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Food Standards Agency
**Consolidated Annual Report
and Accounts 2022–2023**

For the period 1 April 2022 to 31 March 2023

HC 515

Food Standards Agency

Consolidated Annual Report and Accounts 2022–2023

For the period 1 April 2022 to 31 March 2023

Presented to the House of Commons pursuant to Schedule 4 of the
Food Standards Act 1999

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Chief Executive's foreword



I am pleased to lay before the Westminster Parliament and the Welsh Parliament, and present to the Northern Ireland Assembly, the Food Standards Agency (FSA) Annual Report and Accounts.

This report covers performance and activities in 2022/23 across England, Wales and Northern Ireland. It sets out the achievements of the FSA over the last financial year, from our work responding to more than 2,000 food incidents, to our role inspecting meat and dairy businesses. Across science, regulatory reform and risk analysis, the FSA is delivering on its mission to ensure food you can trust.

Unanticipated pressures placed extra demands on FSA staff and resources in the last year. This included supporting the development of the Government's new Borders Target Operating Model (BTOM), a new regime for imported food and feed products entering Great Britain. We were also working hard to deliver the Retained EU Law (Reform and Revocation) Bill to its initial deadlines and supporting the Precision Breeding Bill.

Over the year we continued to work with local authorities as they cleared the backlog of inspections of food businesses that built up during the COVID-19 pandemic. Thanks to the hard work of local authority food teams, interventions at the highest risk businesses have been brought back on track, while significant progress was also made with lower risk businesses. This meant we were able to end the Local Authority Recovery Roadmap, which was launched in 2021 to support recovery and a return to business as usual following a year responding to the pandemic.

Against this backdrop, consumer confidence in food safety and authenticity has remained high. Our findings show that 91% of respondents are confident that their food is safe to eat, while 86% are confident the information on food labels is accurate. However, our research also shows that food prices are the most common food-related issue respondents are concerned about.

I would like to thank FSA staff, local authority colleagues, and the food businesses we work with for all of their hard work over the year to ensure food is safe and authentic.

A handwritten signature in black ink that reads "Emily Miles". The signature is written in a cursive, flowing style.

Emily Miles

Chief Executive, Food Standards Agency

Chair's foreword



I would like to commend the FSA Executive for all of its work over the last year to uphold food standards and to protect public health. Thanks also to everyone involved in the careful preparation of this annual report and accounts which allows others to scrutinise our work.

The FSA Board has been monitoring performance throughout the year and we are confident that the FSA continues to do a good job in maintaining high food standards. The valuable work the FSA carries out to anticipate and respond to new risks can be seen through the reporting year in the work carried out to support Government policies such as the Border Target Operating Model and the Precision Breeding Bill. There has been strong support for Local Authorities and Port Health Authorities as they recover from the impact of the pandemic, and the Local Authority Recovery Plan is brought to a close.

I welcome the progress being made on regulatory reform. As the food system adapts to advances in technology, new business models and changing consumer behaviour, the way the FSA and local authorities regulate businesses must change. The FSA Board has been clear that reform is needed to create a modern regulatory system which is resilient in these uncertain times. We will continue to champion the need for additional resource to support this.

The Achieving Business Compliance Programme (ABC) is a great example of the reforms already underway to develop a set of smarter and future-proofed regulatory approaches that make it easier for businesses to do the right thing and ensure resources are targeted at the areas which pose the greatest risk. I also welcome the partnership working with local authorities that is enabling us to make good progress on development of the new food standards model. This aims to make the system more effective at using data and intelligence to identify and target non-compliant businesses, and enables local authorities to better target their resources to drive compliance.

The Regulated Products Service we inherited from the EU continues to authorise products coming to market, but the Board recognises that it needs transformation to better support innovation. Some of this can be done through the review of retained EU Law, but more fundamental change will take time and will need to be supported by new legislation.

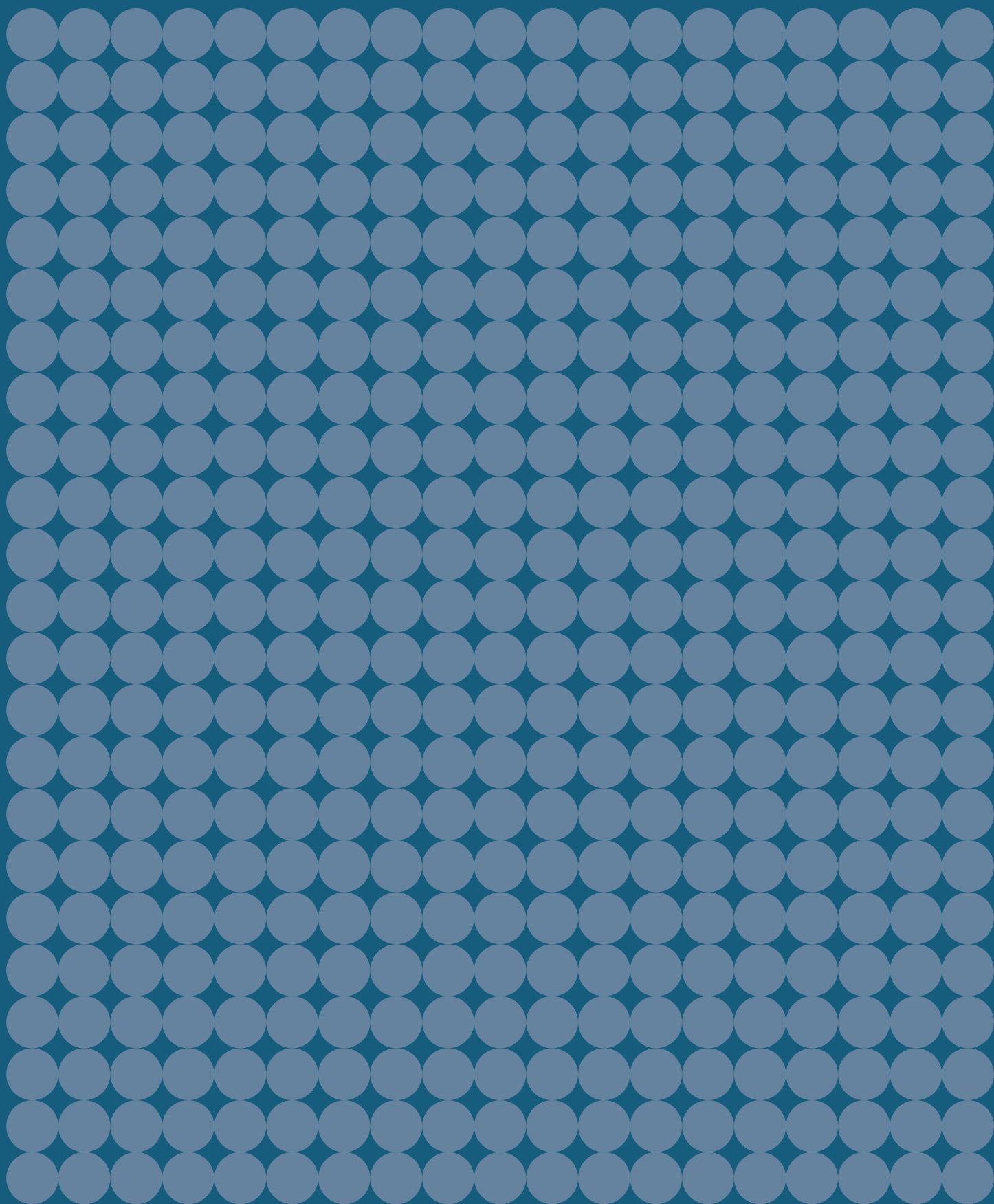
This report provides confidence in the FSA's performance, not only in its response to some challenging issues through the year, but also in its commitment to deliver critical reforms. At the same time I am very pleased that the FSA is continuing to deliver our strategy to give consumers food they can trust by doing the routine jobs exceptionally well.

A handwritten signature in black ink that reads "Susan Jebb". The signature is written in a cursive, flowing style.

Professor Susan Jebb

FSA Chair

Performance report



Performance overview

The Performance report explains the role, and purpose of the Food Standards Agency (FSA). It also covers the FSA's objectives, organisational structure, performance and the impact and management of key risks.

Performance analysis

About the Food Standards Agency (FSA)

The Food Standards Agency (FSA) was established in 2000, following several high-profile outbreaks of foodborne diseases. Set up as an independent government department, the FSA's statutory objective is to protect public health and consumers' wider interests in relation to food in England, Wales and Northern Ireland (NI). Our work, and that of Food Standards Scotland (FSS), also supports the UK economy by reducing the economic burden of foodborne disease and ensuring UK food has a strong reputation for safety and authenticity in the UK and abroad.

Our mission is 'food you can trust.' [Our strategy for 2022–2027](#), which was published March 2022, sets out how we will deliver that mission.

How are we organised?

The FSA's role set out in the [Food Standards Act 1999](#), is to protect public health from risks arising in connection with the consumption of food and to protect the interests of consumers in relation to food.

The majority of food policy making is devolved, and we maintain strong working relationships with the UK government, the Welsh government and the NI Executive. However, we act independently of ministers, in all administrations and are governed by an independent Board. We also work closely with FSS, an independent public body with responsibility for food policy and implementation in Scotland. We ensure that we factor in different circumstances or data specific to each nation into the approaches we take and the advice we provide.

A total of 1,571 people (as at 31 March 2023) work for the FSA across the three nations. They include analysts, researchers, inspectors, enforcement experts, policy professionals, veterinarians and frontline staff, who work alongside our operational delivery partners to inspect abattoirs and other primary production sites, ensuring our food is safe.

All graphs and data in the performance report represent the FSA's whole area of responsibility, using a consolidated approach, unless specified otherwise.

Mission, vision, strategic priorities and performance

To define success, the FSA set a mission, which is broken down into our vision (comprising of three goals), our strategic priorities for 2022/23, objectives and deliverables.





Our mission is **food you can trust**

This mission has been the backbone of our work for many years and is central to our [2022/27 Strategy](#). As the food system constantly evolves, we must ensure our strategy to deliver this mission evolves with it.

The FSA has greater responsibilities now that the UK is outside of the EU. New technologies, business models and changing consumer behaviours mean that the FSA has had to adapt its approach to delivering both our statutory obligations and our mission. There have also been growing public concerns about health, sustainability and affordability of food.

By food you can trust, we mean a food system in which:



Food is safe – Food is vital to everyone, every day. We all have the right to expect that the food we eat will not make us ill. To deliver this, we prioritise keeping the level of foodborne disease low. We do this in many ways to set standards to help industry produce safe food; through our direct inspection work in the meat, dairy and wine industries, our surveillance and preventative programmes and our work alongside local authorities to deliver food business inspections.



Food is what it says it is – Consumers should be confident that food is what it says it is. That is why we will ensure food is authentic and properly described. Furthermore, for consumers with food hypersensitivities, accurate labelling has a big impact on health.



Food is healthier and more sustainable – Health and sustainability are growing priorities for the UK Government, Welsh Government and NI Executive, and for the consumers whose interests we protect. To meet these ambitions, the food system needs to contribute. We need to play our part in supporting government partners and others in the wider food system to make it easier for consumers to access a healthier and more sustainable diet.

Our strategic priorities

To continue delivering food you can trust in 2022/23, we set three strategic priorities.

Doing our day job exceptionally well

Evolving the food regulatory system

Evolving our own capability & capacity

Within these strategic priorities, we identified eight objectives. We have monitored our progress throughout the year to determine if we have delivered against the objectives set for 2022/23 and a high-level summary has been provided below.

Progress against our objectives

Status key:

- D** Delivered.
- P** Delivered in part (some deliverables not met).
- WR** Work reprioritised; new agreed work delivered.
- N** Not delivered.

Doing our day job exceptionally well

- 1
Delivering our regulatory responsibilities to a high standard within meat, dairy and wine and other operational functions to protect consumers from food and feed incidents and criminality. P
- 2
 Setting the standards for a modern, efficient and effective regulatory delivery regime and **supporting LAs, including port health authorities**, to ensure delivery against them. WR
- 3
Building and enhancing our science, evidence and surveillance capability to address current risks and challenges facing the consumer and identify those emerging in the medium-long term. D
- 4
 Working with the UK, Wales and Northern Ireland governments, Food Standards Scotland and Scottish government, regulatory and international partners to **ensure that the UK regulatory regime continues to provide strong protection for consumers**, as it evolves after EU exit. P

Evolving the food regulatory system

- 5
 Delivering an efficient, effective and forward-looking **risk analysis process**, learning lessons from the first year of operation, delivering short-term improvements, and establishing a programme of work to develop future proposals for regulatory reform. D
- 6
 Our **Achieving Business Compliance (ABC)** programme ensures consumers continue to have food they can trust. In a rapidly evolving food sector, we must regulate in a smarter way to ensure food is safe and is what it says it is. D
- 7
 Our **Operational Transformation programme (OTP)*** aims to modernise delivery of Official Controls for meat, dairy and wine in order to increase efficiency and effectiveness, whilst maintaining food safety levels, animal health and welfare and consumer confidence. WR

Evolving our our own capability and capacity

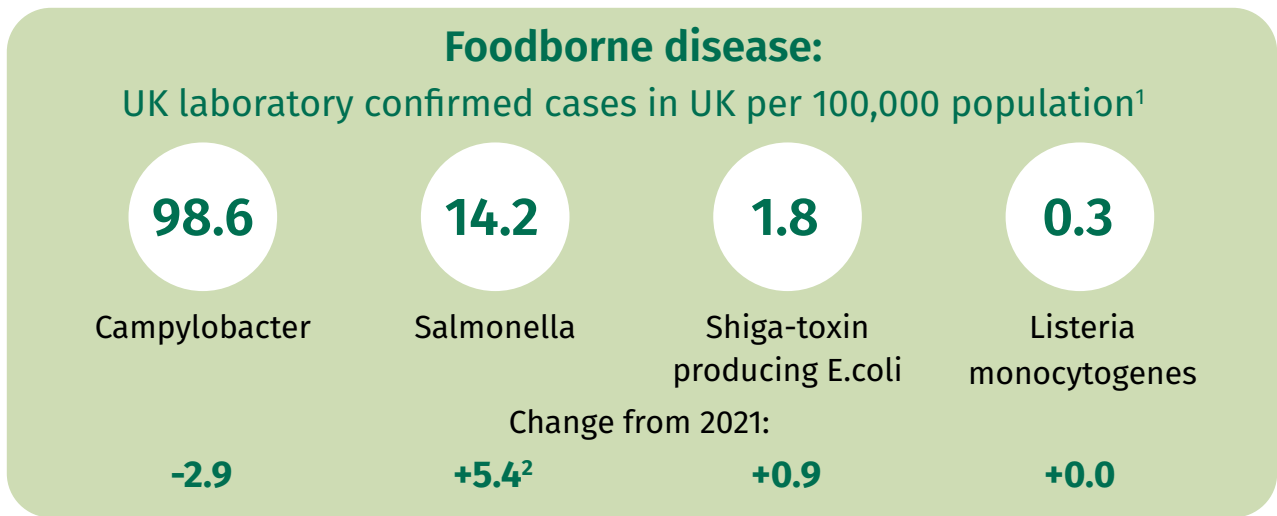
- 8
 Evolving the FSA's capability, systems and processes to deliver our new strategy. WR

* In January 2023, following the FSA's decision to turn the Operational Transformation Programme into an Operations Modernisation Team, part of the former OTP merged into the ABC Programme. As such, the ABC Programme's scope was updated to take on responsibility for longer term transformational reform of Official Controls in the meat, wine and dairy sectors.

Our year in numbers

Did the public have food they can trust?

The FSA is only one actor in a complex food system, where many bodies play a part in ensuring ‘food you can trust’, such as (but not limited to) businesses, local authorities and the public. The impact of the FSA’s work on the food system can be difficult to ascertain in amongst the wider changes within the food industry and people’s evolving relationship with the food they eat. Moreover, it will take time to fully understand the outcomes of much of our modernisation work. Despite that, there are some measurables that we can monitor to determine if the FSA has delivered on its Mission.



Trust in the FSA

91% of respondents have heard of the FSA as at 31 March 2023 (90% at 31 March 2022). Of those who have some knowledge of the FSA, **75% trust the FSA to make sure food is safe and what it says it is** (unchanged from 31 March 2022)



Regulated Products



438 applications to our regulated products service (up from 310 on 31 March 2022). We also completed **34** applications as at 31 March 2023.

FSA sampling activity

11,868 samples tested, of which **673** were non-compliant (sampling areas vary between year, so a direct comparison with 2022 is not possible).



1 The graphic presents the rate per 100,000 population of laboratory confirmed cases in the United Kingdom, in 2022 from all sources, not only from foodborne transmission. For further information please see Objective 3.

2 While Salmonella increased from last year, rates remain in line with pre COVID-19 levels and longer term rates.

Research and evidence



£20.6million or **13.9%** of FSA spend was on science, evidence and research. This includes risk analysis, delivering our research programmes, analysis to support change programmes, science assurance and surveillance and national capability (up from £16.6m or 12.7% spend in 2021/22).

Meat food business operator compliance

98.7% of meat FBOs scored good or generally satisfactory audit outcomes as at 31 March 2023 (slightly lower than the 98.9% rated good or generally satisfactory as at 31 March 2022).



97% completion of full meat audits in Q4 2022/23 (Up from 82% in Q4 2021/22).

Local Authority performance

Interventions carried out in highest risk establishments for food hygiene as at April 2023:



99.5% interventions achieved at category A-rated establishments.



99.0% interventions achieved at category B-rated establishments.

Food Hygiene Rating Scheme (FHRS)



96.9% of businesses achieved a rating of 3 or better as at 31 March 2023 (unchanged from 31 March 2022).

Food crime

85 disruptions achieved (up from 67 in 2021/22 – disruptions record the impact the Unit has in relation to tackling criminal and fraudulent activity, such as executing a search warrant).



Food incidents



2,038 food, feed and environmental contamination incidents investigated (down from 2,336 in 2021/22).

Civil Service People Survey

69% Engagement score on the civil service people survey (up from 68% in 2021 survey). Engagement measures employee commitment to organisational goals and values, and motivation to contribute to organisational success.



Activities and performance during 2022/23

This section details progress against achieving our objectives during 2022/23.

Doing our day job exceptionally well

What does 'doing the day job' mean?

The responsibilities held by the FSA include audit and inspection in the meat, dairy and wine industries, protecting consumers from food crime, and standard setting for food regulation, including at export and import. We work across three nations – England, Wales and Northern Ireland – and we work closely with Food Standards Scotland to provide the best service for the businesses we work with and the consumers we protect.

Objectives covered in this section are:

- 1** **Delivering our regulatory responsibilities** to protect consumers from food and feed incidents and criminality.
- 2** Setting the standards for a modern, efficient and effective regulatory delivery regime and **supporting LAs, including port health authorities.**
- 3** Building and enhancing our **science, evidence and surveillance capability.**
- 4** Working across the UK and with international stakeholders to ensure that the **UK regulatory regime continues to provide strong protection for consumers** as it evolves after EU exit.

Doing our day job
exceptionally

1

Delivering our regulatory responsibilities

Introduction

The FSA has direct responsibility for inspecting, auditing and assuring businesses in England and Wales producing meat, wine and dairy. We deliver Official Controls in abattoirs and game handling establishments, and we audit and inspect meat cutting plants, wine producers and on-farm dairy establishments. In Northern Ireland (NI), the Department of Agriculture, Environment and Rural Affairs deliver food safety Official Controls in approved fresh meat establishments (e.g., abattoirs and cutting plants) and in relation to dairy, egg and primary production hygiene on behalf of the FSA. The FSA and local authorities (LAs) deliver shellfish controls jointly. Effective regulation of these areas remains one of our top priorities.

Meat Hygiene Inspectors and Official Veterinarians deliver inspections to ensure businesses in the meat industry meet their obligations regarding food safety and animal health and welfare, to protect consumers and in support of international trade. Export Auditors provide assurance to third countries that businesses involved in export to them meet their requirements and standards. Our National Food Crime Unit (NFCU) works to tackle serious fraud and related criminality within food supply chains. The work of the NFCU is essential to help protect consumers and the reputation of UK exports, and to help reduce the burden of food crime for the UK economy.

We operate a 24/7 incidents response unit across England, Wales and NI which responds to food and/or feed-related and environmental contamination incidents.

Key deliverables to ensure we achieved our objective in 2022/23:

- A** **Delivering our Official Control responsibilities** – Ensuring we had sufficient operational staff deployed effectively to fulfil our regulatory responsibilities within meat, dairy, wine and respond to local and national incidents.
- B** **Official Veterinarian resourcing** – Committing to employing up to 25% of Official Veterinarians (OVs) by the end of the current service delivery partner contract.
- C** **Operations staff engagement** – supporting the resilience and morale of all Operations staff and developing a culture of learning and development to support, develop and provide strategic resilience.
- D** **Food and feed incidents and criminality** – Ensuring we have the capacity and capability to detect, respond to and prevent food and feed safety incidents and tackle food crime.
- E** **Enhanced data and performance reporting** – Develop enhanced data and performance reporting underpinning our management information to better enable delivery/deployment/resourcing.

Achievements delivered and challenges we have overcome

A Delivering our Official Control responsibilities

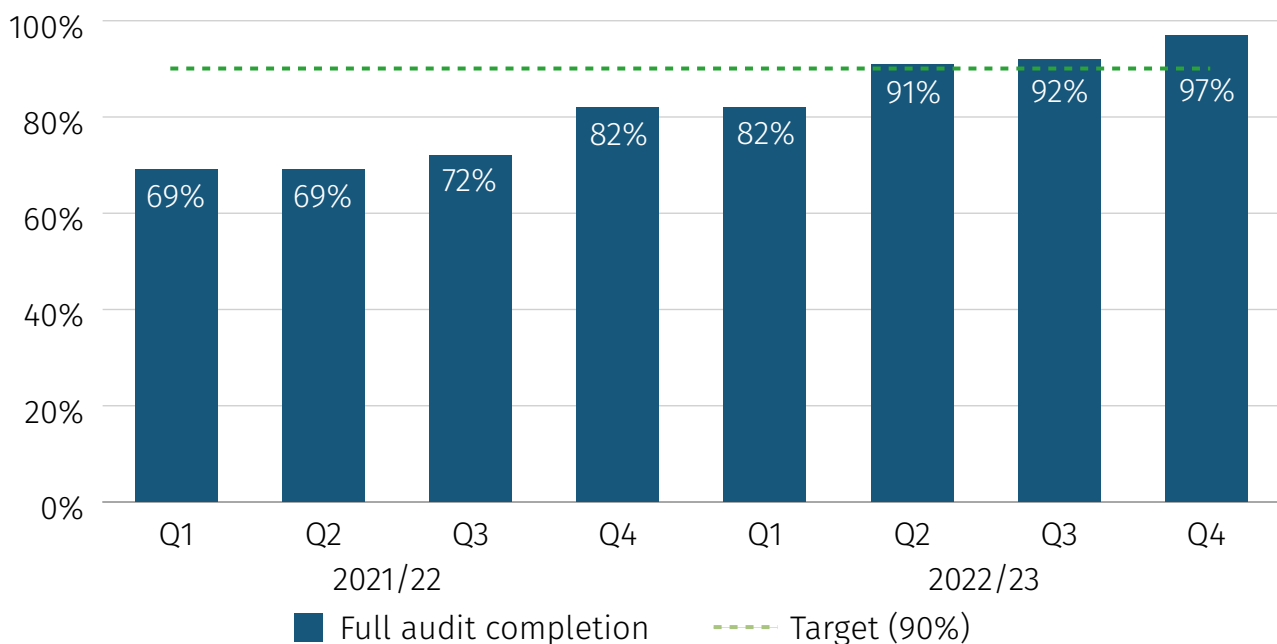
Meat food business operator (FBO) compliance

The Veterinary Audit team completed 631 full audits and 284 partial audits in FSA approved meat establishments during 2022/23, an increase on 2021/22 which saw 576 full audits and 265 partial audits. Of these, 13 were in support of the third country exports audit team. This was in line with pre-COVID figures and the consistent meeting of our targets.



Our target is to complete 90% of the full audits due in each quarter. This was challenging, until Q2 2022/23, due to the backlog generated by the COVID-19 pandemic. Since then, the team has consistently achieved and exceeded the 90% target, reaching 97% in Q4, the highest score ever achieved.

Fig. 1: Full audit completion against our quarterly targets for England and Wales



All veterinary audit team vacancies were filled following successful recruitment campaigns. The team operated at 80% capacity for most of 2022/23 and still managed to achieve:

- Provision of support for third country audit team visits.
- Active participation in the FSA technical portfolios to coordinate and implement controls on the largest Avian Influenza outbreak ever.
- Preparation for the FSA response to a potential African Swine Fever outbreak.

Fig. 2: Number of meat FBOs by compliance rating in the three nations (good and generally satisfactory)

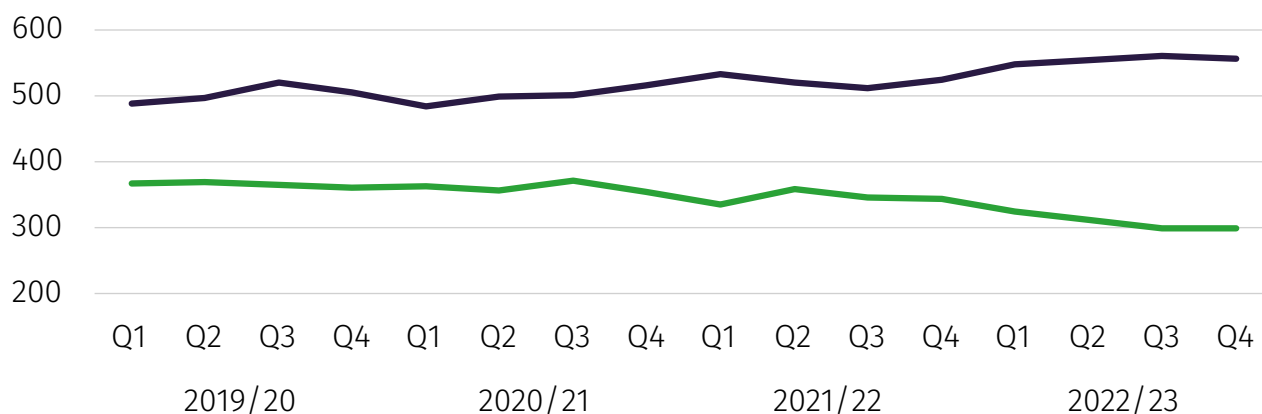
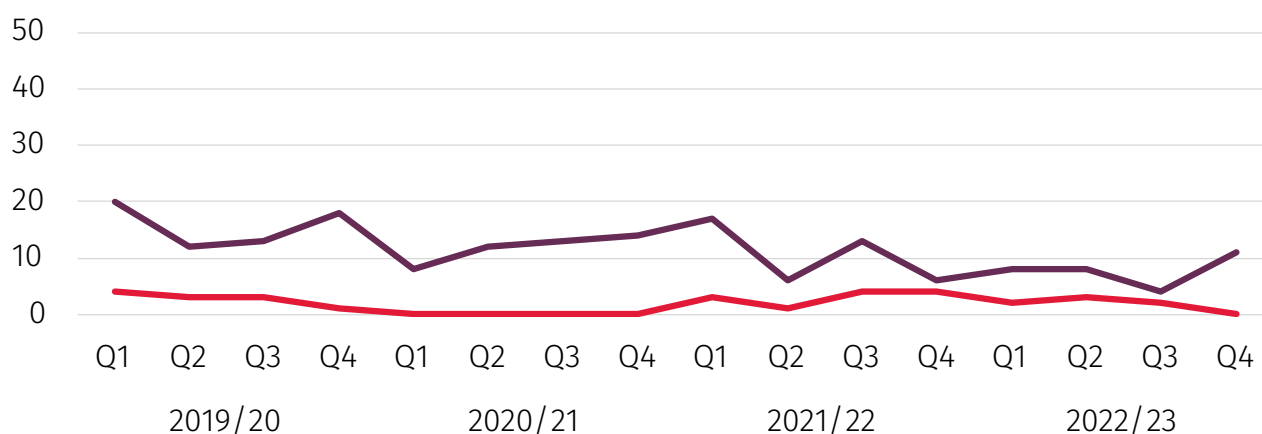


Fig. 3: Number of meat FBOs by compliance rating in the three nations (improvement necessary and urgent improvement necessary)



The slight increase in the percentage of businesses with **good** audit outcomes was directly comparable with the slight drop in the percentage of those with **generally satisfactory outcomes**. The number of establishments with **improvement necessary** and **urgent improvement necessary** scores remained between 10 and 20 (roughly 1-2% of FSA approved sites), with a gradual downward trend since 2019. Audit outcomes is one of the key factors used to assess FBO performance.

The FSA gave precedence to poor performing establishments that posed a higher risk, and we prioritised resources accordingly. The continued increase in good audit outcomes resulted in a reduced frequency of audit visits at those establishments.

Animal Welfare

The Animal Welfare team continued to support FSA Operations with delivery and enforcement action as well as liaising with Defra and Welsh Government on policy activities.

Specific highlights included:

- **The completion and delivery of the refreshed slaughter sector survey.** The survey focused on throughput, slaughter methods (stun and non-stun slaughter), livestock production, and product distribution such as domestic supply and exports. The survey supports the development of wider Government strategies and policies. Survey findings suggest that levels of slaughter without stunning showed a small overall decrease from the previous survey in 2018. The survey moves to a biannual cycle, with the next survey taking place in the spring of 2024.
- **The implementation of a new digital repository** for storing enforcement evidence. This facilitated improved data transfer between Government agencies using secure shared repositories, allowing instant access to evidence to the Government authorities responsible for enforcement.
- **Improvements to technical guidance and training,** to continually improve what we do, how we do it and to provide advice to slaughterhouse operators and their representatives.
- **Governance and management of the cross-agency animal welfare action plan** which, with input of other Government agencies, evaluated the effectiveness of measures designed to improve animal welfare standards, ensuring that FSA activities are aligned with other government strategic animal welfare programmes.

The combined number of animal welfare non-compliances on-farm, in transport and at slaughter showed a 6% reduction from 2021/22, demonstrating improvements to animal welfare compliance standards.

B Official Veterinarian (OV) resourcing

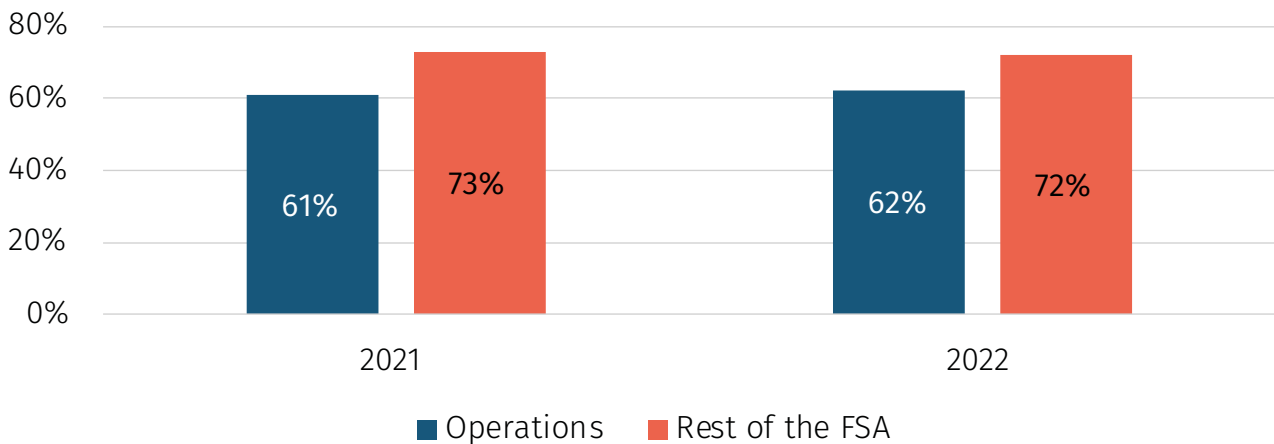
In December 2022, a review by Operations and the People and Resources Director recommended that the FSA pause its project to directly employ some OVs to deliver Official Controls in abattoirs. It was agreed that although direct employment of OVs remains an ambition, the economic climate makes this unaffordable at the current time.

C Operations staff engagement

To address issues discovered through the 2021 culture survey, the Operations directorate introduced an increase in regional face to face engagement events, improved use of internal communications and social media and the development of a new vision for Operations that aligns with the FSA's 5 year strategy. In the survey, it was identified that many frontline staff in the Operations directorate expressed specific localised area of dissatisfaction. As a result, in the 2022 Civil Service People Survey, the FSA's Operations directorate achieved an overall engagement score of 62% in 2022, representing a 1% increase compared to 2021. This has been achieved in a challenging year for our people against a backdrop of limited resource. This bucked the wider Civil Service and FSA

trends and was a key contributory factor in the 1% point increase in the overall FSA engagement score.

Fig. 4: FSA Operations Civil Service People Survey results 2022*



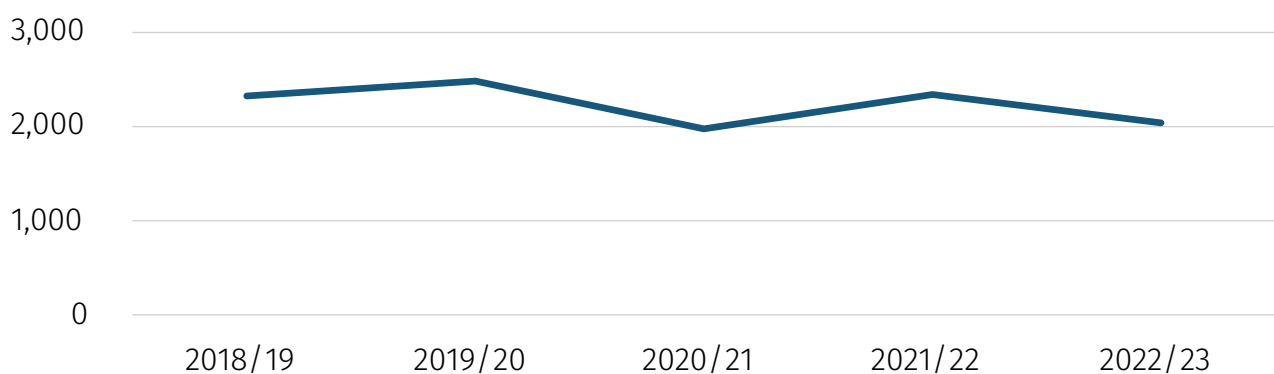
* The FSA Operations directorate only covers England and Wales as operational work in Northern Ireland is carried out by DAERA on the FSAs behalf.

D Food and feed incidents and criminality

Food and feed incidents

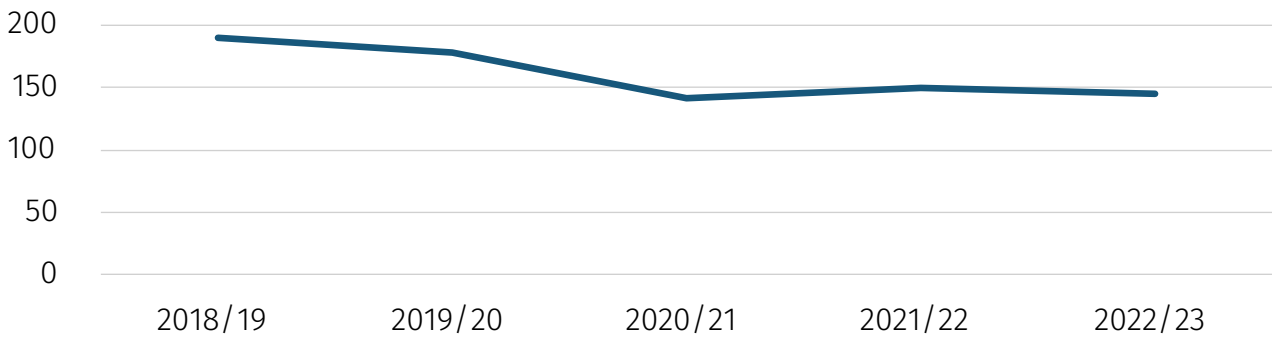
The FSA receive notifications of food incidents from a range of sources, including LAs, port health authorities, government organisations, industry, international surveillance activity and consumers. The FSA’s Incidents team engage in a range of incidents covering public health, safety, allergens, labelling and, when relevant, crime and national security.

Fig. 5: Incident notifications received by the FSA to 31 March 2023



There were a total of 2,038 food, feed and environmental contamination incidents in England, Wales and NI that the FSA investigated during 2022/23, a 13% reduction compared to 2021/22. In 2022/23 there were a number of significant outbreaks and complex incidents, including the Ukraine response, which lasted a number of months and took significant resource across FSA working together to resolve, adding to scale and longevity of the total.

Fig. 6: Number of food alerts notifications issued by the FSA to 31 March 2023



143 alerts were published (a decrease of 5% from 150 in 2021/22). This included 82 Allergy Alerts, 61 Product Recall Information Notices and 0 Food Alerts for Action.

The numbers of incident notifications received and alerts issued are a measure of how many incidents the FSA has been made aware of and are not necessarily indicative of a change in the food safety profile of the UK.

The Receipt and Management (RAM) team monitors signals for evidence of risks impacting the UK, with an overall aim of both incident detection and prevention. “Signals” are processed daily to check for issues which might impact the UK. During 2022/23, the RAM team function processed **11,421** signals. As a result of this, the FSA initiated:





- **38** new incident/product referrals
- **104** referrals to LAs and other authorities to investigate
- **841** signals were also referred on for information
- **12** ongoing signals where there is evidence of an emerging risk

Key causes of food incidents during 2022/23

A food hazard is something that could make food unsafe or unfit to eat. There are three main types of food safety hazards:

 <p>Microbiological harmful bacteria</p>	 <p>Chemical chemical contamination</p>	 <p>Physical objects in food</p>
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The most common type of hazards involved in the food incidents reported were:

 <p>28% Pathogenic micro-organisms</p>	 <p>15% Allergens incidents</p>	 <p>13% Production errors</p>	 <p>11% Chemical contamination</p>
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The FSA also collects data on the source of food incidents, which were:



Microbiological contamination



Labelling and packaging errors



Unauthorised ingredients

Pathogenic micro-organisms were the most common hazard type with large numbers of Avian Influenza incidents in 2022/23. We used Whole Genomic Sequencing (WGS), working collaboratively with UKHSA for greater data accessibility to ensure we prioritise work in a way that delivers maximum consumer protection.

Allergen incidents

The FSA is responsible for allergen labelling and providing guidance to consumers with food hypersensitivity (which includes food allergy, Coeliac disease and food intolerance) and we work closely with food businesses to ensure they understand their responsibilities. However, when a problem is discovered with undeclared or incorrectly labelled allergens, an urgent alert is issued. The FSA issued 82 alerts to provide consumers guidance to allergen risks.

