

Performance and Resources report quarter 1 2023/24

FSA BC 23-09-05 - Food Standards Agency Business Committee FSA BC 23-09-05 This report sets out FSA performance in delivering the first quarter of our 2023/24 annual plan.
PDF

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Executive Summary of our Q1 2023/24 performance

This report sets out FSA performance in delivering the first quarter of our 2023/24 annual plan. Our achievements during Q1 include:

- **Trust and confidence in the FSA** - The breadth and reach of our external communications has grown with increased engagement across a range of communications channels. Consumer trust in the FSA (78%) remains high, and FSA was recorded as high in both of our business confidence measures (95% and 93%).
- **Trade and imports / exports controls** - The FSA's role in trade facilitation has expanded significantly since leaving the EU, which we are now reporting on through the P&R report and also Annual Report on Food Standards. We are undertaking all the market access requests to the expected timescales and continue to be very heavily engaged in the development of new import controls with Defra and other departments. Our work on imports supports the protection of food safety of imported foods and our work on exports facilitates trade and upholds our reputation internationally as a nation with high food safety.
- **Meat food business compliance** – We have continued to achieve our 90% target for audits conducted (98%), our highest delivery achieved since the COVID-19 pandemic. All high risk premises were audited during the period at the required frequency.
- **Local Authority Performance** – Our LA Recovery Plan has ended and we now expect LAs to comply fully with the Food Law Code of Practice. We will collect data twice a year on a full set of compliance metrics and in intervening quarters will update on the performance management process. The first set of data will be in the December 2023 report.
- **Achieving Business Compliance** – The programme is on track to roll out the new food standards delivery model; the Food Law Code of Practice has been updated for England and NI and LAs will transition to the new model over the next 18 months. It will be piloted in Wales from September 2023. We have consulted on a new food hygiene delivery model and are considering next steps. Trials of enterprise level regulation are now underway with large retailers and will run for a year.

Trust and confidence in the FSA

- 90% have heard of the FSA (over our ambition of 80%)
- 56% have knowledge of the FSA (+1point from March 2023)

Out of those who have some knowledge of the FSA:

- 78% trust the FSA to ensure food is safe and what it says it is (over our ambition of 75%).
- 95% were confident the FSA is influential in maintaining food industry standards

- 93% were confident the FSA works hard to ensure food safety and standards are maintained and improved

Achieving Business Compliance

- Food Law Code of Practice updated for the new Food Standards Delivery Model in England and Northern Ireland.
- Food Hygiene Delivery Model public consultation and LA engagement events held

Trade and imports/exports controls

- 186 Border notifications were validated and circulated to all ports as an alert
- 11 Export market access requests were facilitated working with Defra

Meat food business compliance

- 98% full audit completion (+1 point higher than Quarter 4)
- 99.7% Meat FBO premises rated 'Good' or 'Generally satisfactory' (+1 point from Q4)

Our People

- Staff pay award for 2023/24 paid on target in August
- In-year awards for delegated grades in 2022/23 were paid

Financial position

- (£2.3) million forecast overspend against 2023/24 Westminster budgets, of which:
- (£5) million overspend on RDEL, including £2.4 million pressure added from £1,500 cost of living payments.
- £2.7 million underspend on CDEL.

