

FSA 22-12-23 Performance and Resources report quarter 2 2022/23

Executive summary of our quarter 2 2022/23 performance

The FSA has gone through some significant challenges since the start of 2022/23 including work to deliver the Retained EU Law Bill, the Precision Breeding Bill; the development of the Borders Target Operating Model and dealing with uncertainty on wider public finances.

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Notwithstanding those challenges, as highlighted by our key metrics, our achievements during Q2 include:

'Doing the day job'

We achieved our Q2 meat food business audit target of 90%. Of the 91% audits completed, all 'Improvement necessary' and 'Urgent improvement necessary' premises were audited during the period at the required frequency.

Most LAs are in compliance with the LA Recovery Plan. Many LAs are now completing planned inspections of the low risk categories emphasising how the system is closer to aligning with Food Law Code of Practice expectations, particularly for retailers, restaurants and caterers where, inspections are near pre-pandemic levels.

There has been a drop in Full Time Equivalent (FTE) officers allocated to posts. The gap between allocated and filled posts is larger than pre-pandemic levels, primarily due to lack of suitably qualified people available for LAs to employ. Across local food liaison groups LAs are reporting significant difficulty in recruiting and retaining staff.

This highlights the importance of our review of the food hygiene delivery model, in the ABC Programme, to introduce a more targeted approach to interventions; a more flexible approach for methods to undertake official controls and who can undertake these.

'Evolving our own capability and capacity'

Our senior leaders have identified a series of essential changes to our workplan that will create capacity to deliver the additional demands, without compromising our statutory duties. We have also agreed a set of goals and objectives for our three year corporate plan which will be brought to the Board for approval in Q4 2022/23.

Meat food business compliance

91% full meat audit completion. (9% points higher than quarter 1)

Recognition and use of FHRS

- 89% awareness of FHRS in England, Wales and Northern Ireland
- 88% recognition of the FHRS sticker
- 41% checked the food hygiene rating of a food business

Local Authority performance and FSA oversight

42,000 unrated businesses at 30 September 2022 (6,800 less than quarter 1 end)

Local Authority performance

- 94.5% interventions achieved at category-B rated establishments for hygiene as at 30 September 2022 (target of 100% by 30 June 2022)
- 84.2% interventions achieved at category C-rated establishments for hygiene and less than broadly compliant as at 30 September 2022 (target of 100%)
- 0 LA escalated through the escalation process

Workforce diversity and inclusion

(data is correct as at 30/09/2022)

- 7.7% disability representation (0.1% decrease point from March 2021)
- 5% LGB+ representation (0.3% increase points from March 2021)
- 45.5% representation of women (4% increase points from March 2021)
- 11.3% ethnic minority representation (0.7% decrease points from March 2021)

Resources (variance)

- £3.8 million (2.6% favourable variance) 2022/23 total underspend year to date
- including £1.8 million overspend of Westminster RDEL (1.6% adverse variance)

Performance and Resources report quarter 2 2022/23: Meat food business compliance (FBO audits) England, Wales and Northern Ireland

Meat food business compliance (FBO audits) in England, Wales and Northern Ireland looking at key successes, concerns and next steps.

Key successes in the quarter

Full audit completion achieved 91% in Q2 against a target of 90%, an increase of 9% points from quarter 1. This is a reflection of returning to pre-covid working levels, and priority given to achieving the 90% target.

98.7% Meat FBO premises rated 'Good' or 'Generally satisfactory' 0.2% decrease from quarter 1.

Concerns / risks

The scheduling of audits is aligned to FBO compliance, and the volumes continue to vary per quarter across all regions despite available audit resources remaining the same. In addition, there is an ongoing requirement for the audit team to provide support for the export assurance team. Both issues add additional pressure to meeting the 90% quarterly target.

On a more general note, filling the auditor vacancies continues to be a challenge, due to the highly competitive nature of the current veterinary market and the geographical requirements of the roles.

Next steps

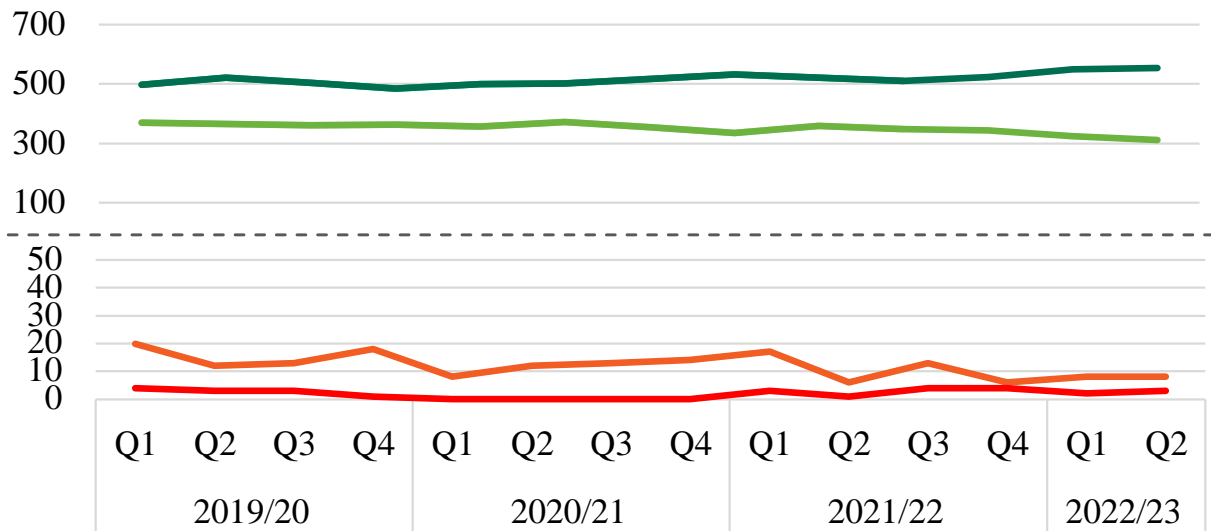
The business case for additional resource in the export assurance team has been approved, and recruitment for these roles is underway, as well as for the three current vacancies in the audit team. If recruitment is successful, the risk to audit delivery will be reduced.

Continue to work with Service Delivery Partner on the provision of additional veterinary audit resource to cover the high volume due in next few months.

