

Performance and Resources Report Q3 2023/24

FSA BC 24/03/05 - Report by Ruth Nolan

1. Summary

1.1 The quarter 3 2023/24 Business Committee performance report is based on the latest executive performance dashboard, discussed with EMT in February 2024 covering data mostly up to 31 December 2023.

1.2 The Business Committee is asked to:

- **Discuss:** FSA performance set out in section 3 (key themes and insights), which is informed by the performance indicators in the quarter 3 report.

2. Introduction

2.1 The aim of the performance dashboard is to enable the Committee to fulfil its delegated duties of the FSA Board to scrutinise quarterly performance information, and identify and monitor operational and delivery risks, informing the Audit & Risk Assurance Committee if necessary.

2.2 The content and structure of the Business Committee performance report has been based largely on quarter 3 2023/24 data from the latest executive performance dashboard, discussed with EMT in February 2024. The report continues to primarily focus on 'Core' delivery objectives with progress against our 'Change' objectives to come to the Board and Business Committee at strategic decision points or for general updates to provide assurance over delivery achievements.

2.3 If the Committee identifies any risks to delivery of agreed plans or require further discussion of a specific performance area, a separate paper will be tabled at a subsequent meeting, or the FSA Board or at the Audit & Risk Assurance Committee depending on the nature of the topic.

3. Key themes and insights

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

Operational delivery (slides 3-6)

3.2 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 Point 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.

a) The number and scale of high / medium incidents and outbreaks (including clusters) continue to be a concern due to the increasing complexity they present. We are utilising additional surge capacity to aid resolution of incidents and are looking at alternative solutions for implementing support to new and existing incident advisors across a period of high workload.

There is currently no additional resource allocated for the implementation of the Border Target Operating Model (BTOM). The Incidents Prevention team is assisting the BTOM Programme in the development of a playbook and contingency plans to mitigate some of the implementation risks identified.

b) We continue to monitor the data with regards to salmonella in Polish poultry and eggs. The number of cases and incidents have fallen in recent months, however, we remain cautious given the likely link to the seasonal nature of salmonella.

c) All but one of the National Food Crime Unit's (NFCU) Q3 performance metrics are on or above target for the quarter and all are on or above target for 2023/24. This reflects the Unit's effectiveness in collecting intelligence on the key areas of the threat that we want to understand better. Improved performance around disruptions and outcomes including for closed operations, is likely the result of internal NFCU action to increase focus on identifying and recording these outcomes.

Local Authority (LA) delivery (slides 7-9)

a) The data in this section was presented to the Board in December 2023 (updated in January 2024 following additional returns and validation checks). It shows LA performance in delivering Official Controls covering Q1 and Q2 2023/24. This is the first period since the pandemic during which we have expected LAs to deliver the full set of requirements in the Food Law Code of Practice (FLCoP), across all establishment risk categories. We were not expecting performance on the lower risk categories to be back at pre-pandemic levels this year, since LAs are still working through a large backlog. The performance data nevertheless paints a worrying picture. On a pro-rata basis total interventions achieved have reduced by an estimated 17% since April 2023. The proportion of due interventions delivered has fallen at high/medium risk categories (A to C for food hygiene and A for food standards) and is low for other risk categories (D and E for food hygiene and B and C for food standards).

b) This is the first full set of LA data on delivery of interventions across all risk ratings since the end of the Recovery Plan. It comes with caveats. We have only six months' worth of data so far, and the pattern of delivery may differ through the year. Some LAs have also suggested discrepancies in reporting so actual interventions may be higher. **Next steps:** The intervention questions will be amended in the April 2024 return to try to ensure more accurate reporting.

c) The number of establishments awaiting a first inspection remains a concern. As per slide 7, the numbers for food hygiene (FH) increased by around 2,500 to 42,000. Although there was a decrease for food standards (FS) by around 3,600 to 88,000, numbers are significantly higher than pre-pandemic levels at 26,200 and 60,800 for FH and FS (April 2019).

d) LAs continue to report problems with staff recruitment and retention. Some have reported they are successfully using students or newly graduated staff and training in-house; our own research has identified that there are insufficient numbers of students starting qualifications to meet demand. So, there may be reductions in the numbers of experienced competent staff, which may not be apparent from the reported overall staffing numbers. **Next steps:** Our resourcing project will continue to work with key stakeholders to explore opportunities for us to work together to attract people into the profession and explore more flexible routes to qualification.

e) Overall, we are concerned that LAs do not have the resource in place that will enable them to bring services back in line with the FLCoP and be able to sustain performance. In January, the FSA CEO wrote to all LA CEOs setting out our concerns and reminded them of the statutory nature of official food controls when considering and setting the budget allocation for the next financial year. An internal meeting was held at the end of January to scope a project to develop guidance that would be available to LAs to assist them in resource modelling. **Next steps:**