Trust and confidence in the FSA

Key successes in the quarter

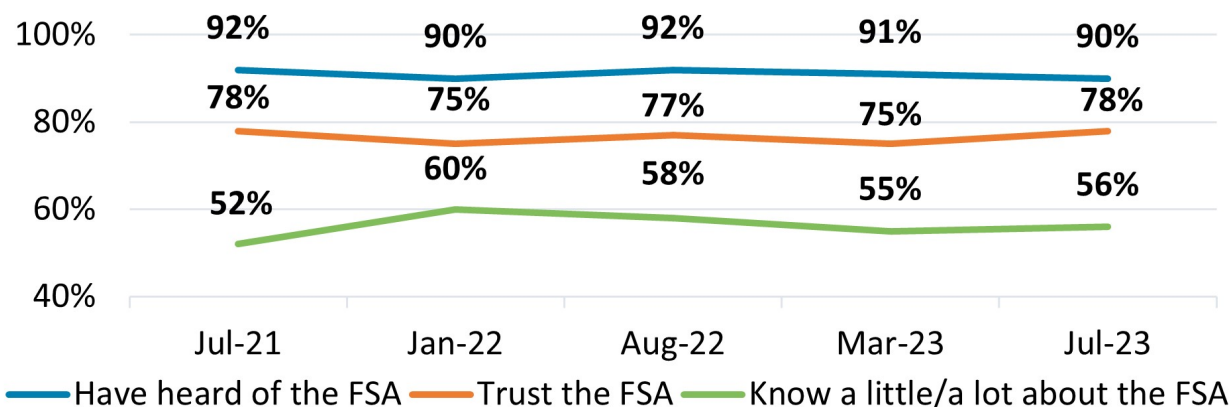
- consumer trust in the FSA (78%) has been high and above our ambition over the past two years despite UK's challenging circumstances such as the Cost of Living crisis.
- Small and micro food business confidence in the FSA was recorded as high in both measures (95% and 93%).
- successfully delivered the 'Here 2 Help Business' campaign demonstrating the FSA's role in supporting Food Business to meet their food hygiene responsibilities to ensure food is safe.
- increased breadth and reach across a range of communications channels, reaching different audiences through social media, press, newsletters and alerts. Our media coverage covered trade, regional and national titles, with 53% of coverage being positive about the FSA and 42% balanced.
- subscribers to our Chair and CEO bulletins have doubled in the last 12 months - from 3,500 to almost 7,000, with an engagement rate (measured by open and click-through rates) of 42%, compared with an industry average of 20%.

Consumer awareness, knowledge and trust in the FSA

- 90% have heard of the FSA (over our ambition of 80%)
- 56% have knowledge of the FSA (+1% point from March 2023)

Out of those who have some knowledge of the FSA:

- 78% trust the FSA to ensure food is safe and what it says it is (over our ambition of 75%)



(Source: Food and You 2 (July 2023))

Business confidence in the FSA

- 95% were confident the FSA is influential in maintaining food industry standards
- 93% were confident the FSA works hard to ensure food safety and standards are maintained and improved

(Source: Small and Micro FBO Tracker March 2022)

Concerns/risks

NFCU's investigation into mislabelled meat generated a high level of stakeholder and media coverage which questioned food authenticity in the UK. As a result, this may potentially affect consumer trust in the food system if they become less confident the information on food labels are accurate and could see a significant deterioration in the trust they have in us as a regulator to ensure food is 'what it says it is' if there is no visibility in the actions we are taking. The food fraud industry working group we established following Operation Hawk brings together industry, assurance bodies and enforcement agencies to further strengthen protections against food fraud. Visibility of this work should help to mitigate this risk.

Next steps

- continuing to build the reach and impact of communications targeted at different stakeholder and public audiences. Specifically working with stakeholders and media outlets to explain the FSA's role in high profile topics such as food fraud, food hypersensitivity, precision breeding and CBD.
- continue to monitor public interest in food issues via F&Y2 surveys and our Monthly Consumer Insights Tracker plus ongoing liaison with non-government organisations such as Love Food Hate Waste and Waste & Resources Action Programme and where relevant, providing advice and reassurance to consumers.

Trade and imports/exports controls

Key successes

- **Imports Market Access Assurance:** We have completed the Brazil MA request for beef and poultry resulting in controls being lifted. A further seven are in progress including India aquaculture, Vietnam poultry and United Arab Emirates live bivalve molluscs. We have a clearly defined process and timelines agreed with the UK Office and we are currently on track to meet all commitments.
- **Exports Market Access Assurance:** Facilitated FSA and LA involvement in 11 export market access requests in nine different countries which includes new MA for beef and lamb to Taiwan (worth £77m in first 5 years) and maintaining access to USA for beef, pork and lamb (worth £66m, £130m and £37m respectively over five years). Undertaken 14 investigations into non-compliant exports of POAO to the EU and two to non-EU countries, protecting our international reputation and trading relationships.
- **Imports Strategy:** Currently consulting on proposed changes to the controls applied at the border on imported high risk food of non-animal origin (HRFNAO) as part of the second review. Review on track to commence World Trade Organisation notification mid-Aug and laying the statutory instrument early Feb 2024. Under Retained Regulation 2019/1793, these reviews must be undertaken every six months and if we can keep to this timeline, we will have completed two reviews within a 12-month period, in compliance with the legal requirement.

