

Westminster Annual Report and Accounts (for the year ended 31 March 2022)

Chair's foreword

Professor Susan Jebb, Chair of the Food Standards Agency foreword.

England

PDF

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I welcome this Annual Report and Accounts and am pleased to see the progress being made against the objectives previously agreed by the FSA Board. While acknowledging the work that was ongoing through the year to manage the impact of COVID-19 and EU Exit,

it has been good to see a growing emphasis on recovery from the pandemic and adaptation to the expanded role for the FSA post EU Exit. Ongoing work in areas ranging from food hypersensitivity to regulatory reform, and further investment in science and research are all to be welcomed.

While we have done well to meet the challenges of the last year, global events are continuing to impact on the food system and put pressure on resources at home. Despite signs of recovery during this reporting period, local authorities are still struggling and will continue to face constraints which could impact on local food teams. Likewise, we remain concerned that without full import controls the less confident we can be about preventing food incidents occurring.

Towards the end of this reporting year, the FSA published its new strategy which sets out our direction of travel for the next five years. Food systems are continually evolving and have been forced to change as a consequence of external events, including the pandemic and now the war in Ukraine. Businesses are thinking differently about supply chains and consumer attitudes and behaviours in relation to food are also changing. Against this backdrop, the new strategy recommits the FSA to our core mission of Food You Can Trust and sets out how we will deliver on three key objectives: food is safe; food is what it says it is; and a new objective – to play our part, alongside other partners in government, industry and civil society, in transforming the food system to ensure food is healthier and more sustainable.

The food we eat is contributing to obesity and other avoidable ill-health, while climate change is leading us to ask urgent questions about how we can produce food in a way that is kinder to the planet. We are concerned that rising food prices and wider increases in the cost of living mean a healthier and more sustainable diet could become even more unattainable for many people.

The FSA's delivery against the new strategy and our corporate objectives will be scrutinised by the FSA Board and captured in future annual reports. I would like to commend everyone at the FSA for their efforts through the year to uphold food standards and maintain consumer

confidence in our food. In addition to doing the day job exceptionally well, the FSA must continue to be agile and responsive to events in a fast-changing world. I look forward to working with FSA colleagues and our external partners to meet these challenges.

Professor Susan Jebb OBE, PhD, FRCP (Hon), FMedSci
Chair, Food Standards Agency

Chief Executive's foreword

Emily Miles, Chief Executive's foreword for the Annual Report and Accounts.

I am pleased to lay before the Westminster Parliament and the Welsh Parliament, and present Welsh Parliament, and present to the Northern Ireland Assembly, the Food Standards Agency (FSA) Annual Report and Accounts. This edition covers our performance and activities in 2021/22 across England, Wales and Northern Ireland at a net cost of £130.5 million.

The report covers a productive year for the FSA. We have been continuing to manage the changes brought about by the UK's exit from the EU. Last year, the FSA took on responsibility for many of the risk analysis functions previously carried out by the European Commission and the European Food Safety Authority. Our report shows we progressed 428 live regulated products applications and provided risk assessments and advice on a number of topics.

We have progressed reforms and continued with our key regulatory responsibilities, from classifying shellfish beds to operating meat hygiene inspections, to investigating the most egregious examples of food fraud. We also saw a 21% increase in the number of notifications of food incidents during the reporting period.

Our Local Authority Recovery Plan was implemented in summer 2021 to help local authorities get back on track. It was designed to achieve a return to pre-pandemic levels of activity, and clear the backlog of food inspections that built up as local authorities successfully targeted their resources at the highest risk businesses while fighting COVID-19, by April 2023. All three countries showed signs of recovery, although the pace differed geographically.

I would like to thank FSA staff, local authority colleagues, and all of the businesses we work with closely for all of their hard work over the year to ensure food you can trust.

Emily Miles
Chief Executive, Food Standards Agency

Performance Report: overview

This overview sets out our purpose and how we are organised.

About the Food Standards Agency (FSA)

Established in 2000, following several high-profile outbreaks of foodborne illness, the FSA is the independent government department working to protect public health and consumers' wider interests in relation to food in England, Wales and Northern Ireland. Our mission is food you can trust. Our work protects people's health, reduces the economic burden of foodborne disease and supports the UK economy and trade. The FSA – together with Food Standards Scotland – strives

toward these objectives by ensuring our food has a strong reputation for safety and authenticity in the UK and abroad.

Mission, vision, strategic priorities and performance

Our mission: Food you can trust

To safeguard public health and protect the interests of consumers in relation to food

Our vision

Our vision comprising four goals, allows us to deliver our mission.

Strategic priorities

Our priority activity for 2021/2022 continued to be:

- our response to COVID-19
- fulfil our regulatory role in 'doing the day job exceptionally well'

Performance

We measure our performance against these priorities, reporting internally and externally.

The linkages between the above are explained more in the introduction to the activities and performance section below.

How are we organised?

Our objectives, powers and duties are set out in legislation, primarily the Food Standards Act 1999. Our main statutory objective is to protect public health from risks which may arise in connection with the consumption of food (including risks caused by the way in which it is produced or supplied) and otherwise to protect the interests of consumers in relation to food.

Most of food policy making is devolved, so we maintain strong working relationships with the UK Government, the Welsh Government and the Northern Ireland Executive. However, we act independently of ministers and are governed by an independent board. We work closely with Food Standards Scotland, an independent public body with responsibility for food policy and implementation in Scotland. We always factor circumstances or data specific to each nation into the approaches we take and the advice we provide.

[Our strategy 2022 to 2027](#), published March 2022, covers our role in each country, reflecting our 'one FSA' approach.

More than 1,300 people work for us to ensure food you can trust. They include statisticians, analysts, researchers, inspectors, enforcement experts, policy professionals, economists, veterinarians and more than 500 frontline staff, who work alongside our operational delivery partners to inspect abattoirs and other primary production sites.

Our work is underpinned by the latest science and evidence.

Activities and performance 2021/22

In this section, we state our activities and performance for the financial year 2021/22.

Our mission and vision

Our overarching mission is food you can trust and, during the reporting period, our vision comprised the following four goals. These were reviewed by the Board in 2022, leading to our new strategy for 2022-27 which will guide us going forward.

- food is safe
- food is what it says it is
- consumers can make informed choices about what to eat
- consumers have access to an affordable diet, now and in the future

*The FSA only holds nutrition policy in Northern Ireland, not in England and Wales.

Our strategic priorities for 2021/22

The FSA's priority throughout has been to ensure food safety, preserving the high levels of consumer protection in the UK whilst supporting industry in maintaining the nation's food supply. We aim to minimise the impact of leaving the EU on food safety and food accessibility. Our priority activity for 2021/22 continued to be fulfilling our regulatory role in 'doing the day job exceptionally well' which included our response to COVID-19 and the smooth delivery of our work now we are operating outside of the EU. Most of the available funding was allocated to ensure ongoing delivery of the FSA's core regulatory functions. Going forward into 2022/23, these objectives will continue to evolve to align with our new responsibilities

- doing the day job exceptionally well
- COVID-19 response
- EU transition

Doing the day job exceptionally well

Our work broadly consists of three areas:

- understanding levels of hygiene and standards in the three nations
- delivery of our operational requirements and delivery of some nutrition and dietary health policy in Northern Ireland.
- internally ensure we can resource that work by providing the best people for the job

Some of our achievements in each of these three areas are provided on the next four pages. Later we report in more detail on the following.

Hygiene and standards

- foodborne disease
- public attitudes towards the FSA
- science and surveillance
- horizon scanning
- strategic surveillance
- sampling
- the future for UK official food and feed laboratories
- research and evidence
- analysis and insight

risk analysis process
Food Hygiene Rating Scheme
meat food business compliance

Delivery

- regulated products
- local authority delivery
- food and feed incidents
- animal welfare
- National Food Crime Unit
- Achieving Business Compliance
- operational transformation
- food hypersensitivity
- nutrition: Northern Ireland (NI)

Our people

- staff engagement
- supporting our staff
- diversity and inclusion

Hygiene and Standards

This section reviews the variety of work we carried out and how that work enables us to achieve our goals.

2020 saw a reduction in reporting of laboratory confirmed human cases of foodborne disease for three of the four key pathogens, the FSA's headline food safety outcome measure, coinciding with the COVID-19 pandemic. In 2021 all four increased compared to 2020, with two remaining below pre-pandemic levels. See Foodborne disease section for more information (page 20).

The FSA's flagship survey, Food and You 2, launched three waves throughout 2021/22, collecting data from over 400 households across England, Wales and Northern Ireland.

As of wave 3, out of which 60% had some knowledge of the FSA, 75% trusted the FSA to make sure food is safe and what it says it is.

To ensure we can continue to provide the scientific research and evidence that is the backbone of the FSA's dedication to being science and evidence-led, we increased the number of science staff by more than 40% within 2021/22.

To inform our knowledge and information on the UK's food system, meet legislative requirements, inform risk assessment and provide information to local authorities for follow up action, we carried out our sampling work, testing 11,065 samples, found 245 non-compliances at a spend of £3.3 million.

We delivered a research and evidence programme worth over £10 million. This included delivering the allocated budget but also around £1 million of additional external science and evidence. We also started PATH-SAFE, a £19 million cross-government programme, funded by HM Treasury, to explore novel methods for improved foodborne disease and antimicrobial resistance surveillance.

The audit programme for meat food business operators (FBOs) continued to be significantly impacted by COVID-19 in England and Wales. During 2021/22, the FSA

prioritised audits previously deferred due to COVID-19 disruption, completing 249 of these audits. There were no outstanding deferred audits and the number of full audits completed against the target had returned to pre-pandemic levels at the end of 2021/22.

As more food hygiene inspections and interventions were carried out, the number of food hygiene ratings given to businesses increased by 179% compared to pre-pandemic levels. In addition, 96.9% of establishments achieved a satisfactory or above food hygiene rating (3 or better).

In Northern Ireland we maintained MenuCal, a free online tool to support businesses in calculating calories and managing allergens. Despite the pandemic and the limited ability to promote the tool, active MenuCal users continued to grow. In the latest wave of the Eating Well Choosing Better Tracking Survey (2021+Data was collected from August to October 2021), there were a high number of respondents (87%) who recognised the traffic light label, which remained consistent throughout each wave.

Most respondents (79%) understood the traffic light label. However, only 42% reported that they use the label when shopping (-14% since 2020 [\(footnote 1\)](#)).

Delivery

This section looks at the practical work carried out by, or on behalf of, the FSA within the meat industry, food businesses and legal enforcement. The FSA has largely managed to provide a consistent service across our areas of delivery, despite the continuing challenges we have faced in the past year. Some of our key achievements are described below.

As at December 2021, we had 420 applications progressing through the regulated products service, at different stages of the authorisation process. We received a high level of contacts to the service for Cannabidiol (CBD) products in the first quarter of 2021/22 which coincided with the FSA deadline on CBD applications.

Local authorities met the expectations of the FSA and have made significant progress in relation to inspections and interventions, clearly taking a risk-based approach in line with the Local Authority Recovery Plan (the plan) agreed by the Board in May 2021.

Our animal welfare team introduced the 'Demonstration of Life' protocol. This is a voluntary scheme which aims to reduce the number of small ruminant animals (sheep and goats) that are slaughtered without prior stunning, by certifying that the stun method is halal compliant. We also introduced a referral for investigation triage process which is overseen by a panel of experts who assess animal welfare cases that could be prosecutable. This ensures proportionality and consistency of the FSA's approach to these cases.

Our National Food Crime Unit (NFCU) have achieved their first end-to-end conviction, as well as other activities to disrupt criminal behaviour around food.

Delivering our priority programmes

Our three priority programmes of work are unchanged from previous years. Where necessary, the FSA reprioritised resources to support progress in these areas. They are:

- achieving business compliance
- operational transformation
- food hypersensitivity

Achieving Business Compliance

The ABC Programme has continued to progress each of its three workstreams:

- targeted and proportionate approach to regulation
- enterprise level regulation
- assurance of online food sales

This included progressing and concluding the pilots in England and Northern Ireland for a new risk-based model for food standards, developing our approach to modernise the food hygiene delivery model, working with UK's 10 largest retailers to develop a proof-of-concept to test regulating at a business level, and developing our understanding and evidence base to inform future work to assure online food sales. The programme provided a comprehensive report to the [FSA Board in September 2022](#).

Operational Transformation Programme (OTP)

Worked closely with key stakeholders to develop and agree the Future Delivery Model which outlines the key objectives the OTP will achieve in modernising delivery of official controls. This was successfully signed off by the FSA Board in September 2021 whilst also agreeing the next 12 months' programme of work. The OTP continued to deliver against the agreed work programme by progressing several key project initiatives. These include the digitalisation of meat approvals, progressing the initial review of legislative strategy options for official controls and developing and piloting use of a segmentation model that enables a more data driven, risk-based approach to scheduling of audits.

Food Hypersensitivity

Implemented the prepacked for direct sale (PPDS) legislation from 1 October 2021 and have supported businesses and local authorities to successfully implement the new rules. The PPDS legislation requires food businesses to label this type of food with the name and ingredients list, with the 14 major allergens emphasised within the list. More information can be found in the priority programmes section on page 74.

Our people

This section considers our staff and our engagement during 2021/22.

The FSA's engagement index score was 68%, our second highest ever score. Our response rate to the People Survey was 77%, down 10% points since 2020 but remained above the Civil Service benchmark of 62%. Most areas dropped only marginally, except for pay and benefits (-6% points), My Manager (+1% point) and My Team (+/-0% points).

