office-of-manpower-economics>

## Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at <https://civilservicecommission.independent.gov.uk/>

This report has been prepared in accordance with guidance EPN 597. The tables in the remuneration report are subject to audit.

All members of the Executive Management Team are permanent members of staff except Guy Poppy who is on secondment from Southampton University and Paul Morrison who is on a fixed term contract.

There is no provision made for compensation relating to the early termination of any board or executive management team members.

## Salary and pension entitlements

The annual increase in Board members' remuneration is based on that recommended for office holders by the Senior Salaries Review Body. Senior Civil Service (SCS) staff salaries are uplifted in line with the central (Cabinet Office) SCS performance based pay and review system.

Full details of the remuneration and pension interests of Board members and the Executive Management Team are detailed below and are subject to audit.

### a) Remuneration

#### Executive Management Team

19/20 figures (with 18/19 comparators in brackets).

Single total figure of remuneration					
	Salary (£000)	Bonus Payments (£000)	Benefits in kind (to nearest £100)	Pensions benefits £000 <sup>1</sup>	Total (£000)
Nina Purcell (Director FSA, Wales and Local Delivery to 05/10/18) <sup>2 &amp; 3</sup>	– (50–55)	– (–)	– (–)	– (–)	– (50–55)

#### Notes

1. The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.
2. Where individuals served for only part of the year only their actual pay and benefits during the period of the role is reported. FTE equivalents are: 18/19 Nina Purcell £95k-£100k.
3. From October 2018 Julie Pierce assumed directorship of Wales, alongside her existing role of Director of Openness, Digital and Data. Her salary and benefits are funded by FSA Westminster and are disclosed in the FSA Westminster & FSA Consolidated Annual Report and Accounts.

#### Pay Multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

Wales	2019/20	2018/19
Band of Highest Paid Director's Total Remuneration	£75k-£80k	£80k-£85k
Median Total Remuneration	£37k	£35k
Ratio	2.12	2.37
Remuneration Range	£20k-£59k	£23k-£67k



The change in the ratio is due to the change of leadership in Wales and reduction in the Highest Paid Directors total remuneration from 18/19 to 19/20. The reduction in remuneration range is due to the introduction of trainee grades.

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

This is different to the total remuneration reported for Executive Management Team members which includes a pension benefit valuation. This is to allow like for like comparison of average staff and highest paid director remuneration.

### **Salary**

Salary includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by the department and thus recorded in these accounts.

### **Bonuses**

A Pay Committee is set up each year to assess implementation of pay awards including bonus payments in line with guidance provided by the Cabinet Office. Membership of the Pay Committee is made up of directors and one independent member. Pay recommendations are considered on the basis of review of individual performance against objectives as well as overall consistency.

The Committee provides a breakdown of awards to the Cabinet Office, covering performance group distribution, analysis of bonuses awarded and feedback on the operation of the system. The bonuses reported in 2019/20 relate to performance in 2018/19 and bonuses reported in 2018/19 relate to performance in 2017/18.

### **Benefits in kind**

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.



**(b) Pension benefits****Executive Management Team**

		2018/19				
		Accrued pension at pension age as at 31/03/19 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/19	CETV at 31/03/18	Real increase in CETV
		£5,000 (£000)	£2,500 (£000)	(£000)	(£000)	(£000)
Nina Purcell	Director FSA Wales and Local Delivery (to 05/10/18)	50–55 plus lump sum of 155–160	0–2.5 plus lump sum of 0–2.5	1,195	1,144	1

**Notes**

\* As Premium PCSPS Scheme members, staff can choose, within a predetermined range, how their accumulated pension benefits are split between lump sum and annual pension.

1. retrospective change required recalculation and restatement of 18/19 figures in 19/20.

**Food Standards Agency Board**

A number of former FSA Board members benefit from a by-analogy pension scheme similar to the PCSPS. The scheme is now closed to new members and there are no active scheme members.

**Civil Service Pensions**

Pension benefits are provided through the Civil Service pension arrangements. From 01/04/15 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or Alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date, all newly appointed civil servants and the majority of those already in service joined Alpha.

Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPPS). The PCSPPS has four sections: three (Classic, Premium or Classic plus) providing benefits on a final salary basis with a normal pension age of 60; and one (Nuvos) providing benefits on a whole career basis with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under Classic, Premium, Classic plus, Nuvos and Alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPPS who were within 10 years of their normal pension age on 01/04/12 remained in the PCSPPS after 01/04/15. Those who were between 10 years and 13 years and 5 months from their normal pension age on 01/04/12 will switch into Alpha sometime between 01/06/15 and 01/02/22.

