

FSA Priorities and Budget for 2023-24.

FSA Priorities and Budget for 2023-24

Report by Ruth Nolan, Director of People and Resources - FSA BC 24/03/04

1. Summary

1.1 The Business Committee is asked to:

- **Agree:** the Food Standards Agency's (FSA) annual business plan and budget for 2024/25.

2. Executive Summary

2.1 This paper summarises the FSA's annual business plan and budget for the financial year 2024/25. This can be summarised as:

- a) The FSA remains focused on our mission of '**food you can trust**', to make sure that food is safe and what it says it is in accordance with our 5-year strategy and vision for a better food system. In the coming year, we will also play our part in helping to make food healthier and more sustainable for everyone.
- b) The FSA has a range of statutory powers and duties, we carry these out through undertaking different roles in the food system. The roles, as set out in our published three-year plan, are, '**Regulator**', '**Policy Maker**', '**Watchdog**', '**Convenor & Collaborator**' and '**Evidence Generator**'. To fulfil these roles, we have '**Enabler**' functions which support and improve delivery across all areas of our business. Our priorities for the year ahead are laid out under these roles.
- c) The FSA will remain flexible, given the economic, political and geopolitical challenges facing food systems, balancing targeted reform that helps improve our efficiency and effectiveness with fulfilling our statutory duties.

2.2 The Board reviewed a first draft of the priorities in January 2024. Building on those discussions, this paper provides a summary of the key priorities for 2024/25 together with the ongoing activity the FSA needs to carry out to fulfil its statutory functions, and the budget required to deliver those activities.

3. Strategic Direction

3.1 The FSA is an independent government department working to protect public health and consumers' wider interests in relation to food in England, Wales and Northern Ireland.

3.2 The FSA's mission – '**food you can trust**' – is an outcome we want for everyone, wherever in the UK they live and whatever their personal circumstances. This will only happen if

everyone is able to access the food they need and to make informed choices about the food they eat. These issues cut across all three parts of our vision:

3.3 The FSA strategy for 2022 to 2027 sets out our vision for the food system for the next five years. We also have a three-year plan, which translates the strategy into action.

3.4 The strategy will be delivered through the nine objectives detailed in the three-year plan, linked to the roles set out in our strategy. The annual business plan for 2024/25 forms the second year of the three-year plan and identifies the way we will deliver these objectives this year. It includes priorities for the FSA to deliver in the coming year and work which will help us develop and embed the newer elements as we move forward with our strategy.

4. Annual Business Plan for 2024/25

4.1 The key deliverables we aim to achieve within 2024/25 for each of these corporate objectives are detailed in **Annex A**. The list is a subset of our three-year corporate plan and has been iterated with the Executive and Board members to identify our top priorities.

4.2 We will remain focused on our regulator and policy maker roles and continue to deliver our core statutory functions to help ensure that food is safe and is what it says it is. These include:

- Delivering official controls in meat, dairy and wine establishments
- Delivery/oversight of statutory controls on feed, shellfish and egg hygiene
- Responding to food crime
- Food and feed incidents handling and response
- Supporting Local Authority and Port Health Authority delivery of standards and hygiene controls
- Deliver risk analysis outcomes and regulated product authorisations.

4.3 We will continue to make robust recommendations, based on evidence and independent assessment, and support the ministers who make decisions on rules relating to food. This includes food and feed safety and hygiene, food hypersensitivity, and our wider responsibilities in Northern Ireland with nutritional standards and nutrition food labelling policy and dietary health and surveillance as well as compositional standards and labelling in Wales and Northern Ireland. We will continue to maintain our scientific and evidence capability taking advantage of partnerships across government and with academia.

4.4 We will also play our part in helping to make food healthier and more sustainable for everyone. We will focus our resources on areas where the FSA can make the biggest impact, including continued research on wider consumer interests in relation to healthy, more sustainable food.

