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Performance and Resources Report Q2 2019/20

FSA 20-01-17

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Food Standards Agency
Business Committee
21 January 2020



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FOREWORD

BY CHRIS HITCHEN, DIRECTOR OF FINANCE AND PERFORMANCE



The FSA's Performance in the 2nd Quarter of 2019/20 saw good progress being made against the priorities set by the Board.

On EU Exit, following a stocktake in July, the FSA reactivated those activities that were required to ensure it was ready for 31 October exit. At the end of October we had completed all necessary work to ensure that each project was at least ready to minimum viable product status. In addition, the FSA Incidents Management Plan was reactivated as planned. This programme of work is now being rescoped to support the implementation of the Withdrawal Agreement.

On the FSA's 2nd strategic priority of regulatory reform, the Regulating Our Future (ROF) Programme, there continues to be progress. Following the launch of an additional flexible option for LAs to sign up, the "Register a food business" (RAFB) service has seen an increase in the number of Local Authorities (LAs) using the service to 57, with more than 2000 new businesses registered using it. Currently a further 95 LAs have confirmed interest and are scheduled for onboarding by the end of March 2020. We continue to actively work with stakeholders on proposals to trial National Inspection Strategies (NIS) in the near future. The activity to transform food standards also continues. Draft proposals for the new delivery framework have been produced in consultation with stakeholders, and are being further discussed with LAs at a number of engagement events. It is currently anticipated that a LA piloting phase will commence in Spring 2020. Planning is also underway for delivery of the next Phase of the ROF Programme.

As part of the FSA's strategic priorities of doing the day job exceptionally well and ensuring food is safe and what it says it is, we are presenting information on Local Authority performance (slide 6) These are cases where a Local Authority has breached the trigger point for any of the current draft food hygiene KPIs, on issues identified from the 2017/18 LAEMS data in accordance with the agreed LA performance management intervention strategy. FSA in Wales and Northern Ireland are working towards introducing a similar Local Authority performance management framework.

The FSA's forecasting is to be within all HMT financial limits for the year 2019/20. This represents an uplift in expenditure from the 18/19 actual outturn, primarily driven by additional expenditure on our priorities of EU exit including the National Food Crime Unit, and Risk Analysis including Science. The FSA has already started preparing for Spending Review (SR) 20 which will cover the financial period from 2021/22 to 2023/24.

BEING THE BEST
ORGANISATION
WE CAN BE

0.2%



decrease in
annual working
days lost to
sickness at 4.7%

EXECUTIVE SUMMARY

OUR PERFORMANCE IN Q2 2019/20



Food
Standards
Agency
food.gov.uk

FOOD IS SAFE

71%

of total food
businesses achieved
an FHRs rating of
5 ('very good')

