

# Performance and Resources Q2 2023-24

FSA BC 23-12-04 Business Committee performance report for Q2 2023/24

## 1. Summary

1.1 We are trialling a new approach to performance reporting by basing the Quarter 2 2023/24 Business Committee performance report on the latest executive performance dashboard, discussed with the Executive Management Team (EMT) in October 2023 covering data mostly up to August 2023.

1.2 The Business Committee is asked to:

- **Agree:** the Food Standards Agency's (FSA) new approach to monitoring and reporting performance in 2023/24; and
- **Discuss:** FSA performance against paragraph 5, informed by the indicators in the Quarter 2 report.

## 2. Introduction

2.1 The Business Committee receives a report detailing the FSA's performance and use of resources as a standing item at each quarterly meeting.

2.2 The mechanism previously used has been the Performance & Resources report. At the September 2023 Business Committee, in discussing the Q1 performance report, Members requested that future reports have a greater focus on data measures and key performance indicators.

2.3 The Committee were also advised that in the last year the EMT has been developing a new executive performance dashboard to provide oversight of activities with our frontline and core work.

2.4 The FSA Chair and Chair of the Business Committee have been engaged during the last quarter to consider if part of the executive performance dashboard could be utilised to meet the needs of the Committee. This would also allow us to secure efficiencies in how we deliver corporate performance reporting by streamlining the production process and creating a less labour intensive, more data driven report with an aligned golden thread of performance.

2.5 As a result, we are piloting this approach by basing the Q2 Business Committee performance report on the latest executive performance dashboard, discussed with EMT in October 2023.

2.6 Our approach has been to re-use the most relevant performance indicators to form data slides accompanied by a cover paper that highlights our delivery progress. It also details the actions the Executive are taking as a result of their latest performance discussions. The aim of the report is to enable the Committee to fulfil its delegated duties of the FSA Board, in line with the Terms of Reference, to:

- scrutinise quarterly performance information, specifically operational performance, use of resources – people and financial - relating to FSA delivery, and;

- identify and monitor operational and delivery risks, ensuring that Audit and Risk Assurance Committee is informed if these risks could become a strategic concern.

2.7 We expect our reporting approach to the Business Committee will continuously improve as we take feedback from Members to adapt our future reporting.

### **3. How Our Performance Dashboard Works With Our Executive Management Team**

3.1 The performance dashboard is structured around six service areas which capture the majority of key activity across the FSA. These are Operational delivery, Local Authority delivery, Regulated Products, Science, Reputation and Communications and Resources.

3.2 The service areas align to the roles set out in the Strategy and Three-Year Plan. A seventh area is currently being developed to include our delivery and performance for our trade and imports / exports controls work.

3.3 The design attempts to provide clear accountability, drive decision making and is underpinned by robust data. The measures are supported by trends for comparison to rolling averages / previous performance and, where applicable, targets or our level of ambition.

3.4 Measures are grouped under questions to help drive the intended conversation with our Executive and provide insights. The data used is a mix of quantitative such as 'the number of food incidents are we dealing with,' as well as qualitative, such as 'Is action by Local Authorities improving compliance?'

3.5 We have introduced Red, Amber, Green (RAG) ratings as a starting point aid to drive consistency in reporting. However further work is still needed to make this more effective as there will naturally be a level of subjectivity in application in these early stages of implementation. As more data is being collated, we are starting to benchmark and set more bespoke RAG ratings for each area.

3.6 The report slides are developing, and we have balanced measures that have existing data and are working on areas where additional data will be needed to monitor and report our performance more effectively and if required, collectively agree if actions are needed.

### **4. How We Intend Business Committee to Use the Performance Report**

4.1 The content and structure of the Business Committee report is fundamentally the same as the Executive performance dashboard – using the same layout, criteria, service areas and measures grouped by guiding questions which will create a consistent, aligned golden thread of performance from our top-level strategic objectives down to the daily activities of our frontline/core work.

4.2 However, it is important to note, that we intend the Committee to use the report in a different way. The most appropriate measures have been selected for the Committee which aligns with the Committee terms of reference to provide high-level oversight of operational matters to hold the Executive to account on delivery of its plans. It is not the Committee's responsibility to individually performance manage service areas through their specific indicators. That level of detail is included in the Executive performance dashboard for EMT to fulfil those responsibilities in directing the FSA's day-to-day business to deliver the strategy by taking decisions on resource allocation, finance, performance of individual service areas and risk management.

