

# Performance and Resources Q4 2023-24

FSA BC 24/06/04

## Business Committee Performance Report for Q4 2023/24

Report by Ruth Nolan

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### 1. Summary

1.1 The quarter 4 2023/24 Business Committee performance report is based on the latest executive performance dashboard, discussed with EMT in May 2024 covering data mostly up to 31 March 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**) – **Discuss** thoughts and advice following an update on the latest position for how we are developing more meaningful ways to measure the impact of our science.

b) Reputation and Communications, trust in the FSA (**3.6a**) - **Discuss** actions and next steps following the update on the latest trust position and offer advice to the executive on how we should respond. **To note** – The FSA Board will get the opportunity to discuss the trust position as part of the 'Update on Strategy indicators' paper at the 19 June Board meeting.

c) Operational delivery, veterinary resourcing (**3.1b**) – **To note** the update on the latest position on veterinary recruitment, attrition and industrial relations where actions and next steps will be discussed as part of the 'Veterinary Resourcing: Home Office Policy Changes' paper.

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

### 3. Key themes and insights

3.1 Operational delivery (slides 3-6)

a) Meat Food business operator (FBO) inspection and audit delivery continues to achieve high results both in terms of meeting delivery targets and FBO compliance scores. Improvements in the performance of the Service Delivery Partner are being maintained. Dairy inspections have been delivered within target.

b) **Veterinary resourcing** - Whilst activities are on track to deliver to time, cost and quality, the recent change to salary levels for overseas skilled worker visas by the Home Office could pose a significant risk to recruitment and retention of Official Veterinarians if salary levels of existing vets did not keep pace with broader vet salaries in the sector. Given the FSA's reliance on a steady inflow of foreign vets it will also increase costs of delivering the service both this year and under the new service delivery contracts from April 2025. A separate update on the impact on the vet resourcing programme of these changes is being provided to the Business Committee at this meeting.

**To note** the update on the latest position on veterinary recruitment, attrition and industrial relations where actions and next steps will be discussed as part of the 'Veterinary Resourcing: Home Office Policy Changes' paper.

c) **FSA DOC retender** - All documentation and approvals from Cabinet Office and His Majesty's Treasury (HMT) were in place for the launch of the tender in Q1 2024/25. The draft contract and schedules, to be issued alongside the invitation to tender (ITT), have all received sign off by the FSA legal team. The transfer of undertakings protection of employment (TUPE) data for potential staff transfers have been agreed along with a price adjustment mechanism to deal with the impact of the Home Office Visa salary changes which were implemented early April 2024. The tender went live on 10 April 2024 and closes on 11 June 2024.

d) **Incident response** - The scale and complexity of high and medium incidents remain a challenge, including the complex incidents concerning High Pathogenic Avian Influenza (HPAI) in milk, Polish Chicken and the Shiga toxin-producing E. coli (STEC) outbreak linked to raisins. Additional resources also known as surge capacity is being deployed from across Operations to support agency resilience.

e) **National Food Crime Unit (NFCU)** – The NFCU annual performance targets for 2023/24 have been achieved for all metrics. For Q4 in isolation, outcomes and operations closed with a recorded outcome were significantly over target with disruptions and Strategic Intelligence Requirements (SIR) uplifts slightly under target. All NFCU performance targets for 2024/25 will be reviewed based on 2023/24 successes. Following a meeting with Mark Rolfe, the NFCU are seeking to capture additional metrics to further demonstrate how our work protects the consumer and what work is required to achieve disruptions in tasked investigations.

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

a) The data in this section was presented to the Board in December 2023 (updated in this quarter to show a split by country with additional pre-COVID-19 benchmarks). It shows performance in delivering Official Controls covering Q1 and Q2 2023/24. It was not feasible to provide the Q3 and Q4 data for the LA returns in April 2024 in time for the clearance processes. The latest figures will be provided in the next report in September 2024.

b) We have received feedback following the FSA CEO's letter to all LA CEOs and finance officers, which set 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. We are working with science colleagues to develop LA guidance to assist them in calculating the FTE required to deliver their service, which is due to begin in May. **Next steps:** We plan to have a model to test by the end of the year.

c) Information from LAs and our research had identified insufficient numbers of students were starting qualifications to meet demand. We have been collaborating with the Association of Chief Trading Standards Officers trailblazer group and the Chartered Trading Standards Institute (CTSI) to endorse a level 6 trading standards practitioner apprenticeship in England. So far 87 (of 96) apprentices who have joined the scheme are specialising in food and feed with a further 23 candidates studying towards CTSI professional qualifications in food standards. We have also engaged with education providers across the three nations that offer environmental health and associated food courses to understand the challenges.

