
Performance and Resources report Q1 2022/23

FSA 22-09-13
Business Committee
14 September 2022



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Executive summary of our Q1 2022/23 performance

We have created a new style report to evolve our performance reporting to support our corporate plan for 2022/23. It has been a challenging start to 2022/23 given the global uncertainty, however during Q1, as highlighted in the key metrics, our key deliverables include:

- Working with Food Standards Scotland we have **launched 'The Food Standards Annual Report'**. The first in a series of reports due to be published annually, as part of our ongoing commitment to transparency and so that key stakeholders, remain aware of the changes and challenges to our food system.
- We have established a new regulatory services function to reduce delays and meet statutory service deadlines in considering regulated products applications. We have also scoped an external review of the novel foods regulatory framework and are due to launch an invitation to tender in September 2022.
- **As part of our risk analysis process and regulated products service** we have revoked the Fukushima regulations with all associated controls removed and published the CBD list with preparations underway to issue a consultation on amendments to the Retained EU Law for edible insects.
- For the Priority Programmes ABC and Operational Transformation, we have secured 5 partnerships to progress to trial stage following a successful event with 10 Large Retailers. Established a review of the concept and content of the 'big 3' food aggregator platform's Food Safety Charter as part of our online assurance for ABC. We have also undertaken 34 audits since the segmentation pilot launched in June 2022
- **In evolving our capability and capacity**, we have successfully completed all our key deliverables for the quarter which included phase 1 of the Governance review.



77% Trust the FSA (+2% points)
out of those that have some knowledge about the FSA, to ensure food is safe and what it says it is.



92% are confident (+2% points)
that the food they buy is safe to eat



86% are confident (+3% points)
the information on food labels is accurate



51.1k unrated businesses
as at 31 March 2022, 26k fewer than 31 March 2021



1 LA escalated
through the escalation process



£0.4 million
2022/23 total underspend year to date



+315 individuals joined the FSA over a 12-month period from June 2021 to June 2022.



82% Full meat audit completion
(+/- 0% points higher than Q4)



98.9% (↑0.02% points from Q4)
Meat FBO premises rated 'Good' or 'Generally satisfactory'



28 food crime successes
including 1 case file submitted for consideration by the Crown Prosecution Service



96.4% interventions achieved
at category A-rated establishments for hygiene as at 31 March 2022, slightly below our target of 100%.



80.3% interventions achieved
at category B-rated establishments for hygiene as at 31 March 2022 (target of 100% by 30 June 2022).

Key successes in the quarter

- **Public attitudes:** Results from our latest Food and You 2 survey indicate that trust in the FSA (77%), confidence that food is safe to eat (92%) and confidence that information on food labeled is accurate (86%) remain high.
- **Building our reputation as an evidence generator:** [The Food Standards Annual Report](#) launch saw widespread national coverage with 3 launch events involving 83 external stakeholders.
- **Handling major incidents:** the high-profile recall of [Kinder chocolate](#) and the advice on [Sunflower oil substitutions](#) generated widespread coverage across both mainstream and social media.
- **Increasing our profile:** Chair’s consumer stakeholder forum and other cross-government engagement resulted in better engagement and advocacy (e.g. household food insecurity). Growth of stakeholder channels (↑342% in CEO/Chair stakeholder bulletin subscribers to 3,588)

Concerns / risks

- Achieving profile and traction on marketing, media and stakeholder communication is becoming increasingly challenging with public and media interest in food more focussed on cost of living and supply chain issues.
- Overall decline in public trust in government, institutions and the food industry may have an impact on our future trust scores.
- Increasing scale of incidents puts pressure on communication resources making it more challenging to ensure we communicate risk effectively.
- Need to continue to improve cross-FSA capability on systematic and meaningful stakeholder engagement.

Next steps

- **Continue to look for proactive opportunities** to make the FSA voice heard in the media, through marketing channels, on social media and with our stakeholders, with a particular focus on reflecting public concerns around food affordability.

Out of those who have some knowledge of the FSA:



77% Trust the FSA

to ensure food is safe and what it says it is (over our ambition of 75%).



92% are confident

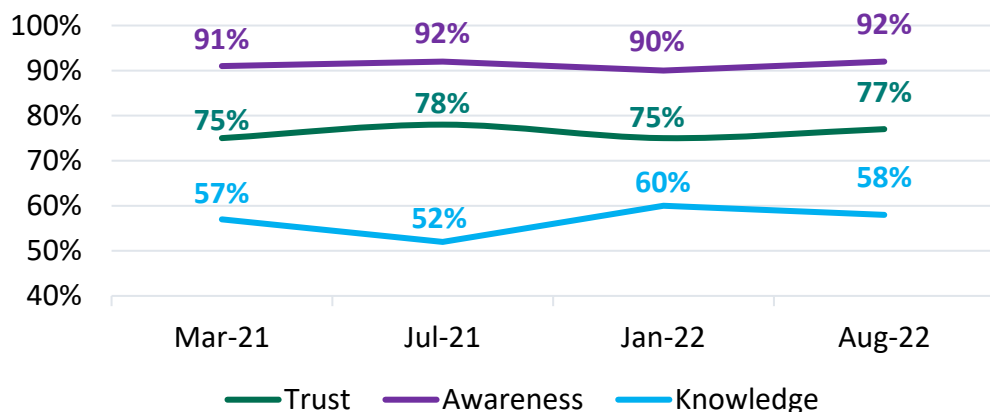
that the food they buy is safe to eat (over our ambition of 86%).