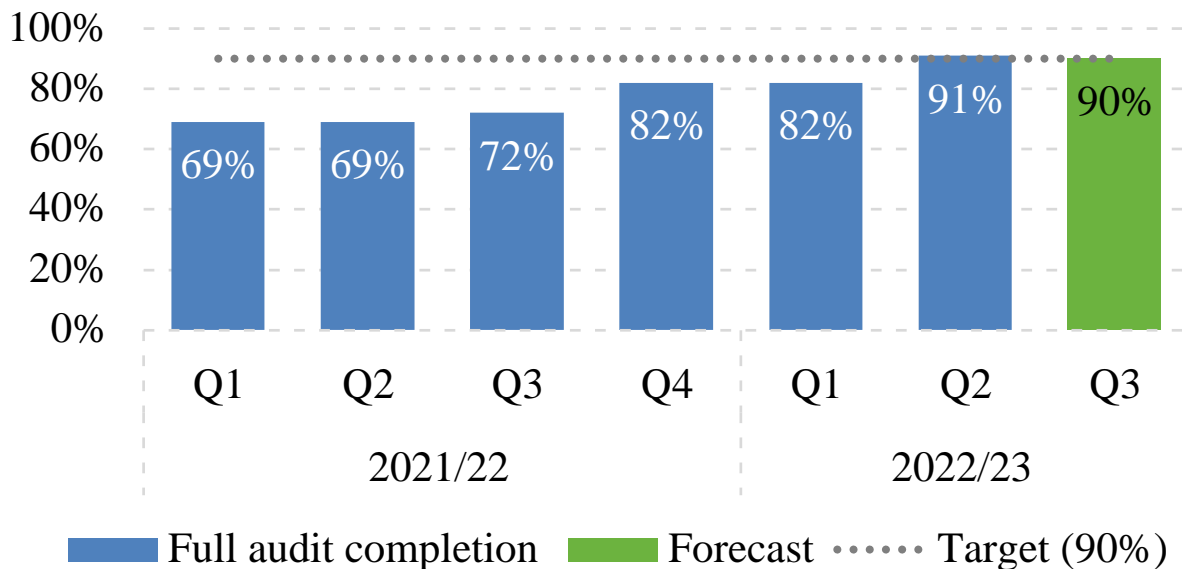
Work is underway to agree a memorandum of understanding and funding from Defra for increasing export assurance activity.

Number of meat FBOs rated

- 63.2% good (increase of 6 ratings)
- 35.5% generally satisfactory (decrease of 13 ratings)
- 0.9% improvement necessary (0 ratings difference)
- 0.3% urgent improvement necessary (increase of 1 rating)



Full audit completion against target for England and Wales



Performance and Resources report quarter 2 2022/23: Local Authority Performance

Performance of local authorities in quarter 2.

Key successes in the quarter

- the level of officer resource in the system has returned to close to pre-pandemic levels (but should not be confused with a system being fully resourced).
- most Local Authorities (LAs) are in compliance with the Recovery Plan.
- the number of businesses currently awaiting a rating has dropped by 18% since 1 April 2022 to 42,023 reported on 1 October 2022.

Concerns/risks

The number of new businesses triaged as potentially higher risk and awaiting inspection, since April 2022, is increasing as food systems normalise and the total volume of work required by the Recovery Plan means LAs have increasingly large workloads to manage.

Next steps

Continue to engage and monitor LAs who have yet to give an assurance of being able to deliver the requirements of the Recovery Plan.

FSA Recovery Plan - current RAG status

Date	Milestone	RAG rating

By 30 September 2022	Prioritisation of new businesses for intervention based on risk.	Green
From 30 September 2021 onwards	Completion of inspection of new registrations prioritised as higher risk.	Amber
By 31 March 2022 and ongoing	Completion of onsite hygiene inspections at Category A establishments.	Green
By 30 June 2022 and ongoing	Completion of onsite hygiene inspections at Category B establishments.	Green
By 30 September 2022 and ongoing	Completion of onsite hygiene inspections at Category C establishments less than broadly compliant.	Amber

Phase 1 and 2:

Ongoing specific legal requirements, surveillance, enforcement and urgent reactive work.

New and refreshed food hygiene ratings given following appropriate information.

Phase 1

By 30 September 2021

- prioritisation of new businesses for intervention based on risk
- planning of intervention programme from September 2021 onwards

Phase 2

FHRS re-visits requested by businesses - in line with timescales in Brand Standards/relevant statutory guidance

By 31 March 2021

- all establishments rated category A for hygiene to have received an onsite intervention

By 30 June 2022

- all establishments rated category B for hygiene or A for standards to have received an onsite intervention

By 30 September 2022

- all establishments rated category C for hygiene and less than broadly compliant to have received an onsite intervention

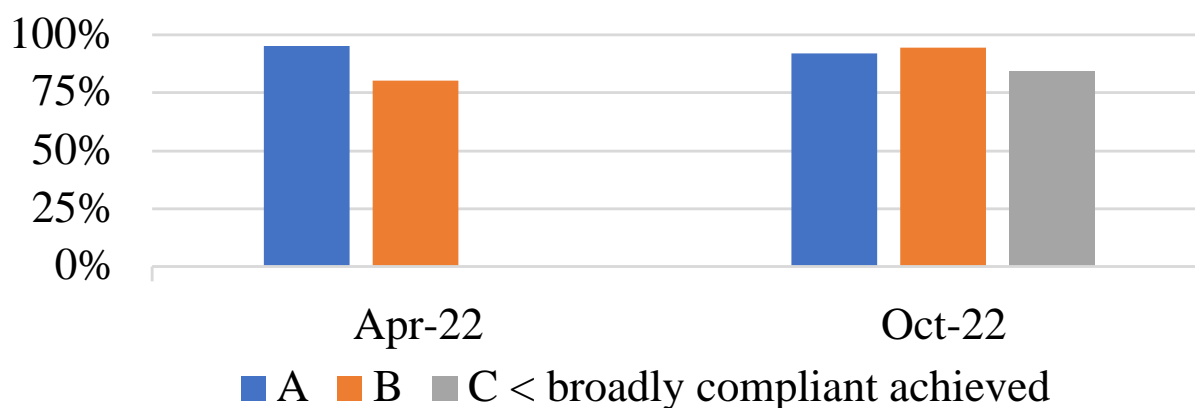
By 31 December 2022

- all establishments rated category D for hygiene and less than broadly compliant to have received an onsite intervention

By 31 March 2023

- all establishments rated category C for hygiene and broadly compliant or better to have received an onsite intervention
- new delivery models ready for implementation in 2023/24

Planned interventions achieved at A-rated, B-rated and C less than broadly compliant establishments



Is the system as a whole targeting the risks?