0.2% point



decrease in
ratings at 2 or
lower at 4.5%

FOOD IS SAFE

98.4%

Meat FBOs rated
Satisfactory or above
for compliance

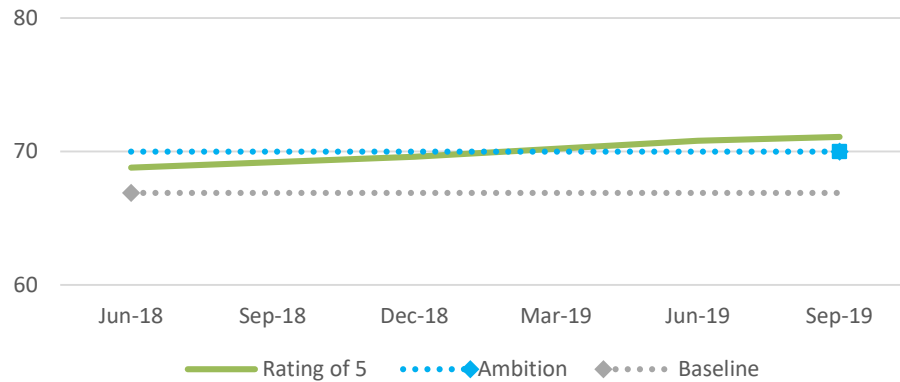
FOOD IS SAFE
AND WHAT IT
SAYS IT IS

FOOD HYGIENE RATING SCHEME

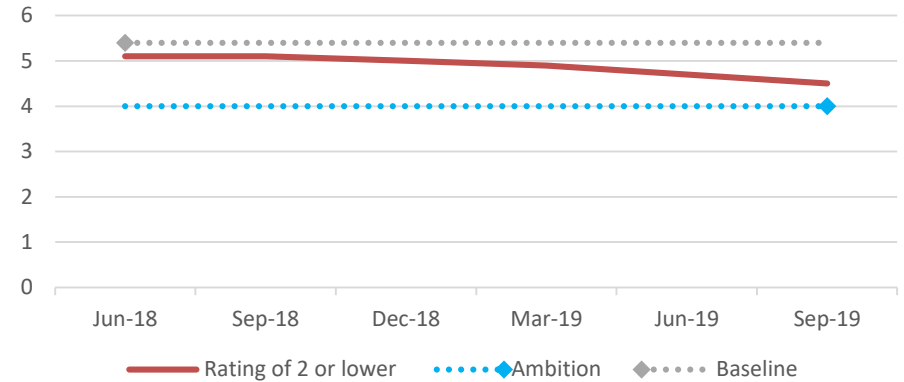
FOOD HYGIENE RATING



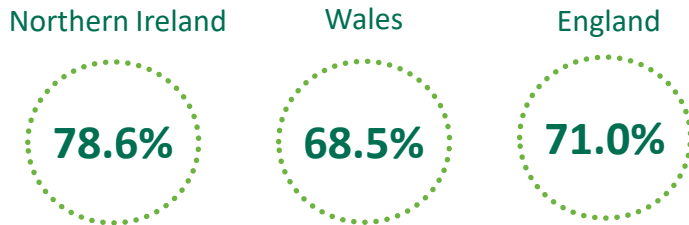
% of food businesses within the scope of FHRs achieving FHRs rating of '5 – very good' (England, Wales and Northern Ireland consolidated)



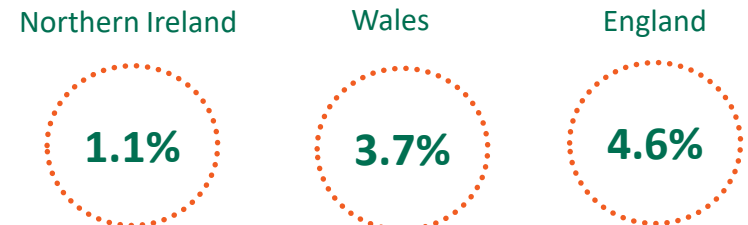
% of food businesses within the scope of FHRs achieving FHRs rating of 2 or lower (England, Wales and Northern Ireland consolidated)



% of food businesses within the scope of FHRs with a rating of 5 as at 30 September 2019 by country



% of food businesses within the scope of FHRs with a rating of 2 or lower as at 30 September 2019 by country



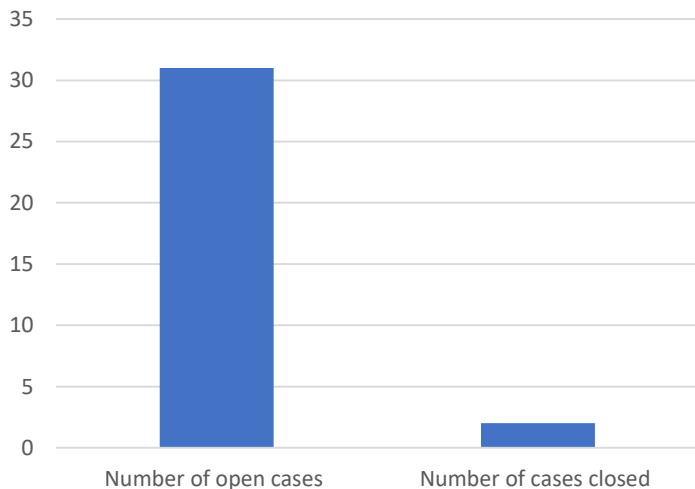
+0.3% point ratings of 5 at **71.1%** since Q1

The period around the coming into force of legislation requiring the display of ratings has resulted in the largest increases in ratings of '5 – very good' in both Wales (November 2013) and Northern Ireland (October 2016).