All members who switch to Alpha have their PCSPS benefits ‘banked’. Those with earlier benefits in one of the final salary sections of the PCSPS have those benefits based on their final salary when they leave Alpha. The pension figures quoted for officials show pension earned in PCSPS or Alpha – as appropriate. Where the official has benefits in both the PCSPS and Alpha the figure quoted is the combined value of their benefits in the two schemes.

Employee contributions are salary-related and range between 4.6% and 8.05% for members of Classic, Premium, Classic plus, Nuvos and Alpha. Benefits in Classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 01/10/02 calculated broadly as per Classic and benefits for service from 01/10/02 worked out as in Premium.

In Nuvos a member builds up a pension based on pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member’s earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in Alpha build up in a similar way to Nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pensions arrangement, the employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employer from the appointed provider – Legal & General. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer’s basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of Classic, Premium and Classic plus, 65 for members of Nuvos, and the higher of 65 or State Pension Age for members of Alpha. The pension figures quoted for officials show pension earned in PCSPS or Alpha – as appropriate. Where the official has benefits in both the PCSPS and Alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.

Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)


## Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



**Emily Miles**

Chief Executive and Accounting Officer

12 June 2020

## Staff Report

The following information has been subject to audit.

### A) Staff costs comprise of:

	2019/20 £000	2018/19 £000
Wages and Salaries	1,396	1,171
Social Security Costs	155	131
Other Pension Costs	364	236
<b>Sub Total</b>	<b>1,915</b>	<b>1,538</b>
Agency Staff	46	0
<b>Total Net Costs</b>	<b>1,961</b>	<b>1,538</b>

### b) Average number of persons employed

The average number of whole-time equivalent persons employed during the year 2019/20 and 2018/19 was as follows. These figures include those working in the FSAiW (including senior management) as included within the consolidated resource account.

2019/20			2018/19
Permanently Employed Staff	Others	Total	Total
37	1	38	31

## Civil Service Pension Schemes

The Principal Civil Service Pension Schemes (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “alpha” are unfunded multi-employer defined benefit schemes but the FSA is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2016 and you can find details in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservicepensionscheme.org.uk/about-us/resource-accounts/](http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/)).

For 2019/20, employers' contributions of £360k (2018/19 £236k) were payable to the PCSPS and CSOPS at one of four rates in the range of 26.6% to 30.3% of pensionable earnings, based on salary bands. The scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2019/20 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £3,044 (2018/19 £252) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75%. The FSA as an employer also matches employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £176 (2018/19 £14), at 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

## Off-payroll engagements

The FSA is required to publish information on our highly paid and/or senior off-payroll engagements.

**Table 1: For all off-payroll engagements as of 31 March 2020, for more than £245 per day and that last for longer than six months**

	FSA
No. of existing engagements as of 31 March 2020	5
<b>Of which:</b>	
No. that have existed for less than one year at time of reporting	3
No. that have existed for between one and two years at time of reporting	1
No. that have existed for between two and three years at time of reporting	1
No. that have existed for between three and four years at time of reporting	0
No. that have existed for four or more years at time of reporting	0

All existing off-payroll engagements, outlined above, have at some point been subject to a risk-based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

**Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and that last for longer than six months**

	FSA
No. of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	6
<b>Of which:</b>	
No. assessed as caught by IR35	4
No. assessed as not caught by IR35	2
No. engaged directly (via PSC contracted to department) and are on the departmental payroll	0
No. of engagements reassessed for consistency/assurance purposes during the year	0
No. of engagements that saw a change to IR35 status following the consistency review	0

**Table 3: For any off-payroll engagements of board members and/or senior officials with significant financial responsibility between 1 April 2019 and 31 March 2020 departments must also disclose:**

	FSA
No. of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	0
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	0
Total no. of individuals on payroll and off-payroll that have been deemed 'board members, and/or, senior officials with significant financial responsibility', during the financial year. This figure should include both on payroll and off-payroll engagements	17

## Health and safety reporting

The health, safety and wellbeing of our employees continues to be a forefront consideration for the FSA.

The capacity and remit of our Health, Safety and Wellbeing Unit (HSWU) has been increased to continue to deliver our organisational health and safety duty of care, to strengthen our ability to support the wellbeing of our employees and to better deliver employee reasonable and workplace adjustments to enable our employees to thrive at work.

Our Health and Safety Lead Employee cohort continued to support our managers regarding health, safety and wellbeing matters, provided an assurance function to our central health HSWU and promoted a positive health and safety culture in close collaboration with managers.

Our National Health and Safety Committee continues to facilitate meaningful consultation with Trade Unions (TU) on health and safety matters, including a platform for positive collaboration and joined working initiatives between TU, our Service Delivery Partner, our managers and staff, reflected in organisational health and safety policy.

