

# In Year Prioritisation

FSA 22-12-05 - this paper provides an update to the Board on a series of essential changes to our workplan for this year that will create capacity to deliver the additional demands faced by the FSA, without compromising our statutory duties.

## 1 Summary

1.1 Since April 2022, the FSA has faced additional pressures that we had not anticipated, which have placed significant additional demands on our people and resources.

1.2 In response, the Executive Management Team and Business Delivery Group have identified a series of essential changes to our workplan for this year that will create capacity to deliver these additional demands, without compromising our statutory duties.

1.3 The Board is asked to:

- **Note** the changes the executive has made to the workplan (contained in this paper).
- **Comment** on any of the specific proposals.
- **Agree** to the executive continuing to implement these changes.
- **Note** the impact of these changes on our risk profile.
- **Note** that we may need to return to the Board with further prioritisation updates later in the financial year .

## 2 Introduction

2.1 In March 2022, we published our new [five-year strategy](#) 'Food you can trust'. Alongside this, we presented our priorities and budget for financial year 2022 – 23 to the March 2022 Business Committee: [FSA 22-03-13 - FSA Priorities and Budget 22-23](#).

2.2 Since March 2022, there have been several areas of work (either new or that have had an increase in scope) which place significant and unanticipated demands on key areas of the business:

- Support for the development and implementation of the Genetic Technology (Precision Breeding) Bill, which was introduced to the House of Commons some months earlier than we had originally expected.
- Support for the Department for Environment, Food and Rural Affairs (Defra) and the Cabinet Office on the Borders Target Operating Model (Borders TOM) for 2023, in the light of Government's decision to delay import controls for EU goods from Summer 2022.
- Work to deliver the changes envisaged in the Retained EU Law (Reform and Revocation) Bill, which requires us to review around 150 pieces of legislation (including around 40 that are specific to Wales) to an initial December 2023 deadline.
- Work to deliver the Northern Ireland Protocol Bill introduced in June 2022.
- The Civil Service 2025 workforce commission, which required us to model the impact on different levels of headcount reduction on our organisation. The Prime Minister has now confirmed that top-down headcount targets will not be imposed. We will still need to review budgets and priorities in light of the Autumn Statement, which confirmed departments will have their Spending Review settlements to 2024-25 honoured with the implication that departments would need to absorb inflationary pressures, and we will need to work more

efficiently to live within this. We will discuss this in March with the Business Committee.

2.3 As the Chief Executive reported in her update at the September Board meeting, these pressures led us to delay some activities in our 2022/23 Corporate Business Plan in the second quarter of this year. But we were clear that more radical prioritisation would be needed. The executive has now reviewed all work and identified areas that must continue and areas that can be reduced, paused (to end of 2022/23 business year) or stopped. This will ensure that we continue to meet our statutory duties and deliver on the areas of greatest priority.

2.4 During this process, the management team have also borne in mind feedback from our internal cultural enquiry in Autumn 2021, anecdotal evidence to senior management, and the 2021 Civil Service People Survey, in which staff highlighted a feeling of being overwhelmed by relentless pace and increase in different demands. The people survey in 2021 found that just 63% agreed that they had an 'acceptable workload' (in line with the overall mean for the civil service, but down from 69% in 2020). There has since been a substantial amount of additional recruitment, but the new roles have predominantly been to respond to new demands resulting from our expanded role following EU Exit, so additional pressures have continued to put some strain on resources.

### 3 Discussion

3.1 The FSA's mission remains to ensure food you can trust, and we will continue to deliver our core statutory functions which help to ensure that food is safe and is what it says it is. These include meat, dairy and wine inspection; dealing with incidents; overseeing local authority delivery; advising on food safety risks.

3.2 We will also continue to develop and deliver our most critical reforms to the regulatory system. This includes work on reforming the current model for local authority assurance of food standards and food hygiene, and work to pilot a new enterprise-level assurance approach with five major retailers. It also includes support for the development of a new Borders TOM.

Alongside this, we will need to deliver the extensive programme of work required to advise ministers in three countries on the future of all the Retained EU Law within our remit; our reform work will inform this advice over the next few years.

3.3 We also need to continue to evolve our own capabilities and capacity to deliver our strategy, including by setting out a new three-year corporate plan, over time a people plan and by replacing core systems such as finance and payroll.