-0.2% point ratings of 2 or lower at **4.5%** since Q1

Number of open and closed cases where we are currently or had been previously intervening with the Local Authority on food hygiene performance issues at the end of Q2 2019/20

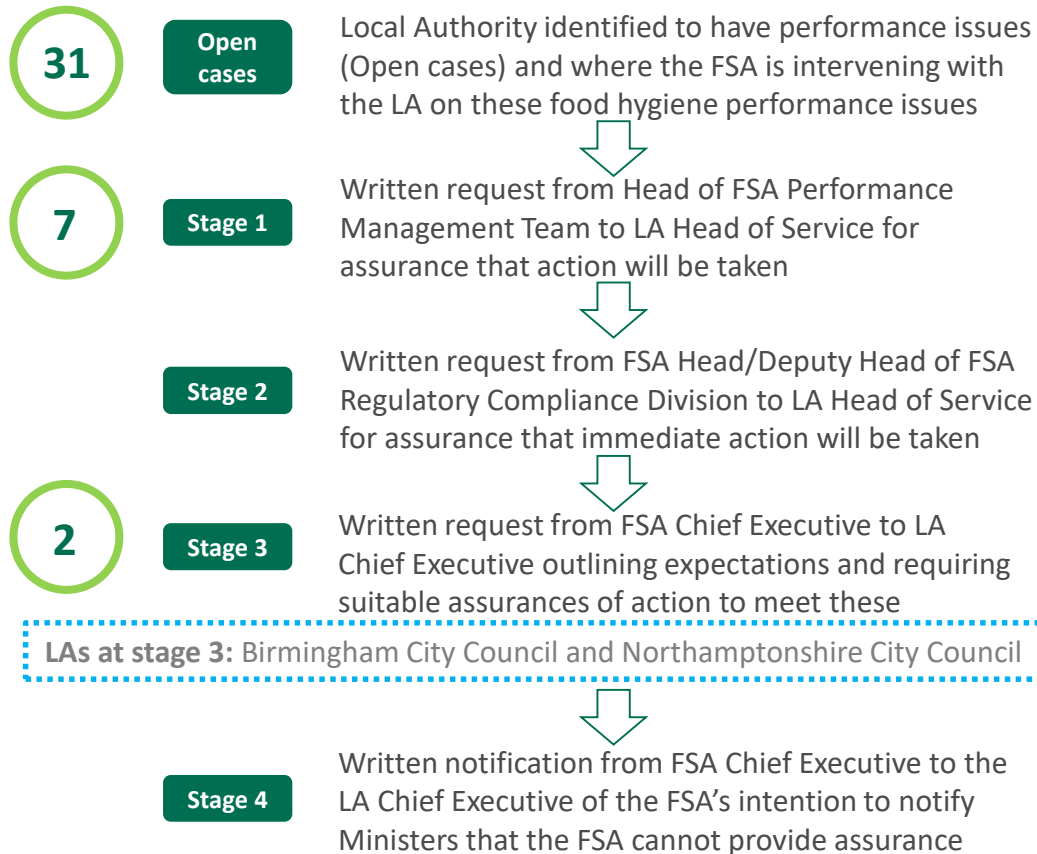


Total number of LAs in England that have responsibility for food hygiene controls: 324

These are cases where performance issues were identified on the basis of the 2017/18 LAEMS data. Local authorities are asked to provide a suitable time bound action plan to secure the required improvements.

Number of Local Authorities subject to escalation at the end of Q2 2019/20

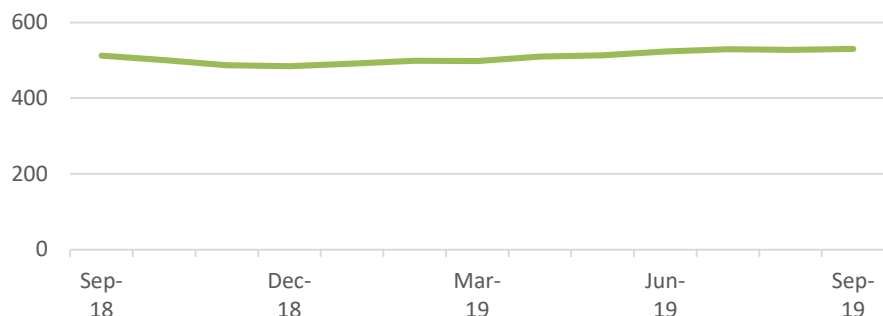
No. of LAs



Where action is not taken by a local authority or where improvements are not sustained, we follow an escalation procedure so that public health is protected, and consumer confidence maintained – a staged approach is taken to engage involving increasingly senior levels of management within the local authority and the FSA as required, as well as other government bodies if appropriate.