Food crime

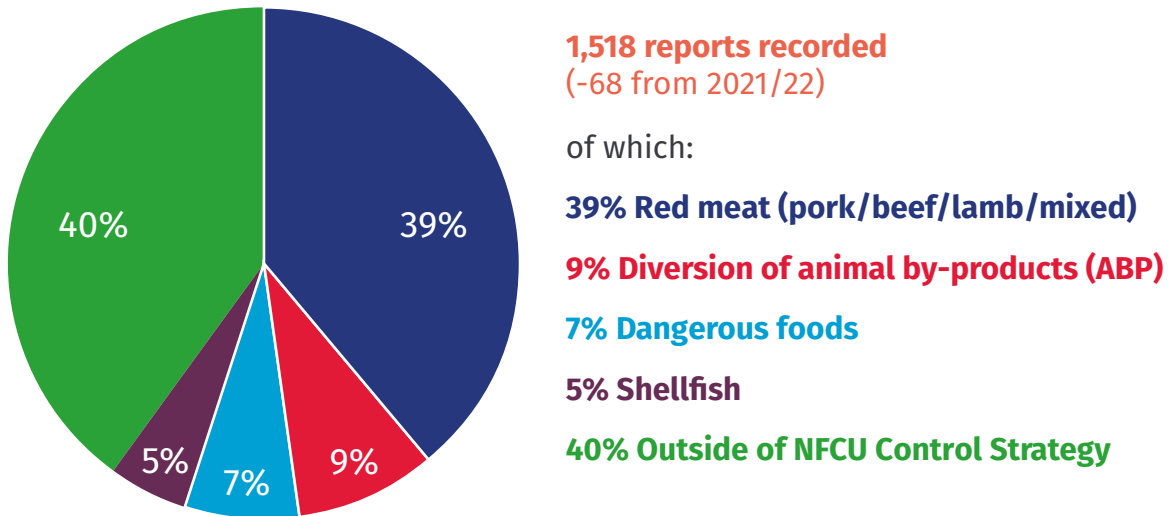
The FSA's NFCU plays a critical part in the FSA's objective to ensure that consumers can trust that food is what it says it is. It does this by identifying, investigating, disrupting and preventing serious food fraud. The NFCU has four key performance questions, set by the FSA Board. Detailed below is the considerable progress we made, in 2022/23, against these performance questions.



How comprehensive is the NFCU's understanding of the food crime threat?

The NFCU collects intelligence from a range of partners and sets intelligence collection priorities in a [Control Strategy](#), informed by a [Food Crime Strategic Assessment](#). During 2022/23, we refreshed our Control Strategy, following an intelligence-led review. This enabled us to better focus our future work. We also maintained situational awareness of the food crime landscape, following a pause of the Strategic Assessment.

Fig. 7: Food crime intelligence reports by Control Strategy priority 2022/23



We remain vigilant to food crime threats by balancing our awareness of current identified risks with an alertness to emerging food crime threats. In 2022/23, 60% of the intelligence recorded fell within at least one Control Strategy priority, demonstrating the appropriate prioritisation in our intelligence collection activity. The FSA also worked with external academic partners to better quantify the economic impacts of food crime.



How effective is the NFCU’s response to the food crime threat?

We use the established UK law enforcement ‘4P approach’ to plan and deliver operational outcomes. Within the Pursue strand, we undertake investigations aiming to build cases towards criminal justice outcomes. Serious fraud and food crime investigations, undertaken in 2022/23, resulted in four complex criminal files being submitted. Three files have resulted in criminal charges being laid and three separate trials are awaited. It is anticipated that the fourth file will lead to additional charges being laid.

Fig. 8: The 4 ‘Ps’



Prepare – ensure the necessary capabilities to tackle food crime



Pursue – prosecute offenders and confiscate the proceeds of food crime



Protect – reduce the vulnerability of businesses and consumers to food crime threats



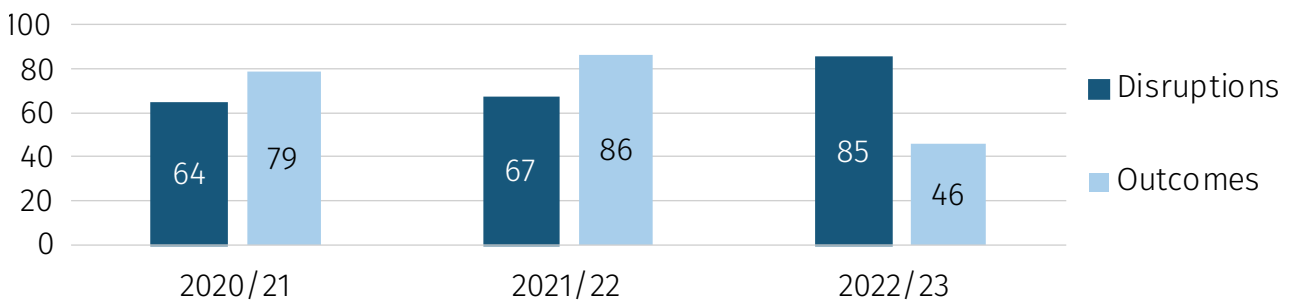
Prevent – stop individuals/businesses from committing food crime

‘Disruptions’ and ‘Outcomes’ record the impact we have in relation to tackling criminal and fraudulent activity. ‘Disruptions’ are achieved when we have had a direct impact on food crime. We register these with the National Crime Agency and they need to meet a

certain level of impact. An example of a disruption would be the execution of a search warrant. 'Outcomes' are recorded when there is an indirect impact on food crime. For example, when we issue strategic communications to Local Authorities (LAs) and industry to respond to a food crime threat.

We have increasingly sought to focus on delivering disruptive interventions, which have a high impact. This focus has contributed to an increase in disruptions over the course of 2022/23, seen in Figure 9.

Fig. 9: NFCU disruptions and national outcomes achieved by financial year



As well as achieving disruptions, we worked to increase the resilience of businesses and consumers to food crime threats. Our Food Fraud Resilience Self-Assessment Tool was completed over 500 times, providing food businesses with guidance and support on food fraud.



How effective is the NFCU at working with partners?

Prosecutions and other disruptions are often the result of a multi-agency approach, working with LAs and a range of law enforcement partners. In 2022/23, the NFCU led or supported over 50 new strands of enforcement activity.



As an example, the NFCU supported Chichester District Council in tackling shellfish harvesting from beds that were classified as unsafe for human consumption. As a result, illegally harvested products were seized and destroyed, penalising the businesses in illicit receipt of the products. The intervention had a deterrent effect on offending in the area.

The FSA has remained part of the international community which operates under Operation OPSON. This tackles the sale of counterfeit and substandard food and drink products. In 2022, under OPSON XI, the FSA and FSS collaborated with LAs and other partners to complete a total of over 400 checks throughout the UK which identified a number of non-compliances for LA action.

We have also worked to improve partner capabilities through the continued relationship with the Food Industry Intelligence Network, including the provision of fraud training.

In Q4 2022/23, a focus in the media on an ongoing criminal investigation prompted additional stakeholder engagement on how we can work in partnership to strengthen lines of defence in the food system.



How effectively does the NFCU manage resources?

In 2022, the FSA commissioned an independent review of NFCU which provided a positive assessment of our direction, capability and use of resource. Recommendations were made about where we can better project our message, build capability, enhance impact and nurture culture. An action plan has been developed to respond to the recommendations identified in the review.

We are also reviewing our metrics and guidance to ensure a focus on impact and effectiveness. This will build on established tasking and coordination processes that prioritise serious food fraud in accordance with the Control Strategy and respond to emerging threats.

Securing additional powers will further enhance our effective use of resources. More details of this can be found in Objective 4F.



Enhanced data and performance reporting

During 2022/23, Operations established a new performance framework and enhanced dashboard. The framework established new governance and stronger accountability for tracking delivery against Operation's corporate objectives, whilst the dashboard captured key performance indicators and management information to ensure we are delivering against business plans.

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2

Supporting local authorities and port health authorities

Local authorities (LAs) are responsible for delivering activities such as inspections, audits, surveillance and sampling (known as Official Controls) in the majority of food and feed establishments. For food, these controls relate to food hygiene (microbiological quality and contamination of food by micro-organisms or foreign matter) and food standards (composition, chemical contamination, adulteration and labelling of food). We work with all 334 LAs in England, 22 in Wales, 11 in Northern Ireland (NI) and with the Department of Agriculture, Environment and Rural Affairs, who deliver feed Official Controls in NI. 89 LAs also perform port health controls at points of entry, with four port health authorities.

Under section 11 of the Food Standards Act 1999 the FSA has the function of monitoring the performance of these enforcement authorities, including setting standards for them.

Key deliverables to ensure we achieved our objective in 2022/23:

- A** **Supporting local authorities** to deliver against the Recovery plan, including performance management, end of year and temperature check surveys, monitoring and reporting.
- B** **Modernise the use of data** and intelligence in the effective delivery and monitoring of Official Control activity, setting new LA key performance indicators and reviewing our performance monitoring framework.
- C** **Review of import controls framework** to ensure it is fit for purpose, including introducing a standard approach to enforcement by port health authorities.
- D** **Provision of high-quality resource** material to facilitate consistent and effective delivery of Official Controls, including guidance and training, and a comprehensive programme of LA engagement.
- E** **Deliver our consumer and business engagement campaigns** regarding 'Increasing use of FHRS ratings', 'FHRS online display' and 'Register a Food Business'.
- F** **Taking key steps towards** implementation of Food Hygiene Rating Scheme (FHRS) mandatory display in England and online display in NI.

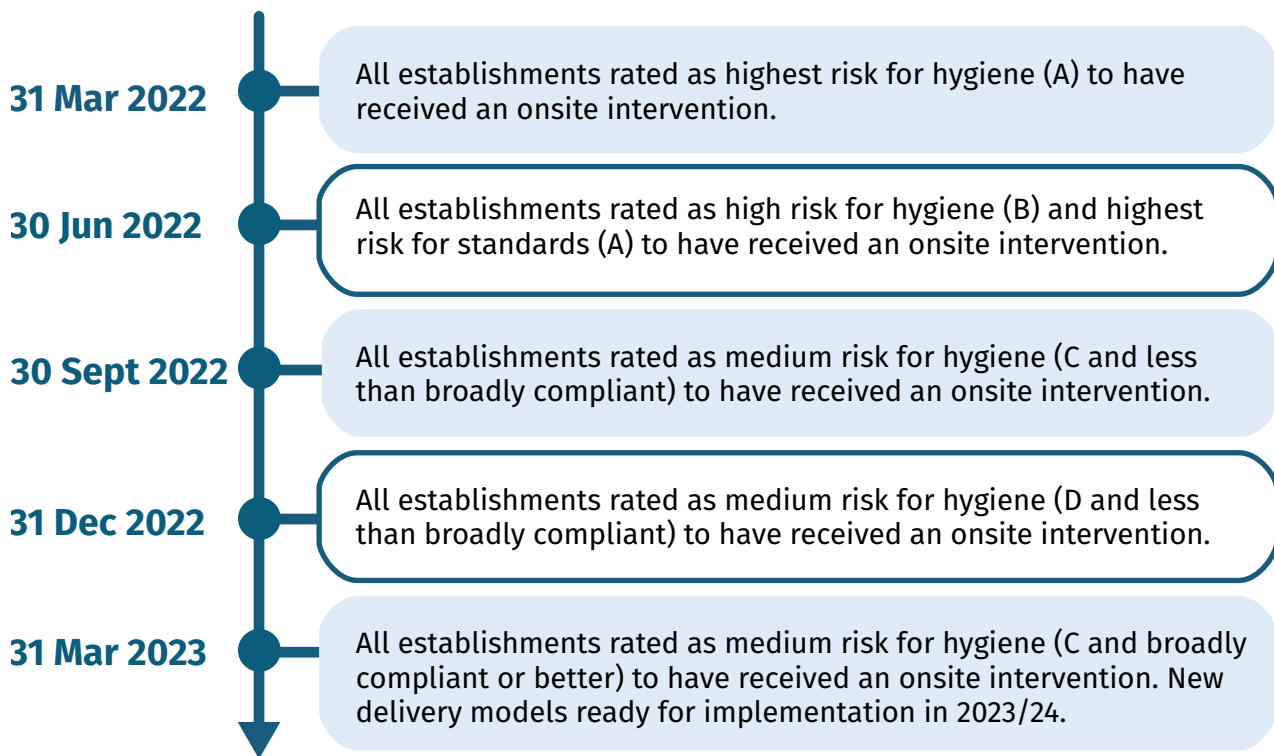
Achievements delivered and challenges we have overcome

A Supporting Local Authorities to deliver against the Recovery Plan

Most LAs were in compliance with the [COVID-19 Local Authority Recovery Plan](#), which set out the FSA's guidance and advice for the period 1 July 2021 to 31 March 2023. The Plan provided a framework for restarting the delivery system.

Data collected from LAs in the end of year and quarterly surveys was used to monitor progress against the milestones in the Plan. Where LAs had insufficient resource to deliver the Plan or the data indicated the LAs were underperforming, we engaged with them to help support them and addressed their issues.

Fig. 10: Outline of the Recovery Plan



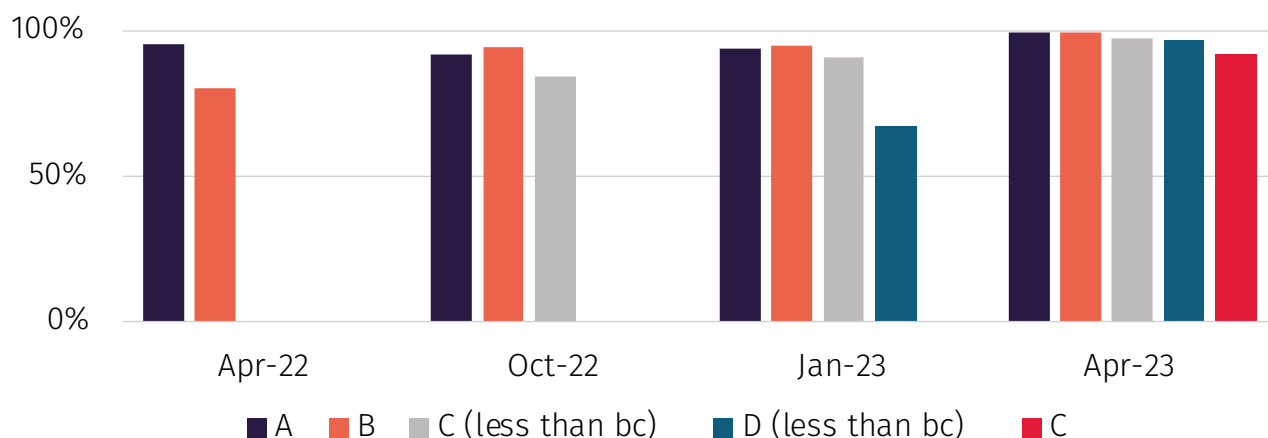
Is the system as a whole targeting the risks?

Ongoing requirements of the Plan and the key milestone dates for higher and medium risk establishments were met by 98% of LAs by 31 March 2023 and many had started to complete planned inspections of establishments in the lower risk categories. This provided assurance the system was beginning to align with the Food Law Code of Practice expectations.

For food hygiene, the expectation outlined in the Plan was for LAs to deliver interventions according to risk, starting with the higher priority A and B rated establishments, progressing to establishments rated C and D, which were less than broadly compliant followed by category C and broadly compliant or better. In FHS terms 'broadly compliant' or a higher standard of compliance is equivalent to a food hygiene rating of three or above. The Plan provided flexibility for lower risk establishments.

The majority of establishments fell in the medium/low risk categories C, D and E (c.25x more than higher risk). Where resources were available, LAs were expected to make progress in line with the provisions set out in the Code of Practice at medium/lower risk establishments (broadly compliant C and D and E-rated).

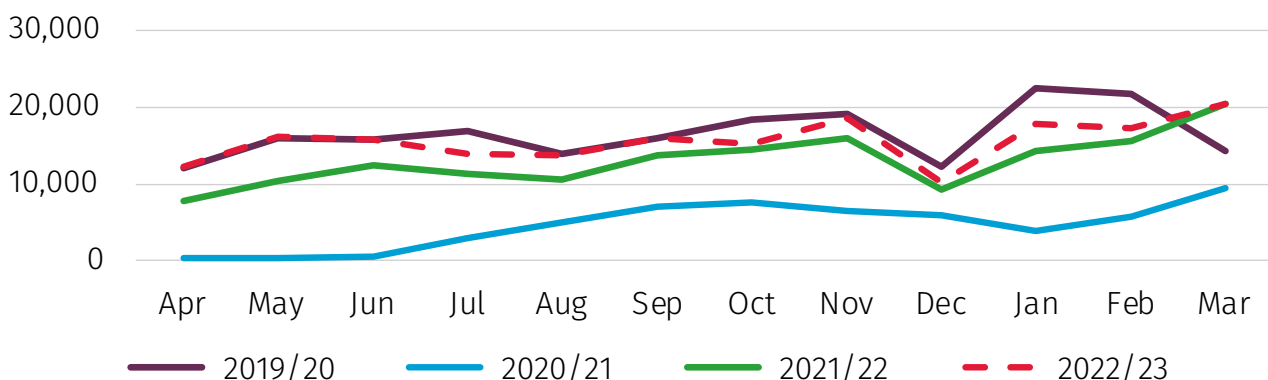
Fig. 11: Planned food hygiene interventions achieved at A-rated, B-rated, C-rated (all) & C and D less than broadly compliant (bc) establishments



By the end of 2022/23, interventions for hygiene carried out at establishments rated A (99%), B (99%), C (less than broadly compliant) (97%) and D (less than broadly compliant) (96%), were high and within expected delivery levels. Interventions achieved at all Cs, Ds, and Es were 75% of that achieved pre-pandemic (2018/19). Good progress was made with interventions at establishments rated A for standards (88%) by the end of 2022/23 and LAs had also made good progress with interventions at B- and C-rated establishments.

How does LA delivery compare to previous years?

Fig. 12: All interventions achieved at retailers, restaurants and caterers.



The analysis of FHRS data for retailers, restaurants and caterers allowed us to look at LA delivery using close to live data. Reassuringly, within this subset of establishments, LA service delivery was coming in line with pre-pandemic levels.

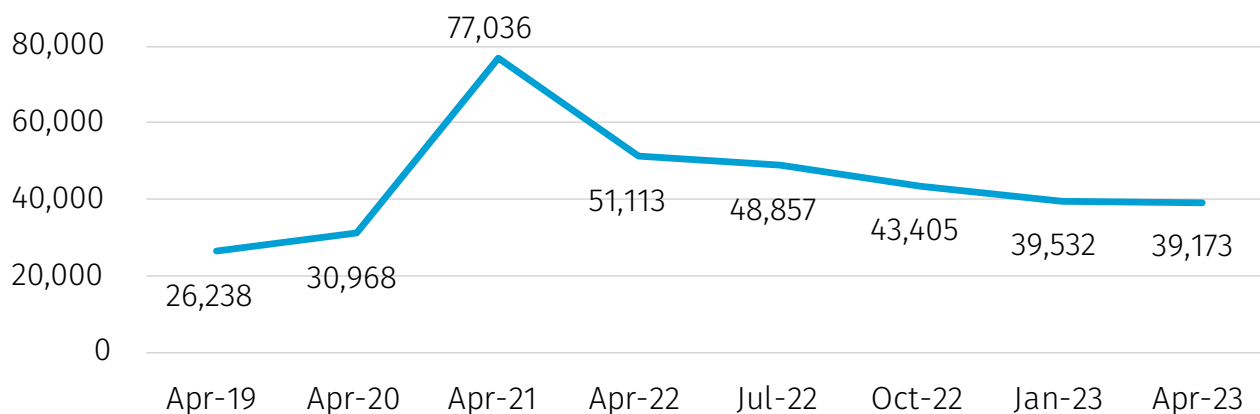
Are the teams that deliver official food controls fully staffed?

Resources were back to pre-pandemic levels, but some LAs reported challenges with recruitment and retention. LA resourcing continued to be an area of concern, and we intend to monitor it closely. Where posts were occupied by staff not competent to carry out the full range of Official Controls, some LAs reported these officers were carrying out interventions at the lower risk establishments. We contacted any LA that reported they lacked sufficient resource to deliver the Plan, to advise and support them.

How are LAs managing new businesses and is the number of new food businesses awaiting a first inspection falling?

As well as tracking the milestones in the Plan, we monitored other data that might indicate risk in the system, such as the number of unrated businesses (Fig. 13). At its peak around April 2021 there were 77,036 businesses which had not been inspected for food hygiene. During 2022/23, unrated businesses continued to decline steadily and stood at 39,173.


Fig. 13: Number of unrated businesses reported at end of year



It is reassuring that the number of new registrations that were awaiting prioritisation for food hygiene continued to fall during 2022/23 from around 10,000 in April 2022 to 3,100 at the end of March 2023 which suggested an improvement in the management of unknown risk in the system. The number of new businesses prioritised as 'higher risk' for food hygiene decreased slightly from 9,200 in April 2022 to 8,800 at the end of March 2023. Although the number remained high, it was not surprising as LAs were meeting the other expectations in the Recovery Plan and undertaking other high priority work where there was an identified risk in the system. Due to the positive work undertaken by LAs reported in the January 2023 survey, indicators suggested that the system had made a significant recovery, bringing service delivery close to pre-pandemic levels. Based on this, the FSA made the decision that the Recovery Plan would come to an end on 31 March 2023.

How the FSA has performance managed LAs during the Recovery Plan

Our engagement with LAs started following the October 2021 survey. An enhanced approach to LA performance management was introduced to ensure delivery against the Recovery Plan. Food hygiene and food standards survey responses and other intelligence were considered and assessed and this approach has been effective in selecting LAs to engage with and securing improvements in performance. Where LAs were underperforming we explored how to support them. Where an assurance was given that the LA would take the necessary steps to address the shortfall, the LA was asked for regular updates on progress. Issues that were deemed critical and/or we did not have confidence in the assurance given by the LA or the shortfall had not been addressed satisfactorily, LAs were asked to provide a time bound action plan. During 2022/23, new cases for food hygiene and/or food standards were opened following each LA return.

 **Since the performance management programme resumed in 2021 our engagement with LAs has resulted in over 300 cases being investigated and closed following the previous five LA returns. There may have been sufficient assurance to close an LA engagement from a previous survey, but if future surveys flagged a new concern a new case was opened. There were other cases where there was already engagement but further issues were identified in subsequent surveys.**

We use an established escalation process to engage with any LA that is struggling to meet a satisfactory level of performance. The first stage of escalation is a letter from the FSA's Head of Performance Management Team (or corresponding Head of LA delivery in the respective devolved administrations) to the LA's Head of Service, to provide assurance that action will be taken. If improvement is not secured, concerns are raised at an increasing level of seniority, through to stage four when the FSA's CEO will write to the LA's CEO to inform them of the FSA's intention to notify Ministers that assurance has not been provided. Only one LA was escalated in the past year, with stage two escalation and the case was subsequently de-escalated. This followed FSA engagement and LA delivery of an agreed action plan, with ongoing monitoring to ensure improvements were maintained.

B Modernise the use of data

Work was underway to develop a new approach to assessing the effectiveness of LA delivery of Official Controls. There is a project that is currently reviewing the mechanism that will allow LAs to provide the FSA with data that will effectively monitor the delivery of Official Controls. A new suite of key performance indicators has also been developed that utilise establishment level data, which will give us a more qualitative outcome focused assessment of impact on business compliance and a greater level of assurance in food safety. Both workstreams will be progressed in 2023/24, and LA data collection will continue through FSA surveys until the new approach is introduced.

The new approach to data collection supported the embedding of intelligence led working in Official Controls delivery. A new LA Intelligence Coordination Team was established in Regulatory Compliance Division in August 2022. The first priority of the

team was to support implementation of the new Food Standards Delivery Model under the Achieving Business Compliance programme (see [Objective 6](#) for further detail).

C Review of import controls framework

The planned work to review import controls framework was superseded by work to develop a new Border Target Operating Model (BTOM), which included reviewing existing frameworks. Read more about BTOM under [Objective 4](#).

D Provision of high-quality resource material

Approximately 150 letters were published using the [Smarter Communications platform](#), sharing guidance and updates to LAs. Since its launch, 3,700 LA users have signed up to the platform, across England, Wales and NI. Key publications include:

- Updates to the COVID-19 Recovery Plan.
- Labelling and composition changes in response to supply chain disruption (due to the conflict in Ukraine).
- Revised guidance on approved premises and an updated version of our allergens Q&A.
- A Food Law Code of Practice consultation.
- Updates on the Achieving Business Compliance programme.

The FSA engaged with all LA regional food liaison groups in England, attending at least two meetings per year for each group. Similar engagement with regional liaison groups has taken place in NI and Wales and feedback on these meetings is shared with colleagues across the FSA.

Remote meetings have allowed FSA attendance at over 150 meetings to promote FSA policies and priorities, obtain immediate feedback to support policy development, gain insight into current challenges and influence the local uptake of FSA priorities.



Feedback from the meetings, including emerging trends and intelligence, is shared with colleagues across the FSA.

The FSA provided six live online webinars to update LAs on key priorities. The events provided LAs with an opportunity to learn more about, ask questions and give feedback on policy proposals. This early engagement with LAs on the headline policy for Food Hygiene Delivery Model supported the shaping of the proposed developments for a modernised model that is the basis for a nationwide series of engagements with LA delivery partners in Q1 2023/24. A wider informal consultation with all stakeholders comes to an end on 30 June 2023.

£275,000 in grant funding was provided to six LAs involved in hosting the Birmingham Commonwealth Games. This allowed LAs to visit many venues, hotels, restaurants and takeaways to check compliance ahead of the Games, protecting the 1,000,000 visitors.

Training needs analysis was conducted with LAs to identify training required. The FSA now have a contract with [Chartered Trading Standards Institute](#) for food and feed training delivery, which maps to the competency framework and supports delegates with meeting the appropriate competencies. The courses delivered in England were:

- **Feed additives** – live webinar held in January 2023.
- **Labelling of animal feed** – live webinar held in February 2023.
- **Food enforcement and evidence gathering skills** – live webinars held March 2023.
- **Hazard Analysis and Critical Control Point in feed establishments** – live webinar held March 2023.

Recordings of the modules for each course delivered were made available for Environmental Health Officers with a government email address to take at their own pace. These modules went live in April 2023 and were hosted on the [Regulators Companion](#). In Wales, the courses delivered to LAs were:

- **General Food Law** (hygiene and standards) training courses.
- **Shellfish Purification training courses.**
- **Imported Foods: Legislation & Enforcement Webinar.**
- **Hazard Analysis and Critical Control Point.**

In NI, the courses delivered were:

- **NI Approvals Seminar** – face to face event held in May 2022.
- **Search warrant and search of a private dwelling training** – Face to face event (x4) held throughout August and November 2022.
- **CBD/novel foods familiarisation training** – Delivered online June 2022.
- **Incident training** – E learning/Virtual – November 2022.
- **Incident reporting** – E learning/Virtual – February 2023.

Register a Food Business (RAFB)

RAFB is an online service built by the FSA to support businesses to register with their LAs. Since its launch in 2018, RAFB has processed over 181,000 food business registrations and 81% of LAs in England, Wales and NI are now connected to the service. A further 10% of connected LAs utilised the RAFB service's integration capability, removing the requirement for LAs to manually enter registration data to their Management Information System. In 2022 we continued to make further enhancements to the RAFB service to gather additional information that helps LAs to triage inspections, an increasingly important function, post-pandemic. These changes have led to an overall increase in the quantity and quality of the data received in the registration process.

Food Hygiene Rating Scheme (FHRS)

The [Food Hygiene Rating Scheme](#) is operated in partnership with LAs across England, Wales and NI. The scheme provides clear information about the hygiene standards of food businesses at the time of LA inspections. Businesses supplying food directly to consumers, such as restaurants, takeaways, supermarkets, and hospitals are included in the scheme. In Wales, business-to-business operations, such as manufacturers, are also included. As of 31 March 2023, [food hygiene ratings](#) for 470,218 food businesses were published, an increase from 463,184 as at 31 March 2022 and 436,164 as at 31 March 2021.

Fig. 14: % Food businesses with a food hygiene rating achieving rating of 3 or better

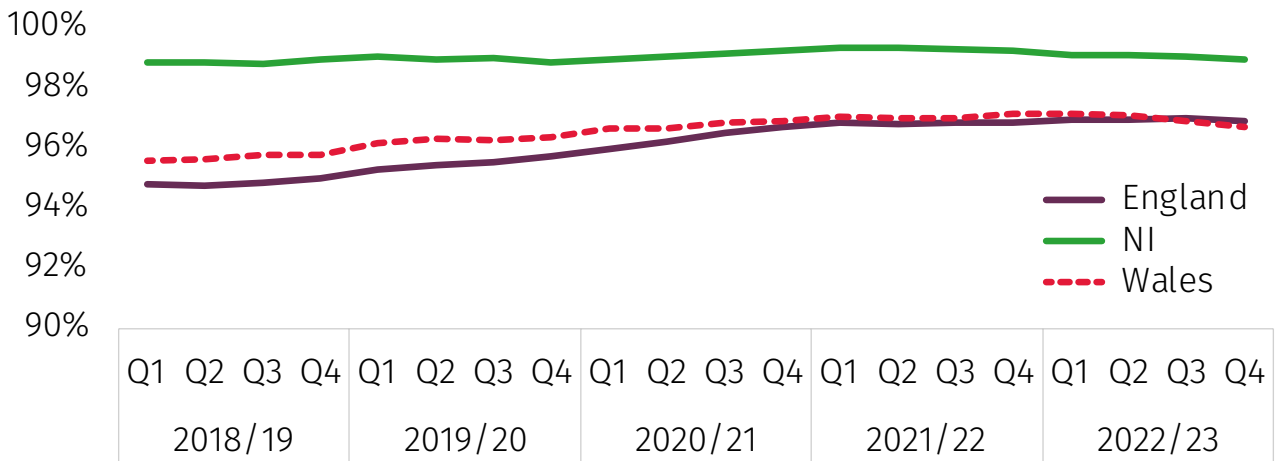
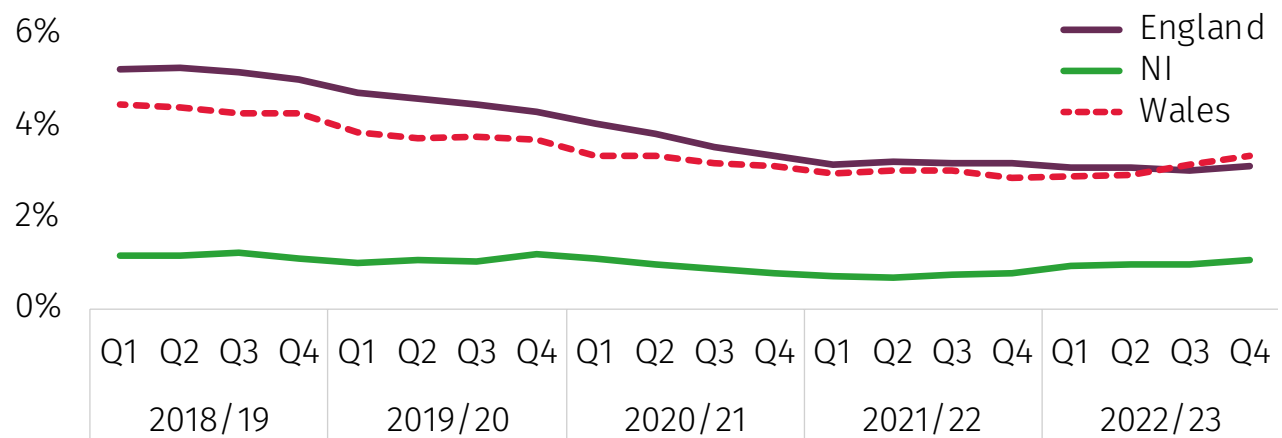


Fig. 15: % Food businesses with a food hygiene rating achieving rating of 2 or below

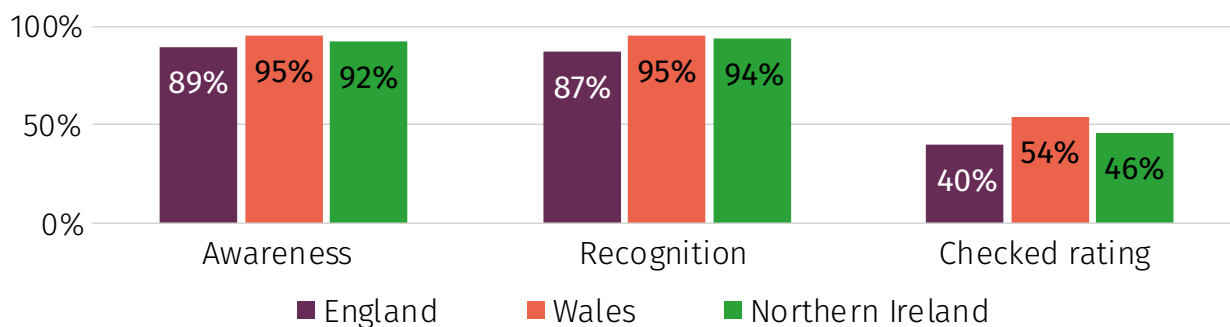


E Deliver our consumer and business engagement campaigns

Consumer awareness, recognition and use of FHRs

We monitor consumers' awareness, recognition and use of the FHRs through the Food and You 2 consumer survey.

Fig. 16: Consumer awareness, recognition, and use of the Food Hygiene Rating Scheme



Findings from Wave 3 of Food and You 2, conducted between October 2021 and January 2022, indicated across England, Wales and NI that:

- **89%** of respondents had heard of the FHRs.
- **88%** of respondents recognised the FHRs sticker.
- **41%** of respondents had checked the hygiene rating of a food business in the 12 months prior to completing the survey.
- **41%** of those who eat out consider the food hygiene rating when deciding where to go.
- **38%** of those who order takeaways consider the hygiene rating when deciding where to order from.

As these questions were only asked in two published surveys at the time of writing, it is too early to assess whether there has been any change in consumers' recognition or use of FHRs over time. The COVID-19 pandemic is also likely to have had an impact on consumers' eating out behaviour and attitudes toward food hygiene. The FSA will continue to monitor consumers' awareness and use of the FHRs and provide a more detailed assessment of changes over time in next year's report when more data points will be available.

F Mandatory display of Food Hygiene Rating Scheme (FHRS)

It is the FSA's ambition to introduce primary legislation for the mandatory display of hygiene ratings in England to align with Wales and NI. In 2022/23, the proposal was due to be included in the government's Health Disparities White Paper. After the White Paper was postponed in July 2022 the inclusion of mandatory FHRS display in our list of work was temporarily paused which reflected the reality that no further progress could be made as it would have required changes to primary legislation during 2022/23. We intend to put the case to Ministers again after the next General Election. This decision allowed us to reallocate resources in line with the criteria of the FSA's prioritisation exercise.

It is also an ambition to introduce mandatory online display in NI. This was a request from the NI Health Committee and agreed by the Assembly in NI. We completed a consultation exercise setting out our proposals and published our consultation response. As the regulations required Assembly scrutiny to proceed, we were unable to take them forward, but they will be prioritised once there is a working Executive established again in NI.

Throughout 2022/23, we continued to promote the scheme and to work with our LA partners to maintain and strengthen its impact. The FHRS is a highly successful public health scheme due to the commitment from LAs and we are very grateful for their ongoing support.

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Building and enhancing our science, evidence and surveillance capability

One of the statutory functions of the FSA is to act as a generator of evidence and analysis on the areas within our remit (set out in section 8 of the [Food Standards Act 1999](#)). We obtain, review and publish information, understand risks and develop an evidence-based approach. We also gather intelligence to inform our approach across other areas of our work, for example targeting surveillance or gathering further evidence about a new or emerging food risk or disruption in the food system.

Most of our work as an evidence generator continues to relate to food safety and authenticity. To support the new strategy, this year we aimed to improve on our existing evidence base around healthier and more sustainable food. Particular attention was paid to the behaviour and experiences of consumers in these areas, as well as ensuring we are well-equipped to engage with evidence generated by others and shared with the FSA.

Key deliverables to ensure we achieved our objective in 2022/23:

- A Risk Assessment:** deliver our portfolio of risk assessments and other legitimate factors (OLF) analyses across food safety, regulated products and trade. Further develop our processes working towards offering an enhanced service. Finalise onboarding of newly funded regulated products and trade risk analysis staff. Develop transformation plan for OLF analysis reflecting broader consumer interests.
- B Research and evidence programmes:** manage and deliver to budget a prioritised portfolio of projects, to provide the science and evidence required to support risk analysis, our change programmes, horizon scanning, consumer and behavioural and insights.
- C National laboratory capability:** deliver our laboratories, sampling and method development programmes, including work to build a sustainable Official Controls laboratory system. This year the plan will be developed, approved and implementation commenced.
- D Wider consumer interest:** delivering an enhanced consumer and behavioural insight programme supporting the development of the FSA Strategy, providing evidence on the consumers' interests in the food system.
- E Foodborne disease and the PATH-SAFE programme:** working with our partners, to lead the delivery of the programme to develop better surveillance methods. This year we will design, commission and start delivering all pilots.
- F FSA evaluation strategy:** develop, deliver and publish our evaluation strategy.

Achievements delivered and challenges we have overcome

A Risk Assessment

Since the UK left the EU, we have recorded three completed risk analysis policy cycles across food safety and trade, supported by science and evidence. These are:

- Risk assessment to support Defra's imported Products of Animal Origin 2022 controls project.
- Impact assessment and risk assessment of import controls from Japan that were put in place following the Fukushima nuclear incident.
- Risk assessment to support Defra to consider the risk associated with minced meat and meat preparations as part of a review of prohibitions and restrictions of EU imports.

We continued to further develop our underlying processes and ways of working, launching a new risk assessor training programme in January 2023 to enhance and standardise our induction and technical skills.

B Research and evidence programmes

In line with the recommendation of the cross-Government 2019 Science Capability Review, we have reviewed and updated our Areas of Research Interest (ARI), building on those published in 2021. Our [revised ARI](#) now include specific reference to food that is healthier and more sustainable, in line with the FSA strategy. We also provided more detail on each of our requirements to ensure our potential partners can better understand our needs. To deliver the research needed to address these areas we have continued to develop our Research and Evidence Programmes. By delivering this work we maintain our position as a trusted provider of independent evidence on food.



£20.6 million or **13.9%** of FSA spend was on science, evidence and research in 2022/23 (compared to 16.6 million in 2021/22)

We continued to build our external engagement to increase the leverage of our spend and the impact of our research. This included initiating a [science newsletter](#) which gained a reach of 1,539 subscribers (as at 31 March 2023). We published 129 reports and scientific papers (exceeding our target of 75) to disseminate the outputs of research undertaken or funded by the FSA, demonstrating the ambition to make our science accessible.

We developed a SERD capability plan for 2022-25. It set out ten priority areas for developing our people, methods, processes and governance. They fall into three themes which are creating capacity, building capability and delivering impact. We have a series of objectives and deliverables against these to monitor our progress and ensure we are continuing to improve the science and evidence system at the FSA.

C National laboratory capability

Official Laboratories undertake analytical testing of food and feed samples enabling statutory checks on imports for LAs. There has been a steady decline in the capacity and capability of the Public Analysts Official Laboratories (PA OLs), leading to concerns over the capacity and capability of the system. In 2019, [a paper](#) was brought to the FSA Board which outlined the state of the system. Since then, the UK has left the EU, and went through the COVID-19 pandemic, leading to additional pressure placed on the system.

The current system is highly reliant on LAs sampling activity, which has reduced significantly over recent years, and as a result has led to a system that has seen a chronic decline in overall capability and capacity and is less able to invest in the future. The FSA's plan to [develop National Lab capability](#) was agreed by the FSA Board in September 2022 and since then the following has been achieved:

- Approximately £500k of funding awarded to four PA OLs in England and Wales, to increase capability and capacity.
- Increased the supporting role of National Reference Laboratories to provide additional capability and capacity for difficult and specialist testing and in the event of a major food or feed incident.
- Worked with the Food Authenticity Network, Defra and Food Standards Scotland to support a framework for a coordinated response from the [Food Authenticity Centres of Expertise](#) in the event of an authenticity incident.

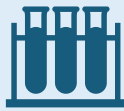
Through working with the labs, the FSA delivers a range of sampling activities to support our objectives. We undertake four types of sampling as part of our programme of work:

Targeted surveillance



£1 million

Total spend



2,585

Samples tested



367

Non-compliances

Purpose: Sampling of specific commodities for specific hazards forms part of the work to consider emerging risks. Decisions on what to target are based on intelligence from a variety of sources and aims to validate intelligence that there may be a risk.

Successes: Undeclared peanut was found in 27% of 'African Spices' tested during the Retail Surveillance Sampling Survey, presenting a potential risk to public health. Results of non-compliant samples were raised with the relevant LAs for follow-up, a letter sent to all LAs alerting them to the results and this intelligence shared with industry through the FSA's Food Industry Liaison Group and Food Industry Intelligence Network.