The health, safety and wellbeing of our staff continued to be of utmost importance throughout the pandemic. Due to the nature of the pandemic and the ongoing additional demands placed on staff, we continued to implement a variety of support measures to enable staff to protect themselves and others.

The FSA also continued to make its award-winning flexible Our Ways of Working (OWOW) offer available to support its staff. This location-agnostic approach to recruitment resulted in successful recruitment campaigns, which quite often included reserve candidates.

Our representation remained broadly aligned with the economically active population.

However, further work is required to increase disability representation. We continued to implement new, innovative programmes such as Reverse Mentoring and FSA Accelerate, a development programme for underrepresented groups.

All performance and resources reports are published as [Board papers](#), where we present updates and progress against these measures. More detail available in the Our people section on page 82.

Priorities in-year

Whilst our overarching functions have carried on, we have continued our work to move back to 'business as usual' after major changes to our work resulting from the UK's exit from the EU and the impacts of the COVID-19 pandemic.

COVID-19 recovery

The COVID-19 pandemic continued to have knock-on consequences for the FSA, particularly around our sampling work and work carried out on our behalf by the three nations' local authorities.

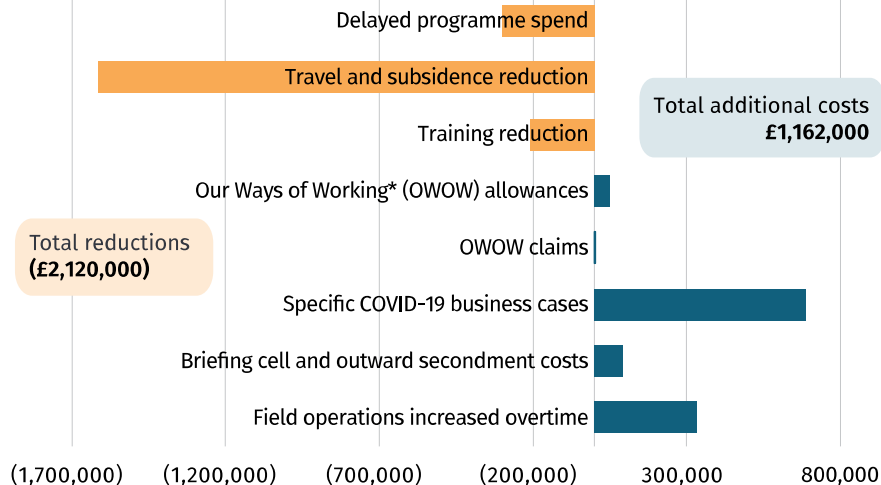
The pandemic severely affected the ability of inspectors to assess industry compliance. This is reflected in the number of food businesses given food hygiene ratings during the pandemic (see the Food Hygiene Rating Scheme section for more detail).

Although there has been a significant reduction, enforcement officers have had a presence within the hospitality premises to carry out COVID-19 compliance visits. While these visits were not always combined with food hygiene checks, there is significant overlap between the principles used to assess whether a premises was COVID-safe and safe food production practices.

Local authorities resumed inspections across food businesses, prioritising those establishments with a history of non-compliance, or where complaints indicated possible problems. Early discussions with Local Authority Food Liaison Groups suggest that local authorities are encountering higher levels of non-compliance than before the pandemic. More data is needed before firm conclusions can be drawn about the impact of the pandemic on broader hygiene standards.

Sampling conducted by the FSA and FSS during the pandemic provided reasonable confidence that the basic safety of most food products was being upheld. However, a substantial number of products tested did not meet required standards in at least one area, in terms of the quality and accuracy of consumer information. This underlined the need for ongoing monitoring and increased investment in a wider range of sampling activities.

Figure 1: Financial impact of COVID-19 on the FSA in 2021/22



We introduced Our Ways of Working (OWOW), our award-winning flexible working package in 2017, saving the taxpayer almost £2 million on office costs each year. It allows our non-frontline staff the flexibility to work from offices and homes across the UK.

Risk assessment from food

We continued to manage our research contract, 'Assessing the survival of COVID-19 on food surfaces and food packaging materials'. This project aims to measure the survival of COVID-19 virus in a range of environs designed to mimic food moving through a retail environment. Its outputs will inform future risk assessments regarding risk of COVID-19 exposure via food and food packaging. This project began in February 2021, and the final report for the project was received by the FSA in July 2022. The report has undergone peer review and will be published in the 2022/23 reporting period.

As part of our risk assessment work, we carried out public consultations on genetically modified organism applications, novel food applications and imports from the Fukushima region of Japan – more information can be found in the risk assessment section on page 41.

EU Exit

Following the UK's departure from the EU, the FSA has continued to internalise processes previously carried out by the EU to ensure we continue to deliver on our priority: Food is safe and what it says it is.

The EU has remained by far our largest supplier of imported food, accounting for over 90% of all beef, dairy, eggs and pork products imported into the UK and nearly two thirds (65%) of all food and feed not of animal origin. Analysis of compliance levels in import controls checks carried out between 2020 and 2021 showed that there was no meaningful change in the standard of imported goods because of either the pandemic or the UK's EU departure.

Until full import controls are introduced for EU goods entering Great Britain, around the end of 2023, the UK food safety authorities will continue to manage risks through pre-notifications, which were introduced in January 2022 for certain high-risk food and feed imports. Additionally, enhanced capability and capacity were put in place as part of EU Exit planning to detect and respond effectively to food and feed incidents.

The UK's exit from the EU means that it no longer has full access to the European Commission's Rapid Alert System for Food and Feed (RASFF), although it continues to receive notifications concerning the UK. The FSA and Food Standards have built alternative arrangements with other international partners as well as investing in new surveillance approaches. Levels of incoming and outgoing notifications from EU and non-EU countries have remained stable.

Despite the pressure put on the food supply chain by the pandemic and the UK's departure from the EU, there has been no evidence of significant exploitation by criminals. Generally, there has been no discernible increase in food crime detected over this period.

Post EU transition period update

The FSA's work to build new functions and prepare for the consequences of EU Exit was successfully delivered. We and Food Standards Scotland took on new responsibilities from 1 January 2021. These include:

Regulated products

- the FSA has been operating a service to authorise new regulated food and feed products before they enter the Great Britain market.
- as at 31 March 2022, 420 applications were made to the FSA, who carry out a risk assessment of the products and consider factors such as trade and environmental impacts before making recommendations to Ministers on authorisation

Repatriation of International Trade functions including:

- Free Trade Agreements (FTA)/Section 42 reports which explain whether an FTA is consistent with the maintenance of UK levels of statutory protection in relation to human, animal or plant life or health, animal welfare and the environment
- delivery of a new market access (imports) function to [support the UK Office for SPS Trade Assurance](#) in assessing the food and feed safety of new commodity import requests from third countries
- enhancing the delivery of the market access (exports) function to support our existing and new export markets such as opening the United States market to British lamb.

Other areas

- expanding the NFCU as well as embedding new working processes and capabilities which have enhanced our abilities to detect, investigate and disrupt food crime
- taking charge of food and feed law. The FSA is now directly responsible for administering food and feed legislation, including risk assessment of new and novel foods, the regulated products approval process, and undertaking legislative changes, via statutory instruments, to amend food and feed law
- the FSA has initiated risk assessments on four issues due to new evidence and/or emerging changes in the food system, and have provided risk assessment and public health advice to support development of future borders policy

At the end of March 2021, the EU Transition Programme closed following agreement by the [FSA Board in March 2020 \(footnote 2\)](#). Ongoing work moved into business as usual. A significant part of the organisation's ongoing focus in 2021/22 continued to deliver our core functions following the end of the transition period and overcoming issues that arose during the reporting period.

Please read the individual pages linked in the next section (below) to read about our year in numbers related to Hygiene and Standards, our people and our delivery.

Hygiene and standards: our year in numbers

- [Foodborne disease](#)
- [Public attitudes towards the FSA](#)
- [Science and surveillance](#)
- [Horizon scanning](#)
- [Strategic surveillance and data](#)
- [Sampling](#)
- [The future for UK official food and feed laboratories](#)
- [Research and evidence](#)
- [Analysis and insight](#)
- [Risk analysis process](#)
- [Food Hygiene Rating Scheme \(FHRS\)](#)
- [Meat food business compliance](#)

Delivery our year in numbers

- [Regulated products](#)
- [Local authority delivery](#)
- [Food and feed incidents](#)
- [Animal welfare](#)
- [National Food Crime Unit \(NFCU\)](#)
- [Operational outcomes](#)
- [Achieving Business Compliance](#)
- [Operational transformation](#)
- [Food hypersensitivity](#)
- [Nutrition: Northern Ireland](#)

Our people year in numbers

1. Data was collected from June to August 2020.
2. [FSA EU Transition paper.](#)

Principal risks and uncertainties

The Food Standards Agency has taken, and continues to take on ownership of new risks.

The food system is evolving rapidly with developments such as: new technologies around food production; logistics; shifting consumer habits; and a massive growth in online sales. We are also establishing ourselves and evolving following EU Exit: we are taking on new responsibilities within the UK and seeking to continue to be influential on an international scale. These both mean that FSA has taken, and continues to take on, ownership of new risks.

Delivering food you can trust

Keeping people safe and reducing/eliminating food risk is a fundamental purpose of the FSA. Doing this relies upon:

- the FSA understanding the complex food landscape and the risks that may arise
- having the scientific capability to make professional and timely risk assessments
- having the policy capability to provide appropriate risk management advice

To deliver our mission 'food you can trust' whilst managing reducing resources and external uncertainty, we have an appetite to take considered risks and exploit opportunities and innovation. Our approach to innovate can differ depending on the nature of the risk, therefore, we align risks to themes which can be seen below:

- food we can trust
- reputational/credibility
- compliance/legal regulation
- operational/policy delivery
- financial/value for money

The FSA works to protect public health and consumers' wider interests in relation to food. This means that risk considerations are always front of mind across the whole department. Our work protects people, reduces the economic burden of foodborne illness, and supports the UK economy and trade by ensuring that our food has a strong reputation for safety and authenticity both in the UK and abroad.

We set out our approach to managing risk as part of the FSA Governance Statement 2021/22. FSA risks are Identified, Assessed, Managed, Reviewed and Recorded at the appropriate level across the FSA.

Risk management in the FSA is a continuous process, enabling us to make informed decisions and ensure we are operating within our agreed risk appetite. Alongside this, we review our strategic risks, quarterly (and monthly by exception), ensuring that the level of risk exposure is monitored closely in the changing environment we operate in.

Our vision - four goals

- food is safe
- food is what it says it is
- consumers can make informed choices about what to eat
- consumers have access to an affordable diet, now and in the future

Being able to identify, assess and act on a food risk to prevent harm to consumers (food is safe and food is what it says it is: stable)

Context

Leaving the EU means the FSA is now responsible for many of the combined risk analysis functions previously performed by the European Food Safety Authority and the European Commission. Have in place a risk analysis process to capture capabilities and process by which risk is identified, assessed and mitigated now that the FSA has increased responsibilities for many of the combined risk analysis functions since leaving the EU.

Mitigations

- evolving and reviewing our risk analysis process, to ensure we maintain a high standard of food safety and consumer protection and ensure regulatory effectiveness.
- established a flexible, responsive, data-enabled science, evidence and surveillance approach to identify emerging risks before they become risks to public health.
- delivering and implementing more robust and proactive planning, listening and horizon scanning, working with consumers and industry representatives to track their views.

Maintaining public confidence and trust in the FSA, sustaining our ability to deliver our strategic objectives to protect consumers (food is safe and food is what it says it is: stable)

Context

People trust us because we use science and evidence to make decisions, and we are seen to be honest, open and inclusive. Maintaining this trust is central to us achieving our outcomes for consumers.

Mitigations

- we ensure we use science and evidence for decision making, and are seen to be open, honest, independent and inclusive.
- utilise structured and proactive stakeholder management to reduce the chance of any loss of trust resulting from public criticism.
- our ABC programmes seeks innovation in regulatory reform and utilises opportunities to discuss and provide assurance to industry bodies.
- we work with consumers and representatives from the food business industry to discover their views and opinions on what constitutes an excellent modern regulator.

Maintaining informative and influential relationships across government and internationally to advance consumer protection (food is safe, food is what it says it is, consumers can make informed choices, consumers have access to an affordable diet: stable)

Context

The FSA has had a new role to play in UK trade policy, both in discussions across Whitehall and in wider international fora. The FSA Board set out a clear set of principles to guide FSA officials' input to trade policy and trade negotiations in early 2020.

Mitigations

- review stakeholder plans and work with government departments to contribute to and influence thinking on key priorities.
- monitor international developments, providing early intelligence and analysis on issues which could have an impact on food safety risks for consumers.
- participate in established forums and have a seat in cross-Whitehall chaired meetings on various policy issues.

Being adequately resourced and support our people to deliver the FSA Strategy (food is safe, food is what it says it is, consumers can make informed choices, consumers have access to an affordable diet: stable)

Context

To maximise the benefits to consumers, the FSA has lent even greater importance to minimising both the costs of our own work and that which is delivered by others. Understanding our performance gives us the opportunity to see where we can improve and further achieve value for money over what we do.

As our approach becomes focused on delivering impact from our expertise and influencing others, we become increasingly dependent on the quality, skills, motivation and alignment of our people.

