

FSA-22-09-12 CE Report to Business Committee

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

Incidents

1. I will begin with an incidents update. We continue to work closely with Food Standards Scotland (FSS), the UK Health Security Agency (UKHSA), and Public Health Scotland to investigate an outbreak of *Listeria monocytogenes* linked to the consumption of smoked salmon. ???

2. FSS is the incident lead, and we are supporting a UK-wide approach. Fourteen cases across the UK have been identified so far with onset dates between November 2020 to June 2022. Eleven cases have involved people over the age of 65. One case is pregnancy related. Sadly, three of those affected over 65 have died. With FSS, we have undertaken thorough food chain and microbiological investigations including whole genome sequencing, although the cause is yet to be confirmed. We have worked closely with FSS and UKHSA communications teams to reiterate the guidance to vulnerable consumers advising that ready-to-eat smoked fish is thoroughly cooked before being eaten. This was published on 30 August, and targeted at vulnerable groups through various media channels, hospitals and charities.

3. A formal risk assessment has been completed by the FSA and FSS, and FSA is completing the risk analysis to ensure that the advice to vulnerable consumers remains appropriate to the risk.

4. Business Committee members may recall an update in the [May 2021](#) report on product recalls following a *Salmonella* Enteritidis outbreak which had been sourced to chicken from Poland. As the initial 12-month period of enhanced measures came to an end, in July, I wrote a joint letter with the Chief Veterinary Officer, Professor Christine Middlemiss to Polish counterparts requesting their plan going forward. We have requested:

- a comprehensive review of what has been done to address the issue;
- what the effectiveness and outcomes of their actions are so far;
- what measures and systems are going to remain in place or be introduced to avoid salmonella contamination of chicken products manufactured in Poland and to ensure that products that are contaminated with *Salmonella* are not reaching the UK market.

5. The UK will review the ongoing risk and impact following receipt of the Polish assessment on the improvements based on the actions taken so far. The FSA will continue to ensure that an adequate level of health protection is in place for UK consumers as a result of imports of food from Poland.

CO2

6. There is another potential CO2 shortage on the horizon. CF Industries, which accounts for 60 per cent of CO2 production in GB, has announced its intention to temporarily halt ammonia production at its Billingham site. CO2 is a by-product of ammonia production, and many large abattoirs are reliant on it for processing. The FSA Field Operations team are working closely with the Department for Environment, Food and Rural Affairs (Defra) and industry to understand how this will impact abattoirs and are providing regular updates on CO2 levels at these sites. Industry groups are requested to procure stocks and retain full tanks as much as possible. Defra are aware of the pig and poultry sector being critical users of CO2 and will support supply for individual users, as necessary.

Veterinary Resourcing Programme

7. To support the delivery of Official Controls, the Council of the Royal College of Veterinary Surgeons (RCVS) unanimously agreed on 9 June 2022 to extend Temporary Registration for Novice Official Veterinarians working in abattoirs for a further 12 months. This allows the continuation of appropriately qualified veterinarians with Level 5 English, to temporarily register (TR) with the RCVS and work as Temporary Registered Novice OVs (TRNOV), helping to carry out Official Controls in abattoirs, whilst further developing their English language skills. TR remains the most effective contingency and mitigation to delivering OV-led Official Controls and managing recruitment and retention issues in the short-term. The extension of TR will also help maintain a healthy recruitment pipeline for OVs to work in abattoirs during this ongoing period of uncertainty. As of the 2 August, 119 vets had temporarily registered with the RCVS and seven of these have moved to full registration with the RCVS, after achieving the required level of English. For the remaining 112 support is being provided to keep them on track and 93% are expected to meet the required English level within 12 months.

8. To allow time to undertake the planning, design and implementation of a hybrid model incorporating some insourcing of vets alongside some outsourcing, Cabinet Office have approved the FSA's request to extend the Service Delivery Contract into its fourth year (of a potential five years) with a condition that FSA submits a commercial strategy to the Cabinet Office, including its approach to market development to promote competition.

9. Ministerial approval has been sought and granted for an Alien Exemption Certificate, which allows us to transfer and recruit those individuals who would ordinarily be barred from Civil Service employment. We are working rapidly to understand the conditions of this certificate.

10. Following the appointment of our new Operations and Finance Directors, a full review is underway to better understand the approach to both transitioning staff from the Service Delivery Partner to the FSA and direct recruitment, as well as the pace at which this can be done, and the impacts of costs to the FSA and industry. These refreshed implementation options, timescales and costs are currently under discussion by the executive.