Sampling to inform science and research



£0.65 million

Total spend



1,301

Samples tested



39

Non-compliances

Purpose: Undertaken, generally on a specific topic, to increase our knowledge. This might be used, for example, to inform risk assessments or policy.

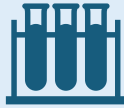
Successes: Surveys have been undertaken to inform the FSA's scientific knowledge on food and feed risk. These include a survey of 40 cat food products to provide data on mycotoxin presence. Findings will be reviewed by the FSA's Advisory Committee on Animal Feeding stuffs to inform policy and advice to industry. Also, an AMR bacterium in retail chicken and turkey survey will contribute to the AMR National Action Plan.

Regular monitoring



£1.33 million

Total spend



6,768

Samples tested



51

Non-compliances

Purpose: To monitor compliance with prescribed regulatory standards. It includes Antimicrobial Resistance (AMR), shellfish and radiological sampling.

Successes: Shellfish and associated water sampling has enabled the classification of beds, ensuring that shellfish receive the correct level processing to be safe to eat, and if necessary, harvesting is prevented to protect consumers. The annual radiological monitoring programme checks that discharges from UK nuclear sites do not cause unacceptable exposure to radioactivity through our food. The latest report in 2022, as in previous years, showed that doses to the public from all sources of exposure to artificial radioactivity, including food, were well below the legal limit.

Official Controls (enforcement sampling)



£0.35 million

Total spend



1,214

Samples tested



216

Non-compliances

Purpose: Samples may be taken due to adverse results from 'Targeted surveillance' to bring businesses into compliance. This also includes samples funded by NFCU for supporting investigations or Operation OPSON.

Successes: Over Q3 and Q4, the FSA funded 13 LAs to take 263 samples from targeted points within the supply chain, with known risks, as part the food standards directed sampling programme. Samples included imported soft drinks from wholesalers/cash and carry, importers tested for composition such as non-permitted additives and labelling, and kebab from manufacturers tested for composition. Where non-compliant results are obtained LAs take appropriate action to bring businesses into compliance. This sampling is targeted at areas of risk identified by the FSA through horizon scanning, surveillance and intelligence, enabling the focus of limited resources to deliver Official Controls.

D Wider consumer interest

The [UK public's interests, needs and concerns around food](#) project was published in Summer 2022 to inform the Wider Consumer Interest programme of research. The research explored how experiences vary, what matters to whom and who is most affected by current challenges in the food system. The top priorities for consumers, and where they would like action taken on their behalf, are around ensuring that hygiene and safety standards are maintained or strengthened, that there is equitable access to safe, healthy, affordable food, that the information is there to make informed decision making easy and that it can be trusted. This research started to build our evidence base on the public interest in the food system, relating to the expanded vision set out for the FSA in our 2022-27 strategy.

In June 2022, the FSA Board asked the FSA Analytics team to expand upon work exploring household food insecurity. We commissioned experts from two UK Universities to scope the landscape of research and data on household food insecurity in the UK, covering that produced by academia, wider civil society and government departments in the last 5 years. This research will be published early summer 2023.

Trust and confidence in the FSA and food system

Our fundamental mission is food you can trust. To monitor progress against our mission and inform our decision making, we regularly conduct research with consumers across England, Wales and NI. Food Standards Scotland run their own consumer surveys for Scotland. The FSA's research includes:

- [Food and You 2](#) – Our flagship survey, conducted biannually with approximately 6,000 people and covering a broad range of topics of strategic interest to the FSA.
- [Consumer Insights Tracker](#) – Our monthly tracking survey monitoring consumers' concerns and behaviours (including relating to food affordability and availability) and attitudes towards the FSA and food system.

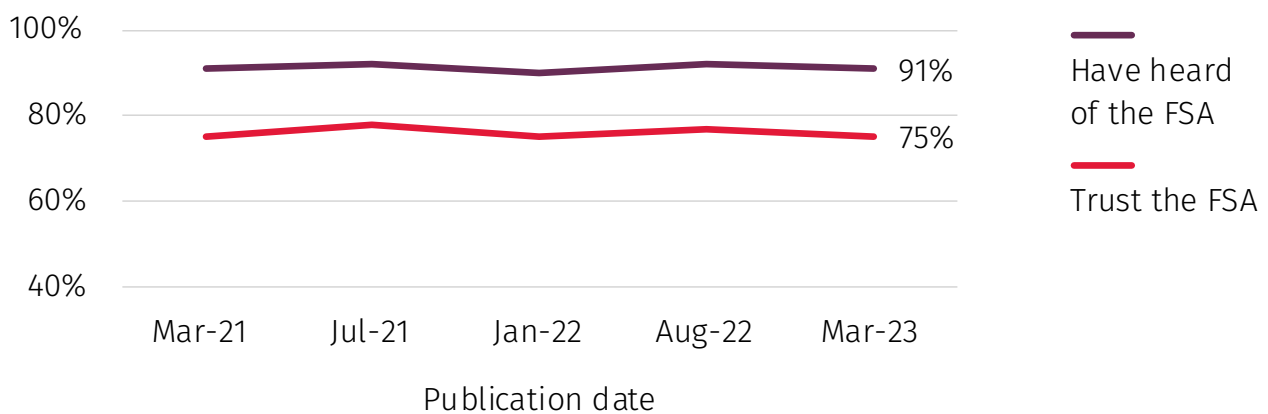
Trust in the FSA

Consumer awareness and trust in the FSA is high and has remained broadly stable since tracking began in 2020. Results from [Wave 5](#) of our Food and You 2 survey published in March 2023 indicate that:

91% – of respondents have **heard of the FSA**.

Of respondents who know a little or a lot about the FSA and what it does, **75% trust the FSA to do its job**, that is to make sure food is safe and what it says it is.

Fig. 17: Consumer awareness, knowledge and trust in the FSA



Trust in the food system

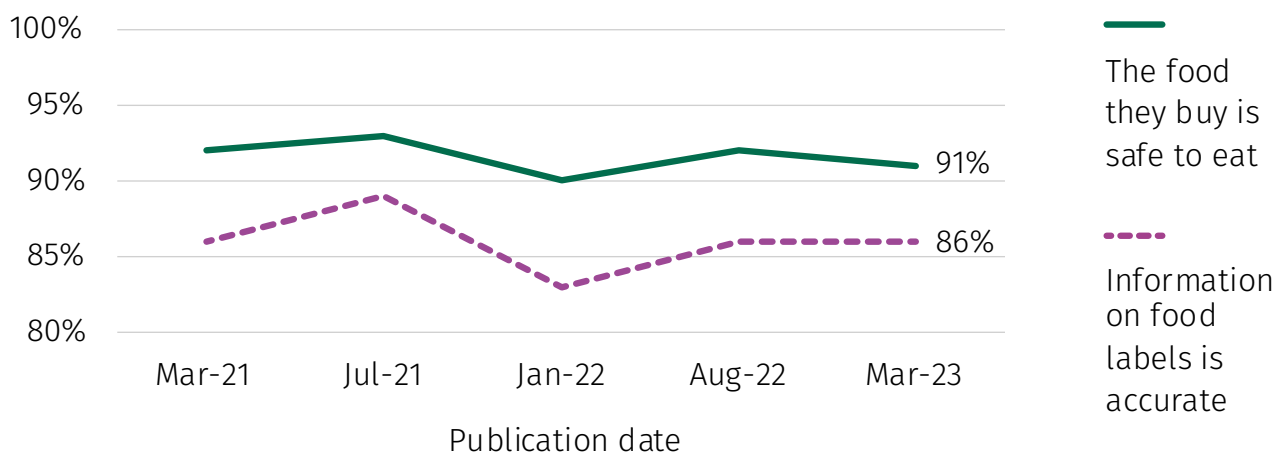
Everyone deserves access to safe food that is what it says it is, wherever they live in the UK and whatever their personal circumstances. For this reason, issues such as affordability and ensuring consumers have the information they need to make informed decisions cut across our entire strategy.

Consumer confidence in food safety and authenticity was high and has remained broadly stable since tracking began in 2020. Results from [Wave 5](#) of Food and You 2 published in March 2023 indicate that:

91% – of respondents are **confident that the food they eat is safe to eat.**

86% – of respondents are **confident the information on food labels** (e.g., ingredients, nutritional information, country of origin) **is accurate.**

Fig. 18: Consumer confidence in food safety and authenticity



Food security and affordability

Results from [Wave 5](#) of Food and You 2 published in March 2023 indicated that:

- Food prices are the most common food-related issue respondents are concerned about with 66% reporting this as a concern (when prompted with a list of possible concerns), an increase from 42% the previous year.
- 10% of respondents experienced low food security and a further 10% experienced very low food security, for a total of 20% of respondents classified as food insecure.

This is the highest reported level of food insecurity since tracking began in 2020 and the first time food prices have featured in the top three concerns. The FSA also runs a monthly Consumer Insights Tracker which is a more limited survey with a lower sample size than Food and You 2 and has monitored concerns about food affordability since April 2020. The tracker indicates that consumer concerns around food affordability and food insecurity have increased over the past year, and compared to when tracking began. We will be reflecting on this more in our Annual Food Standards Report, which will be published in Autumn 2023. However, the data shows that in March 2023:

- 35% of participants were worried that they or their household would not be able to afford food in the next month. This is significantly higher than the same month last year (31%, March 2022) and compared to when tracking began (28%, April 2020).
- 27% of participants reported cutting down the size or skipping meals due to not having enough money to buy food. This is significantly higher than the same month last year (22%, March 2022) and compared to when tracking began (18%, April 2020).

Monitoring consumers' food safety behaviour

The FSA also uses Food and You 2 to monitor consumers' knowledge and (self-reported) behaviour regarding food storage, preparation and cooking to inform FSA policy decision making and consumer engagement activities.

In 2023 we will publish results from our Kitchen Life 2 study which explored food safety behaviours in real life domestic and business kitchens. Using a range of data collection methods including motion sensitive cameras, surveys, interviews, food diaries and fridge/freezer thermometers, this study provides much greater insight on the potential food safety risks people are taking in their homes and in business kitchens.

E Foodborne disease and the PATH-SAFE programme

Foodborne disease

In 2018, there were an estimated 2.4 million foodborne disease related cases in the UK of which an estimated 16,400 were hospitalised, contributing to an estimated 180 deaths. Foodborne disease costs UK society around £9.1 billion per year³. One of our main objectives at the FSA is to reduce cases of foodborne illnesses in the UK. We achieve this through activities such as monitoring industry adherence to food safety standards; identifying and promoting effective interventions to reduce food contamination; surveillance, response and management of contamination incidents in food and related foodborne illness outbreaks; and, continuing to effectively communicate risk and risk reduction strategies to consumers and businesses.

Developing guidance to support consumers and businesses

We aim to create an environment that helps businesses reduce consumer exposure to foodborne disease, and help consumers make informed decisions about food safety. This year, we worked to reduce cases of foodborne disease by implementing interventions across target pathogens, particularly *Listeria monocytogenes* and *Campylobacter*. We developed consumer advice on ways to maintain food safety while reducing food waste, a key issue arising from the cost of living crisis.

The FSA's Foodborne Disease Framework helped us identify our priorities for reducing foodborne disease according to the severity of economic and public health burden of major pathogens. The framework set out goals, and risk-based and proportionate approaches, to reduce the risk of foodborne disease and outlined foodborne disease risk reduction plans.

Following the 2019 listeriosis outbreak in hospitals in England, the FSA committed to reviewing its guidance [Reducing the risk of vulnerable groups contracting listeriosis](#) to ascertain its fitness for purpose. The FSA commissioned research to measure awareness, implementation and perceived effectiveness of the guidance, including barriers to implementing it in full. The report, [Implementation of the FSA Listeriosis Guidance](#), covers findings from 39 respondents within NHS Trusts and 445 respondents from Health and Social Care (non-NHS Trust) settings, across the three nations. It concluded that 95% of settings who were aware of the guidance felt the FSA guidance was effective in reducing the risk of vulnerable groups contracting listeriosis. We are now developing a follow-up plan to enhance the good practice advice in the guidance and promote its implementation across the care sector, whilst also raising awareness of registration requirements.

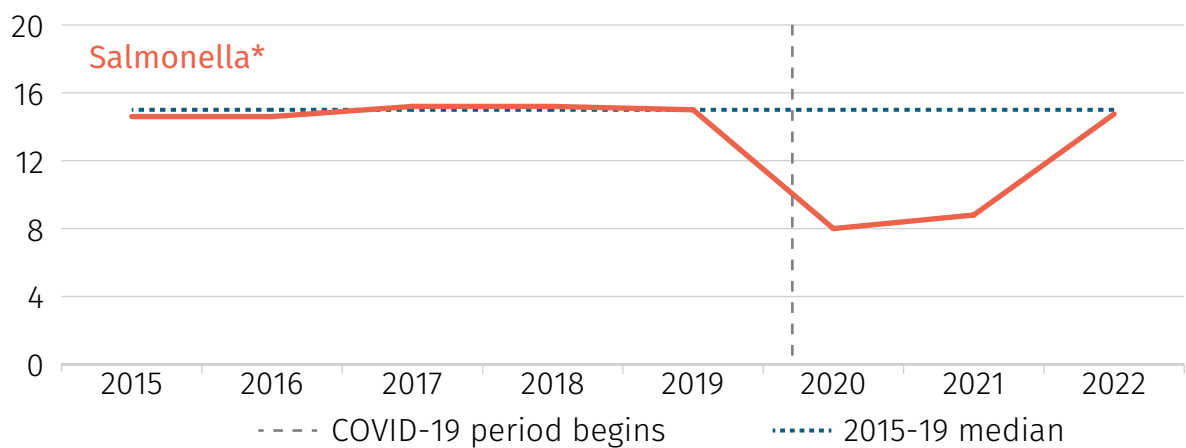
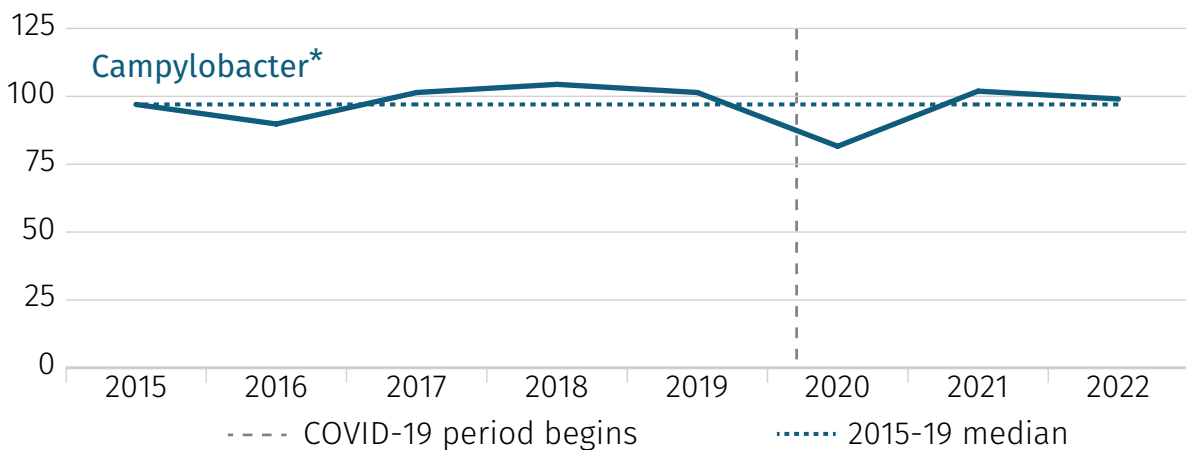
3 [The Burden of Foodborne Disease in the UK 2018 | Food Standards Agency](#)

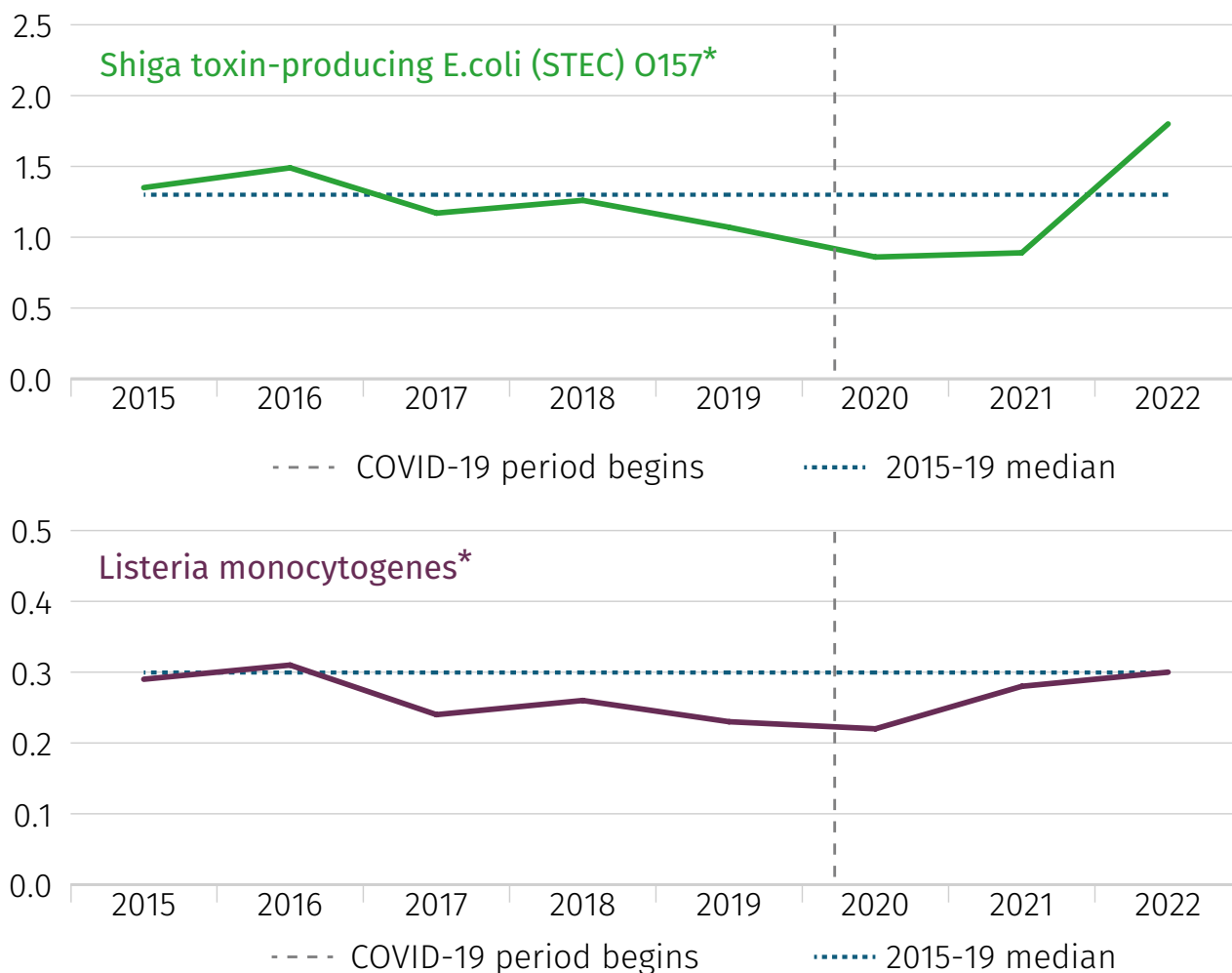
Understanding consumers’ knowledge and behaviour

The FSA regularly collects data through our [Food and You 2 survey](#). In 2023 we will publish results from our [Kitchen Life 2 study](#) which uses motion sensitive cameras to observe real-life food safety behaviours in domestic and business kitchens. We focused on the wider impact of the COVID-19 pandemic on consumers’ experiences and behaviour in relation to food and food safety, including through research to explore whether the pandemic had an impact on [consumers’ handwashing behaviour](#), our [Food in a Pandemic](#) report, research on the [lived experience of food insecurity under COVID-19](#), and research on [consumers and the food system under COVID-19](#). These projects helped inform policy decision-making and our consumer messaging and advice.

Trends of gastrointestinal pathogen reporting

Between January and December 2022, UKHSA and FSA jointly investigated over 40 new or ongoing outbreaks of gastrointestinal infection (GI) that were potentially linked with foodborne disease. This resulted in several successful outbreak investigations which identified the food source after which control measures were implemented. The graphs show trends in UK laboratory confirmed cases per 100,000 population of the four major GI pathogens. This includes all cases of laboratory confirmed infection (in some cases infection may have been acquired by routes other than foodborne transmission).





* Data are derived from multiple live reporting systems managed by The UK Public Health Agencies, noted below⁴. Data are provisional and may change. Rates per 100,000 population are calculated using ONS mid-year population estimates (2021 estimates used for 2022 as 2022 estimates not yet available). Trends over time should be interpreted with caution, particularly over the COVID-19 period (2020 to early 2022) due to many factors which impacted pathogen reporting.

In 2022, reports of Salmonella increased but did not fully return to pre-pandemic levels, whereas Campylobacter and Listeria monocytogenes reported during 2022 remained comparable to pre-COVID-19 levels. Reports of STEC O157 rose in 2022 to the highest reported UK rate since 2015. This increase is mostly attributable to two large national outbreaks investigated in summer of 2022 (one foodborne and one person-to-person). The drivers of the changes in trends observed during the COVID-19 pandemic are likely to be multifactorial and vary by pathogen. It is also likely that the COVID-19 pandemic and other influencing factors continue to impact the transmission, burden and ascertainment of GI pathogens to national surveillance in 2022, however, the true extent and impact are not fully understood at present. The UK Public Health Agencies² and the FSA are working together to better understand the impact of the COVID-19 pandemic on GI pathogen reporting. Overall, it remains unclear if some of the different societal and behavioural changes that occurred will persist into 2023.

⁴ UK Public Health Agencies are: UK Health Security Agency, Public Health Wales, Public Health Scotland and Public Health Agency Northern Ireland.

The FSA commissioned its third infectious intestinal disease study (IID3) in 2021, which follows [the second study of infectious intestinal disease in the community \(IID2\)](#), completed November 2012. IID3 will provide new data which will allow us to update estimates for under-reporting of foodborne illnesses and will inform and support foodborne disease policy development and prioritisation of future intervention activities.

Pathogen Surveillance in Agriculture, Food and Environment (PATH –SAFE)

The ability to detect and identify pathogens early and to accurately trace foodborne disease outbreaks to their source are critical steps to improve public health and reduce the economic costs associated with them. Various government departments already undertake surveillance activities to identify the pathogens causing an illness, to assess levels of contamination or trace the source and transmission pathways of foodborne disease pathogens and antimicrobial resistance. These activities are critical to effecting better control strategies, but recent advances in technology offer the opportunity to create a step change in surveillance, to protect public health. The FSA lead a programme that has been designed to take full advantage of these advances, working collaboratively across government. [PATH-SAFE](#) is a £19.2 million programme of research, which aims to develop a national surveillance network, using the latest DNA-sequencing technology, data management and environmental sampling to improve the detection, and tracking of foodborne pathogens and antimicrobial resistance (AMR) through the whole food system. The programme includes over 25 pilot studies across all four nations of the UK, with over 50 collaborators across government, academia and industry.

The programme began in 2021 but experienced some delays due to programme collaborators' front-line response to the COVID-19 pandemic, procurement delays and recruitment freezes. This resulted in significant underspends in 2021 and 2022, however the impact was mitigated and has remained on track to meet our ambitions by March 2024.

The programme is structured in four workstreams (WS):

WS1: Establish a curated, national foodborne disease genomic data platform.

WS2: Develop a pilot infrastructure for regular, multi-location sampling.

WS3: Understand the feasibility of using portable diagnostics.

WS3: Develop a pilot environmental AMR Surveillance system.

Key successes to date and intended outcomes include:

- Establishment of a comprehensive programme of research (over 25 projects and 50 collaborators).
- Establishment of Communities of Interest to allow for technical discussion across community networks.

- Enhancement of existing capabilities (e.g., using wastewater technologies developed in response to the COVID-19 pandemic to detect foodborne disease) and development of new techniques.
- Publication of peer-reviewed research papers.
- Easier sharing and access to data across organisations for rapid identification and tracking of foodborne pathogens and AMR, bringing together multiple data sources.
- Improved understanding of source attribution and infection threat of foodborne disease and AMR through various environments.
- Contribution to cross government One Health ambitions, which take a holistic view, integrating human, animal, and environmental health, to reduce threats to public health and the ecosystem.

F FSA evaluation strategy

As part of its statutory requirements, the FSA was required to publish an [Evaluation Action Plan](#) (EAP) to support the 2021 Spending Review, the process by which the FSA was assigned funding for the financial years from 2021-22 until 2024-25. The final version of the EAP was published in September 2022. Since then, we have focused on building evaluation capability and embedded good practice, in addition to our plans to evaluate core programmes, such as the Food Standards Pilot Wales Evaluation and the Enterprise Level Regulation Evaluation.

Doing our day job
exceptionally

4

Ensuring the UK regulatory regime continues
to provide strong protection for consumers

We have a statutory function to develop policies supporting food and feed safety and hygiene across England, Wales and NI (including food hypersensitivity). In Wales and NI, we also have responsibility for compositional standards and labelling, and in NI we are responsible for nutritional standards and labelling as well as health and sustainability and surveillance. To support other government department policy areas, we offer advice or input to policymakers where there is a consumer interest in food or where we have relevant evidence or skills, but other departments will “own” the policy and advise their ministers on it. As a policymaker, our primary focus continues to be on our core role of food that is safe and is what it says it is, and our nutrition remit in NI.

Key deliverables to ensure we achieved our objective in 2022/23:

- A** **Managing potential divergence** in accordance with agreed Board principles and UK Framework agreements, to deliver a consistent approach to assessing and managing divergence across the UK.
- B** **Finalise the three UK Frameworks** the FSA is part of, including managing parliamentary scrutiny of the Food Compositional Standards & Labelling Framework and implementation of Framework commitments across the FSA.
- C** **Delivering on Northern Ireland Protocol** commitments, supporting ongoing UK-EU negotiations and providing advice to ensure development of the NI Protocol arrangements account for food safety requirements and consumer protection.
- D** **Providing input on free trade agreement negotiations** in line with the principles established by the FSA Board, contributing to government’s Section 42 (Agriculture Act 2020) reports, and delivering commitments under existing trade agreements and multilateral organisations such as the World Trade Organization.
- E** **Delivering the 2022 Annual Report on Food Standards** in line with lessons learned from the 2021 report.
- F** **Working towards securing** additional powers for the National Food Crime Unit (NFCU) to strengthen our leadership role with tackling food crime.

Achievements delivered and challenges we have overcome

A B UK Frameworks and Divergence

UK Frameworks

The FSA's remit across England, Wales and NI is covered under three common frameworks which set out how the four nations work together in certain devolved policy areas following the UK's departure from the EU. They cover high-level principles, governance arrangements, commitments to joint working on policy development, processes for managing divergence, decision making, dispute avoidance and resolution processes.

The FSA took all necessary steps to finalise the three frameworks that cover its policy responsibilities, but parliamentary scrutiny in NI of the Food Compositional Standards and Labelling framework cannot be completed until the Executive reforms in NI. Further revisions may be needed in light of the Windsor Framework Agreement⁵. Policy leads across the four nations met regularly to progress policy in line with the commitments, and to date there have been no disputes requiring formal escalation under any of the frameworks.

Managing divergence in policies across the UK

Divergence refers to changes in legislation that result in differences across the UK where currently we work to the same rules. This can create difficulties for businesses trading across country borders and as such it is the FSA's aim to avoid divergence when possible while respecting devolved competence. The FSA's approach to managing divergence was reviewed and refreshed in the last year and was actively managed by all policy leads through joint working across the four nations in line with framework commitments. We launched a case management system to enable a smarter means of tracking and managing changes over time. The benefit of this was that we were actively tracking changes which could result in divergence, seeking common approaches to change where appropriate and were able to assess and manage the impacts of divergence ahead of time if divergence is the most appropriate option within the UK.

⁵ The NI Protocol was renegotiated and a new agreement (the Windsor Framework Agreement) was announced 27th February 2023.

C Northern Ireland Protocol (NIP)

The FSA worked to deliver commitments under the NIP. This included engagement with the European Commission on cross-border incident handling and delivery of key reporting requirements under the Joint Consultative Working Group arrangements. One of the key impacts was that NI remained subject to EU regulations outlined in the NIP, which meant that food and feed placed on the NI market needed to meet EU rules. As these rules covered most of the FSA's remit, the FSA was responsible for implementing the new EU regulations and fulfilling their obligations in NI. Another key impact was that agri-food goods traded from GB into NI were subject to EU Sanitary and Phytosanitary (SPS) control requirements at points of entry requiring expansion of some existing entry points in NI. Lastly, qualifying NI goods traded with the rest of the UK had unfettered access to the GB market. The Government were committed to ensuring these goods face no additional barriers in how they arrive in GB ports and were placed on the GB market. Additionally, in 2022/23 the FSA fed into the Defra-led agri-food negotiations with the EU on the future of the NIP, which resulted in the Windsor Framework. Our priority was to safeguard public health and provide greater access to and clearer information on food products to NI consumers.

D Free trade agreement negotiations

Free Trade Agreement (FTA) negotiations are led by the Department of Business and Trade (DBT) under mandates agreed by the UK Government, with Defra then leading on SPS chapter negotiations. The FSA provides technical input to the negotiations on food and feed safety issues and supports wider UK Government objectives in the SPS area including enhancing cooperation on animal welfare and AMR. The FSA contributed technical input to several ongoing negotiations, including FTAs with Mexico, Canada, India, the Gulf Cooperation Council, Israel and the UK's proposed accession to the Comprehensive and Progressive Trans-Pacific Partnership. The UK signed two new FTAs with Australia and New Zealand. As part of the scrutiny process, the FSA, along with Food Standards Scotland, were commissioned by the DBT to provide advice in accordance with [Section 42 of the Agriculture Act 2020](#) as to whether the agreements maintained statutory protections for human health. We concluded that both the agreements with Australia and New Zealand upheld statutory food safety protections for the consumer. For the New Zealand agreement, we additionally assessed whether it maintained statutory protections for nutrition and advised that it did.

Once signed, FTAs often establish separate SPS Committees to discuss the operation of the chapter in practice. The FSA contributed technical input to Defra led discussions on the SPS Committee of the Trade and Cooperation Agreement with the EU over the last year. The New Zealand and Australia FTAs also establish SPS Committees that are expected to meet during 2023. The FSA may be asked to contribute to those bilateral discussions.

Border Target Operating Model (BTOM)

The FSA established a programme team to lead and coordinate our input into the BTOM which will define how imports of food and feed into the UK are managed in the future. The FSA worked closely with other government departments on the development of the draft BTOM and to engage widely with stakeholders and businesses to seek their views on the proposals. The draft was published on 5 April and our input focused on delivering the principles agreed with the FSA Board: the level of food and feed safety is maintained (or improved); the policy is driven by science, data and evidence; the policy is dynamic, changing responsively to ensure food controls target where risk is greatest; and the proposals are aligned with global SPS standards.

E Annual Report on Food Standards

‘Our Food: An Annual Review of Food Standards across the UK’, the inaugural science and evidence-based review of food standards across the UK was published, jointly with FSS, in June 2022. The report covered the state of the nation’s plate by providing an overview of people’s eating and food purchasing behaviour; where people buy food, where and what they eat and how much they spend on food. It covered consumers’ concerns, interests and priorities when it comes to food. The report used a wide range of evidence to examine the core question “are food standards being maintained, raised, or lowered across the UK?” The report was laid in all four legislatures, with positive stakeholder feedback. The 2022 report will be laid and published in Autumn 2023.

F Securing additional powers for the National Food Crime Unit (NFCU)

Securing additional powers is an important step that will enable the NFCU to make better use of its skilled operational staff and decrease reliance on the police and other agencies. In April 2022, the Police Crime and Sentencing Courts Act 2022 received Royal Assent. This Act provided a power for Ministers to confer relevant powers from the Police and Criminal Evidence Act 1984, the Criminal Justice and Police Act 2001 and the Criminal Justice and Public Order Act 1994 to NFCU officers. We are taking the next steps towards operational autonomy, working to secure these additional powers through secondary legislation. The FSA is currently drafting instructions to prepare the Statutory Instruments to be laid before Parliament. Alongside this, the FSA is working in partnership with the Home Office in the pursuit of further primary legislation to create the potential for oversight by His Majesty’s Inspectorate of Constabulary, Fire & Rescue Services.

Evolving the food regulatory system

What does ‘evolving the food regulatory system’ mean?

The food system is an ever-changing space in which innovation and new approaches happen constantly. The ways in which we buy and consume food change and evolve rapidly. To ensure we continue to provide food you can trust, the FSA’s approach to regulation must evolve alongside the food system. In the section we discuss the major areas in which we are adapting our approach to take advantage of new technology, new methodologies and new ways of thinking.

Objectives covered in this section are:

5

Deliver an efficient, effective and forward-looking **risk analysis process**.

6

Our aim in the **Achieving Business Compliance (ABC)** programme is to regulate in a smarter way to make sure that food is safe and is what it says it is.

7

*To modernise delivery of Official Controls for meat, dairy and wine, whilst maintaining levels of food safety, animal health and welfare and consumer confidence through **Operational transformation (OTP)**.

* In January 2023, following the FSA’s decision to turn the Operational Transformation Programme into an Operations Modernisation Team, part of the former OTP merged into the ABC Programme. As such, the ABC Programme’s scope was updated to take on responsibility for longer term transformational reform of Official Controls in the meat, wine and dairy sectors.

Evolving the food
regulatory system

5

Improving the Risk Analysis process

As part of EU Exit, the FSA undertook an increased role in food and feed safety risk analysis. The FSA makes use of a rigorous risk analysis process to provide independent food safety advice and risk management recommendations to consumers, health ministers, businesses and others. The FSA uses the process to consider applications for the approval of regulated products for the UK market, such as novel foods, enzymes, genetically modified foods, additives, flavourings and food contact materials in the UK. The FSA aims to provide confidence that our advice delivers public health protection; and that risk management advice is informed by science and evidence, considers consumers' other interests in relation to food, and is independent. The FSA follows globally recognised frameworks for risk analysis, involving risk assessment, risk management and risk communication. The process is transparent and provides for a four nation model. It is a fundamental principle of accepted international standards in risk analysis that risk assessment (analysing the evidence and establishing risk) and risk management (making policy recommendations) are separate parts of the process. These functions are both carried out by the FSA but are separated internally and the principle of independent risk assessment is embedded into the risk analysis process.

Key deliverables to ensure we achieved our objective in 2022/23:

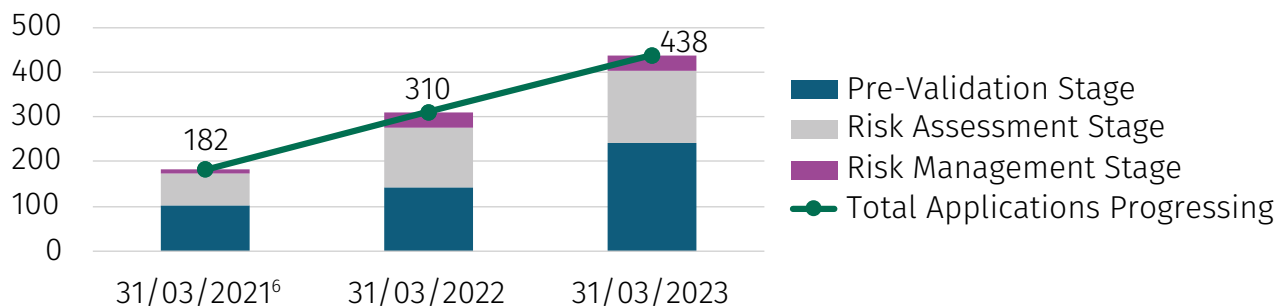
- A** **Deliver the Regulated Products Service**, continuing to meet statutory deadlines, putting in place a better front-end customer experience and reducing unnecessary delays.
- B** **Undertake an external review of the Regulated Products Service**, including the Novel Foods regulations, benchmarking against best practice nationally and internationally and making recommendations for reform.
- C** **Put in place a new**, structured stakeholder engagement and communication approach to help applicants navigate the Regulated Products process and to ensure that consumers and FBOs are well-informed about regulatory change.
- D** **Make recommendations to Ministers** about changes in legislation to remove difficulties arising from retained EU law and speed up the process.
- E** **Develop proposals** for future food and feed safety regulation of Genome Edited Organisms (Precision Breeding).
- F** **Continue to improve the Risk Analysis Process**, focusing on prioritisation, workflow management and problem formulation to reduce delay and strengthen partnership working in a three and four nation context.

Achievements delivered and challenges we have overcome

A Deliver the Regulated Products Service

We have received a steady flow of applications and as at 31 March 2023, we had 438 applications in various stages of the Regulated Products Service, and progressed 118 applications in 2022/23. We received a broad spectrum of applications, which enabled us to gain an understanding of the potential future flow into the service. The flow of products into the system will vary from year to year, with fluctuation of applications depending on commercial cycles and when certain products require renewed authorisation.

Fig. 19: End of year position since the service was launched in January 2021 (England, Wales and Scotland)⁶



To support running the service more effectively, we began building a new Case Management System (CMS), which will be used for new applications to be made to the FSA. The CMS is scheduled to launch in summer 2023 and is expected to greatly reduce the number of incomplete applications received. We tested the new system with external users and used their feedback in our development of the system. We reviewed our guidance provided to potential new applicants and made improvements to it to reduce the level of incomplete applications made to the service. In 2022/23, Ministers in England, Wales, and Scotland, agreed to authorise 31 products as per our recommendations which included:



9
Genetically Modified
Organisms products



6
Novel foods



11
Feed additives



3
Smoke flavourings

Prior to advising Ministers, all applications went through a public consultation process to ensure transparency in our policy making. We published a summary of responses we received to our consultations which can be found on the [FSA website](#). The Permanent Secretary in Northern Ireland was informed of the authorisations. Our steady progress with authorisations enabled us to complete 34 applications by the end of March 2023.

⁶ Year 1 of the service was not typical, with 60 applications that had previously been progressing in the EU and a large influx of Cannabidiol applications to meet our regulatory deadline of 31 March 2021

B External review of the Regulated Products Service

One of our priority areas of reform, where there has been a public commitment by the Government, was to review the Novel Foods Regulatory Framework (based on Novel Food Retained EU Legislation). The external review of the Novel Foods Framework commenced in January 2023 and completed in April 2023. It critically evaluated the Novel Foods Regulatory Framework and identified several models to implement potential future reform. It considered the national and international regulatory landscape, and the benefits, limitations, risks, opportunities, resource, and time implications as well as the impact on industry. An executive summary of the final report was published on 7 June 2023. The options presented in the final report will support the FSA's internal thinking for potential reform of the regulatory framework for novel foods.

An internal appraisal of the options for reform will be conducted in early 2023/24. Our priority is to focus on those reforms which can be delivered as part of the Retained EU Law (Revocation and Reform) Bill.

C Stakeholder engagement and communication approach

The FSA established a framework to define its approach to strategic engagement around regulated products to give more clarity and consistency for how the FSA engages with its stakeholders. The scope of the new Regulatory Engagement and Intelligence Team is to deliver effective and managed stakeholder engagement with regulated product applicants through allocated account managers. Since January 2023, the team has provided engagement advice and tools for FSA to manage stakeholder relationships more effectively. The team has supported policy teams and regulated product applicants prior to submission to the FSA's case management system and/or where considerations need to be made around a new technology and the evidence and data needed for a robust application. Account managers act as a single point of contact to enable direct communication to facilitate and build effective engagement and communications with FSA's stakeholders.

Delivering a managed stakeholder relationship service enables the FSA to develop and understand stakeholder needs, to anticipate need for support materials, track its engagement and gather insight to inform horizon scanning, food innovation and/or regulatory reform activities.