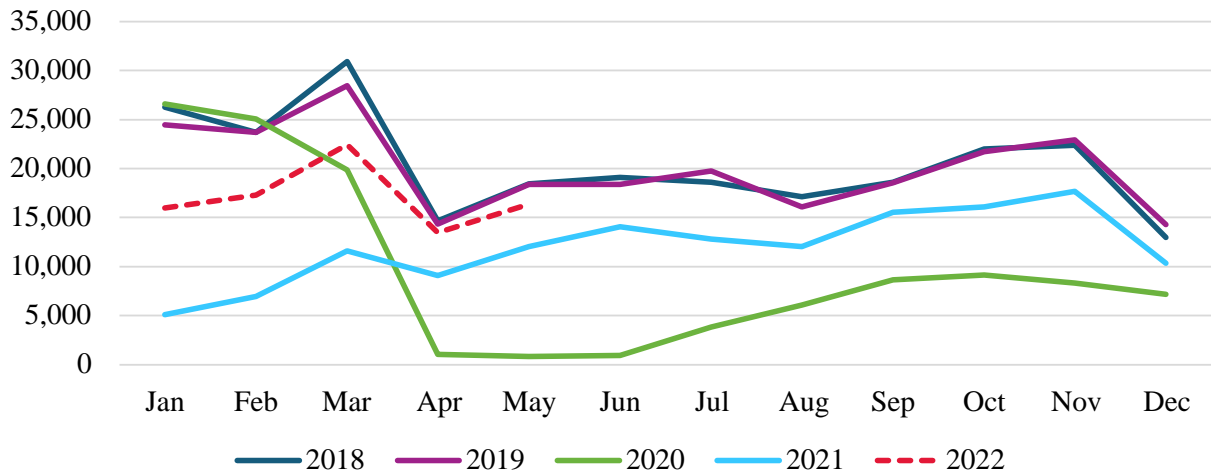
There has been a small fall in the percentage of interventions achieved at A-rated establishments since April 2022 but an increase in the percentage of interventions at B-rated establishments.

LAs have also made good progress on interventions at C-rated establishments less than broadly compliant and have achieved 84.2%.

In addition, LAs have started to tackle lower risk establishments and reported 26,542 interventions at C-rated establishments in total (of which 3,293 were at establishments less than broadly compliant) and 29,563 and 17,543 interventions at D- and E-rated establishments.

The risk rating of establishments refers to the rating before the intervention was carried out.

All interventions achieved at retailers, restaurants and caterers

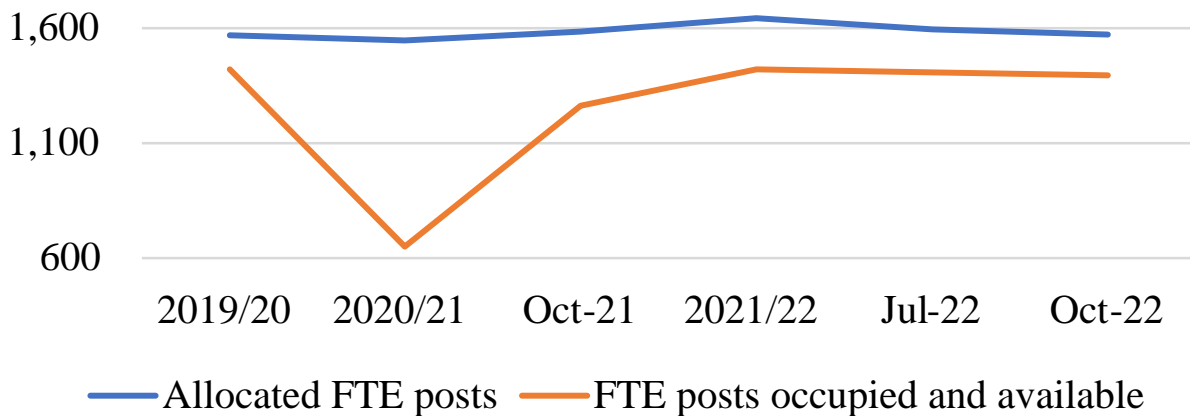


How are LAs delivering when we look at a sub-set of establishment types?

The analysis of FHRs data for 'retailers' and 'restaurants and caterers' allows us to look at LA delivery using close to live data.

Reassuringly, within this subset of establishments, we are seeing LA service delivery coming in line with pre-pandemic levels.

Professional FTEs for food hygiene controls work



Are occupied resources returning to food hygiene control delivery work?

Slight variations in FTE data should be treated with caution as they are LAs' estimates and only provide an indicator of resource.

Some LAs reported additional professional resource was allocated to deal with backlogs of food controls work between April 2021 and April 2022. Where this resource was funded for a short time on top of the normal allocated resource, this is included in the FTE posts on a pro-rata basis.

Data for 2018/19 and 2019/20 are estimates for the whole year and other datasets are estimates of FTEs at the end of the reporting period.

The slight reduction in FTEs in October 2022 may have an impact on the delivery of food control work.

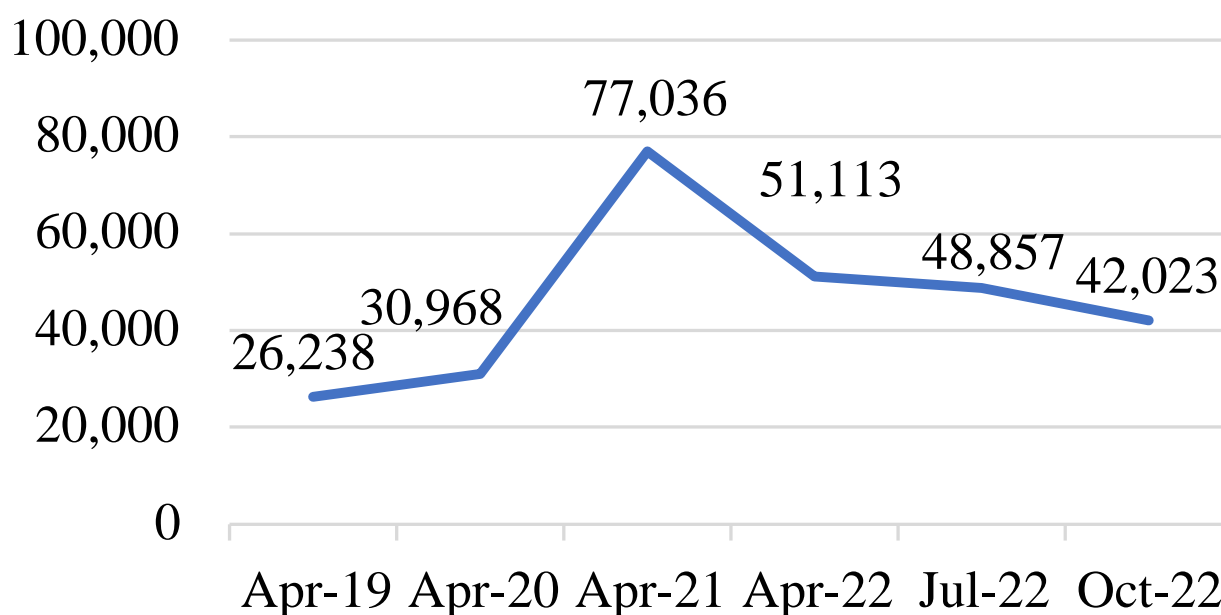
Some LAs have continued to report recruitment issues. But 90.6% LAs reported they anticipated having sufficient resource to deliver the Recovery Plan by 31 March 2023.

