

# **FSA 22-06-13 - Minutes of the FSA Business Committee Meeting on 9 March 2022**

The draft minutes of the FSA Business Committee's meeting on 9 March 2022 at The Exchange, University of Birmingham.

## **Present:**

- Susan Jebb, Chair
- Ruth Hussey, Deputy Chair
- Fiona Gately
- Margaret Gilmore
- Colm McKenna
- Peter Price
- Timothy Riley
- Mark Rolfe.

## **Via Zoom**

- Lord Blencathra.

## **Officials Attending**

- Emily Miles - Chief Executive (CE)
- Pam Beadman - Director of Finance and Performance
- Maria Jennings - Director of Regulatory Compliance, People and Northern Ireland (NI)
- Professor Robin May - Chief Scientific Adviser (CSA)
- Rick Mumford - Deputy Director of Science, Evidence and Research
- Katie Pettifer - Director of Strategy, Legal, Communications and Governance
- Julie Pierce - Director Openness, Data, Digital, Science and Wales
- Peter Quigley - Head of Chemical Safety Policy (For FSA 22/03/15)
- Rebecca Sudworth - Director of Policy
- Simon Tunnicliffe - Director of Operations
- Ruth Willis - Head of Regulated Products (For FSA 22/03/15)
- Richard Wynn-Davies - Head of Operational Transformation (For FSA 22/03/14)

## **Apologies**

- Steven Pollock - Director of Communications

## **1. Welcome and Introductions**

1.1 The Chair welcomed everyone to the Business Committee meeting and asked Members if they had any interests to declare in relation to any of the items on the agenda. No interests were declared. No items of other business were raised.

## **2. Minutes of the Business Committee Meeting on 8 December 2021 (FSA 22/03/09)**

2.1 No comments were raised on the minutes of the 8 December Business Committee meeting, and they were agreed as a true record of the meeting.

### **3. Actions Arising (FSA 22/03/10)**

3.1 No comments were raised on the progress with the actions noted.

### **4. Chief Executive's Report to the Business Committee (FSA 22/03/11)**

4.1 The Chief Executive (CE) gave an overview, highlighting items contained in her report including the impact of the Omicron variant of COVID-19 on Local Authorities (LAs); the avoidance of service disruptions in field operations over the winter period; veterinary shortage and the increase in the cost of the provision of vets; the approach to charging; incidents; the work of the National Food Crime Unit (NFCU); and the retirement of Michael Wight, the Head of Food Safety Policy.

4.2 The Chair noted the additional stress that had been experienced by staff in mitigating the impact of the Omicron variant on LAs. It was encouraging that the impact had not been as significant as had been expected. On veterinary resource and charging, there would be decisions for the future of delivering this service and for its viability and sustainability.

4.3 Peter Price noted a waiver from the Royal College of Veterinary Surgeons (RCVS) relating to language ability was due to expire in May. Peter asked what the language expectations of vets were what was being done to monitor the rate at which individual vets were able to acquire the minimum standard required. Fiona Gately asked about plans to replace or retain vets after the expiry of the waiver. Simon Tunnicliffe said that until May, vets could temporarily register with the RCVS and would then have 12 months to reach the required standard of English. There were regular meetings with the service delivery partner who was then able to help them develop their language skills and the FSA regularly discussed progress and steps that they were taking.

4.4 Lord Blencathra noted the Defra led initiative, during a past food-and-mouth outbreak, to bring in vets from commonwealth countries, particularly Australia and New Zealand, who already met language requirements.

4.5 Margaret Gilmore asked whether employers who had not previously employed vets, hiring them at higher salaries, had contributed to costs. The CE said that it had, but that the main cause was the shortage of vets overall and that the costs would have risen regardless of the FSA's arrangements for service delivery.

4.6 Margaret noted the low morale among field operation staff. The CE said that work was being done to consider how to better engage with and recognise the work done by field operations staff.

4.7 The Chair asked whether the in-sourcing of vets was likely to make the profession more attractive. The CE said that the FSA's Chief Veterinary Officer, Jane Clark, discussed long-term measures to be able to grow the indigenous veterinary workforce with the British vet schools and how the FSA could work in partnerships with other organisations to develop a more attractive career in veterinary work.