D Advising on legislation and Retained EU Law (REUL)

The REUL (Revocation and Reform) Bill was introduced in the House of Commons on 22 September 2022. The Bill (as initially drafted) had a timeline to 'sunset' all REUL on 31 December 2023, which would in effect have removed all REUL from UK legislation unless action was taken to retain it through laying statutory instruments (SIs) to either preserve, reform or restate it. We undertook a scoping exercise to identify FSA-owned REUL, identifying 114 pieces of REUL excluding tertiary and other amending regulations

that apply across GB, including 28 and 37 specific to England and Wales respectively. A further 46 were identified as specific to NI. We established a priority programme to ensure the vast majority of REUL would be preserved to ensure there were no gaps in the regulatory framework through the application of the sunset clause. We completed an initial triage of REUL which included an assessment of each individual piece of legislation, but also analysis to ensure the body of law continued to work effectively as a whole. Through policy analysis, preparatory work and legal drafting, we worked with other Government Departments and devolved administrations to design and deliver a programme of SIs that would deliver our recommendations via Ministers.

We considered opportunities presented by the Bill to streamline the process for approving regulated products, laying the groundwork for wider thinking on reforms. To deliver this programme of work required significant cross-FSA effort.

E Precision Breeding

Precision breeding is a technique which allows the addition, deletion, or replacement of sections of DNA in a plant or animal, often reflecting changes that happen through traditional breeding, but in a faster way. This differs from the process used for Genetically Modified organisms (GMOs), where the DNA is altered by inserting genes from an unrelated species into another. The FSA and Defra worked in partnership on the Genetic Technology (Precision Breeding) Bill through parliament, achieving Royal Assent on 23 March 2023. This sought to remove food and feed products produced from Precision Bred Organisms (PBOs) such as gene editing from the regulatory requirements applicable to the environmental release and marketing of GMOs. The FSA additionally worked to develop a proportionate framework for regulating PBOs. The framework will form the basis upon which PBOs are authorised and placed on the market as food and feed in England. Policy development is underway for:

- **The authorisation and application process** – Developing, building and implementing a fully functional process for receiving applications, completing assessments, making recommendations to Ministers for authorising PBOs for use in food and/or feed.
- **Establishing a public register of authorised PBOs for food and feed uses.**
- **Proposals for enforcement arrangements** to ensure the inspection and traceability of food and feed produced by precision breeding; and for the regulations to be administered and enforced.

We engaged with stakeholders throughout the programme of work for their input, across a series of workshops in Summer 2022, to discuss the development of the precision breeding policy and most recently via a series of workshops to discuss Consumer Information and Traceability in January 2023. Meanwhile, the FSA Commissioned research at the end of 2022 to [understand consumer perceptions regarding PBOs](#). This research was published in March 2023. Although, this is an England only Act, the Precision Breeding Team have worked closely with colleagues in all four nations on the development of the new regime.

F Improving the Risk Analysis Process

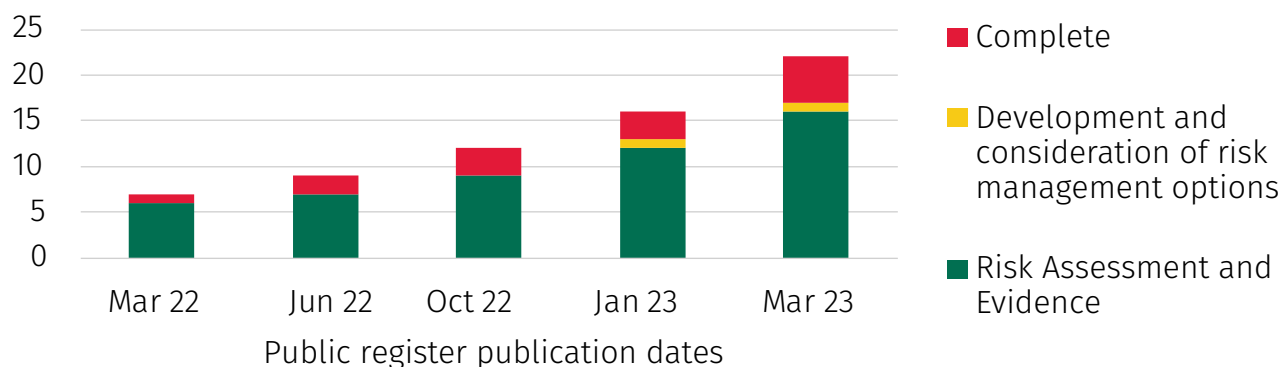
The FSA continued to deliver the food and animal feed risk analysis process and undertook work to further develop, refine and improve the process in its second full year of operation.

The ongoing operation of cross-government structures for providing assurance on prioritisation, work flowing through the system, and development of risk management advice has supported risk analysis work continuing to be initiated, commissioned, and to move through risk assessment to completion. Figure 20 provides further information about work that has been added to the public register of risk analysis issues and progressed through the process.

The focus that our cross-government structures have continued to bring to three and four-nation working on risk analysis has contributed to the effectiveness of partnership working between FSA, Food Standards Scotland and other key Government Departments. The process operated on a four-nation basis and no formal dispute resolution was triggered on any individual risk analysis issue during the period.

Performance indicators were also developed and established on a four nation basis and have been presented to the FSA Board quarterly, supporting delivery on our commitment to openness by providing stakeholders with information on risk analysis work, including any issues potentially of particular interest to the Board.

Fig. 20: Risk analysis issues added to the public register (England, Wales and Scotland)



Risk analysis issues that reach risk assessment continued to be published on a public register in line with the FSA's openness policy. Whilst this usually falls quarterly, due to internal governance checks, this can be a little later. In 2022/23 the number of issues recorded in the register increased to 22 from 7 in 2021/22 as risk assessments continued to be commissioned to inform risk management advice, in line with the risk analysis process. The number of complete issues increased to five from one in 2021/22. The register had fields added to provide scope to bring together all relevant information during the latter stages of the process, including the evidence, consultations, and the final recommendation.

Evolving the food
regulatory system

6

Achieving Business Compliance (ABC)

The ABC programme is the regulatory change programme for the FSA. We know that in a rapidly evolving food sector, we need to regulate in a smarter way to make sure that food is safe and is what it says it is. Throughout 2022/23, ABC worked towards developing a set of smarter regulatory approaches which:

- **Made it easier for businesses to provide safe and trusted food for consumers.**
- **Targeted regulatory resources** at the areas which posed the greatest risk.
- **Improved compliance across the system** by working with and through others, including regulatory partners and influential businesses.

This was reflected in the three workstreams.

- 1. Enterprise level regulatory approaches** – designed and tested new regulatory models for a set of regulation-compliant large businesses, which are key actors in the food chain.
- 2. Assurance of online food sales** - explored what type of regulatory approaches were most suitable for different online food businesses.
- 3. Targeted and proportionate regulation for food businesses** – made sure local authorities (LAs) targeted their resources to the businesses that needed it the most.

In January 2023, following the FSA's decision to turn the Operational Transformation Programme (OTP) into an Operations Modernisation Team (see [Objective 7](#) for more information), part of the former OTP merged into the ABC Programme. As such, the ABC Programme's scope was updated to take on responsibility for longer term transformational reform of Official Controls in the meat, wine and dairy sectors.

Key deliverables to ensure we achieved our objective in 2022/23:

- A** **Alongside five large retailer partners** and their Primary Authorities, the FSA developed pilot model(s) to test new opportunities for regulatory approaches.
- B** **Drove change** through developing constructive relationships with online aggregators to initiate and deliver interventions that helped food businesses operate safely online.
- C** **Continued our work to review** the current model for LA delivery of food hygiene controls and related activity.
- D** **After the conclusion** of the food standards model pilot in England and Northern Ireland, the FSA evaluated and assessed a scalability test for future implementation of the new food standards model.
- E** **Aligned activity across nations** by progressing the proposal of the food standards pilot in Wales.

Achievements delivered and challenges we have overcome

A Large Retailer trial



During 2022/23 the FSA finalised development of a potential new regulatory model for a set of large retail businesses (supermarkets) that were compliant with regulations and were important in the food chain.

ABC created a temporary new Relationship Management function that oversaw engagement with the large retailers and continued to build trust with these businesses to ensure their information was safeguarded throughout the proof-of-concept trial. ABC worked with five large retailer businesses (Asda, Morrisons, Sainsburys, Tesco and Waitrose) and their Primary Authorities.

The trial (for food hygiene and in England only) is expected to last 12 months, starting in Q1 2023/24. It will take place in a 'sandbox' environment that runs alongside the existing regulatory model (which continues to run as normal). Trialling the new approach in this way will enable us to test the assurance framework without risk of adverse impacts on consumers. This valuable cross industry communication and the relationships that were built this year enriched other areas of work in the FSA, for example the ability to quickly generate insights for the FSA's review into options to address household food insecurity.

B Online food sales

Online aggregators are third-party online platforms that are used for food ordering and delivery, such as Deliveroo, Just Eat and Uber Eats. The FSA developed our working relationship with aggregators allowing ABC to directly report issues and challenges identified to LAs around the onboarding process for businesses onto their platforms. We made good progress in supporting LAs, to make it as easy as possible for the online food business landscape to meet their food safety obligations by working collaboratively with aggregators and LAs. The ABC Programme produced a training document which is being used by Deliveroo, Just Eat and Uber Eats onboarding teams and helps to target and alleviate burdens on LAs.



Throughout 2022/23 ABC worked with Deliveroo, Just Eat and Uber Eats on their proposed Food Safety Charter, which set out the aggregators' commitment to food safety, and their willingness to work with the FSA to 'raise the bar' on food safety standards.

In August 2022, the FSA agreed for the project to develop more detail on the four 'headline area' commitments within the Food Safety Charter. This drove positive changes in online assurance that helped consumers make informed choices about food purchased online.

C Food hygiene delivery model

LA food teams follow the Food Hygiene Delivery Model (FHDM) when they regulate the food businesses that they have responsibility for. The term food hygiene covers the handling, preparation and storage of food to avoid foodborne illness (e.g., from bacteria).

In 2022/23, ABC delivered agreed milestones to produce a high-level framework and a more detailed policy proposal for the FHDM. The aim was to align this, as far as possible, to the revised Food Standards Delivery Model. This was achieved through early engagement with LAs via webinars and was co-designed with the LA/FSA working group. We have consulted with LAs and wider stakeholders on the detail of the proposal through a range of stakeholder events and a consultation package. The results of the consultation are being analysed in order to inform how the FHDM review will be taken forward.

D Food standards model in England and Northern Ireland

LA food teams follow the Food Standards Delivery Model (FSDM) when they regulate the food businesses they have responsibility for. The term food standards covers the quality, composition, labelling, presentation, chemical contamination and advertising of food.

Following completion of the new food standards model pilot in England and Northern Ireland (NI), the FSA carried out a final evaluation and assessment of scalability. The evaluation provided evidence that the new model was more effective at targeting non-compliance and supported a more intelligence-led and risk-based way of working. Participating authorities indicated that the new model was easy to understand, that they appreciated the integration of intelligence and that it led to a more accurate assessment of risk to direct their resources.

A 12-week consultation was carried out from Oct 2022 to Jan 2023 on changes to the Food Law Code of Practice (FLCoP), which enabled implementation of the new FSDM. This gave LAs, food businesses, trade unions and industry groups the opportunity to provide feedback on the new approach. During the consultation period, a round of regional engagement events with LAs were held across England, Wales and NI.

We received 35 responses to the consultations. The response to the changes was broadly supportive of the new model and how food standards controls would be delivered in future.



The proposed new model was formally approved by the FSA Board at their March 2023 meeting. Ministers' agreement will be sought to publish the revised Food Law Codes of Practice in England and NI.

Where agreement is received, we will progress a phased transition of LAs to the new model.

As implementation of the new model progresses, we will continue to work with LAs to transition to the new approach, offering support with necessary IT changes and developing training and guidance to enable the new model to be effectively delivered.

E Progressed proposals for food standards model pilots in Wales

The new food standards model was not piloted in Wales at the same time as England and NI, but Welsh Government colleagues were kept updated on progress of the pilot activity.

Following some minor amendments to the Food Standards Model and further discussions with the Welsh Government, in Q4 2022/23 the FSA sought ministerial agreement to carry out a pilot in Wales, which was granted. The FSA is progressing the implementation of the pilots for them to commence early in Q2 2023/24.

**Evolving the food
regulatory system**

7

**Operational Transformation evolving
into Operational Modernisation**

The Operational Transformation Programme (OTP) progressed several objectives regarding the investigation and introduction of new technology to facilitate a more effective and efficient approach to delivering Official Controls. This included remote auditing technology and digitalisation of the FSA's approvals service for meat businesses.

Discovery work was undertaken on potential regulatory divergence with the EU, so that more efficient controls could be operated on meat intended solely for the domestic market rather than for export to the EU, while the same safety standards were upheld. The discovery work established that the vast majority of the meat industry wished to have a single regime for Official Controls rather than operating two different regimes, one for domestic consumption and one for export. This was because a lot of meat known as the 'fifth quarter', like offal, ended up in the EU. Furthermore, it was unlikely that the EU would accept that the UK had sufficient traceability to ensure that meat intended for export was kept separate from meat intended for domestic use only. We therefore concluded that, given the dependence of the meat industry on export to the EU, now was not the right time to pursue this reform.

This decision resulted in a major re-scoping of OTP with transformational change involving potential policy and legislation change being aligned with similar work in the ABC programme whilst modernisation initiatives that can be achieved within the existing regulatory framework are being progressed by a new Operational Modernisation Team (OMT). The OMT focused on continuous improvement, better use of technology, improving and streamlining products and processes to improve efficiency and effectiveness, reducing administrative overheads, and enabled us to work closely with other improvement teams.

Key deliverables to ensure we achieved our objective in 2022/23:

- A** Introduced an initial risk segmentation model that better informed the targeting of assurance interventions.
- B** Implemented new digital services that drove improvements in process efficiency and effectiveness as well as user experience.
- C** Introduced new remote audit technical capability and processes.
- D** Further explored the use of artificial intelligence to support inspection activity.
- E** Completed a full discovery to better understand the risks, benefits and implications of a “dual system” of Official Controls for domestic production and export.
- F** Developed a food safety culture assessment proof of concept to inform future risk analysis.
- G** Undertook pilots to make improvements to the tools and systems used to collect inspection data and food chain information.

Achievements delivered and challenges we have overcome

A Introduced a risk segmentation model

We developed and piloted an initial version of the Food Business Operators (FBOs) segmentation tool, which was designed to assess the compliance of risk for FBOs within the meat sector. This initial pilot provided us with some useful feedback from industry, which was used to determine ongoing development. They felt that it was difficult to understand how their score had been calculated as it used artificial intelligence.

This re-design work is ongoing and concentrates on developing an accurate and explainable risk model that is used to determine operational activity within the existing regulatory framework.

B Implemented new digital services



We delivered a new digital meat approvals service. This new digital system allowed approval applications to be made and progressed online making it easier for both food business applicants and FSA staff to access, share and process information in connection with approvals applications.

The new digital service was rolled out in May 2022 and introduced improved efficiency, accuracy and security over the previous clerical process. An evaluation is underway to gain further insight and understand any further uses for this technology.

Work commenced to identify a suitable digital tool to improve the efficiency of audit and inspections by introducing digital capability to gather evidence in premises, access and analyse relevant information to make decisions and produce and share reports. There was a challenge to identify a single solution that would work across multiple non-standard business processes with different needs. An initial proof of concept is being progressed.

C Introduced new remote audit technical capability and processes

Remote technology enabled us to continue our audit work during COVID-19. The FSA pursued this technology to improve options available to colleagues to undertake work in the most efficient and cost-effective way. We rolled-out remote capability for veterinary auditors allowing some audit activity to be undertaken remotely by being able to access documents, photos, videos and audio off-site. This was mainly used for partial audits to follow up any concerns raised at an initial visit. This approach is helping to make better use of both auditor and FBO time as well as reducing both travel costs and carbon footprint.

There were challenges associated with introducing new technology which included a reluctance to use an unfamiliar system, both by auditors and FBOs, and internet connectivity issues in certain establishments. The manual of Official Controls was updated to provide instructions on the requirement to use remote technology. Additional training, including how to overcome connectivity issues, was provided to address these challenges.

Ongoing work is looking at distributing this remote technology across other operational processes such as approvals and inspections.

D Artificial intelligence to support inspection activity

Initial work was undertaken to review the potential for using Artificial Intelligence (AI) and CCTV within Field Operations and industry, particularly in relation to animal welfare in meat establishments. Discussions between technology suppliers and industry did not indicate a strong appetite to invest in such technology at this time given costs and the lack of an investment incentive. After initial discussions this work was deprioritised; however, it is clear that AI technology will play a part in this area of regulation in the future and should form part of our future blueprint.

E Discovery work for a “dual system” of Official Controls

An important piece of work was engaging with a range of stakeholders (businesses, representative bodies, consumers and Government departments) to explore the implications of different regulatory regimes applied to businesses that only supply meat to the domestic GB market. This involved exploring how changes in the legal

requirements laid down by the EU impacted the industry, particularly on trade. The discovery showed clear benefits associated with introducing a reformed regulatory model for a domestic market in England and Wales, such as improved risk identification and more effective use of resources.

However, it flagged risks to the ability of food businesses to trade internationally, increased costs to business from the need for improved traceability, and to consumer confidence.

In December 2022 the FSA Board reviewed a paper [updating on OTP's progress and advising on the ongoing approach](#). They agreed with the recommendation to slow further work on legislative change for delivery of Official Controls (and resulting regulatory divergence) to ensure that it was progressed in a considered way, alongside wider policy and legislative changes. Ongoing change activity that can be progressed within the current regulatory framework will be led by the new OMT.

F Developed a food safety culture assessment proof of concept

Under Operational Transformation, a discovery was planned to assess the benefits of introducing an online self-assessment tool for FBOs to assess their cultural alignment to good food safety practices. This initiative was identified following a series of discussions with Australian food safety regulators on food safety promotion and how they could be incorporated into the Future Delivery Model as they had successfully implemented a similar tool to support FBOs. The initiative has been paused following OTP ending and a major reprioritisation of work under Operational Modernisation to focus on better use of technology and data, improving and streamlining operational processes to improve efficiency and effectiveness and reducing administrative overheads.

G Improved inspection data collection and food chain information

The initial 'Food Chain Information, Collection and Communication of Inspection Results' digital discovery took place during 2022/23. The products that were used varied from pen, paper and whiteboards to digital and in some cases required double handling, which led to inconsistencies and inaccurate data recording.

OTP worked on an initial proof of concept to consider options for introducing digital data gather devices for Meat Hygiene Inspectors, to transfer data from these devices into legacy systems (IRIS2) and to integrate FBO systems with IRIS2. IRIS2 is the Field Operations data collection repository, and the application is owned and managed by the FSA. The reports from this initial exercise are pending and will be used to inform next steps for inclusion on the OMT 2023/24 work plan. **This digital modernisation activity has progressed in parallel with continuous improvement activity to address current gaps and improve data gathering compliance within the existing process.**

Evolving our own capability & capacity

What does 'evolving our own capability & capacity' mean?

The FSA's work relies on the talented people, processes and supporting infrastructure. In a constantly shifting climate it is more important than ever to ensure that vital processes are fit for purpose, adaptable and simple to use. With the ask of our staff increasing in scope, we want to make sure they are supported to provide the high-quality work the public relies on the organisation to deliver.

Last year the FSA published a new strategy which was embedded across the corporate objectives to support strategic delivery. This included a new strand of work, to support health and sustainability in the food system. The FSA also published a new People Plan to describe how we intend to provide that support. Underpinning all this has been the evolution of the FSA's approach, ensuring that the right resources and skills are available to embed and continue to deliver the FSA's Mission.

Objectives covered in this section are:

8

Evolving the FSA's **capability, systems and processes** to deliver our new strategy.

Evolving our
own capability
& capacity



Evolving the FSA's capability, systems and processes to deliver our new strategy

This objective covered a range of activities carried out by the FSA to improve its capability, systems and processes to deliver the strategy. It included the development of a People Plan, which set out how the FSA planned to improve as an employer and the benefits it provided. The FSA continued to develop a three year corporate plan, which supported a longer view of delivering the FSA's vision and mission. Work also began to replace the HR and Finance systems with a single new solution, referred to as the Connect programme.

Key deliverables to ensure we achieved our objective in 2022/23:

- A** **Developed and delivered 'Our People Plan 2023-26'**, which supports our people to deliver the FSA Strategy through the strategic people themes; an excellent, employee experience, maximising capability and building an enabling organisation.

Work included in the People Plan was carried out, such as...



Modernised systems and processes via our Connect Programme.



Continued to collect data to understand and improve our **staff engagement**.



Maintained and improved **Our Ways of Working (OWOW)** to support staff from all geographical locations.



Monitored and championed **diversity and inclusion** for all our staff.

- B** Shaped the FSA's work to support **health and sustainability in the food system**, in collaboration with others, and incorporated new areas of work.

Achievements delivered and challenges we have overcome

- A** **Develop and deliver 'Our People Plan 2023-26'**

The People Plan was published in Spring 2023. The plan complemented our strategy and three year corporate plan, showing how the FSA would improve as an employer, ensuring the FSA was equipped to meet the challenges of the future. To support the plan's development, we consulted widely and included evidence sought from the 2021 culture enquiry, the Civil Service People Survey, staff networks, FSA activities towards refreshing our values, Field Operations Regional Engagement and Development days and leadership workshops. The FSA identified three themes which were included in the People Plan:

- **An exceptional employee experience** with refreshed ASPIRE values, a review of pay and benefits, continued focus on wellbeing at work and a commitment to preserve and continue to build on our cultural strengths.
- **Maximised capability** nurturing our existing strengths whilst we further developed key skills and professional competence for the future. Ensuring that diverse backgrounds and protected characteristics are treated as an asset that can help improve policy making and service delivery and delivering a more consistent standard of line management across the organisation.
- **An enabled organisation** where our agility and impact are supported by effective infrastructure, organisational set up and processes such as our Connect programme and rigorous ongoing prioritisation.



Modernised systems and processes

As part of the FSA's ambition to evolve systems and processes, the Connect programme was set up and began work to replace legacy systems used to support finance, payroll and HR processes with a single system. Phase One of the programme had three objectives to achieve by 31 October 2023.



Replace current legacy HR, Payroll and Finance Systems with a modern, efficient, cloud-based system.



Ensure that the user experience across the HR, Finance and Payroll services is improved by enabling self-service, automation.



Adopt the processes that the new product provides and customise the system to fit with FSA current ways of working as set out in the Government Shared Services Strategy.

The FSA decided to launch HR, Finance and Payroll in our new phase one. A product and implementation partner were chosen via a tender exercise. Since onboarding the partner in October 2022, the FSA built a system identifying areas for modernisation and automating our processes, undertaking different types of testing to ensure it works for our needs and created a communications and engagement plan. We also purchased software that allowed elements of the testing to be automated, which freed up capacity to use on process testing that is unique to the FSA. Once launched, we aim to expand how we use this product to maximise value for money.



Staff engagement

In March 2022, our senior leadership team agreed three priorities based on analysis of our culture enquiry themes, 2021 People Survey data and staff feedback from the FSA strategy team discussions held in Q3 2021/22. They were:

- **Wellbeing:** The legacy of COVID-19 and exiting the EU, alongside unclear prioritisation and governance and overplaying our strengths to dedicate ourselves to making a difference are leaving staff feeling overwhelmed.
- **Fair treatment and inclusion:** On the whole, staff feel fairly treated and included. However, this is not yet consistent for all staff and frontline staff in Field Operations feel undervalued by the wider organisation.
- **Leadership visibility and future direction:** Lower scores in the People Survey indicated a need to improve leadership visibility and to provide clarity on our future direction. Being clear on how each one of us contributes to our vision is what motivates us.

Our senior leadership team agreed a set of corporate actions to provide top-down momentum to improving our people priorities. The actions identified were nearly all business owned activities or processes that already existed or had already been planned, to make visible the link between these activities and their impact on people.

Addressing our cultural barriers

The 2021 culture enquiry identified that many frontline staff in operational roles had concerns unique to their area of the business. Throughout 2022/23, the FSA took several actions to reconcile these concerns. One area identified was poor visibility of senior leaders for Operational staff. Action has been taken to improve this; details included in [Objective 1](#).

We considered other cultural barriers, such as feelings of being overwhelmed and pockets of marginalisation during the development of the People Plan to ensure continued progress to address these areas for improvement.

Staff awards

Celebrating staff contributions at different levels across the FSA is key to fair treatment and inclusion. We hosted our staff awards ceremony on 5 April 2022 – awards acknowledged a range of achievements at all levels in the FSA, from those going the extra mile to make our organisation a better place to work, to the frontline workers keeping food on people's plates and to those looking out for consumers and businesses. Over 200 nominations were received across the categories culminating in an awards ceremony held live in Leeds and recorded for staff who could not attend. The event attracted over 2,000 views (live content and post-event views).

Refreshed our ASPIRE values

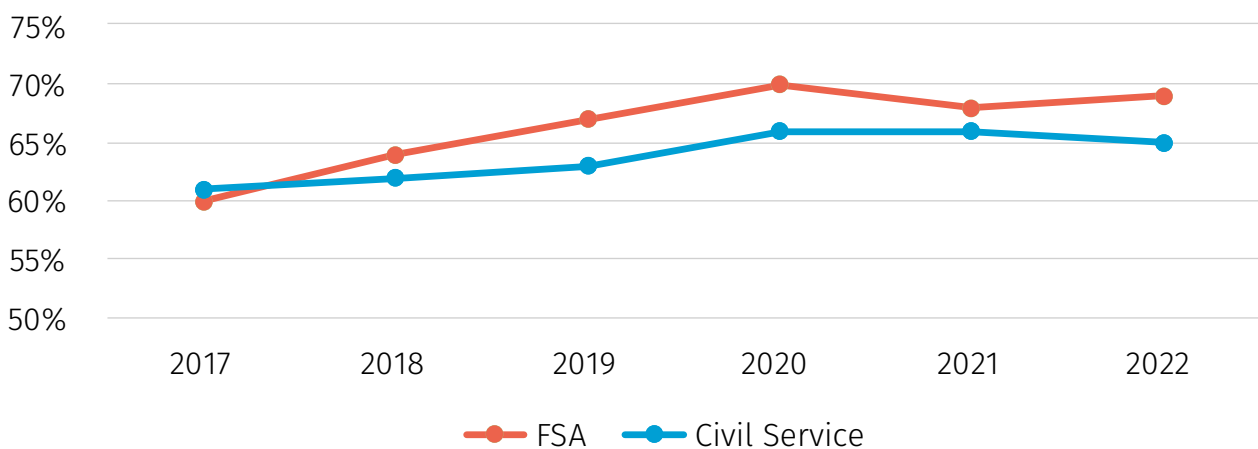
Our values explicitly define what we want our culture to be. They provide a shared understanding of who we are, how we behave and how we treat each other so are a keystone to our organisational culture. We reviewed our ASPIRE values to ensure they still align to the organisation we need to be for the future. Previously our values were Accountable, Supported, Professional, Innovative, Resilient, Empowered and after the review they are now Accountable, Supportive, Professional, Inclusive, Ready and Evolving. We conducted leadership workshops, staff meetings, stakeholder interviews and frontline staff engagement activities to identify how best to update them. Our research identified that ASPIRE continued to resonate strongly with our people and the values are

well embedded with both frontline and non-frontline staff. As such, we have retained [the values that underpin our cultural strengths](#) and have updated the values and behavioural descriptors in the areas that will allow us to shape our culture accordingly for the future.

Civil Service People Survey (CSPS) 2022 results

The CSPS is a key indicator of how our people are feeling and whether our interventions have had the intended impact. 79% of our staff took part in the 2022 survey, an increase of 2% points from 2021 and above the Civil Service benchmark by 4% points. The FSA's engagement score was 69% in 2022, up by 1% point from 2021.

Fig. 21: FSA Civil Service People Survey engagement score vs Civil Service Employee Engagement Index (EEI)



Across the wider Civil Service, most departments saw a decline in their survey theme scores since 2021. We celebrated that of the nine core themes, three increased in score, four remained the same and only two declined. The largest theme score increase was for Organisational Objectives and Purpose, increasing by 3% points to 88% from 2021 and reflecting the increased emphasis on leadership visibility and future direction. The largest fall in theme score was for Pay & Benefits, which declined by 9% points to 31%.



Our Ways of Working (OWOW)

OWOW refers to the FSA's award-winning flexible working policy, which provides staff the tools and options to best balance work and home life. The FSA continued to review its OWOW offering throughout 2022/23 to ensure we remain the gold standard for staff policy.

Geographical distribution of staff

From April 2022, all staff were expected to return to working in line with their contract choice following the COVID-19 pandemic. Non-frontline staff were reminded of the flexibility available to change their preferred contract choice up to twice in 12 months and we saw a shift towards home-enabled contracts becoming the primary choice amongst non-frontline staff. OWOW flexibility was once again reiterated to staff as part of the wider Cost of Living support communicated in the Autumn of 2022.

Fig. 22: Headcount as a % of staff by UK region

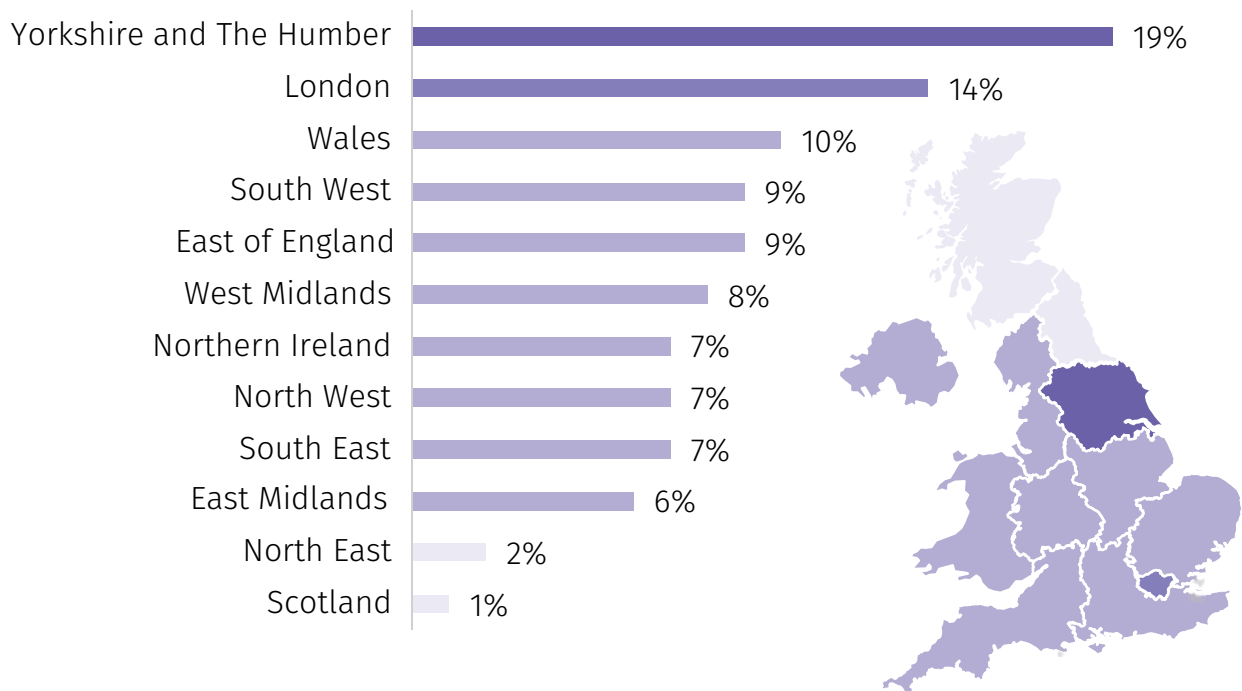
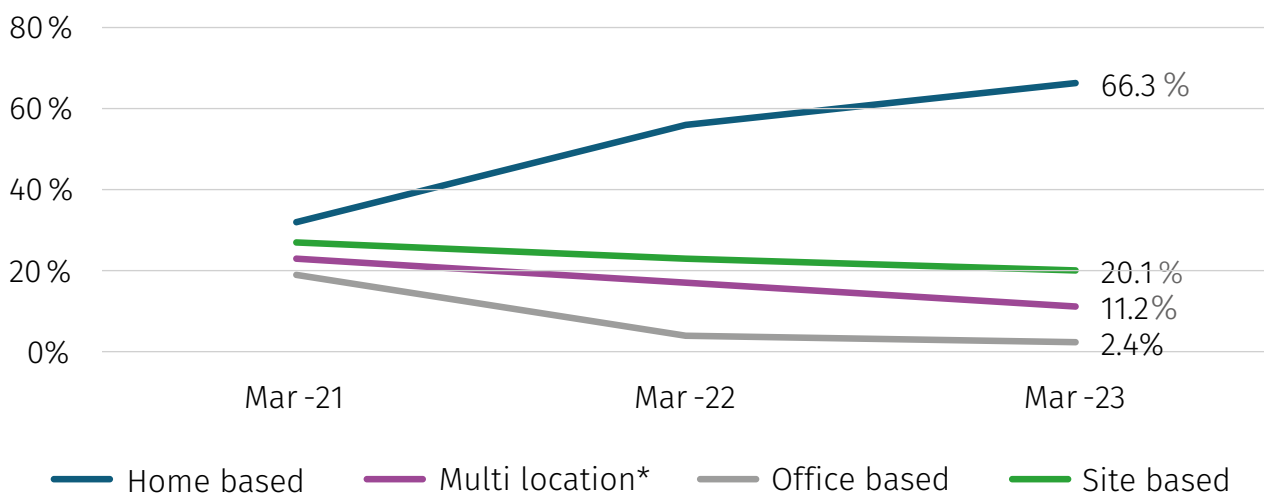


Fig. 23: OWOW contract choice split for all FSA staff as percentage of staff



* Place of work is considered the closest FSA office, with a requirement to work there 40-60% of the time. The remaining working time can be completed from other locations.

To ensure our space was tailored to the changing needs of our staff, the FSA sought ministerial approval to retain a continued London presence beyond 2025. This would support our existing London workforce and provide a hub for geographically diverse teams to come together and engage with key ‘other government departments’ and Ministers. Our Estates team are now working with the Government Property Agency to identify suitable options in the greater London area. Additionally, our Estates team are reviewing our requirements across all our offices, with a view to minimising our footprint, aimed at ensuring the effective utilisation of space and efficient use of funds.



Diversity and inclusion

For 2022/23 the FSA set the following objectives for diversity and inclusion:

- Attract and retain a diverse workforce.
- Champion inclusivity across our leadership and management community.
- Develop and support staff networks.

These objectives were reviewed by the FSA diversity council, and the diversity networks support delivery of diversity and inclusion achievements.

Attracted and retained a diverse workforce

Beyond Boundaries is a cross-government development programme designed to help participants develop the knowledge, skills and networks required to take responsibility in building a satisfying and effective career in the Civil Service. The FSA funded 20 more places for people from entry level grades on this programme, half of which were ringfenced to people of under-represented protected characteristics.

We commissioned an independent inclusive recruitment review in April 2022, to assess our recruitment processes, policies and practices. This recognised our good practice and policies and made recommendations to help us continue to improve. Based on these recommendations, the FSA commissioned a new interactive training course for hiring managers to enhance interviewing skills and support candidates in giving their best evidence.

We hosted two interns from the Autism Exchange Internship Programme, which gives autistic people the chance to experience the workplace and gain valuable skills, whilst supporting potential employers with advice and insight to encourage recruitment and support of people with autism. We also hosted three interns through the Summer Internship Programme which gives people from diverse backgrounds the opportunity to explore a Civil Service career.

We launched a new Exit Interview online questionnaire in September 2022, supplying us with data on reasons for leaving and employee experience which we were able to analyse by protected characteristic and take any necessary actions.

The FSA in Wales received the first and only Gold+ FairPlay Employer Award from Wales' leading gender equality charity, Chwarae Teg in March 2023. Chwarae Teg benchmark organisations against others in their industry identifying success factors and potential areas to improve. This award is based on an assessment of diversity practices and staff views on inclusion in areas such as learning and development and recruitment and selection.

Fig. 24: Workforce representation by protected characteristic as at 31 March 2023 (% points difference)



For a full view of the FSA's diversity and inclusion statistics, see the 'Staff composition' in the Accountability section of the Annual Report and Accounts on page 139.

Championed inclusivity across our leadership and management community

The FSA launched the second tranche of our reverse mentoring scheme, enabling senior colleagues to learn from the lived experience of staff from under-represented protected characteristics. This resulted in 23 partnerships representing a range of protected characteristics. Support was provided for 14 mentors from the FSA (including grade 7+ mentees who are reverse mentored on socioeconomic background) to participate in a Cross Government Catapult social mobility mentoring programme.

We celebrated International Day of Persons with Disabilities, including providing reverse mentoring for our Deputy Directors, and we raised awareness of the issues people with disabilities face at work through speakers and other events.

Developed and supported staff networks

We established a Disability Action Group to conduct targeted work on disability inclusion. The action plan included recruitment, retention and ongoing staff support, disability inclusion and support in Field Operations, learning, development and progression, workplace support, technology and the digital support offer, supporting returning to the office and visibility and disability awareness.

We completed the Social Mobility Index for the second year, improving our ranking from 90th in 2021 to 75th out of 149. The Index gave us insight into the actions we need to complete within attraction, outreach and progression to ensure we were accessible and inclusive to individuals from lower socioeconomic backgrounds. We also applied for Disability Confidence Employer Level 3 (Leader) and are awaiting the outcome of the audit. The Scheme enables us to think differently about disability and take action to improve how we recruit, retain and develop people with disabilities.

B Health and sustainability in the food system

The 2022-27 Strategy included an aim to contribute to food becoming "healthier and more sustainable". This expanded focus built on the existing work in Northern Ireland (NI) on nutrition and how we consider Wales' Future Generations Act in decision making. We have continued to commission, review and publish evidence on health and sustainability within the food system (for more detail see the key deliverables in

Objective 3). To expand on this, the FSA contributed to two new projects working with other Government Departments.

The School Food Standards pilot is working with 18 LA areas to test a new approach to assuring compliance with national school food standards by schools. Delivered in partnership with the Department for Education and supported by the Office for Health Improvement and Disparities, the pilot was announced in the Levelling Up White Paper (2022). This year phase 1 was completed, lessons from which will inform future phases.

The Food Data Transparency Partnership is a partnership between government, including FSA and the devolved administrations, and representatives from across the food supply chain to drive positive change in the food system through better information, transparency and accountability.