4.5 The FSA will continue to work cross-government, making robust recommendations to support decision makers, in key areas that impact rules relating to food, these include:

- Support UK Office for Sanitary and Phytosanitary Trade Assurance on import market access by delivering no more than five risk assessments to support up to 15 market access requests.
- Working with the Department for Environment, Food and Rural Affairs to carry out inward inspections by importing countries (approximately 6-8 anticipated in 24/25), export approval visits (approximately 20-30 anticipated in 24/25) and support on completing third country questionnaires (approximately 8-10 anticipated in 24/25).
- Fulfil obligations for working across England, Wales and Northern Ireland and working with Food Standards Scotland and keep devolution at the heart of delivering both policy and operations.
- Continuing to contribute to develop and implementation of Windsor Framework policy whilst managing the operational implications on Northern Ireland consumers.
- Support for the Department for Environment, Food and Rural Affairs and the Cabinet Office on the Borders Target Operating Model (Borders TOM), informing cross-government work to develop and implement the Borders TOM and ensuring food and feed standards are improved or maintained.
- Publish new guidance on written allergen information, explore options to legislate with Ministers and deliver regulations required for Precision Breeding and prepare for implementation.
- Pursue using the Retained EU Law Act to deliver reforms to regulated products and essential administrative reform for designating imported high-risk foods not of animal origin.

4.6 Our reform and development programme will be targeted at areas that improve our efficiency and effectiveness with fulfilling our statutory duties, these include:

- Modernisation projects in delivering official controls, implement Risk Crisis Management Programme changes to improve agency response to strategic incidents and implement powers to tackle food crime.
- Making improvements to the food hygiene system and the competency framework via the food law code of practice in 2025.
- Making improvements to our risk analysis and regulated products service including - increased use of other regulators' opinions (subject to legal advice), improved process for routine and complex risk assessments and development of our case management system. In addition, we will act upon recommendations from the Board Sub-Group to inform our future plans for regulated products.
- Continuing to implement Vet Resourcing Programme to mitigate the risk of Royal College of Veterinary Services withdrawing Temporary Registration and deliver retender of FSA Delivery of Official Controls.

5. Budget 2024/25

5.1 The HM Treasury Spending Review 2021 agreed a broadly flat budget for each of the three years of the review period. 2024/25 represents the final year of the settlement, and our budgets as per this settlement are outlined in **Annex B**.

5.2 In agreeing the Westminster budget, the FSA has had to prioritise, and be realistic about what it can achieve in the coming year against the background of continuing economic uncertainty and rising costs. A breakdown of resources by role and directorate is provided in **Annex C**.

5.3 The FSA Westminster will begin the year with a broadly balanced budget. However, there are several challenges and risks attached to this:

- A number of IT contracts will be due for renewal in 2024/25, which comes with the risk of increasing inflationary costs. Similarly, we will see the full year impact of those contracts that increased at the peak inflation levels of 2023/24.
- As with the first two years of this Spending Review period, it is likely that we will have to absorb any pay settlement agreed this year. We have built contingency for this into our budgets, but any settlement that exceeds this will create an additional pressure.
- The impact of recent migration announcements outlining minimum salaries for overseas workers is still to be determined and may have a financial impact on the FSA.
- Due to the cumulative impact of the previous two bullet points our real-term funding has reduced in recent years. The majority of our cost base is staffing, therefore we have had to limit growth and prioritise our work and deliverables accordingly.
- The Chancellor announced in his 2023 Autumn Statement a desire to reduce Civil Service headcount to 2019 levels. It is likely therefore that FSA Westminster will be required to live within a headcount limit which may restrict the amount of activity we can undertake. However, HMT has yet to confirm the headcount limit which will be applied in 2024/25, and the arrangements for monitoring compliance.

5.4 The Welsh Government's draft budget for the FSA in Wales contains an increase of £0.1m, from £5.1m to £5.2m, although noting that £0.5m is ringfenced for funding the LA delivery of feed controls. The increase in responsibilities following EU Exit continue to place significant demand on the FSA in Wales. Coupled with inflationary pressure on wages, we are prioritising activity within our existing business plan and as part of our planning for future years. The additional £0.1m will not fully absorb inflationary increases so programme budget availability in 2024/25 will be substantially reduced compared to previous years.

5.5 The budget will be finalised following scrutiny by Senedd Cymru in late February. Welsh Government plan to publish the Final Budget 2024-25 on 27 February 2024. It will then be confirmed to FSA in a Grant offer letter which lays out the funding for the FSA in Wales to deliver its business plan for the year.