Import controls

186 Border notifications were validated and circulated to all ports as an alert (of 226 received January to June 2023.) These include:

- 60 POAO (products of animal origin)
- 60 HRFNAO (high risk food of non-animal origin)
- 61 Other non-controlled commodities such as Soft Drinks or Basmati Rice

8 Intensified Official Controls raised during January to June 2023. These were in relation to Salmonella in Chicken and veterinary medicines in fish/shellfish.

Export controls

11 Export market access requests were facilitated, working with Defra, during January to June 2023 from 9 different countries.

Concerns/Risks

- **Exports Market Access Assurance:** Working with Defra to develop a competent authority roles and responsibilities document and a Service Level Agreement covering the activities which FSA carries out in support of Defra's export market access function.
- **Imports strategy:** Working to secure reform of the HRFNAO review process through the modernising borders bill to change from a legislative basis to an administrative process to speed up our ability to respond to changing risk. Without this reform we will continue to be less responses to changing demands with these type of products.

Next steps

- **Exports Market Access Assurance:** We are planning for a further five export market access facilitations including EU audit by DG Sante on residues and contaminants in animals and POAO (POAO exports to EU worth £4.4 billion in 2022) and South Korea inward inspection on HPAI regionalisation for poultry meat (worth up to £100k p.a.).

- **Imports Market Access Assurance:** Planning for audit programme for 24/25 which includes 12 MA requests including South Africa poultry, and honey from several countries.
- **Imports Strategy:** We plan to create a monthly dashboard of Border Notifications and provide public access to the data and to collate and publish imported HRFNAO data, so that stakeholders / consumers can view countries and commodities that don't meet our food and feed safety standards and can make informed choices as to where they source their food.

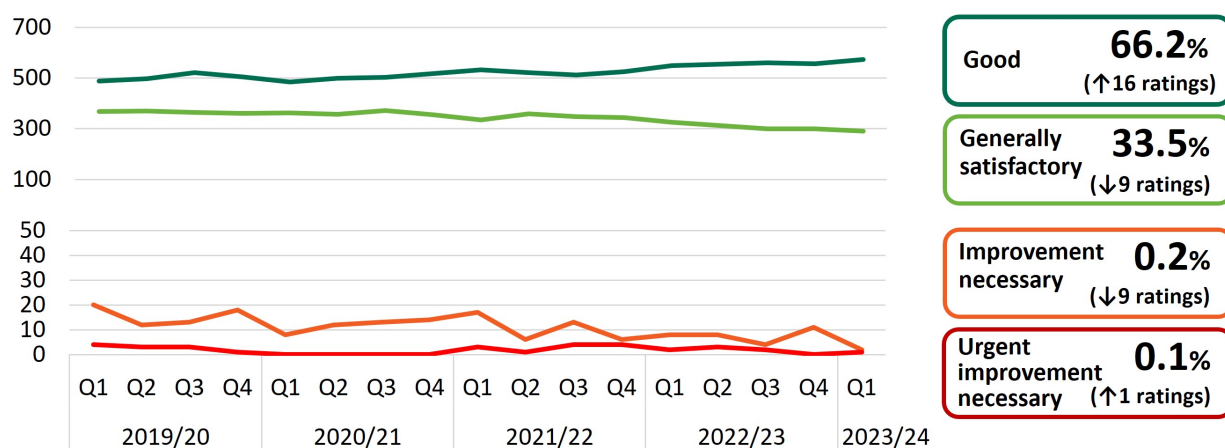
Meat food business compliance (FBO audits) England, Wales and Northern Ireland