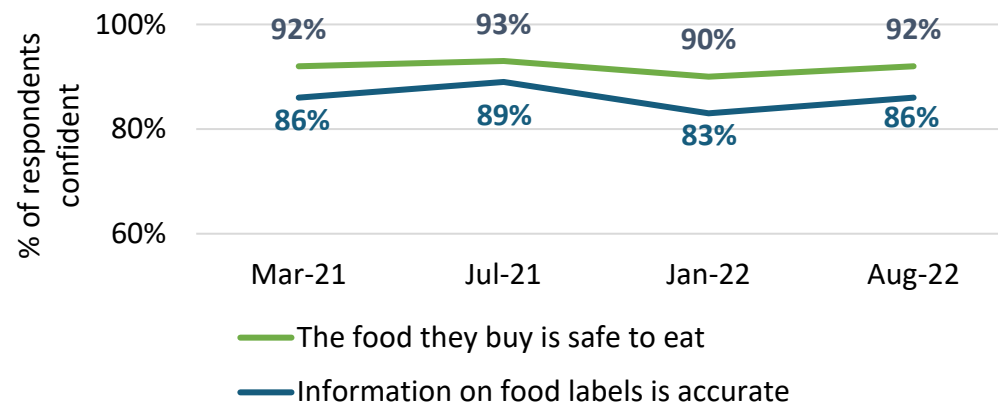
86% are confident

that the information on food labels is accurate (level with our ambition of 86%).

Consumer awareness, knowledge and trust in the FSA



Consumer confidence in food safety and authenticity



Meat food business compliance (FBO audits) England, Wales and Northern Ireland

Key successes in the quarter

- Overall FBO compliance with food safety, hygiene and animal welfare regulations (based on most recent audit score) is stable at the end of Q1 with 98.9% rated 'Good' or 'Generally Satisfactory'.

Concerns / risks

- The 8% shortfall of audits completed in Q1 is related to higher volumes of both scheduled audits and partial (follow-up audits). The scheduling of audits is aligned to FBO compliance and the volumes vary per quarter across all regions. Audits are prioritised and all partial audits, as well as full audits of FBOs in the lower compliance categories, are completed to schedule.
- An increase in post-Covid/EU-Exit inward missions (export audits) has had to take precedence and is currently requiring additional veterinary auditor resource and difficulties in recruiting into veterinary auditor vacancies has provided additional challenges in meeting audit completion targets.

Next steps

- Business case to be finalised for additional export/import audit resource to address increased volume of activity and ongoing recruitment campaigns are underway to fill vacancies in both domestic and international trade audit teams. These activities aim to address the shortfall in audit completion rates.



82% (+/- 0% points higher than Q4)

Full audit completion

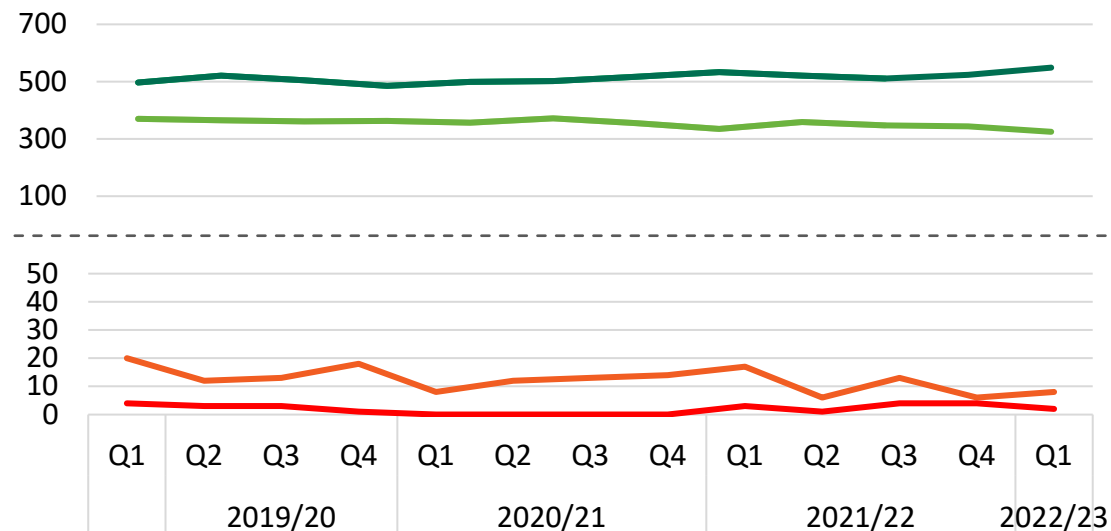
Q1 2022/23 focused on overdue and high risk audits.



