

# Chief Executive's Report to the Business Committee

FSA BC 23-12-03

## 1. Incidents

1.1 Through the FSA's signal monitoring mechanism, we have identified that *Listeria* monocytogenes in enoki mushrooms has caused reported cases of illness and fatalities in the USA and Canada between 2021 and 2023, with 41 cases leading to 4 fatalities. As a consequence, the Incident and Resilience Unit has targeted investigations coupled with in land and border surveillance identifying high levels of *L. monocytogenes*, as well as a series of labelling and other hygiene issues. In turn this led to us reporting several incidents.

1.2 The FSA published advice to industry and enforcing authorities in early October, and then [published advice](#) for vulnerable consumers in a [news story](#) on 23 October 2023. Our advice is that enoki mushrooms should be thoroughly cooked, and consumers should also follow good food hygiene practices, to avoid the risk of listeriosis. *Listeria* in enoki mushrooms has been added to the High-Risk Food of Non-Animal Origin list for additional checks at the border, subject to the parliamentary Statutory Instrument approval process.

1.3 My report to the Committee in September highlighted our work in investigating incidents and outbreaks linked to imported Polish poultry products, both meat and eggs, contaminated with *Salmonella enteritidis*. Since then, we have reviewed the situation and despite investigation of over ninety incidents in the last two years with two outbreaks linked to eggs and three linked to poultry meat from Poland this year, the pattern of incidents has not improved. Each time we have detected a specific food safety concern we have acted promptly to keep consumers safe, but we are unhappy about the repeated occurrences. We have therefore established the Incident Management Coordination Group (IMCG) which will coordinate activities across relevant government departments including Defra and UKHSA, shifting the effort from responding on a case-by-case basis to a more holistic approach. The IMCG will identify the most suitable emergency safeguarding options to address the re-occurring incidents. We wish to do more to tackle this at source and avoid this burden and risk to ensure UK consumers have a high level of health protection. The UK Office for Sanitary and Phytosanitary (SPS) Trade Assurance is undertaking a targeted audit of Poland in April 2024 to evaluate the controls in place, and work is underway as part of this to gather information pre audit to inform assessment and UK understanding.

1.4 On 8 November, we were notified by the Animal and Plant Health Agency of a suspect result of Bluetongue Virus (BTV) identified in a single bovine on a farm in Kent. This is not being treated as an outbreak of BTV. Defra immediately imposed a 10km Temporary Control Zone around the implicated holding. We have confirmed BTV does not affect people, food or feed safety. We have therefore made no change to our usual food safety advice. The Chief Veterinary Officer has urged farmers to remain vigilant for BTV. Similarly, FSA veterinarians are observing Defra's request for additional vigilance for animals slaughtered in FSA approved slaughterhouses.

1.5 In October, we published a [risk assessment to look at norovirus outbreaks in oysters](#). We assessed the public health risk of raw oysters with a range of norovirus ribonucleic acid (RNA) levels. We concluded that if oysters are eaten raw and there is potential human wastewater contamination from sewerage spills or if the oyster batch is linked to outbreaks, there is a risk of illness from norovirus. The risk varies from low (rare but does occur) to very high (events occur almost certainly), depending on the levels of norovirus in the oyster batch.

## **2. Industrial action in Northern Ireland**

2.1 Northern Ireland's Public Services Alliance (NIPSA) and GMB unions took industrial action between 30 October and 3 November, resulting in the withdrawal of Official Veterinarians (OVs), Meat Inspectors, and operational staff at Border Control Posts. The FSA is responsible for meat, milk, egg, and primary production hygiene controls in establishments but contracts the Department for Agriculture, Environment and Rural Affairs (DAERA) to provide this service on the FSA's behalf. The incident was classified as a non-routine serious incident and the response was handled via the Incident Management Coordination Group. DAERA redeployed staff to ensure the highest level of service, allowing intensive sector plants to operate during the action. The team continues to work closely with DAERA and is considering contingency arrangements in the event that further industrial action takes place.

## **3. FSADOC retender/Field Operations/Operational Assurance**

3.1 We have carried out a significant round of stakeholder engagement in the retender process for the delivery of official controls in approved meat premises. We have increased focus to enhance stakeholder engagement at the earliest opportunity. The aim is to also improve transparency and obtain stakeholder insight to inform the retender Procurement Strategy which will be submitted to Cabinet Office for their agreement in January 2024. We remain on track to formally go to tender in early April 2024, as planned.