4.8 The Chair noted the report's inclusion of issues around charging and invited questions from Business Committee Members on that. Colm McKenna said he endorsed the principles outlined and added that these were consistent with the FSA's historical approach to charging. Timothy Riley suggested it could be made more explicit that the FSA was doing everything that it could to

maximise the efficiency of official controls. Mark Rolfe said the FSA's approach of working towards the full recovery of costs was the correct one. The CE said full cost recovery was the long term aspiration of the FSA but there would be little ministerial support towards a rapid move towards that.

4.9 Mark noted Operation Atlas and said that where the proceeds of crime were recovered, this needed to be widely communicated as this could be a better deterrent than any punishment due to the economic incentives behind the crime. The CE said the National Food Crime Unit had done impressive work and noted the skill and expertise required to be able to use the Proceeds of Crimes Act effectively.

4.10 The Chair said the Committee had noted deadline for temporary registration of vets and had highlighted the pressing nature of the issue; wanted to remain informed around decisions involving additional payments to the FSA's service delivery partner; and endorsed the FSA's long-term aspiration to move toward full cost recovery for the delivery of official controls to the meat industry.

## **5. Performance and Resources Q3 2021-22 (FSA 22/03/12)**

5.1 The Chair invited Pam Beadman to introduce the paper. Pam gave an overview of issues raised in the paper including the return to audit; successes of the FHRS team; LA recovery; and finance including the underspend and its underlying causes.

5.2 Maria Jennings noted figures taken from the October temperature check where some LAs had indicated they would be unlikely to meet recovery roadmap expectations due to a high number of new businesses registering. The FSA was engaging with these LAs to ensure that they had service delivery plans in place, and none had so far required escalation of the concerns.

5.3 Colm McKenna asked what was meant by 71% audit capacity. Simon Tunnicliffe explained this related to the number of scheduled visits that had been completed. This figure was expected to rise as the pandemic eased.

5.4 Colm asked about the underspend and whether it was possible for any of it to be carried over and whether there were processes in place to avoid a similar situation in subsequent years. Pam said Treasury would not allow any of the underspend to be carried over but where appropriate, some of the additional costs associated with delivering official controls would be allocated to 2021/22. There was also a pension liability deficit, where a business case had been put to Treasury to reduce that liability for future years and could help reduce the underspend. There would be a reduced 'optimism bias' for future forecasting, allowing overprogramming, noting that any overspend would not be possible, and careful forecasting would be needed.

5.5 Mark Rolfe commended LAs for the work they had done to bring down the number of businesses awaiting inspection but noted that the figure was still high. He asked about the impact this could have on businesses who were unable to sell through aggregator sites due to the lack of an FHRS rating. Maria said that this could cause businesses difficulty because they would not be able to access some platforms, though some platforms would show their business as "awaiting inspection". This created additional pressure on LAs to complete inspections.

5.6 Peter Price asked whether there was a list of items being budgeted for in the next year, which could be brought forward if necessary. Pam said this was done for 2021/22 and had resulted in additional spending on sampling and surveillance.

5.7 Fiona Gately asked about the difference between animals being processed without input on welfare and non-compliance. Simon said the 99.99% shown in the slides was the proportion of animals slaughtered without any animal welfare issues being found.

5.8 Lord Blencathra said the remaining 0.01%, represented a significant number of animals. The papers suggests that 76% of the non-compliances occurred during transit to the abattoir. He asked what more the FSA could do, acknowledging that this was not an area that the FSA was responsible for, to ensure safe transit for animals, deter malpractice and reduce the noncompliance figures. Simon explained the FSA was working with partner organisations to understand how and where the breaches occurred and what could be done to minimise them.