5.6 Northern Ireland departmental budgets for 2024/25 have yet to be confirmed. FSA in NI have an initial departmental resource budget which is broadly flat cash (£11.9m). This excludes Windsor Framework (see below). Department of Finance NI commissioned a Budget 2024/25 information gathering exercise where departments were asked to model scenarios for a flat line budget as well as for 2% and 5% reductions. They have now, following the return of the NI Executive, commissioned a new budget exercise. FSA NI will re-submit additional resource and capital bids made via an earlier exercise, including a £4m bid regarding implementation of the Windsor Framework.

5.7 We do not expect the NI Budget 2024/25 exercise to conclude before April.

6. Conclusions

6.1 The contents of this paper set out the business plan for 2024/25 to achieve our strategy.

6.2 We will monitor the delivery of our plan through existing process and performance measures as detailed in **Annex D**.

6.3 The Business Committee is asked to:

- **Agree:** the FSA's annual business plan and budget for 2024/25.

FSA Priorities and Budget for 2023-24 - Annex A

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Annual Business Plan - Priorities for 2024/25

These priorities are a subset of the list of activities contained in our three-year corporate plan and represent the executive's view of the most important things to deliver in 2024/25. The list has been iterated with the Executive and Board members to identify our top priorities.

Corporate plan objective

Top priorities for 2024/25

	<p>Deliver our regulatory responsibilities to ensure food and feed businesses to comply with the rules so that food is safe and what it says it is.</p>	<ul style="list-style-type: none"> • Deliver official controls in meat, dairy and wine establishments. • Deliver effective and efficient response food incidents and food crime. • Deliver food business trade audits and support inward and outward missions as determined by UK Office and Department for Environment, Food and Rural Affairs. • Continuing support for Local Authority delivery of standards / hygiene controls and undertaking performance management of Local Authorities. • Delivery / oversight of statutory controls on feed, shellfish and egg hygiene • Deliver risk analysis outcomes and regulated product authorisations, expect to complete around 33 regulated product applications in 24/25. Continue to manage applications through the system in the most efficient way possible with the expectation of completing a further approximately 75 applications through the stages of the service, in 25/26.
	<p>Reform the food safety regulatory framework to deliver proportionate and risk-based assurance, now and in the future.</p>	<ul style="list-style-type: none"> • Implement milestones for Vet Resourcing Programme, Risk Crisis Management Programme, National Food Crime Unit Police and Criminal Evidence Act powers and Modernisation Projects to improve effectiveness and efficiency in delivering Official Controls. • Roll out new food standards model to all Local Authorities in England and Northern Ireland, complete evaluation of food standards pilot in Wales and prepare for implementation. • Evaluation of enterprise level regulation and, if successful, continue with the existing enterprise level relationships and allow new retailers to join. • Continue to inform cross-govt work to develop the new borders operating model and provide delivery support for Local Authority / Port Health Authority to implement it.

	<p>Make robust recommendations and support decision makers to take informed decisions on rules relating to food and feed, based on evidence and independent assessment.</p>	<ul style="list-style-type: none"> • Make robust recommendations and support decision makers to take informed decisions on rules relating to food, based on evidence and independent assessment. • Supporting response to complex, non-routine incidents • Ensure obligations for working across England, Wales and Northern Ireland and working with Food Standards Scotland are fulfilled and devolution is at the heart of delivering both policy and operations. • Deliver in line with our service agreement with the UK Office for Sanitary and Phytosanitary Trade Assurance. • Work with Department for Environment, Food and Rural Affairs to carry out inward inspections by importing countries, export approval visits and support on completing third country questionnaires.
	<p>Create a proportionate, effective, efficient and future focused approach to regulation through the risk analysis process and regulated products service, that protects consumers and removes barriers to innovation.</p>	<ul style="list-style-type: none"> • Bring forward reforms under Retained EU Law powers to speed up regulated product authorisations. • Deliver regulations required for Precision Breeding and prepare for implementation. • Continue work to improve the provision of allergy information in the out-of-home sector, and to ensure precautionary allergen labelling (PAL) is communicated more clearly and consistently. Publish new guidance on written allergen information, explore options to legislate with Ministers. Gather stakeholders' views to feed into work to develop international standards for PAL allergen thresholds. Publish new guidance on written allergen information, explore options to legislate with Ministers. • Continue to contribute to the development of the Windsor Framework policy and implementation whilst managing the operational implications on Northern Ireland consumers. • Inform cross-government work to develop and implement the Borders Target Operating Model and ensure food and feed standards are improved or maintained.