3.2 Our service delivery partner, Eville & Jones (E&J), is meeting all performance requirements of the contract. We have also given an additional focus on improving quality of service delivery, where we are seeing improvements. There has been increased attention on the competency of new OVs with enhanced language tuition and supervision. This has seen a decrease in the number of Temporary Registered OVs and improved success rate in achieving IELTS level 7 English language qualifications and therefore an increase in fully registered OVs.

3.3 We have increased engagement with the small abattoir sector in recent months including face to face introductions with field managers and targeted visits with the lead portfolio holder and Chief Executive of E&J. The feedback on service delivery standards, different sector challenges, and awareness of support available has been valuable in increasing the FSA's understanding of all issues. The FSA portfolio lead meets with Defra fortnightly and feeds in relevant information and intelligence. The FSA operations teams have contributed towards the design of Defra's £4m Small Abattoir Fund (SAF), which is due to commence in December.

3.4 Matters on the National Food Crime Unit (NFCU) will be covered, this quarter, in the annual update to the Board.

## **4. Litigation and prosecutions**

4.1 Cat food manufacturer, Fold Hill Foods filed a case against the FSA over allegations of illegality and irrationality in the FSA's advice on a product recall, public notices and updates

following a rise in feline pancytopenia cases. The High Court refused the claim, confirming the claimant will pay the FSA's costs in defending the matter.

## 5. Finance

5.1 As at 31 October 2023, the FSA was forecasting to spend £143.6m against a budget of £145.1m, representing a forecast underspend of £1.5m. £1m of the underspend related to Westminster, and £0.5m to Northern Ireland budgets. However, when factoring in HM Treasury cost classification, and separating out the devolved nations, we had an overall Westminster overspend of £1.7m against our resource budgets (RDEL), and underspend of £2.7m against our capital budgets (CDEL).

The £1.7m RDEL overspend includes £1.1m Windsor Framework activity for which, as reported in August, Defra have committed to provide budget. The budget will be passed to FSA as part of the HM Treasury Supplementary Estimates exercise in the autumn. The remaining £0.6m is largely driven by the unfunded cost of living allowance announced by Cabinet Office in June (c.£2.4m), offset by a number of project delays, and reductions in staff forecasts.

The £2.7m CDEL underspend remains consistent with the £2.6m reported in August and relates largely to ringfenced R&D and IFRS 16 budgets (set to allow for the budgetary implications of implementing this new accounting standard).

5.2 The Northern Ireland and Wales positions remain consistent with that reported in September. The Northern Ireland underspend has increased slightly from £0.4m to £0.5m, against a budget of £15.7m, and Wales continue to forecast to meet their £5.1m budget. We are currently confident we will live within the devolved administration's 2023/24 budgets.

5.3 In October we held the latest round of our new quarterly reviews, during which I met each Director to assess and understand their progress on delivery, the impact on financial forecasts, and the risks being managed in their portfolios. We discussed the overall Westminster RDEL pressure and, on the back of this, Directors scrutinised their forecasts, resulting in an in-month reduction to spend.

This process allowed the Executive Management Team (EMT) to collectively review the financial position and approve a small number of budget movements to fund emerging pressures. We also committed to continue to closely monitor the overall financial position, both to ensure forecasts remain taut and realistic, but also to continue to track potential underspends, so that these can be repurposed to fund emerging pressures should the overall forecasts continue to fall.

5.4 In October, the Chancellor announced that overall Civil Service headcount would be capped at September 2023 levels and would be expected to decrease back to 2019 levels by the end of the next Spending Review. We responded to a commission from HM Treasury to confirm our September 2023 FTE position, and our forecast March 2024 and 2025 position. HM Treasury have yet to issue a formal ask to departments to manage their headcount, but we are closely monitoring our overall position, considering both the statement and our 2024/25 budget settlement.

5.5 Also in October, we launched our 2024/25 business planning process, commissioning Directors for financial and planning information to enable us to set budgets for next year. An initial consolidated position, including a range of risks, assumptions and choices, will be presented to EMT in December. Business Committee will be asked to formally approve the budget and strategic priorities at the meeting in March 2024.