Northern Ireland: Nutrition and health

In NI, we share responsibility for the delivery of nutrition and health policy with the Department of Health. The overall aim of our work is to improve health outcomes by increasing the availability of healthier food and increasing consumers' understanding of nutrition. There are three main objectives with this work:

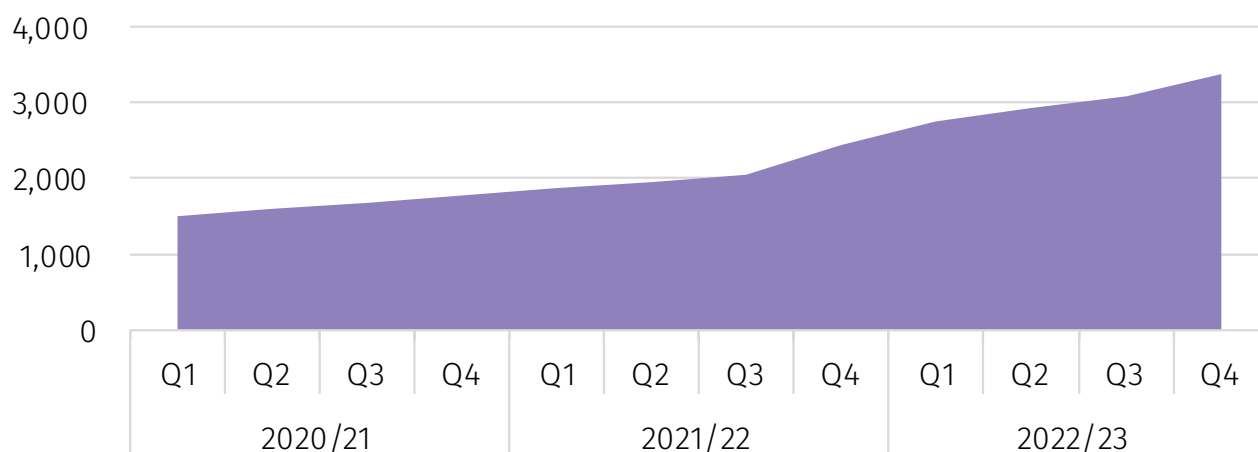
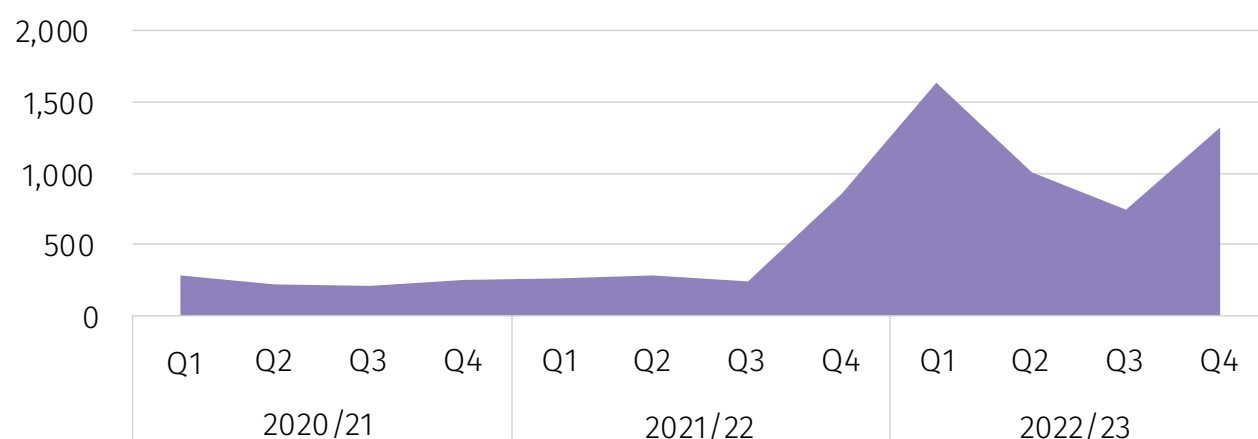
1. Take forward health and nutrition policy in NI in partnership with government departments, food industry and other stakeholders

The FSA have been working closely with the Department of Health on the development of the new obesity strategy for NI which incorporated a whole systems approach to obesity prevention and included a strong focus on the food environment and health inequalities.

2. Deliver actions within the Eating Well Choosing Better (EWCB) programme

The FSA continued to work with local food manufacturers, retailers, and the out of home sector on the EWCB programme. We supported small and medium sized enterprises with reformulation and reducing portion sizes to increase the availability of healthier foods and drinks. We continued to work in partnership with the 11 district councils to deliver our voluntary calorie labelling scheme, [Calorie Wise](#). The scheme is supported by [MenuCal](#), the FSA's free online calorie calculator and allergen management tool.

After pausing engagement with food businesses due to the COVID-19 pandemic, we have been working with Environmental Health Officers to conduct Calorie Wise re-audits for businesses audited over two years ago. All the businesses due for re-audit have confirmed that they wish to proceed, and six businesses have successfully retained the Calorie Wise Gold Award. Arrangements have been made to re-audit the remaining businesses.

Fig. 25: Total number of MenuCal users per quarter**Fig. 26: Number of logins on MenuCal per quarter**

People that created a new MenuCal account increased by 37% and the number of logged in sessions increased by 187%. A user would need to log in to add/amend a recipe, although the FSA does not collect data on what activity occurs during login sessions. Increases may be due to the introduction of mandatory calorie labelling in England.

3. Improve insight and understanding through surveillance of NI's population in relation to dietary health and nutrition

The FSA continued to monitor NI consumers' understanding and awareness of nutritional labelling through the [EWCB Tracker Survey](#). Key Findings for 2022, published in March 2023 are:

- **91%** of participants recognised the traffic light label (4% point increase from 2021).
- **85%** reported to understand what traffic light labels are for (6% point increase from 2021).
- **62%** of consumers choose foods with healthier traffic light colours always/most times (2% point decrease from 2021).

The COVID-19 pandemic, rising inflation and the war in Ukraine have resulted in significant increases in the cost of food, drink and energy, and impacted the availability of some foods. This has resulted in NI consumers facing competing priorities when deciding what to buy and eat, meaning health may not be the primary influence.

Principal risks and uncertainties

The FSA works to protect public health and wider consumer interests in relation to food. This means that risk considerations are always at the forefront across the whole department.

The food system is complex and is evolving rapidly with developments such as: new technologies around food production; logistics; shifting consumer habits; and trading influences including online sales. The effects post-pandemic, the war in Ukraine, rising inflation and, climate and environmental related events have contributed to disruptions in the food supply chain and increasing numbers of people being pushed into food poverty.

Delivering food you can trust

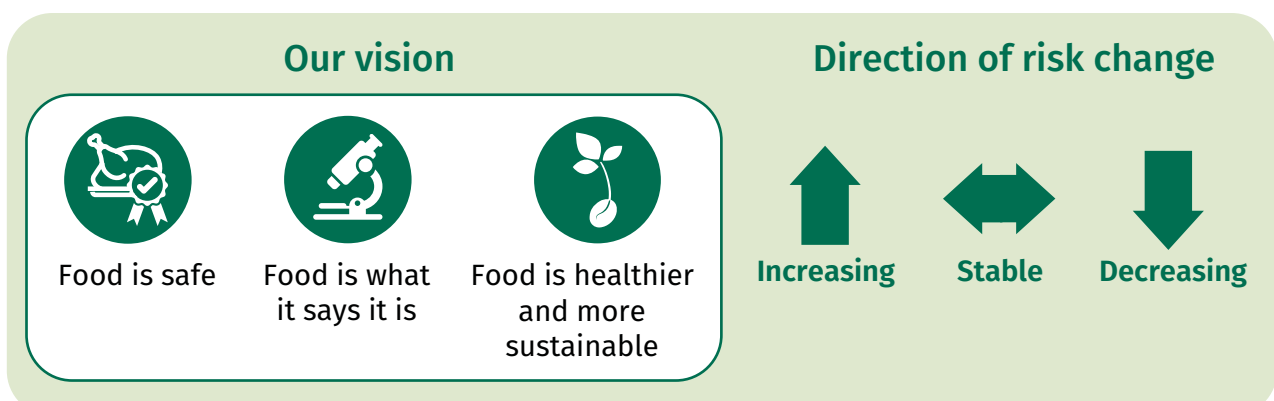
Keeping people safe and reducing/eliminating food risk is a fundamental purpose of the FSA. Doing this relies on:

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

To deliver our mission ‘food you can trust’ whilst managing limited resources and external uncertainty, we have an appetite to take considered risks and exploit opportunities and innovation. Our approach to innovate differs depending on the nature of the risk.

We set out our approach to managing risk as part of the FSA Governance Statement 2022/23 on page 102. FSA risks are **Identified, Assessed, Managed, Reviewed and Recorded** at the appropriate level across the FSA.

The Board and Executive held our annual risk workshop in January 2023, the levels of risk appetite and the risks which pose the greatest threat to us successfully achieving our objectives were agreed. Risk management in the FSA is a continuous process, enabling us to make informed decisions and ensuring we are operating within our agreed risk appetite. Alongside this, we review our strategic risks quarterly (and monthly by exception), ensuring that the level of risk exposure is monitored closely in the changing environment we operate in.



Long-term risk trends and key mitigating activities

Being able to effectively identify, prioritise, assess and act on a food risk to prevent harm to consumers



Context:

The risk analysis process captures the capabilities and processes in an end-to-end service, where food risk is identified (either through an arising policy issue or through surveillance), assessed and mitigated (managed and communicated). Leaving the EU means that the FSA is now responsible for many of the combined risk analysis functions that were previously carried out by the European Commission and the European Food Safety Authority. This process forms the basis for authorisation of regulated products.

Mitigations:

- Continue to build the capacity and capability of our people within Policy and Science functions and a dedicated Regulatory Service now in place.
- Continuous improvement of the risk analysis and regulated products process through our annual Board review and internal improvement group in place to steer this programme.
- Develop and review our horizon scanning function, a discovery exercise with academia is underway to support this and help us understand and identify more unknowns.

Maintaining confidence and trust from consumers, business, government and/or other stakeholders sustaining our ability to deliver our strategic objectives to protect consumers



Context:

Failing to influence and engage effectively with a wide range of stakeholders would risk our pledge to put consumers first in everything we do. Trust and confidence (of consumers, media, government and industry partners) are central to achieving our consumers outcomes.

Mitigations:

- Continue to use social media to communicate, (for example our campaigns) listen, monitor and respond swiftly to social media conversations, in particular to content which could be misleading or inaccurate.
- Continue to seek opportunities to promote and help understand what our purpose is and how we deliver our work, establishing and developing new and existing relationships as we do so.
- Ensure we use science and evidence for decision making, and are seen to be open, honest, independent and inclusive.

- Work with consumers and representatives from the food business industry to discover their views and opinions on what constitutes an excellent modern regulator.

Maintaining informative and influential relationships across government and internationally to advance consumer protection, now and in the future



Context:

It is vital that we are able to influence Governments effectively in Westminster, Wales and Northern Ireland (NI), as well as internationally, to ensure that our work is understood, supported and that we are able to achieve change that benefit consumers. The UK's new relationship with the EU makes the FSA's role as a food system regulator more important and has altered the institutional drivers for some of our international activities.

Mitigations:

- Participate in established forums and have a seat in cross-Whitehall chaired meetings on various policy issues.
- Implement processes to improve and strengthen our engagement capability.
- Continue to manage the FSA's new responsibilities under the Windsor Framework and contribute to and support negotiations with the EU.
- Continue to manage the FSA's input to the Border Target Operating Model and work towards a phased introduction of the proposed controls.

Successfully securing and utilising our resources and supporting our people to deliver the FSA's Strategy, benefiting consumers



Context:

There are increasing constraints on resource that all parts of government face. The FSA continues to focus on improving its effectiveness and efficiency, to get the most out of our resources. This includes ongoing development of our planning, performance, financial, risk, and prioritisation capability.

Mitigations:

- Development of our People Plan which supports our people in delivering our strategy, through continuing to create an environment in which our people are highly capable, effectively supported, and consistently choose to make outstanding contributions to protecting, informing and empowering consumers.
- New processes introduced to improve financial and resourcing forecasting to ensure the FSA has sufficient resource throughout the Spending Review.

- Prioritisation of our in-year resource to allow the FSA to respond swiftly to additional resource pressures.
- Development of a new performance assurance framework which supports and aligns with our new strategy and three-year business plan.
- Planned and working towards delivery of the FSA's estates strategy to further build on our digital infrastructure which aligns with the levelling up agenda.
- Development of a Finance Strategy, combining our financial planning with our strategic planning to ensure our resources align with our priorities.

Working effectively and cohesively across multiple nations of the UK and administrations, to ensure consumers are well protected despite potential divergence between systems



Context:

The FSA works with UK regulatory partners, Wales and NI governments and with Food Standards Scotland and the Scottish government to ensure that the UK regulatory regime continues to provide strong protection for consumers. Inevitably, there are areas where different political priorities and viewpoints among the four administrations occur. These changes have the potential to negatively affect four-nation collaborative working relationships.

Mitigations:

- Continue to actively engage with cross government working groups on UK Frameworks, through joint ways of working and seeking consensus on changes across the UK, while recognising that businesses trading across the UK require consistency and that consumers require consistent levels of protection.
- Continue to build the capability and effectiveness of our UK & International teams through developing and embedding new ways of working.

Being able to provide an appropriate response to a major food/feed incidents to protect consumers from potential harm



Context:

The FSA has well-established contingency and resilience arrangements to respond to a major food or feed safety incident. Lessons learned reviews from real incidents, as well as Winter Planning activity, provide us with valuable learning to strengthen our resilience and improve our response standard operating procedures.

Mitigations:

- We adopted a comprehensive approach to strengthening our resilience and emergency preparedness to cover all aspects of our incident response arrangements

and continued to enhance our capabilities and capacity to manage a major food incident.

- Learning is reflected in our updated incident management plan; the continual improvements to our accompanying standard operating procedures and is used to inform our annual exercise and training programme that supports the continual improvement of our incident response capacity, capability, and organisational resilience.
- The impact of this approach was measured through our increased capability and capacity to invoke our incident response and emergency protocols efficiently; deliver a proportionate response to a food incident; and enable the organisation to return to our normal operations as quickly as possible. We have strengthened our incident prevention and investigatory capability to ensure we proactively approach incident and outbreak management.
- Continued to build UK laboratory capacity to ensure the FSA has access to the full range of testing in a major incident response.

Effectively supporting local and port authorities in delivering Official Controls reducing potential food safety risk to consumers and maintaining confidence by trading partners and consumers



Context:

FSA places reliance on others to deliver many regulatory functions and we need to work closely to ensure service/consumer protection are not compromised whilst new approaches are developed. Local authorities (LAs) face increased pressures and challenges, which impacted resources and highlighted challenges faced in meeting the FSA's expectations for delivery of food controls.

Mitigations:

- Through the ABC Programme, we worked towards redefining the hygiene and regulatory delivery models. Aspiring to focus more on outcomes, collaborate with LAs and industry to ensure food regulation is data driven, and that resources are targeted at the areas of highest risk and creating a more sustainable future.
- Continued to develop a new performance support and management strategy allowing us to understand LAs performance and provide the relevant guidance and support.

Being able to deliver our Official Controls functions in England and Wales for meat to protect consumer safety and confidence plus wider implications such as food supply interruption, trade and animal welfare



Context:

FSA has direct responsibility for inspecting, auditing and assuring businesses in England and Wales producing meat, wine and dairy. We deliver Official Controls in abattoirs and game handling establishments, and we audit and inspect meat cutting plants, wine producers and on-farm dairy establishments. The current sector wide difficulties in recruiting and retaining Official Veterinarians adds challenges to the delivery of Official Controls for which we are directly responsible.

Mitigations:

- Through contract management arrangements, the FSA continually monitors the capacity and capability of the Service Delivery Partner to undertake their contractual arrangements and use Key Performance Indicators to identify non-compliances and service failures (for which there are financial penalties).
- The Operational Transformation Programme has closed, the work on legislative change for delivery of Official Controls has moved into the Achieving Business Compliance programme to allow it to be progressed in a considered way alongside other wider policy and legislative changes. We have continued to focus our efforts in Operations on modernisation within existing legislation.
- Implemented and continue to monitor the Royal College of Veterinary Surgeons decision to allow temporary registration of Novice Official Veterinarians.
- Implement and monitor the Quality Assurance of service delivery and monitor the effectiveness of the plan through performance of our service delivery.

Enforcement action in approved meat establishments (England, Wales)

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

England and Wales: formal and informal enforcement action taken during 2022/23

Formal action	Number of notices 1 April 2022 to 31 March 2023	Number of notices 1 April 2021 to 31 March 2022
Hygiene Emergency Prohibition Notice , served under the Food Safety and Hygiene (England) Regulations 2013 and the Food Hygiene (Wales) Regulations 2006, giving a food business operator a day's notice of the intention to apply to a court for the granting of a Hygiene Emergency Prohibition Order which would result in an immediate cessation of business	0	0
Hygiene Improvement Notice served under the Food Safety and Hygiene (England) Regulations 2013 and the Food Hygiene (Wales) Regulations 2006	30	32
Remedial Action Notice served under the Food Safety and Hygiene (England) Regulations 2013 and the Food Hygiene (Wales) Regulations 2006	45	42
Informal action	Number of notices 1 April 2022 to 31 March 2023	Number of notices 1 April 2021 to 31 March 2022
Written advice	1,489	1,417

Northern Ireland: formal and informal enforcement action taken in approved meat establishments during 2022/23

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

Formal action	Number of notices 1 April 2022 to 31 March 2023	Number of notices 1 April 2021 to 31 March 2022
Hygiene Emergency Prohibition Notice , served under the Food Hygiene Regulations (Northern Ireland) 2006, giving a food business operator a day's notice of the intention to apply to a court for the granting of a Hygiene Emergency Prohibition Order which would result in an immediate cessation of business	0	0
Hygiene Improvement Notice served under the Food Hygiene Regulations (Northern Ireland) Regulations 2006	0	0
Remedial Action Notice served under the Food Hygiene Regulations (Northern Ireland) 2006	0	1
Informal action	Number of notices 1 April 2022 to 31 March 2023	Number of notices 1 April 2021 to 31 March 2022
Written advice	23	28

Prosecutions

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

In England and Wales, prosecutions for food hygiene breaches are taken by the FSA. Cases in relation to alleged breaches of animal welfare, animal by-products and some transmissible spongiform encephalopathy (TSE) requirements are prosecuted by the Crown Prosecution Service (acting on behalf of the Department for Environment, Food and Rural Affairs) or the Welsh Government. In 2022/23, the FSA Legal Investigation Branch accepted 37 referrals from Operations Directorate for investigation with a view to prosecution. The outcome of these investigations are subject to evidential and public interest tests.

The timescales for prosecutions mean that it is rare for a case to progress from referral to a final court hearing within the same reporting year. Therefore, many of the cases referred for investigation in 2022/23 have yet to be concluded.

During 2022/23, 11 cases investigated by the FSA were concluded at court with convictions secured against 14 defendants. A further 8 cases are currently being prosecuted.

The outcomes or status of those referrals are as follows:

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

Complaints including those made to the Parliamentary and Health Service Ombudsman

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

Details of our Complaints Policy can be found online: www.food.gov.uk/contactconsumersfeedback/complaints-and-comments-about-the-fsa

Where a complainant remains dissatisfied having exhausted the FSA's process, at both the 'local' and 'central' levels, they can refer their case to the Parliamentary and Health Service Ombudsman (PHSO). Further details about the PHSO are available online: www.ombudsman.org.uk/

During the calendar year 2022:

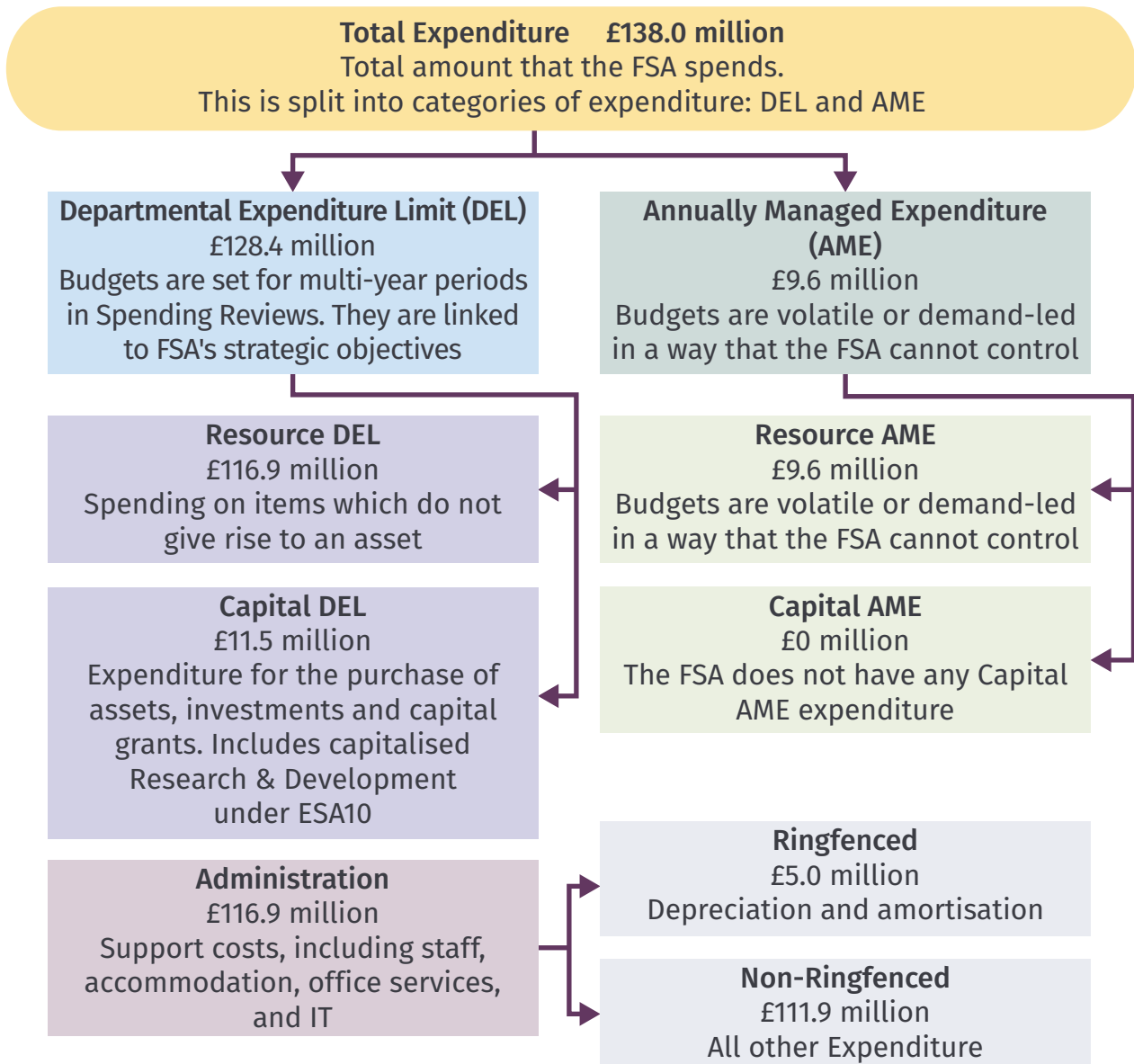
- 5 cases were responded to at the 'local' level. Of these, 4 cases were not upheld and 1 was partially upheld.
- 4 cases were responded to at the 'central' level through the office of the Complaints Co-ordinator. All 4 cases were not upheld.
- 3 cases were escalated to the office of the Chief Executive. 2 were not upheld and 1 was partially upheld.
- 0 cases were referred to the PHSO.

This compares to 2021, which saw:

- 10 cases were handled at local level. 5 were not upheld, 3 were partially upheld and 2 were upheld in full.
- 1 case handled at Complaints Co-Ordinator level, which was partially upheld.
- 1 case escalated to the office of the Chief Executive, which was partially upheld.

Financial Review

This financial review covers our financial performance, setting out our funding and what we have spent our money on and how we ensure we use public money appropriately and responsibly.



The FSA is mainly financed through the annual Supply Estimates process managed by HM Treasury (HMT). The figures above are the control limits voted by Parliament for FSA Westminster (per Supplementary Estimate).

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

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

We publish our financial performance based on the Government Financial Reporting Manual in the Statement of Comprehensive Net Expenditure which is found in the Accounts section.

The net DEL resource cost of the Westminster funded FSA was £115.2m against available funding of £116.9m to 31 March 2023. Total net expenditure (including DEL and AME) was 9% lower than the estimate of £138m by £11.9m.

An underspend in RAME of £7.8m is the principal contributor to this underspend.

Fig. 27: FSA Financial Performance 2022/23 Admin £000s

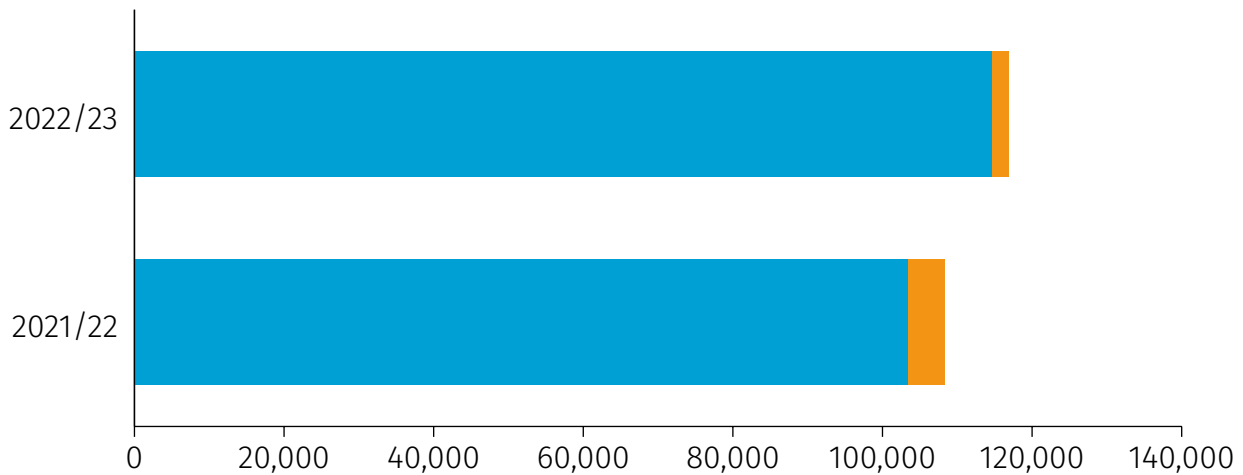
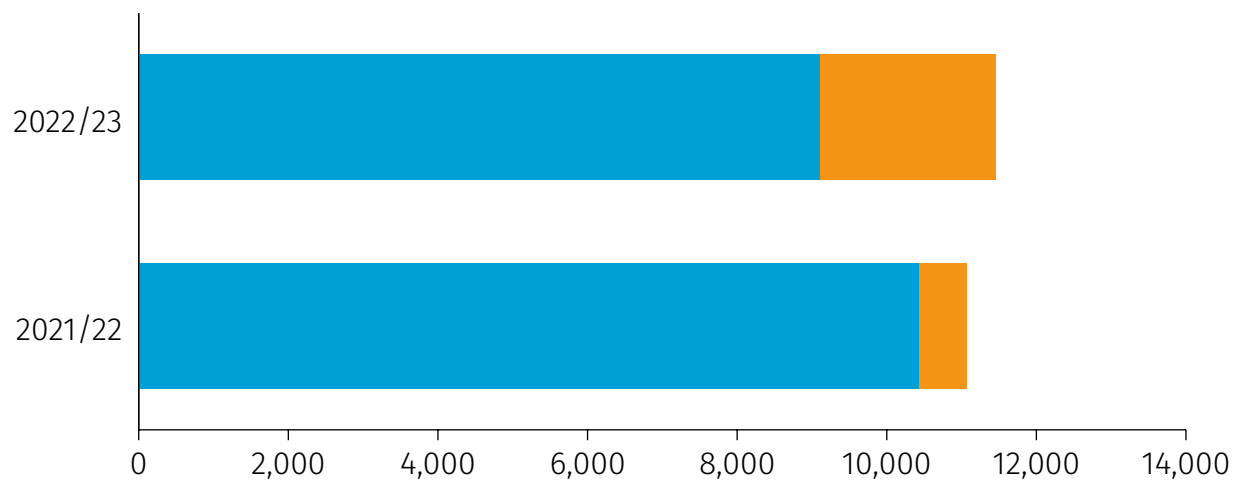


Fig. 28: FSA Financial Performance 2022/23 Capital £000s



There is a CDEL (Departmental Expenditure Limits – Capital) underspend of £2.4m largely due to reprioritized projects.

Analysis by activity comparing 2022/23 spend with 2021/22 spend can be seen in Note 2.

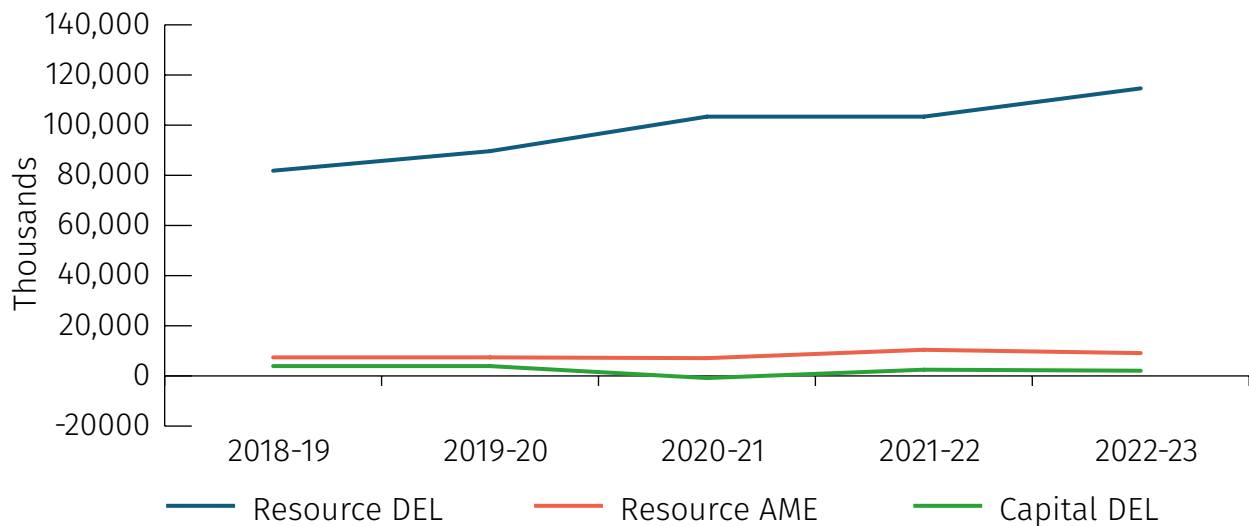
Departmental core tables – Westminster only

This information can be found on our website:
www.food.gov.uk/about-us/reports-and-accounts

Supplier payment policy

It is FSA policy to pay all invoices not in dispute within five days of receipt. During 2022/23, 67.5% of all invoices were paid within this target. The policy is to remain the same for 2023/24.

Fig. 29: FSA total departmental spending trend analysis (£000s)



FSA's total expenditure has increased in time with the preparation and delivery of EU Exit and the formation of the National Food Crime Unit. Further information can be seen in the Core Tables published at www.food.gov.uk/about-us/reports-and-accounts.

Sustainability and Climate Change Adaption

The FSA's environmental sustainability strategy defines our priorities and commitment to protecting the environment, whilst aligning with the Greening Government Commitments (GGC) in support of the goal for achieving Net Zero by 2050.

As the work demands increased, it was evident that we needed to assign dedicated resources in this area, particularly if we wanted to reach our potential and make a significant impact. Following on from the successful case put forward to the FSA executive management team (EMT) last year, funds were secured and in October 2023 we recruited a full time Environmental Sustainability Manager.

Responsible for the development of a sustainability and climate change action plan that will enable us to meet our policy targets, providing clarity and direction to leaders across the organisation to build sustainability into their work.

One priority area was internal communications campaigns. Our EMT lead and sponsor for environmental sustainability published an internal news article across our platforms to highlight our plans for progressing our green agenda. Alongside this, to improve staff knowledge, awareness and training we launched an intranet page. This is dedicated to environmental sustainability, giving all FSA staff easy access to information. Currently, this includes items such as a summary of the climate crisis, the UK government goals, ISO 14001, our targets, performance, tips and resources. With everything in one place making it much more accessible to staff.

Encouraging training and sharing of knowledge has been a huge benefit to staff, whilst also linking into one of the actions for goal 13 of the UN sustainable development goals (SDGs) – to ‘improve education and awareness-raising on climate change mitigation, adaptation, impact reduction and early warning’.

In January 2023, after a slight delay due to staff resources, we underwent an independent UKAS-approved surveillance audit for Environmental ISO 14001 accreditation. The audit was over three days, covering our London and Belfast office practices and the legislative requirements of our central Environmental Management System (EMS). We are very happy to report we passed and retain our accreditation for another year.

Over the next few months, we will be bringing together our Climate & Environment Action Group (CEAG) staff network, with old and new members. Collectively, we will decide which points from our action plan to prioritise and agree timescales and assign resources.

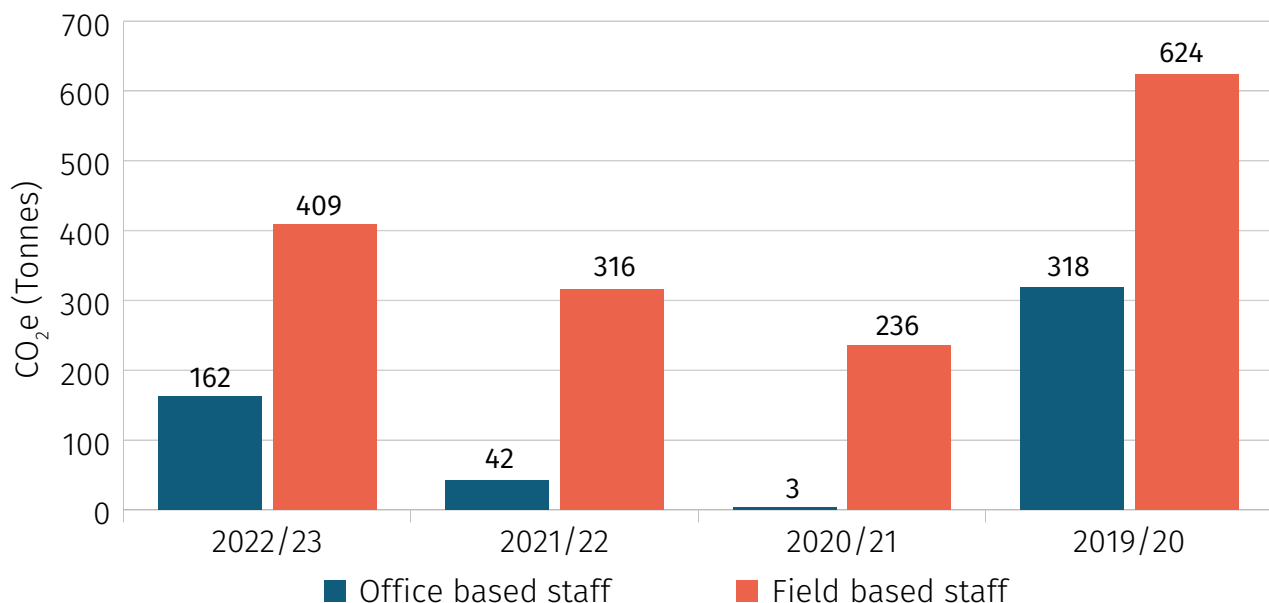
Carbon footprint

Business travel

Our organisation continues with the ‘Our Ways of Working’ (OWOW) programme, first initiated in 2017, modernising the way we work. This still has a big impact on our carbon footprint with many staff choosing to work from home, resulting in a reduction of business travel and commuting.

For booking business travel and accommodation we have a new Application available to staff. This provides individuals with reports on their monetary spend and emissions total, over a rolling period of 6 months. The App highlights the emissions total for each selection when making a booking, giving users the opportunity and information to choose more eco-friendly options.

Fig. 30: Breakdown of CO₂e Tonnes by Travel



Greenhouse gas emissions – Scope 1 (direct)

We exceeded the Government Fleet Commitment target for 25% ultra-low emissions vehicles (ULEV) for lease cars by 2022, with a fantastic 65.4% of FSA fleet being ULEV and are on target for 100% by 2027.

For GGC, we now have the ability to report our lease fleet data by fuel type, giving a more accurate reflection of our emissions and look to do the same for staff vehicle business use for the new financial year. This will be included in our Annual Report and Accounts for 2023/2024.

Estates

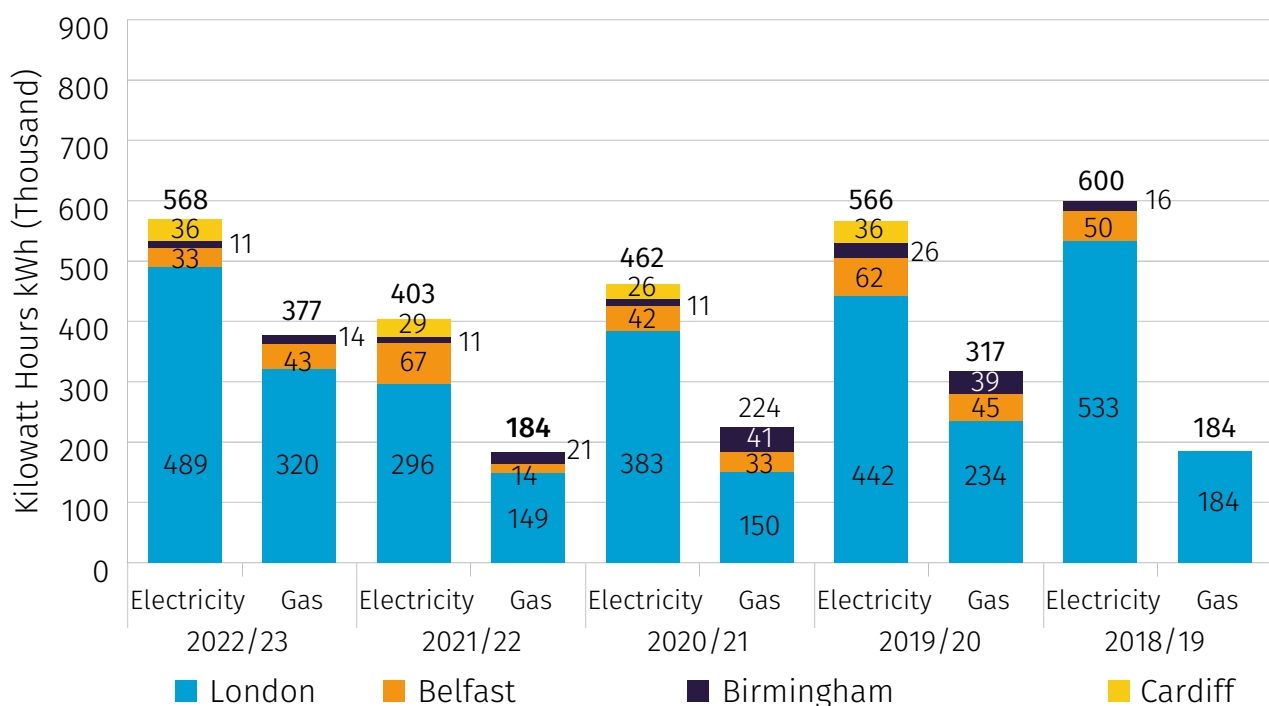
Due to the FSA leasing space within other government buildings, it has proven difficult to see the real impact of homeworking. This is largely due to the FSA emissions being calculated using the total building consumption based on the percentage area we occupy.

As a result of this and under-utilised space, we have taken the decision to onboard with the Government Property Agency (GPA) from April 2023, ending current lease agreements for our Birmingham and London offices. We are also moving our Cardiff office into a Welsh Government building which is more energy efficient and halving our floorspace in York. We hope these changes will help us see a clearer picture of our performance, whilst generating a significant fall in our energy consumption and reduce our overall carbon footprint.

Greenhouse gas emissions – Scope 2 (indirect)⁷

Due to the FSA leasing space within other government buildings, it has proven difficult to see the real impact of homeworking. This is largely due to the FSA emissions being calculated using the total building consumption based on the percentage area we occupy.