98.9% (↑0.2% points from Q4)

Meat FBO premises rated 'Good' or 'Generally satisfactory'

Volume of meat FBOs rated



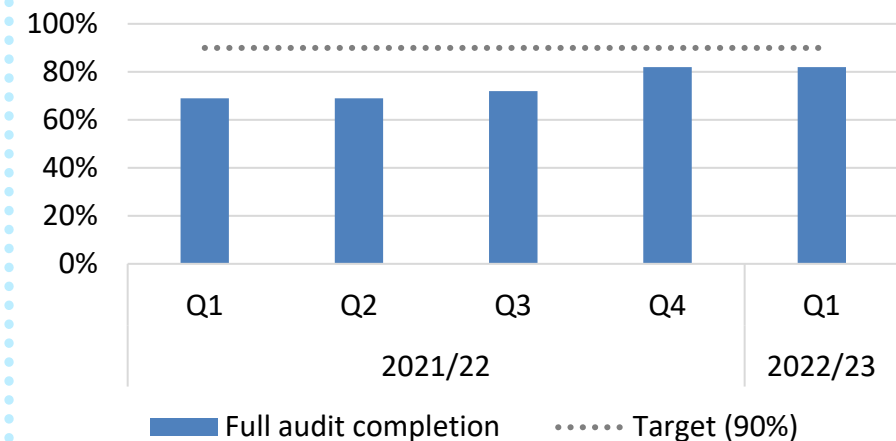
Good 62.1%
(↑25 ratings)

Generally satisfactory 36.8%
(↓19 ratings)

Improvement necessary 0.9%
(↑2 ratings)

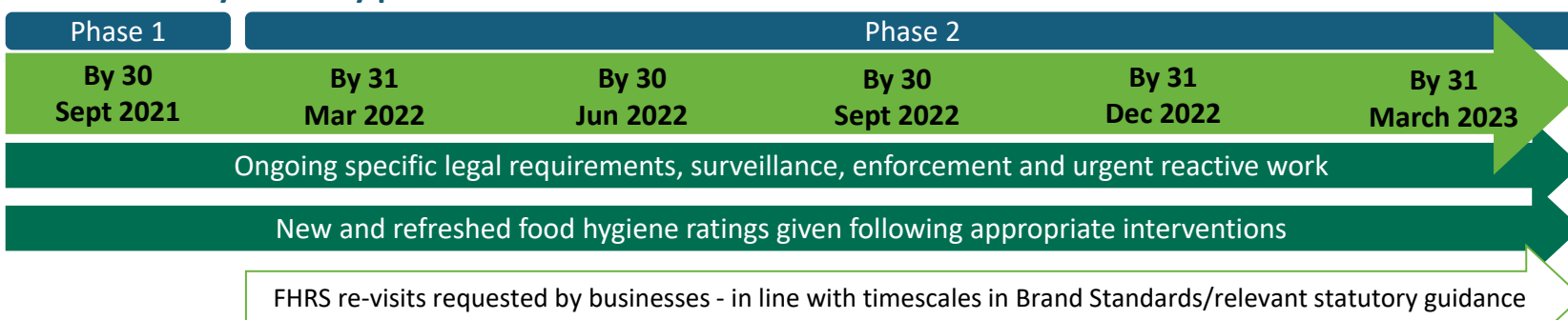
Urgent improvement necessary 0.2%
(↓2 ratings)

Full audit completion against target for England and Wales



- LA delivery is a complex landscape, with competing priorities in term of risk-based delivery, and a single statistic cannot be seen in isolation as representative of ‘good progress’.
- Slides 6-8 are designed to help explain the various data sets that our Regulatory Compliance Division use to monitor LA delivery.
- Performance is considered against the requirements of the LA Recovery Plan, agreed by the FSA Board in May 2021, in relation to getting back on track with carrying out interventions according to the frequencies outlined in the Food Law Code of Practice and prioritising and inspecting new businesses. However, other factors will require LAs to carry out reactive work, meaning we expect to see interventions taking place at establishments that have not been prioritised so far in the recovery plan.
- Fig. 1 and 2 provide a view of the performance of the LA system as a whole, and then using close to live data of activities of a subset of establishments, respectively.
- Fig. 3 and 4 provide information to highlight the potential level of unknown risk in the system and then, the activities by LAs aimed at managing those risks, respectively.
- Fig. 5 summarises the performance management activities the FSA is undertaking with LAs that have shown some cause for concern.