5.9 The Chair said the Board would like more detailed data on welfare breaches in the next P&R report.

**Action 1 - Director of Operations to review the animal welfare slide in its entirety to ensure we are capturing the right performance information at the right level of detail.**

5.10 The CE said welfare in transit was the remit of the Animal and Plant Health Agency (APHA), and information was shared with them and with LAs. Timothy Riley added it was often difficult to understand whether injuries had occurred in transit and whether it would have been avoidable. Mark noted that the information on breaches feeding back to LAs was useful in allowing them to prioritise farm visits. The Chair asked that consideration be given to how to close the loop to allow full information sharing around welfare breaches.

**Action 2 - Director of Operations to consider how to provide better clarity on the information FSA share with other competent authorities for enforcement purposes in relation to animal welfare breaches occurring in transit.**

5.11 The Chair acknowledged the good work being demonstrated in the consumer confidence tracker and the report showed good progress over the period.

## **6. FSA Priorities and Budget for 2022/23 (FSA 22/03/13)**

6.1 The Chair invited Pam Beadman to introduce the paper. Pam gave a summary of issues covered in the paper including the first budget plans for 2022/23, categories of priority; and proposed areas for spend.

6.2 Ruth Hussey noted an apparent reduction in the surveillance and sampling budget, noting that investment in this area would help to better inform business cases and target other areas for spend. Pam said that the budget had not reduced from previous years but appeared to be due to additional work done in the previous year to help address the underspend by bringing work forward. Rick Mumford added the figure was for the centralised surveillance budget and there was also sampling being done in Wales, as well as through the Regulatory Compliance Division (RCD), funded from Welsh Government and LAs respectively. There would also be investment in laboratories, which had come through the spending review. The CE said that a formal paper could be brought on this to a future meeting that would address these questions. The Chair suggested that this would likely be a paper for the Board rather than the Business Committee.

**Action 3 - FSA Executive to consider when to bring paper on surveillance and sampling spend to future Board meeting.**

6.3 Colm McKenna asked about the extent to which the rising costs of the delivery of controls had been factored into planning. Pam said that this was an emerging pressure and would increase the overprogramming. Discussions around this were ongoing with Treasury.

6.4 Colm asked when the Business Committee would see a three-year corporate plan. Pam acknowledged that a one-year business plan was not ideal and noted the three-year certainty that emerged from the Spending Review as well as the development of the new Strategy meant that a three-year plan could now be developed over the summer.

6.5 Colm asked about uncertainties around the Northern Ireland budget given possible scenarios that could follow the May elections. Pam explained that there was a process to gain authority to spend a portion of the money, even where it had not been formally voted, and this had been done for Northern Ireland, based on 45% of the previous year's budget. This would cover the resources required in the event of a prolonged absence of an Executive. Maria Jennings added that a bid, placed through Treasury to operationalise work around the Northern Ireland Protocol had also been well received with no questions raised around the bid.

6.6 The Chair noted the Board were content with how the budget and priorities had been set; acknowledged and supported overprogramming; and noted the importance of the business planning to the successful operation of the Strategy.

## **7. Operational Transformation Programme Update (FSA 22/03/14)**

7.1 The Chair invited Simon Tunnicliffe and Richard Wynn-Davies to introduce the next item. Simon gave an overview of issues covered in the paper including previous discussions on the components of the future delivery model; segmentation; innovation and the use of technology; digital solutions for the approvals process; modernisation of food chain and inspection data; stakeholder views; and divergence.

7.2 Margaret asked what was being done to maintain the trust of smaller abattoirs who had concerns they may not get as good a deal as larger businesses in terms of segmentation. Simon said that they had engaged with stakeholders to ensure they were aware of what was planned, and they had broadly accepted the approach.

7.3 Margaret asked about how the new technologies being introduced to increase efficiency in the process would be paid for and by whom, noting that they would not eliminate the need for in-person inspections. Simon said the in-person inspections remained a legal requirement in most cases and it was not intended for technology to replace this, but to create a blended model to increase efficiency. In terms of allocating resources, this was an internal system and, the allocation of resources were being considered internally. Richard added that there would be some technologies that would be used internally, and the FSA would resource those. Smart cameras and AI would be an industry investment and the FSA would act as a facilitator and could set up pilots to demonstrate the benefits of the technology where applicable.