11. [The Slaughter Sector Survey](#) was completed in March 2022 on behalf of Defra and Welsh Government and was published by Defra on 8 August 2022. This will be discussed in detail in the [Animal Welfare Report](#) featured on today's agenda. Some of the key themes include:

- farms continue to be the source of most animal species transported to slaughter, particularly poultry. Numbers of animals sourced from livestock markets have fallen;
- the levels of slaughter without stunning in sheep decreased slightly from the 2018 survey (from 25% to 23%);
- 2% of meat chickens were slaughtered by non-stun methods, down from 3% in 2018;
- meat chickens stunned with lower electric frequency to meet religious slaughter specifications fell from 6% in 2018 to 3% in 2022;

- 88% of pigs were stunned with CO₂, an increase of 2% on 2018 and
- approximately 80% of meat chickens were gas stunned, compared with 65% in 2018.

OTP

12. Our Operational Transformation Programme continues to focus work on developing its risk segmentation strategy through the ongoing evaluation and iteration of pilots. A recent pilot that involved using a proof-of-concept segmentation data model to determine audit frequency has been valuable in highlighting several areas that require further thought and development, such as difficulties in being able to clearly explain how the model works to food businesses. The team are now working to address these issues and will be scoping out a further pilot to test how we apply risk segmentation to day-to-day operational activity.

13. Work also continues with extensive stakeholder engagement to understand the risks and benefits of potential regulatory divergence in the event of new domestic legislation, and the programme continues to test opportunities to introduce new digital technology.

NFCU

Investigatory Powers

14. The public consultation seeking views around enhanced investigation powers for the NFCU concluded on 18 August. We are grateful for the responses received, which we will review and publish in due course. The feedback has been supportive and there has also been broad recognition of the requirement for safeguards to be in place around the use of these powers. The consultation responses will support our continued engagement with partners across Whitehall, both to fill one remaining gap in the primary legislation required to enact these powers, and also to draft and lay the secondary legislation to grant NFCU access to the enhanced powers.

Prosecutions

15. Since my report in June, the Crown Prosecution Service has secured a further conviction in a case investigated by the FSA into offences under animal welfare regulations.

16. Slaughterman John Gibson pleaded guilty to four offences relating to his failure to allow bleeding to be completed on bovine carcasses before carrying out further dressing. At Carlisle Magistrates' Court on 21 June 2022, he was fined £583 and ordered to pay prosecution costs of £85.

Litigation

17. The prosecution and litigation team obtained a judgment before the Upper Tribunal confirming that the FSA has an inherent right to withdraw its own earlier notices or decisions – a point that had been strongly challenged by some industry trade bodies.

18. Before the High Court, the FSA successfully defended an appeal against its decision to classify certain products produced by a Food Business Operator (FBO) as mechanically separated meat. The FBO will now have to pay the FSA £50,000 towards its costs in defending the challenge.

19. The team have successfully resisted a permission to appeal to the Court of Appeal in relation to the powers of OV's to serve Welfare Enforcement Notices under WATOK (Welfare of Animals at the Time of Killing) Regulations 2015.

20. There was a successful challenge in the High Court brought by six food business operators concerning the clarity of the FSA's information about levying certain official controls charges, on our website. The challenge was in respect of the FSA's duty of transparency. In its judgement, the Court found that there was a breach of the duty of transparency as the information provided by the FSA about how costs and hourly rates are apportioned was not sufficient for readers to check broadly the accuracy of the calculations. The Court held that this was easily remediable and additional detail will now be provided by the FSA. The full judgment can be found [here](#).

Finance

21. As at the end of the first quarter of financial year 22-23, the forecast FSA Resource Departmental Expenditure limit and Capital Departmental Expenditure Limits out-turn for Westminster, Northern Ireland and Wales was £146.1m, forecasting an underspend against our Budgets of £146.5m by £0.4m. Having made the decision to push forward, as much as possible, with our SR21 plans by over-programming, Westminster was still forecasting an overspend of £2.7m. There was however an offsetting, and ringfenced, underspend of £1.7m in the Shared Outcomes Fund (UK Government fund to pilot projects to test innovative ways of working across the public sector with an emphasis on thorough plans for evaluation. The FSA is the lead organisation for the PATH-SAFE (Pathogen Surveillance in Agriculture, Food and Environment) programme). Northern Ireland underspend was forecast to be £1.4m and Wales was forecasting to come in exactly on budget.

During this first quarter, we continued to experience difficulty in recruiting the staff needed to progress all of our activities. The forecast was amended to more realistically account for this and the recalibration contributed to the steep drop in overprogramming which, at the start of the year, had been approximately £9m. We believe, that overprogramming will continue to fall and there continues to be a risk that we will end the year with an underspend. This assessment is reinforced by the uncertainty we face, as with the rest of the Civil Service, from the request to identify potential reductions to our forecast headcount. This inevitably dampens managers' willingness to stick to this year's intended headcount growth. ?