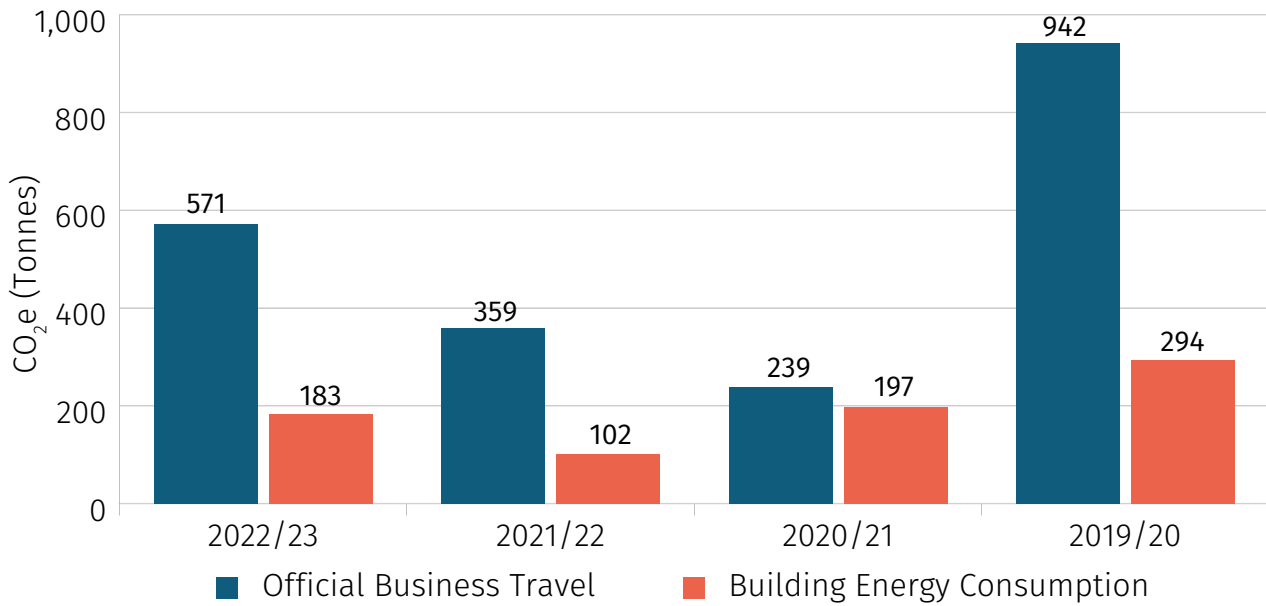
Fig. 31: Energy Consumption by Building



⁷ Data relates to FSA London, Birmingham, Wales and Northern Ireland only. Data for office in York is accounted for by Defra.

Greenhouse gas emissions – Scope 3 (indirect)⁸

Fig. 32: CO₂e (Tonnes) by Total Travel and Total Building Consumption



Greenhouse gas emissions totalled £1.5m, of which £1.3m was business travel and £0.2m was energy consumption.

⁸ UK-wide data.

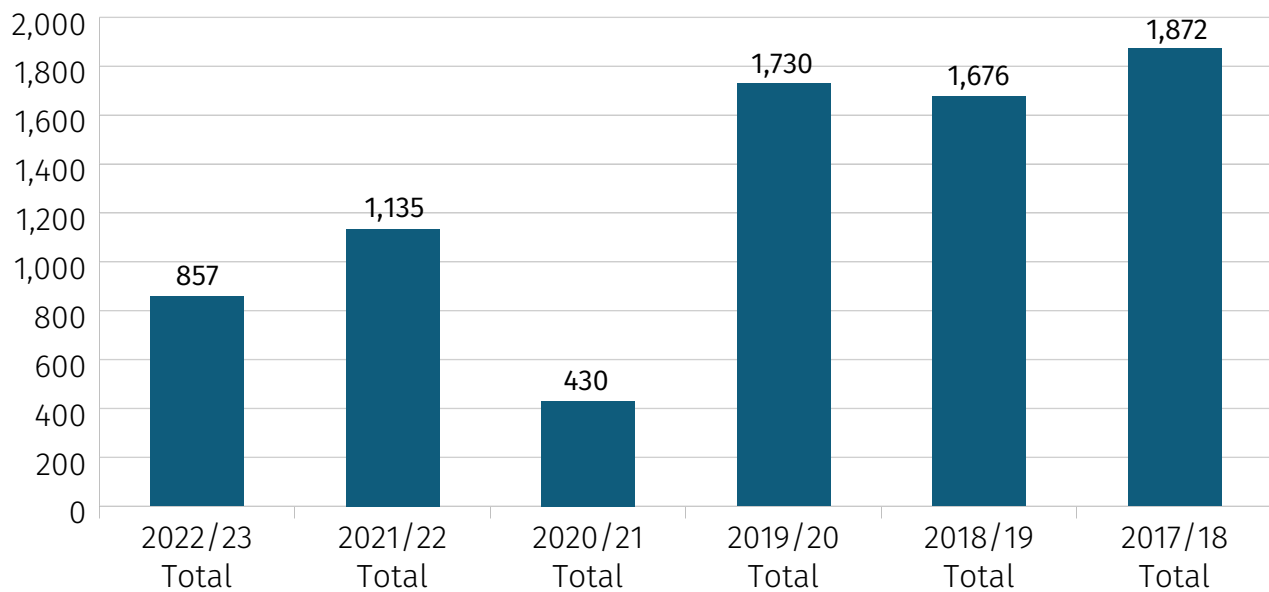
Conserving natural resources

Water Consumption

Total water consumption has decreased in this reporting year. However, we have been unable to obtain usage data for our Birmingham office since July 2022, due to an issue with the meter.

The FSA target 'to reduce water consumption by at least 8% from the 2017/18 baseline' has been achieved with a reduction of 46%.

Fig. 33: Water Units (m³)



Waste Management

Waste is one area which the FSA have made vast improvements over the last few years, this is largely due to the introduction of homeworking contracts.

Our main target was 'to reduce the overall amount of waste generated by 20% from the 2017/2018 baseline' which we have achieved this year.

For a third consecutive year, we have sent no waste to landfill, surpassing our target of less than 5% ending in landfill.

The FSA's paper consumption increased from 105 reams in 2021/22 to 402 reams in 2022/23.

Fig. 34: Waste (tonnes)

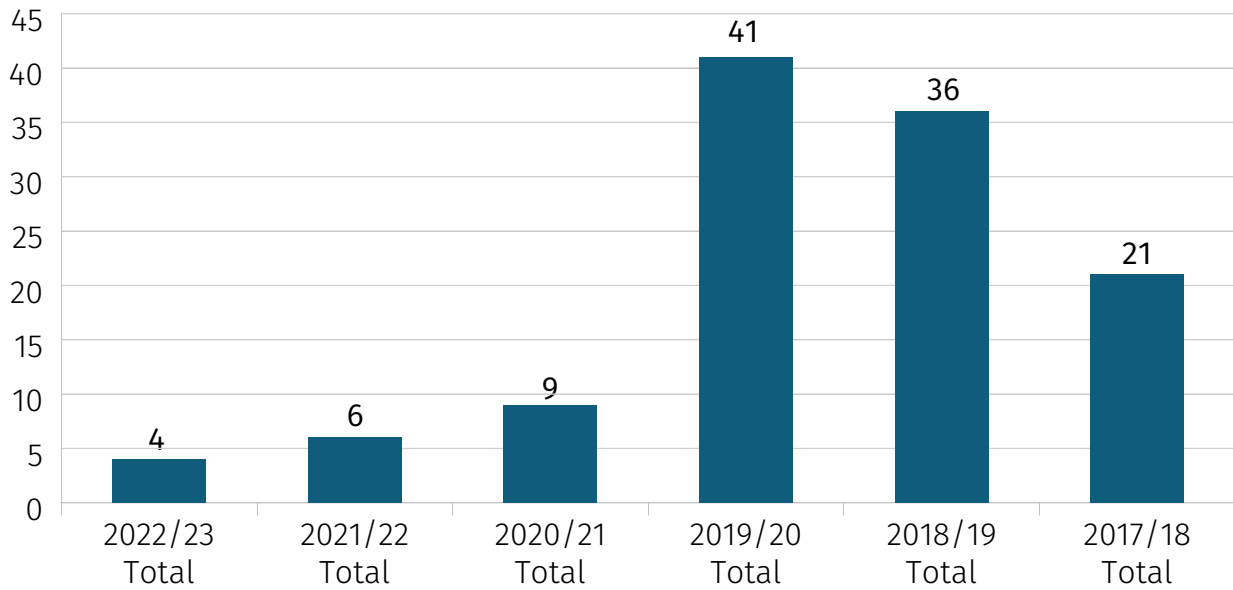
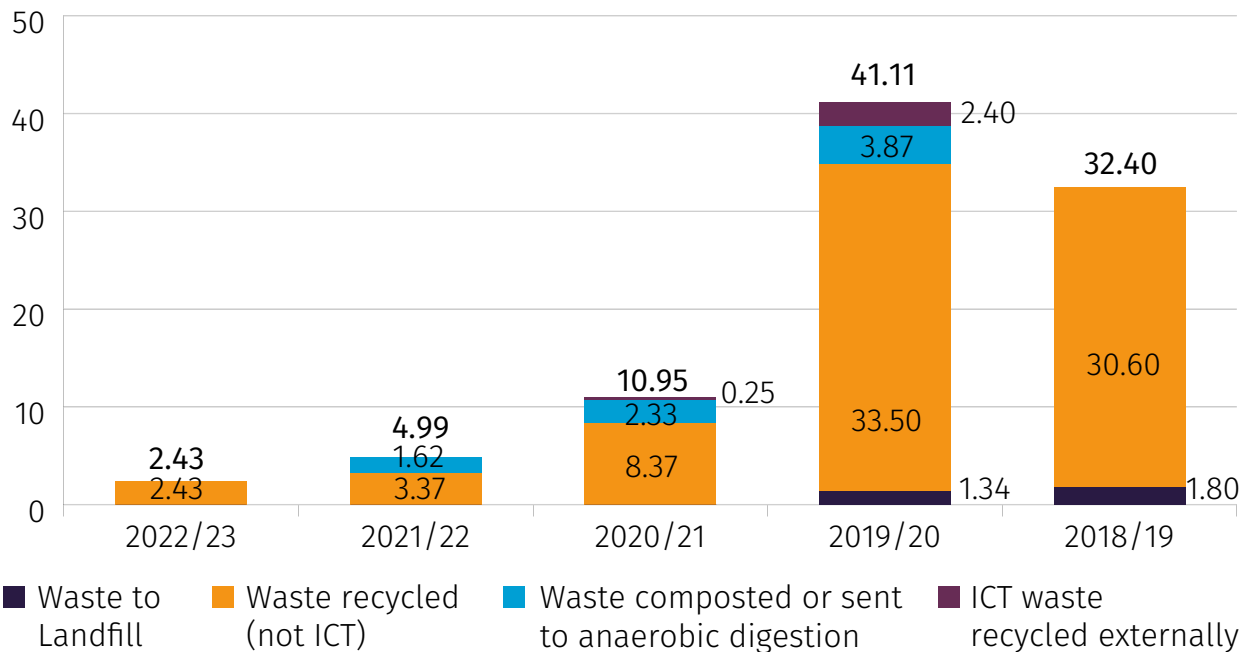


Fig. 35: Waste Recycled and Landfill (tonnes)



Using the waste hierarchy, we strive to prevent, re-use and recycle wherever possible. With this in mind, we are introducing a printer consumables recycling scheme in quarter one of 2023-2024, to be implemented across plants and our offices. This will also be open to homeworkers and anyone on a multi-location contract to use during any office/site visit.

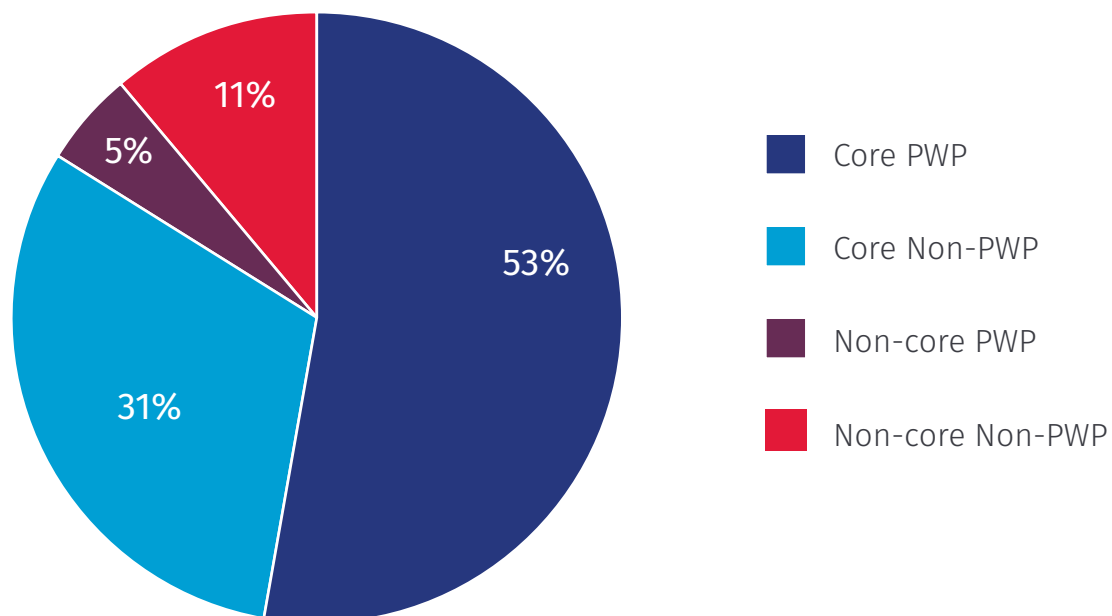
Sustainable Supply Chain

The FSA promotes sustainable thinking by ensuring sustainable considerations, including net zero objectives, minimum environmental product specifications & principles are built into all aspects of the procurement process. This is set out in our new sustainable procurement policy published in January 2023 and helps support goal 12 of the UN SDGs; 'promote public procurement practices that are sustainable, in accordance with national policies and priorities'.

Procuring sustainably means considering the environmental, social and economic impacts of the product or service over its lifetime, such as: design, use of non-renewable material, methods of manufacture and production, logistics, operation, maintenance, reuse, recycling options and disposal; plus the suppliers' capability to address these impacts throughout the supply chain.

We have been working with our business supplies partner, who like the FSA, are extremely passionate about the social and environmental impact of its activities. They introduced a range of over 2000 items called 'Products with Purpose' (PWP). All PWP items create a tangible positive ethical, social or environmental impact. From the below graph, it shows we are doing reasonably well, with 58% of the items bought being from the PWP range. We now look to improve this where possible through promotion and encouraging staff to choose PWP items and look to review our current core list.

Fig. 36: Products with Purpose (PWP)



Performance in correspondence with public and MPs including Parliamentary Questions

The FSA does not centrally record all incoming and outgoing correspondence and contact with members of the public. Contact details for FSA business areas are available on the FSA website for members of the public and food businesses to contact directly. During 2022/23, the FSA's general enquiries helpline handled 4,917 emails and 5,405 phone calls from members of the public (in 2021/22, 5,542 emails and 5,347 phone calls were handled).

Additionally, FSA Private Office managed 145 items of correspondence, including items sent by members of the public to members of Parliament, the FSA Chair, FSA Chief Executive or other, replying to 95% within target (in 2021/22, 127 items of correspondence were managed and 97% were replied to within target).

The FSA also drafted answers for 39 Parliamentary Questions, returning 87% on time to the Department of Health and Social Care to answer via their ministers.

Better regulation

Better regulation is an integral to our regulatory approach and we apply the principles of good regulation to all our regulatory activities. The FSA strives to take a clear, proportionate and risk-based regulatory approach to protecting public health.

Excessive or unclear regulations place unnecessary burdens on business and hinder the intended regulatory benefits to consumers and business.

We support the government's Better Regulation agenda and the ambitions of the Industrial Strategy, including on innovation, where we strive to identify and remove unnecessary barriers to new technology and support industry advancements in the interest of consumers. All new regulations are subject to post-implementation reviews to ensure the objectives are being met and the regulations remain necessary.

Business Impact Target (BIT) reporting

The FSA introduced no qualifying regulatory provisions under the BIT in the last Parliament. In line with our statutory reporting requirements the FSA published details of its regulatory activities in December 2022, as well as contributing to the Government's End of Parliament BIT Report. Details of the FSA BIT reporting are published on our website at www.food.gov.uk/about-us/regulatory-approach#business-impact-target-reporting

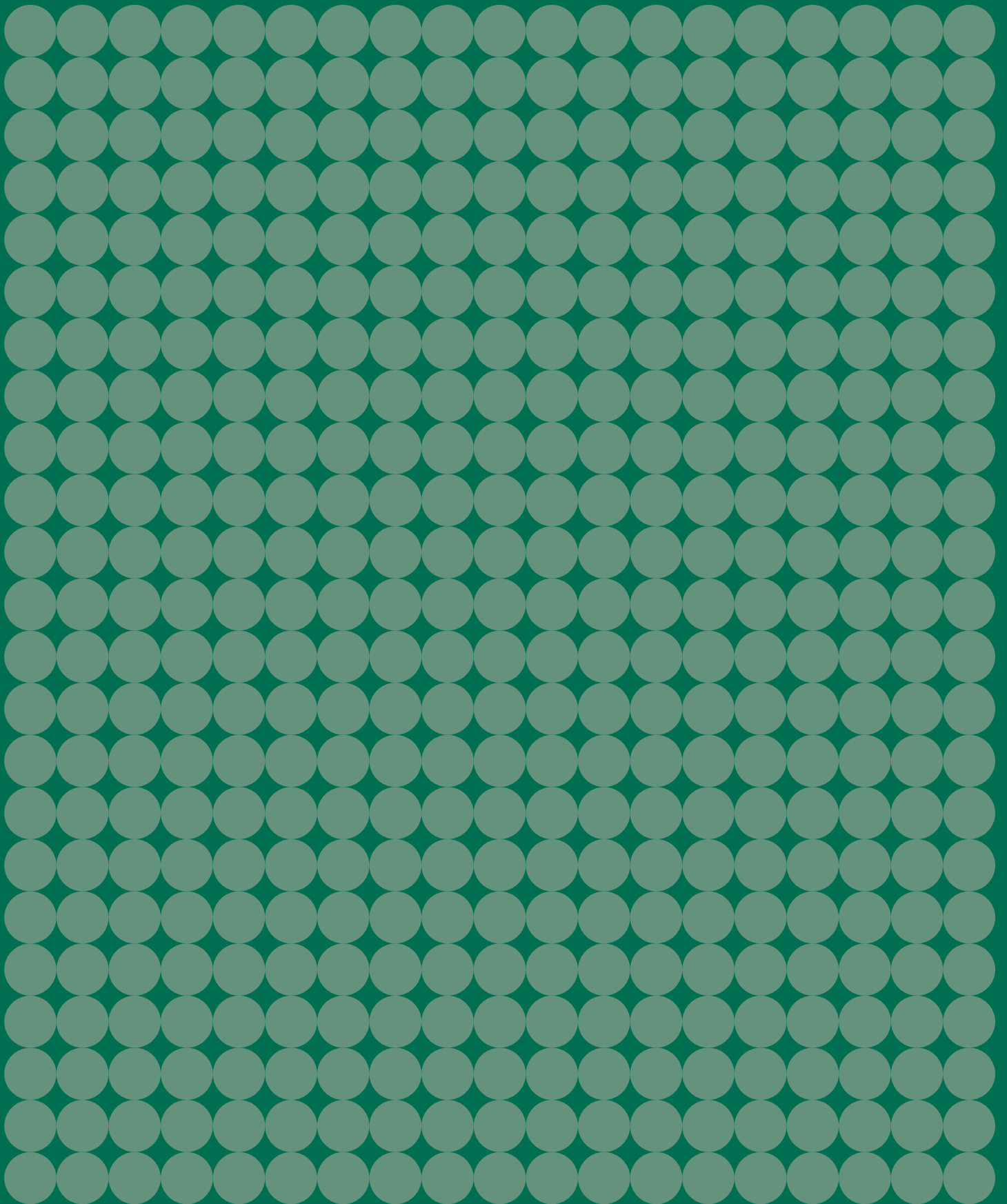


Emily Miles

Chief Executive and Accounting Officer

26 January 2024

Accountability report



Corporate Governance Report

Directors' report

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

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

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

During 2022/23 the FSA did not formally report any personal data related incidents to the Information Commissioner's Office.

Disclosure of Board members' interests

Board members are appointed to act collectively in the public interest, not to represent specific sectors. Provisions for declaration of interests and withdrawal from meetings are intended to prevent the Chair, Deputy Chair, and members being influenced or appearing to be influenced, by their private interests in the exercise of their collective public duties. All personal or business interests which may, or in the judgement of the member may, be perceived by a reasonable member of the public to influence their judgement, should be declared. Such interests include, but are not limited to, involvement in the agriculture, food, and related industries. The Code of Conduct for Board members includes a guide to the categories of interest that must be declared. Details of Board members, their register of interests, and the Code of Conduct are on our website:

<https://www.food.gov.uk/about-us/members-of-the-fsa-board-including-attendances-engagements-and-expenses#current-fsa-board-members>

Details of the Board and Directors

The FSA Board

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

Member name	Position
Professor Susan Jebb OBE, PhD, FRCP (Hon), FMedSci (Chair)	FSA Chair from July 2021
Dr Ruth Hussey CB OBE DL (deputy Chair)	Interim Chair from February 2021 until June 2021 Deputy Chair from July 2020
Peter Price	Chair of the Welsh Food Advisory Committee from September 2020
Colm McKenna	Chair of the Northern Ireland Advisory Committee (reappointed September 2019 until August 2022)
Margaret Gilmore	Board member from November 2019 (Reappointed November 2022)
Mark Rolfe	Board member from November 2019 (Reappointed November 2022)
Timothy Riley	Board member from November 2019 (Reappointed November 2022)
Fiona Gately	Board member from June 2021
Lord Blencathra	Board member from June 2021
Anthony Harbinson	Chair of the Northern Ireland Advisory Committee from September 2022
Hayley Campbell-Gibbons	Board member from September 2022
Justin Varney	Board member from September 2022

Executive Management Team

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

Member name	Position
Emily Miles	Chief Executive
Maria Jennings	Director of Regulation, Compliance, People & Northern Ireland until December 2022
Julie Kettell (aka Pierce)	Director of Wales, Information and Science
Rebecca Sudworth	Director of Policy
Simon Tunnicliffe	Interim Director of Operations from December 2021 until May 2022
Anjali Juneja	Director of UK & International Affairs
Junior Johnson	Director of Operations from May 2022
Pam Beadman	Director of Finance and Performance from September 2021 to June 2022
Katie Pettifer	Director of Strategy, Legal, Governance and Communications
Tara Smith	Director of People and Resources from June 2022 (Tara Smith left the FSA in July 2023)
Robin May	Chief Scientific Adviser

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

FSA advisory committees

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

Northern Ireland member	Position
Anthony Harbinson	Chair (from September 2022)
Colm McKenna	Chair (until August 2022)
Fiona Hanna	–
Lorraine Crawford	–
Cathal McDonnell	–
Ellen Finlay	–
Greg Irwin	–
Dr Lynne McMullan	–
Ciaran McCartan	–

Wales member	Position
Peter Price	Chair
Alan Gardner	–
Dr Philip Hollington	–
Georgia Taylor	–
Christopher Brereton OBE	–
Helen Taylor	–
Jessica Williams	–
Dr John Williams	–

Audit and risk assurance committee

Membership of the FSA Audit and Risk Assurance Committee:

Non-executive members	Position
Timothy Riley	Chair (from September 2022)
Dr Ruth Hussey CB OBE DL	Member until June 2023
Anthony Harbinson	Member from February 2023
Margaret Gilmore	–
Justin Varney	Member from February 2023
Colm McKenna	Member until August 2022
Peter Price	Member until February 2023

Statement of Accounting Officer's responsibilities

Under section 5(2) of the Government Resources and Accounts Act 2000, HM Treasury has directed the Food Standards Agency (FSA) to prepare, for each financial year, resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the department during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the FSA and of its net resource outturn, resources applied to objectives, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

1. observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
2. make judgements and estimates on a reasonable basis;
3. state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and
4. prepare the accounts on a going concern basis.
5. confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

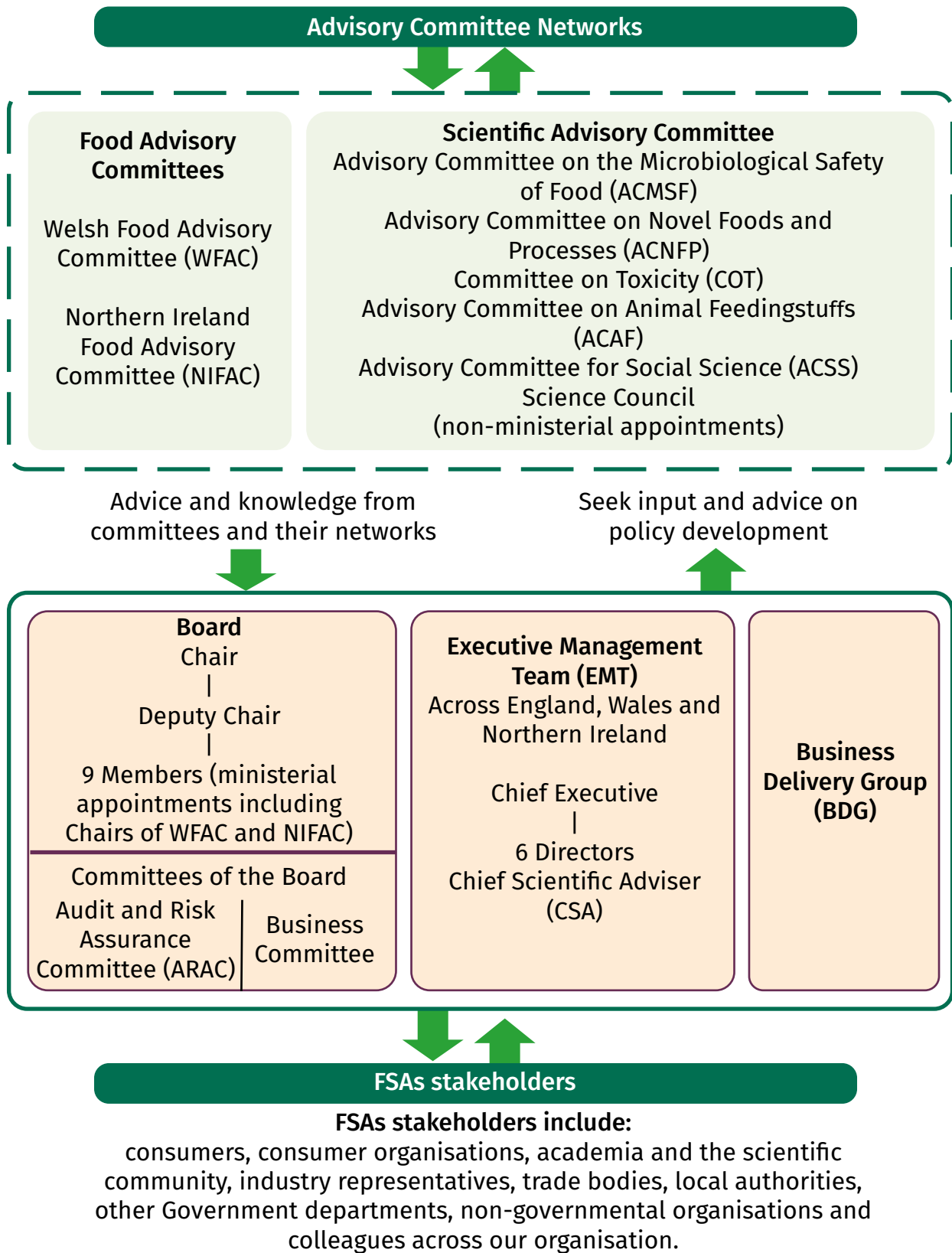
HM Treasury has appointed the Chief Executive as Accounting Officer of the FSA. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records, and for safeguarding the FSA's assets, are set out in Managing Public Money published by the HM Treasury.

The Accounting Officer is required to confirm that, as far as she is aware, there is no relevant audit information of which the entity's auditors are unaware, and the Accounting Officer has taken all the steps that she ought to have taken to make herself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that FSA's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

As Accounting Officer I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable. I confirm that the annual report and accounts as a whole is fair, balanced and understandable.

Governance Statement 2022/23



1. As an independent, non-Ministerial Government Department, the FSA has a statutory obligation to protect public health and consumers' wider interests in relation to food. The FSA consists of a non-Executive Board which complies with the relevant requirements of the Corporate Governance Code for central Government Departments. In line with the FSA's culture of openness, the Board holds its decision-making meetings in public, and they are broadcast live via the FSA's website. The agendas and minutes of Board meetings are also published on the FSA website, where recordings of all meetings are also accessible.
2. The Chair and Deputy Chair are appointed by the Secretary of State for Health and Social Care in agreement with health ministers in Wales and Northern Ireland. Up to eight Board members are appointed by the Secretary of State for Health and Social Care, one by Welsh Ministers, and one Board member by Northern Ireland Ministers.
3. The Board has two Committees: the Business Committee and the Audit and Risk Assurance Committee (ARAC). Both Committees comprise a selection of Board Members.
4. Board Members review the impact and outcome measures set for the FSA strategic priorities, to track delivery of the annual business plan through the quarterly Performance and Resources Report to the Business Committee
5. In March 2022 Mark Rolfe, Timothy Riley and Margaret Gilmore were reappointed to second terms of three years from 18 November 2022.
6. Colm McKenna's term of office as FSA Board Member for Northern Ireland and Chair of the Northern Ireland Food Advisory Committee (NIFAC) came to an end on 31 August 2022. Anthony Harbinson was appointed the FSA Board Member for Northern Ireland and Chair of the NIFAC as of 1 September 2022 for three years. Hayley Campbell-Gibbons and Justin Varney were appointed members of the FSA Board as of 1 September 2022 for three years.
7. At the time of writing, a campaign is underway with the Department of Health and Social Care to recruit Ruth Hussey's successor as Deputy Chair as Ruth's term ended on 30 June 2023.
8. For the first time the FSA is delighted to be participating in the [Boardroom Apprentice Scheme](#). Our apprentice, Judith Hanvey, was appointed as of 1 September 2022 for one year. Judith participates in meetings of NIFAC including commenting on Board papers. Judith is also sighted on all material circulated to the Board and included in discussions but only has observer status at Board meetings.
9. The Board takes advice from Food Advisory Committees (FACs) in each of the Devolved Administrations. The Chairs of these Committees report formally to each Board meeting on issues considered. The Board also receives a paper from either the Wales or Northern Ireland Board Member or Executive Director at each meeting.

10. The Chair of ARAC reports formally in writing annually to the Board and, like the Chair of the Business Committee provides the Board with a written report following each Committee meeting. As Accounting Officer, I attend all Board meetings, and I am invited to attend all ARAC and, since December 2022, Business Committee meetings.

FSA Board performance and effectiveness review

11. Every year, the FSA Board reviews the effectiveness of the Board. In November 2021 consultant Jo Clift Consulting Ltd was appointed through a competitive and open tender process to undertake a formal external Effectiveness Review of the Board. The [final report from the review](#) was published and discussed at the [June 2022 FSA Board meeting](#).
12. During its [annual discussion of Governance](#) in December 2022, the Board confirmed they were content with the proposed responses to the recommendations from the external effectiveness review of the Board, as well as proposed changes to the Audit and Risk Assurance Committee Terms of Reference, and the introduction of an automated online system for accepting public questions ahead of Board meetings.
13. Recommendation three of the review challenged us on the need for the Business Committee. In our response we said that we consider there is still a need to have the opportunity for the Board to be assured about the delivery of routine business. However, we accept that the current arrangements are not as effective as they might be, and some aspects would benefit from greater scrutiny.
14. During the December 2022 Board discussion, the Board accepted the proposals for a reformed Business Committee focussing mainly on the delivery of the annual business plan.
15. In addition to the Science Council, the FSA is lead sponsor for five Scientific Advisory Committees (SACs): the Advisory Committee for Social Science (ACSS); the Committee on Toxicity (COT); the Advisory Committee on the Microbiological Safety of Food (ACMSF); the Advisory Committee on Novel Foods and Processes (ACNFP); and the Advisory Committee on Animal Feedingstuffs (ACAF). The Science Council and the ACSS are Departmental Expert Committees of the FSA, and the other four SACs are Advisory Non-Departmental Public Bodies (ANDPBs). All the SACs continue to provide an independent expert advice, challenge and assurance function.
16. The Board agreed the FSA's priorities and high-level budget for the financial year 2023/24 at its March 2023 meeting.

Attendance at Board and ARAC meetings 2022/2023

17. Records of each Board member's attendance at Board meetings and at ARAC meetings are detailed below.

Record of Attendance FSA Board and Business Committee Meetings 2022/23

Board Member	June 2022 (Board and Business Committee)	September 2022 (Business Committee)	September 2022 (Board)	December 2022 (Board and Business Committee)	March 2023 (Business Committee)	March 2023 (Board)
Susan Jebb OBE, PhD, FRCP (Hon), FMedSci	Yes	Yes	Yes	Yes	Yes	Yes
Ruth Hussey CB OBE DL	Yes	Apologies	Yes	Yes	Yes	Yes
Colm McKenna (until August 2022)	Yes	–	–	–	–	–
Timothy Riley	Yes	Apologies	Yes	Yes	Yes	Yes
Mark Rolfe	Yes	Yes	Yes	Yes	Yes	Yes
Margaret Gilmore	Yes	Yes	Yes	Yes	Yes	Yes
Peter Price	Yes	Yes	Yes	Yes	Yes	Yes
Fiona Gately	Yes	Yes	Yes	Yes	Yes	Yes
Lord Blencathra	Yes	Yes	Yes	Yes	Yes	Yes
Anthony Harbinson (from February 2023)	–	Yes	Yes	Yes	Yes	Yes
Hayley Campbell- Gibbons (from September 2022)	–	Yes	Yes	Yes	Yes	Yes

Board Member	June 2022 (Board and Business Committee)	September 2022 (Business Committee)	September 2022 (Board)	December 2022 (Board and Business Committee)	March 2023 (Business Committee)	March 2023 (Board)
Justin Varney (from September 2022)	–	Yes	Apologies	Yes	Yes	Yes

Record of attendance ARAC meetings 2022/23

Board Member	June 2022	October 2022	November 2022	February 2023	March 2023
Colm McKenna	Yes	–	–	–	–
Ruth Hussey CB OBE DL	Yes	Yes	Yes	Yes	Yes
Timothy Riley	Yes	Yes	Yes	Yes	Yes
Peter Price	Yes	Yes	Yes	–	–
Margaret Gilmore	Yes	Yes	Yes	Yes	Yes
Anthony Harbinson	–	–	–	–	Yes
Justin Varney	–	–	–	–	Yes

Audit & Risk Assurance Committee (ARAC)

18. ARAC is responsible for reviewing, in a non-executive capacity, the reliability of assurances on governance, risk management and the control environment. It is also responsible for reviewing the integrity of financial statements and the Food Standards Agency Annual Report and Accounts.
19. ARAC continued to meet during the year with all meetings held virtually. ARAC considered a range of issues in the year including: the FSA's Consolidated, Westminster, Northern Ireland and Wales accounts for 2021/22; the National Audit Office's (NAO) Audit Completion Report; the Head of Internal Audit's annual opinion; and the internal and regulatory audit plans for 2023/24.
20. The Committee discussed the Corporate Risk register at full meetings. Members' discussions focused on the Executive's assurance to ARAC that relevant risks, including those arising from the cost of living crisis, had been identified and were being managed effectively, challenging Executives' actions when needed. Committee meetings also covered risks relating to borders, rail and the Northern Ireland Protocol. Deep dives into varying topics have also been held to allow for detailed scrutiny.

21. Committee members had bilateral meetings with representatives of the FSA's external auditors, the NAO and with the Head of Internal Audit to discuss expectations and current issues.
22. Committee members completed a self-assessment on the effectiveness of the ARAC in line with HM Treasury guidance which advises that a self-assessment is completed annually and sets out the effectiveness standards. The self-assessment results indicated that Committee members considered they were either meeting or excelling against the effectiveness standards.
23. In the Committee's annual report to the FSA Board relating to 2022/23, the ARAC Chair noted that sufficient and comprehensive work was undertaken by ARAC and that internal and external assurances were received during the year to adequately inform the Committee's assessment on the effectiveness of FSA risk management, control and governance arrangements. Based on this, he concluded that the arrangements in place during the year 2022/23 were satisfactory.
24. Colm McKenna's term in office as a member of the FSA Board and ARAC Chair ended in August 2022. Tim Riley was appointed as ARAC Chair from the beginning of September 2022. In February 2023 Peter Price stood down from the ARAC with Anthony Harbinson and Justin Varney becoming members.

The Leadership Team

25. The Executive Management Team (EMT) provides corporate leadership to the FSA and supports me, as the FSA's Accounting Officer, in delivering the FSA strategy, directing the day-to-day business of the FSA and championing the values of the FSA. EMT met weekly throughout 2022/23.
26. On 31 March 2023 membership of the EMT comprised six Directors, including a suitably qualified accountant as People and Resources Director, the FSA's Chief Scientific Adviser and myself, Emily Miles as Accounting Officer.
27. Between October 2022 and January 2023 the FSA implemented structural changes to better align our functions. People & Organisational Change and the Finance & Performance Group joined to create the new People & Resources Directorate. FSA NI and FSA Wales moved to UK & International Affairs. The Operational Transformation Programme turned into an Operations Modernisation Team and part of the former OTP merged into the ABC Programme, recognising the strong common themes between the transformation work we are doing in these different areas.
28. Junior Johnson joined the FSA as Director of Operations in May 2022 and Tara Smith joined as Director of People and Resources in June 2022. In January 2023 Anjali Juneja was appointed to the role of Director of UK and International Affairs, having filled the role on an acting basis since it was created in March 2022.

Business Delivery Group

29. The Business Delivery Group (BDG) oversees and, where appropriate, actions the delivery of the FSA's priorities as set out in the annual business plan. The BDG meets fortnightly and is primarily made up of Deputy-Directors representing each Directorate. The group is chaired by the Director of Strategy and Regulatory

Compliance, its purpose is tactical, leading in developing the FSA's Business Plan, taking forward the implementation of key EMT decisions and ensuring the delivery of day-to-day business.

Scientific Advisory Committees

30. The FSA'S independent committees meet regularly throughout the year and their work ensures that our advice to consumers is always based on the best and most recent scientific evidence. More details about the individual committees can be found at <https://www.food.gov.uk/about-us/scientific-advisory-committees>.

Conflicts of Interest

31. The FSA has a conflicts of interest policy in place for all staff for the declaration and management of interests in adherence to the requirements of the Civil Service Management Code (section 4.3). All individuals must consider their personal interests upon joining the FSA and at all times if their business or personal circumstances change. Individuals should declare any interests to the FSA whereupon it will be decided if any further action is required and if so, what that action might be. Biannual staff communications serve as a reminder to staff. The Chair and Accounting Officer declare any external meetings on a quarterly basis.
32. The review of any personal interests declared by an individual is considered against a number of criteria. Following discussion and consideration of the declaration of interest the outcome may be that the declared personal interest(s) is acceptable within the individual's current position in which case the risk should be assessed annually at a minimum; or the declared personal interests are not acceptable. Managers must consider and identify any changes to mitigate the risk. These might include a change of duty/responsibility, redeployment to another workplace, local protocols regarding communication and contact and/or regular and documented management checks.

Business Appointment Rules

33. FSA employees who intend to leave the organisation are reminded of their obligations under the Business Appointment Rules. In compliance with Business Appointment Rules, the FSA is transparent in the advice given to individual applications for senior staff. Any advice given regarding specific business appointments for senior civil servants is published at <https://data.food.gov.uk> on a quarterly basis.

Post-EU transition

34. The FSA's priority remains to ensure that there continues to be a robust and effective regulatory regime for maintaining the safety of food and feed for the benefit of UK consumers and of the UK food industry. We are working closely with other government departments and the Devolved Administrations of the UK in order to ensure we continue to fulfil this objective.
35. Most key EU Exit work has been completed and is now managed through BAU within FSA. However, there remain some key areas of ongoing work, most notably within imports and the Northern Ireland Protocol. The FSA is working with the Department

for Environment, Food & Rural Affairs (Defra), the Devolved Administrations and other relevant departments, to progress the remaining work and continues to provide technical input on agri-food into the work led by Foreign, Commonwealth and Development Office and Defra to agree changes to the Northern Ireland Protocol with the EU. These remaining changes are managed by the UK and International Affairs Directorate.