4.3 The report provided, in this paper, is based on a set of the latest information presented to EMT in October 2023, based largely on monthly data but going forward the data will be based on the latest quarterly information available. For example, the March 2024 Business Committee will receive information discussed at EMT in February 2024 which will largely contain 2023/24 quarter three data.

4.4 The report will include trends/comparators to previous performance as well as the latest RAGs and where applicable targets/level of ambition but as noted in paragraph 3.5 these are currently being refined.

4.5 Our intention for the Committee discussion is to work through each section of the report in turn with Directors presenting an overarching view of strategic performance from their respective areas and how this helps the delivery of the FSA's strategic objectives, initially followed by questions from Board Members to hold the Executive to account on delivery of plans.

4.6 If the Committee identifies any risks to delivery of agreed plans or require further discussion of a specific performance area to understand underlying issues and challenges, a separate paper will be tabled for the subsequent Committee meeting. In some circumstances this may be tabled at the FSA Board or at the Audit & Risk Assurance Committee (ARAC) depending on the nature of the topic or if the risks are deemed to be of strategic concern.

4.7 Currently the report primarily focuses on our 'Core' delivery objectives. Progress with delivering objectives relating to our 'change' activity in the FSAs annual plan, such as updates on Achieving Business Compliance, our Borders Target Operating Model; development of a new regulatory regime, will come to the Board and Business Committee at strategic decision points or as more general updates to provide assurance over delivery achievements.

4.8 The Business Committee performance report and cover paper will be published with the subsequent FSA Board papers 48 hours before the Board meeting takes place in support of the Committee Chair's update paper.

## 5. Key Themes and Insights

5.1 An overarching view of strategic delivery has been provided as follows:

### 5.2 Operational Delivery (slides 3-6)

a) Food business operator (FBO) audits continue to progress well. We are working with FBOs to address areas of concern based on key themes that are emerging such as cross contamination issues; lack of Hazard Analysis and Critical Control Points controls and training and supervision. Performance of the service delivery partner contract continues to improve, with Official Veterinarian experience levels and quality of enforcement referrals improving. FSA has also commenced stakeholder and industry engagement on the retender of the FSA Delivery of Official Controls contracts, with the current contract arrangements expiring in April 2025.

b) The Vet Resourcing (VR) and Risk Crisis Management (RCM) Programmes have commenced and their respective scope and workstreams have been agreed. VR workstreams include reducing / removing reliance on Temporary Registration (TR), understanding the potential impacts if TR is removed, and working with partners to address the inherent problems in veterinary resourcing in public health. RCM primarily focusses on building organisational capacity and resilience, ensuring we have clear accountabilities to manage and recover from major incidents.

c) Concern has escalated over the number of incidents and outbreaks linked to imported Polish poultry products, both meat and eggs. An Incident Management Coordination Group, has been established across relevant government departments, including Defra and UKHSA, to

identify options and solutions to ensure UK consumers have a high level of health protection. UK Office for Sanitary and Phytosanitary Trade Assurance is undertaking a targeted audit of Poland in April 2024.

d) We are experiencing an unexpected spike in incidents and outbreaks which has meant we have instigated contingency and surge capacity across Operations and FSA. This creates potential delay in allocation, which we prioritise based on classification. Planned recruitment will help to stabilise the position.

e) The National Food Crime Unit (NFCU) performance continues to progress well, as per slide 6, with national outcomes and disruptions on track to meet their respective cumulative financial year targets helping to achieve our outcomes in disrupting the food crime threat. **Next steps:** we will continue to monitor performance against our Strategic Intelligence Requirements which help to identify gaps in our understanding about food crime control strategy priorities, that we are looking to better understand.

f) Defra have notified FSA that they are ceasing provision of their Digital Forensic Capability used by the NFCU to review digital evidence. We have secured interim service with a private sector provider, which will be more expensive in the intervening period. We are also engaging with Other Government Departments and private providers to secure longer term arrangements at reduced costs and hope to have this in place for the start of April 2024.