22. To mitigate against the underspend risk, we continue to over-programme in our Scientific Research Programmes, which as noted in my previous report, was successful in eliminating underspends in that area last year. We also continue to encourage managers to put forward new work bids and have made £1.5m funding available to Investment Board for this purpose.

People and Resourcing

Pay

23. This year's Civil Service Pay Remit guidance enabled departments to make average pay awards up to two per cent. Departments also had additional flexibility to pay up to a further one per cent where they could demonstrate targeting of the pay award to address specific priorities in their workforce and pay strategies. Our pay award is founded on three objectives: no employee should receive a pay award of less than two per cent; the need to address a potential significant capacity and capability shortage in frontline meat hygiene inspection; and addressing the competitiveness of our grades. Administrative Officer (AO) and Executive Officer (EO) grades will receive 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. This is affordable within our budget.

24. We acknowledge that the trade unions have concerns over the overall limit on pay, and over how the pay award is to be distributed. As we are committed to doing everything we can to pay salary increases as quickly as possible, we have decided to implement the pay award, and

currently plan to make payments including arrears of pay, in September's salaries.

25. Pay awards for senior civil servants (SCS) are not delegated to departments. The Government published details of the SCS pay award in July - a two per cent across the board increase for all eligible staff with a further one per cent to be used for moving individuals to the pay band minima where the across-the-board increase does not already bring individuals' pay to the new minimum; and to address pay anomalies. SCS pay awards will be paid in September.

Reward and Recognition

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 July 2022, 226 awards worth £34,400 were made to 215 staff. This represents approximately 10% of the funds available for 2022/23. Over the same period in 2021, 306 awards totalling £77,600 were made (22% of funds available). The higher level of spend last year is attributed to an increased number of awards because of EU-Exit and COVID-19. This year we are following the expected pattern where a higher proportion of nominations are received in the latter half of the performance year.

FSA Estate

27. Given the significant shift towards embracing home-enabled working across our non-frontline workforce, HR and Estates are working with EMT to understand our business need requirements for a London presence and how this could align with the government's Places for Growth Programme (with the expectation that civil servants will move out of London). We will be exploring where the other government departments with whom we work most closely will be located, and what opportunities there may be to optimise collaboration.

Senior Recruitment

28. SCS1 finance campaign closed having received 55 applications; we have made an offer with two further candidates on the reserve list. Preparation has begun for the recruitment of the SCS2 Director of UK & International Affairs, projected timeline is to launch mid-October or early-November, with final interviews and assessments to take place during late-November or early January.

29. Since my last report, we have welcomed our new Head of Legal Services, James Robinson; James Cooper and Natasha Smith in a jobshare role of Deputy Director of Food Policy and finally, in the International & UK Affairs Directorate, Laura Blair, Acting Deputy Director EU and International.

Recruitment

30. The trainee and qualified Official Auxiliary recruitment campaign launched on 15 August 2022 with a view to the new starters joining late October/early November.?

31. The intention is to seek up to 24 trainees and up to 27 qualified people which are within our budget and would bring us back to our 50/50 employed/contractor baseline for Official Auxiliaries/Meat Hygiene Inspectors. The campaign for the Head of Field Operations Deputy Director role closed on 11 September 2022 with 72 applications received.

32. The demand from the business to recruit new staff remains high and we have just commenced a second "bulk" recruitment exercise for SEO policy roles. A multi-vacancy recruitment exercise for qualified and unqualified meat hygiene inspectors is also currently live.

33. Pearn Kandola completed their review of our recruitment processes with a focus on inclusivity, identifying strengths and risks. They found that our processes, guidance and tools closely follow best practice. We need to improve in how we apply those processes and in behaviours particularly in how we assess performance at interview.

Health, Safety & Wellbeing

34. We continue to apply the COVID-19 guidance issued by the Devolved Administrations and Cabinet Office. In practical terms this means we have moved to adopting a 'living with' approach although the advice applicable to Wales and Northern Ireland means that symptomatic and/or positive cases continue to self-isolate unless they can work from home. Across the organisation the FSA has put in place arrangements to offer additional protection to the most vulnerable, specifically those who are immunosuppressed.

Connect Programme

35. The FSA is introducing Workday, a new Enterprise Resource Planning system, to provide a single Finance, Payroll and HR system. This system, which will follow the aims of the [Government Shared Services Strategy](#), will improve data integration across the FSA's Corporate Service function as well as supporting enhanced productivity and greater collaboration across the organisation by providing accurate, real-time data that will allow for more informed decision making.