d) Our resourcing project, in collaboration with the Local Government Association (England), have identified Environmental Health as a skills shortage for local government and we have joined a workforce satellite panel, set up by the Chartered Institute of Environmental Health (CIEH). **Next steps:** we will work with the satellite panel to develop proposals to address this.

e) Although LAs have been required to return to the Food Law Code of Practice (FLCoP) requirements during the past year, many LAs are only inspecting high-risk establishments for food standards. It is too soon to report on any improvements resulting from the new food standards delivery model (FSDM). The pilot phase has finished in Wales and the findings are being reviewed. First draft of the evaluation is due at the end of April. Roll out of the FSDM in England and NI is in May. The roll out schedule may be subject to change based on specific localised issues with Management Information System (MIS) providers and LAs. We expect we will be able to onboard all LAs by March 2025 (this will be kept under review and is subject to MIS providers meeting our deadlines). **Next steps:** A tracker and a related Power BI report has been developed which will be used to track / monitor progress during the implementation phase.

f) The number of cases at each stage of the LA performance management process constantly change. Since the last update, a small number of additional cases have opened based on the assessment of the October 2023 returns. Across the three nations there are currently four cases in escalation. Two cases reported in the Q3 report have been de-escalated. Generally, LAs appreciate the support offered by the FSA performance managers and some food teams have bid successfully for more resources following their input.

### 3.3 Regulated Products (slide 10)

a) The caseload in the RPS to the end of March 2024 has slightly increased and is now at 465 (in line with expectations). We have received 47 contacts in Q4 2023/24 of which 74% had sufficient information to progress. There have been no completed applications in this quarter, so the total remains at 63.

b) We continue to develop and make progress against our revised delivery assumptions. Our work on short and longer-term reform remains essential to ensuring a sustainable service in the future. We continue to forecast delays of around six months to authorisations planned for Tranche 3 and remain on track to deliver against the revised timelines outlined in the [December 2023 Board paper](#). We have already consulted on the 8 Novel and Food applications and submitted advice to Ministers on their authorisations (sooner than we had planned) and the consultation on 25 Feed Additives is live.

c) There are continuing resource pressures across all parts of the RPS, meaning the system has limited resilience to deal with new work or changing priorities. As discussed at the December Board and Business Committee, we have worked with a sub-group of the Board to scrutinise the current performance of the RPS and have received recommendations to support service improvements, noted, as follows, at the March 2024 Board:

- The FSA and FSS should actively manage the regulated products caseload so resources are focused on achieving the best outcomes in the interests of consumers.

- The FSA and FSS should review the approach to public consultation and engagement to ensure that it is proportionate and tailored to the needs of consumers and stakeholders.
- At all stages of the process, firm deadlines must be set and adhered to when seeking information and input from stakeholders and applicants.
- Decisions at each stage of the process should be taken by a lead responsible official, limiting review and sign-off to the minimum required to meet quality standards and to achieve three- and four-country working.
- The FSA and FSS must continue to make a strong case to Ministers that, without adequate resources and/or further changes to the process, performance of the current service will fail to deliver timely outcomes for the benefit of consumers and food businesses.

d) **Next steps:** In response, and in addition to short-term reforms proposed, we have:

- Continued to develop our longer-term forecasts and revise assumptions accordingly.
- Developed an implementation plan setting out the activities required to begin to address the Board sub-group recommendations in the short- and medium-term, including active caseload management to focus resources on achieving the best outcomes in the interest of consumers and designed an implementation plan dividing this work into two phases.
- Continued to develop proposals for more fundamental reforms to simplify the system - a paper is being presented to the Board in June 2024.

### 3.4 Science (slide 11)

a) We are currently reviewing all science performance metrics to ensure we are measuring outcomes not just outputs. Measuring the impact of science is a challenge across government and we will be working with the Science Council and the Advisory Committee on Social Science (ACSS) to help address this for the FSA. Whilst this is still a work in progress the intention is to have a range of measures that build on the number of publications but also how they are used, which is possible because of a new publication system we have procured. We will develop further metrics that show how our science has been used to ensure risk analysis decisions and FSA's priority 'core' and 'change' work is informed by timely and robust science and evidence. We then plan to develop leading indicators to highlight what the impact our science is having outside of the FSA though the value others place on FSA science and our science staff. However, not all measures of impact will be quantitative and so we will also be developing case studies to describe the impact of our work.