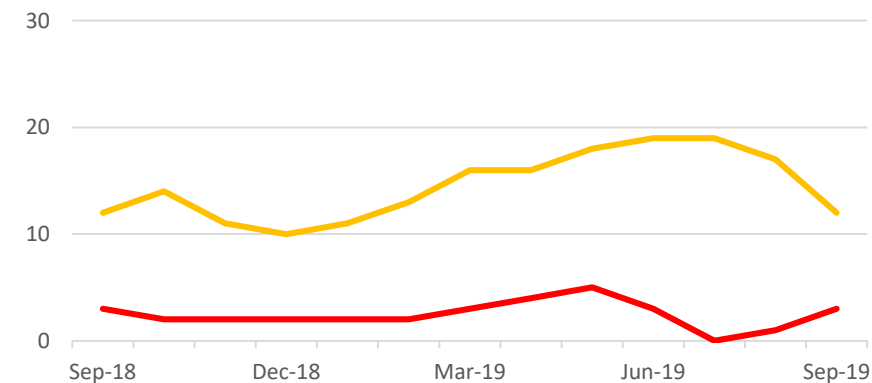
MEAT FOOD BUSINESS OPERATOR (FBO) COMPLIANCE

Number of Meat FBOs rated 'good' (England, Wales and Northern Ireland consolidated)



58.1%

Number of Meat FBOs rated 'improvement necessary' or 'urgent improvement necessary' (England, Wales and Northern Ireland consolidated)



1.3%

0.3%

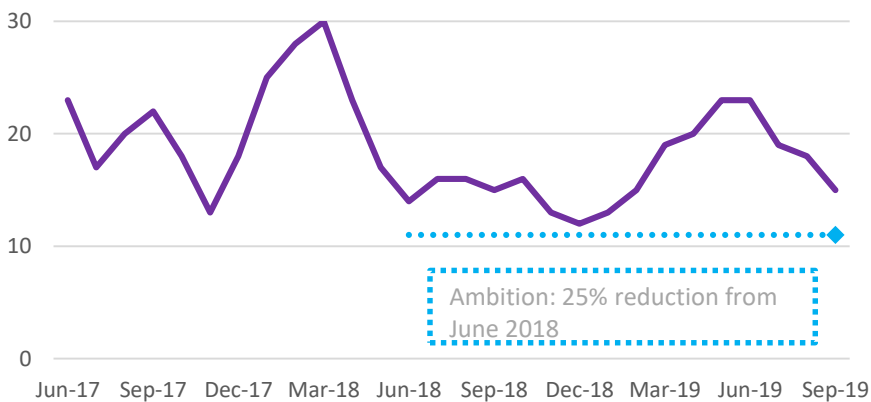
98.4%

FBOs rated satisfactory or above for compliance

15

FBOs rated improvement necessary or below for compliance

Progress towards ambition for a 25% reduction in improvement and urgent improvement necessary FBOs



Ambition: 25% reduction from June 2018

8 decrease in businesses rated 'improvement necessary' and 'urgent improvement necessary' from 23 at Q1 to 15. All FBOs in these categories are subject to additional audit and inspection scrutiny.

0.9% increase in FBOs rated 'good' since Q1.

increase in FBOs rated 'good' since Q1.