Local authority recovery plan

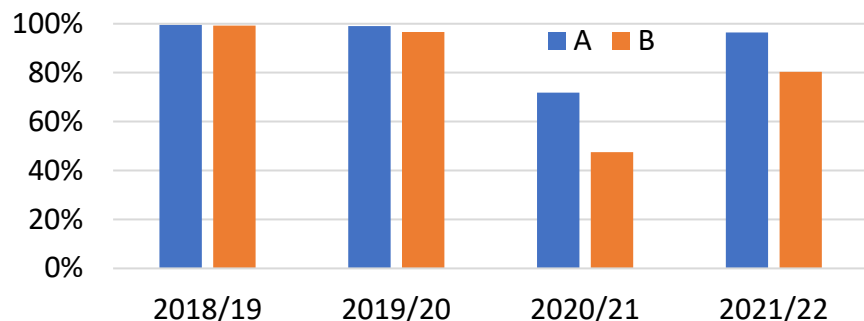


- Prioritisation of new businesses for intervention based on risk
- Planning of intervention programme from Sept 2021 onwards
- **All** establishments rated **category A for hygiene** to have received an onsite intervention
- **All** establishments rated **category B for hygiene or A for standards** to have received an onsite intervention
- **All** establishments rated **category C for hygiene and less than broadly compliant** to have received an onsite intervention
- **All** establishments rated **category D for hygiene and less than broadly compliant** to have received an onsite intervention
- **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

Recovery plan progress – current RAG status

Date	Milestone	RAG rating
By 30 Sept 2021	Prioritisation of new businesses for intervention. Planning intervention programme	Green
By 31 Mar 2022	Category As for hygiene onsite inspection	Green
By 30 Jun 2022	Category Bs for hygiene onsite inspection	Amber - Some progress to tackle Bs

Fig. 1: Total planned interventions achieved at A-rated and B-rated establishments*

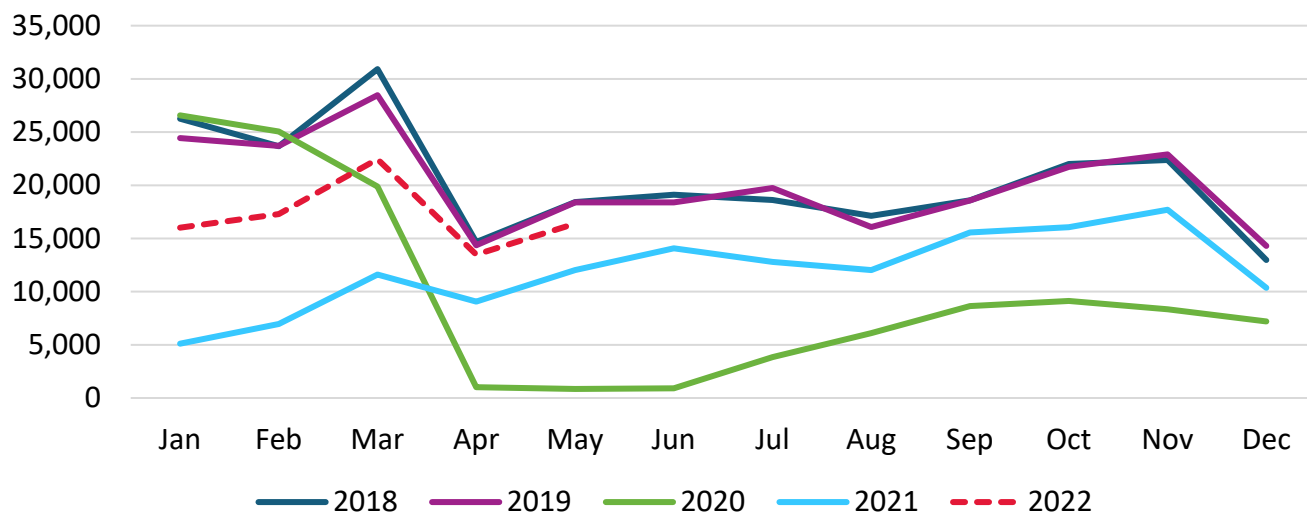


*This data has been collected annually. Data for 2018/19 and 2019/20 are typical years and provide a comparison with performance during the pandemic.

Is the system as a whole targeting the risks?

- The recovery plan requires all establishments rated A and B for hygiene to have received an inspection by 31 March 2022 and 31 June 2022 respectively.
- There has been a positive improvement in the system following a sharp drop in delivery in 2020/21, the first year of the COVID-19 pandemic.
- The number of interventions achieved at establishments rated-A increased by 155% from 1,236 in 2020/21 to 3,153 in 2021/22 and for establishments rated B by 73% from 8,786 to 15,195.
- LAs have followed the requirement to carry out inspections at the higher risk A-rated establishments and where possible have started to tackle B-rated establishments.

Fig. 2: All interventions achieved at retailers and 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 increasingly coming into line with pre-pandemic levels.