5.6 The external audit of the 2022/23 Annual Report and Accounts is nearing completion but the work on the Local Government Pension Scheme remains outstanding. We anticipate that the

work will complete in November and the Annual Report and Accounts will be published in December.

## **6. People and Organisational change**

6.1 The FSA Reward and Recognition scheme makes use of a ring-fenced budget and enables us to reward excellent and exceptional one-off achievements to staff between AO and Grade 6. The budget estimate for 2023/24 is £399,923 and to date, 716 awards totalling £106,800 have been made to 569 staff. Over the same period in 2022, 606 awards totalling £97,970 were made to 515 people.

6.2 All employees have access to our discount scheme offering discount codes, online offers and discount gift cards. Savings can be made at hundreds of retailers whether it is regular household spending such as supermarket shopping to more expensive purchases such as technology, white goods, and holidays. There has been a significant increase in use in 2023. Compared to the same period in 2022 (January to October), the number of orders has increased by 1105 per cent, with a 30 per cent increase in the size of discounts made.

6.3 The annual health surveillance schedule (lung function and hearing tests) for operational employees is now well underway. Appointments are scheduled to finish in early December. The HSW (Health, Safety & Wellbeing) team are working with local management to respond as necessary to results.

6.4 For the fourth year, we have offered employees who are not eligible for an NHS vaccination, the opportunity to claim a free flu vaccination voucher. The programme was well received, with 131 vouchers being claimed to date.

6.5 The Cross Government Grief Café is shortlisted for a Civil Service Award for Developing and Supporting People. The cross-government initiative is volunteer led and hosted by a colleague in FSA. It has 3500 on the membership in 99 Departments and Agencies.

6.6 The Civil Service Chief People Officer has confirmed that as our OWOW (Our Ways of Working) offer is contractual and was established pre-pandemic, it will not fall within scope of any forthcoming guidance from the centre around informal/non-contractual hybrid working expectations.

6.7 Moves to consolidate and modernise the FSA estate as committed to in our People Plan are underway, with the new Cardiff office (Cathays Park), the reduction in footprint at Foss House and releasing under-utilised space in Clive House to the National Highways Agency. We will exit Apex House in Birmingham in December, and discussions are underway with Government Property Agency to confirm our future London office, with Canary Wharf currently being the preferred option. Work on our People Plan Year One deliverables continue, with development of our FSA Management Charter and proposals for our Management and Leadership Development Framework (working title of 'FSA Ascend') nearing completion. We have now established Disability, Race and Diversity Action Groups, with accompanying strategic action plans. Having achieved Carer Confident Level 2 earlier in the year, our application for Disability Confident 'Leader' level is now underway.

6.8 Diversity Networks have led successful internal campaigns for South Asian Heritage Month and Black History Month. A new Mental Health Network has been formed to work alongside Mental Health First Aiders. The International Network (FSA led cross-government network) was successful in getting a nationality question added to the Civil Service People Survey 2023. We await the findings from the Civil Service Expenditure and Impact Review of Diversity and Inclusion completed in the Summer. The FSA remains committed to an inclusive approach in all our work.

6.9 Senior recruitment since my report in September: Andrew Quinn has been confirmed as SCS1 Head of NFCU), a promotion from G6 Deputy Head of NFCU. The campaign is concluding to appoint the SCS1 Deputy Director for Finance & Planning, with a successful candidate identified, yet to be confirmed.

6.10 In terms of other recruitment; 64 campaigns have gone live since September, recruiting to 92 roles. The next phase of recruitment for Trainee Official Auxiliaries (19 roles) and Qualified Official Auxiliaries (11 roles) is now live.

6.11 The Connect Programme is the work to replace our HR, Finance and Payroll systems with one new system (Workday). Moving to a single Finance, Payroll and HR system will align us with the Government Shared Services (GSS) strategy, as well as giving us one fully automated and joined up system for many of our key functions which are currently split across several systems. Workday was launched across the agency on 4 September, with lunch and learn sessions being held over several weeks to support all staff. Payroll has successfully been run, payments made to suppliers and expenses claimed via Workday. We are working our external Application Management Service to resolve any post Go-Live issues.