Modern, Accountable Excellent Regulator Forward Look to 2020



2019

2020

Embed our RISK ANALYSIS approach into the business

- Make new food and feed risk analysis processes work and build capability
- Anticipate and bring forward priority issues driven by our new EU

Fully functioning NATIONAL FOOD CRIME Unit

- Improved understanding of strategic threat and defined thresholds
- Requisite platforms to support intelligence and investigative functions
- Interim executive powers and progression

REGULATION and its MODERNISATION

- Developing and introducing the UK framework for food and feed safety
- Trial Primary Authority National Inspection Strategies and Assurance Standards
- Design a new Food Standards delivery model
- Develop and progress a single, coherent, Operations Transformation Delivery Plan

ALLERGENS in Food

- Develop a new Allergy strategy and supporting Allergy programme approach
- Lead the implementation of the new Allergens Labelling requirements for pre packed for direct sale foods
- Review of current methods of data capture for allergic reactions
- Engage with consumer groups, healthcare professionals and industry representatives to gain support for the strategy
- Review evidence base, working with Science Council, to ensure that we make best use of science and evidence

Deliver our EU EXIT plan and embed

- Contingency plans for a no deal EU Exit are in place
- UK exits the EU: implement FSA exit plan with functioning domestic food law
- Ongoing implementation supporting the outcome of negotiations

KNOWLEDGE GATHERING and SURVEILLANCE

- New surveillance / knowledge gathering / issue prioritisation embedded
- Pursue food-borne allergens as 'flagship' public health/safety challenge
- A coherent, cross-FSA framework sampling strategy

Building our ENGAGEMENT capability

- Build and maintain our external and international affairs
- Grow influence & impact with our science
- Improved & expanded capabilities in issuing food notification
- Engage on a bilateral / multilateral basis on key FSA policy issues

Our PEOPLE are Supported

- Delivering business-critical skills as part of our Strategic Capabilities Plan
- Our Fit for Change model is embedded and leadership strategies developed
- New Pay & Reward Strategy, Embed ASPIRE values and Diversity & Inclusion strategy

Spending Round/Spending Review

- FSA funding for 2020/21 to be agreed with HMT in Spending Round 2019 settlement in September
- Submission allows FSA to deliver its priorities
- Continue to support FSA strategy and ensure SR20 is aligned

FOOD IS SAFE AND WHAT IT SAYS IT IS

Food we can trust operating outside the EU

MODERNISING REGULATION

New regulatory model launches

FOOD WE CAN TRUST

GATHERING AND USING SCIENCE, EVIDENCE AND INFORMATION

A robust evidence base in our work applied and openly communicated to protect consumers' interests

BEING THE BEST ORGANISATION WE CAN BE

An effective and resilient organisation, with highly skilled leaders enabling the FSA to be recognised as an excellent, accountable modern regulator

Q2 2019/20 (Jul - Sept)

Q3 2019/20



Deliver our EU exit plan and embed

Laying amending Systems & Imports - "The Specific Food Hygiene Regulations 2019"

Delivered ✓

Submission of appropriate Future Economic Partnership/Future Relationship mandates in line with Defra timetable and negotiation priorities

Ongoing

Re-confirmation of EU Exit readiness for projects with outstanding Minimal Viable Product activity

Delivered ✓

Continuous involvement in cross Whitehall discussions

Delivered ✓

FSA reactivates delivery of day 1 no deal planning for imports

Delivered ✓

Assess the financial impact of the Official Controls Regulations and draft Impact Assessment

Delivered ✓

Review Primary Authority national inspection strategies recognition standard

Ongoing

Develop Oasis communications plan

Ongoing

Agree and sign off evaluation plan

Ongoing

Progress towards mandatory display of food hygiene ratings in England

Ongoing

Project Initiation Documents signed off

Delivered ✓

Agree Risk Assessment scheme variants for pilot

Delivered ✓

Evidence based case and supporting documentation

Delivered ✓

Risk analysis guidelines finalised, tested with internal stakeholders and SACs signed off

Delivered ✓

Information describing the risk analysis process and providing guidance on authorisation of regulated products published on food.gov

Delivered ✓



Regulation and its Modernisation



Embed our Risk Analysis approach

Q2 2019/20 (Jul- Sept)

Q3 2019/20



Knowledge Gathering and Surveillance

Surveillance coordination group established

Delivered ✓

Resources for implementing Horizon Scanning work identified

Delivered ✓

OCL review paper presented at September Board meeting

Delivered ✓

Wider circulation of tactical assessment to improve awareness across FSA

Delivered ✓

Standard Operating Procedures signed off and communicated to all staff

Delivered ✓

Action plan for delivery of strategic communications plan agreed and activated

Delivered ✓

NFCU powers featuring as a priority within wider FSA legislative change ambitions