Key successes in the quarter

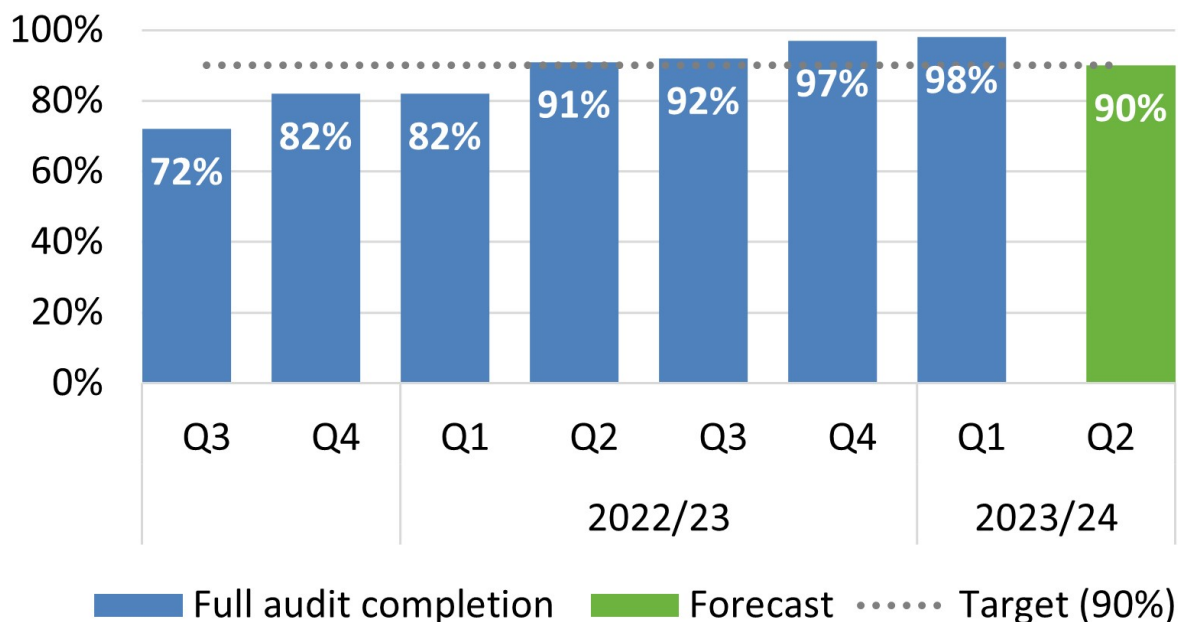
The veterinary Audit team continues to exceed the 90% target, with a 98% completion rate for Q2 for 2023/24.

- 98% full audit completion (+1% point higher than Q4)
- 99.7% Meat FBO premises rated 'Good' or 'Generally satisfactory' (+1% point from Q4)

Number of meat FBOs rated



Full audit completion against target for England and Wales



Concerns/risks

- no immediate risk in the quarter to meet FBO compliance, however, there is a longer-term concern regarding veterinary auditor's determining the plan and scope for OV attrition following 18-month extension from the Royal College of Veterinary Surgeons as one of our main sources for the audit team is the OV pathway.
- in the coming quarter some of our auditors will be leaving but contingency plans are in place for their replacement. We are forecasting to still achieve our target and not expecting any major impact in the implementation of the FSA audit programme.

Next steps

- continue to increase breadth and depth of knowledge and experience within the audit team through further training and practical experience with our technical portfolios.

From the December 2023 Business Committee we plan to provide a broader view of compliance and our service delivery performance across the Operational delivery landscape where new measures will be included for wine and dairy activity.

Understanding the food crime threat

Key successes

- one suspect was arrested and interviewed in relation to fraud offences as part of an NFCU-led operation into the misrepresentation of premium products, subsequently ensuring the NFCU had an effective response in making sure food is safe.
- the US Food and Drug Administration, with extensive support from the NFCU, successfully convicted a US-based DNP seller. DNP is a highly toxic industrial chemical causing serious harm when ingested and has led to several deaths. The defendant was sentenced to 33 months in prison, illustrating an effective response to the food crime threat whilst effectively collaborating with their US partners.
- further 'smokies' (slaughtered sheep/goats where carcasses are burnt outside of authorised safe processing) have been seized by LAs as part of ongoing enforcement activity, relating to illegal slaughter, production and distribution of smokies and highlights our effective

response to the immediate food crime threat.

- the Unit launched a new capability to identify and map organised crime groups. Work has begun to map the first group. This will also contribute to the wider national law enforcement dataset. Mapping organised crime groups allows us to ensure a comprehensive and coordinated approach to disrupting criminal activities undertaken by organised crime groups.