3.4 The executive has identified a set of changes to create capacity to manage the additional pressures identified in section 2 above. This has involved difficult decisions to slow, stop or reduce effort on some other important areas of work, to make sure that we can deliver the work described in the preceding paragraphs.

3.5 Some of the most significant areas we have identified are:

- **Official Veterinarian insourcing:** we are minded to put on hold our project to directly employ some Official Veterinarians (OVs) to deliver official controls in abattoirs. This is also driven by the severe pressure public finances are currently under and inflationary challenges which have affected our own costs and created serious issues for businesses in the last six months. The Chief Executive is planning to take a final decision with EMT in the coming weeks and will update the Board orally during the meeting.
- **Food hypersensitivity:** Reducing harm to people with food hypersensitivity remains a fundamental part of the FSA's role. We will continue to deliver our core activities:

1. Responding to allergen incidents to ensure they are managed appropriately, including support for FSA input to inquests when a death has occurred.
2. Providing policy advice and guidance to industry and enforcement officers so that allergen controls are effectively implemented and enforced.
3. Working with external stakeholders and organisations to raise awareness about food hypersensitivity and ensure regulations are well understood so that consumers and food businesses can take action to reduce risk and prevent avoidable harm.

3.6 In addition to these we will need to ensure the review of REUL retains current protections for people with a food hypersensitivity, for example consumer information and labelling provisions. In the short term to manage this additional work and release resources to other priorities we will be focusing on a smaller subset of the change and reform activities in the three key areas we put forward in the last [Board paper](#) in September. This means:

- **Precautionary Allergen Labelling (PAL):** this will be our priority area amongst the three and we will aim to deliver the programme laid out in the previous Board paper over a slightly longer timescale. Work includes the international review of available allergen tests and the Codex risk assessment of allergen thresholds in preparation for a planned consultation to deliver improvements to guidance for business (without legislative change) and our participation in the international review of the approach to PAL, so the needs of UK consumers are taken into account on a workable system for applying PAL to prepacked food products and updating business.
- **Provision of information to consumers:** we will focus on building the evidence base for future reform for provision of information. We will pause on developing any recommendations for taking this further (including potential changes to regulations) in the next 12 to 24 months. We will also pause the other elements in this area including the standardisation of good practice guidance for digital, written and confirmatory actions.
- **Improving the provision of allergen training:** we will focus on opportunities to work with and through external organisations to identify level one training options for staff in the non-prepacked sector. This includes scoping our understanding of target audiences, content and different digital delivery options available. We will pause work on level two and three training.
- **Our Annual Report on Food Standards:** Our commitment to the development of the report over the coming years has not reduced but we will reduce scope for year two: to include data tables containing core data sets and commentary on only a few significant areas (household food insecurity, local authority performance, and imports for example).
- We will not grow our contribution to delivering food that is healthier and more sustainable as far as we previously planned. We continue work we have started to do, such as contributing to the Food Data and Transparency Partnership, School Food Standards Pilot and building our evidence base, but will not look to increase beyond this during the next year.

3.7 A full set of the changes we are making at this stage is attached at Annex 1.

## Impact on risk

3.8 We will consider the impact of the prioritisation exercise on our strategic and operational risks. We will identify the severity of the impact in the short and long term on our controls and mitigations.

3.9 To ensure we focus on the successful delivery of our priorities, we will track and monitor the identified risks even more closely, assessing the risk drivers and risk ratings, this will help us to identify and manage any problems early. Continuing to apply our risk management processes and increased risk monitoring will help inform strategic decision making and support the delivery of our priorities.

3.10 We will continue to provide risk updates to the Audit and Risk Committee in line with our normal cycle.

### **Impact on budget**

3.11 The purpose of these prioritisation proposals is to refocus the resources we have (particularly our people) rather than to reduce our budget. Therefore, the changes described above have only a small effect on our net budget for the year. These changes have been reflected in this month's performance and resources report FSA 22/12/13.

3.12 The 17 November Autumn Statement confirmed that departments' spending review settlements will be honoured until 2024/25. However, inflation will put pressure on our spending power, and we may require further prioritisation of our work.

### **Impact on Wales and Northern Ireland**

3.13 The additional pressures have a particular impact on FSA teams in Wales, including contributing to the Retained EU Law Bill, the implications of the Precision Breeding Bill in Wales and monitoring and managing the risk of divergence.