Mitigations

- our budget was agreed in the government-wide Spending Review 2021 and have set our Business Planning priorities for 2022/23.
we have developed our people plan and a strategy to create an environment in which our people are highly capable, effectively supported, and consistently choose to make outstanding contributions to protecting, informing and empowering consumers, to ensure that it reflects the requirements of the FSA post-EU Exit and our strategy.
implemented measures to reduce recruitment time and address gaps while we fill permanent vacancies.
planned the FSA's estates strategy and to further build on our digital infrastructure.
we have refreshed and enhanced our flexible working offer to widen FSA's access to talent and support the government's Places for Growth Agenda.

Working effectively and cohesively across multiple UK nations and administrations to ensure consumers are well protected despite potential divergence between systems (food is safe, food is what it says it is, consumers can make informed choices, consumers have access to an affordable diet: stable)

Context

Now the UK is outside the EU's harmonised system, divergence can occur between the regulatory systems of different UK nations. The FSA needs to have strong, collaborative working processes across the UK to help anticipate and respond appropriately to cases of divergence.

Mitigations

- we work with UK regulatory partners, Wales and Northern Ireland governments and with Food Standards Scotland and the Scottish government to ensure that the UK regulatory regime continues to provide strong protection for consumers.
the FSA is involved in three cross-government UK Frameworks, provisionally agreed in 2021, that commit to joint ways of working and seeking consensus on changes across the UK, while recognising that businesses trading across the UK require consistency and that consumers require consistent levels of protection.
the FSA continues to maintain effective engagement with UK Ministers to widen understanding, expectations and cocreate requirements. A regular review process is in place to provide opportunity for four-nation consideration of any required changes to way of working.

Being able to provide an adequate response to a major incident (food is safe, food is what it says it is and consumers can make informed choices: decrease)

Context

We must put in place effective contingency and resilience arrangements to manage major food safety incidents to ensure our ability to minimise consumer detriment and maintain consumer confidence in the food sector

Mitigations

- the FSA has well-established contingency and resilience arrangements to respond to a major food safety incident. We adopt a comprehensive approach to strengthening our resilience and emergency preparedness to cover all aspects of our incident response arrangements and continue to enhance our capabilities and capacity to manage a major food incident.
learning is reflected in our updated incident management plan; the continual improvements to our accompanying standard operating procedures and is used to inform our annual exercise and training programme that supports the continual improvement of our incident response capacity, capability, and organisational resilience.
involved in multi-agency exercises that provide an opportunity to emphasise the role of the FSA to those involved, as well as share best practice.
the impact of this approach is measured through our increased capability and capacity to invoke our incident response and emergency protocols efficiently; deliver a proportionate response to a food incident; and enable the organisation to return to our normal operations as quickly as possible.

Supporting Local and Port Authorities in delivering against legislative requirements (food is safe, food is what it says it is and consumers can make informed choices: increase)

Context

Through our regulatory role, the FSA interacts with those producing and selling food to make sure consumer interests are protected, local authorities are responsible for delivering food official controls. We need to ensure we are as effective a regulator as possible and that the local authorities are able to carry out the required activity.

Mitigations

- through the ABC Programme, we aspire to focus more on outcomes, collaborate with local authorities and industry to ensure food regulation is data driven, and that resources are targeted at the areas of highest risk.
reviewed and revised processes for supporting local authority delivery and performance against FSA expectations.
increased the capacity and capability of the Imports Delivery Team to enable an increase in support to the port health community.
implemented a recovery roadmap to help local authorities navigate and recover from the exceptional circumstances posed by COVID-19.

Managing our delivery partners to support the FSA in delivering Official Controls (food is safe, food is what it says it is and consumers can make informed choices: increase)

Context

The FSA's approach to direct delivery of regulatory controls involves a split between FSA-employed people and contractors via a Service Delivery Partner (SDP).

Mitigations

- through contract management arrangements, the FSA needs to continually monitor the capacity and capability of the SDP to undertake their contractual arrangements and use

Key Performance Indicators to identify non-compliances and service failures (for which there are financial penalties).

the Operational Transformation Programme has been developed to support the FSA in evolving the food regulatory system, while keeping consumer trust and safety at the heart of everything we do.

implemented and continue to monitor the Royal College of Veterinary Standards policy decision to allow temporary registration of vets.

Performance Analysis

Analysis of FSA performance when it comes to enforcement action, financial performance and sustainability.

Enforcement action in approved meat establishments (England and Wales)

In accordance with the requirements of the Food Standards Act 1999, we report each year on enforcement action taken by the FSA in meat establishments that require veterinary control (slaughterhouses, cutting plants and game handling establishments). Statutory notices may be served for failures in hygiene, unsatisfactory structural matters, to stop the use of particular types of equipment, to impose conditions on the meat production process, to close down the operation completely, or to stop a particular practice that contravenes the hygiene provisions of the legislation. Statutory notices must accurately reflect the non-compliance, refer correctly to the relevant legislation, and be clearly legible and unambiguous, to be legally valid.

England and Wales: formal and informal enforcement action taken during 2021/22

Formal action	Number of notices 1 April 2021 to 31 March 2022	Number of notices 1 April 2020 to 31 March 2021
Hygiene Emergency Prohibition Notice, served under the Food Safety and Hygiene (England) Regulations 2013 and the Food Hygiene (Wales) Regulations 2006, giving a food business operator a day's notice of the intention to apply to a court for the granting of a Hygiene Emergency Prohibition Order which would result in an immediate cessation of business.	0	0
Hygiene Improvement Notice served under the Food Safety and Hygiene (England) Regulations 2013 and the Food Hygiene (Wales) Regulations 2006.	32	50

Formal action	Number of notices 1 April 2021 to 31 March 2022	Number of notices 1 April 2020 to 31 March 2021
Remedial Action Notice served under the Food Safety and Hygiene (England) Regulations 2013 and the Food Hygiene (Wales) Regulations 2006.	42	107

Informal action	Number of notices 1 April 2021 to 31 March 2022	Number of notices 1 April 2020 to 31 March 2021
Written advice	1,417	1,277

Northern Ireland: formal and informal enforcement action taken in approved meat establishments during 2021/22

The level of NI enforcement action was lower than in England and Wales. This is partly because the number of FSA meat approved establishments in NI is relatively low at 55. Of these, only 19 (slaughterhouses and game handling establishments) required constant veterinary presence during operations. Most of the slaughterhouses are very large, high throughput establishments driven by export markets, where requirements tend to be even higher than EU compliance. In terms of audit outcomes, NI has recorded no 'Improvement Necessary' or 'Urgent Improvement Necessary' from Q1 2019/20 onwards (see Fig. 13). The Department of Agriculture, Environment and Rural Affairs (DAERA) is responsible for the meat operations delivery on behalf of the FSA in NI. We monitor performance of DAERA as part of the service-level agreement, and there is a system of verification visits in place where levels of enforcement at the establishment are assessed against the observations made on the day; there have been no concerns in relation to this.

Formal action	Number of notices 1 April 2021 to 31 March 2022	Number of notices 1 April 2020 to 31 March 2021
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Hygiene Emergency Prohibition Notice, served under the Food Hygiene Regulations 2006 (Northern Ireland), giving a food business operator a day's notice of the intention to apply to a court for the granting of a Hygiene Emergency Prohibition Order which would result in an immediate cessation of business.	0	0
Hygiene Improvement Notice served under the Food Hygiene Regulations (Northern Ireland) 2006	0	0
Remedial Action Notice served under Food Hygiene Regulations (Northern Ireland) 2006	1	0

Informal action	Number of notices 1 April 2021 to 31 March 2022	Number of notices 1 April 2020 to 31 March 2021
Written advice	28	11

Prosecutions

Following an investigation referral and full criminal investigation, prosecutions of offences committed at approved premises can be taken by the relevant enforcement authority.

In England and Wales, prosecutions for food hygiene breaches are taken by the FSA. Cases in relation to alleged breaches of animal welfare, animal by-products and some transmissible spongiform encephalopathy (TSE) requirements are prosecuted by the Crown Prosecution Service (acting on behalf of the Department for Environment, Food and Rural Affairs) or the Welsh Government. In 2021/22, the FSA Legal Investigation Branch accepted 37 referrals from Operations Directorate for investigation with a view to prosecution. The outcome of these investigations are subject to evidential and public interest tests.

The timescales for prosecutions mean that it is rare for a case to progress from referral to a final court hearing within the same reporting year. Therefore, many of the cases referred for investigation in 2021/22 have yet to be concluded.

During 2021/22, 11 cases investigated by the FSA were concluded at court with convictions secured against 14 defendants. A further 8 cases are currently being prosecuted.

There were 36 recorded investigation referrals in England and Wales during 2020/21.

The outcomes or status of those referrals are as follows:

Outcomes/current status	Number of referrals
Convictions	7
Warning letters issued	4
Ongoing prosecution in Court	4
Acquittals	0
Withdrawn prosecutions	1
No prosecution taken	20

Complaints including those made to the Parliamentary and Health Service Ombudsman

The FSA will always seek to address and learn from any issues identified through its Complaints Policy. We aim to resolve all complaints quickly and as close as possible to the point of delivery. For this reason, complaints are normally handled at the 'local' level in the first instance. Where the complainant is dissatisfied with how the FSA has responded to their complaint, they can escalate the matter through to the 'central' level of our process. This level effectively offers two stages of 'appeal' firstly through the office of the Complaints Coordinator and secondly, through the office of the Chief Executive. Although there may be occasions when it is necessary for a complaint to commence at the 'central' level of the process.

Launched in April 2019, details of [our Complaints Policy can be found online](#). Where a complainant remains dissatisfied having exhausted the FSA's process, at both the 'local' and 'central' levels, they can refer their case to the Parliamentary and Health Service Ombudsman (PHSO). Further [details about the PHSO are available online](#).

During the calendar year 2021:

- 10 cases were responded to at the 'local' level. 5 cases were not upheld, 3 were partially upheld and 2 were upheld in full.
- 1 case was responded to at the 'central' level of our process through the office of the Complaints Co-ordinator, where it was partially upheld.
- 1 case was escalated to the office of the Chief Executive and this was partially upheld.
- 0 cases were referred to the PHSO.

This compares to 2 complaints progressed beyond the level of a local response, to the Complaints Co-Ordinator, during 2020. Of these:

- 1 case was not upheld.
- 1 was partially upheld.

One further case, which initially commenced in 2019, was referred to the PHSO in 2020 and was partially upheld.

Financial Performance

Total expenditure £129 million. Total amount that the FSA spends, this is split into categories of expenditure: DEL and AME.

Departmental Expenditure Limit (DEL): £108.3 million. Budgets are set for multi-year periods in Spending Reviews. They are linked to FSA's strategic objectives.

Resource DEL: £103.8 million. Spending on items which do not give rise to an asset.

Capital DEL: £11.1 million. Expenditure for the purchase of assets, investments and capital grants. Include capitalised Research and Development under ESA10.

Administration: £108.3 million. Support costs, including staff, accommodation, office services, and IT.

Ringfenced: £3 million. Depreciation and amortisation.

Non-Ringfenced: £105.3 million. All other expenditure.

Annually Managed Expenditure (AME): £9.6 million. Budgets are volatile or demand-led in a way that the FSA cannot control.

Resource AME: £9.6 million. Budgets are volatile or demand-led in a way that the FSA cannot control.

Capital AME: £0 million. The FSA does not have any Capital AME expenditure.

The FSA is financed through the annual Supply Estimates process managed by HM Treasury (HMT).

We also generate a level of income from services provided to external and public sector customers.

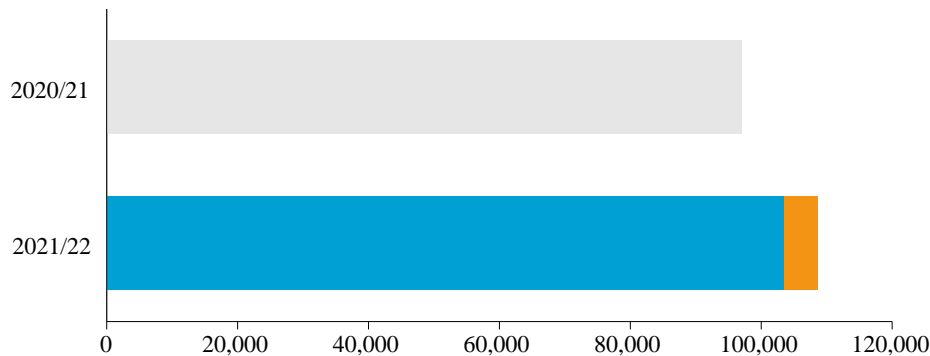
We are accountable to HMT, Parliament and the public for how we have used public funds during the year. Annually, we publish our audited consolidated annual report and accounts (ARA) to support parliamentary accountability by comparing the FSA's actual resource expenditure to estimate. The 'Reconciliation of net resource expenditure between estimates, budgets and accounts' provides more detail on the FSA's outturn against its estimate.

We publish our financial performance based on the government's accounting framework in the Statement of Comprehensive Net Expenditure which is found in the Accounts section.

The net resource cost of the Westminster funded FSA was £105.8 million against available funding of £117.9 million to 31 March 2022. Total net expenditure was 15% lower than estimate by £17.5 million.

