

CE Report to Business Committee - December 2022

FSA 22-12-12 - Emily Miles presents the Chief Executive's report to the FSA Business Committee

Incidents

1. In my final report of 2022, I will begin with an update on current incidents.

Working with Food Standards Scotland (FSS), the UK Health Security Agency (UKHSA) and other government departments, we are investigating what the UKHSA has reported is the largest **E. coli** STEC (Shiga toxin-producing E. coli) outbreak since Whole Genome Sequencing (WGS) began in 2014. To date, there have been a total of 259 confirmed cases identified in the UK with sample dates ranging between 23 August-29 October 2022. The majority of these cases were reported in August and early September, however the situation has since stabilised and there have been no further cases reported. Investigations suggest UK produced lettuce and salad leaves could have been implicated but it is too early to be certain that they were the source of illness. The ongoing supply chain investigation is extensive and complex, and we continue to look for the root cause and where in the supply chain the food safety risk occurred.

2. We have also been working closely with authorities in Poland, following media coverage that **chicken** imported from Poland had been fed on feed containing fats potentially originating from the production of technical lubricants. Polish authorities have confirmed that the source of the fatty acids under investigation was plant-based. Extensive testing has shown that the animal feed is safe and products originating from animals, including animal feed consumed, do not pose a food safety risk and were not exported to the UK. At this time, we do not consider any action is necessary to restrict the import and sale of products from animals that consumed this feed in the UK. We will continue to liaise with the Polish authorities through their investigation to ensure our assessment remains accurate.

3. We are aware that some supermarkets are sourcing non-UK produced **eggs**. Anyone supplying or selling food in the UK has to comply with stringent food safety legislation whether the food is produced in the UK or imported. Our advice remains that people in good health can eat runny or raw eggs whether they come from UK hens or are imported. Vulnerable people (babies, children, pregnant women and elderly people) should only eat runny or raw eggs if they have a British Lion mark or are produced under the Laid in Britain egg assurance scheme. This advice does not apply to those who are severely immunocompromised. The Department for Environment, Food and Rural Affairs (Defra) has published a [blog](#) on the egg shortage and our consumer advice on the safe handling of eggs is [here](#).

4. This **Winter** brings its own unique challenges that we have not previously experienced, such as the increased cost of living and energy supplies and issues arising in relation to the ongoing Ukrainian conflict. This is in addition to those events that we are already familiar with such as seasonal illness and outbreaks of norovirus. We are also aware of the ongoing concerns relating to avian influenza and the mitigations being implemented to limit poultry infection. To ensure that we are as well prepared as we can be to manage these unexpected events, my teams have been assessing what might happen and the impact that these events may have upon the food sector and in particular food safety as well as the impact on resources and well-being of staff, especially if these events should run concurrently over a prolonged period. We have also updated our business continuity plans and procedures.

Field Operations

5. **CO2** is widely used in the stunning of pigs and poultry in the UK. Without robust supplies, the UK would have potentially faced a growing welfare concern if animals were not able to be processed. Since August, the FSA has been monitoring stock levels in plants to provide information to Defra in response to a major supplier of CO2 exiting the market. Supplies have now stabilised. Imports of CO2 have also enhanced supply resilience. Defra have agreed the FSA can now step down our data capture on stock levels and thanked us for our assistance and input on this issue.

6. **Vet insourcing.** In late 2021, the FSA decided to explore whether some insourcing of Official Veterinarians (OVs) would mitigate the risk of insufficient and poorer quality vets. Our hypothesis was that a greater number of insourced OVs would provide a more attractive career path into public health veterinary services, with better pay and terms and conditions, and therefore better retention. We have, however, encountered a number of issues with this approach:

a. **Cost.** Our finance modelling has now estimated that having OVs on Civil Service terms and conditions could result in a 7-10% increase to the hourly cost of providing an OV to deliver official controls at a meat business, resulting in increased gross operating costs of £6-7m pa by 2025/26.

Given inflationary pressures in the last few months, the FSA does not now have the funding to pay for our portion of this during this Spending Review (SR). There are also inherent uncertainties in our modelling given the current economic climate.

b. **Civil Service pay restraint.** Civil Service pay is unlikely to keep pace with private sector pay inflation over the next two years, so we have less confidence than we did that we could make a sufficiently attractive offer to attract and retain vets.

c. **Complexity.** We have done a significant amount of discovery work on the vet pipeline and have concluded that the cost, complexity, and length of time it would take us to recruit vets from overseas would be a significant overhead. We would also need approvals from the Cabinet Office for 'alien exemptions' to Civil Service nationality rules. These have proved to be difficult to attain.

