

Business Committee Performance Report for Q1 2024/25

FSA BC 24/09/04 - Report by Ruth Nolan

1. Summary

1.1 The quarter 1 2024/25 Business Committee performance report is based on the latest executive performance dashboard, discussed with the FSA's Executive Management Team (EMT) in August 2024 covering data mostly up to 30 June 2024.

1.2 The Business Committee is asked to discuss the FSA performance set out in section 3 (key themes and insights), with a particular focus on the following areas:

- a) **Science (3.4) – To discuss** thoughts and advice following an update on the latest position for how we are developing more meaningful metrics to measure the impact of our science and whether this provides the assurance the Business Committee requires.
- b) **LA performance (3.2) - To note** the update on the latest position on local authority delivery with next steps and issues to be discussed as part of the 'Annual Local Authority Performance' paper at the September Board.
- c) **Operational delivery (3.1d-e and slide 6) – To note** the development of the measures related to the impact of National Food Crime Unit.
- d) **People (3.7a-b) - To note** the positive movement made with our diversity and inclusion (D&I) workforce representation statistics following a successful Diversity Matters Campaign.

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 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 at the FSA Board or Audit & Risk Assurance Committee depending on the nature of the topic.

3. Key themes and insights

3.1 Operational delivery (slides 3-6)

a) Official Controls delivery in approved meat premises continues to meet targets for inspection and audit. Compliance scores for food business operators remain high with most premises falling into 'Good' and 'Generally satisfactory' categories. Dairy inspections have been delivered to target.

b) Veterinary resourcing - The Home Office's April 2024 immigration rule changes have impacted veterinary resource progress, increasing costs despite efforts to mitigate immediate effects through the application of discounts for staff training for their Official Veterinarian (OV) qualifications. This has not affected frontline delivery but has further raised long-term costs across the veterinary public health sector. We continue to monitor data in relation to the OV pipeline and our progress at reducing reliance on the Temporary Registered Novice OV scheme ahead of the Royal College of Veterinary Surgeons review in November 2024.

c) Incident response - The incident metrics remain stable; however, the complexity of high and medium incidents remains a challenge. Notable are the complex incidents concerning outbreaks such as the E.coli and Listeria related to short shelf-life salad products, the reemergence of raw cheese cases and the preventative elements of High Pathogenic Avian Influenza (HPAI) in milk. An internal review is underway to introduce a robust process for triaging incidents where accountability may sit outside of the FSA remit, this is to ensure the most effective use of available resource and ensure an effective response and all relevant details are reported to the FSA in a timely manner. Continued work on training surge staff is required and will recommence after the summer period.

d) National Food Crime Unit (NFCU) – Q1 performance was strong, despite election linked delays to the release of priorities to industry and local authorities (LAs) resulting in an underperformance regarding the progression against strategic intelligence requirements (SIRs). Operations closed with successful results are on target and disruptions and outcomes are ahead of target. NFCU have confidence that SIR performance will improve in Q2 when outreach engagements are reinstated post-election.

e) Stakeholder Engagements in Q1 has been limited by the election period, preventing the sharing of new priorities and conversations on the food crime strategic assessment findings. NFCU have continued regular engagements with the Food Industry Intelligence Network and industry partners, delivered a webinar to 100 people on food crime prevention for Safe and Local Supplier Approval Scheme and attended a GXO event regarding food waste and animal feed offering potential for SIR progression in animal biproduct waste diversion, through an enhanced network of industry contacts. Engagements with industry were at a comparable, yet lower level to those in Q4 2022/23 and are expected to increase in Q2 as engagements returns to normal.

To note the development of the measures related to the impact of NFCU.