Fig.3: Number of unrated businesses on 31 March each year*

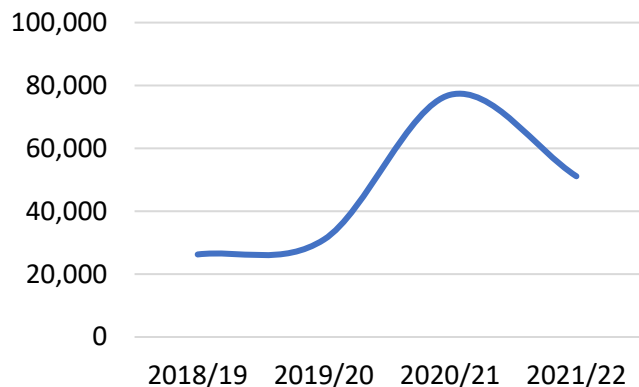


Fig.4: Prioritisation of new businesses (requirement since Oct 2021)**



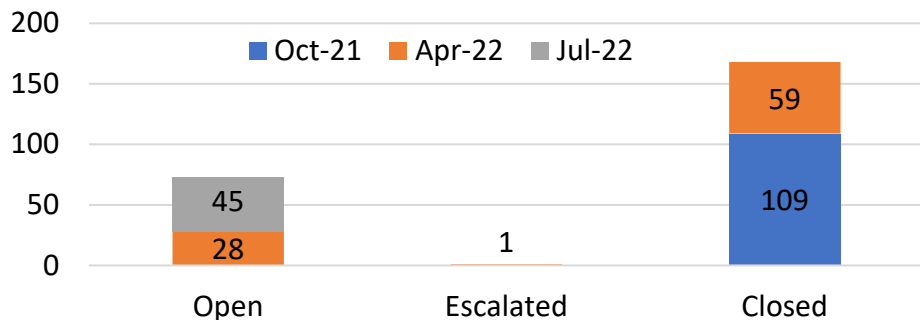
How are LAs managing new businesses and is there an increase in the level of unknown risk entering the system?

- The number of new businesses changes over time as new registrations come in and interventions of previously unrated businesses take place.
- LAs reported 91,400 new registrations during 2021/22, but some businesses closed before receiving an inspection or never opened.
- The number of unrated businesses has decreased as at March 2022, after the sharp increase reported in March 2021.
- Number of new businesses that need to be prioritised for inspection is decreasing, suggesting an improvement in the management of unknown risk in the system but there has been a small increase in businesses prioritised as high risk awaiting inspection since April. This is possibly due to LAs also dealing with other high risk businesses now due an inspection.

*Data collected annually. We aim to ask for this in future temperature check surveys. 2018/19 and 2019/20 data are typical years to provide a comparison with pre-pandemic figures.

**July 2022 data covers Q1.

Fig.5: Status of LA engagement



Status of LA Engagement

- 28 cases remain open, from the end of year return (April 2022), where assurance has yet to be given that the Recovery Plan will be met or where an action plan is being monitored. This includes one LA escalated to Stage 2 of the agreed process for both food hygiene and standards. An action plan is in process of being implemented.
- From the July 2022 temperature check survey covering Q1 2022/23, 45 LAs have been engaged with to clarify their position and challenge and support delivery of the Plan requirements.
- Since October 2021, we have closed 168 cases following engagement with LAs.

The Performance Management assessment process aims to identify LAs of high or medium concern of not being able to deliver the Plan for food hygiene or food standards. However, intelligence has led to some engagement activity with those of low concern, and Wales and Northern Ireland routinely engage with all their LAs.

Key successes in the quarter

- Following the National Food Crime Unit's first end-to-end prosecution last year, the suspect (who was sentenced to 28 months imprisonment for supplying DNP and other illegal substances) has been subjected to **Confiscation Order proceedings** in this quarter where his total benefit is assessed at c.£180,000 and realisable assets assessed at c.£23,000.
- We have significantly supported an LA-led investigation** where four defendants have been charged with conspiracy to commit fraud offences related to the diversion of animal by products back into the human food chain.

Concerns / risks

- As a consequence of changes at the beginning of 2022/23 to the priority food crime areas we are looking to address our intel collection aligned to [our Control Strategy](#) slightly reduced to **54%**. We are looking to moderately increase this proportion. Alignment between operational activity and priorities is 62%.

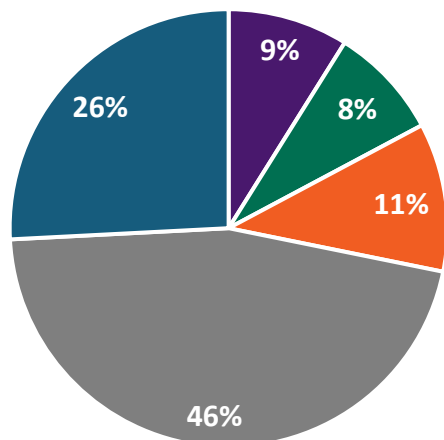
Next steps

- Continue to deliver against **11 current investigations** at various stages in their lifecycles, and to enact 4P plans (Pursue, Protect, Prevent, Prepare) against our agreed strategic priorities.
- Alongside Food Standards Scotland, work on our next **Food Crime Strategic Assessment** to enrich our understanding of threats.