b) Whilst an output metric, the number of publications can be a leading indicator for the outcomes we achieve as the more science we publish, the more it is likely to be used with 36 science publications in Q4. These are combination of reports published on the FSA website, peer reviewed scientific papers published with FSA staff as named authors and peer reviewed publications because of FSA funding or that used FSA data. Whilst this is a decline on Q3, we did hit our target for 2023/24 (75 publications) at the end of Q2. The increased profile of FSA science in the wider community is also indicated by data we have collated from how people are engaging with our science communications such as our science newsletter, food for thought seminars and other social media engagement.

c) We set an ambitious target on the quality of the evidence packages to support risk assessment. Eight evidence packages were delivered in Q4, and so a total of 15 for 2023/24. A large increase on the total of four for 2022/23. The overall drop in this metric from 100% to 85% is a result of how we measure whether the evidence packages are "fit for purpose" as all packages scored full marks for completeness, timeliness and quality assurance. The reduction in the "fit for purpose" score (and therefore the overall measure) was because there were gaps in the data needed for risk assessment that could not be filled or where it was too early to determine the impact on policies. Therefore, the decline does not reflect the performance of the science team. The metric was new for 2023/24 and the intention was to review it once it had been used

for a full cycle and we are currently considering how to improve it to make it more useful in future.

d) FSA science is delivered through a portfolio of external commissions and internal analysis. From Q1 2024/25 we will measure these to understand the trends and impact on resources, and ensure we have the balance right.

e) Sampling measures fluctuate greatly each quarter as a result of timing of surveys and processing rather than a reflection of active sampling effort being invested, and therefore, comparison to the same period last year or the previous quarter is of limited value. The focus of many sampling programmes also varies each year and as such trends are not useful. Therefore, whilst these sampling metrics give an indication of the amount of sampling undertaken and the level of compliance they revealed, they do not provide insight into the impact of our sampling campaigns or the seriousness of non-compliances. As such we are in the process of reviewing whether we can develop leading indicators that might highlight changes quarterly and, more importantly, the impact of our sampling.

**Discuss** thoughts and advice following an update on the latest position for how we are developing more meaningful ways to measure the impact of our science.

### **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) We continue our regular food safety and legislative review of Foods Not of Animal Origin (HRFNAO) where, every 6 months, the suitability of current import controls for Food Not of Animal Origin is assessed in line with current public health risks and data obtained at the border. This includes both revision of the current controls in place for HRFNAOs and the possible inclusion of other products in the HRFNAO regimes. The second review of HRFNAO has been completed following a 21-day laying period in Parliament, after which the Statutory Instrument became operable on 7 March. The third review is ongoing and remains on track to be delivered in the autumn of 2024 and the fourth review has started. The rest of the work on imported food continues the green trend of last quarter, with no significant concerns to be raised. Further detail on the changes for each review will be covered in the CEO's update to the Business Committee.

c) The FSA continues to contribute our expertise with 3 Free Trade Agreement negotiation rounds taking place over the last quarter, 2 with South Korea and 1 with Switzerland. All World Trade Organisation notifications required for domestic measures were met within deadlines. On 26 March, the FSA published stakeholder responses on our assessment of the Comprehensive and Progressive Trans-Pacific Partnership on the [FSA website](#).

d) The biggest change in import controls in 40 years, the Border Target Operating Model (BTOM) has begun implementation. Phase 1, the introduction of health certification for EU imports commenced on 30 January. Phase 2, the introduction of physical checks on EU imports and the extension of the new risk model to the rest of the world, commenced on 30 April. Phase 3, changes to security and safety declarations, follows in October but has little impact on FSA objectives.

e) A graduated implementation was used for phases 1 and 2 to provide an educational period for businesses and ensure systems and ports did not become overwhelmed. Since implementation we have seen a steady increase in industry accuracy in the information provided and expect this to continue as less frequent imports encounter controls for the first time. The introduction of controls proceeded smoothly with no significant disruption caused, and with a centralised control process managing queries and issues as they arose.

f) It is the intention to provide ongoing reporting that cover the extent to which industry is complying with the requirements, particularly in data accuracy, any changes in the volume and types of incidents that the FSA encounters, and any significant changes to risk categories that are made.

### **3.6 Reputation and Communications (slide 13)**

a) The most recent figures from Food and You 2 (published April 2024), our flagship consumer survey, shows a decline in consumer trust in the FSA. While these latest results are concerning, it is unclear yet whether this represents an ongoing downward trend or a temporary fluctuation in consumer trust. Further analysis of the data indicates that the decline in trust is the result of an increase in neutral responses rather than an increase in distrust, which remains low. The next Food & You 2 consumer survey is due to be published in quarter 3 of 2024/25. Although we will continue to monitor data around trust, given the importance of the issue it is proposed that we undertake follow up activity now, such as undertaking further analytical work to understand the drivers of the decline.