We continue to share health, safety and wellbeing expertise externally within the HSE & Meat Industry Joint Working Party arrangements.

Employee mental health support continues to be an area of focus across the Civil Service and for all employers. The FSA's established Mental Wellbeing Supporters Network (a staff network made up from a group of volunteers who have been additionally trained in mental health first aid) site underneath the umbrella of our HSWU and continues to support our employees where required and well as encouraging open mental health conversations organisation-wide.

Bullying and harassment continues to be an ongoing concern for our staff. We continue to support our employees and contractor staff wherever they work when instances of bullying and harassment arise and we continue to work collaboratively with our staff, our managers, with food business operators (FBOs) and their representative organisations to uphold our expected standards of behaviour.

Our digital health and safety incident reporting system has been subject to ongoing continuous improvement, delivering improved management information for our central HSWU and managers to better identify trends or issues to enable targeted interventions to contribute to improvement of organisational health and safety.

Progress against the 2017-20 Health and Safety targets is as follows:

**Target 1** – is to reduce lost days due to work related injury; seeking an overall improvement of 15% over the period 2017-20 when compared against the average of lost days for 2014-17, which was 4.3%. Lost days were 2.5% for 2017/18, 5.8% for 2018/19 and 5.0% for 2019/20, an average of 4.4%.

**Target 2** – is the elimination of accidents at work that cause harm serious enough to be reportable under RIDDOR. The table below denotes the number of RIDDOR reportable incidents over the preceding three years.

## Reportable Incidents, Diseases and Dangerous Occurrences (RIDDOR) 2017/18 – 2019/20

RIDDOR Category	2019/20	2018/19	2017/18
Fatal	0	0	0
Major	0	1	0
<7 day	3	2	5
Disease	0	1	1
Dangerous Occurrence	0	0	0
Total	3	4	6

**Target 3** – The target is to maintain or reduce the Accident Incident Rate (AIR) annually over 2017-20. The total AIR was 4,909 in 2019/20, compared to 4,758<sup>27</sup> in 2018/19 and 5,056 in 2017/18. The total accident incidence rate is a widespread employer measure of workplace injury incidence and that can be easily measured, benchmarked and evaluated.

<sup>27</sup> 2018/19 figure updated (previously 4,409) to include incidents closed following publication of the 2018/19 version of this annual report.



## Recruitment practice

The FSA recruitment policy follows the Civil Service recruitment principles and is based on appointment of the best candidate on merit, identified through a process of open and fair competition. The recruitment policy is set out on our intranet site and provides a transparent approach that identifies high calibre individuals and promotes equality and diversity. All external recruitment is currently subject to internal approval by either the Director for FSA Northern Ireland, People & Organisational Change or the Head of People & Organisational Change. Occasionally we do appoint individuals by exception, and the use of exceptions along with external recruitment activity is reported to the Civil Service Commission on a quarterly basis.

Temporary agency staff are employed via an agency and are engaged on an ad hoc or temporary basis to fulfil requirements within established posts which involve providing cover (e.g. for a vacancy, holiday or sickness) or additional resource requirements.

These engagements can be either administrative or professional roles.

## Trade Union (Facility Time Publication Requirements) Regulations 2017

The Trade Union (Facility Time Publication Requirements) Regulations 2017 took effect from 1 April 2017. These regulations were laid following the enactment of the Trade Union Act 2016. The Trade Union Act was passed in May 2016; one of the elements of this Act is the requirement for employers in the public sector to publish information on facility time.

Facility Time is the provision of time off from an employee's normal role to undertake TU duties and activities when they are elected as a TU representative.

Trade Unions (TUs) play an important role in the modern workplace and there are considerable benefits to both employers and employees when organisations and unions work well together.

### Table 1 Relevant union officials

What was the total number of your employees who were relevant union officials during the relevant period?

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
31	30.6

**Table 2 Percentage of time spent on facility time**

How many of your employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?

Percentage of time	Number of employees
0%	16
1-50%	13
51%-99%	0
100%	0

**Table 3 Percentage of pay bill spent on facility time**

Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

First Column	Figures
Provide the total cost of facility time	£39,106
Provide the total pay bill	£61,573,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.06%

**Table 4 Paid trade union activities**

As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:  (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0%
--	----


## Summary of Resource and Capital Outturn

For the year ended 31 March 2020

	Budget 2019/20	Outturn 2019/20	Outturn compared with Budget	Outturn 2018/19
	Net expenditure	Net expenditure	Variance	Net expenditure
Programme Resources	3,912	3,762	150	3,402
Capital	–	–	–	129
<b>Total</b>	<b>3,912</b>	<b>3,762</b>	<b>150</b>	<b>3,531</b>

The FSA in Wales resource spend for the year was £3,762k compared to the resource budget of £3,912k. Expenditure in the year was consistent with the resource budget for the period.