Highlighted food crime successes in Q1:

-  **2** suspects arrested and interviewed
-  **1** Case file submitted for consideration by the Crown Prosecution Service
-  **4** suspects charged
-  **1** seizure of 36 tubs of 2,4 dinitrophenol (DNP)
-  **1** Warrant executed

Food crime intelligence reports by control strategy priority in Q1 2022/23



337 Reports recorded

(↓76 from rolling 12 month average of 416) of which:

26% Red meat pork/beef/lamb/mixed

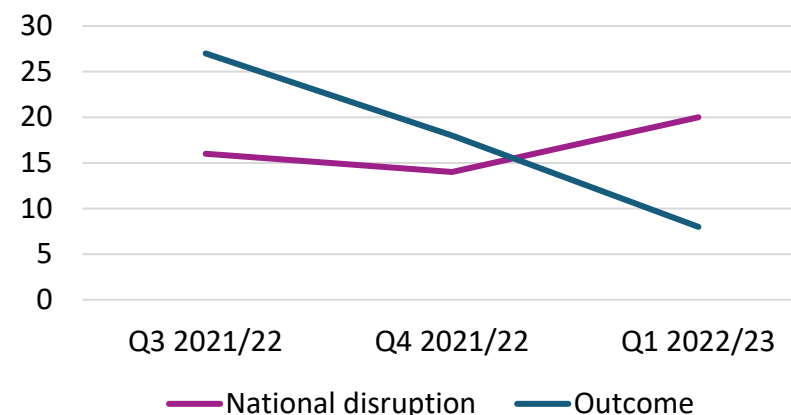
11% Diversion of animal by-products (ABP)

9% Dangerous non-foods

8% Shellfish

46% Outside of NFCU Control Strategy

Quarterly disruptions and outcomes



20 disruptions

(↑6 from Q4 2021/22)

8 outcomes

(↓10 from Q4 2021/22)

✓ Key successes in the quarter

- As part of our work to reduce delays and meet statutory deadlines for regulated product applications, **a new regulatory services function has been established** and work has begun on developing a new application system to replace the current portal. We expect the new system will reduce some administrative tasks and improve information available to applicants.
- **An external review of the novel foods regulatory framework has been scoped and an invitation to tender is due to be launched in September**, with the aim of providing a range of options to develop a transparent and effective regulatory system that is the best in the world for innovators, investors and consumers whilst protecting consumer interests and maintaining food standards.
- **Novel Foods and Radiological Policy:** The Fukushima regulations have now been revoked and all associated controls removed.
- **The CBD list has been closed and published** and we are preparing to issue a consultation on amendments to the Retained EU Law (REUL) requirements for edible insects which will clarify the GB requirements.
- We have undertaken a stakeholder workshop on alternative proteins in July 2022.

⚠ Any concerns / risks

- Potential delay to delivery of regulatory reform objectives and regulated product approvals in line with statutory requirements, due to difficulty recruiting to fully staff the new regulatory services function. The risk is being mitigated through engagement of temporary resource cover.

➡ Next steps

- We plan to test the new regulated product application system with a range of users from October. Subject to the feedback we receive and further development of the system, the new application system will go live before the end of the year.
- There is scope within regulated product authorisations for regulatory reform to consolidate and simplify the numerous steps in engagement between officials and Ministers across the UK governments. A reform programme across the regulated product regimes is being designed to plan future activities in this area.
- Continue to contribute to the development of a new regulatory framework for precision bred food and feed in England. The Genetic Technology (Precision Breeding) Bill, led by Defra, is being progressed through Parliament.



Established a new regulatory services function and begun work on the development of a new application system



Scoped an external review of the novel foods regulatory framework with an invitation to tender due to be launched in September

*We have developed performance measures for our regulated products service which are included in quarterly reporting to the FSA Board's Business Committee. This will form part of future Performance & Resources reports from Q1 2023/24.

✓ Key successes in the quarter

- **Enterprise level regulation:** Following a successful event with 10 Large Retailers and their Primary Authority Partners, project has secured 5 partnerships to progress to trial stage. Relationships with these businesses are adding value to the FSA e.g. the ability to quickly generate insight as part of our review into options to address Household Food Insecurity.
- **Online assurance:** We have made positive progress with the ‘big 3’ food aggregator platforms, in the development of their proposed Food Safety Charter by establishing a review of its concept and content, with a view to publicly acknowledging the collaboration and progress in Q2. The programme has commenced a discovery project looking into what further support LAs require when regulating businesses operating online.
- **Food standards pilots:** Following completion of the England and Northern Ireland pilots on 31 March 2022, final evaluation is underway.
- **Food hygiene:** The headline policy approach and evaluation has been agreed, enabling the project to progress. We have also undertaken successful, early LA engagement through a well-attended webinar which has helped to generate a robust Q&A.