Local authority performance and FSA oversight

How are LAs managing new businesses and is there an increase in the level of unknown risk entering the system?

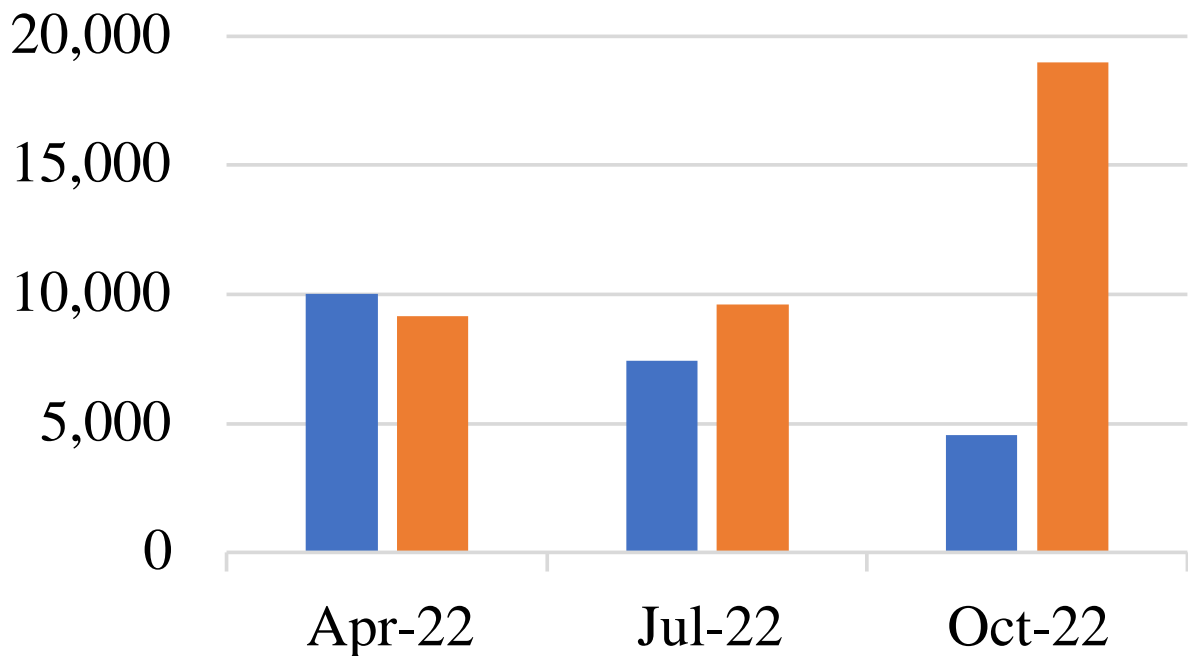
- “New registrations that need to be prioritised” for inspection are decreasing, suggesting an improvement in the management of unknown risk in the system.
- the large increase in “New registrations prioritised as higher risk awaiting inspection” since April is a concern, possibly due to LAs dealing with other higher risk businesses now due inspections.
- however, a change in wording to the queue about ‘higher risk’ new registrations awaiting inspection may have also resulted in some errors in responses in October 22, which will be investigated.
- the number of new registrations (new businesses or change of business ownership) changes over time as new registrations come in and interventions of previously unrated businesses take place.

Unrated businesses reported in each return*



*Data available only during April end of year annual returns. Since April 2022, data was collected quarterly.

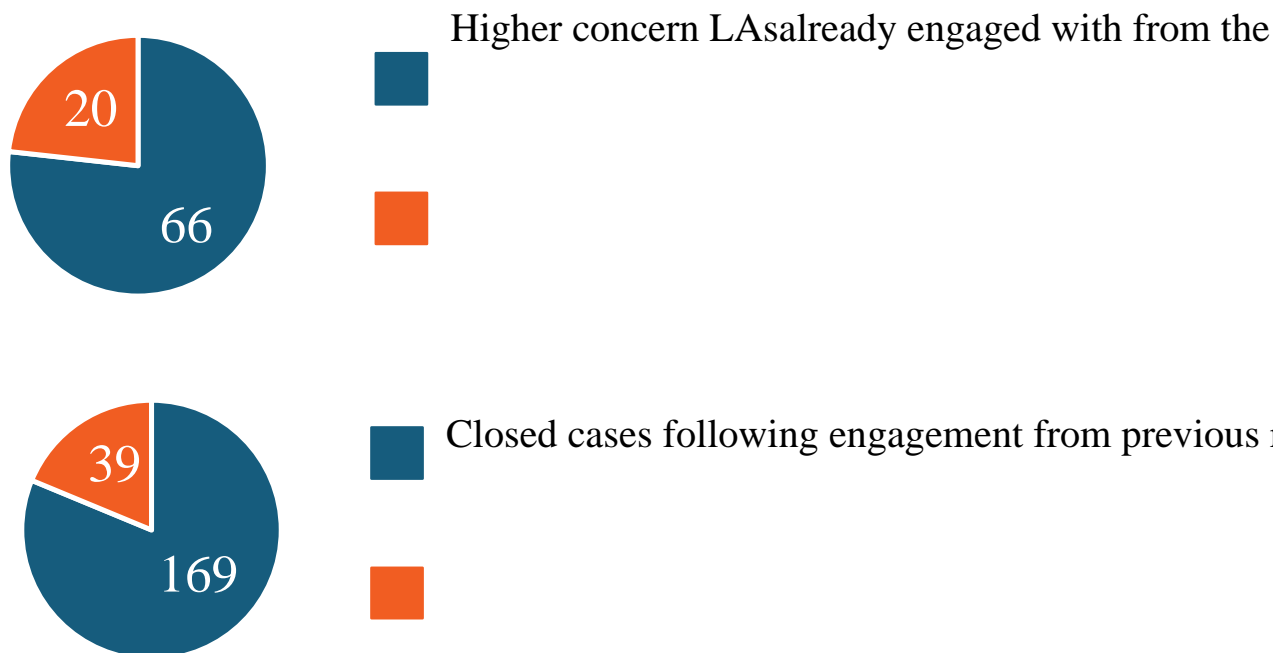
Prioritisation of new registrations at each quarter



- New registrations that still need to be prioritised
- New registrations prioritised as higher risk awaiting inspection

Status of LA engagement as at 1 October 2022

Escalations: 0 LAs escalated through the escalation process.