FSA in Wales has not been given a Net Cash Requirement.



**Emily Miles**

Chief Executive and Accounting Officer

12 June 2020

The notes on pages 132 to 141 form part of these accounts.

# The Certificate and Report of The Comptroller and Auditor General to The Welsh Parliament

## Opinion on financial statements

I certify that I have audited the financial statements of the Food Standards Agency (Wales) for the year ended 31 March 2020 under the Food Standards Act 1999. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Food Standards Agency's (Wales) affairs as at 31 March 2020 and of net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Food Standards Act 1999 and Welsh Assembly Government directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects:

- the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Food Standards Agency (Wales) in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the Food Standard Agency's (Wales) use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Food Standards Agency (Wales) have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Food Standard Agency's (Wales) ability to continue to adopt the going concern basis.

## Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

## Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Food Standards Act 1999.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Food Standards Agency's (Wales) internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude on the appropriateness of the Food Standards Agency's (Wales) use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Food Standards Agency's (Wales) ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause Food Standards Agency's (Wales) to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Other Information

The Accounting Officer is responsible for the other information. The other information comprises information included in the annual report, other than the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Finance directions made under the Food Standards Act 1999;
- in the light of the knowledge and understanding of the Food Standards Agency (Wales) and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Report

I have no observations to make on these financial statements.

**Gareth Davies**  
**Comptroller and Auditor General**  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

18 June 2020



.....

# Accounts

.....



# Financial statements

## Statement of Comprehensive Net Expenditure

For the year ended 31 March 2020

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values on non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	Note	2019/20 £000	2018/19 £000
<b>Administration Costs</b>			
Staff Costs	2	1,961	1,538
Other Administration Costs	2	694	612
<b>Total Administration Costs</b>		<b>2,655</b>	<b>2,150</b>
<b>Net Administration Costs</b>		<b>2,655</b>	<b>2,150</b>
<b>Programme Costs</b>	2	<b>1,107</b>	<b>1,252</b>
<b>Net Expenditure for the year<sup>1</sup></b>		<b>3,762</b>	<b>3,402</b>

<sup>1</sup> There was no Other Comprehensive Expenditure in 2019/20 (2018/19 – £Nil)



**Emily Miles**

Chief Executive and Accounting Officer

12 June 2020


The notes on pages 132 to 141 form part of these accounts.

## Statement of Financial Position

### As at 31 March 2020

This statement presents the financial position of the department. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	Note	£000	2019/20 £000	2018/19 £000
<b>Non-current assets:</b>				
Property, Plant & Equipment	3	125		209
Intangible assets	4	23		27
			<b>148</b>	<b>236</b>
<b>Current assets</b>				
Trade and other receivables	7	2		23
Other current assets	7	249		17
Cash	6	–		123
<b>Total current assets</b>			<b>251</b>	<b>163</b>
<b>Total assets</b>			<b>399</b>	<b>399</b>
<b>Current Liabilities</b>				
Cash	6	(234)		
Trade and other payables	8	(100)		(157)
Other Liabilities	8	(405)		(798)
<b>Total current liabilities</b>			<b>(739)</b>	<b>(955)</b>
<b>Total assets less current liabilities</b>			<b>(340)</b>	<b>(556)</b>
<b>Non-current liabilities</b>				
Provisions	9	(18)		(18)
<b>Total non-current liabilities</b>			<b>(18)</b>	<b>(18)</b>
<b>Total assets less total liabilities</b>			<b>(358)</b>	<b>(574)</b>
<b>Taxpayers' equity</b>				
General fund			(358)	(574)
<b>Total taxpayers' equity</b>			<b>(358)</b>	<b>(574)</b>



**Emily Miles**

Chief Executive and Accounting Officer

12 June 2020

## Statement of Cash Flows

For the year ended 31 March 2020

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Food Standards Agency during the reporting period. The statement shows how the department generates and uses cash and cash equivalents by classifying cash flows as operating, investing, and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Food Standards Agency's future public service delivery.