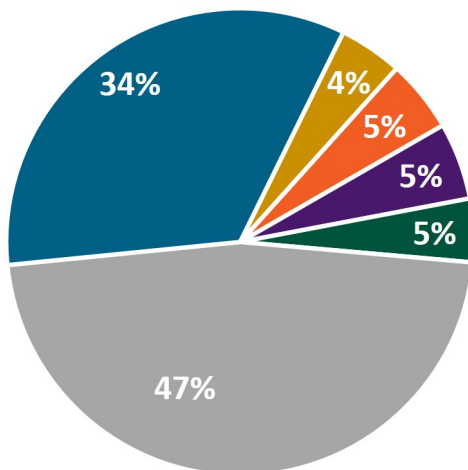
Highlighted food crime successes in Q1:

- 1 suspect arrested
- 5 website takedowns selling 2,4 dinitrophenol (DNP)
- 2 NFCU-supported operational LA activity led to the confiscation of 23 products
- 3 court dates received

Food crime intelligence reports by control strategy priority Q1 2023/24:

319 reports recorded (-36 from rolling 12-month average) of which:

- 34% Red meat (pork/beef/lamb/mixed)
- 4% Shellfish
- 5% Chicken
- 5% Dangerous Non-food
- 5% Diversion of ABP (animal by-products)
- 47% Outside of NFCU Control Strategy



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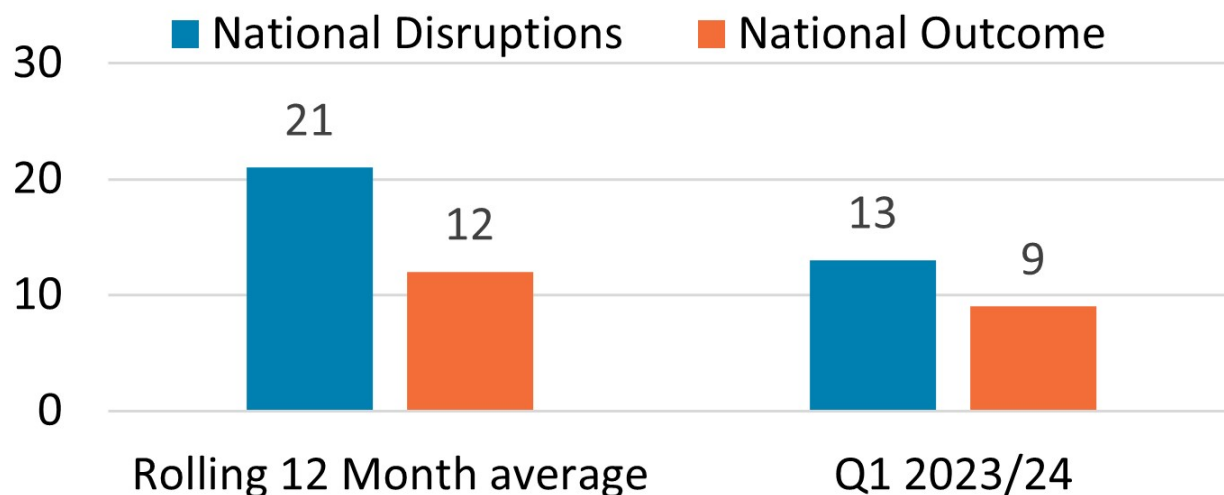
5% Dangerous Non-food

5% Diversion of ABP (Animal by-products)

47% Outside of NFCU Control Strategy

Disruptions and outcomes

- 13 disruptions (-8 compared to rolling 12-month average)
- 9 outcomes (-3 compared to rolling 12-month average)



Disruption and outcome recording is used as a measure of the Unit's impact on tackling food crime. Disruptions must demonstrate a higher impact level on food crime to be recorded. Investigative progress follows unpredictable rhythms, impairing meaningful comparison between quarters.

Concerns/risks

Disruptions and outcomes slightly down on previous quarter, some of this can be explained by a slight drop in DNP website takedowns. Fluctuations are normal throughout the year.

Next steps

To complete the next Food Crime Strategic Assessment, in partnership with Food Standards Scotland. The assessment will examine areas of the food supply chain which may be vulnerable to food crime, ensuring we are effective in managing our resources as well as identifying emerging threats that need to be addressed.