In our current context, we have concluded that we cannot prioritise funding for OV insourcing at this time and therefore at the end of November 2022, we took the decision to pause our project on insourcing vets for the remainder of the SR period.

7. The **contract for delivery of official controls** in meat premises is currently in the final year of its 3-year term. We have agreed a year's extension with our service delivery partner and have secured approval to this from Cabinet Office and HM Treasury. This will cost £38m for 2023/24.

8. We are currently experiencing the worst outbreak of **Highly Pathogenic Avian Influenza** on record in the UK. Between 1 October and 30 November 2022, there were 137 confirmed cases of AI in the UK, 124 in England, nine in Scotland, three in Wales and one in Northern Ireland. The East of England continues to be the area most significantly impacted but new cases are appearing across the UK. Our food safety advice remains that bird flu poses a very low food safety risk for UK consumers. Properly cooked poultry and poultry products, including eggs, are safe to eat.

9. At present, there are 13 poultry slaughterhouses located in controlled zones, which will have export restrictions in place for at least 90 days. The FSA plays a key role in controlling the disease at the abattoir level, and in facilitating international poultry meat trade, through the designation of slaughterhouses to operate during the outbreak and in supporting tracings from infected premises and controlled zones.

10. We have also worked closely with Defra and the Welsh Government following their announcement of a temporary change in poultry meat marketing rules as part of a range of measures to help support the poultry industry with the current challenges presented by bird flu.

11. The [FSA website](#) has been updated, advising consumers buying turkey, duck or goose products in the run up to Christmas, that they may have been previously frozen and defrosted before being placed on sale as chilled. There should be clear labelling on the front of the pack, as well as information in-store, to show if a product is being sold as defrosted, and whether it can be refrozen at home. Storage and cooking instructions will also be provided as usual. Like all poultry products, these will be safe to eat as long as consumers follow instructions on the label and usual food hygiene advice.

International Trade Audit & Assurance

12. The FSA have successfully facilitated inspection missions to the UK which have already resulted in opening a new **export** market in lamb to the US. The remote inspection from the USA was extremely positive, and two premises have already been approved with three to five further approvals in progress. Vietnam and Taiwan have both also undertaken inspections of the UK with positive findings and no major issues reported.

13. We have worked closely with Defra and Chief Veterinary Officers on the first UK-led in-country **audit** abroad. The cross-government team, including two FSA auditors, assessed Salmonella controls in beef and poultry meat across Brazil. The next outward mission will be to India in January 2023 to assess seafood and fish processors.

NFCU

14. A National Food Crime Unit (NFCU) led **investigation** into European Distribution Fraud involving poultry products from suppliers across the EU and UK has resulted in a Crown Prosecution Service (CPS) decision to charge a suspect with three offences of conspiracy to steal and one offence of money laundering.

15. The NFCU online Food Fraud Resilience Self-Assessment Tool, launched in May 2021, has now received 500 submissions. The NFCU developed the tool continues to guide food business owners and employees in helping them identify the risk to their business from food crime, develop their resilience and encouraging them to contact NFCU for further engagement around the risks of **food fraud**.

16. The Financial Investigation Unit has made an application to the Home Office and the **Proceeds of Crime** Unit within the NCA for the FSA to be included in a Statutory Instrument (SI) that is going forward, to obtain access to certain powers which allow the seizure of assets that may later be used to satisfy a court-awarded confiscation order.

17. The NFCU has been continuing its journey towards securing additional **investigative powers**. The public consultation responses were positive and [published](#) on 24 November 2022. Now the consultation has concluded, the FSA will draft secondary legislation so that the NFCU can access PACE powers, which the Secretary of State can now confer upon us. We are also asking for additional primary legislation to place appropriate legislative oversight on the NFCU's use of the additional powers by His Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS).

Prosecutions

18. Sentencing took place at Bristol Magistrates' Court on 29 September 2022 following the conviction of Stillman's (Somerset) Limited in December 2021 on two offences under the food hygiene regulations. The case concerned a pig carcass that had been set aside by FSA officers in order for rectification work to be undertaken but which was then dispatched from the premises without being re-presented to FSA officers. The company was found guilty of placing meat on the market that had not been health marked and of obstruction through supplying a false document for the traceability of the carcass. They were fined £14,000 and ordered to pay prosecution costs of £30,000.