		2019/20 £000	2018/19 £000
<b>Cash flows from operating activities</b>	<b>Note</b>		
Net operating cost	2	(3,762)	(3,402)
Adjustment for non-cash transactions	2	98	66
(Increase) /Decrease in trade and other receivables	7	(211)	28
Increase/(Decrease) in trade and other payables	8	(450)	427
less movements relating to items not passing through the Statement of Comprehensive Net Expenditure	7	357	(95)
Use of provisions	9	–	–
<b>Net cash outflow from operating activities</b>		<b>(3,968)</b>	<b>(2,976)</b>
<b>Cash flows from investing activities</b>			
Purchase of property and plant	3	–	(129)
Purchase of intangible assets	4	–	–
<b>Net cash outflow from investing activities</b>		<b>–</b>	<b>(129)</b>
<b>Cash flows from financing activities</b>			
Financing via Welsh Government – Direct funding		3,611	3,200
<b>Net Financing</b>		<b>3,611</b>	<b>3,200</b>
<b>Net increase/(decrease) in cash in the period</b>		<b>(357)</b>	<b>95</b>
Receipts due to the Consolidated Fund which are outside the scope of the Department's activities		–	–
Payments of amounts due to the Consolidated Fund	2	–	–
Adjustment to cash and cash equivalents in relation to MoG changes		–	–
<b>Net increase/(decrease) in cash in the period</b>	7	<b>(357)</b>	<b>95</b>
<b>Cash at the beginning of the period</b>	7	<b>123</b>	<b>28</b>
<b>Cash at the end of the period</b>	7	<b>(234)</b>	<b>123</b>

## Statement of Changes in Taxpayers' Equity

### For the year ended 31 March 2020

This statement shows the movement in the year on the different reserves held by the Food Standards Agency, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund £000	Total Reserves £000
<b>Balance at 1 April 2018</b>		<b>(287)</b>	<b>(287)</b>
<b>Changes in taxpayers' equity for 2018/19</b>			
Non-cash charges – Auditors Remuneration	2	10	10
Net operating cost for the year		(3,402)	(3,402)
<b>Total recognised income and expense for 2018/19</b>		<b>(3,392)</b>	<b>(3,392)</b>
Net Welsh Government Funding – drawdown		3,200	3,200
Net Welsh Government Funding – deemed		28	28
Funding (Payable)/Receivable adjustment		(123)	(123)
		<b>3,105</b>	<b>3,105</b>
<b>Balance at 31 March 2019</b>		<b>(574)</b>	<b>(574)</b>
<b>Changes in taxpayers' equity for 2019/20</b>			
Non-cash charges – Auditors Remuneration	2	10	10
Net operating cost for the year		(3,762)	(3,762)
<b>Total recognised income and expense for 2019/20</b>		<b>(3,752)</b>	<b>(3,752)</b>
Net Welsh Government Funding – drawdown		3,611	3,611
Net Welsh Government Funding – deemed		123	123
Funding (Payable)/Receivable adjustment	7	234	234
		<b>3,968</b>	<b>3,968</b>
<b>Balance at 31 March 2020</b>		<b>(358)</b>	<b>(358)</b>

# Notes to the Departmental Resource Accounts

---

## 1 Statement of Accounting Policies

### 1.1 Basis of Preparation

The financial statements have been prepared in accordance with the Accounts Direction issued by the Welsh Government under the Food Standards Act 1999. This Direction is reproduced as an annex to the accounts. In accordance with the provisions of the Government Resources and Accounts Act 2000 and the Food Standards Act 1999, all of the accounts of the FSA are audited by the Comptroller & Auditor General of the National Audit Office.

### 1.2 Accounting Convention

The accounts have been prepared under the historic cost convention to fairly present the summary of resource outturn, the net resource cost for the financial year, the capital expenditure for the year and to reconcile the net resource outturn to the sums paid out of the Consolidated Fund for Wales for the financial year. Subject to this requirement the accounts have been prepared on an accruals basis and in accordance with the requirements of HM Treasury's Financial Reporting Manual (FRM), insofar as it is applicable and appropriate to the FSA in Wales (FSAiW).

### 1.3 Significant Accounting Policies and Material Judgements

Estimates and the underlying assumptions are reviewed on a regular basis by the FSA's senior management. Areas of significant judgement made by management are:

- IAS37 Provisions – judgement is made on the best estimate of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Note 9 of these accounts gives more details of the specific dilapidations provision for the Agency and the basis for calculation.

### 1.4 Non-Current Assets

Non-current assets are items of the Agency's property that have a value greater than or equal to £5,000 (inclusive of irrecoverable VAT where applicable) and have a useful life of greater than one year. The capitalisation policy applies to all construction, capital improvements which enhance the functionality of a building, major equipment purchases and other capital projects totalling £5,000 or more. This also applies to multiple low cost items of a similar nature which are functionally interdependent or collectively improve efficiency within the FSA. When consolidated, these create an asset to the Agency. If these collectively have a cost in excess of £5,000 and an intended useful period in excess of a year then the items are usually consolidated as one asset.