### 5.3 Local Authority (LA) delivery (slides 7-8)

a) The figures in this section show LA performance in delivering Official Controls up to the end of March 2023, since these were the figures available at the last EMT performance discussion. It should be noted that new data – covering performance between April and September 2023 – is now coming through from LAs and will be included in the December Board paper on LAs.

b) LA resourcing levels have now broadly returned to pre-pandemic levels and are relatively stable. However, vacancy rates remain high, and we continue to be concerned that this level of resource is insufficient to deliver the full set of food controls and to clear the backlogs left from the pandemic.

c) The March 2023 data shows that LAs are continuing to deliver the vast majority of food hygiene interventions on time at the higher risk establishments and are continuing to improve delivery of food standards interventions in the highest risk establishments. Data on delivery in the lower risk establishments is now being collected and will be available in the December Board paper; we know there is a large backlog of overdue inspections in these establishments, and it is here where we expect to see much lower levels of performance.

d) The backlog of unrated businesses has reduced slightly but remains an area of concern.

e) **Next steps:** The December Board paper will provide the first full set of performance data from LAs on delivery of interventions across all establishments, now that the recovery period has ended. That will inform performance management decisions over the coming months. A fortnightly case review process has been established to provide more senior oversight of local authorities in the performance management process and to inform escalation decisions.

### 5.4 Regulated Products (slide 9)

a) This section provides performance data for the Regulated Products Service (RPS) up to 30 September 2023. The December Board report on Risk Analysis and Regulated Products will provide more data as available. From March 2024, performance reporting on the RPS will be discussed at Business Committee; additional information will be included in the P&R report to support discussion.

b) The caseload in the RPS continues to grow, as projected in the June 2023 Board paper, and is now at 450 (in line with expectations). We received 27 new applications in Q2 2023/24, of which one was incomplete and has not progressed. This demonstrates the early positive impact of the new Case Management System in improving the quality of applications. There were no authorisations scheduled for completion in this period. During Q2 2023/24, 13 feed additives have completed the main stages in risk management and legislation has been laid for coming into force as expected in December 2023. This will bring the total number of authorisations this year to 29 out of an expected 60.

c) We have recently revised our delivery assumptions and now expect delays of around six months to authorisations planned for the remainder of the year. This is due to additional work, reduced resourcing in key teams, and the need to coordinate clearance and legislative processes in England, Wales and Scotland. These are significant new risks, and we are taking action to address the immediate issues and mitigate the risk to future delivery. More detail is provided in paragraph 5.4 e.

d) These emerging risks highlight the importance of delivering planned continuous improvements: we are improving the useability of the CMS to make the process more efficient for applicants and officials; we are beginning the use of other regulators opinions and have identified 15 renewal applications that will initially benefit from this route; and we are reviewing the amount of time given to applicants to respond to requests for information and setting clearer expectations on providing complete responses.

e) As discussed at the June Board, there are resource pressures across all part of the regulated products system. This means that the system as a whole has limited resilience to deal with new work or changing priorities. Since June, the extent of additional work on priority issues, and the subsequent impact on Regulated Products delivery has become clearer. This included work to ensure the continued availability of Cobalt Salts as a feed additive and dealing with the first applications considered end-to-end since Brexit, without the benefit of previous work undertaken as part of the EU.

f) In addition to these resource pressures, legal resources, clearance processes and prioritisation in the Welsh Government, Scottish Government and in Food Standards Scotland mean that the risk management and legislative stages for recent authorisations have taken longer than expected.

g) **Next steps:** In response, and in addition to the priority continuous improvements outlined above, we are:

- strengthening our internal governance, reporting and accountability so that delivery risks are picked up at an earlier stage;
- reviewing our longer-term forecasts and revising assumptions,
- reviewing our three- and four-nation ways of working to look at how teams across England, Wales and Scotland work more efficiently to reduce delays arising during the authorisation stage, for example a streamlined process for dealing with requests for information from legal services in the Welsh and Scottish governments, and more central support with preparation of key documents and products required for the authorisation process.
- continuing to make the case for additional resources to HMT and to the Welsh Government;
- continuing to prioritise work on more fundamental and radical reforms to simplify the system, a paper is scheduled for the March 2024 Board.

## 5.5 Science (slide 10)

a) The evidence we generate from our science and analysis is critical to our decision making, management of risks, and improving food and feed regulation and policy. We have developed a set of Key Performance Indicators (KPIs) to measure the status of science at the FSA as per slide

10. These cover a range of output metrics from across the delivery of our scientific research using a range of metrics, which combine to give a measure of progress against our key science outcomes. We also track the impact of the research we undertake and see impacts in change in response by Policy, changed consumer communication, through to requests for additional information from international regulators.

b) Some key science business performance areas to highlight for Q2 are:

- **Recruitment:** we continue to make good progress in filling vacancies across the Science, Evidence and Research Division to the extent that in many teams (excluding ongoing churn, currently approximately 12%), we should have near full headcount by Q3. A key exception is the Regulated Products team, where much of the Q2 recruitment has been through internal promotion, leaving junior grade posts vacant (including 5 HEO-grade posts to be filled in Q3).
- **Science Advisory Committees:** in August, we commenced our latest annual recruitment round, with the goal of recruiting 29 full Committee experts across different committees: Science Council (6 Members), and then the Advisory Committee on Novel Foods and Processes (4), the Advisory Committee on Animal Feeding stuffs (4), the Joint Expert Group on Additives, Enzymes and other Regulated Products (3), the Advisory Committee on the Microbiological Safety of Food (5) and the Committee on Toxicity (7).
- **Research & Evidence Programmes:** by the start of Q2, through our established prioritisation process, we had agreed our research and evidence spend against our 2023/24 budget of £6.9million (a total of £8.5million minus £1.6million ring-fenced for the laboratory framework). This represented a 23% reduction on the 2022/23 budget and with £6.7million of this already committed to ongoing work, provided only limited funds for new work in year.

## 5.6 Reputation and communications (slide 11)

a) Public engagement across the FSA social media channels and our website remained high and stable year on year. This can be attributed in part to high profile news stories related to food safety, such as supermarkets removing best before dates from some produce, as well as FSA related news stories, such as guidance on glycerol in slushies which achieved widespread coverage. Further information can be found in the Annual Communications paper being presented at the December Board meeting.

b) We reported a slight reduction in the percentage of Freedom of Information requests (FOIs) that we responded to within the set deadline, these required timely responses from external organisations.

c) **Next steps:** Although our reputation remains high, work remains ongoing to review FSA communications activity to help identify which content, channels and formats have the most impact in driving our reputation with different audiences.

## 5.7 Resources (slide 12)

a) Although the financial performance notes a Westminster pressure of £0.8million, this is the net position of the resource departmental expenditure limit (RDEL), day to day spending, forecast pressure of £3.7million is being offset by £2.9million capital underspend (CDEL), budget used to purchase assets. If the RDEL forecast does not reduce by year end, HMT will consider FSA to have breached its control total as they do not consider RDEL and CDEL budget positions together.

b) The RDEL pressure has reduced from £5.1million since 31 August 2023, when the Committee last saw the financial position, and has further reduced again to the October month end which has passed since this report was written. We therefore consider there to be a lower risk that FSA Westminster will overspend and have not had to pause or prioritise any activity in

year to ensure we meet our control totals. We have also been able to absorb the unexpected cost of living payments made to Civil Service staff over the summer. We continue to be confident that Wales and Northern Ireland will underspend marginally by the end of 2023/24.

c) However, although the reduction in the forecast financial pressure in Westminster is welcome, the drivers of this improved position relate partially to FSA not incurring some day-to-day costs as expected, but also due to reduced staff costs in the forecast. This is evidenced on slide 12, which shows headcount was lower at July 2023 than March 2023, and the latest position available since the report was produced (September 2023) suggests headcount has increased marginally, despite recruitment campaigns continuing as normal. Discussions with Directors at quarterly reviews have illustrated that this is partly due to the high volume of internal candidates who are often successful in campaigns, meaning the overall headcount remains consistent, whilst the number of vacancies remain high. There is also often longer than expected time between campaign launch and individuals starting in post.

d) Due to the plateauing budget in 2024/25 and likely financial settlements in the next spending review, Directors are asked to live within headcount limits to ensure our position remains affordable. This has been reinforced by the Chancellor's recent announcement on Civil Service headcount returning to pre-pandemic levels, and the likely imposition of a headcount target which FSA must meet in the next spending review period. This may impact the scale and pace of delivery of our priorities.

e) Finally, we continue to monitor the diversity of our workforce to ensure we represent the communities we serve and reap the benefits of diverse skills and experiences. The data does show diversity is improving across most of our groups, although there is further work to be done to improve both the declaration rates and diversity of our staff. To address this, we are meeting with our networks to understand actions we can take to improve our recruitment and progression processes as part of our 'Inclusive' value month. The transition to Workday, our new finance and HR system, has led to some challenges to reporting the required data immediately, although we have taken the opportunity to remind staff to refresh their profiles so we a more comprehensive picture of the characteristics of our staff.

## 6. Conclusion

6.1 The Business Committee is asked to:

- **Agree:** the Food Standards Agency's (FSA) new approach to monitoring and reporting performance in 2023/24; and
- **Discuss:** FSA performance against paragraph 5, informed by the indicators in the Quarter 2 report.

## Annex

PDF

[Gweld FSA BC 23-12-04 - Performance report December 2023 Business Committee .pdf as PDF\(Open in a new window\) \(449 KB\)](#)