Delivered ✓

Relevant joint training identified

Delivered ✓

Emerging performance data shared and progress monitored, with automated data collection and presentation

Delivered ✓

First meeting of engagement forum held

Delivered ✓

List of key partners reviewed

Delivered ✓



Fully functioning NFCU



Building our Engagement Capability

Q2 2019/20 (Jul - Sept)

Q3 2019/20



Our People are Supported

Bid to Treasury for greater flexibility as part of the 2019/20 pay remit

Delivered 

Commence procurement of a new e-learning solution

Delivered 

Develop Foundation (Induction) Training for new joiners

Delivered 

Develop content & timetable for Foundation days

Delivered 

Finalise the Corporate Training Plan for 2019/20

Delivered 

Progress & commence content sourcing for Management Fundamentals Framework

Delivered 

Fit for Change Campaign & training for staff

Delivered 

Provision of central support & oversight networks

Delivered 

Staff Inclusion week

Delivered 

Safer Food Better Business packs updated to include additional guidance on allergen management

Delivered 

Continued stakeholder engagement on new allergen labelling rules including visits to businesses

Delivered 

Science Council's working group on food hypersensitivity objectives finalised and agreed

Delivered 

Develop communications plan for the new allergen labelling rules

Delivered 


Review of the current methods of data capture for allergic reactions

Delivered 

Key

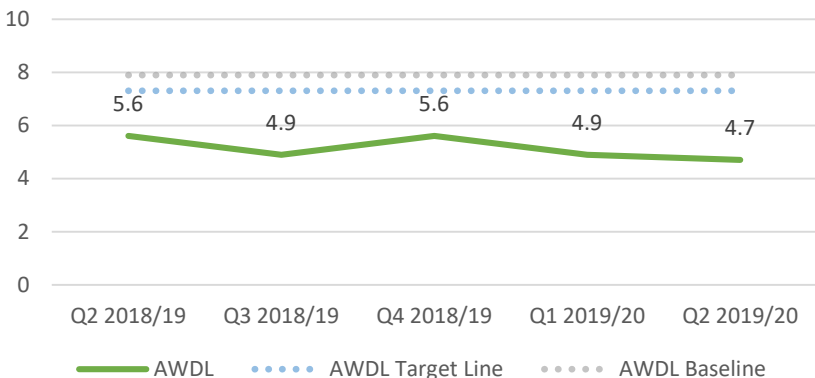
Allergens in Food

 Delivered to schedule

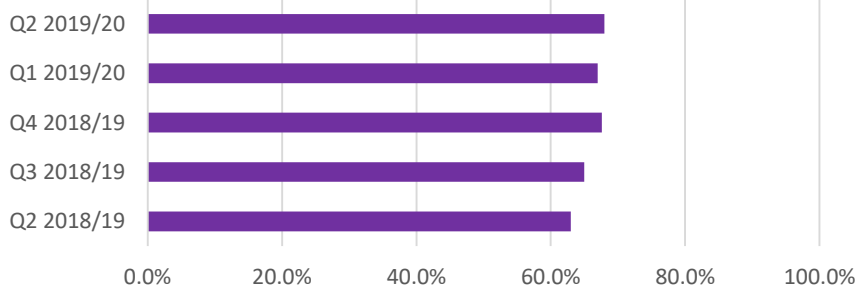
 Off track but target deliverable

 Off track

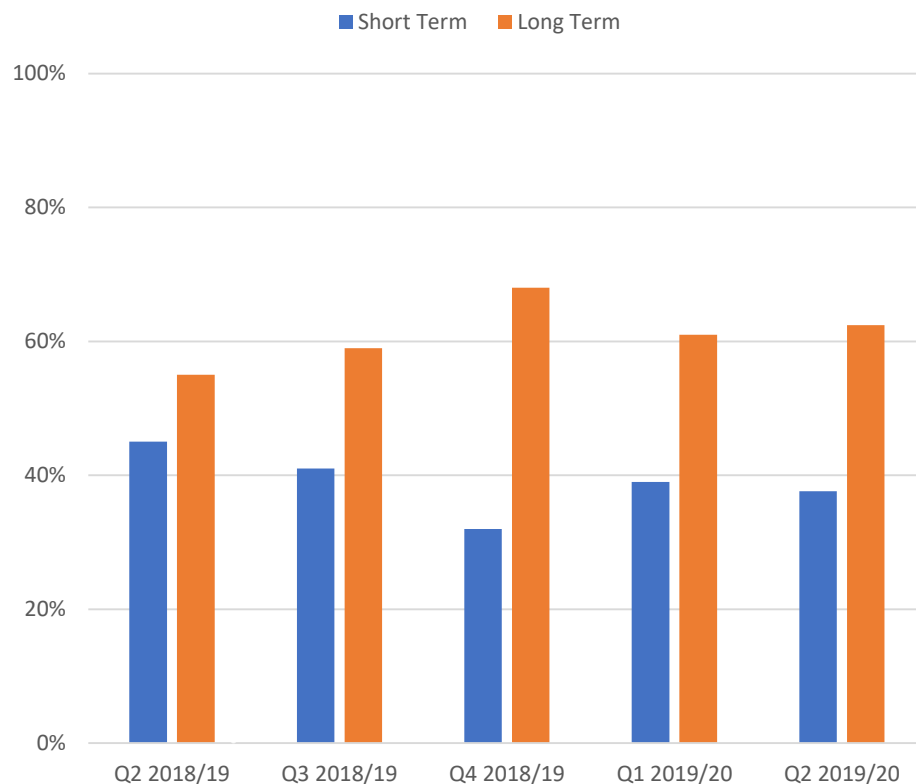