## 1.5 Property, Plant and Equipment

The FSA does not currently own any land or buildings. All property, plant and equipment assets are carried at depreciated historic cost as a proxy for fair value. This is in accordance with Financial Reporting Manual requirements as these assets have short useful lives or low values or both. Assets under construction are not depreciated until the month after they are brought into use. All assets are owned.

## 1.6 Intangible Assets

Computer software and software licences with a purchase cost in excess of £5,000 (including irrecoverable VAT and delivery where applicable) are capitalised at cost and amortised over the life of the licence, or over 7 years if the licence is bought in perpetuity. Intangible assets under construction are not amortised until the month after they are brought into use. The FSA has developed an external facing website ([www.food.gov.uk](http://www.food.gov.uk)) primarily for the promoting and advertising of its own services. This website will not generate future economic benefits and consequently all expenditure incurred on developing it is recognised as an expense as it occurs and is not capitalised.

## 1.7 Depreciation and Amortisation

Assets are depreciated from the month following the date of being available for use. Depreciation and amortisation are applied on a straight-line basis to write off costs evenly over the asset's anticipated life. Estimated useful lives are reviewed during the year and assets relined where applicable. The below information shows the useful lives of the assets currently on the non-current asset register.

	2019/20	2018/19
<b>Property, plant and equipment</b>		
IT Equipment	3 – 5 years	3 – 5 years
Furniture, fixtures and fittings	7 – 8 years	7 – 8 years
<b>Intangible assets:</b>		
Software and licenses	10 years	10 years

## 1.8 Research & Development Expenditure

Expenditure on research is not capitalised and is treated as an operating cost as it is incurred. Expenditure on development in connection with a product or service which is to be supplied on a full cost recovery basis is capitalised if it meets those criteria specified in IAS38. Most research projects have a retention clause to ensure the satisfactory delivery of the final report. The FSA's policy is to accrue for the final retention amount if the work has been completed at the year end.

## 1.9 Administration and Programme Expenditure

The FSA in Wales is excluded from the administration budget regime.

### 1.10 Pensions

FSA past and present employees are covered by the provisions of the Civil Servant and Other Pension Scheme (CSOPS) known as “alpha”. The defined benefit schemes are unfunded. The Department recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees’ services by payment to alpha of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the alpha. In respect of the scheme, the Department recognises the contributions payable for the year. Further details can be found in the resource accounts of the Cabinet Office: Civil Superannuation and at [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk).

Further details can be found in the resource accounts of the Cabinet Office: Civil Superannuation and at [www.civilservicepensionscheme.org.uk/](http://www.civilservicepensionscheme.org.uk/).

### 1.11 Operating Leases

All operating leases are accounted for under IAS17 Leases. Classification is made at the inception of the relevant lease.

Operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease. Operating lease incentives received are recognised as a reduction in the rental expenses and are allocated over the lease term on a straight line basis. The FSA does not currently have any finance lease liabilities.

### 1.13 Value Added Tax

The net amount of Value Added Tax (VAT) due to or from Her Majesty’s Revenue and Customs is shown as a receivable or payable on the Statement of Financial Position. Irrecoverable VAT is charged to the Statement of Comprehensive Net Expenditure, or if it is incurred on the purchase of a non-current asset, it is capitalised in the cost of the asset.

### 1.13 Provisions

Provisions are recognised in accordance with IAS 37. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation, arising from a past event, at the Statement of Financial Position date.

### 1.14 Contingent Liabilities

The rules for notifying liabilities to Welsh Parliament are:

- there is no need to tell Welsh Parliament about:
  - new liabilities arising under statutory powers unless the legislation calls for it;
  - liabilities taken on in the normal course of business, except for those not in standard form and above £300,000;

- departments should notify the Welsh Parliament of:
  - statutory liabilities, in the form expected by the legislation;
  - any liability outside the normal course of business and above £300,000;
  - any liability of a non-standard kind undertaken in the normal course of business;
  - any liability which is novel, contentious or significant in relation to the organisation's (of the particular programme) expenditure, which is large and unquantifiable.

### 1.15 Financial Assets and Liabilities

The FSAiW holds the following financial assets and liabilities:

#### 1) Assets

- Cash
- Trade Receivables – current

#### 1) Liabilities

- Trade and other payables
- Provisions arising from contractual arrangements

Financial Assets and Liabilities are accounted for under IFRS 9.

Cash balances are measured as the amounts received in FSAiW's bank account. The FSAiW does not currently have cash equivalents. Trade and other payables are measured at fair value, with use of agreed invoiced amount, or management estimate in the case of accrued expenditure, forming the basis for valuation.

Cash balances are recorded at current values. Account balances are set-off in a formal agreement with the bank to do so. All other financial instruments are held for the sole purpose of managing the cash flow of the FSAiW on a day to day basis or arise from the operating activities of the FSAiW.