7.4 Margaret asked how different sets of regulations for export and domestic production would be managed. Simon said that this question was an important part of the Discovery activity under the Dual Regime project.

7.5 Margaret asked what legal changes would be required for the proposed transformation and when they would be made. Simon said that the Chair's help would be sought at the appropriate time to create the necessary engagement with Ministers. It would be necessary first to fully understand any required legal changes. The Chair added that these discussions would fit with the conversations with Ministers around Brexit opportunities.

7.6 Peter Price said that WFAC had asked whether the risk-based approach to inspections, at abattoirs was likely to mean less Official Veterinarian (OV) presence. Richard said there was a need to focus resources where the risk was greatest and remove administrative burden from the

role where possible.

7.7 Peter said WFAC had asked about what was being done to address weaknesses in the IT systems raised in the Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis and to ensure consistency in data recording. Richard said it was unsurprising that IT systems were raised as an issue in the (SWOT) analysis and the work around segmentation and digital tools mentioned in the paper are examples of work aimed at addressing that weakness.

7.8 Mark Rolfe said that if there was a dual regime for controls, there was a risk of creating a perception that food being sold to UK consumers was of a lower standard to that being exported. Colm McKenna added that this could occur within the UK market due to the need to differentiate for goods going into Northern Ireland under the Northern Ireland Protocol. Richard acknowledged the risk and said that work was underway to uncover the full risks and find appropriate mitigations.

7.9 Colm asked about the morale of field operations staff and the opportunities that the programme could offer them. Richard said that this was being looked at as part of the programme, with a focus on the roles of Meat Hygiene Inspectors (MHIs) and OVs and how legislation could help with flexibility around the tasks they complete to provide greater job enrichment and opportunities. This work was being communicated to the relevant staff to assure them that their concerns were being addressed.

7.10 The Chair said that the next time the programme came to the Committee they looked forward to seeing progress on how the segmentation had been operating, the use of remote audit technology, more work around the dual regime and forward planning on legislation.

## **8. Regulated Products Service: Regular Update to Business Committee (FSA 22/03/15)**

8.1 The Chair welcomed Peter Quigley and Ruth Willis to the meeting and invited them to introduce the next item. Peter gave an overview of issues addressed in the paper explaining that the paper sought to provide a data-driven narrative and covered planning assumptions of the number of expected applications; the number of applications driven by Cannabidiol (CBD); and recommendations to Ministers.

8.2 Timothy Riley said that there would be an increasing demand for foodstuffs that claim a medicinal benefit but do not qualify as medicines. There would be an increasing need for discussion around how such products were assessed and for dialogue between the FSA and partner organisations such as the Medicines and Healthcare Products Regulatory Agency (MHRA) about how to address these issues. Rebecca Sudworth said it would be important to communicate to businesses that food not in general consumption before 1997, would be a novel food even where related to or derived from something that was already in use, and authorised on the market, in order to help businesses. There were performance indicators for this that could be measured.

8.3 Ruth Hussey noted that the work around this would continue as new foods emerged and innovation took place and asked where the focus for improvement should be. Rebecca said this report contained a lot of data and one improvement that would be seen in later reports would be to provide a greater narrative, extracting key messages.

8.4 Ruth asked how an external review would inform the next steps. Rebecca said some indicators would be selected to provide metrics. An earlier paper focussing on quality of applications had identified ways to measure how much time was spent on which areas of the process. This could be begun ahead of the external review. If there were an external review it

would help with benchmarking to develop the overall performance regime.

8.5 The CSA noted that while CBD accounted for more than half of applications received, it would be important to note that it was an outlier that was not typical of the types of regulated products that would need to be dealt with. Timothy said that it was an outlier for issues faced in the past but that it could become less exceptional, and resilience would be required. There was an opportunity to ensure the message that the FSA was enabling and encouraging innovation where it was legitimate was understood by businesses.

8.6 The Chair said that the Business Committee looked forward to seeing more about regulated products at the next meeting.

## **9. Any Other Business**

9.1 No other business was raised, and the meeting was closed. The date of the next meeting was 15 June and would take place in Newcastle upon Tyne.