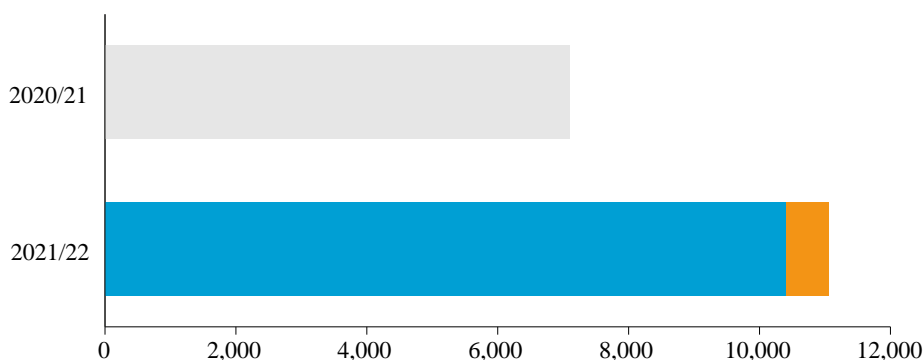
An underspend in RAME of £7.1 million was the principal contributor to this underspend.

Figure 31: FSA Financial Performance 2021/22 Administration (£000s)



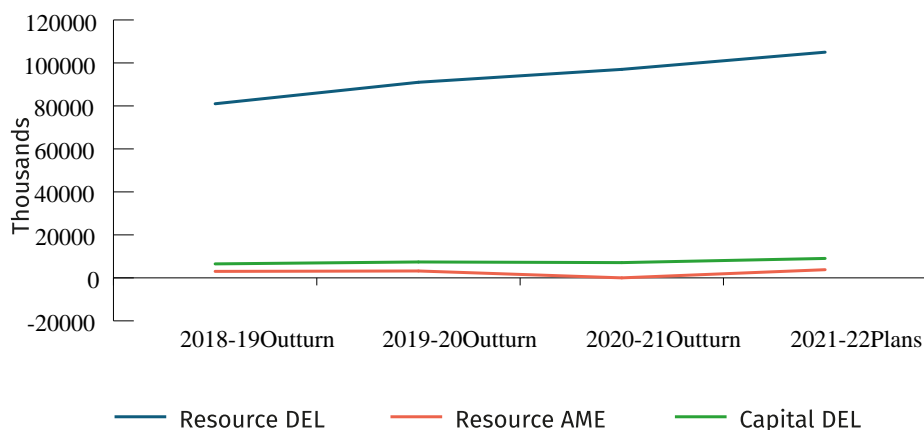
From 2021/22 onwards, the FSA's RDEL budgets are 100% Admin. For comparison the prior year's Programme spend has been incorporated into the above diagram. The £4.9 million saving was driven mainly by the pandemic, the effects of which continued to be felt during 2021/22.

Figure 32: FSA Financial Performance 2021/22 Capital (£000s)



There was a CDEL (Departmental Expenditure Limits – Capital) underspend of £0.6 million largely due to reprioritized projects. Analysis by activity comparing 2021/22 spend with 2020/21 spend can be seen in Note 2. Please see SOPS2 for a budget to accounts reconciliation.

Figure 33: FSA total departmental spending trend analysis (£000s)



FSA's total expenditure has increased in time with the prepare and delivery of EU Exit and the formation of the National Food Crime Unit. Further information can be seen in the Core Tables published at [Reports and Accounts](#).

Climate change adaptation

We have made considerable progress towards improving our understanding of climate change, how it will impact on the UK food system and how it will impact our daily operations as a government department with a strong commitment to sustainability and reducing greenhouse gas emissions.

Our Climate & Environment Action Group (CEAG, an internal staff network) has now formulated and successfully published an environmental sustainability strategy as a public-facing document. This important document educates staff about our environmental goals and sets out our action plan for achieving these goals. It also defines our commitment to sustainability and the protection of the environment to the public that we serve.

In November 2021, we were also successful in achieving ISO 14001 (Environmental Management) certification, being one of the first Civil Service organisations to do so. This internationally recognised accreditation provides a structural system for the FSA to analyse and improve its environmental protocols in a practical way. The FSA Procurement team has begun to integrate social responsibility protocols in its decision making, which include significant sustainability parameters to be considered when making procurement decisions.

We have placed greater emphasis on our working practices, promoting hybrid working methods which use a blend of virtual and on-site capabilities. We have given our staff the opportunity to work from home where possible, and many new entrants to our organisation are given a choice between on site, multi-site or home working as their substantial place of work. This contributes strongly to a reduction in utilities use in our estate and a reduction of carbon emissions required for commuting or official travel.

At the request of the CEAG, the FSA executive management team has also approved the creation of a full time Sustainability lead within the organisation to help maintain and improve our environmental approach in the long term. Further to this, we are conducting a communications campaign to raise staff awareness of the importance of environmental mindfulness in our everyday work.

Sustainability reporting

The effects of climate change will be globally devastating without genuine commitment from governments, organisations, and individuals to act. The FSA have identified areas where we believe we can make a difference and advance the green agenda by taking actions to improve our environmental sustainability through our policies and business practices, and where we can seek to influence our stakeholders and partners to do the same.

We have increased our focus on sustainability in the reporting year with the development of [a new Environmental Sustainability Strategy](#) which was published in January 2022. The strategy outlines how we will support the government's green agenda, delivering against the Greening Government Commitments for 2021-25, with details of how we will achieve, measure and report against these targets. The strategy focuses on:

- reducing our carbon footprint
- conserving natural resources
- prioritising sustainable procurement
- enhancing awareness of green initiatives

Additionally, we are ISO 14001 (Environmental Management) certified, which will enable us to effectively monitor how we manage our estate and mitigate negative environmental factors using a robust reporting framework. This holds the FSA to an internationally recognised high standard, as the accreditation is externally audited by a UKAS-approved certification body.

Greenhouse gas emissions - Scope 2 (indirect) [\(footnote 1\)](#)

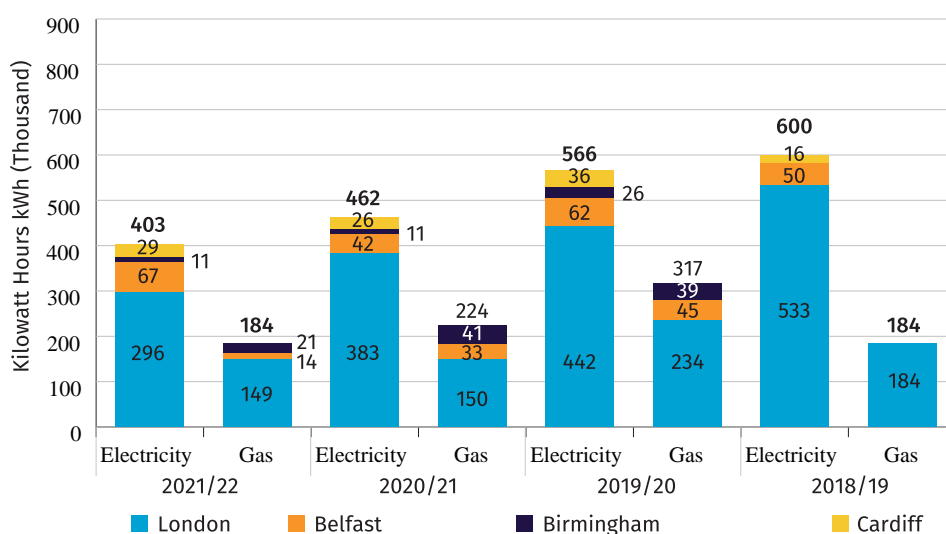
We have learnt the lessons from the COVID-19 pandemic and continued to encourage a switch to remote working for all our office-based staff. This has driven a positive impact on our carbon emissions due to reduced travel.

There has, however, been less of a reduction in energy consumption in our offices, as our energy consumption and the associated carbon emissions are calculated pro rata using the total building consumption emission and the FSA percentage area occupied. This has led to minimal reductions, particularly where other tenants have continued to operate out of those premises. We are currently exploring options to reduce our emissions, including closer working with the landlords, or possibly the installation of meters on the floors we occupy to help provide greater control over our consumption and increase the accuracy of our emissions data.

We are working with our landlords and co-tenants, seeking to switch our energy tariffs to greener energy. We will continue engaging with our government landlords via sustainability forums to explore value for money measures that we can introduce across our estate.

We will be appointing a new Environmental Sustainability Manager who will be a central point of contact, to lead and develop our work in this space.

Figure 34: Energy consumption across our estate



Greenhouse gas emissions - Scope 3 (indirect) [\(footnote 2\)](#)

As we adapt post-pandemic, we plan to seize the opportunity to embed environmental sustainability into the way we think and work.

We have reviewed our workplace strategy and how this can support a reduction in our carbon footprint. We are maximising our flexible working offer to office-based staff, supported by our suite of digital collaboration tools, and keeping travel to a minimum. This includes a move away from issuing office-based contracts which will help us to shrink our office footprint and help reduce energy consumption.

Road travel will still be required due to the critical business need for field-based staff to deliver front line services, with staff needing to travel to sites in remote rural areas. We have successfully negotiated with its suppliers to reduce road CO2 emissions by transitioning its fleet of lease cars to a combination of ultra-low emission and electric vehicles only. All new lease cars are ULEV or electric by default.

To further strengthen this, we are encouraging travel by public transport wherever possible, and continuing to support hybrid working so that our staff have a choice as to whether they need to travel or not.

Although there was a small rise in overall carbon emissions (6%), we saw a significant reduction in energy consumption in our estate (48%) which provided counterbalance for our increase in business travel emissions (50%).

Our emissions have risen for field-based staff to meet critical business needs, but we remain steadfast in encouraging hybrid methods of working for field-based staff where possible to keep these emissions to a minimum. The fact that the figures have not returned to pre-pandemic levels confirms that the changes to hybrid working methods are having a positive impact.

Figure 35: Total CO2e tonnes by travel and total building consumption

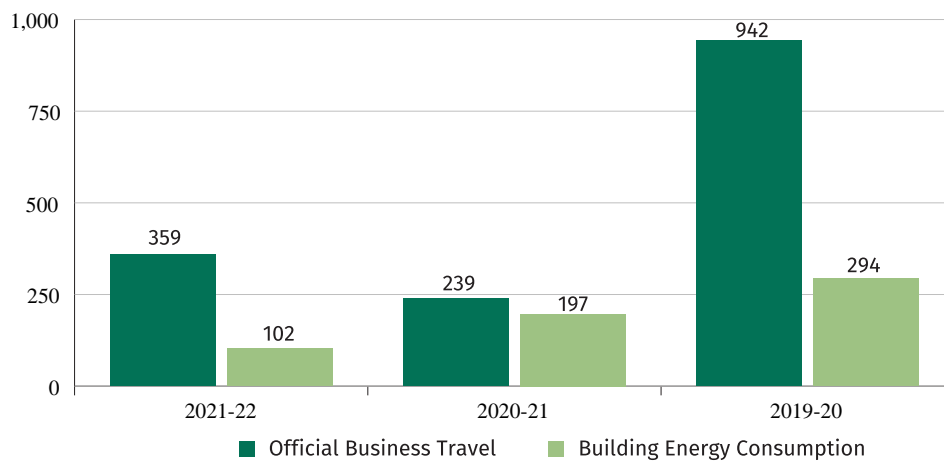


Figure 36: Breakdown of CO2e tonnes by travel

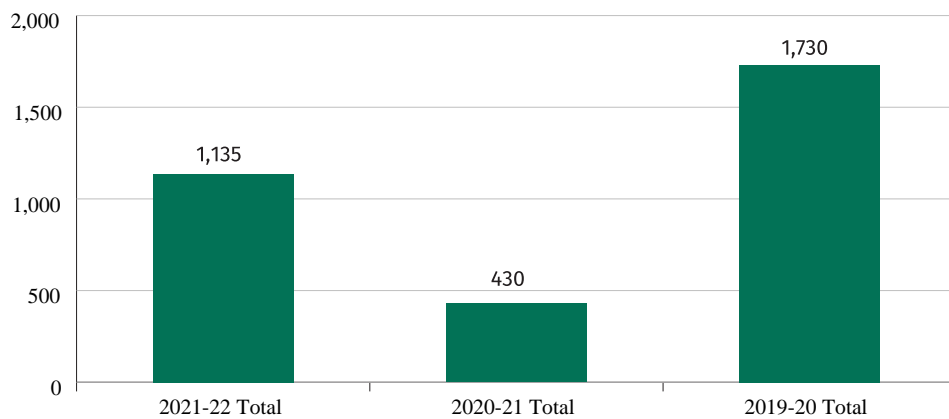
The chart shows the breakdown of CO2e tonnes by travel (for office-based staff and for field-based staff) for the

Finite resource consumption

Water consumption (m3) [\(footnote 3\)](#)

Total water consumption has unfortunately increased as our staff have returned to offices following the COVID-19 pandemic and lockdowns. The FSA is aware of this issue and will be looking to raise awareness among our office-based staff to mitigate future rises and encourage responsible water consumption in our premises.

Figure 37: Water Units (m3)



Waste minimisation and management

Waste (Tonnes)

Total waste consumption has further decreased in this reporting year by 33%. An additional significant result is that we have not sent any waste to landfill for two years. We have also proudly participated in a charity project which enabled our obsolete ICT equipment to be recycled and repurposed for charity, helping with the education of children without access to ICT. This has effectively wiped out the emissions caused by ICT waste for this accounting year.

Through a government forum, we were introduced to an organisation providing a national register of charities and data wiping services for equipment. This enabled us to pilot a transformation programme to upgrade and recycle our devices and provide social value.