Status of LA Engagement

- one LA had been escalated from the April 2022 return, but following Performance Manager engagement and LA delivery of an agreed action plan, they have been de-escalated with ongoing monitoring to ensure improvements are maintained.
- LAs are selected for engagement based on risk. Food hygiene and food standards survey responses are analysed to identify the authorities that present the highest risk.
- when sufficient assurance is received that the delivery issues have been/are being addressed, the engagement is closed.
- differing staff capacity in Wales and NI may allow teams to make contact with authorities that present a lower risk in the risk matrix.

Performance and Resources report quarter 2 2022/23: Recognition and use of the Food Hygiene Rating Scheme

Latest results from FSA's flagship Food and You 2 survey and other results about the recognition and use of the Food Hygiene Rating Scheme.

Key successes in the quarter

Latest results from FSA's flagship Food and You 2 survey (Published Aug 2022, fieldwork conducted between Oct 2021 and Jan 2022), indicate consolidated consumer awareness (89%) and recognition (88%) of the FHRS is high across all three nations.

This is only the second tranche of fieldwork using a revised methodology, therefore it is difficult to draw any firm conclusions at this stage. Once additional iterations of fieldwork have been conducted and reported (2023) we will be able to comment on trends which will provide greater context to these findings and help determine whether further action (for example, consumer messaging) or research is required.

Concerns / risks

41% of those who eat out consider food hygiene ratings when deciding where to go. Those with very low food security (58%), younger adults (16-24 year olds) (50%), larger households (5+ people) (48%), and those living in urban areas (43%) were more likely to consider food hygiene ratings when eating out. 38% of those who order takeaways consider the food hygiene rating when deciding where to order from. Those with very low food security (54%), younger adults (25-34 year olds) (45%) and those living in urban areas (40%) were more likely to consider food hygiene ratings when ordering a takeaway.

Since its inception in 2020, the Food and You 2 survey has coincided with periods of change and uncertainty including the pandemic restrictions. This may have had an impact on attitudes and behaviours regarding food hygiene and eating out.

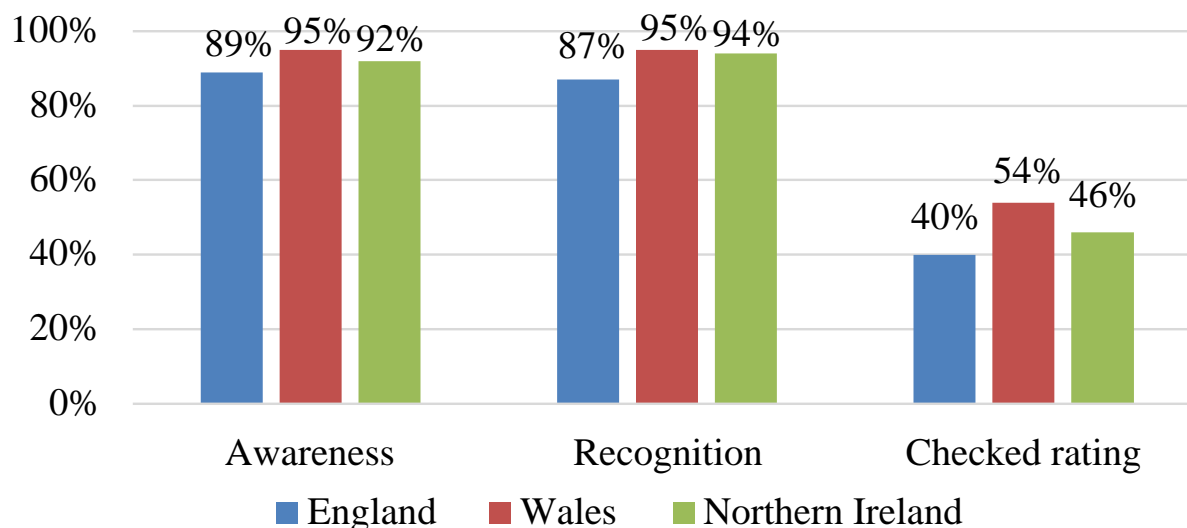
Next steps

Continue to collect data on FHRS use and recognition annually through our Food and You 2 survey.

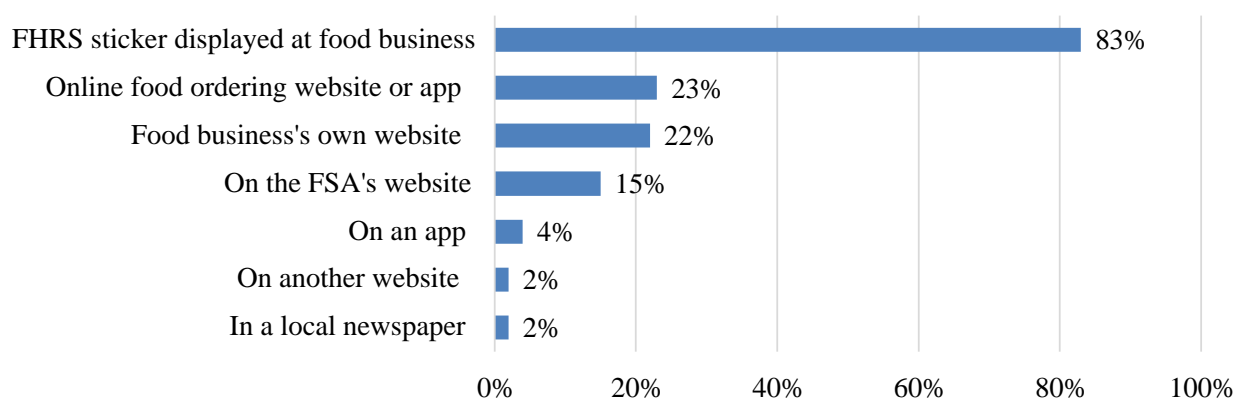
Food and You 2 latest findings

- 89% awareness of FHRs in England, Wales and Northern Ireland
- 88% recognition of the FHRs sticker
- 41% checked rating of the food hygiene rating of a food business

Consumer awareness, recognition and use of the FHRs



How respondents had checked the hygiene rating of food businesses (latest findings)



Performance and Resources report quarter 2 2022/23: Achieving Business Compliance

Achieving Business Compliance as reported in the Performance and Resources report for Quarter 2.