Finance

19. As at the end of the second quarter of financial year 22-23, the overall finance position for the FSA is a forecast underspend of £3.8m against the budget of £146.4m. The main areas of underspend are £2.6m in Capital and £1.5m in the Shared Outcome Fund. Westminster funded **RDEL** is still forecasting an overspend of £1.8m. However, this is reducing each month and is in line with our finance strategy to over-programme this year. We still fully expect to meet our HM Treasury limits by year end. Northern Ireland underspend was forecast to be £1.4m unchanged from the previous quarter, and Wales was forecasting to come in £0.1m under budget.

20. It has been confirmed by the Prime Minister that top-down targets for the Civil Service headcount reductions will not be made. Instead, every government department is expected to look for the most effective ways to secure value and maximise **efficiency within budgets**. The Autumn Statement on 17 November has now confirmed that the majority of departmental budgets are being maintained in cash terms for the rest of this Spending Review period (March 2025).

This will be challenging for the FSA with rising costs, inflation and pay pressures so we will need to identify efficiency and savings options to offset pressures. Our budget planning process for 2023/24 is in progress and will be presented to the Board in March 2023.

People and Resourcing

21. At the end of 2022, we bid farewell to **Maria Jennings**, Director of Regulatory Compliance, People and Northern Ireland. Maria has been part of the FSA for 22 years having joined shortly after the FSA in Northern Ireland office was established. Maria retires with over 30 years of experience working in local and national government on issues related to food safety, energetically promoting consumer interest in connection to food safety legislation.

22. The following organisational changes have been or are being made in the light of Maria's departure:

- In October, the People and Organisational Development function moved under the Director of People and Resources role filled by Tara Smith.
- In November, the Regulatory Compliance Directorate (RCD) moved to Strategy, Legal, Communications and Governance. This directorate is now the Strategy and Regulatory Compliance Directorate.
- In November, the Northern Ireland and Wales offices have moved to the UK and International Affairs directorate.
- As reported in a separate Board [paper](#), the Operations Transformation Programme will combine with ABC as a single transformation team in the Strategy and Regulatory Compliance Directorate.

23. Since my report in September, we have successfully **recruited** Ruth Nolan as Deputy Director of Finance & Planning; and Robert Locker has been appointed as the permanent Head of Field Operations. The Director for UK & International Affairs campaign received 59 applications. Interviews are scheduled for early January.

24. The trainee and qualified Official Auxiliary recruitment campaigns with 31 offers made (15 qualified OA and 16 trainee). We have done a number of recruitments for Grade 7, SEO and HEO policy roles.

25. The 2022-23 delegated **pay award**, implemented in September but effective from 1 August, made use of the full 3% available through the civil service pay remit guidance. This was specifically targeted towards the most junior grades – Administrative Officer (AO) and Executive Officer (EO) grades received a five per cent increase, Higher Executive Officer (HEO) grade staff a three per cent increase, and Senior Executive Officer (SEO) to Grade 6, a two per cent uplift. The trade unions rejected the pay offer, but we nevertheless have made the award.

26. The FSA **Reward and Recognition** Scheme makes use of a ring-fenced budget and enables us to reward excellent and exceptional one-off achievements to staff between AO and Grade 6. Between 1 April and 31 October 2022, 606 awards worth £97,970 were made to 515 staff. This represents approximately 30% of the funds available for 2022/23. Over the same period in 2021, 591 awards totalling £139,500 were made (44% of funds available). Given cost of living pressures, we also plan to maximise use of the reward and recognition pot to reach more people in December and January. EMT has also agreed to the introduction of salary advance arrangements, to accessing increased levels of savings available through the Edenred discount scheme and an increase to the mileage allowance for those who have to drive for work.

27. The current industrial relations climate across the Civil Service has meant several **trade unions balloting** members over industrial action, including UNISON and the Public and Commercial Service Union (PCS), who are the two largest unions in the FSA. In each ballot at the FSA, the number of votes cast in that ballot did not meet the legal minimum turnout for the ballot (50% of the number of individuals who were entitled to vote) therefore UNISON and the PCS do not have a mandate for taking strike action at the FSA. A third trade union, Prospect, is currently running a consultative ballot of civil servants on whether they want to take strike action and/or action short of a strike over pay, staffing and redundancy terms.

28. We have completed a rotation of our Executive Management Team **Inclusion Champions** and assigned champions to networks supporting staff with protected characteristics, parents and lower socio-economic backgrounds. Our improved Diversity Data Dashboard has been launched and shared with our Diversity Council. Although we have offered exit interviews for a while, they had low uptake. We now offer an anonymous online questionnaire, and data collected from it can be cut by protected characteristics. Work is underway to improve our inclusion of staff with disabilities.