Working with HM Treasury, we successfully negotiated to gain approval to proceed. We awarded via the national register to 16 charities selected based near our 5 office locations. Collections of ICT equipment were arranged from home addresses.

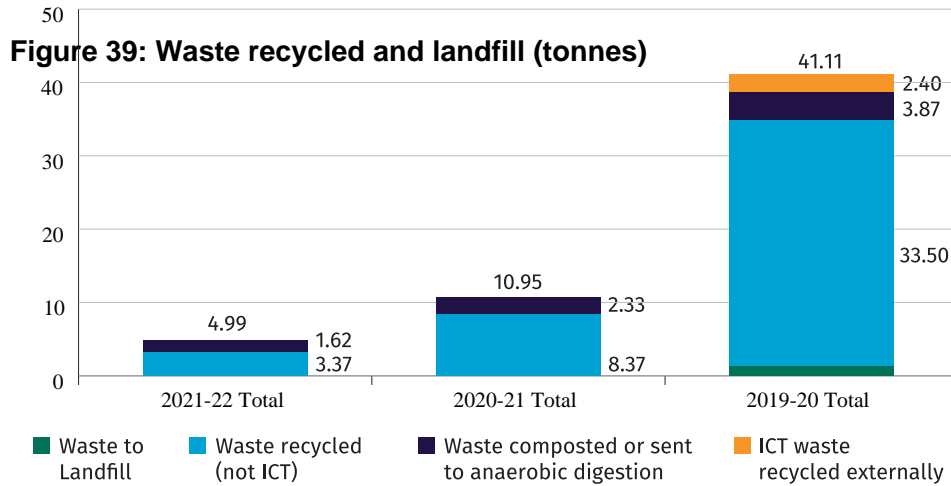
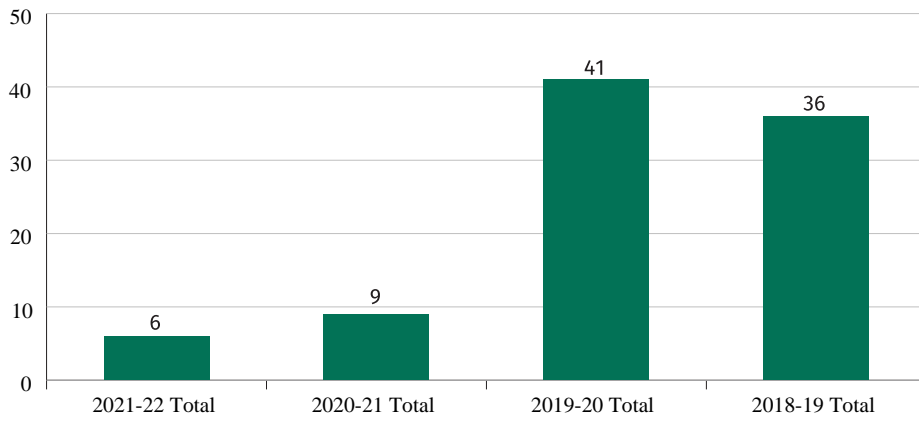
Having become a pioneering government department, this has generated a great deal of interest from other departments. We are now embarking on a further collaboration Pilot with the Crown Commercial Service to request information from suppliers on the framework to enable a fair and open competed 3-year contract. This project to recycle our ICT has made a huge contribution to the FSA's social value and sustainability strategy by helping people in need and have saved 75 tonnes in CO2 emissions. We are also working to obtain waste reports from our ICT supplier.

Our Climate and Environment Action Group (CEAG) continues to work on a dedicated workstream for waste and recycling and at how we can improve our existing processes which are already effective.

We are working with our government landlords to reduce the overall amount of waste generated.

The FSA has no contracts with office waste management suppliers for our main offices and we work with our landlords to ensure they are reducing waste and managing it sustainably. The FSA does have a contract to manage its confidential waste from office space within food business operators and this amounts to £24,000 per annum.

Figure 38: Waste (tonnes)



Emily Miles

Chief Executive and Accounting Officer

1. Data released to FSA London, Birmingham, Wales and Northern Ireland only. Data for office in York is accounted for by Defra.
2. UK wide data.
3. Due to an issue with the water usage figures provided by the Landlord for Clive House, the 2021/22 figures included above are an estimate based on the 2021/22 charges.

Accountability report

The requirements of the accountability report are based on the matters required to be dealt within a Directors' Report.

Directors' report

The requirements of the accountability report are based on the matters required to be dealt within a Directors' Report, as set out in Chapter 5 of Part 15 of the Companies Act 2006 and Schedule 7 of SI 2008 No 410, and in a Remuneration Report, as set out in Chapter 6 of the Companies Act 2006 and SI 2013 No. 1981.

The FSA is a non-Ministerial Government Department. Staff are accountable through a Chief Executive to the Board, rather than directly to ministers. The Board consists of a Chair, Deputy Chair and up to 12 members. The Chair and Deputy Chair are appointed by the Secretary of State for Health and Social Care in agreement with health ministers in Wales and Northern Ireland. The Board is mainly appointed by the Secretary of State for Health, with one member appointed by the Welsh Health Minister and one by the Northern Ireland Health Minister.

The Board is responsible for the overall strategic direction of the FSA, ensuring that it fulfils its legal obligations so that its decisions or actions take proper account of scientific advice, the interests of consumers and other relevant factors. Day-to-day management of the FSA is delegated to officials through the Chief Executive. In addition to the FSA Board, the FSA has advisory committees, chaired by Board members, in Wales and Northern Ireland. The role of the committee in each country is to advise the Board. The Board is required by statute to take account of their advice in its work.

Details of the Board and Directors

The FSA Board

During the year, the membership of the non-executive FSA Board was:

Member name	Position
Professor Susan Jebb OBE, PhD, FRCP (Hon), FMedSci (Chair)	FSA Chair from July 2021
Dr Ruth Hussey CB OBE	Interim Chair from February 2021 until June 2021 Deputy Chair from July 2020
Peter Price	Chair of the Welsh Food Advisory Committee from September 2020
Colm McKenna	Chair of the Northern Ireland Advisory Committee (reappointed September 2020)
Margaret Gilmore	Board member
Mark Rolfe	Board member

Member name	Position
Timothy Riley	Board member
Fiona Gately	Board member from June 2021
Lord Blencathra	Board member from June 2021

Executive Management Team

During the year, the membership of the Executive Management Team was:

Member name	Position
Emily Miles	Chief Executive
Steven Pollock	Acting Director of Strategy, Legal and Governance from January 2021 until July 2021
Professor Robin May	Chief Scientific Adviser
Dr Colin Sullivan	Chief Operating Officer until December 2021
Simon Tunnicliffe	Interim Director of Operations from December 2021 until March 2021
Chris Hitchen	Director of Finance and Performance until July 2021
Julie Pierce	Director of Openness, Data, Digital and Wales
Maria Jennings	Director of Regulation, Compliance, People and Northern Ireland
Rebecca Sudworth	Director of Policy
Craig Thomas	Interim Director of Finance and Performance from August 2021 from until October 2021
Pam Beadman	Director of Finance and Performance from September 2021

Member name	Position
Katie Pettifer	Director of Strategy, Legal, Governance and Communications from July 2021
Anjali Juneja	Director of UK and International Affairs from March 2022

All senior officials have been appointed under the rules laid down by the Civil Service Commissioners. Salary and pension details of the Board and the EMT are disclosed in the Remuneration Report.

FSA Advisory Committees

During the year, the membership of the food advisory committees was:

Northern Ireland Member

- Colm McKenna [Chair]
- Fiona Hanna
- Lorraine Crawford
- Cathal McDonnell
- Ellen Finlay
- Greg Irwin
- Dr Lynne McMullan
- Ciaran McCartan

Wales Member

- Peter Price [Chair]
- Alan Gardner
- Dr Philip Hollington
- Georgia Taylor
- Christopher Brereton OBE
- Helen Taylor
- Jessica Williams
- Dr John Williams

Audit and risk assurance committee

Membership of the FSA Audit and Risk Assurance Committee:

Non-executive members

- Colm McKenna
- Dr Ruth Hussey CB OBE
- Timothy Riley
- Margaret Gilmore
- Peter Price

Sections of the Accountability Report:

Read each section of the accountability report linked in the following section:

- [Management Commentary](#)
- [Statement of accounting officer's responsibilities](#)
- [FSA Governance Statement](#)
- [Remuneration report](#)
- [Staff report](#)
- [Statement of Outturn against Parliamentary Supply \(SOPS\)](#)
- [Parliamentary Accountability Disclosures](#)
- [The certificate and report of the Comptroller and Auditor General to the House of Commons](#)

Accounts

Financial statements that show cash flows, net expenditure and the FSA financial position.

Financial statements

Statement of Comprehensive Net Expenditure

for the year ended 31 March 2022

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values on non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

Type of expenditure	Note	2021/22(£000)	2020/21 (£000)
Revenue from contract with customers	4	(34,089)	(31,278)
Other operating income	4	(335)	(280)
Total operating income	-	(34,424)	(31,558)
Staff costs	3	97,735	92,893
Purchase of goods and services	3	18,653	11,031
Depreciation and impairment charges	3	2,362	2,505
Provision expense	3	2,364	(675)
Other operating expenditure	3	25,203	24,639

Type of expenditure	Note	2021/22(£000)	2020/21 (£000)
Total operating expenditure	-	146,317	130,393
Net operating expenditure	-	111,893	98,835
Finance expense	12	1,781	1,589
Net expenditure for the year	-	113,674	100,424
Actuarial (gain)/loss on pension scheme liabilities	12	(28,178)	19,913
Comprehensive net expenditure for the year	-	85,496	120,337

Statement of financial position

As at March 2022.

This statement presents the financial position of the Food Standards Agency. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

Non-current assets:

Entity	Note	2021/22(£000)	2020/21 (£000)
Property plant and equipment	5	3,563	3,463
Intangible assets	6	4,662	4,491
Total non-current assets	-	8,225	7,954

Current assets:

Entity	Note	2021/22(£000)	2020/21 (£000)
Trade and other receivables	9	4,923	4,447

Entity	Note	2021/22(£000)	2020/21 (£000)
Other current assets	9	4,440	3,541
Cash	8	447	1,490
Total current assets	-	9,810	9,478
Total assets	-	18,035	17,432

Current liabilities:

Entity	Note	2021/22 (£000)	2020/21 (£000)
Trade and other payables	10	(4,244)	(2,345)
Provisions	11	(300)	(300)
Other liabilities	10	(14,257)	(14,279)
Total current liabilities		(18,801)	(16,294)
Total assets less current liabilities		(766)	508

Non-current liabilities:

Entity	Note	2021/22 (£000)	2020/21 (£000)
Provisions	11	(650)	(712)
Other payables	10	(532)	(485)
Net pension liability	12	(65,416)	(91,049)
Total non-current liabilities	-	(66,598)	(92,246)

Entity	Note	2021/22 (£000)	2020/21 (£000)
Total assets less total liabilities	-	(67,364)	(91,738)

Taxpayers' equity and other reserves:

Entity	Note	2021/22 (£000)	2020/21 (£000)
General fund	-	(67,364)	(91,738)
Total taxpayers' equity	-	(67,364)	(91,738)

Statement of cash flows

for the period ended 31 March 2022.

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Food Standards Agency during the reporting period. The statement shows how the department generates and uses cash and cash equivalents by classifying cash flows as operating, investing, and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Food Standards Agency's future public service delivery.

Cash flow operating activities:

Cash flow statement	Note	2021/22 (£000)	2020/21 (£000)
Net operating expenditure	SOCNE	(113,674)	(100,424)
Adjustments for non-cash transactions	3, 11 and 12	8,292	7,644
(Increase)/Decrease in trade and other receivables	9	(1,375)	(13)
(Increase)/Decrease in trade and other payables	10	1,924	372

Cash flow statement	Note	2021/22 (£000)	2020/21 (£000)
less movements relating to items not passing through the Statement of Comprehensive Net Expenditure	10	1,043	85
Use of provisions	11, 12	(1,813)	(2,210)
Provisions not required written back	11	(62)	(2,201)
Cash contributions to pension deficit	12	(1,500)	(1,500)
Net cash outflow from operating activities	-	(107,165)	(98,247)

Cash flows from investing activities:

Cash flow statement	Note	2021/22 (£000)	2020/21 (£000)
Purchase of property, plant and equipment	5	(1,243)	(1,436)
Purchase of intangible assets	6	(1,390)	(1,214)
Net cash outflow from investing activities	-	(107,165)	(98,427)

Cash flows from financing activities:

Cash flow statement	Note	2021/22 (£000)	2020/21 (£000)
From the Consolidated Fund (supply)	-	108,755	100,812
Net financing	-	108,755	100,812
Net increase/decrease in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund	-	(1,043)	(85)

Cash flow statement	Note	2021/22 (£000)	2020/21 (£000)
Cash at the beginning of the period	8	1,490	1,575
Cash at the end of the period	8	447	1,490

Statement of changes in Taxpayers' Equity

for the period ended 31 March 2022.

This statement shows the movement in the year on the different reserves held by the Food Standards Agency, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

Type of financial reserve	Note	General fund (£000)	Total Reserves £000
Balance at 31 March 2020	-	(72,369)	(72,369)
Net Parliamentary Funding	-	100,897	100,897
Comprehensive net expenditure for the year	-	(100,424)	(100,424)
Auditors remuneration	3	71	71
Actuarial gain/(loss)	12	(19,913)	(19,913)
Balance at 31 March 2021	-	(91,738)	(91,738)
Net Parliamentary funding	-	109,798	109,798
Comprehensive net expenditure for the year	-	(113,674)	(113,674)
Auditors remuneration	-	72	72

Type of financial reserve	Note	General fund (£000)	Total Reserves £000
Actuarial gain/(loss)	12	28,178	28,178
Balance at 31 March 2022	-	(67,364)	(67,364)

Notes to the Departmental Resource Accounts

Statement of accounting principles covering nets costs by operating segment, expenditure, income, cash, trade receivables and payables and more.