3.2 Local authority (LA) delivery (slides 7-9)

a) The April 2024 data indicates there was an improvement in the percentage of Food Hygiene interventions carried out at all risk categories in the second half of 2023/24. Between October 2023 and April 2024, the percentage of interventions carried out was in line with pre-COVID levels (2019/20) for A and B-rated establishments and approaching the level for C-rated establishments. There was also good progress for interventions carried out for Food Standards at A-rated establishments.

b) The number of due outstanding Food Hygiene interventions reported decreased compared with April 2020 for the higher risk categories. Numbers also dropped for Food Standards.

c) The overall number of reported outstanding Food Hygiene interventions at establishments rated A to E in April 2024 was 100,884 compared with 46,381 in 2019/20. Intervention frequencies at D rated establishments are at least every 2 years and E alternative enforcement strategies or interventions every three years. We were not expecting performance on the lower risk categories to be back at pre-pandemic levels, since LAs are still working through a large backlog.

d) The number of establishments awaiting a first inspection remains a concern. Numbers for Food Hygiene increasing by around 1,600 to 41,000 from April 2023 to April 2024. Similarly for

Food Standards, numbers increased by around 1,300 to around 93,000. Numbers are significantly higher than pre-pandemic levels of around 28,000 and 63,000 for Food Hygiene and Food Standards (5-year average for 2015/16 to 2019/20).

e) LAs continue to report problems with staff recruitment and retention. Some have taken on students or newly graduated staff and are training them in-house. **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.

f) We continue to engage with LAs, and where appropriate seek an action plan to address problems. The number of cases with active open engagement are dynamic with six cases in escalation across the three nations.

To note next steps and issues to be discussed as part of the 'Annual Local Authority Performance Report' paper at the September Board include topics such as LA performance and the progress on the LA Resourcing Project.

3.3 Market Authorisations - Regulated Products (slides 10)

a) This section provides performance data for the Regulated Products Service (RPS) up to 30 June 2024.

b) The caseload has slightly increased to 487 (in line with expectations). We received 45 contacts in Q1 2024/25, of which six contacts did not progress to application due to insufficient information. There have been eight completed applications this quarter (achieved sooner than our revised timeline), raising the total completed applications to 71 since the service went live in January 2021. This quarter, we have completed 21 safety assessments and are on track to complete around 100 safety assessments in 2024/25. This is in line with our original forecast to complete assessments for 120 applications in 2025/26.

c) We continue to develop and make progress against our revised delivery assumptions. Our work on short and longer-term reforms remains essential to ensuring a sustainable service in the future. We are on track to deliver against revised timelines previously outlined for the remainder of Tranche 3. A consultation for 25 feed additive applications closed in June and we plan to submit recommendations to ministers on these applications in the Autumn. Following the publication of safety assessments, risk management activity has commenced on our next tranche which includes around 25 applications of a variety of regimes.

d) We have made very good progress on our activity against the Board sub-group recommendations to support service improvements. Recommendations made are within current legislation. We recognise these will improve service delivery but are not enough to significantly increase the pace to reach our aspiration of completing 100 applications per year, which we are striving for in future years subject to the successful approval and implementation of our ambitious modernisation programme to create a sustainable service. The following activity has been completed this quarter:

- To date, we have actively managed the Regulated Products caseload by pausing 134 out of 487 applications in the service (28% of the total applications) so resources are focused on achieving the best outcomes in the best interest of consumers. Paused applications predominantly fall into the categories of renewal applications, which can remain on the market pending re-authorisation, and applications, for which we are awaiting additional information from the applicant to progress their application.

- We have further developed our guidance to explain and support applicants to provide better quality information in their applications. We have adopted a proportionate, reasonable and consistent approach when setting deadlines to manage applicant expectations and ensure they are aware of the consequences if deadlines are not met. We have updated external guidance on the FSA website. There were nine applications withdrawn by applicants this quarter.
- To provide greater clarity and support colleagues working on applications, we have updated our internal policies, regime specific guidance, and training packages. We have established a pool of risk managers to work flexibly across different regimes as required. To support the delivery of the risk management and authorisation stages of the service, we have implemented an improved suite of standardised documents enabling a consensus on risk management outputs more quickly, providing a more streamlined services for tranches moving forward.

e) We are pleased to report that we have completed the process improvements in response to the Board sub-group recommendations (as set out in the March Board paper). The recommendations relating to more immediate reforms and longer-term service modernisation will be addressed via ongoing Board papers.