Rolling 12 Month total Annual Working Days Lost (AWDL) as submitted to Cabinet Office (Q2 reporting period Oct 2018-Sept 2019)



% of Staff taking no sick absence on a rolling 12 month period as submitted to Cabinet Office (Q2 reporting period Oct 2018-Sept 2019)



% of total absence taken which were short/long term in a rolling 12 month period as submitted to Cabinet Office (Q2 reporting period Oct 2018-Sept 2019)



0.2% decrease in AWDL to 4.7% point



1.4% point

increase in AWDL long term sick leave between Q1 and Q2 (Reporting on a 12 month rolling period).

AFFORDABILITY – HOW THE FSA IS PERFORMING AGAINST HM TREASURY LIMITS

	2019/20 Full Year Forecast £m	2019/20 Limits £m	Fav/(Adv) Availability £m	Fav/(Adv) Variance %	RAG status
FSA Total (DEL & CDEL) exc AME Westminster (inc. EU Exit)	113.2	118.7	5.5	5%	●
Net Administration Expenditure (excluding depreciation)	48.8	49.2	0.4	1%	●
Net Programme Expenditure (excl. dep'n)	<u>42.5</u>	<u>46.6</u>	<u>4.1</u>	9%	●
Resource Departmental Expenditure Limit (DEL) (excl. dep'n)	91.3	95.8	4.5	5%	●
Capital (DEL)	8.3	8.3	0.0	0%	●
Wales					
RDEL	3.7	3.7	0	1%	●
CDEL Capital – IT / Accommodation	0	0	0	0%	●
Northern Ireland					
RDEL	9.8	10.8	1.0	9%	●
CDEL Capital – IT / Accommodation	0.1	0.1	0	0%	●
Resource Annually Managed Expenditure (AME) - ringfenced	0.8	9.6	8.8	92%	●

BREAKDOWN OF CORPORATE PRIORITIES AND KEY AREAS OF SPEND

	2018/19 Actuals £m	2019/20 Forecast £m	Change £m
FSA TOTAL (RDEL & CDEL) exc AME <i>of which</i>	98.7	113.2	14.5
National Food Crime Unit (NFCU)	3.2	5.6	2.4
EU Exit excl. NFCU	11.1	14.0	2.9
Risk Analysis inc. Science	7.2	11.4	4.2
Risk Management inc. Policy	3.9	3.6	(0.3)
Operations excl. NFCU	27.1	26.9	(0.2)
Official Controls, Legislation & LAs	8.9	8.6	(0.3)
Doing the day job well	37.3	43.1	5.8