During 2024 develop the resourcing model to enable 'proof of concept' testing to begin.

f) To ensure LAs are performing and issues are being rectified, we use an assessment process to rank LAs by level of concern. We engage with LAs, and where appropriate seek an action plan to address problems. If concerns remain, cases are referred to a review meeting in England chaired by senior management with similar processes in Wales and Northern Ireland. Where LAs are in financial difficulty (section 114) and there is a current open case, we will contact the LA to identify any risk to the delivery of statutory food services. If we are not in an open engagement, discussion takes place to agree the best way to reach out to the LA.

g) The performance management process is dynamic and the number of cases at each stage are constantly changing – the total number of cases in escalation across the three nations is six. Potential new and ongoing cases are reviewed at regular meetings with senior leaders in each of the nations and decisions made on cases to enter the escalation process, or whether ongoing cases can be de-escalated or require further escalation where the situation has not been resolved.

Regulated Products (slide 10)

a) This section provides performance data for the Regulated Products Service (RPS) up to 31 December 2023.

b) The caseload in the RPS since the 30 September 2023 has slightly decreased and is now at 447 (in line with expectations). We have received 45 contacts in Q3 2023/24 of which 78% had sufficient information to progress. There were 13 authorisations scheduled for this quarter which were completed, increasing the total number of completed applications to 63.

c) We continue to develop and progress against our revised delivery assumptions. Resource across multiple interdependent teams remains a key risk for the RPS, and our challenge is to manage staff turnover and build capability and capacity as the service continues to develop. Our work on short and longer-term reforms remains essential to ensuring that the service is sustainable in the future. As per our [December 2023 Board paper](#), we are forecasting delays of around six months to authorisations planned for the remainder of the year (Tranche 3). This is due to additional work required for Tranche 2 (including work on Cobalt) and the knock-on effect this had on staff capacity, reduced resourcing in key teams, and the need to coordinate clearance and legislative processes in England, Wales and Scotland. We remain on track to deliver against the revised timelines outlined in the paper.

d) These emerging risks highlight the importance of delivering planned continuous improvements such as:

- Improving the usability of the case management system to make the process more efficient for applicants and officials.
- Beginning the use of other regulators' opinions. To date, 15 renewal applications have available opinions that we have been able to use.
- Reviewing the amount of time given to applicants to respond to requests for information (RFI) and setting clearer expectations on providing complete responses. We are following this firmer approach with the recent Cannabidiol (CBD) RFIs as well as other applications and in parallel developing new guidance to update applicants.

e) As discussed at the December Board and Business Committee, there are continuing resource pressures across all parts of the RPS. This means that the system has limited resilience to deal with new work or changing priorities. Tranche 3 is our first batch of applications considered end-to-end since Brexit, without the benefit of previous work undertaken as part of the EU.

f) **Next steps:** In response, and in addition to short-term reforms proposed for this year, we have:

- Strengthened our internal governance, reporting and accountability so that delivery risks are picked up at an earlier stage.
- Continued to develop our longer-term forecasts and revise assumptions accordingly.
- Reviewed our three- and four-nation ways of working to look at how teams across England, Wales and Scotland interact 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 on preparation of key documents and products required for the authorisation process.
- Continued to make the case for additional resources to His Majesty's Treasury (HMT) and to the Welsh Government.
- Continued to develop proposals for more fundamental reforms to simplify the system - a paper is scheduled for the Board in June 2024.
- Established a sub-group to the Board which is providing support and challenge in relation to the backlog of Regulated Products. It is considering whether the set of actions being taken on Regulated Products, from continuous improvement to rapid reforms, sufficiently mitigate the substantial current delivery risks. Conclusions from this group will be fed back to Business Committee, and subsequently to Board, separately.

Science (slide 11)

a) We have now been collecting all our KPIs for at least one full cycle and are therefore, reviewing them to ensure they are still appropriate, and the targets remain challenging.

b) We continue to remain a trusted provider of independent evidence with all KPIs remaining stable or improving, evidencing progress against our key science outcomes.

c) **Research and Evidence Programmes:** we continue to deliver our prioritised research and evidence programme including establishing both a pipeline for 2024/25 and a list of longer-term research questions that we can look to deliver in partnership with others. The key risk is that the science budget in relation to FSA spend is forecast to be lower in 2023/24 than previous years and a flat budget for 2024/25 means that ongoing commitments and essential staff tools (e.g. software) and infrastructure account for 97% of our budget leaving less than £300k for new research which may have a negative impact across science as a service to support the rest of the FSA on new asks.