- Large retailer proof of concept trials on track for quarter 4. Large retailers partners; Asda, Tesco, Waitrose, Sainsbury's and Morrisons.
- Food Safety Charter developed with Deliveroo, JustEat and UberEats announced at FSA Board.
- Food Law Code of Practice amendments drafted with consultation commenced 17 October 2022.

- 3 nation agreement on approach to Food Standards delivery plan reached. Endorsement from FSA Board to evaluate LA engagement.

Key successes in the quarter

- **Enterprise level regulation:** Ongoing engagement with the 5 large retailers participating in the proof of concept trial, preliminary data and reports already shared by 3/5 of them are allowing exploration of consistency. New (temporary - for the duration of the pilot) roles have been created to support the FSA to form new relationships with these businesses and Primary Authorities to test out whether we can effectively regulate at an enterprise (as opposed to premises) level.
- **Online assurance:** The Food Safety Charter four headline principles were announced, and work underway with the aggregators on detailed actions beneath them. The direct links with the 3 aggregators has already demonstrated benefits for LA colleagues, with concerns about FBO behaviour being shared directly with the aggregators.
- **Food standards pilots:** Evaluations now complete for food standards pilot, and consultation from October – January 2023 secured. Positive movement towards targeting interventions at the key parts of the supply chain where they can have the greatest impact.
- **Food hygiene:** Continuing to develop the project to modernise the Food Hygiene Delivery model, worked with senior managers and policy across the three nations to agree on an approach to minimise delays to the project delivery plan. The FSA Board in September endorsed the headline policy and principles to evaluate success of Local Authority (LA) Engagement.

Concerns / risks

- the requirement for the department to deliver against the Retained EU Law (REUL) and other priority/time bound activity may impact the ability to deliver at the intended pace
- potential that the FSA will have a tightened annual spend from 2023/24, which will impact the ABC budget agreed in Spending Review 2021, impacting the scale and ambition of change, and will need to be carefully managed to ensure stakeholder expectations are not diminished.

Next steps

- **Enterprise level:** Advancing to Large Retailer proof of concept trial in Q4. Development of the verification model is underway.
- **Online assurance aggregator charter:** Aide memoire for aggregator onboarding teams being finalised and to be released Nov 22. Continued support to develop the Food Safety Charter, providing detail on how aggregators will support the principal statements.
- **Food standards:** 12-week consultation (with Local Authorities, Food Businesses, Trade Unions and Industry groups) commenced on 17 October on proposed changes to Food Law Code of Practice (FLCoP). Face to face LA engagement events undertaken throughout November, to cover new food standards model and KPI proposals for LAs under the new model.
- **Food hygiene delivery review:** Drafting initial policy proposals for modernised model for clearance. Considering pilot scheme versus pure modelling for impact assessment.

Performance and Resources report quarter 2 2022/23: Operational Transformation

Operational Transformation in the Performance and Resources report in quarter 2.

- technical panel introduced to gain Field Operations feedback and increase engagement
- regulatory divergence discovery completed with outputs to be presented to the FSA Board
- continued use of remote audits technology and exporting other areas for use
- digital improvements underway for FCI/CCIR and digital audit and inspections
- digital wine approvals case management system launching

Key successes in the quarter

- **Remote audits:** 16 remote audits have been undertaken so far. The project team are currently exploring other potential uses for remote technology within Operations to enhance service delivery with an expected update by end of Q3.
- **Regulatory Divergence:** We have explored the appetite for pursuing widescale regulatory reform within the meat and animal by-product sector considering the domestic and international divergence that would result. Outputs are to be presented to FSA Board in December to inform next step. Further work is planned with the small abattoir group going forward within the programme.
- **Wine approvals:** We are utilising the FSA's new case management system to improve the user experience for approvals of wine producers and inspectors. This continues the Programme's commitment to being digital by default and meeting consumer expectations. System is on track to be in place by end of Q3.
- **Clearer Accountability:** A discovery to review the roles and responsibilities and accountability of food businesses, Official Auxiliaries and Official Veterinarians, both inside and outside the current legislative framework. The outputs of this initial discovery will be reviewed within the project team in Q4 to plan ongoing activity. We also utilised the technical panel (a focus group of Meat Hygiene Inspectors to gain a wider feedback and engagement).
- **Food Chain Information/Collection and Communication of Inspection Results (FCI/CCIR):** Proof of Concept pilot to test barcode scanning to collect inspection results alongside an automated data upload mechanism into FSA systems is underway. The pilot will complete in Q3 with outcomes presented to Programme Board in December to agree next steps and impacts for Q4 and beyond.

Concerns / risks

- **Regulatory Divergence:** With current political climate there is a risk that there will be a reduced appetite to pursue legislative change that would result in Regulatory Divergence, with a knock-on impact to the overall scope of the programme.
- **Segmentation pilot:** Initial trials of pilot have identified lessons learned, and further rollout has been suspended for around 4-6 months whilst the model is re-designed and implementation approach is updated to address some issues highlighted. Potential perceived stakeholder risk around the shortcomings of the initial pilot and potential negativity towards future pilot activity.

Next steps

- **Digital Audit and Inspection:** Proof of concept for Audit and Inspections launched on 9 November. The software trial allows FBO auditors/inspectors to access vital inspection/audit data and improve reporting capabilities to improve consistency across the sector.

Performance and Resources report quarter 2 2022/23: Evolving our own capability and capacity

Evolving our own capability and capacity, Performance and Resources report for quarter 2.

Key successes in the quarter

Since the start of 2022/23 we have faced significant pressures, including work to deliver the Retained EU Law Bill, Precision Breeding Bill and Borders Target Operating Model. In response, the Executive Management Team and Business Delivery Group have identified a series of essential changes to our workplan for this year that will create capacity to deliver these additional demands, without compromising our statutory duties.

- We will continue work to evolve our own capabilities and capacity to deliver our strategy, including by setting out a new three-year corporate plan and, over time, a 'People Plan' that will provide a blueprint for the ongoing culture and development of the FSA workforce, and by replacing core systems such as finance and payroll.
- However, other deliverables in this space will now change. For example, we will be pausing work to scope out opportunities for additional contributions to healthier and more sustainable food, and delaying the launch of our new people plan. The December prioritisation Board paper contains further details.

We have also agreed a set of goals and objectives for our three year corporate plan with the Executive and Business Delivery Group. These aim to set a realistic expectation for what we will achieve in the coming years, and informs our approach to in-year planning for 2023/24. The three year corporate plan will be brought to the Board for discussion and approval in Q4 2022/23.

Concerns / risks

We may need to revisit these decisions if further pressures emerge, or in response to any savings government may require us to make to our budget for this year.