Business Committee reporting on LA performance

During the pandemic, Local Authority (LA) data was collected quarterly to monitor the Recovery Plan. This concluded at the end of March 2023 with LAs reverting to complying with the Food Law Code of Practice and only having to report annually. A New Burdens Assessment process has been completed to increase the frequency of LA data returns and an agreement to move to twice-yearly reporting during the transition phase for new delivery models and a LAEMS (Local Authority Enforcement Monitoring System) replacement system. Below we have described how we will report against those findings to the Business Committee.

Quarter 1 and Quarter 3

No new data available due to no return in Q1 and Q3. As a result, the focus of the report will be on the following areas:

Number of Local Authorities that...

- have been allocated to a performance manager for a new engagement based on the last data collection exercise
- have been 'Escalated' and to what level in the escalation procedure as a result of continuing concerns that have not been resolved

- had an engagement and been 'Closed' due to the delivery of a plan to address concerns and there is assurance that the risk has been mitigated
- are an 'Open' case where engagement is ongoing with the LA to address the areas of concern and the length of time the case has been ongoing
- are being 'Monitored' where an action plan has been developed with the LA to address concerns but has yet to be delivered. E.g. A plan to reduce the number of unrated premises over an agreed period and the plan is in progress
- any trends, patterns, risk, good practice that have been highlighted as a result of analysis or Performance Management (PM) activity that would be further actioned or be of importance to relevant stakeholders across the FSA i.e. policy and projects.

Quarter 2 and 4

Data will be available following the mid-year (Q2) and annual (Q4) surveys that will be analysed and used to report LA performance on the delivery of Official Controls (OCs).

- LAs FTE (Full Time Equivalent) in place to deliver Food Hygiene and Food Standards controls. Data collected will give an indication of the resources an LA has predicted it requires to deliver its service compared to the allocated FTE budget and the number of posts that are occupied and available.
- the effectiveness of the LAs intervention programme and the number of interventions that have been carried out broken down by risk category (A-E for Hygiene and A-C for Standards). This will evidence whether delivery is being completed on a risk basis and the volume of interventions that are overdue that will assess risk in the system.
- the number of food businesses that are unrated to assess how LAs are managing unknown risk in the system as these premises have yet to have their first inspection.
- the number of enforcements carried out by LAs to give an indication on the levels of non-compliance and action taken to improve.
- the number of LAs that have triggered a high concern of not delivering OCs effectively and have been allocated to performance managers to formally engage.
- the number of LAs that have been engaged with where no satisfactory plan has been put in place to deal with the areas of concern and have been escalated as per the agreed procedure.

Achieving Business Compliance

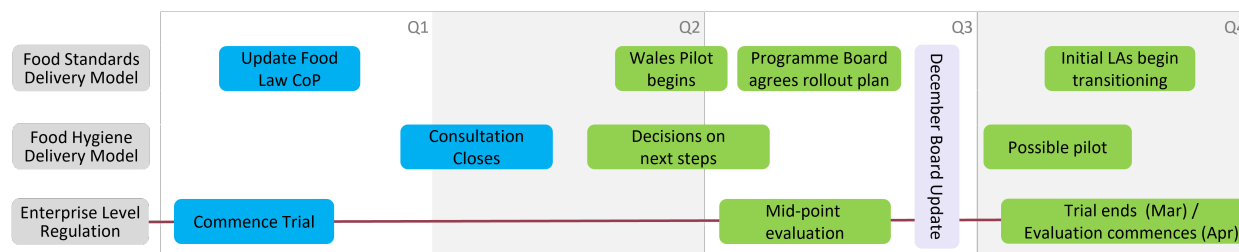
Key successes, concerns/risks and next steps

- Food Standards Delivery Model (FSDM) – The Food Law Code of Practice for England and NI was updated in June 2023. This formally introduced the new model for Local Authorities in England and NI, requiring them to transition to it by March 2025 at the latest. The Wales pilot goes live on 1st September for six months. Planning continues to finalise the implementation schedule, with decisions and recommendations around data cleansing and training being sought from Programme Board. There is a risk that the overall burden costs to LA's will not be fully known (it could become more expensive) until we start to transition, due to uncertainty with how all the MI changes to LA systems will be made under their individual contracts/suppliers.
- Food Hygiene Delivery Model (FHDM) - Our public consultation was successfully concluded, and we ran 10 LA engagement events taking on views from England, NI and Wales. The consultation feedback is being analysed/reviewed with a view to making a recommendation on next steps to our Programme Board in August.
- Enterprise Level Regulation (ELR) - The Large Retailer Proof of Concept Trial began with five retailers taking part. We have developed a validation approach working with the Internal Audit team to ensure it is robust and transparent. We are building up a picture of

how the retailers ensure food safety and manage food safety incidents when they occur; we plan to build case studies to learn from what has gone wrong and to understand measures taken to prevent similar occurrences. Our mid-point evaluation is planned for Q3.