3.14 The work to be delivered through the REUL programme (advising Welsh Ministers on the 113 substantive pieces of REUL that apply across England and Wales and the 39 specific to Wales) will be significant. The FSA in Wales' [prioritised plan](#) was agreed by the Board in September 2022, but we will need to continue to monitor and adjust this work plan.

3.15 The majority of work identified here to be reduced, paused or slowed has limited resource impact in Wales, however, existing changes to the structure of directorates, including merging the FSA in Wales into our new UK and International Affairs Directorate should help us mitigate some of this pressure.

3.16 The work of the FSA in Northern Ireland is less heavily affected by the Retained EU Law Bill than Wales. However, this team also faces significant pressure, for example due to monitoring and managing divergence and on the Northern Ireland Protocol Bill.

3.17 Like Wales, the work identified to reduce, pause or slow does not represent a significant reduction for the team in Northern Ireland or create capacity. We will need to continue to monitor the impact and adjust plans to account for this.

### **Communicating externally**

3.18 We have written to government colleagues to advise them of the changes we have made to our workplan, highlighting particular areas of shared work.

3.19 FSA staff are in the process of updating the stakeholders involved in their specific areas of work.

## **4 Conclusions**

4.1 The Executive anticipates that the changes to our 2022/23 Corporate Plan described in this paper will enable us to deliver the new pressures, without compromising our statutory duties, and minimising as far as possible additional risk for consumers.

4.2 We may need to revisit these decisions if further pressures emerge.

4.3 The Board is asked to:

- **Note** the changes the executive have made to the 2022/23 Corporate Plan (Annex 1)
- **Comment** on any of the specific proposals
- **Agree** to the executive continuing to implement these changes
- **Note** the impact of these changes on our risk profile
- **Note** that we may need to return to the Board with further prioritisation updates later in the financial year

## Annex 1

### 1. Key Areas to Continue, Reduce, Pause or Stop

1.1 This annex contains our current view of which major areas of our work will continue, and which we will reduce, pause or stop. It is structured to reflect the 2022/23 priorities as set out in our 2022/23 Corporate Plan; doing our day job exceptionally well, evolving the food regulatory system; evolving our own capability and capacity.

1.2 We anticipate that paused items will not resume until at least the start of financial year 2023/24 and are likely to be paused for longer. We will return to the Business Committee in March with an update on our annual corporate priorities and budget.

#### Doing the day job exceptionally well

1.3 Significant parts of our work in this area will continue:

- Core statutory duties: meat, dairy and wine inspection; dealing with incidents; overseeing local authority delivery; advising on food safety risks (including for regulated products).
- National food crime unit: tackling food crime and working towards new powers.
- Core risk analysis: doing the scientific risk analysis needed to support these core functions, for example to support recommendations to ministers on regulated product authorisation.
- Laboratory capacity: Procure the tests funded for this year, continue the design work for future operating model, including discussion cross government.
- Foodborne disease: maintain focus on reducing incidence of foodborne disease.

1.4 The following areas have been identified where we can reduce, pause or stop work:

- We will pause our work towards a consultation and subsequent primary legislation on making the Food Hygiene Rating Scheme mandatory in England
- We have ambitions to expand our active role on the world stage into new areas and to become a stronger and more influential voice. We will pause this expansion, whilst continuing our current level of engagement and developing plans to deliver our long-term ambitions.
- We will maintain the scope of our advice on Free Trade Agreements that we provided for previous Section 42 reports in line with the wording of DIT's request (food safety, hygiene, and nutrition statutory protections) but not expand the advice into broader standards issues at this point in time. Assessments of food standards will be picked up separately in the new Annual Report on Food Standards over time.
- On food hypersensitivity, we will continue to deliver our core activities and will work to ensure the review of REUL retains current protections for people with a food hypersensitivity (for example consumer information and labelling provisions), but we will focus on a smaller subset of the change and reform activities. This means we will:
  1. Continue responding to allergen incidents to ensure they are managed appropriately, including support for FSA input to inquests when a death has occurred.
  2. Continue providing policy advice and guidance to industry and enforcement officers so that allergen controls are effectively implemented and enforced.