	<p>Ensure that our decisions, and those of others are informed by evidence.</p>	<ul style="list-style-type: none"> • Deliver appropriate risk assessments. • Support highest priority food / feed incidents response where a new risk assessment is required. • Analysis (such as, impact assessments, business cases) to support regulated products, regulated products reform and the future vet resourcing model. • Routine analytics for Field Operations activity and foodborne disease and if priorities require analysis for regulatory compliance and trade.
	<p>Build evidence so we can anticipate opportunities and risks across the UK food system.</p>	<ul style="list-style-type: none"> • Evidence and analysis of FSA data for the Annual Food Standards Report. • Phase 2 of the Labs System and sustain the laboratory system in its current state. • Meet commitments for the Pathogen Surveillance in Agriculture, Food and Environment (PATH-SAFE) Programme. We hope to continue further programme activity with the approval of a multi departmental business case. • Maintain research infrastructure e.g. Food and You 2, consumer tracker. • Continue to undertake food additive research as it supports our role in risk assessment and regulated product authorisations. • Continue involvement in SALIENT (3-year cross Government programme of to understand which interventions can effectively encourage healthier and more sustainable diets) • Analysis on Ultra Processed Foods
	<p>Speak out publicly about areas of consumer interest to support food standards in the UK.</p>	<ul style="list-style-type: none"> • Publish annual report on food standards. • Provide FSA expertise into other government department led trade agreement negotiations to secure food safety and provide scrutiny of Free Trade Agreements through our input to section 42 requirements on invitation from Department for Business and Trade
	<p>Work in partnerships across the food system to address issues in the food system affecting consumers and businesses.</p>	<ul style="list-style-type: none"> • Engagement in Food Data Transparency Partnership with Department for Environment, Food and Rural Affairs and Department of Health and Social Care. • Continue to deliver against the international workplan and forward look for 2024. We will not seek to increase our work in this area but will consider opportunities as they arise through the year.

	Provide the people, resources and processes needed to deliver the FSA's corporate objectives and priorities.	<ul style="list-style-type: none"> • Deliver the priorities of Year 2 of the People Plan – enhancing people management capacity, corporate development planning, succession planning, talent management and supporting development of Government Veterinary Profession Graduate Programme. How we will improve as an employer and benefits this will bring us, businesses we regulate and consumers we protect. • Delivery of all finance and human resources and digital services meeting government standards in efficiently and effectively. This includes the final stages of implementation of the Workday system, and Adaptive Planning forecasting model. • Support the retender of the FSA official controls contract for veterinary and meat hygiene inspection services. • Plan, develop and submit our next HM Treasury Spending Review submission.
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FSA Priorities and Budget for 2023-24 - Annex B

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2024/25 FSA Budgets

	23/24 Budget £m	24/25 Budget £m
FSA Westminster		
Income*	(41)	(44)
Staff Costs	121	124
Non-Pay Costs	45	42
Capital Expenditure	5	3
Net Cost of Operations**	130	125
FSA Wales	5	5
FSA Northern Ireland	15	***12

TOTAL FSA**	150	142
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* Includes £42m to partially cover FSA's work on delivering meat hygiene controls, £38.1m of which is expected to come from industry and the remainder from other public bodies. The full chargeable cost of delivering these controls is budgeted at £53.1m.

** Excluding Annually Managed Expenditure (AME)

*** Reduction represents Windsor Framework funding. Separate bid submitted to NI Department of Finance for 24/25.

2024/25 Westminster Budgets by Directorate (£m)

Budget	Information & Science	Operations (Ops)	People & Resources (P&RG)	Policy	Strategy & Regulatory compliance (SRCD)	UK & International Affairs (UKIA)	Centrally Managed**	TOTAL
Income	0	(42)	0	(2)	0	0	0	(44)
Staff Costs	14	72	8	8	15	5	2	124
Non-Pay Costs	16	5	4	2	8	0	7	42
Capital Expenditure	1	1	0	0	0	0	1	3
Net Cost of Operations*	31	36	12	8	23	5	10	125

* Excluding Annually Managed Expenditure (AME)

** Centrally managed consists of budgets outside of individual budget holder control, including depreciation and central contingency.

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2024/25 Westminster Resources

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