3.4 Science (slides 11)

a) Measuring the impact of our science is a key priority and as a result we are continuing to develop metrics to measure it. A major step forwards has been the creation of the Journal of Food Standards, which will be the platform where we publish all FSA science reports. As well as improving the visibility of and access to our scientific publications, the Journal will allow us to track the use of these publications, as a better measure of impact than output alone.

b) Whilst we wait for the new Journal to come online, we continue to measure our outputs. In Q1 2024/25 there were 72 science publications, consisting of:

- 62 publications on our website, which were a combination of research reports and market authorisation risk assessments;
- Five peer reviewed publications authored by FSA staff (the same number as in the whole of 2023/24); and
- Five peer reviewed publications about research funded by the FSA.

c) As another leading indicator of the influence of science, we monitor how the external community is engaging with our science communications with the number of subscribers to our quarterly science newsletter. This is now in excess of 3,000, a notable increase from around 1,700 subscribers at the same point last year.

d) There was only one risk assessment delivered in Q1: Analysis of the risk of listeriosis from enoki mushrooms for all UK consumers including vulnerable groups. This compared to eight in Q4 2023/24. As stated in the last report, the risk analysis process metrics were new for 2023/24 and the intention was to review it once they had been used for a full cycle. We have now

completed this review and the risk assessment delivered in Q1 was of top quality.

e) As noted previously, sampling measures fluctuate greatly each quarter, because of timing of surveys and sample processing, and hence the quarterly results do not reflect the overall sampling effort made across the entire year. As a result of the planning and procurement cycle, the number of samples collected in Q1 will always be lower than an average for the year. Samples for Q1 are still being processed and compliance rates are not yet available. However, we now have the full data for 2023/24 across each sampling programme. These are listed below with the number of non-compliant (NC) samples and the percentage of NC also given:

- Regulatory monitoring: 224 (3.4%);
- Targeted surveillance: 174 (8.9%);
- Sampling to inform science and research: 73 (2.5%);
- Official Controls: 593 (24.3%).

f) The level of non-compliance aligns with the degree of intelligence-driven targeting. For instance, where Official Control sampling is targeted at areas known to be of higher risk, hence more NCs are detected.

Discuss thoughts and advice following an update on the latest position for how we are developing more meaningful metrics to measure the impact of our science and whether this provides the assurance the Business Committee requires. Further detail may be discussed as part of the 'Annual FSA Science Update' paper at the September Board meeting.

3.5 Trade and International (slide 12)

a) This section provides data for imported foods and international trade. To note, the data on our trade work is indicative rather than comprehensive.

b) On the continuous 6-monthly food safety and legislative review of High-Risk Foods Not of Animal Origin (HRFNAO), the second review has been concluded successfully, with the SI (Statutory Instrument) becoming operable in March 2024. The World Trade Organisation (WTO) notification for the third review has been made and the SI is planned to be laid in November 2024. The fourth review remains on track to complete the review process by September 2024. The rest of the work on imported food has no significant concerns.

c) The FSA continues to contribute our expertise with Free Trade Agreement negotiation rounds taking place with the India and Gulf Cooperation Council (GCC) which are close to completion, the team is doing preparation work for the respective Section 42 advice. WTO notifications required for domestic measures were met within deadlines, including the HRFNAO changes and on compositional standards for flour. Export market access requests increased a third in this quarter and are expected to continue to increase. Impact on resources is being considered.

d) April saw the commencement of the second phase of the Border Target Operating Model implementation, to include border checks on EU commodities and the extension of the new risk model and check rates to imports from the rest of the world. A graduated approach splitting commodities into tranches (highest risk 'switching on' first) has been planned to mitigate

disruption at the border. The election and initial systems issues impacted the timeline – Defra has now resumed the roll out following initial steer from ministers. Data on volume and results of checks is minimal due to the number of checks performed under the graduated approach. A data dashboard is being developed by Defra, the FSA along with other departments are feeding their data to Defra. Defra is also monitoring resourcing and capacity with some Port Health Authorities to understand any increase in resource demands. We continue to monitor this closely.