⚠ Any concerns / risks

- **Food standards:** Project resource was affected (through the need to prioritise our response to the sunflower oil shortage) which could risk a delay to Food Law Code of Practice changes being submitted, and LA Consultation commencing in Q3 as planned. Mitigation in place should prevent adverse effects on overall delivery.

➡ Next steps

- **Enterprise level:** Continued activity to develop the Large Retailer Proof of Concept trial, which is due to commence in Q3. Discovery into other business sectors who may be suitable for new regulatory approaches has re-commenced to further develop this workstream.
- **Online assurance aggregator charter:** Continued development of a framework to establish how additional online operator relationships may be managed in future
- **Food standards:** Evaluation and scalability report will be reviewed by ABC programme board and take a decision on whether to roll out the new model in England through 2023/24.
- **Food hygiene delivery review:** Project will have completed informal consultation with local authorities on the headline policy approach.



5 partnerships secured for progression to trial stage following successful event with **10 Large Retailers**



Established a review of the concept and content of the ‘big 3’ food aggregator platform’s Food Safety Charter



Food Standards pilot final evaluation is underway



Undertaken successful Food Hygiene LA engagement through a well-attended webinar with over **490 attendees**

✓ Key successes in the quarter

- **Legislation:** The Legislative strategy team have completed their recommendations for legislative success. They have mapped the correct process to follow for any legislative changes, including communication routes for Devolved Administrations.
- **Segmentation:** **34 audits** undertaken during Q1 to determine audit frequency since pilot launched in June 2022 with latest figures as at 19 August 2022 at 100 audits. The pilot has uncovered some emerging issues with the functionality and outputs from the model.
- **Remote audits (RA):** **14 remote audits** have taken place and are exploring other options to utilise the technology. The Librestream contract has been extended until September 2022 to cover RA technology while procurement is ongoing.
- **Resource Allocation System (RAS):** Phase one has been completed after unsuccessful trials. A Microsoft teams solution was utilised and successfully meets all requirements.
- **Digital approvals:** The case management system was launched in May 2022 and plan to complete an evaluation in September 2022 where a full benefit and lessons learnt session will be updated.

⚠ Any concerns / risks

- Implementation of remote audits and process frameworks is behind schedule. Further resources are required for the next stages of the legislative strategy which could cause delays in the next stages for remote audits.

➡ Next steps

- **Segmentation:** To develop our risk segmentation strategy we have decided to re-assess and reconfigure the model through ongoing evaluation and iterations of the pilot.
- **RAS:** Wider phases of RAS will be linked to the new HR system once developed and it is likely that requirements would be satisfied by this system. Work is planned to start in 2023/24.
- To review roles and responsibilities in the official controls team and the inspection tasks that could be delegated to FBOs. The digital audit and inspection work should continue following issues with conflicting priorities and lack of available resource.
- The wine Case Management System work has begun and updates will be available in the next quarter update.



Legislative strategy team have completed recommendations for legislative success



34 audits undertaken from segmentation pilot launched in June 2022



14 remote audits taken place and are exploring other options to utilise the technology



RAS phase one completed after unsuccessful trials



Digital approvals case management system launched

Key successes in the quarter

- Key deliverables in the quarter have been successfully completed.
- Phase 1 of our internal governance review has been completed, subject to review. This review considered the internal executive-level governance for decision-making within the FSA.
- Reprioritising corporate priorities due to financial pressures was not required during Q1 as over-programming is reducing.
- Received recommendations from external consultants for how to set up regulated products as an exemplar service, including 'service templates'.
- We put advice to our Executive Management Team on a portfolio approach to managing our internal and external change work, which was accepted.

Concerns / risks

- Additional work has emerged for the FSA during Q1, including the Civil Service 2025 headcount commission, the Precision Breeding Bill and the need to work with government partners on a target operating model for import controls in the Autumn which may require reprioritisation in subsequent quarters. An incoming Prime Minister may also have new priorities which impact on the FSA's workplan.
- The Headcount Commission has caused delays to the launch of the 'People Plan', which is now expected in Q4, and the activity to establish long-term embedding of the strategy and developing further proposals for FSA work on 'Healthier and more Sustainable' food. This should be rectified as part of the multi year corporate plan being developed.

Next steps

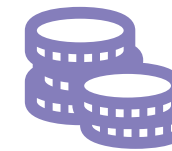
- Further work required to define the scope and successful delivery of our this corporate priority, particular due to prioritisation exercise.



All key deliverables in the quarter successfully completed



Phase 1 of the Governance Review completed



Overprogramming has naturally fallen out reducing the need for reprioritisation of our corporate priorities during Q1

Key successes

- 426 campaigns (incl. expression of interests) in last 12-months, 315 new joiners to FSA (excluding internal moves).
- 100% of our Senior Civil Servants (SCS) vacancies filled first time round, with reserves.
- 64% of our SCS are located outside of London and the South-East. 34% higher than across CS (Institute for Government, 2022).
- 11.1% Attrition (all leavers, annualised by quarter), 1% increase since end June 2021. Across the CS, between March 2021 and March 2022, 13.6% of workforce has either left the CS or moved Departments (Institute for Government, 2022).