Next steps

- we will continue to implement the changes to our work identified during prioritisation and develop our three year corporate plan.
- the Executive will review prioritisation in January and consider whether any further action is necessary. We will update the board following this discussion.

Performance and Resources report quarter 2 2022/23: Workforce diversity and inclusion

Declared workforce representation as at September 2022

- 7.7% (decrease of 0.1% point from March 2021) Disability representation in the FSA. 6.3% and 8.3% points below the Civil Service average and the economically active population respectively.
- 5.% (increase of 0.3% points from March 2021) LGB+ representation in the FSA. 1.1% point below the Civil Service average.
- 45.5% (increase of 4% points from March 2021) Representation of women in the FSA. 9% points below the Civil Service average.
- 11.3% (decrease of 0.7% points from March 2021) Representation ethnicity in the FSA. 3.2% and 3.7% points below the economically active population and the Civil Service average respectively.
- economically active population data included from, Labour force survey at 31 March 2022 (where available). Civil Service average included from 2022 Civil Service Statistics.

Key successes

We are close to 50% for representation of women in the FSA and have reached parity at the Senior Civil Service Level. Our pipeline is strong, with parity reached for HEO-Grade 6. In comparison to the economically active population, we are slightly below representation regarding ethnicity and sexual orientation. Disability continues to have the biggest difference between our declared representation and the economically active population. This quarter will therefore, focus on risks / concerns and next steps in relation to disability.

Concerns / risks

- 31.3% of staff have not declared their disability status, meaning we do not have a valid picture of our disability representation. Further work is required to understand the reasons for lower declaration rates and we will continue to encourage and educate on its importance.
- as our declared disability representation is significantly lower (7.7%) than the economically active population (16%), it is unlikely we will see a notable increase in our overall representation of staff with disabilities in the short to medium term, as only 11 out of 142 new recruits have declared a disability.
- the gap between representation in FSA and the economically active population raises the following questions about declaring a disability: do potential applicants view the FSA as a disability inclusive employer, and do our colleagues feel supported and included?

Next steps

- achievement of the Disability Confident Leader Level and Carers Accreditation will allow us to strengthen our brand as a disability inclusive employer.
- Completing the Disability Smart Audit, will allow us to benchmark ourselves against private / public sector organisations and identify actions we need to take.
- a Diversity Data Matters Campaign (December 2022) to encourage declaration which will give us a more accurate picture of representation of all protected characteristics, majoring on disability.
- for International Day of Persons with Disabilities in December, we will be running activities such as spot reverse mentoring; disability awareness podcasts; line manager workshops;

promotion of workplace passports.

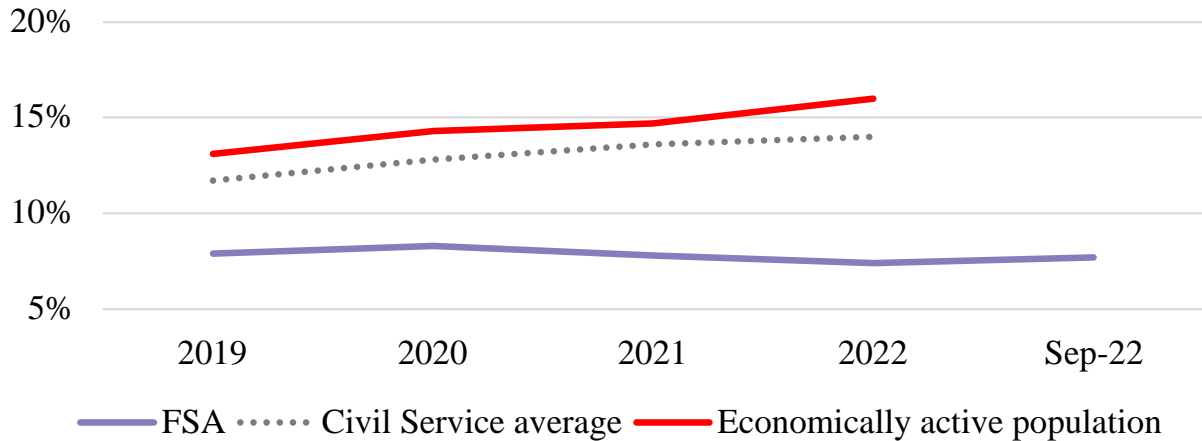
- a new Exit Interview online questionnaire was launched in September which will supply us with data on reasons for leaving and employee experience, which we can analyse by protected characteristic and take the necessary actions.

Workforce representation by protected characteristics

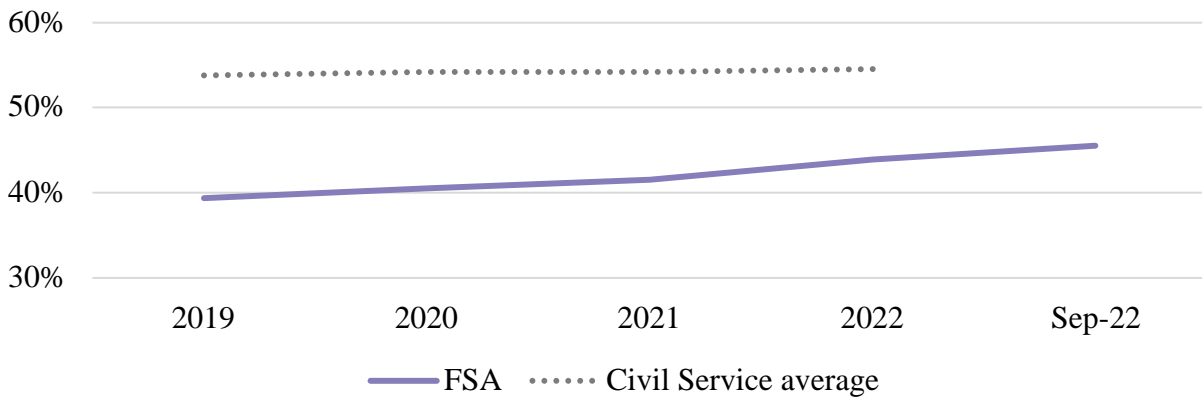
(annual figures provided as per 31 March)

Representation of disability (declared)

69.7% declared.