1 Statement of Accounting Policies

1.1 Basis of preparation

These financial statements have been prepared in accordance with the 2021/22 Government Financial Reporting Manual (FReM) and Accounts Direction on page 215 issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Food Standards Agency (FSA) for the purpose of giving a true and fair view has been selected. The particular policies adopted by the FSA are described below. They have been applied consistently in dealing with items which are considered material to the accounts.

In addition to the primary statements prepared under IFRS, the FReM also requires the FSA to prepare an additional primary statement. The Statement of Parliamentary Supply and supporting notes in the Accountability Report show outturn against Estimate in terms of the Net Resource Requirement and the Net Cash Requirement.

1.2 Accounting Convention

These accounts have been prepared on a going concern basis under the historical cost convention, modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and liabilities where material.

1.3 Significant Accounting Policies and Material Judgements

Estimates and the underlying assumptions are reviewed on a regular basis by the FSA's senior management. Areas of significant judgement made by management are:

IAS19 Employee Benefits – FSA management are responsible for the assumptions and judgements behind the calculations of the defined pension liability. FSA management use

professional experts to ensure the numbers in this report reflect a true and fair view of the liability. Sensitivity analysis is documented in note 12.2.5.

IAS37 Provisions – judgement is made on the best estimate of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Note 11 of these accounts gives more details of the specific early retirement, legal and dilapidations provisions for the Agency and the basis for calculation.

1.4 Non-Current Assets

Non-current assets are items of the Agency's property that have a value greater than or equal to £5,000 (inclusive of irrecoverable VAT where applicable) and have a useful life of greater than one year. The capitalisation policy applies to all construction, capital improvements which enhance the functionality of a building, major equipment purchases and other capital projects totalling £5,000 or more. This also applies to multiple low cost items of a similar nature which are functionally interdependent or collectively improve efficiency within the FSA. When consolidated, these create an asset to the Agency. If these collectively have a cost in excess of £5,000 and an intended useful period in excess of a year then the items are usually consolidated as one asset.

1.5 Property, Plant and Equipment

The FSA does not currently own any land or buildings. All property, plant and equipment assets are carried at depreciated historic cost as a proxy for fair value.

This is in accordance with FReM requirements as these assets have short useful lives or low values or both. Assets under construction are not depreciated until the month after they are brought into use. All assets are owned.

1.6 Intangible Assets

Computer software and software licences with a purchase cost in excess of £5,000 (including irrecoverable VAT and delivery where applicable) are capitalised at cost and amortised over the life of the licence, or over 7 years if the licence is bought in perpetuity. Intangible assets under construction are not amortised until the month after they are brought into use. The FSA has developed an external facing website (www.food.gov.uk) primarily for the promoting and advertising of its own services. This website will not generate future economic benefits and consequently all expenditure incurred on developing it is recognised as an expense as it occurs and is not capitalised.

1.7 Depreciation and Amortisation

Assets are depreciated from the month following the date of being available for use. Depreciation and amortisation are applied on a straight-line basis to write off costs evenly over the asset's anticipated life. Estimated useful lives are reviewed during the year and assets are assigned new end of useful life dates where applicable. The below information shows the useful lives of the assets currently on the non-current asset register.

Asset	2021/22	2020/21
Property, plant and equipment: Computer equipment	2 to 10 years	2 to 10 years

Asset	2021/22	2020/21
Property, plant and equipment: Furniture, fixtures and fittings	3 to 10 years	3 to 10 years
Intangible assets: Computer software and software licences	2 to 7 years	2 to 7 years

Asset lives have changed year on year as a result of additions with longer expected useful lives and an annual review of existing useful lives.

1.8 Research & Development Expenditure

Expenditure on research is not capitalised in the Resource Accounts (but is in the SOPS) and is treated as an operating cost as it is incurred. Expenditure on development in connection with a product or service which is to be supplied on a full cost recovery basis is capitalised if it meets those criteria specified in IAS38.

Most research projects have a retention clause to ensure the satisfactory delivery of the final report. The FSA's policy is to accrue for the final retention amount if the work has been completed at the year end.

1.9 Revenue from Contracts with Customers and Other Income

In line with IFRS 15, the FSA recognises 'Revenue from Contracts with Customers' relating to its main operating activities and the associated contracts. These are classified by activity and grouped into revenue from meat official controls from industry, hygiene work carried out on behalf of other government departments, assessments and consultations on radioactive discharges and milk and dairy sampling. FSA revenue is recognised when the performance obligation is satisfied, performance obligation is when inspection and hygiene work is performed. More detail as to application of the 5 step model under IFRS 15 is detailed in note 4.1 of these accounts. Other 'Operating Income', such as for secondments and non-contractual services is detailed separately from 'Revenue from Contracts with Customers' in note 4.2.

1.10 Pensions

FSA past and present employees are covered by the provisions of the Civil Servant and Other Pension Scheme (CSOPS) known as "alpha". The defined benefit schemes are unfunded. The Department recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to alpha of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the alpha. In respect of the scheme, the Department recognises the contributions payable for the year. Further details can be found in the resource accounts of the [Cabinet Office: Civil Superannuation website](#).

There are currently 295 FSA employees who are active members of the Local Government Pension Scheme (LGPS). LGPS is a defined benefit scheme governed by the Local Government Pension Scheme Regulations 2005, and administered by Local Pensions Partnership. The scheme is subject to regular valuations by an independent, professionally qualified actuary. These determine the level of contributions required to fund future benefits. The

LGPS changed to a career average revalued earnings basis as of 1 April 2014 with a change of retirement age from 65 to that of the individual member's state pension age. All pensions in payment or built up before April 2014 are protected.

Pension assets and liabilities attributable to the FSA in the LGPS are recorded in line with IAS19 with a valuation undertaken annually to measure the value of pension assets and liabilities at the Statement of Financial Position date, determining the benefits accrued in the year and the interest on assets and liabilities. The value of benefits accrued is used to determine the pension charge in the Statement of Comprehensive Net Expenditure and the interest on scheme assets and liabilities is included within interest receivable/payable. The change in value of assets and liabilities arising from asset valuations, changes in benefits, actuarial assumptions or change in the level of deficit attributable to members, is recognised in the Statement of Changes in Taxpayers' Equity. The resulting pension liability or asset is shown on the Statement of Financial Position. The IAS19 valuation includes sensitivity analysis and the potential impact and this information can be found in Note 12.2.5.

Pension liabilities in the Board Pension Scheme are calculated by the Government Actuary's Department and a valuation is undertaken annually. The change in value of pension liabilities arising from changes in benefits or actuarial assumptions is recognised in the Statement of Changes in Taxpayers' Equity. The resulting pension liability is shown in the Statement of Financial Position. Further details about LGPS pensions can be found at the website www.lgps.org.uk. The contributions to Civil Service Pensions are set out in the Accountability Report and the costs in relation to the LGPS scheme are in Note 12.

1.11 Operating Leases

All operating leases are accounted for under IAS17 Leases. Classification is made at the inception of the relevant lease. Operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease. Operating lease incentives received are recognised as a reduction in the rental expenses and are allocated over the shorter of the lease or the period in which the rental has been reduced by the lessor. The allocation is on a straight line basis. The FSA does not currently have any finance lease liabilities.

1.12 Value Added Tax

The net amount of Value Added Tax (VAT) due to or from HMRC is shown as a receivable or payable on the Statement of Financial Position. Irrecoverable VAT is charged to the Statement of Comprehensive Net Expenditure, or if it is incurred on the purchase of a non-current asset, it is capitalised in the cost of the asset where not recoverable.

1.13 Provisions

Provisions are recognised in accordance with IAS37. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation, arising from a past event, at the Statement of Financial Position date.

The Early Retirement and Westminster Dilapidation provisions have been discounted at the rates set by HM Treasury. Other provisions have not been discounted as the resulting adjustments are not considered material to these accounts.

1.14 Contingent Liabilities

The rules for notifying liabilities to parliament are:

There is no need to tell parliament about:

- new liabilities arising under statutory powers unless the legislation calls for it;
- liabilities taken on in the normal course of business, except for those not in standard form and above £300,000;

Departments should notify parliament of:

- statutory liabilities, in the form expected by the legislation;
- any liability outside the normal course of business and above £300,000;
- any liability of a non-standard kind undertaken in the normal course of business;
- any liability which is novel, contentious or significant in relation to the organisation's (of the particular programme) expenditure, which is large and unquantifiable.

1.15 Financial Assets and Liabilities

The FSA holds the following financial assets and liabilities:

1) Assets:

- trade and other receivables
- other current assets
- cash

2) Liabilities:

- trade and other payables
- provisions
- other Liabilities

Financial Assets and Liabilities are accounted for under IFRS 9.

Cash balances are measured as the amounts received in FSA's bank account. The FSA does not currently have cash equivalents. Trade receivables are measured at fair value with an impairment review carried out on a monthly basis under IFRS 9. Trade and other payables are measured at fair value, with use of agreed invoiced amount, or management estimate in the case of accrued expenditure, forming the basis for valuation.

1.16 Early adoption of IFRSs, amendments and interpretations

The FSA have not adopted any IFRSs, amendments or interpretations early.

1.17 IFRSs, amendments and interpretations in issue but not yet effective, or adopted

IFRS 16 Leases

IFRS 16 has been applicable for reporting periods beginning from 1 January 2019. Due to the going COVID-19 pandemic, HM Treasury (HMT) delayed mandatory application of IFRS 16 by government departments until 1 April 2022, the FSA will therefore apply IFRS 16 from 1 April 2022.

The new standard removed the distinction between operating and finance leases for lessees and requires right of use assets and lease liabilities to be recognised in the Statement of Financial Position for all leases with a term of more than 12 months unless the underlying asset is of low

value.

IFRS 16 has been adapted by HMT to expand the definition of a contract to include intra-UK government agreements where non-performance may not be enforceable by law. This brings FSA accommodation leases with other government departments within the scope of IFRS 16.

HMT has withdrawn the accounting policy choice to apply IFRS 16 retrospectively to each prior reporting period presented in accordance with IAS 8. At the date of initial application the FSA will recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of taxpayers' equity.

HMT has also withdrawn the option to reassess whether a contract is, or contains, a lease at the date of initial application. The FSA will therefore only initially apply IFRS 16 to any contracts previously identified as a lease, or containing a lease, under IAS 17. Contracts relating to accommodation and lease cars have been identified as within scope of IFRS 16.

IFRS 16 does not require the recognition of assets or liabilities for leases where the underlying asset is of low value. HMT has mandated the election of this option and the FSA will therefore recognise lease payments for low value assets as an expense. The FSA will adopt a threshold of £5,000 for low value assets which is in line with its capitalisation policy for owned assets, see Note 1.4 for more details.

IFRS 16 also does not require the recognition of assets or liabilities for leases of 12 months or less. HMT have mandated the election of this option, so the FSA will recognise such leases as an expense. The FSA identified leases relating to Multi-Function-Devices as falling within this category.

IFRS 16 does not allow for inclusion of non-recoverable VAT within the value of the lease payments when calculating the value of the Right of Use Asset and Lease Liability.

On transition Right of Use Assets and Lease Liabilities will be recognised at an amount equal to the Net Present Value of the lease payments to be made from recognition, to the anticipated end of the lease. Such payments to be discounted at either the rate implied in the contract or at the rate defined by HMT. At December 2021 the rate to be used for leases recognised in the calendar year 1 January 2022 to 31 December 2022 is 0.95%.

FSA expects to record the following impact of IFRS 16 in the 22/23 accounts:

SoCNE impact of IFRS 16: £0.1 million

SoFP impact of IFRS 16

Closing ROUA balance 31/3/23: £7.4 million

Closing balance of Lease Liabilities 31/3/23: £7.5 million

IFRS 17 Insurance Contracts (expected to be adopted by FReM in 2023-24) is not likely to be applicable to the financial statements of the FSA.

2 Net Costs by Operating Segment

The segmental analysis detailed below covers the key spending areas of the Food Standards Agency and is aligned with the internal reporting to the Board and Executive Committee. The FSA reports regularly on this basis and performance is monitored against these areas.

The spend reported in 2020/21 has been redistributed in the below table against current spending areas for ease of comparison.