- New project has launched looking at how we can better gather and utilise LA data. Several teams across FSA are working together to test a Strategic Insights Engine which might help us to analyse LA data and manage performance in future.
- Work started to update the FSA's most used tool to support food businesses (Safer Food Better Business Pack). Work will also be undertaken to ensure the pack meets online accessibility standards.

Significant milestones



Financial position

(£2.3) million forecast overspend against 2023/24 Westminster budgets, of which:

- (£5 million overspend RDEL, including £2.4 million pressure added from £1,500 Cost of Living payments.
- £0.7 million relates to the Windsor Framework - this pressure will fall out once budget is transferred from Defra.
- £2.7 million underspend on CDEL.
- 67+ people actual Net FSA Full Time equivalent from Q1 2022/23 to Q1 2023/24.

Expenditure	2023/24 Full Year Outturn Q1 (£m*)	2023/24 Full Year Limits (£m)	Under/(Over) spend availability (£m)	Fav/(Adv) variance (%)
FSA total RDEL and CDEL excluding AME	147.2	145.1	(2.1)	(1.4%)
Westminster (excluding SOF) RDEL and CDEL excluding AME	123.4	121.1	(2.3)	(1.9%)
of which RDEL	114.7	109.7	(5.0)	(4.5%)

Expenditure	2023/24 Full Year Outturn Q1 (£m*)	2023/24 Full Year Limits (£m)	Under/(Over) spend availability (£m)	Fav/(Adv) variance (%)
of which CDEL	8.7	11.4	2.7	23.7%
Shared Outcomes Fund RDEL and CDEL	3.3	3.3	0.0	0.0%
Wales RDEL and CDEL	5.0	5.0	0.0	0.0%
Northern Ireland RDEL and CDEL	15.4	15.7	0.3	1.9%
of which RDEL	15.3	15.6	0.3	1.9%
of which CDEL	0.1	0.1	0.0	0.0%

*Provisional outturn, subject to statutory audit

Key successes in the quarter

- up to £1million of additional funding has been secured from DEFRA for the implementation of the Windsor Framework. The budget transfer will take place at the next Supplementary Estimate in the Autumn (the formal method by which government departments seek parliamentary authority for expenditure and approve budget movements).
- budget delegation letters were sent from the CEO to all Directors outlining the 2023/24 directorate budgets and their personal responsibilities for the year. At the end of the Q1, we undertook a detailed review of director's budgets and forecasts, and explored the uncertainties and risks they were managing.
- a new performance dashboard was produced and discussed by EMT for the first time in Q1. This is the mechanism by which senior leaders will collectively monitor, and challenge performance and help us to identify cross-cutting risks, support prioritisation decisions and provide an overarching view on whether we are on track to deliver against our strategy and corporate business plan.

Concerns/risks

- in line with Cabinet Office guidance, all staff below SCS will receive a one-off £1,500 Cost of Living allowance. This has not been funded and so presents a budgetary pressure. We have also been notified by Cabinet Office of the agreed pay uplift for delegated grades and are currently working through this with Trade Unions.
- a new Finance/HR system is replacing existing systems and will be introduced during Q2. We are undertaking final testing and preparations in anticipation of its launch.

Next steps

- a second full review of budgets and forecasts will be held with each Director for Q2 to test their robustness, to rebalance budgets where necessary, and to explore options for managing the department's overall financial position.
- National Audit Office will audit the 2022/23 Annual Reports and Accounts (ARAs) during Q2, with the expectation that the ARAs will be published and laid before parliament in Q3.
- we are beginning our preparations for business planning (setting 2024/25 budgets), and for next year's Spending Review (with the date not yet confirmed by Treasury).
- FSA Wales are due to move into new accommodation in Cathays Park, Cardiff in August 2023. Additional Capital budget to facilitate this move is being requested from Welsh Government.