Trade and international (slide 12)

a) This section of the paper provides data for imported foods and international trade. It does not include specific programmes such as the Border Target Operating Model where work is underway to determine measures to be reported to the Committee.

b) To note, the data on our trade work is indicative rather than comprehensive, for example, the market access indicators do not reflect all our export-related work on behalf of Defra such as new market access questionnaires, technical advice, support in export market access negotiations, investigations, etc.

c) On EU Exit, the FSA acquired responsibility for **the 6-monthly food safety and legislative review of Foods Not of Animal Origin**. This new role is embedded, and the third review is now underway and meeting agreed deadlines. Full support continues to be given to the UK Office for Biosecurity for assessment of third country market access requests in line with agreed deadlines. A new process to create and administer Intensified Official Controls and Imposed Checks based on Border Notifications has been established and is running effectively (Border Notifications are

raised by Port Health Authorities when non-compliant consignments are discovered and communicated to the FSA, who judge the need to raise Intensified Official Controls or Imposed Checks). Work is underway to create a public platform to communicate outputs of this work.

d) There are a number of active **Free Trade Agreement negotiations** being led by the UK government. The FSA contributed expertise to three negotiation rounds over the last quarter. All notifications to the World Trade Organisation, which are required for domestic measures (such as our notification of a regulation setting the level of official controls on certain food and feed of non-animal origin entering Great Britain), were met within deadlines. In the same period, the FSA (together with Food Standards Scotland) published an assessment of the Comprehensive and Progressive Trans-Pacific Partnership and concluded the text maintains statutory protections for human health. The assessment is published on the [FSA website](#) and was laid before Parliament by the Department of Business and Trade alongside a broader assessment of agricultural statutory protections on 11 January 2024.

Reputation and Communications (slide 13)

a) Overall, 2023 was a strong year for our communications outputs, with engagement levels increasing across FSA social media and an increase in press coverage. Some of the key performance highlights include:

- Growing our Stakeholder Bulletin audience in 2023 from 5,454 to 9,639 subscribers and achieving an average 44.4% engagement rate across 2023 for those bulletins. There was a slight decline in growth in Q3, highlighting the need to continue to promote our bulletins as part of wider stakeholder communication (engagement measures the number of opens, link clicks and shares).
- Delivering our best ever 'Always On' social media campaign at Christmas, reaching 1.05 million social media users with timely messages about festive food safety. This campaign also generated press coverage, enabling us to reach a broader audience base. There was also an associated LA toolkit, which resulted in 229 social media posts from 68 LAs, achieving a further potential 1.61million impressions.

b) Website visitors and page views remain high which could be attributed in part, to high profile news stories such as Mrs Kirkham's Cheese recall, Wonka bars and Polish chicken.

c) **Next steps:** We are continually evaluating activity to help shape future plans and campaigns, and new for 2024 is the creation of a Strategic Communications unit within the wider Communications team. Their role will include evaluating key insights that can help us achieve the most impact in driving our reputation with different audiences.

Resources (slide 14)

a) The FSA headcount is being monitored closely in light of the headcount limit HM Treasury will issue all government departments imminently. This will continue to be a focus into 2024/25 as HM Treasury's reporting and monitoring arrangements become clearer. Our current assumption is that the FSA is broadly at or near our expected HM Treasury limit, and opportunity for further growth will be restricted.

b) We continue to monitor our diversity data to help us understand the protected characteristics of our workforce and ensure that we are attracting a representative and wide range of skills and experiences through our recruitment practices. For the last quarter, although the data shows an increase in declared disability and the proportion of females to males, there is still work to do across all groups to encourage our people, and new joiners in particular, to complete declarations in our new finance and HR system. To address this, we continue to encourage our people to refresh their profiles and encourage those who would prefer not to disclose to make an active declaration to that effect rather than not respond. The collection of

Socio-Economic Background data across the organisation is on the roadmap to be included in our new system to enable future reporting and provide further insights.

c) There has been a sizeable shift in the Westminster RDEL position since our last report in December 2023, now forecasting an underspend of £1.3million. The main drivers of this include the impact of Supplementary Estimates, through which we received budget from other government departments for undertaking work on their behalf (particularly Windsor Framework related (£1.1million)); correction of the VAT treatment of some of our major IT contracts (£0.8million); and the release of contingency held centrally (£1.1million). We have also seen reductions in project spend and in staff forecasts in anticipation of a tighter headcount position in 2024/25. We will continue to understand the impact of remaining uncertainties in the final two months of the financial year to ensure we maximise our spend delivering priorities whilst living within our control totals.

d) As noted in the Chief Executive's update, the Northern Ireland and Wales positions remain consistent with that reported at the last Business Committee, and we are currently confident we will live within the devolved administration's 2023/24 budgets.

4. Conclusion

4.1 The Business Committee is asked to:

- **Discuss:** FSA performance set out in section 3 (key themes and insights), which is informed by the performance indicators in the quarter 3 report.

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