2021/22

Spending areas	Expenditure	Income	Net cost
Operations excluding NFCU and Ops Transformation	56,091	32,883	23,303
EU Transition	3,172	-	3,172
Risk Analysis including science	17,828	1,297	16,531
Risk Management including policy	6,994	-	6,994
Regulatory Compliance: Official Controls, legislation and Local Authorities	8,642	-	8,642
National Food Crime Unit	4,684	18	4,666
Surveillance (including sampling)	3,663	-	3,663
Doing the day job well	42,601	226	42,375
Achieving Business Compliance	781	-	781
Operational Transformation	1,547		1,547
Food Hypersensitivity	1,969	-	1,969
Shared Outcomes Fund	126	-	126
Total	148,098	34,424	113,674

2020/21

Spending areas	Expenditure	Income	Net cost
Operations excluding NFCU and Ops Transformation	54,966	30,310	24,657

Spending areas	Expenditure	Income	Netcost
EU Transition	9,462	-	9,462
Risk Analysis including science	11,365	1,095	10,270
Risk Management including policy	3,385	-	3,385
Regulatory Compliance: Official Controls, legislation and Local Authorities	6,422	-	6,422
National Food Crime Unit	4,596	-	4,596
Surveillance (including sampling)	2,488	-	2,488
Doing the day job well	35,351	155	35,196
Achieving Business Compliance	1,106	-	1,106
Operational Transformation	1,210	-	1,210
Food Hypersensitivity	1,632	-	1,632
Shared Outcomes Fund	-	-	-
Total	131,984	31,560	100,424

3 Expenditure

Expenditure	2021/22 £000	2020/21 £000
Wages and salaries	48,273	46,506
Social security costs	5,402	5,161
Other pensions costs	12,032	11,173

Expenditure	2021/22 £000	2020/21 £000
Other staff costs	1,621	2,074
Contract inspectors and veterinary costs	30,407	27,979
Staff costs total	97,735	92,893
Goods and Services	18,563	11,031
Total goods and services	18,653	11,031
Pension provision expense	2,425	1,521
General provision expense	(6)	(2,196)
Total provision expenses	2,364	(675)
Rentals under operating leases	1,744	1,948
ICT outsourcing, maintenance and support of networks and systems (footnote 1)	6,820	6,190
Travel and Subsistence, Hospitality and Conference costs	1,015	485
Accommodation costs including rates, estate management and security	2,751	3,299
Operational costs (laundry, sampling and equipment)	1,852	1,853
Grants	2,301	3,025
Research and Development expenditure	5,012	2,864
Training and Development	838	469
Legal costs	241	270

Expenditure	2021/22 £000	2020/21 £000
HR, payroll and pension services	382	302
Stationery, printing and postage	226	243
Welfare costs	102	92
Consultancy	45	24
Other Professional Service	940	2,756
Other	847	735
Other operating expenditure total	25,116	24,555
Non-cash items: Depreciation	1,143	1,530
Non-cash items: Amortisation	1,219	975
Non-cash items: Auditors' remuneration and expenses	72	71
Non-cash items: Apprentice Levy Utilisation	15	13
Total	146,317	130,393

4 Income

4.1 Revenue from Contracts with customers

Operating income, analysed by classifications and activity, is as follows:

Activity	2021/22 £000	2020/21 £000
Income for official controls charged to industry	29,704	27,231

Activity	2021/22 £000	2020/21 £000
Income for meat hygiene work charges to other government departments	3,115	3,018
Assessments and consultations on radioactive discharges	1,253	1,001
Milk and Dairy Hygiene - sampling	17	28
Total income from contracts with customers	34,089	31,278

to customers in an amount that reflects the consideration to which the FSA expects to be entitled in exchange for those goods or services. The breakdown above best reflects the income generated from FSA assessed against IFRS 15.

The £34.089 million income from official controls charged to industry, milk and dairy inspections, meat hygiene work carried out for other government departments and radiological assessments is contractual income that is invoiced in arrears and thus the performance obligation has already occurred.

There is no variable element to the transaction price. The transaction price is the cost of staff time carrying out services using an hourly rate for the grade of staff supplied/service provided. FSA does not accept non-cash consideration for payment nor does it offset consideration due to a customer against that due from the same party. Invoices are due on receipt and there is no time value of money or financing offered. Payment terms are immediate on receipt of the FSA invoice as all invoices are issued in arrears for services carried out in the month or quarter before. There is no separation of price invoiced against performance obligation as the obligation has already occurred. Invoices are calculated on a time basis less discount as described in the Fees and Charges Note on page 176.

In line with IFRS 15, revenue is recognised at the point of service provided to the customer, at the point of invoice raised or by accrual for services performed in month to be invoiced in future. There is no invoicing in advance of service provision.

4.2 Other operating income

Type of other operating income	2021/22 £000	2020/21 £000
Secondment income	171	97
Other income	102	144
income from sale of goods and services	47	26

Type of other operating income	2021/22 £000	2020/21 £000
Notional income: Apprentice Levy Grant	15	13
Total other operating income	335	280

5 Plant and Equipment

2021/22

Cost type	Fixtures and fittings	Office equipment	Computer equipment	Total
Cost at 1 April 2021	4,413	-	5,790	10,203
Additions	33	-	1,210	1,243
Reclassification	-	-	-	-
Disposals	-	-	-	-
At 31 March 2022	4,446	-	7,000	11,446
Depreciation as at 1 April 2021	2,941	-	3,799	6,740
Charged in year	349	-	794	1,143
Depreciation: Disposals	-	-	-	-
Depreciation at 31 March 2022	3,290	-	4,593	7,883
Carrying amount at 31 March 2022	1,156	-	2,407	3,563
Carrying amount at 31 March 2021	1,472	-	1,991	3,463

Cost type	Fixtures and fittings	Office equipment	Computer equipment	Total
Asset financing: Owned	1,156	-	2,407	3,563
Carrying amount at 31 March 2022	1,156	-	2,407	3,563

2020/21

Cost type	Fixtures and fittings	Office equipment	Computer equipment	Total
Cost at 1 April 2021	4,385	-	4,382	8,767
Additions	28	-	1,408	1,436
Disposals	-	-	-	-
At 31 March 2022	4,413	-	5,790	10,203
Depreciation as at 1 April 2021	2,597	-	2,613	5,210
Charged in year	344	-	1,186	1,530
Depreciation: Disposals	-	-	-	-
Depreciation at 31 March 2022	2,941	-	3,799	6,740
Carrying amount at 31 March 2022	1,472	-	1,991	3,463
Carrying amount at 31 March 2021	1,788	-	1,769	3,557

Cost type	Fixtures and fittings	Office equipment	Computer equipment	Total
Asset financing: Owned	1,472	-	1,991	3,463
Carrying amount at 31 March 2022	1,472	-	1,991	3,463

6 Intangible assets

Intangible assets comprise computer software and software licences.

2021/22

Type of asset	Computer software and software licences
Cost or valuation: Cost at 1 April 2021	7,411
Additions	1,390
Disposals	-
At 31 March 2022	8,801
Amortisation: As at 1 April 2021	2,920
Charged in year	1,219
Disposals	-
At 31 March 2022	4,139
Carrying amount at 31 March 2022	4,662
Carrying amount at 31 March 2021	4,491
Asset financing: Owned	4,662

Type of asset	Computer software and software licences
Carrying amount at 31 March 2022	4,662

2020/21

Type of asset	Computer software and software licences
Cost at 1 April 2021	6,197
Additions	1,214
Disposals	-
At 31 March 2022	7,411
Amortisation: As at 1 April 2021	1,945
Charged in year	975
Disposals	-
At 31 March 2022	2,920
Carrying amount at 31 March 2022	4,491
Carrying amount at 31 March 2021	4,252
Asset financing: owned	4,662
Carrying amount at 31 March 2021	4,662

7 Financial Instruments

As the cash requirements of the department are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The FSA has non-complex financial instruments – such as cash, receivables and payables – that are not subject to significant credit risk.

Credit risk – The FSA charges fees for meat official controls work to non-government industry customers for which there are some circumstances of payment default on amounts due. The FSA actively manages any default amounts and considers this not to be a material credit risk. The trade receivables figure presented in these accounts is recognised at fair value following an adjustment for the associated default risk. Other charges, which are predominantly government customers, present little or no credit risk.

Liquidity risk – The FSA has no significant exposure to liquidity risk as its net revenue resource requirements and capital expenditure are financed by resources voted annually by Parliament.

Market risk – The FSA has no significant foreign currency risk as it does not maintain any foreign currency assets or liabilities.

8 Cash

Cash type	2021/22	2020/21
Balance at 1 April	1,490	1,575
Net changes in cash and cash equivalents	(1,043)	(85)
Balance at 31 March	447	1,490

The following balances at 31 March were held at	2021/22	2020/21
Government Banking Service	447	1,490
Balance at 31 March	447	1,490

9 Trade receivables, financial and other assets

Amounts falling due within one year	2021/22	2020/21
Trade receivables	2,242	1,936
VAT recoverable	2,627	2,438
Other receivables	54	73

Amounts falling due within one year	2021/22	2020/21
Other current assets: Prepayments and accrued income	4,440	3,541
Total	9,363	7,988

10 Trade payables and other liabilities

Amounts falling due within one year	2021/22	2020/21
Trade payables	4,219	2,326
Other payables	25	19
Total payables	4,244	2,345
Other current liabilities: accruals and deferred income	13,810	12,789
Other current liabilities: amounts issued from the Consolidated Fund for supply but not spent at year end	447	1,490
Total other current liabilities	14,257	14,279
Lease adjustment as per IAS 17	532	485
Total	19,033	17,109

11 Early departure and other provisions

2021/22

Analysis statement	Early departure £000	Legal claims £000	Dilapidations £000
Balance at 1 April	-	300	712
Provided in the year	-	-	-

Analysis statement	Early departure £000	Legal claims £000	Dilapidations £000
Provisions not required written back	-	-	(62)
Provisions utilised in the year	-	-	-
Borrowing costs (unwinding of discount)	-	-	-
Balance at 31 March	-	300	65

2020/21

Analysis statement	Early departure £000	Legal claims £000	Dilapidations £000
Balance at 1 April	2,068	431	911
Provided in the year	5	-	-
Provisions not required written back	(1,871)	(131)	(199)
Provisions utilised in the year	(202)	-	-
Borrowing costs (unwinding of discount)	-	-	-
Balance at 31 March	-	300	712

Analysis of expected timing of discounted flows: 2021/22

Analysis statement	Early departure £000	Legal claims £000	Dilapidations £000	Total £000
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within one year	-	300	-	300
Total current provisions liability	-	300	-	300
between one and five years	-	-	114	114
between five and ten years	-	-	536	536
thereafter	-	-	-	-
Total non-current provisions liability	-	-	650	650
Provisions balance at 31 March 2022	-	300	650	950

The aforementioned respective provisions for early departure, dilapidations and legal claims have all been reviewed for the overall purpose of meeting reporting requirements outlined within IAS37 Provisions, Contingent Liabilities and Contingent Assets.

As a result it was confirmed that, under the existing accounting policy for Provisions, the appropriate recognition criteria and measurement bases are already being applied and that sufficient information has been disclosed.

11.1 Early departure costs

Early departure cost refers to liabilities to staff for early retirement. The FSA historically met the additional costs of benefits beyond the normal PCSPS and LGPS pension scheme benefits in respect of employees who retire early by paying the required amounts annually to the pension fund over the period between early departure and normal retirement date. The FSA provided for this in full when the early retirement programme became binding on the department by establishing a provision for the estimated payments discounted by the HM Treasury discount rates.

The Early departure costs provision is nil at 31 March 2022 as the future obligation is now included in the LGPS pension liability as disclosed in Note 12.

11.2 Legal claims

A provision has been created to cover legal issues affecting the FSA. This is described below.

The FSA holds a provision for personal injury claims to cover the estimated amounts required to settle the claims and costs for which the FSA has admitted liability. Claims against the FSA where liability has been denied are not included.

11.3 Dilapidations

A provision has been created in respect of estimated dilapidation costs for Apex House in Birmingham, Clive House in London and Foss House in York, all of which are based on an independent survey carried out by a third party. All provisions have been inflated and discounted by the HM Treasury rates. Inflation at 4.0% for year 1, 2.6% for year 2 and 2.0% into perpetuity and discounted at 0.47% for years 1-5 and 0.7% for years 6-10.

12 Provisions for pensions liabilities and charges

Pensions provisions

2021/22

Provision	Board Pension (£000)	LGPS Pension £000	Total £000
Net pension liability at 1 April	879	90,170	91,049
Total service and interest costs	11	5,847	5,858
Employer contributions	(34)	(1,179)	(1,813)
Deficit payment	-	(1,500)	(1,500)
Actuarial (gain)/loss	40	(28,218)	(28,128)
Net pension liability at 31 March	896	64,520	65,416

2020/21

Provision	Board Pension (£000)	LGPS Pension £000	Total £000
Net pension liability at 1 April	868	68,713	69,581

Provision	Board Pension (£000)	LGPS Pension £000	Total £000
Total service and interest costs	15	5,048	5,063
Employer contributions	(34)	(1,974)	(2,008)
Deficit payment	-	(1,500)	(1,500)
Actuarial (gain)/loss	30	19,883	19,913
Net pension liability at 31 March	879	90,170	91,049

12.1 FSA Board Pensions Provision

The FSA Board Pension provision relates to the by-analogy pension scheme with the Civil Service Pension Scheme that applies to former FSA board members' pension arrangements. The pension arrangements are unfunded with benefits being paid as they fall due and are guaranteed by the FSA. There is no fund and therefore no surplus or deficit. The payments are inflation-linked and are expected to be made over the remaining lifetimes of the current scheme members. The methodology and results of the assessment were undertaken by the Government Actuary's Department (GAD) and is in accordance with IAS19 and the FReM governing UK Accounting for Departments/NDPBs.

The capitalised value of the pension benefits payable by the FSA's Pension Schemes as at 31 March 2022 is £896,000 (2020/21 £879,000).

The scheme is closed and therefore it is likely that the current scheme liabilities will gradually decrease over time, as the expected pension payments are made to the scheme members. In the short-term changes in the scheme liability may be primarily driven by the assumptions used for future assessments (particularly the financial assumptions prescribed by HM Treasury).