Our people

- staff pay award paid on target in August 2023
- in-year awards for 2022/23 delegated grades
- 1523 awards valued at £224k made to 961 people of which:
- 1042 vouchers (£50 and £100)
- 481 cash awards (£250, £500 and £1,000)
- all delegated grades (AO to Grade 6) also received a one-off payment of £100 voucher in December 2022 in recognition of achievements in such a challenging year
- 49% of awards to males, 51% to females
- 51% of awards at AO to HEO grade
- 30% of awards at SEO grade
- 20% of awards at Grade 7 and 6

Key successes in the quarter

- 2023/24 pay award was paid to all staff in August 2023 along with the one-off fixed non-consolidated payment of £1,500 to eligible staff in recognition of their public service and the challenges of the Cost of Living crisis in 2022.
- additional provision was introduced to address recruitment and retention challenges for SEO/Grade 7 toxicologists and SEO veterinarians
- For 2022/23 the rewards and recognition fund was utilised, see right for details.
- we have increased our group of Fair Treatment Champions to 21 after appointing and training 14 new members during Q1. These are volunteers who provide a confidential space to support employees who have experienced unacceptable behaviour at work.
- 18 'Speaking Up Sessions' were delivered to managers and staff during 2022 and 2023 covering policies and reporting procedures with 4 additional sessions scheduled. Civil Service People Survey data was used to identify target groups.

Concerns/risks

- all trade unions have yet to accept the pay offer and are going through their internal consultations with members. If some trade unions do not accept the offer they may ballot for industrial action
- the additional flexibility given by Ministers to make a one-off £1,500 payment this pay year cost the FSA £2.6m and creates additional financial pressures for the remainder of the year

Next steps

- continue to work constructively with trade union colleagues on pay matters

- review of SCS performance rewards to place greater emphasis on real-time in-year awards (in line with the scheme for delegated grades)
- complete review of wider pay and benefits offer in Q3 – as a People Plan commitment
- ‘Speak Up’ awareness campaign week November 2023.
- further promotion of Fair Treatment Champions group to raise awareness amongst employees.

Annex - Performance reporting schedule

Ambition/Role	2023/24 Annual plan objectives	Measures (simplified)
Food you can trust	Our ambition: is that trust and confidence in the FSA remain at their current high levels	Trust and Confidence in the FSA
Evidence Generator	Objective 1 Ensure that our decisions, and those of others are informed by timely and robust evidence	Science covering: Key science outcomes and KPIs
Evidence Generator	Objective 2 Build evidence so we can anticipate opportunities and risks across the UK food system	Sampling and Laboratories including future labs plan and PATH-SAFE
Policy Maker	Objective 3 - make robust recommendations and support decisions makers to take informed decisions on rules relating to food and feed, based on evidence and independent assessment	Risk Analysis and Regulated Products including Precision breeding authorisations Trade and imports/exports controls
Policy Maker	Objective 4 - create a proportionate, effective, efficient and future focused approach to regulation through the risk analysis process and regulated product service, that protects consumers and removes barriers to innovation.	Update on delivering our change programme - Regulated products reform

Ambition/Role	2023/24 Annual plan objectives	Measures (simplified)
Regulator	<p>Objective 5 Deliver our regulatory responsibilities to ensure food and feed businesses comply with the rules so that food is safe and what it says it is</p>	<p>Direct delivery of Official Controls (Meat, Dairy, and Wine activity) Including Meat FBO compliance (to provide FSA performance context)</p> <p>Food Incidents including allergen incidents</p> <p>Understanding the food crime threat</p> <p>LA performance including., FHRS Business ratings and awareness, recognition and use (to provide context for FSA as a national regulator)</p>
Regulator	<p>Objective 6 Reform the food safety regulatory framework to deliver proportionate and risk-based assurance, now and in the future</p>	<p>Update on delivering our change programme - Achieving Business Compliance</p>
Enabler	<p>Objective 9 Provide the people, resources and processes needed to deliver the FSA's corporate objectives and priorities</p>	<p>Financial position</p> <p>Our People, including delivery of the People plan and refreshing our systems</p>