36. The FSA has provisional UK Frameworks in place across policy areas, which allows a collaborative four nation working throughout the policy development process and establishes dispute resolution processes for managing areas of disagreement. All three Frameworks the FSA are party to have been provisionally agreed and subject to parliamentary scrutiny in England, Wales, NI and Scotland. To finalise the three Frameworks a sitting executive is needed in NI as they must be agreed by the First and deputy First Ministers in NI; Ministers in the other three countries have agreed the final Frameworks.
37. In April 2022 the UK government decided not to proceed with the introduction of further import controls on EU commodities that had been due to be implemented in July 2022. Ministers took the view that changes should not be made at a time when supply chains had been seriously impacted by the war in Ukraine, and consumer prices were rising. Instead, they decided to accelerate work on the existing 2025 Border Strategy with an aim to develop and implement a new global regime for import controls.
38. The FSA has been working on a cross government basis to ensure that the proposed new model either maintains or improves biosecurity and protects public health. This includes identifying critical controls that we see as required at an early stage. Draft proposals are due to be published in early 2023 ahead of a period of stakeholder engagement with new requirements for EU imports commencing later in 2023.

Select Committees

39. In October 2022, the FSA submitted written evidence to the Environment, Food and Rural Affairs Commons Select Committee's inquiry on Food Security. The submission outlined key factors affecting the resilience of food supply chains, the consequences for businesses and consumers, the outlook for UK food price inflation in the short and medium term and how increasing food prices are affecting access to healthy and nutritious food.
40. Emily Miles gave oral evidence at a Public Accounts Committee inquiry into Regulation after EU Exit in June 2022.

External Assurance Reviews

41. FSA officials commissioned several external reviews for assurance purposes during the year. These reviews have contributed to assurance on the effectiveness of our governance framework and identified some opportunities for improvement, which have been implemented.
42. Reviews completed during the year and reported to ARAC included the Deep Dive and Build review of servers managed by third-party suppliers on behalf of the FSA to

ensure they were complying with the government's minimum security standards, Civil Service Commission review of FSA recruitment practices and an independent consultant's review of FSA recruitment practices focusing on inclusivity.

43. Other external reviews covered IT health checks on internal and external infrastructure, review of complex charge rate calculation models and the ISAE (International Standard on Assurance Engagements) 3402 Report on Shared Services Connected Limited (SSCL), the FSA's Shared Services provider for finance and procurement systems.

Internal management

FSA risk management framework and capacity to handle risk

44. The FSA has a well-established risk management framework that is used to provide assurance to the FSA Board, ARAC and me as Accounting Officer that risks to achieving business objectives are being effectively identified and managed and that those involved understand their roles and responsibilities.
45. The framework is founded on a Risk Management Strategy, which outlines our plans for continuing to embed a risk management culture across the FSA and further raise the FSA's maturity in risk management as set out in Government Finance Function and HM Treasury's guidance: Management of Risk - Principles and Concepts.
46. EMT's regular discussions of risk drive mitigating actions that reduce the level of risk. In addition, ARAC reviewed progress at their quarterly meetings. There was a joint Board and Executive workshop in January 2023 which considered the strategic risks the organisation faces. The Board reviewed and set the FSA's risk appetite which, as Accounting Officer, I find helpful when making key decisions throughout the year. For example, when taking the decision to allow businesses to substitute sunflower oil with other oil for a limited period, our risk appetite was consulted to ensure we effectively and appropriately managed the level of risk that was involved.
47. The high-level focus during the year by EMT and Board members on the corporate level risk register was complemented by systematic risk management at different levels across the FSA. We have an established network of risk advisors, who engage with cross-Government risk management networks and who share best practice and help ensure that good risk management practice and processes are consistently embedded across the FSA.
48. Corporate level risks are defined by the FSA as those which:
 - a. materially alter our ability to achieve our strategic outcomes; and/or
 - b. fundamentally damage the ability of the FSA to operate (including reputational risks); and/or
 - c. cannot be managed or mitigated at a lower level within the organisation.
49. As Accounting Officer, I have overall responsibility for risk management and internal controls and for reviewing their effectiveness. I ensure each of the risks on the corporate risk register has an executive 'owner' and a mitigation plan. The risks on

the FSA's corporate level risk register can be seen in the Principal Risks section at page 75.

50. The Board considered Strategic Risk in its March 2023 meeting, recognising that the FSA is a risk-based organisation with our primary purpose being able to protect consumers from unacceptable food safety risk.

Director assurance statements

51. In March 2022 the FSA Board approved the FSA budget, and the Accounting Officer notified Directors of their budget delegation to deliver the priorities agreed. Throughout the year I, as Accounting Officer, ensured that the FSA has been on track to deliver its priorities within budget through performance management, monthly financial forecasting, and risk management, which is underpinned with corporate governance.
52. Reviews are held 'in-year' to ensure key milestones for our corporate priorities are delivered and progress made in delivering our business plan. The reviews allow us to consider priorities and also identify any potential areas in need of extra support to deliver business objectives. During 2022/23, the FSA faced a number of unanticipated pressures, which have placed significant additional demands on our people and resources. In response, the FSA's senior leadership team identified a series of essential changes to our workplan for 2022/23 that created capacity to deliver these additional demands, without compromising our statutory duties.
53. The FSA Investment Board has continued to improve the value for money of the work the FSA delivers. It considered all material discretionary expenditure, in particular the strategic alignment, benefits and costs and priorities for each business case.
54. To support the Governance Statement, we have continued to undertake an annual assurance review of each directorate. The assurance review is a structured means of identifying and assessing the main sources of assurance in the organisation. It provides a holistic view, aids identification of where assurance is duplicated or absent, and provides a mechanism for identifying potential areas for improvement.
55. The assurance review process has strengthened the FSA's existing assurance arrangements by providing a consistent overview of assurance provision across the organisation. The review process has supported Directors in completing their end of year assurance statement by setting out how an effective system of internal controls has been maintained. All the end of year assurance statements produced by my Directors were reviewed and I can confirm that no serious issues have been reported in relation to the effectiveness of our internal controls.

Functional Standards

56. UK Government Functional standards, in Project Delivery, Human Resources, Property, Digital, Finance, Security, Commercial, Internal Audit, Analysis, Communication, Counter Fraud, Debt and Grants functions, set expectations for the management of functional work and the functional model across government. During 2022/23 the FSA continues to identify areas for improvement, through self-

assessment against the standards, and embed changes through planned modifications to processes or controls. This will ultimately drive coherence, consistency and continuous improvement across the organisation and provide a stable basis for assurance mapping, risk management and support Internal Audit planning in 2023/24.

Information security

57. The Director of Information and Science is responsible for Information Security. Ensuring resilient security and safeguarding our services, technology and information assets against an evolving and changing cyber risk landscape continues to be a priority. We implement a risk-based approach to security based on the nature of our business, the information we handle, our risk appetite, and our approach to transparency.
58. All staff are required to complete the security and data protection courses annually which is provided by Civil Service Learning. We also conduct an ongoing Security Education and Awareness programme.
59. We maintain cyber, personnel, physical and incident management governance and controls to enable FSA priorities, protect FSA services and to comply with HM's Government Standards.
60. There were no incidents that required reporting to the Information Commissioner's Office (ICO) in 2022/23.

Effectiveness of the FSA whistleblowing and raising a concern policy

61. As Accounting Officer, it is important to me that the FSA has in place effective and trusted 'Speak Up' arrangements, through which members of staff feel able to raise concerns. I want our people to have confidence that they will be heard and that their concern will be properly responded to. This includes a qualifying disclosure under the Public Interest Disclosure Act 1998 and/or a breach of the Civil Service Code ('the Code').
62. During 2022 through discussions with those who had used the policy and supporting guidance, we identified changes which would further improve these provisions, focusing on improving the user-experience. A policy review was completed and a new policy published in March 2023.
63. Our annual 'Speak Up' campaign was hosted in November 2022, which this year included direct contributions from members of the Executive Management Team as well as frontline staff.
64. The Civil Service People Survey 2022 showed that we continue to maintain very high levels of awareness of the Code. 93% of respondents confirmed an understanding of the Code, 75% had an awareness of how to raise a concern under the Code, and 79% reported having confidence in how we might respond to their concern. All three indicators returned an uplift on 2021 and were above the Civil Service benchmark. This follows the delivery of bespoke awareness sessions, targeting specific areas of the organization according to their survey results for 2021.

65. Once again annual reports on Raising a Concern and Whistleblowing were presented to the Executive Management Team and the Business Committee of the FSA Board, ensuring that senior management continue to shape our approach in this important area.
66. In 2022/23 we did not progress any referral made under the Policy due to these not meeting the necessary qualifying criteria. We did receive concerns which were managed under other policies or procedures appropriate to the nature of the concern.

Shared Services

67. The FSA uses the Oracle Shared Service provided by Shared Services Connected Ltd (SSCL) for its Finance and Procurement systems. This system is being used by many other government departments including the Department for Work and Pensions and the Ministry of Justice.
68. A third-party assurance report for SSCL for the year ending 31 March 2023 identified 19 controls where 22 exceptions were found. This represents a 30% reduction in the total number of exceptions and qualified objectives in comparison to 2021/22.. The controls noted, mostly, are not applicable to FSA as these services have not been required. FSA, however, will continue to monitor such reports and work to mitigate any risks.

Macpherson Review of Quality Assurance of Government models

69. In line with the recommendations of the Macpherson Review of Quality Assurance of Government, we maintain an up-to-date list of business-critical models (currently 12) and have processes in place to quality assure their inputs, methodology and outputs.

Situation in Ukraine

70. As a result of the conflict in Ukraine, the largest producer of sunflower oil in the world, the FSA took action to address the ensuing supply chain disruption. The FSA's activities contributed to the wider Government response to the conflict, primarily working with the Department for Environment, Food and Rural Affairs (Defra) as the lead government department for food security and supply and Food Standards Scotland (FSS) to support government efforts to maintain the food supply chain in a way that is safe and supports the interests of consumers. This response was managed as an FSA-led joint FSA/FSS incident, working closely with Defra, Department of Health and Social Care (DHSC) and the governments of the devolved nations, respecting the differing policy responsibilities on food labelling, composition and nutrition across the FSA and the UK.

Head of Internal Audit's opinion

71. Normal audit activities resumed in 2022/23, ending the pandemic related disruptions to audit assurance activities that had characterised the previous two years.

72. The year also saw the separation of internal audit and regulatory audit functions implementing a recommendation from an independent review of FSA's audit assurance activities aimed at improving clarity of roles and responsibilities in relation to these activities.
73. Staff changes resulting from the implementation of the recommendation led to some disruption to assurance activities as new staff joined the Internal Audit team and others moved to new roles or left the FSA. However, this did not have a significant adverse impact on the delivery of the Internal Audit Plan.
74. The Internal Audit function was the subject of a planned independent external quality assurance review during the fourth quarter of 2021/22. This is a periodic review that is required to comply with the UK Public Sector Internal Audit Standards. The review concluded that internal audit practices were generally fully compliant with the Standards. The few minor recommendations from the review in relation to the mandatory requirements of the Standards were implemented during 2022/23.
75. The FSA's Head of Internal Audit (HoIA) said in their HoIA Annual Assurance report 2022/23 that "During the year, I have consulted and informed the Audit and Risk Assurance Committee about changes to the audit plan and audit resource to take account of the changing risk landscape.
76. My annual internal audit opinion reflects the results of the audits in the plan that were completed and other relevant sources of assurance and was not limited in scope, to the extent that the assurance provided by internal audit can only ever be reasonable, not absolute.
77. Based on the results of the audit work completed during the year ended 31 March 2023 and understanding the FSA's control environment, my opinion is that the FSA has maintained adequate risk management, control and governance arrangements.
78. The majority of internal audits completed were placed in the top two categories of audit assurance opinions and none were in the lowest, fourth category. Where issues have been reported, management have taken appropriate mitigating actions to address these and have proactively involved Internal Audit where necessary in identifying root causes for the issues highlighted in Audit Reports.
79. FSA processes for business planning and prioritisation of resources are well established and sufficiently mature to ensure resources are targeted at key priorities. These are supported by maturing risk management and assurance frameworks which ensure risks at corporate, directorate and programme or project level are identified, assessed and mitigated accordingly."

Significant internal control weaknesses

80. I am able to report that there were no significant weaknesses in the FSA's systems of internal controls in 2022/23 which affected the achievement of the FSA's key strategic outcomes, aims, objectives and policies.
81. I can also confirm that there have been no Ministerial Directions given during the course of the year.

Northern Ireland

82. The Northern Ireland Budget (No. 2) Act 2023, which received Royal Assent on 18 September 2023, provides the statutory authority for the 2023-24 Northern Ireland Budget which the Secretary of State for Northern Ireland set in his Written Ministerial Statement on 27 April 2023.

Looking ahead

83. To ensure value for money, as Accounting Officer and CEO, I chaired the prioritisation discussions at EMT which set the budget recommended to the Board for 2023/24. This constituted a review of the FSA priorities and resources. Directors discussed and challenged each other on the effectiveness and efficiency of the priorities in order to make best use of limited resources. A first draft budget was presented to Business Committee for early comment at the January 2023 Board Retreat. Final revisions were made and presented for approval at the March 2023 Board meeting.

Remuneration and Staff Report

Remuneration Report

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. In reaching its recommendations, the Review Body has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits; and
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at:

<https://www.gov.uk/government/organisations/office-of-manpower-economics>

Unless otherwise indicated the number disclosures in the remuneration report reflect the combined FSA expenditure. All Board and EMT remuneration is funded from Westminster.

Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at www.civilservicecommission.org.uk

This report has been prepared in accordance with guidance EPN 679. The tables in the remuneration report, except for the off-payroll engagements, are subject to audit.

Service contracts for Board members are listed below:

Name	1st Term of Appointment	Duration of 1st Term Contract	2nd Term of Appointment	Duration of 2nd Term of Contract
Professor Susan Jebb OBE, PhD, FRCP (Hon), FMedSci (Chair)	01 July 2021	3 Years	–	–
Dr Ruth Hussey CB, OBE, DL (Deputy Chair) ¹	01 July 2020	3 Years	–	–
Dr Ruth Hussey CB, OBE, DL (Interim Chair) ¹	01 February 2021	5 months	–	–
Peter Price	01 September 2020	3 Years	–	–
Margaret Gilmore	18 November 2019	3 Years	18 November 2022	3 Years
Timothy Riley	18 November 2019	3 Years	18 November 2022	3 Years
Mark Rolfe	18 November 2019	3 Years	18 November 2022	3 Years
Fiona Gately	01 June 2021	3 Years	–	–
Lord David Blencathra	01 June 2021	3 Years	–	–
Hayley Campbell-Gibbons	01 September 2022	3 Years	–	–
Justin Varney	01 September 2022	3 Years	–	–
Anthony Harbinson	01 September 2022	3 Years	–	–
Colm McKenna	01 September 2016	3 Years	01 September 2019 ²	3 Years

1. Dr Ruth Hussey CB OBE served as the FSA Board Member for Wales until 30 June 2020, then as Deputy Chair starting 01 July 2020 and as Interim Chair from 01 February 2021 – 30 June 2021.
2. Colm McKenna was granted an extension to his second term as of 01 September 2020 for an indefinite period until a successor as Board Member for Northern Ireland was appointed. Colm left the Food Standards Agency on the 31 August 2022. Anthony Harbinson was appointed as of 1 September 2022.

Board members may serve a maximum of two terms, and length of term may vary.

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the most senior management of the department, for the Food Standards Agency this is the Executive Management Team and the Food Standards Agency Board.

The annual increase in EMT members' remuneration is based on that recommended for office holders by the Senior Salaries Review Body. Senior Civil Service (SCS) staff salaries are uplifted in line with the central (Cabinet Office) SCS performance based pay and review system.

Full details of the remuneration and pension interests of the Executive Management Team and Board members are detailed below and are subject to audit.

(a) Remuneration

Executive Management Team Remuneration

All members of the Executive Management Team are permanent members of staff except Robin May who is on secondment from Birmingham University and Pam Beadman who was on loan from the Department of Environment, Food & Rural Affairs.

2022/2023 figures (with 2021/2022 comparators in brackets).

Executive Management Team Single Figure of Remuneration (subject to audit)

Name	Salary (£000)	Bonus Payments (£000)	Pensions benefits (to nearest £1,000) ¹	Total (£000)
Emily Miles (Chief Executive)	125-130 (120-125)	5-10 (5-10)	24 (40)	155-160 (165-170)
Maria Jennings (Director of Regulation, Compliance, People & Northern Ireland to 31/12/2022) ^{2,6}	75-80 (100-105)	5-10 (0-5)	-4 ⁷ (19)	80-85 (120-125)
Julie Kettell (aka Pierce) (Director of Wales, Information and Science)	115-120 (115-120)	5-10 (0-5)	46 (45)	170-175 (160-165)
Rebecca Sudworth (Director of Policy)	105-110 (105-110)	– (–)	43 (42)	150-155 (145-150)
Simon Tunnicliffe (Interim Director of Operations from 10/12/21 to 23/05/22) ^{2,4}	15-20 (25-30)	5-10 (–)	5 (11)	25-30 (35-40)

Name	Salary (£000)	Bonus Payments (£000)	Pensions benefits (to nearest £1,000) ¹	Total (£000)
Junior Johnson (Director of Operations from 03/05/22) ^{2,4}	85-90	0-5	55	140-145
Pamela Beadman (Director of Finance & Performance from 06/09/21 to 30/06/22) ^{2,5}	20-25 (50-55)	– (–)	41 (–)	65-70 (50-55)
Tara Smith (Director of People and Resources from 06/06/22) ^{2,5}	90-95	–	13	100-105
Anjali Juneja (Interim Director of UK & International Affairs from 14/03/22 – 31/01/23. Director of UK & International Affairs from 01/02/23) ³	95-100	5-10	48	145-150
Katie Pettifer (Director of Strategy, Legal, Communications and Governance from 19/07/21)	110-115 (75-80)	5-10 (–)	35 (56)	150-155 (130-135)
Professor Robin May ⁹ (Chief Scientific Adviser)	75-80 (75-80)	– –	– –	75-80 (75-80)

Notes

- The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.
- Where individuals served for only part of the year only their actual pay and benefits during the period of the role is reported. Full year equivalents are: 21/22: Pam Beadman £90k-£95k and Simon Tunnicliffe £90k-£95k. 22/23: Maria Jennings £100k-105k, Simon Tunnicliffe £90k-£95k, Pamela Beadman £90k-£95k, Junior Johnson £90k-£95k, Tara Smith £105k-£110k.
- Anjali Juneja was appointed as Interim Director of UK & International Affairs on the 14/03/2022. She did not attend an EMT Meeting as a member of EMT during 21/22 and so her remuneration details for 21/22 have been excluded. Anjali served as Interim Director of UK & International Affairs until appointed as the permanent Director of UK & International Affairs on 01/02/2023. Anjali's remuneration relating to her time in both the interim and permanent position is reported above.
- Simon Tunnicliffe was Interim Director of Operations until 23/05/22. Junior Johnson was appointed as Director of Operations on 03/05/2022. Simon remained in post during this period of cross over to aid in Junior's induction into the role.

5. Pamela Beadman was Director of Finance and Performance until 30/06/22. Tara Smith was appointed as Director of People and Resources on 06/06/2022. Pam remained in post during this period of cross over to aid in Tara's induction into the role.
6. Maria Jennings was Director of Regulatory Compliance, People and Northern Ireland until her exit on 31 December 2022. Regulatory Compliance became part of Strategy in November 2022, People part of Finance and Performance in October 2022 and Northern Ireland part of UK and International Affairs in December 2022.
7. Final salary member (classic/classic plus/premium) who has transitioned to alpha. The final salary pension of a person in employment is calculated by reference to their pay and length of service. The pension will increase from one year to the next by virtue of any pay rise during the year. Where there is no or a small pay rise, the increase in pension due to extra service may not be sufficient to offset the inflation increase – that is, in real terms, the pension value can reduce, hence the negative values.
8. No Executive Management Team members received Benefits in Kind during 2022/23 or 2021/22.
9. Professor Robin May has been in position of Chief Scientific Adviser from 6 July 2020 on secondment from the University of Birmingham. The FSA has been re-charged salary costs by the university.

Food Standards Agency Board Remuneration (subject to audit)

2022/23 figures with (2021/22) comparators in brackets.

Name	Salary (£000)	Total (£000)
Professor Susan Jebb OBE, PhD, FRCP (Hon), FMedSci (Chair) (from 01/07/21) ³	65-70 (50-55)	65-70 (50-55)
Dr Ruth Hussey CB OBE	10-15 (25-30)	10-15 (25-30)
Colm McKenna (Until 31/08/22) ³	5-10 (20-25)	5-10 (20-25)
Peter Price	10-15 (10-15)	10-15 (10-15)
Margaret Gilmore	5-10 (5-10)	5-10 (5-10)
Timothy Riley	5-10 (5-10)	5-10 (5-10)
Mark Rolfe	5-10 (5-10)	5-10 (5-10)
Fiona Gately (from 01/06/21) ³	15-20 (5-10)	15-20 (5-10)
Lord David Blencathra (from 01/06/21) ³	5-10 (5-10)	5-10 (5-10)
Hayley Campbell-Gibbons (from 01/09/22) ³	0-5	0-5
Justin Varney(from 01/09/22) ³	0-5	0-5
Anthony Harbinson (from 01/09/22) ³	5-10	5-10

Notes

1. No FSA board members are in a pension scheme contributed to by FSA therefore there are no pension costs to report.
2. No FSA board members received Benefits in Kind during 2022/23 or 2021/22.
3. All starter and leaver salaries are shown for their actual period of employment. The corresponding full year equivalents for 21/22 was Susan Jebb OBE, PhD, FRCP (Hon), FMedSci £56k-£70k, Fiona Gately £5k-£10k and Lord David Blencathra £5k-£10k. Full year equivalents for 22/23 Colm McKenna £20k-£25k, Hayley Campbell-Gibbons £5k-£10k, Justin Varney £5k-£10k and Anthony Harbinson £10k-£15k.

There is no provision made for compensation relating to the future early termination of any board members.

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Department and thus recorded in these accounts.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

Bonuses

A Pay Committee is set up each year to assess implementation of pay awards including bonus payments in line with guidance provided by the Cabinet Office. Pay and bonus decisions for the Chief Executive were decided by a Pay Committee consisting of the Board Chair, a Non-Executive Director, and the People Director. Pay and bonus decisions for Directors and Deputy Directors (Senior Civil Servants) were decided by a Pay Committee consisting of the Chief Executive Officer, People Director, and a Non-Executive Director. For the remainder of Food Standard Agency staff there are in-year rewards rather than bonuses which are awarded through the reward and recognition scheme.

Pay recommendations are considered on the basis of review of individual performance against objectives as well as overall consistency of performance.

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in the Executive Management Team Remuneration table for 2022/23 relate to performance in 2021/22 except one bonus paid in 2022/23 relating to performance in 2022/23. Bonuses reported in 2021/22 relate to performance in 2020/21.

Pay Multiples (audited)

2022-23 figures with (2021-22¹) figures in brackets.

Accounts	Subject	25th Percentile	Median	75th Percentile
Consolidated	Total remuneration	32,142 (31,342)	38,285 (37,492)	44,121 (42,622)
Consolidated	Pay ratio	4.12:1 (4.07:1)	3.46:1 (3.40:1)	3.00:1 (2.99:1)
Consolidated	Salary component	31,730 (30,806)	32,907 (37,350)	34,972 (35,733)
Consolidated	Total remuneration range	£20,000–£132,500 (£18,000–£127,500)	£20,000–£132,500 (£18,000–£127,500)	£20,000–£132,500 (£18,000–£127,500)

Accounts	Subject	25th Percentile	Median	75th Percentile
Westminster	Total remuneration	32,142 (31,368)	38,136 (37,430)	44,433 (42,814)
Westminster	Pay ratio	4.12:1 (4.06:1)	3.47:1 (3.41:1)	2.98:1 (2.98:1)
Westminster	Salary component	31,730 (30,806)	37,724 (37,157)	39,627 (41,240)
Westminster	Total remuneration range	£20,000–£132,500 (£18,000–£127,500)	£20,000–£132,500 (£18,000–£127,500)	£20,000–£132,500 (£18,000–£127,500)

Accounts	Subject	25th Percentile	Median	75th Percentile
Wales	Total remuneration	32,748 (31,294)	38,601 (37,662)	42,383 (41,637)
Wales	Pay ratio	2.52:1 (2.80:1)	2.14:1 (2.32:1)	1.95:1 (2.10:1)
Wales	Salary component	31,261 (30,578)	38,097 (37,350)	42,033 (40,996)
Wales	Total remuneration range	£28,000–£82,500 (£25,000–£87,500)	£28,000–£82,500 (£25,000–£87,500)	£28,000–£82,500 (£25,000–£87,500)

Accounts	Subject	25th Percentile	Median	75th Percentile
Northern Ireland	Total remuneration	31,673 (30,459)	39,009 (37,634)	41,149 (39,476)
Northern Ireland	Pay ratio	2.13:1 (3.53:1)	1.73:1 (2.86:1)	1.64:1 (2.72:1)
Northern Ireland	Salary component	31,261 (30,350)	38,097 (37,350)	39,239 (37,992)
Northern Ireland	Total remuneration range	£20,000–£67,500 (£18,000–£107,500)	£20,000–£67,500 (£18,000– 107,500)	£20,000 – £67,500 (£18,000–£107,500)

1. The 2021-22 25th percentile, median, and 75th percentile figures for total remuneration, pay ratio and salary for all entities have been re-presented. Some information was included in error within these calculations therefore impacting on the movement between the 2021/22 and 2022/23 figures being reported this year.

Reporting bodies are required to disclose the relationship between the midpoint of the highest paid senior managers remuneration in their organisation and the 25th percentile, median and 75th percentile remuneration of the organisation's workforce. The Food Standards Agency workforce for the purpose of these disclosures includes permanent and temporary staff full time equivalents but does not include vet contractors who are paid by the hour.

In the case of the Food Standards Agency the senior management team is the Executive Management Team and so it's the midpoint of the highest paid EMT Member used in the above calculations.

In 2022-23, 0 (2021-22, 0) employees received remuneration in excess of the highest-paid EMT member.

Remuneration for the purpose of these calculations includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

For the Food Standards Agency we disclose the relevant figures on a consolidated basis, as well as by individual entity (Westminster, Wales, and Northern Ireland).

The median pay ratio for all entities is consistent with pay, reward, and progression policies for the entity's employees taken as a whole. As the Food Standards Agency's pay arrangements are subject to its existing pay policy which is governed by Civil Service Pay Guidance and is regularly assured through audit and compliance returns.

Consolidated/Westminster Disclosures – Audited

The banded remuneration of the highest paid Member of the Executive Management Team in the Food Standards Agency for the Consolidated and Westminster disclosures in the financial year 2022/23 was £130k-£135k (2021/22, £125k-£130k).

This was 4.12 times (2021/22, Consolidated 4.07:1, Westminster 4.06:1) the 25th percentile remuneration of the workforce which was £32,142 for both Consolidated and Westminster (2021/22, Consolidated £31,342, Westminster £31,368). The salary component for the 25th percentile was £31,730 for both Consolidated and Westminster (2021/22, £30,806 for both Consolidated and Westminster).

The midpoint of the banded remuneration of the highest paid Member of the Executive Management Team was 3.46 times the median remuneration in the Consolidated accounts and 3.47 times the median remuneration in the Westminster accounts (2021/22, Consolidated 3.40:1, Westminster 3.41:1) which was £38,285 in the Consolidated accounts and £38,136 in the Westminster accounts (2021/22, Consolidated £37,492, Westminster £37,350). The salary component of the median staff member was £32,907 in the Consolidated accounts and £37,724 in the Westminster accounts (2021/22, Consolidated £37,350, Westminster £37,157).

The midpoint of the banded remuneration of the highest paid Member of the Executive Management Team was 3.00 times the 75th percentile remuneration in the Consolidated accounts and 2.98 times the 75th percentile remuneration in the Westminster accounts (2021/22, Consolidated 2.99:1, Westminster 2.98:1) which was £44,121 in the consolidated accounts and £44,433 in the Westminster accounts (2021/22, Consolidated £42,622,

Westminster £42,814). The salary component of the 75th percentile staff member was £34,972 in the consolidated accounts and £39,627 in the Westminster accounts (2021/22, Consolidated £35,733, Westminster £41,240).

The Median employee in the Consolidated figures for 2022/23 is a front-line Meat Hygiene Inspector who also earned overtime and allowances for anti-social work hours. This is why there is a large difference between total remuneration and salary. In 2021/22 the employee was a higher graded office-based individual without significant overtime or allowances.

The pay ratios for the 25th percentile, median, and 75th percentile respectively within both the Consolidated and Westminster fair play disclosures have increased. This is because the proportionate increase in the highest paid EMT members total remuneration is greater than the proportionate increase to the 25th percentile, median, and 75th percentile total remuneration respectively.

Whilst there is an increase to the ratios within the FSA between workforce and its highest paid EMT Member, it is useful to compare the pay ratios for the Agency against those disclosed by the High Pay Centre. The High Pay Centre is a think tank for fairer pay, worker voice and better business. They are an independent, non-partisan think tank focused on the causes and consequences of economic inequality, with a particular interest in top pay and on their website [High Pay Centre](#) there is a searchable database compiling pay disclosures from the 'FTSE 350' index of the biggest businesses listed on the UK stock market.

Wales Disclosures – Audited

The banded remuneration of the highest-paid staff member in the Food Standards Agency for Wales in the financial year 2022/23 was £80k-£85k (2021/22, £85k-£90k).

The FSA in Wales does not contribute towards the remuneration of an EMT Member. As such it is the remuneration of the highest paid staff member which is used in the fair pay disclosure calculations.

The midpoint of the remuneration of highest paid staff member for Wales was 2.52 times (2021/22 2.80:1) the 25th percentile remuneration of the workforce which was £32,748 (2021/22 £31,294). The salary component of the 25th percentile staff member was £31,261 (2021/22, £30,578).

The midpoint of the remuneration of the highest paid staff member for Wales was 2.14 times (2021/22, 2.32:1) the median remuneration of the workforce which was £38,601 (2021/22, £37,662). The salary component of the median staff member was £38,097 (2021/22, £37,350).

The midpoint of the remuneration of the highest paid staff member for Wales was 1.95 times (2021/22, 2.10:1) the 75th percentile remuneration of the workforce which was £42,383 (2021/22, £41,637). The salary component of the 75th percentile staff member was £42,033 (2021/22, £40,996).

The pay ratio the 25th percentile, median, and 75th percentile respectively has decreased. This is because the total remuneration of the highest paid staff member has fallen, whilst the total remuneration for the 25th percentile, median, and 75th percentile respectively has increased.

Northern Ireland Disclosures – Audited

The banded remuneration of the highest-paid staff member in the Food Standards Agency for Northern Ireland in the financial year 2022/23 was £65k-£70k (2021/22, £105k-£110k).

The FSA in Northern Ireland does not contribute towards the remuneration of an EMT Member. As such it is the remuneration of the highest paid staff member which is used in the fair pay disclosure calculations.

The midpoint of the remuneration of highest paid staff member for Northern Ireland was 2.13 times (2021/22 3.53:1) the 25th percentile remuneration of the workforce which was £31,673 (2021/22 £30,459). The salary component of the 25th percentile staff member was £31,261 (2021/22, £30,350).

The midpoint of the remuneration of the highest paid staff member for Northern Ireland was 1.73 times (2021/22, 2.86:1) the median remuneration of the workforce which was £39,009 (2021/22, £37,634). The salary component of the median staff member was £38,097 (2021/22, £37,350).

The midpoint of the remuneration of the highest paid staff member for Northern Ireland was 1.64 times (2021/22, 2.72:1) the 75th percentile remuneration of the workforce which was £41,149 (2021/22, £39,476). The salary component of the 75th percentile staff member was £39,239 (2021/22, £37,992).

The pay ratio's for the 25th percentile, median, and 75th percentile respectively has decreased. This is because the total remuneration of the highest paid staff member has fallen, whilst the total remuneration of the 25th percentile, median, and 75th percentile respectively has increased. The Executive Management Team was restructured during 2022/23 resulting in Northern Ireland no longer contributing to the remuneration of an Executive Management Team member. Due to these structural changes the highest paid EMT member for Northern Ireland is taken as the highest paid staff member. As this role does not form part of EMT the remuneration paid is less causing the fall in the total remuneration of the highest paid staff member figure.

Percentage Change in Remuneration – Audited

Reporting bodies are also required to disclose the percentage change from the previous financial year in the:

- a. salary and allowances, and
- b. performance pay and bonuses

of the highest paid director and of their employees as a whole.

The percentage changes in respect of The Food Standards Agency are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

	Percentage Change for:	2022-23 v 2021-22	2021-22 v 2020-21
Consolidated	Average employee salary and allowances	3.1%	0.5%
Consolidated	Highest paid director's salary and allowances	4.1%	0.0%
Consolidated	Average employee performance pay and bonuses	8.5%	-18.1%
Consolidated	Highest paid director's performance pay and bonuses	0.0%	-20.0%
Westminster	Average employee salary and allowances	3.1%	0.6%
Westminster	Highest paid director's salary and allowances	4.1%	0.0%
Westminster	Average employee performance pay and bonuses	9.6%	-17.8%
Westminster	Highest paid director's performance pay and bonuses	0.0%	-20.0%
Wales	Average employee salary and allowances	3.6%	2.2%
Wales	Highest paid director's salary and allowances	6.1%	0.0%
Wales	Average employee performance pay and bonuses	-0.3%	-27.1%
Wales	Highest paid director's performance pay and bonuses	N/A ¹	N/A
Northern Ireland	Average employee salary and allowances	5.6%	-2.1%
Northern Ireland	Highest paid director's salary and allowances	-34.1%	0.0%
Northern Ireland	Average employee performance pay and bonuses	90.3%	-50.0%
Northern Ireland	Highest paid director's performance pay and bonuses	-90.0%	0.0%

1. No Performance Pay or Bonuses were paid in 2022/23, 2021/22 or 2020/21 and so such a percentage change is not applicable.

(b) Pension benefits – Audited**Executive Management Team****2022/23**

		Accrued pension at pension age as at 31/03/23 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/03/23	CETV at 31/03/22	Real increase in CETV
Name	Role	£5,000 (£000)	£2,500 (£000)	(£000)	(£000)	(£000)
Emily Miles	Chief Executive	40-45 plus a lump sum of 55-60	0-2.5 plus a lump sum of 0	600	534	4
Maria Jennings ²	Director of Regulation, Compliance, People & Northern Ireland to 31/12/2022	55-60	0-2.5	1,010	934	-14 ¹
Julie Kettell (aka Pierce)	Director of Wales, Information and Science	45-50	2.5-5	837	748	38
Rebecca Sudworth	Director of Policy	10-15	2.5-5	137	98	26
Simon Tunnicliffe	Interim Director of Operations from 10/12/21 to 23/05/22	0-5	0-2.5	41	37	2
Katie Pettifer	Director of Strategy, Legal, Communications and Governance from 19/07/2021	30-35 plus a lump sum of 45-50	0-2.5 plus a lump sum of 0	428	372	12
Pamela Beadman ²	Director of Finance & Performance from 06/09/21 to 30/06/2022	30-35	0-2.5	499	462	25

Anjali Juneja ²	Interim Director of UK & International Affairs 14/03/22 – 31/01/23. Director of UK & International Affairs from 01/02/23	30-35	2.5-5	373	314	22
Junior Johnson	Director of Operations from 03/05/2022	40-45 plus a lump sum of 85-90	2.5-5 plus a lump sum of 7.5-10	794	674	49
Tara Smith ²	Director of People and Resources from 06/06/2022	30-35	0-2.5	432	395	0

Note

1. Taking account of inflation, the CETV funded by the employer has decreased in real terms.
2. As Premium PCSPS Scheme members, staff can choose, within a predetermined range, how their accumulated pension benefits are split between lump sum and annual pension.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

The Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits, they have accrued in their former scheme, not just their service in a senior capacity to which disclosures apply.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

Real Increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation for Loss of Office – Audited

Maria Jennings left under Voluntary Exit terms on 31st December 2022. She received a total payment of £105,208 which related to compensation for loss of office of £95,000 plus statutory payments in lieu of notice, compensation for loss of pension and untaken leave.

Chris Hitchen was the former Director of Finance and Performance until the 30th of July 2021 after which he was on secondment to the UK Infrastructure Bank until 31st January 2023. Chris exited the Food Standards Agency under Voluntary Exit terms on 31st January 2023. He received a total payment of £69,234 which related to compensation for loss of office of £51,842 plus statutory payments in lieu of notice and compensation for loss of pension.

There is no provision made for compensation relating to the future early termination of any Executive Management Team members.

Food Standards Agency Board

A number of former FSA Board members benefit from a by-analogy pension scheme similar to the PCSPS. The scheme is now closed to new members and there are no active scheme members.

Off-payroll engagements

The FSA is required to publish information on our highly paid and/or senior off-payroll engagements.

Table 2: For all off-payroll engagements as of 31 March 2023, for more than £245 per day and that last for longer than six months.

	FSA
No. of existing engagements as of 31 March 2023	12
Of which:	
No. that have existed for less than one year at time of reporting	11
No. that have existed for between one and two years at time of reporting	1
No. that have existed for between two and three years at time of reporting	0
No. that have existed for between three and four years at time of reporting	0
No. that have existed for four or more years at time of reporting	0

All existing off-payroll engagements, outlined above, have at some point been subject to a risk-based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

Table 3: All temporary off-payroll workers engaged at any point during the year ended 31 March 2023, for more than £245 per day.

	FSA
No. of off-payroll workers engaged during the year ended 31 March 2023	27
Of which:	
No. determined as in-scope of IR35	27
No. determined as out-of-scope of IR35	0
No. of engagements reassessed for compliance or assurance purposes during the year	1
Of which: no. of engagements that saw a change to IR35 status following review	0
No. of engagements where the status was disputed under provisions in the off-payroll legislation	0

Table 4: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023

	FSA
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year. (1)	0
Total no. of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure includes both on payroll and off-payroll engagements. (2)	19

Consultancy spend

Consultancy spend in 2022/23 was £428,616 (2021/22 £44,836) relating to three suppliers with the greatest spend by one supplier being £300,000 (2021/22 £20,634).

Staff Report

Unless otherwise indicated the number disclosures in the staff report reflect the FSA expenditure funded from Westminster (for Westminster ARA)/the devolved authority (for Wales and NI ARAs).

Staff costs (subject to audit)

	FSA WESTMINSTER				2022/23 £000	2021/22 £000
	STAFF	BOARD	SUB- TOTAL	DEVOLVED OFFICES	TOTAL	TOTAL
Wages and salaries	53,945	160	54,105	5,072	59,177	52,365
Social security costs	6,358	11	6,369	582	6,951	5,852
Other pension costs	13,542	–	13,542	1,352	14,894	13,125
Sub total	73,845	171	74,016	7,006	81,022	71,342
Contract inspectors and veterinary costs	34,449	–	34,449	–	34,449	30,407
Other Staff	3,017	–	3,017	361	3,378	1,854
Total	111,311	171	111,482	7,367	118,849	103,603
Less recoveries in respect of outward secondments	(309)	–	(309)	–	(309)	(171)
Total net costs	111,002	171	111,173	7,367	118,540	103,432

Pensions

FSA employees are civil servants. Most are members of the Principal Civil Service Pension Scheme (PCSPS) and Civil Servant and Other Pension Scheme (CSOPS). These are central government unfunded pension schemes. Pension payments are made through the resource account. Board members are not civil servants therefore they are not members of these schemes. However, some previously had similar pension arrangements independent of them.

Some employees are members of the LGPS. This is a defined benefit scheme governed by the Local Government Pension Scheme Regulations 1995. It is administered by the London Pension Fund Authority (LPFA), whose financial statements are prepared for the whole LGPS.