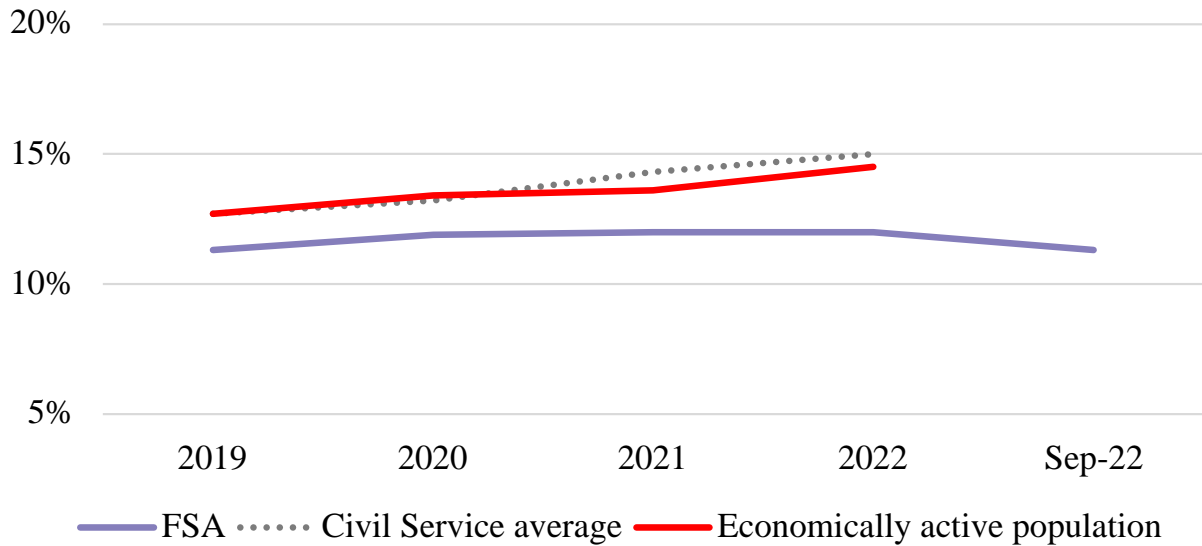


Representation of women



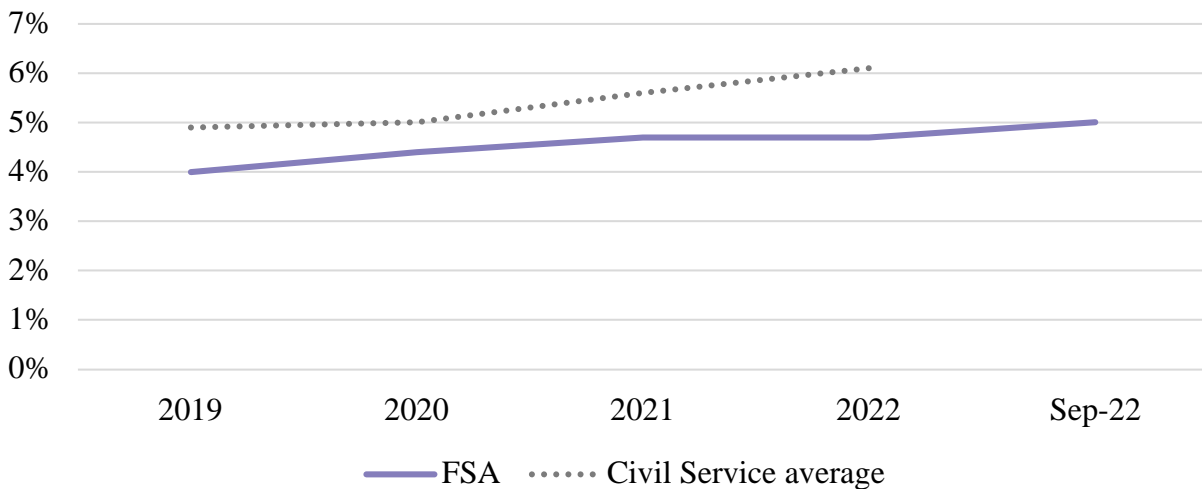
Representation of ethnic minority (declared)

87.8% declared.



Representation of Lesbian, gay, bisexual and other (LGBO) (declared)

73.8% declared.



Declaration excludes where information is unknown or an individual has chosen not to state. Economically active population data is not available for sexual orientation or sex.

Performance and Resources report quarter 2 2022/23: Resources

Performance and Resources report quarter 2 2022/23, resources statistics.

- £3.8 million 2022/23 year to date forecast underspend (including Westminster RDEL £1.8 million overspend)
- 145+ actual NET FSA FTE from quarter 2 2021/22 to quarter 2 2022/23
- 212+ forecast NET FSA FTE from October 2022 to March 2023

Key successes in the quarter

- quarterly director meetings providing additional insight to align business plans to the budget.
- of the +212 forecast FTE, 109 are in the later stages of recruitment or an offer has been made and 103 are in the early stages.

Concerns / risks

- Westminster is forecasting an overspend against Resource Departmental Expenditure Limits (RDEL) of £1.8million as we aim to fulfil as many of our SR21 plans and maximise the 2022/23 budget. We expect this overspend to reduce to within limits by the end of Q3.
- forecast underspend of £1.5million on Shared Outcomes Funding (SOF) is ring-fenced funding and cannot be reallocated to other directorates. As lead partner on the programme, the FSA must also ensure all other partners are managing their budgets effectively. The SOF programme (including non-FSA partners) is forecasting to spend £7.1million of its £9.0million budget in 2022/23.
- further recruitment is forecast in the final half of the year although we will continue to monitor this plan in light of the financial environment we are operating in.

Next steps

- 2021/22 Annual Report & Accounts planned to be laid in Parliament in December 2022.
- robust 2022/23 October forecasts used to inform the draft position for the Supplementary Estimate in November which will be finalised in January.
- work on the meat industry charge rates and discount calculations for 2023/24 charges to begin in Q3.
- an integrated budget and planning exercise for 2023/24 to commence in Q3 and completed in Q4.

Expenditure	2022/23 Full year Forecast quarter 2 (£ million)	2022/23 Full year limits (£ millions)	Under/(Over) spend availability (£ million)	Fav/(Adv) variance %
FSA total RDEL and CDEL excluding AME	142.6	146.4	3.8	2.6%
Westminster (excluding SOF) RDEL and CDEL excluding AME	121.0	121.8	0.8	0.7%
of which RDEL	112.7	110.9	(1.8)	(1.6%)

Expenditure	2022/23 Full year Forecast quarter 2 (£ million)	2022/23 Full year limits (£millions)	Under/(Over) spend availability (£ million)	Fav/(Adv) variance%
of which CDEL	8.3	10.9	2.6	23.9%
Shared Outcomes fund RDEL and CDEL	2.1	3.6	1.5	41.7%
Wales RDEL and CDEL	4.9	5.0	0.1	2.0%
Northern Ireland RDEL and CDEL	14.6	16.0	1.4	8.8%

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