3.6 Reputation and Communications (slide 13)

a) Despite pre-election restrictions and managing the complex Shiga toxin-producing E. coli (STEC) incident relating to salad in sandwiches, as per para 3.1d, we maintained positive awareness and engagement levels across our communication channels. The STEC incident resulted in more than 200,000 visits to the food alert on our website (one of the highest number of visits to any alert). It was also the biggest single driver of media coverage in Q1, with the publication of 159 articles with a combined reach of 175million people. The overall tone of that media coverage was positive and highlighted the FSA's role in investigating and managing food safety incidents, demonstrating the ways colleagues work together with other agencies to identify the source of an outbreak and implement measures to protect public health.

b) We know our incident communications are one of the most important ways for us to reach large numbers of consumers. In order to maximise our impact and ensure we are reaching the right people at the right time; we have launched a programme of work to evolve our incident communications and campaign planning. Working with the Incidents team, this aims to ensure we are working as seamlessly as possible across the FSA, with other government departments and industry stakeholders. We will be using our insight to ensure we are targeting our incident communications to specific groups, including those who may be most vulnerable. Finally, the project is also looking at how communications can support incidents prevention work through our campaigns.

3.7 Resources (slide 14)

a) We continue to monitor our diversity data to help us understand the protected characteristics and socio-economic background of our workforce to ensure that we are attracting a representative workforce with a wide range of skills and experiences. In June, we ran a Diversity Data Matters campaign to encourage colleagues to disclose their protected characteristics in our HR system, or if they would prefer not to disclose (rather than not respond). As a result, declaration rates for all protected characteristics have increased: disability by 7.8% points; ethnicity by 5% points and sexual orientation by 8.7% points on the previous period and are now equal to or higher than Civil Service declaration rates. This will help us understand our people more accurately and strengthen our evidence base to inform decisions. For the first time, we can now also capture carer status and the socio-economic background (SEB) of our existing staff through the new HR and finance system.

b) During Q1 we achieved parity in representation of men and women in our workforce. As a result of the campaign, the number of people who have declared as having a disability; are from an ethnic minority and/or are lesbian, gay or bisexual+ has increased. However, our workforce representation of these protected characteristics remains below the Civil Service average for workforce representation (as a whole), and we are undertaking some specific work with our networks to further understand the drivers for these results.

c) As at 30 June, we are forecasting an overspend of £1.7million on the Westminster forecast, with a £2.5million Resource Departmental Expenditure Limit (RDEL) overspend being partially offset by a £0.8million underspend on Capital DEL (CDEL). The Westminster RDEL overspend (£2.5million) is mainly driven by increased FSADOC costs (£1.9million) due to skilled worker visa minimum salary increases. The FSADOC overspend was outside of FSA control, with an active decision to absorb in-year costs rather than re-open charging conversations. Staffing overspends

and overprogramming contribute to this overspend. We are expecting the RDEL overspend to increase further once the recently announced Civil Service pay increases are reflected, exceeding that budgeted at the start of 2024/25.

- d) We continue to maintain robust forecasting and bear down on overspends with a view to managing this pressure. An updated position, as at 31 July, is reflected in the Chief Executive's update, and EMT will review the position again in September. We continue to engage with HMT and will seek additional funding at Supplementary Estimates, if necessary, although the wider economic circumstances make securing additional funding from HMT extremely challenging.
- e) Since the date of this report, the Chancellor has announced that Civil Service headcount limits have been lifted which will be reflected in next quarter's report, although the FSA will continue to restrict our headcount due to the budgetary pressures we are experiencing.
- f) Wales continues to forecast close to budget at 30 June and for Northern Ireland there is a forecast underspend of £0.6million, the majority of which is ringfenced for the operationalisation of the Windsor Framework.

4. Conclusion

4.1 The Business Committee is asked to discuss the FSA performance set out in section 3 (key themes and insights), with a particular focus on the following areas:

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