### 1.16 Early adoption of IFRSs, amendments and interpretations

The FSA have not adopted any IFRSs, amendments or interpretations early.

### 1.17 IFRSs, amendments and interpretations in issue but not yet effective, or adopted

There are two new Standards being introduced by the International Accounting Standards Board (IASB). IFRS 17 Insurance Contracts (expected to be adopted by FReM in 2022-23) is not likely to be applicable to the financial statements of the FSA. IFRS 16 Leases (expected to be adopted by FReM in 2021-22) is expected to have future impact on the financial statements of the FSA and will be reported in accordance with FReM. The material impact of IFRS 16 for the FSAiW's accounts will be in relation to the rentals under operating leases in Note 2. These costs will reduce significantly and the lease costs now reflected as depreciation and interest for the capitalised right of use asset (FSAiW rented office space).



## 2 Expenditure

	2019/20 £000	2018/19 £000
<b>Staff Costs*</b>		
Wages and salaries	1,396	1,171
Social security costs	155	131
Other pension costs	364	236
Agency staff costs:	46	–
	<b>1,961</b>	<b>1,538</b>
Staff Overheads	115	162
<b>Rentals under operating leases:</b>		
Building Leases	70	71
IT costs**	116	110
Accommodation costs	115	81
Legal	107	84
Administration costs	39	5
Committee Costs	34	33
<b>Administration Costs</b>	<b>596</b>	<b>546</b>
<b>Non-cash items:</b>		
Audit Fees	10	10
Depreciation	84	52
Amortisation	4	4
<b>Total non-cash items</b>	<b>98</b>	<b>66</b>
<b>Other Administration Costs</b>	<b>694</b>	<b>612</b>
<b>Programme Costs</b>		
Local Authority Support & Audit	1,107	1,252
<b>Programme Costs</b>	<b>1,107</b>	<b>1,252</b>
	<b>3,762</b>	<b>3,402</b>

\* Staff Costs are detailed in the Accountability Report.

\*\* Central IT costs are recharged to Devolved Offices from FSA Westminster.

### 3 Plant and equipment

	2019/20			
	Fixtures and Fittings £000	IT equipment £000	Office Equipment £000	Total £000
<b>Cost or valuation</b>				
Cost at 1 April 2019	105	297	31	433
Additions	–	–	–	–
Disposals	–	–	–	–
<b>At 31 March 2020</b>	<b>105</b>	<b>297</b>	<b>31</b>	<b>433</b>
<b>Depreciation</b>				
At 1 April 2019	53	166	5	224
Charged in year	13	59	12	84
Disposals	–	–	–	–
<b>At 31 March 2020</b>	<b>66</b>	<b>225</b>	<b>17</b>	<b>308</b>
<b>Carrying value at 31 March 2020</b>	<b>39</b>	<b>72</b>	<b>14</b>	<b>125</b>
<b>Carrying value at 31 March 2019</b>	<b>52</b>	<b>131</b>	<b>26</b>	<b>209</b>
<b>Asset financing:</b>				
Owned	39	72	14	125
<b>Carrying value at 31 March 2020</b>	<b>39</b>	<b>72</b>	<b>14</b>	<b>125</b>

	2018/19			
	Fixtures and Fittings £000	IT equipment £000	Office Equipment £000	Total £000
<b>Cost or valuation</b>				
Cost at 1 April 2018	105	199	–	304
Additions	–	98	31	129
Disposals	–	–	–	–
<b>At 31 March 2019</b>	<b>105</b>	<b>297</b>	<b>31</b>	<b>433</b>
<b>Depreciation</b>				
At 1 April 2018	42	130	–	172
Charged in year	11	36	5	52
Disposals	–	–	–	–
<b>At 31 March 2019</b>	<b>53</b>	<b>166</b>	<b>5</b>	<b>224</b>
<b>Carrying value at 31 March 2019</b>	<b>52</b>	<b>131</b>	<b>26</b>	<b>209</b>
<b>Carrying value at 31 March 2018</b>	<b>63</b>	<b>69</b>	<b>–</b>	<b>132</b>
<b>Asset financing:</b>				
Owned	52	131	26	209
<b>Carrying value at 31 March 2018</b>	<b>52</b>	<b>131</b>	<b>26</b>	<b>209</b>