Concerns / risks

- 34.1%* (46 of 135) of leavers left within 2 years of joining. Of these, 50% (23 of 46) were in 16-29 age bracket (including a small number of fast streamers)(44% resigned, 52% transferred to OGD). We have also had some anecdotal evidence that a significant factor is pay and promotion opportunities.
- 12% of staff recruited (last 12-months) are contractually linked to the London office whilst our future footprint is yet to be agreed.
- 49.5% of the field operations workforce are age 55 and over, increasing the potential for higher absence, retirement and encouragement to stay on.

Next steps

- Posts advertised with links to the London Office will be subject to a business case.
- Latest pay policy allows adverts to include full salary range for difficult to fill roles.
- Introduction In September 2022 of an online exit questionnaire will provide further detail on leaving reasons.

For the 12-month period to 30 June 2022



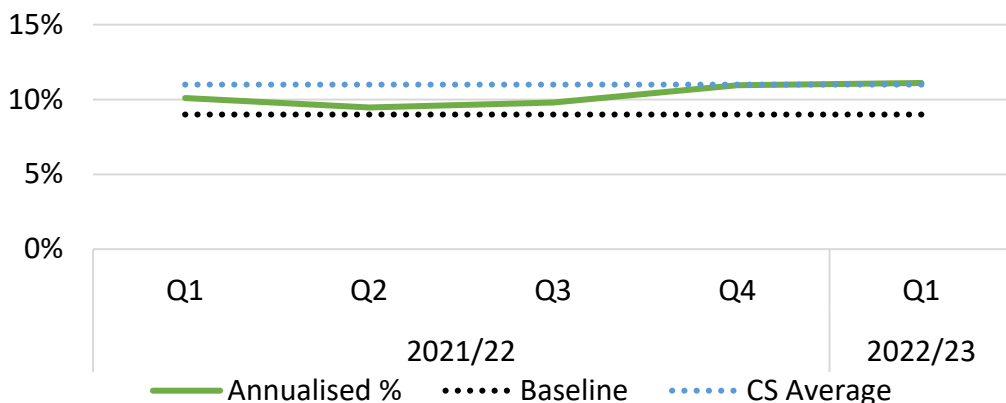
+315 individuals joined the FSA over a 12-month period.



40.7%* of leavers left on an OGD transfer. Since 1 November 2021, when more detailed tracking began), 48.4% of these left on promotion and 45.2% on level transfer.

*excludes career break, end of casual/fixed term appointments and loans out

% Gross attrition (leavers) annualised by quarter



% Leaving reasons* for the 12-month period to 30 June 2022



Key successes in the quarter

- Improving the forecasting and supporting directors to deliver the new Strategy.
- Quarterly director meetings providing additional insight to align business plans to the budget.
- Of the +226 forecast FTE, 81 are in the later stages of recruitment or an offer has been made and 111 are in the early stages.

Concerns / risks

- Need to avoid large underspend alongside recruitment delays due to the headcount commission. Westminster is forecasting an overspend as we aim to fulfil as many of our SR21 plans as we can, but we expect this to reduce in the coming months.
- Forecast underspend of £1.7million on Shared Outcomes Funding (SOF) is from ring-fenced funding and cannot be reallocated to other directorates. As lead partner on the programme, the FSA must also ensure that other partners are managing their budgets effectively. The whole programme is currently forecasting to spend £7million of its £9million budget in 2022/23.
- Northern Ireland funding is ringfenced and any unused funds will be returned to Her Majesty's Treasury (HMT).
- Ambitious recruitment planned for the last quarter means that 34 of the +226 forecast FTE may move into 2023/24.

Next steps

- 2021/22 Annual Report & Accounts planned to be laid in Parliament in November 2022.
- Further analysis needed on committed/uncommitted spend in the forecast to minimise underspend.
- Medium term financial planning in September & October resulting in decision making for the Supplementary Estimate in November.
- Development of the Charging Strategy and planning for 2023/24 charges to begin in Q3.



£0.4 million

2022/23 year to date forecast underspend



£0.2 million

Priority programme forecast year to date underspend



+151 actual Net FSA FTE

from Q1 2021/22 to Q1 2022/23



+226 forecast Net FSA FTE

from Jun 2022 to March 2023

Expenditure	2022/23 Full Year Forecast Q1 (£m)	2022/23 Full Year Limits (£m)	Under / (Over) spend availability (£m)	Fav/(Adv) Variance %
FSA total RDEL & CDEL exc. AME	146.1	146.5	0.4	0.3%
Westminster (excluding SOF) RDEL & CDEL exc. AME	124.5	121.8	(2.7)	(2.2%)
Shared Outcomes Fund RDEL & CDEL	1.9	3.6	1.7	47.2%
Wales RDEL & CDEL	5.1	5.1	0.0	0%
Northern Ireland RDEL & CDEL	14.6	16.0	1.4	8.8%