Financial assumptions

Liabilities are valued on an actuarial basis using the Projected Unit Method. The main actuarial assumptions are as follows:

Financial assumption	31 March 2022	31 March 2021
Discount rate	1.55%	1.25%

Financial assumption	31 March 2022	31 March 2021
Rate of increase in salaries	N/A	N/A
Rate of increase in pensions in payment	2.90%	2.22%
CPI inflation assumption	2.90%	2.22%

Mortality

Life expectancy is based on the actuarial PA92-10 tables. Based on these assumptions, the average life expectancies at age 65 are summarised below.

Assumption	Males 31 March 2022	Females 31 March 2022	Males 31 March 2021	Females 31 March 2021
Current Pensioners	22.1 years	23.8 years	22 years	23.7 years

Present value of scheme liabilities

Liability	Value at 31 March 2022	Value at 31 March 2021	Value at 31 March 2020	Value at 31 March 2019	Value at 31 March 2018
Active members	-	-	-	-	-
Deferred pensioners	(245)	(236)	(229)	(216)	(221)
Current pensioners	(651)	(643)	(639)	(626)	(695)
Total	(896)	(879)	(868)	(842)	(916)

Analysis of movement in scheme liability

Analysis of scheme liability	2021/22	2020/21
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Scheme liability at 1 April	(879)	(868)
Current service cost (net of employee contributions)	-	-
Interest cost	(11)	(15)
Actuarial (loss)/Gain	(40)	(30)
Benefits paid	34	34
Net pension liability at 31 March	(896)	(879)

Analysis of amount charged to operating profit

Amount charged to operating profit	2021/22	2020/21
Current service cost (net of employee contributions)	-	-
Interest cost	11	15
Total cost	11	15

Analysis of amounts to be recognised in Statement of Changes in Taxpayers' Equity

Experience (losses)/gains arising on the scheme liabilities	2021/22	2020/21
Experience (losses)/gains arising on the scheme liabilities	(8)	14
Changes in financial assumptions underlying the present value of scheme liabilities	(32)	(44)
Net total actuarial (loss)/gain recognised in the statement of changes in taxpayers' equity	(40)	(30)

History of experience gains and losses

Experience (loses)/gains on scheme liabilities	2021/22	2020/21	2019/20	2018/19
Amount (£000)	8	14	10	55
Percentage of scheme liabilities	0.89%	1.59%	1.2%	6.5%

12.2 Provision for Local Government Pension Scheme Liability

12.2.1 The Local Government Pension Scheme is a defined benefit scheme which is administered by Local Pensions Partnership and governed by the Local Government Pension Scheme Regulations 1995. For the year ended 31 March 2022, contributions of £1.7 million (2020/21 £1.8 million) were paid to the fund at the rate determined by the Actuary appointed to the fund. For the period ended 31 March 2022, this rate was 19.4% (2020/21 19.4%) of pensionable remuneration.

On the basis of the full actuarial valuation the FSA Fund surplus was £3.7 million as at March 2019 (March 2016 deficit of £13.5 million). During 2021/22 the FSA made additional deficit reduction payments of amount of £1.5 million and will pay £1.5 million in 2022/23. The next full actuarial review of the scheme will show the position at 31 March 2022.

This triennial valuation process will be carried out in the summer of 2022 and will determine the FSA's employer contribution rate for a three year period starting 1 April 2023. An updated valuation, under IAS19 criteria, resulted in a calculated deficit of £67.5 million as at 31 March 2022 compared with a calculated deficit of £90.2 million as at 31 March 2021.

The projected unit method of valuation has been used to calculate the service cost under IAS19.

The actuary has estimated the employer's contributions for 2022/23 to be £1.67 million. The FSA is exposed to risk in relation to the fund's movement in assets and liabilities. The FSA manage a close relationship with LPFA regarding its investment strategy and meet regularly to ensure full understanding of the market performance and LPFA strategy for the fund. The FSA is awarded the highest covenant grading in relation to its going concern and financial stability, thus reducing the risk of fluctuating employer costs.

Financial Assumptions

The major financial assumptions used by the actuary when providing the assessment of the accrued liabilities as at the following dates for the Resource Accounting assessments were:

Financial assumptions	31 March 2022	31 March 2021
Inflation/Pension increase rate (RP1)	3.65%	3.25%
Inflation/Pension increase rate (CPI)	3.30%	2.85%

Financial assumptions	31 March 2022	31 March 2021
Salary increases	4.30%	3.85%
Pension increases	3.30%	2.85%
Discount rate	2,60%	2%

Mortality

The post retirement mortality is based on the Club Vita mortality analysis then projected using the Continuous Mortality Investigation (CMI) model. The impact of the coronavirus pandemic had a disproportionate impact on this weighting therefore the 2020 model has been updated with a weight parameter of 25%. Based on these assumptions, the average life expectancies at age 65 are summarised below.

Retirement status	Males 31 March 2022	Females 31 March 2022	Males 31 March 2021	Females 31 March 2021
Retiring today	21.2	23.3	21.0	23.2
Retiring in 20 years	22.5	26	22.4	25.9

Movement in liabilities

Movement in liabilities	2021/22	2020/21
Opening Defined benefit obligation	272,193	225,243
Current service cost	3,840	3,271
Interest cost	5,370	5,216
Change in financial assumption	(8,210)	50,284)
Change in demographic assumptions	-	(2,347)
Experience loss/(gain) on defined benefit obligation	494	(2,863)

Movement in liabilities	2021/22	2020/21
Liabilities assumed (extinguished) on settlements	-	-
Estimated benefits paid net of transfers in	(7,810)	(7,119)
Past service costs, including curtailments	-	-
Contribution by Scheme participants	574	635
Unfunded pension payments	(127)	(127)
Closing Defined Benefit Obligation	266,324	272,193

Movement in assets

Movement in assets	2021/22	2020/21
Opening fair value of Employer's Assets	182,023	156,530
Interest on assets	3,600	3,642
Return on assets less interest	20,502	25,191
Other actuarial gains/(losses)	-	-
Administration expenses	(237)	(203)
Contributions by Employer including unfunded	3,279	3,474
Contributions by Scheme participants	574	635
Estimated benefits paid plus unfunded net of transfers in	(7,937)	(7,246)
Settlement prices received/(paid)	-	-
Closing fair value of employer assets	201,804	182,023

The assets in the scheme and the expected rate of return were:

Assets	Value at 31 March 2022	% at 31 March 2021	Value at 31 March 2021	\$ at 31 March 2021
Equities	114,866	57%	102,019	56%
Target return portfolio	43,465	22%	41,473	23%
Infrastructure	20,559	10%	15,415	8%
Property	18,106	9%	15,647	9%
Cash	4,808	2%	7,469	4%
Market value of assets	201,804	100%	182,023	100%
Present value of scheme liabilities	(266,324)	-	(272,193)	-
Net pension liability	(64,250)	-	(90,170)	-

12.2.2 Movement in deficit during the year

Movement in deficit	2021/22	2020/21
Scheme liability at 1 April	(90,170)	(68,713)
Service cost	(3,840)	(3,271)
Administration expenses	(237)	(203)
Employer contributions	1,779	1,974
Payment of deficit	1,500	1,500

Movement in deficit	2021/22	2020/21
Past service cost	-	-
Other finance net interest charged (note 12.2.3)	(1,770)	(1,574)
Actuarial (loss)/gain note (12.2.4)	28,218	(19,883)
Net pension liability	(64,250)	(90,170)

12.2.3 Analysis of the amount charged to operating deficit

Operating deficit	2021/22	2020/21
Service cost	3,840	3,271
Net interest on the defined liability /(asset)	1,770	1,574
Administration expenses	237	203
Total	5,847	5,048
Employer contributions to be set off	(1,652)	(1,974)
Amount (credited)/charged to operating cost	4,195	3,074

12.2.4 Analysis of amount recognised in Statement of Changes in Taxpayers' Equity

Statement of changes	2021/22	2020/21
Return on fund assets in excess of interest	20,502	25,191
Other actuarial gains/(losses) on assets	-	-
Changes in financial assumptions	8,210	(50,284)
Change in demographic assumptions	-	2,347

Statement of changes	2021/22	2020/21
Experience gain (loss) on defined benefit obligation	(494)	2,863
Actuarial gain/(loss) recognised in the Statement of Changes in Tapayer' Equity	28,218	(19,883)

12.2.5 Sensitivity Analysis

Sensitivity Analysis	£000	£000	£000
Adjustment to discount rate	+0.1%	0%	-0.1%
Present value of total obligation	261,785	266,324	270,945
Projected Service cost	3,512	3,599	3,597
Adjustment to long term salary increase	+0.1%	0%	-0.1%
Present value of total obligation	266,837	266,324	265,813
Project Service cost	3,601	3,599	3,597
Adjustment to pension increases and deferred valuation	+0.1%	0%	-01.%
Present value of total obligation	270,396	266,324	262,321
Projected service cost	3,687	3,599	3,513
Adjustment to mortality age rating assumptions	+1 year	none	-1 year
Present value of total obligation	278,739	266,324	254,480
Projected Service cost	3,761	3,599	3,443

13 Contingent liabilities

The Department has the following contingent liabilities:

There are a number of claims being made by employees and others for injuries sustained in the workplace totalling approximately £95k. No provision has been made for these cases, however, a provision of £300k has been made for personal injury claims where liability has been admitted (Note 11).

The FSA has an unquantified contingent liability relating to a staff benefits dispute.

The nature of the work carried out by the FSA can mean that it may be subject to various claims and legal actions in the ordinary course of its activities with the position being uncertain and therefore unquantifiable.

The total quantified contingent liabilities are £7.3 million (2020/21 £0.3 million).

14 Commitments under leases

14.1 Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

Obligations under operating leases comprise:	2021/22	2020/21
Land and buildings:	-	-
Not later than one year	1,682	1,682
Later than one year and not later than five years	6,670	6,727
Later than five years	959	2,582
Total	9,311	10,991
Other: Not later than one year	39	89
Other: Later than one year and not later than five years	25	20
Other: Total	64	109

The FSA lease arrangements do not contain any contingent rents payable, terms of renewal or purchase options, escalation clauses or any imposed restrictions (such as those concerning dividends, additional debt or further leasing).

14.2 Other financial commitments

The FSA did not have any other financial commitments as at 31 March 2022.

15 Capital commitments

As at March 2022 there were no commitments for the purchase of capital items (31 March 2021 £ nil).

16 Related-Party Transactions

None of the Board Members, key managerial staff or related parties have undertaken any material transactions with the FSA during the year.

The FSA had a number of significant transactions with other Government Departments and other central Government bodies including Defra and its agencies, Ministry of Justice, Public Health England, Cabinet and its public bodies and agencies and the Department of Health and Social Care.

Details of remuneration provided to Senior Civil Servants and Board Members can be seen in the Remuneration Report.

17 Entities within the Departmental Boundary

The FSA has the following entities within the Departmental Boundary:

- Advisory Committee on Animal Feeding Stuffs
- Advisory Committee on Novel Foods and Processes
- Advisory Committee on the Microbiological Safety of Food
- Advisory Committee for Social Science
- Advisory Forum on Food and Feed
- Committee on Toxicity of Chemicals in Food, Consumer Products and the Environment
- FSA Science Council

18 Events after the reporting period

In accordance with the requirements of IAS10, Events after the Reporting Period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

There are no reported events after the reporting period.

1. Relevant Central IT costs are recharged to Devolved Offices from FSA Westminster.

Westminster Annual Report 2022: Annex A

Accounts Direction given by The Treasury in accordance with Section 5(2) of The Government Resources and Accounts Act 2000.

85. This direction applies to those government departments and pension schemes listed in the attached appendix.

86. These departments and pension schemes shall prepare resource accounts for the year ended 31 March 2022 in compliance with the accounting principles and disclosure requirements of the

edition of the Government Financial Reporting Manual issued by H M Treasury (“the FReM”) 2021-22.

87. If the Treasury has made an order for the year under section 4A(3) and (4) of the Government Resources and Accounts Act 2000, a department must detail the same information for each body designated in the Order under its name. This means that the department must also detail in its accounts the resources acquired, held or disposed of during the year by each of its designated bodies, and each such body’s use of resources during the year.

88. The Treasury made the following designation order for financial year 2021-22: the Government Resources and Accounts Act 2000 (Estimates and Accounts) Order 2021 (S.I. 2021/265). The list of bodies designated in the Schedule to that Order are amended by the Government Resources and Accounts Act 200 (Estimates and Accounts) (Amendment) Order 2021 SI (2021/1441). The amendments will designate additional bodies, change the names of some designated bodies and remove some bodies from designation.

89. The accounts of Government departments, with the details outlined above (for itself and its designated bodies) shall be prepared so as to:

(a) give a true and fair view of the state of affairs at 31 March 2022 and of the net resource outturn, the application of resources, changes in taxpayers’ equity and cash flows for the financial year then ended;

(b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.

90. The accounts for pension schemes shall be prepared so as to:

(a) give a true and fair view of the state of affairs at 31 March 2022 and of the net resource outturn, changes in taxpayers’ equity and cash flows for the financial year then ended;

(b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them; and

(c) demonstrate that the contributions payable to the Scheme during the year have been paid in accordance with the Scheme rules and the recommendations of the Actuary.

91. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with HM Treasury.

**Michael Sunderland, Deputy Director, Government Financial Reporting
Her Majesty’s Treasury
16 December 2021**

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