## 4 Intangible assets

	2019/20 Software and licences £000
<b>Cost or valuation</b>	
Cost at 1 April 2019	37
Additions	–
Disposals	–
<b>At 31 March 2020</b>	<b>37</b>
<b>Amortisation</b>	
At 1 April 2019	10
Charged in year	4
Disposals	–
<b>At 31 March 2020</b>	<b>14</b>
<b>Carrying amount at 31 March 2020</b>	<b>23</b>
<b>Carrying amount at 31 March 2019</b>	<b>27</b>
<b>Asset financing:</b>	
Owned	23
<b>Carrying value at 31 March 2020</b>	<b>23</b>
	<b>2018/19</b>
<b>Cost or valuation</b>	
Cost at 1 April 2018	37
Additions	–
Disposals	–
<b>At 31 March 2019</b>	<b>37</b>
<b>Amortisation</b>	
At 1 April 2018	6
Charged in year	4
Disposals	–
<b>At 31 March 2019</b>	<b>10</b>
<b>Carrying amount at 31 March 2019</b>	<b>27</b>
<b>Carrying amount at 31 March 2018</b>	<b>31</b>
<b>Asset financing:</b>	
Owned	27
<b>Carrying value at 31 March 2019</b>	<b>27</b>

## 5 Financial Instruments

As the cash requirements of the department are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would normally apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the department's expected purchase and usage requirements and the department is therefore exposed to little credit, liquidity, currency, interest rate or market risk.

## 7 Cash

	2019/20 £000	2018/19 £000
Balance at 1 April	123	28
Net changes in cash balances	(357)	95
<b>Balance at 31 March</b>	<b>(234)</b>	<b>123</b>
<b>The following balances at 31 March are held at:</b>	<b>(234)</b>	<b>123</b>
Government Banking Service	<b>(234)</b>	<b>123</b>

## 7 Trade receivables, financial and other current assets

	2019/20 £000	2018/19 £000
<b>Amounts falling due within one year:</b>		
Trade Payables	10	28
Other Payables	(8)	(5)
	<b>2</b>	<b>23</b>
<b>Other current liabilities:</b>		
Accruals	15	17
Amounts issued from the Welsh Government but not spent at year end	234	–
	<b>249</b>	<b>17</b>
	<b>251</b>	<b>40</b>

## 8 Trade payables and other current liabilities

	2019/20 £000	2018/19 £000
<b>Amounts falling due within one year:</b>		
Trade Payables	93	148
Other Payables	7	9
	<b>100</b>	<b>157</b>
<b>Other current liabilities:</b>		
Accruals	405	675
Amounts issued from the Welsh Government but not spent at year end	–	123
	<b>405</b>	<b>798</b>
	<b>505</b>	<b>955</b>

## 9 Provisions for liabilities and charges

### Dilapidations

	2019/20 £000	2018/19 £000
Balance at 1 April	18	18
Provided in year	–	–
Provisions not required written back	–	–
Provisions utilised in the year	–	–
Borrowing costs (unwinding of discounts)	–	–
<b>Balance at 31 March 2020</b>	<b>18</b>	<b>18</b>

### Analysis of expected timing of flows of Dilapidations provision

	2019/20 £000	2018/19 £000
within one year	–	–
<b>Total current provisions liability</b>	<b>–</b>	<b>–</b>
between one and five years	–	–
between five and ten years	18	18
thereafter	–	–
<b>Total non-current provisions liability</b>	<b>18</b>	<b>18</b>
<b>Provisions balance at 31 March 2020</b>	<b>18</b>	<b>18</b>

A provision of £18,195 has been created in respect of estimated dilapidation costs for Southgate House in Cardiff. The provision has been created based on previous repairs carried out to a floor formerly occupied by FSA Wales.

## 10 Contingent liabilities

There are no Contingent Liabilities to report.

## 11 Operating leases

Total future minimum lease payments under operating leases are given below for each of the following periods.

**Obligations under operating leases comprise:**

	2019/20 £000	2018/19 £000
Buildings:		
Not later than one year	66	66
Later than one year and not later than five years	158	225
Later than five years	–	–
	<b>224</b>	<b>291</b>

There are no obligations under other operating leases at 31 March 2020 (31 March 2019 – £Nil).

The FSA lease arrangements do not contain any contingent rents payable, terms of renewal or purchase options, escalation clauses or any imposed restrictions (such as those concerning dividends, additional debt or further leasing).

## 12 Other Financial Commitments

The FSAiW has not entered into any financial commitments which are not operating leases.

## 13 Contingent liabilities

At 31 March 2020 there were no commitments for the purchase of capital items (31 March 2019 £nil).

## 14 Related-Party Transactions

None of the Board Members, key managerial staff or related parties have undertaken any material transactions with the FSA during the year.

FSA Wales undertook transactions with Other Government Departments; HMRC and Welsh Government. These were related to VAT and funding.

## 15 Events after the reporting date

In accordance with the requirements of IAS10, Events after the Reporting Period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

There are no reported events after the reporting period.