3. Continue working with external stakeholders and organisations to raise awareness about food hypersensitivity and ensure regulations are well understood so that consumers and food businesses can take action to reduce risk and prevent avoidable harm.
4. Aim to deliver the programme we have committed to on Precautionary Allergen Labelling (PAL), but over a longer timescale. Work includes the international review of available allergen tests and the Codex risk assessment of allergen thresholds and updating business guidance.
5. Focus on building the evidence base for future reform for provision of information to consumers. We will pause on developing any recommendations for taking this further (including potential changes to regulations) in the next 12-24 months. We will also pause the other elements in this area including the standardisation of good practice guidance for digital, written and confirmatory actions.
6. On improving the provision of allergen training, focus on opportunities to work with and through external organisations to identify level one training options for staff in the non-prepacked sector. This includes scoping our understanding of target audiences, content and different digital delivery options available. We will pause work on level two and three training.
7. We last published an NFCU strategic assessment of food crime in 2020 and had planned an update in 2023. This will now be paused until Spring 2024, subject to further review.
8. We will pause planned reviews on specific areas of food safety guidance for businesses (for example food handlers' fitness to work, vacuum packing/C.botulinum, pet food production in approved/registered food establishments). Many of these have been updated within the last five years, although some are older.
9. We will slow or reduce work on routine risk analysis issues that do not directly affect the progress of regulated product applications (such as work on routine review and updating of permitted levels of additives and contaminants).
10. Analysis support provided by FSA's science team to support new policy and change programmes will be reduced to focus on the top priority areas such as those identified to continue below.

## **Evolving the food regulatory system**

1.5 A significant amount of work in this area will continue:

- **Retained EU law:** Reviewing and taking action on our retained EU law before the sunset date set by the Retained EU Law (Reform and Revocation) Bill.
- **Import controls:** Developing and implementing a new operating model for import controls.
- **Local Authority (LA) Assurance:** rolling out new model for LA assurance of food standards and developing new model for food hygiene.
- **Pilots:** Continuing the pilots already in train to test enterprise level regulation with five supermarkets and school food standards assurance with 18 local authorities.

1.6 The following areas have been identified where we can reduce, pause or stop work:

- Annual report on food standards for year 2 will core data sets and commentary on a smaller number of themes.
- Instead of a separate fundamental review of the regulated products service, use opportunities through the Retained EU Law review process to consider changes.
- Local Authority audits - pause some of the planned increase to the resources available for conducting audits of Local Authorities in England and Wales, beyond the appointment of the new Team leader in England. Planned activity to assure delivery of the LA Recovery Plan presented to the Board in December 2021 will continue within existing resources.
- Modernising Local Authority data as part of the new Local Authority assurance model – complete current work but then review roll out of new reporting solutions.

- Register a Food Business - Continue providing this service to Local Authorities but pause work to develop new functions for the system at this time that are not already in development.
- Pause work towards reform of legislative framework for Qurbani controls and continue with existing enforcement approach.
- Eco-labelling – Reduce planned activity around eco-labelling to focus on leading data work in the Defra/DHSC Food Data and Transparency Partnership which represents the most impactful contribution we can make at this time.
- Changing the law on our meat industry assurance work – Pause and focus on flexibilities within existing law, subject discussions with the Board this month on the Operational Transformation Programme FSA 22/12/06.

## **Evolving our own capability and capacity**

1.7 Within this area the following work will continue:

- Three-year corporate plan: developing a three-year plan to deliver our strategy.
- New HR, finance and payroll systems: replacing systems when current contracts expire.
- New performance assurance framework: developing this alongside the three-year plan.

1.8 The following areas have been identified where we can reduce, pause or stop work

- Official Veterinarian insourcing: we are minded to put on hold our project to directly employ some Official Veterinarians (OVs) to deliver official controls in abattoirs. This is also driven by the severe pressure public finances are currently under and inflationary challenges which have affected our own costs and created serious issues for businesses in the last six months. The Chief Executive is planning to take a final decision with EMT in the coming weeks and will update the Board orally during the meeting.
- Future estate strategy – reduce, specifically reduce the range of options we consider for our future estate.
- People plan – we will continue developing a people plan to build our capability and support our staff but will slow/pause until after our three-year corporate plan is published and prioritise a review of the capabilities we need to continue delivering our strategy.
- New areas on health and sustainability – Pause work to scope out potential new areas of work, continue the existing support we provide to the Food Data Transparency Partnership and on school food standards but do not expand our role beyond this.