**Discuss** actions and next steps following the update on the latest trust position and offer advice to the executive on how we can improve public trust in the FSA.

b) We hope to maximise wider communication opportunities when we get to launch the 2024 Annual Food Standards Report in Westminster, Cardiff and Belfast. We are planning to use briefings including key infographics, statistics and headlines for stakeholders using a variety of formats – all with the aim to increase engagement. The timing of the publication of the report is to be determined, in light of the upcoming general election.

c) Another project underway is exploring ways of enhancing visual output at the FSA. It's recognised that video is a vital resource in any communications toolbox, providing easily shareable content which can enable us reach and engage a wider and more diverse audience. We are looking at sourcing equipment and upskilling colleagues via a series of recommended training courses.

d) We have also begun some early thinking about how we define our role as a communications team internally, including developing some parameters to help prioritise our work. The goal is to encourage and achieve smarter working practices to achieve the best outcomes. However, we recognise that identifying an approach that is helpful for all teams may take several iterations, and the discussions already taking place are sparking some good challenge and discussion.

### **3.7 Resources (slide 14)**

a) We are now monitoring the FSA Westminster headcount against the limit provided to us by HMT for 31 March 2025. We are likely to track slightly above the headcount limit across the year as we try to maximise use of the limit but manage the inherent volatility of staff in post and vacancy rates at any given point. HMT have not yet provided details of the monitoring arrangements against the limits, or the consequences of breaching.

b) We continue to monitor and analyse 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. Our declaration rates broadly align with those of the wider Civil Service by protected characteristic. However, as we are continuing to see a drop in self-declaration rates, we are currently undertaking a campaign to encourage our people to either make an active declaration or if they would prefer not to disclose (rather than not respond) to help us understand our representation more accurately and strengthen any evidence to inform decisions.

- c) For the first time this quarter, we can now capture socio-economic background of our staff through the new HR and finance system and will continue to collect this data amongst existing staff as part of the campaign this month.
- d) During the last quarter we moved closer to our target of equal sex representation in our workforce. Whilst our representation remains stable for disability, ethnicity and sexual orientation, we continue to be below the Civil Service benchmarks, exacerbated by the benchmarks rising in the latest Civil Service Statistics report. When reviewing representation, it is important to consider a number of complex factors, including the declaration rates, and varying attitudes individuals have to declaring characteristics.

**To note**, issues related to our people will be discussed in further detail as part of the 'Annual Report on Human Resources' paper at the June Business Committee.

- e) As at 31 March 2024, the FSA reported a full year provisional outturn of £141.4million against a limit of £145.6million (excluding depreciation). This equates to £4.2million, or 3%, underspend against budget. No HMT or NI Department of Finance budget limits have been breached.
- f) Of the £4.2million underspend, £3.9million relates to Westminster (£2.2million RDEL and £1.7million CDEL); £0.2million to Wales; and £0.1million to Northern Ireland. This is broadly in line with the figures reported at the end of January, with minimal movement in the Northern Ireland, Wales, or Westminster CDEL forecasts.
- g) The £2.2million Westminster RDEL underspend has increased by £0.7million since our last report (31 January forecasts). The majority of this relates to the expected release of £0.5million headroom. As a matter of course, we hold £0.5million headroom in our RDEL budgets in case of unforeseen audit adjustments which may still materialise as NAO undertake the year-end audit. Replacing the forecast with actual figures at P12 means this naturally falls out of our provisional outturn. Staff costs also fell by £0.4million, half of which relates to an accounting adjustment for accrued annual leave, which will be posted into the accounts following year end. Other minor project underspends contributed to the overall year end position.
- h) All the numbers quoted above are subject to change, with some further adjustments expected post-year end, to close the accounts (such as the annual leave adjustment detailed above, which will decrease the overall underspend). In addition, all figures are subject to audit by the NAO and so will not be finalised until the audit is completed later this calendar year.

## 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:

- a) Science (3.4) – **Discuss** thoughts and advice following an update on the latest position for how we are developing more meaningful ways to measure the impact of our science.
- b) Reputation and Communications, trust in the FSA (3.6a) - **Discuss** actions and next steps following the update on the latest trust position and offer advice to the executive on how we should respond. **To note** – The FSA Board will get the opportunity to discuss the trust position as part of the 'Update on Strategy indicators' paper at the 19 June Board meeting.
- c) Operational delivery, veterinary resourcing (3.1b) – **To note** the update on the latest position on veterinary recruitment, attrition and industrial relations where actions and next steps will be discussed as part of the 'Veterinary Resourcing: Home Office Policy Changes' paper.

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