Civil Service Pension Schemes

The Principal Civil Service Pension Schemes (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “alpha” are unfunded multi-employer defined benefit schemes in which the FSA is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2016 and you can find details in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservicepensionscheme.org.uk)

For 2022/23, employers’ contributions of £13,089k (2021/22 £11,334k) were payable to the PCSPS and CSOPS at one of four rates in the range of 26.6% to 30.3% of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2022/23 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers’ contributions of £153k (2021/22 £135k) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and ranged from 8% to 14.75%. The FSA as an employer also matches employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £5k (2021/22 £4k) at 0.5% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £24,541. Contributions prepaid at that date were £288,728.

Reporting of Civil Service compensation scheme – exit packages (subject to audit)

	2022/23		
Exit Package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
< £10,000	–	–	–
£10,000 – £25,000	–	3	3
£25,000 – £50,000	–	5	5
£50,000 – £100,000	–	3	3
£100,000 – £150,000	–	1	1
£150,000 – £200,000	–	–	–
£200,000 and above	–	–	–
Total number of exit packages	–	12	12
Total resource cost £	–	546,940	546,940

	2021/22		
Exit Package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
< £10,000	–	–	–
£10,000 – £25,000	–	–	–
£25,000 – £50,000	–	–	–
£50,000 – £100,000	–	2	2
£100,000 – £150,000	–	–	–
£150,000 – £200,000	–	–	–
£200,000 and above	–	–	–
Total number of exit packages	–	2	2
Total resource cost £	–	115,760	115,760

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme (CSCS), a statutory scheme made under the Superannuation Act 1972. The table above shows the total cost of exit packages agreed and accounted for in 2022/23 (2021/22 comparative figures are also given). £531k exit costs were paid in 2022/23, the year of departure (£116k in 2021/22). Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service Pension Scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table. All costs in relation to exit packages were not over the contractual amounts payable and appropriate authorisation sought when exceeding Cabinet Office limits.

There was one early retirement on ill health grounds in 2022/23 at a cost of £37,193. In 2021/22 there was one early retirement at a cost of £11,509 on ill health grounds.

Local Government Pension Scheme

The Local Government Pension Scheme is a defined benefit scheme which is administered by Local Pensions Partnership and governed through compliance with the relevant provisions of the Pension Schemes Act 1993, the Pensions Act 1995 and the Pensions Act 2004. For the year ended 31 March 2023, contributions of £1,647k (2021/22 £1,652k) were paid to the fund at the rate determined by the Actuary appointed to the fund. For the year ended 31 March 2023, this rate was 19.4% (2021/22 19.4%) of pensionable remuneration.

On the basis of the full actuarial valuation the FSA Fund surplus was £37.9m as at March 2022 (March 2019 surplus of £3.7m). During 2022/23 the FSA made additional deficit reduction payments of amount of £1.5m and will pay £0.75m in 2023/24.

The next full actuarial review of the scheme will show the position at 31 March 2025. This triennial valuation process will be carried out in the summer of 2025 and will determine the FSA's employer contribution rate for a three year period starting 1 April 2026.

An updated valuation, under IAS19 criteria, resulted in a calculated deficit of £1.0m as at 31 March 2023 compared with a calculated deficit of £64.5m as at 31 March 2022. The projected unit method of valuation has been used to calculate the service cost under IAS19.

Average number of persons employed (subject to audit)

The average number of whole-time equivalent persons employed during the year 2022/23 and 2021/22 was as follows.

	Average number of persons employed	
	2022/23	Re-presented 2021/22*
Westminster – permanent staff		
Strategy & Regulatory Compliance Directorate	217	183*
Policy Group	105	117
Science Group	149	113
Operations	595	592
Casual Meat Hygiene Inspectors.	5	6
People and Resources	138	126*
Information	62	61
International & UK Affairs	61	15
Centrally Managed	–	10
Westminster – permanent staff total	1,332	1,223
Westminster – temporary staff		
Strategy & Regulatory Compliance Directorate	6	1
Policy Group	2	4
Science Group	6	4
Operations	501	468
People and Resources	17	12
Information	2	–
International & UK Affairs	3	1
Centrally Managed	–	–
Temporary staff total	537	490
Board	10	9
Devolved Offices – permanent staff	133	106
Devolved Offices – temporary staff	4	6
Total	2,016	1,834

* The numbers in this table for 2021/22 have been re-presented following a departmental restructure in 2022/23. There is an average staff movement from Strategy & Regulatory Compliance Directorate to People and Resources. The overall average staff numbers remain the same.

Temporary staff include agency staff, consultants, contractors and temporary staff on fixed term contracts.

Staff on maternity leave are transferred to Centrally Managed.

The International & UK Affairs department was established in March 2022 and the figures for 2022/23 represent the structure for the whole year. There is an average staff movement between the Policy Group and International & UK Affairs as part of the respective decrease and increase in each area.

Staff composition

Staff turnover

FSA staff turnover figures are calculated in line with Cabinet Office's guidance.

Westminster	12.0%
FSA Wales	11.5%
FSA Northern Ireland	8.3%

Number of SCS staff by pay band as of 31 March 2023 (subject to audit):

Pay band	Westminster	Wales	Northern Ireland	Total
SCS1	19	1	1	21
SCS2	6	0	0	6
SCS3	1	0	0	1

Number of persons of each sex (as of 31 March 2023):

	Male	Female
Executive members	2	5
Other Senior Civil Servants	13	8
Board members	6	4
Other employees	838	715

Reporting of sickness absence data

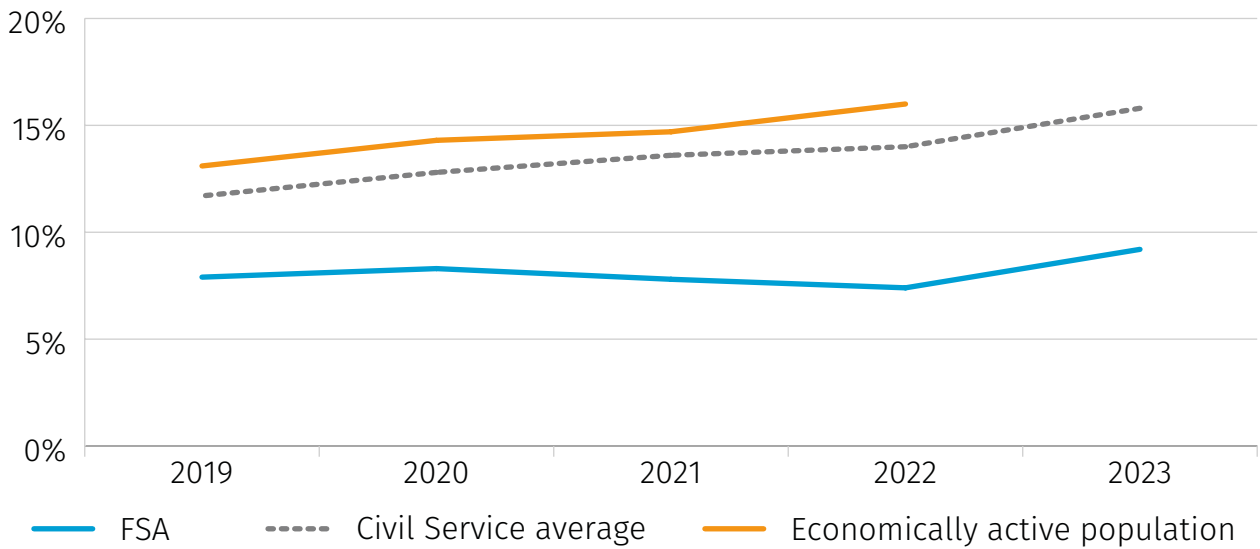
The provisional figure for staff absence as a result of physical and mental illness including injuries, disability or other health problems is approximately 6.3 days per employee, compared with 6.3 and 5.1 for the previous 2 years.

Table 1: Sickness data by country

Country	2022/23	2021/22	2020/21
Westminster	6.29	6.5	5.3
FSA in Wales	2.61	0.4	1.5
FSA in Northern Ireland	5.17	5.2	2.9
Consolidated	6.3	6.3	5.1

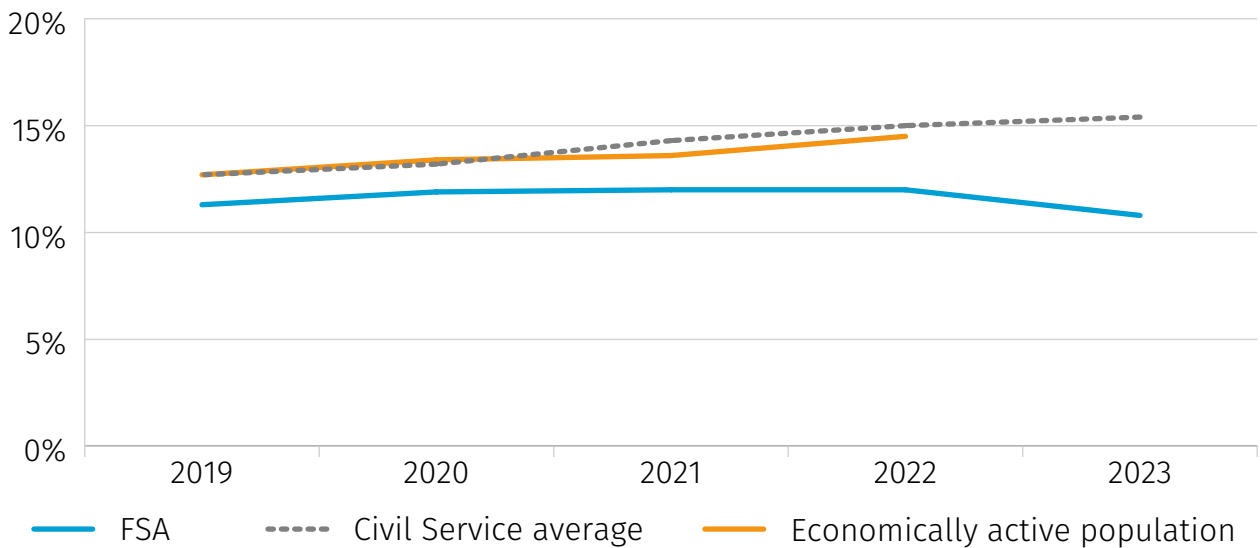
Workplace representation

Fig. 1: Disability



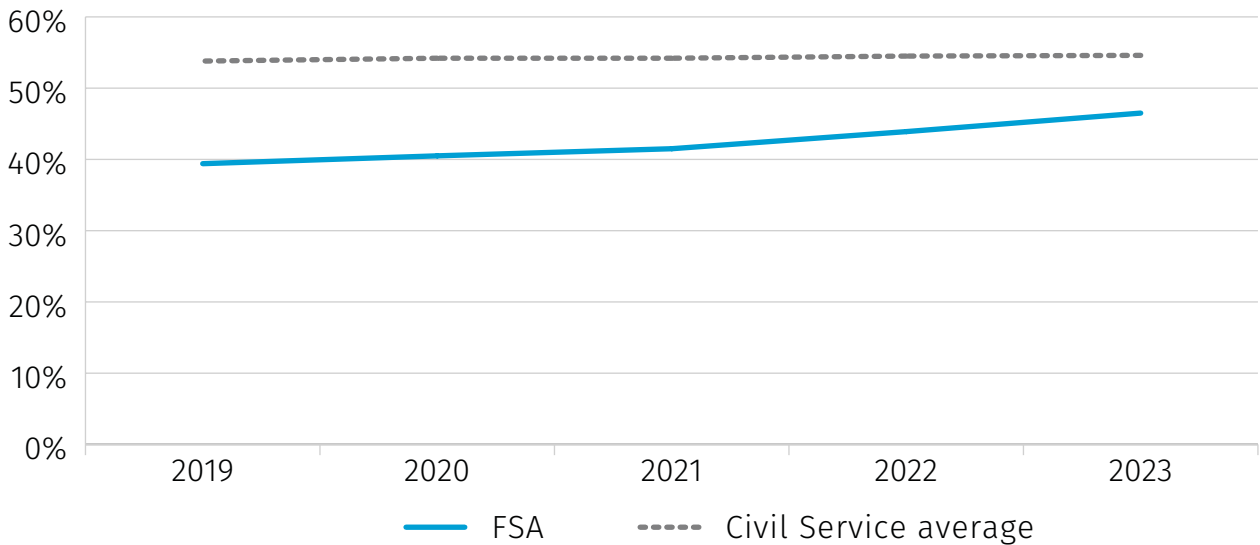
9.2% of employees have declared a disability. The percentage of people declaring themselves as having a disability is underrepresented in the FSA, in comparison to the Civil Service average, although the data may be impacted due to a low declaration rate.

Fig. 2: Ethnicity



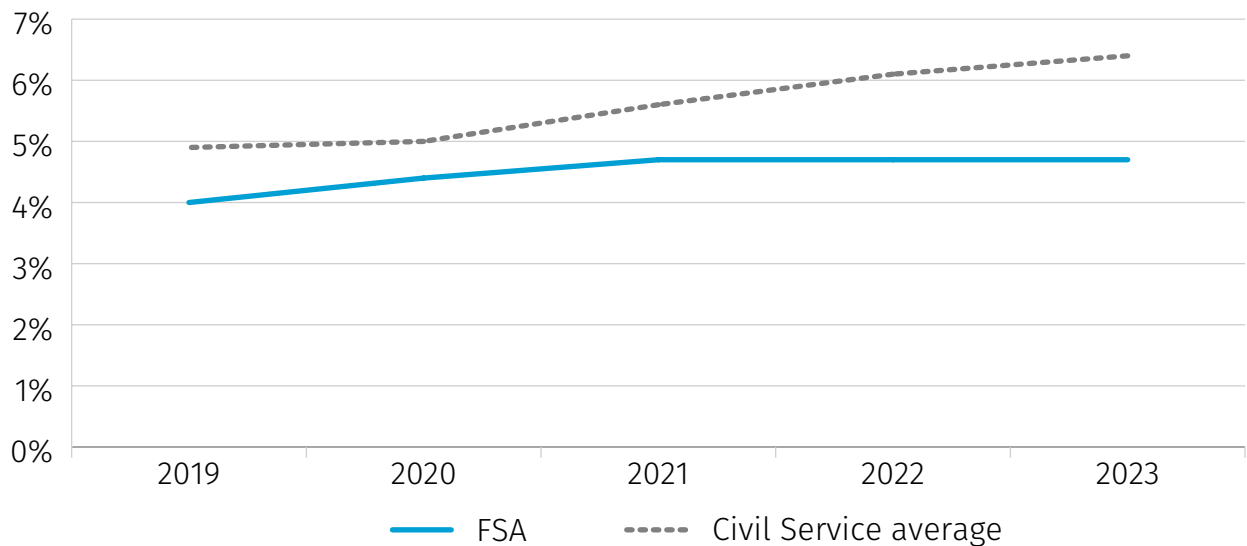
10.8% of employees have declared themselves as Black, Asian or Minority Ethnic. This is below the Civil Service average.

Fig. 3: Gender



46.5% of employees in the FSA are women. This has increased gradually since 2012, with the number of women at SCS and more junior grades remaining high but below gender parity of 50%.

Fig. 4: LGBO+



4.7% of employees define their sexual orientation as Lesbian, Gay, Bisexual and other. This is slightly below the Civil Service average, although data may be impacted due to a low declaration rate.

Health and safety reporting – Consolidated FSA

As we continue to keep under review and improve our approach to ensuring the health, safety and wellbeing of our people, it was reassuring to note in October 2022 an internal audit of the effectiveness of the FSA's health and safety arrangements provided a 'Substantial Assurance' opinion.

Our National Health and Safety Committee continues to facilitate consultation with Trade Unions, enabling a platform for collaborative working, including with our Service Delivery Partner.

A new digital health and safety incident reporting system was implemented during the reporting year. The new system delivers enhanced management information, allowing our central Health, Safety and Wellbeing Unit (HSWU) and management teams to better identify trends and implement targeted interventions that contribute to health and safety improvements.

Employee mental health is an ongoing area of focus. The FSA's established Mental Wellbeing Supporters Network (a group of volunteers who have received external training in mental health first aid) continues to support our employees where required as well as encouraging open mental health conversations across the FSA.

We know that bullying and harassment remains an area requiring ongoing focus and includes experiences that are wholly internal and others that involve an external third party. We continue to provide support to employees who report instances of unacceptable behaviour, via our growing network of trained Fair Treatment Champions and our Dispute Resolution Policy. We continue to work collaboratively with staff, management teams and Food Business Operators (FBOs) to uphold our expected standards of behaviour.

A final update on progress against the 2020-23 Health and Safety ambitions is as follows:

Ambition 1 – a reduction of employee lost days due to work related injury; seeking an overall reduction of 15% over the period 2020-23 when compared with the period 2017-20 (which was a total of 841 days). The total number of lost days over 2020-23 was 458, a reduction of 45.5% against the 2017-20 figure.

Total 20-23	22/23	21/22	20/21	Total 17-20
458	210	89	161	841

Ambition 2 – the elimination of accidents at work that cause harm serious enough to be reportable to the HSE, under the Reporting of Incidents, Disease and Dangerous Occurrences Regulations (RIDDOR). The table below denotes the number of RIDDOR reportable incidents over the period.

RIDDOR Category	2022/23	2021/22	2020/21	2019/20	2018/19
Fatal	0	0	0	0	0
Major	1	0	1	0	1
<7 day	2	7	4	3	2
Disease	1	3 (2*)	13 (*13)	0	1
Dangerous Occurrence	0	0	0	0	0
Total	4	10	18	3	4

*Covid cases

Ambition 3 – reduce the accident and occupational ill health rate (AIR) annually over 2020-23. The AIR is a measure used across many sectors and allows benchmarking and further evaluation. The table below captures the AIR rate over the period.

22/23	21/22	20/21	19/20
2870	3165*	3932	5701

*2021/22 figure updated (previously 3639)

Recruitment practice

The FSA recruitment policy follows the Civil Service recruitment principles and is based on appointment of the best candidate on merit, identified through a process of open and fair competition. The recruitment policy is set out on our intranet site and provides a transparent approach that identifies high calibre individuals and promotes equality and diversity.

All external recruitment is currently subject to internal approval by the Director for the relevant department and the People Director. Occasionally we do appoint individuals by exception, and the use of exceptions along with external recruitment activity is reported to the Civil Service Commission on a quarterly basis. Temporary agency staff are employed via an agency and are engaged on an ad hoc or temporary basis to fulfil requirements within established posts which involve providing cover (e.g. for a vacancy, holiday or sickness) or additional resource requirements.

These engagements can be either administrative or professional roles.

Trade Union (Facility Time Publication Requirements) Regulations 2017 – Consolidated FSA

The Trade Union (Facility Time Publication Requirements) Regulations 2017 took effect from 1 April 2017. These regulations were laid following the enactment of the Trade Union Act 2016. The Trade Union Act was passed in May 2016; one of the elements of this Act is the requirement for employers in the public sector to publish information on facility time.

Facility Time is the provision of time off from an employee's normal role to undertake TU duties and activities when they are elected as a TU representative.

Trade Unions (TUs) play an important role in the modern workplace and there are considerable benefits to both employers and employees when organisations and unions work well together.

Table 1 Relevant union officials

What was the total number of your employees who were relevant union officials during the relevant period?

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
19	18.28

Table 2 Percentage of time spent on facility time

How many of your employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?

Percentage of time	Number of employees
0%	8
1-50%	11
51%-99%	0
100%	0

Table 3 Percentage of pay bill spent on facility time

Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

First Column	Figures
Provide the total cost of facility time	£45,128
Provide the total pay bill	£81,838.869
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.06%

Table 4 Paid trade union activities

As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

Activity	Amount
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	0%



Emily Miles

Chief Executive and Accounting Officer

26 January 2024

Parliamentary Accountability and Audit Report

Unless otherwise indicated the number disclosures in the Parliamentary accountability and audit report reflect the FSA expenditure funded from Westminster (for Westminster ARA)/the devolved authority (for Wales and NI ARAs).

Losses and Special Payments

The following sections are subject to audit.

FSA made 1 special payment totalling £1k in 2022/23. No payment was in excess of £300k.

In 2022/23 there were no reportable losses over £300k in total.

FSA made 2 special payments totalling £200k in 2021/22. None of these payments was in excess of £300k.

Fees and Charges

The table below is subject to audit.

An analysis of material programme income from services provided to external and public sector customers is as follows:

FSA	2022/23			2021/22		
	Income £000	Full Cost £000	Surplus/ (Deficit) £000	Income £000	Full Cost £000	Surplus/ (Deficit) £000
Industry	32,687	50,527	(17,840)	29,704	47,063	(17,359)
Other Government Departments	3,610	3,617	(7)	3,115	2,877	238
Meat Hygiene inspection in Northern Ireland	4,392	7,141	(2,749)	4,038	6,779	(2,741)
Assessments and consultations on radioactive discharges	841	1,437	(596)	1,253	1,164	89
	41,530	62,722	(21,192)	38,110	57,883	(19,773)

The above information is provided to meet the Fees and Charges disclosure requirements of the FReM and has not been provided for Segmental Analysis purposes under IFRS 8.

The FSA's financial objective is to recover costs fully. There currently remains a shortfall between the costs for the FSA of delivering meat official controls and the income received from Food Business Operators (FBOs) for these controls. This is effectively a

subsidy of £17.8m from the FSA Westminster to the meat industry. It should be noted that this figure includes some costs which are not included in the hourly charge rates for meat official controls because they are not included in the budget that is used to calculate the charge rates. This is because the FSA does not include certain costs in its budgeting, such as severance costs for operational staff, even though they are costs of meat official controls. It also does not take account of some costs which would normally be included in the charge rates but were not anticipated when the charge rates for 2022/23 were calculated.

There was an increase in the full cost of the controls provided to the meat industry of over £3.4m from £47.1m in 2021/22 to £50.5m in 2022/23. This is largely due to increased staff costs compared to 2021/22.

Remote Contingent Liabilities

This section is subject to audit.

In addition to contingent liabilities reported within the meaning of IAS 37 (Note 17), the department also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of a contingent liability. As of 31 March 2023 there are two remote contingent liabilities concerning potential legal cases against the FSA (2021/22 one).

Auditors

The accounts have been audited by the Comptroller and Auditor General in accordance with Schedule 4 of the Food Standards Act 1999. The audit fee for all the FSA's accounts for the year was £145,000 (2021/22 £97,000). I have taken all necessary steps to make myself aware of relevant audit information and to ensure that information is made available to the auditors. No payments have been paid to the Comptroller and Auditor General for non-audit work in 2022/23 (2021/22 £nil).



Emily Miles

Chief Executive and Accounting Officer

26 January 2024

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS, THE SENEDD CYMRU, SCOTTISH PARLIAMENT AND NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of the Food Standards Agency (Consolidated) for the year ended 31 March 2023 under the Food Standards Act 1999. The financial statements comprise the Food Standards Agency (Consolidated):

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Food Standard Agency's (Consolidated) affairs as at 31 March 2023 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Food Standards Act 1999 and HM Treasury directions issued thereunder

Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by the UK Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements section* of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Food Standards Agency (Consolidated) in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Food Standards Agency (Consolidated)'s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Food Standards Agency (Consolidated)'s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Food Standards Agency (Consolidated) is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Food Standards Act 1999.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions made under the Food Standards Act 1999; and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Food Standards Agency (Consolidated) and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept by the Food Standards Agency (Consolidated) or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;

- providing the C&AG with unrestricted access to persons within the Department and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with HM Treasury directions made under the Food Standards Act 1999;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with HM Treasury directions made under the Food Standards Act 1999; and
- assessing the Food Standards Agency's (Consolidated) ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Food Standards Agency (Consolidated) will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Food Standards Act 1999.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Food Standards Agency (Consolidated)'s accounting policies,

- inquired of management, the Food Standards Agency (Consolidated)'s head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Food Standards Agency (Consolidated)'s policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Food Standards Agency (Consolidated)'s controls relating to the Food Standards Agency (Consolidated)'s compliance with the Food Standards Act 1999 and Managing Public Money;
- inquired of management, the Food Standards Agency (Consolidated)'s head of internal audit, and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team and the relevant specialists, including pension experts and significant component audit teams, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Food Standards Agency (Consolidated) for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Food Standards Agency (Consolidated)'s framework of authority and other legal and regulatory frameworks in which the Food Standards Agency (Consolidated) operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Food Standards Agency (Consolidated). The key laws and regulations I considered in this context included Food Standards Act 1999, Managing Public Money and employment law.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Assurance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports; and

- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the UK Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

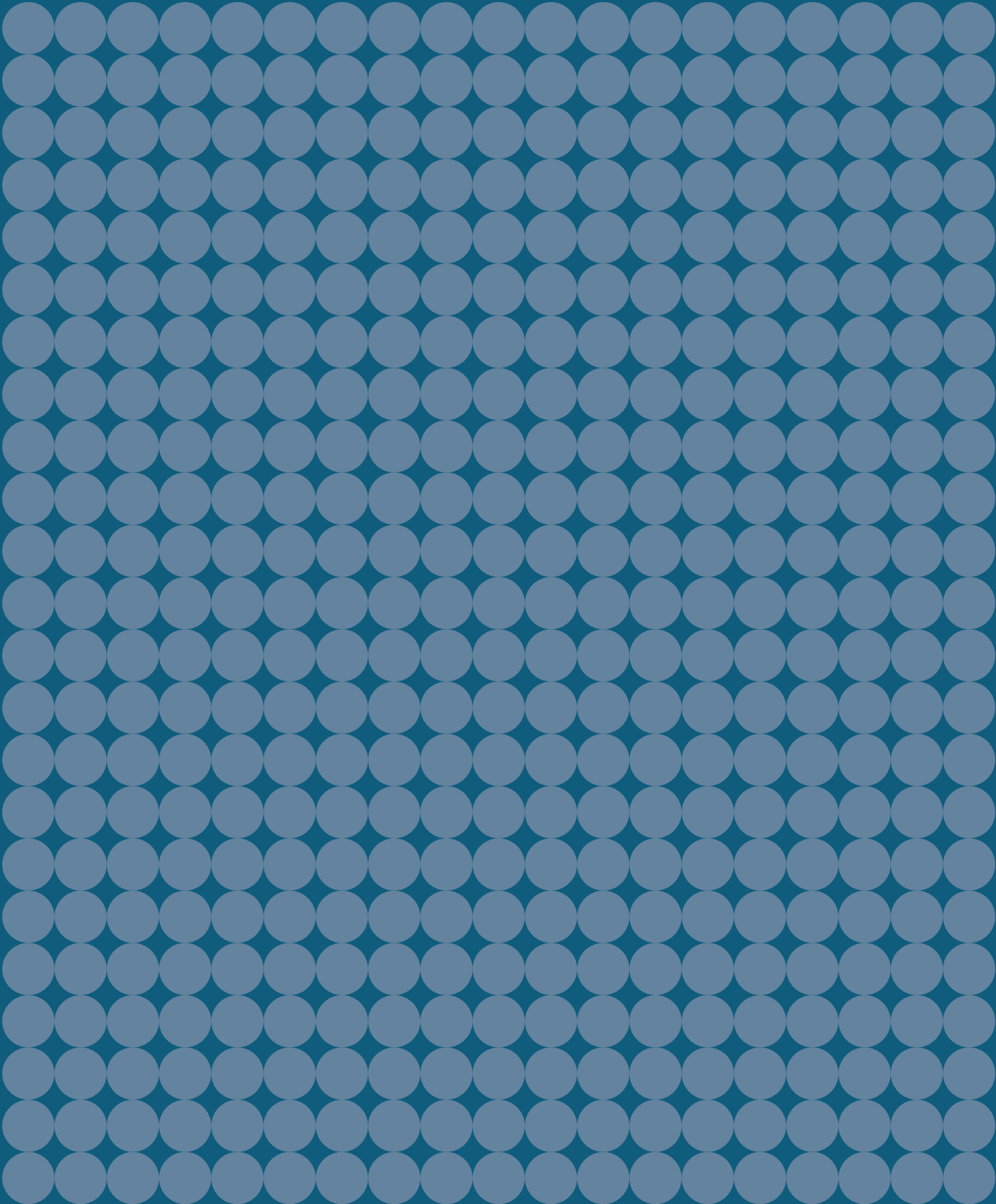
I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

31 January 2024

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Accounts



Financial Statements

Consolidated Statement of Comprehensive Net Expenditure

for the year ended 31 March 2023

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

	Note	2022/23 £000	2021/22 £000
Revenue from contracts with customers	4.1	(41,674)	(38,154)
Other operating income	4.2	(662)	(335)
Total operating income		(42,336)	(38,489)
Staff costs	3	118,849	103,603
Purchase of goods and services	3	31,183	32,541
Depreciation and amortisation charges	3	5,047	2,485
Provision expense	3	1,742	2,302
Other operating expenditure	3	26,874	26,315
Total operating expenditure		183,695	167,246
Net operating expenditure		141,359	128,757
Finance expense	10	1,703	1,781
Net expenditure for the year		143,062	130,538
Other comprehensive net expenditure			
Actuarial (gain)/loss on pension scheme liabilities	16	(65,379)	(28,178)
Comprehensive net expenditure for the year		77,683	102,360

The notes on pages 160 to 192 form part of these accounts.

Consolidated Statement of Financial Position

As at 31 March 2023

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

	Note	2022/23 £000	2021/22 £000
Non-current assets:			
Property, plant and equipment	5	3,223	3,720
Right of Use Assets	6	5,353	–
Intangible assets	7	4,003	4,686
Total non-current assets		12,579	8,406
Current assets			
Trade and other receivables	12	5,327	5,777
Other current assets	12	6,148	4,857
Cash	11	2,369	554
Total current assets		13,844	11,188
Total assets		26,423	19,594
Current Liabilities			
Trade and other payables	13	(3,299)	(4,382)
Lease Liabilities	14	(1,734)	–
Provisions	15	(517)	(300)
Other liabilities	13	(17,553)	(17,236)
Total current liabilities		(23,103)	(21,918)
Total assets less current liabilities		3,320	(2,324)
Non-current liabilities			
Provisions	15	(776)	(820)
Other payables	13	–	(532)
Lease Liabilities	14	(3,323)	–
Net pension liability	16	(1,720)	(65,416)
Total non-current liabilities		(5,819)	(66,768)
Total assets less total liabilities		(2,499)	(69,092)
Taxpayers' equity and other reserves			
General fund		(2,499)	(69,092)
Total taxpayers' equity		(2,499)	(69,092)



Emily Miles

Chief Executive and Accounting Officer

26 January 2024

The notes on pages 160 to 192 form part of these accounts.

Consolidated Statement of Cash Flows

for the year ended 31 March 2023

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

	Note	2022/23 £000	Re-presented 2021/22* £000
Cash flows from operating activities			
Net operating expenditure for the year	SOCNE	(141,359)	(128,757)*
Adjustments for non-cash transactions	3&15&16	8,581	6,659*
(Increase)/Decrease in trade and other receivables	12	(841)	(1,511)
less movements relating to items not passing through the Statement of Comprehensive Net Expenditure		(11)	–
Increase/(Decrease) in trade and other payables	13	(1,298)	2,164
less movements relating to items not passing through the Statement of Comprehensive Net Expenditure	13	(1,288)	1,215
Use of provisions	15&16	(1,812)	(1,813)
Provisions not required written back	15	–	(124)
Cash contribution to pension deficit	16	(1,500)	(1,500)
Net cash outflow from operating activities		(139,528)	(123,667)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(1,174)	(1,262)
Purchase of intangible assets	7	(882)	(1,390)
Net cash outflow from investing activities		(2,056)	(2,652)
Cash flows from financing activities			
From the UK Consolidated Fund (Supply)		125,890	108,755
From Northern Ireland Assembly		14,380	12,420
From National Assembly for Wales		5,150	3,929
Payments of Lease Liabilities	11.1	(2,021)	–
Net Financing		143,399	125,104
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund			
		1,815	(1,215)
Cash at the beginning of the period	11	554	1,769
Cash at the end of the period	11	2,369	554

* These figures have been re-presented to better reflect the application of the FReM. The amendment had no impact on the net cash outflow from operating activities reported for 2021/22 nor cash and cash equivalents as at 31 March 2022.

The notes on pages 160 to 192 form part of these accounts.

Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2023

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

	Note	General Fund £000	Total Reserves £000
Balance at 31 March 2021		(93,148)	(93,148)
Net Parliamentary Funding		126,319	126,319
Comprehensive net expenditure for the year		(130,538)	(130,538)
Auditors remuneration	3	97	97
Actuarial gain/(loss)	16	28,178	28,178
Balance at 31 March 2022		(69,092)	(69,092)
Initial adoption of IFRS 16 on 1 April 2022*		527	527
Balance at 1 April 2022		(68,565)	(68,565)
Net Parliamentary Funding		143,604	143,604
Comprehensive net expenditure for the year		(143,062)	(143,062)
Auditors remuneration	3	145	145
Actuarial gain/(loss)	16	65,379	65,379
Balance at 31 March 2023		(2,499)	(2,499)

* As per the FReM the FSA is recognising the cumulative effect of initially applying the Standard at the date of initial application as an adjustment to the opening balance of taxpayers' equity.

The notes on pages 160 to 192 form part of these accounts.

Notes to the Departmental Resource Accounts

1 Statement of Accounting Policies

1.1 Basis of Preparation

These financial statements have been prepared in accordance with the 2022/23 Government Financial Reporting Manual (FReM) issued by HM Treasury and the Government Resources and Accounts Act 2000. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Food Standards Agency (FSA) for the purpose of giving a true and fair view has been selected. The particular policies adopted by the FSA are described below. They have been applied consistently in dealing with items which are considered material to the accounts.

1.2 Accounting Convention

These accounts have been prepared on a going concern basis under the historical cost convention, modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and liabilities where material. In common with other government departments, the future financing of our liabilities is to be met by future grants of supply and the application of future income, both to be approved annually by Parliament. Approval for amounts required for 2023-24 has already been given and there is no reason to believe that future approvals will not be granted. We expect to continue to deliver services into the future. We have therefore considered it appropriate to adopt a going-concern basis for the preparation of these financial statements.

1.3 Basis of Consolidation

These accounts comprise the consolidation of the core FSA (Westminster funded) results and results from the FSA devolved offices in Northern Ireland and Wales for 2022/23. These are funded directly by the Northern Ireland Assembly and National Assembly for Wales respectively. The Westminster funded FSA and Food Standards Agency in Northern Ireland each produce and publish their own annual accounts. The FSA also prepares accounts for its activities which are funded by the National Assembly for Wales.

1.4 Significant Accounting Policies and Material Judgements

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

IAS19 Employee Benefits – FSA management are responsible for the assumptions and judgements behind the calculations of the defined pension liability. FSA management use professional experts to ensure the numbers in this report reflect a true and fair view of the liability. Sensitivity analysis is documented in note 16.2.5. For 2022/23, the FSA has applied IFRIC14 in relation to the deficit fund figure, reducing the reported amount to

£1.028m. The asset ceiling is the present value of any economic benefit available in the form of refunds or reduced future employer contributions.

IAS37 Provisions – judgement is made on the best estimate of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Note 15 of these accounts gives more details of the specific legal and dilapidations provisions for the Agency and the basis for calculation.

IFRS 16 Leases – FSA has judged the lease term to be up to the break point on accommodation assets and uses this term for calculating depreciation and interest. Hindsight was used to adjust the lease term for Clive House upon transition to IFRS16 to reflect subsequent information received in 2022/23 that confirmed the lessor will exercise the break clause.

1.5 Non-Current Assets

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

1.6 Property, Plant and Equipment

The FSA does not currently own any land or buildings. All property, plant and equipment assets are carried at depreciated historic cost as a proxy for fair value. Assets under construction are not depreciated until the month after they are brought into use. All assets for fixtures and fittings (within the FSA leased accommodation space) and computer equipment are owned by FSA. .

1.7 Intangible Assets

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

1.8 Depreciation and Amortisation

Assets are depreciated from the month following the date of being available for use. Depreciation and amortisation are applied on a straight-line basis to write off costs evenly over the asset's anticipated life. Estimated useful lives are reviewed during the year and

assets are assigned new end of useful life dates where applicable. The below information shows the useful lives of the assets currently on the non-current asset register.

	2022/23	2021/22
Property, plant and equipment		
Computer equipment	2 – 10 years	2 – 10 years
Office equipment	4 – 11 years	4 – 11 years
Fixtures and fittings	2 – 10 years	2 – 10 years
Intangible assets:		
Computer software and software licences	2 – 10 years	2 – 10 years
Right of Use assets:		
	2022/23	2021/22
Leased office space	1 – 6 years	n/a
Leased cars	3 – 4 years	n/a

Right of Use assets are depreciated on a straight line basis over the associated lease term, or estimated useful life where this is shorter. Impairment losses are charged in the same way as those arising on property, plant and equipment.

Because lease terms require payments be updated for market conditions, for example rent reviews for leased properties, these changes must be included in provisions for measuring the cost under IFRS16. The FReM permits Right of Use assets be measured using the cost model as a proxy for the measurement of the cost value in use. Right of Use assets also have shorter useful lives than that of the underlying asset, using cost as a proxy for assets with shorter economic lives or lower values is in accordance with the FReM.

1.9 Research & Development Expenditure

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

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

1.10 Revenue from Contracts with Customers and Other Income

In line with IFRS 15, the FSA recognises 'Revenue from Contracts with Customers' relating to its main operating activities and the associated contracts. These are classified by activity and grouped into revenue from meat official controls from industry, hygiene work carried out on behalf of other government departments, assessments and consultations on radioactive discharges and milk and dairy sampling.

FSA revenue is recognised when the performance obligation is satisfied, performance obligation is when inspection and hygiene work is performed. More detail as to application of the 5 step model under IFRS 15 is detailed in note 4.1 of these accounts.

Other 'Operating Income', such as for secondments and non-contractual services is detailed separately from 'Revenue from Contracts with Customers' in note 4.2.

1.11 Pensions

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

There are currently 292 FSA employees who are active members of the Local Government Pension Scheme (LGPS). LGPS is a defined benefit scheme governed by the Local Government Pension Scheme Regulations 2005, and administered by Local Pensions Partnership. The scheme is subject to regular valuations by an independent, professionally qualified actuary. These determine the level of contributions required to fund future benefits. The LGPS changed to a career average revalued earnings basis as of 1 April 2014 with a change of retirement age from 65 to that of the individual member's state pension age. All pensions in payment or built up before April 2014 are protected.

Pension assets and liabilities attributable to the FSA in the LGPS are recorded in line with IAS19 with a valuation undertaken annually to measure the value of pension assets and liabilities at the Statement of Financial Position date, determining the benefits accrued in the year and the interest on assets and liabilities. The value of benefits accrued is used to determine the pension charge in the Statement of Comprehensive Net Expenditure and the interest on scheme assets and liabilities is included within interest receivable/payable. The change in value of assets and liabilities arising from asset valuations, changes in benefits, actuarial assumptions or change in the level of deficit attributable to members, is recognised in the Statement of Changes in Taxpayers' Equity. The resulting pension liability or asset is shown on the Statement of Financial Position. The IAS19 valuation includes sensitivity analysis and the potential impact and this information can be found in Note 16.2.5. For 2022/23, the FSA has applied IFRIC14 in relation to the deficit fund figure, reducing the reported amount to £1.028m. The asset ceiling is the present value of any economic benefit available in the form of refunds or reduced future employer contributions.

Pension liabilities in the Board Pension Scheme are calculated by the Government Actuary's Department and a valuation is undertaken annually. The change in value of pension liabilities arising from changes in benefits or actuarial assumptions is recognised in the Statement of Changes in Taxpayers' Equity. The resulting pension liability is shown in the Statement of Financial Position.

Further details about LGPS pensions can be found at the website www.lgps.org.uk.

The contributions to PCSPS are set out in the Accountability Report and the costs in relation to the LGPS scheme are in Note 16.

1.12 Value Added Tax

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

1.13 Provisions

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

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

In accordance with IFRS 16, when FSA enters into a new lease for accommodation which comes within the scope of IFRS 16, any associated dilapidation provision will be included and capitalised when calculating the value of the Right of Use asset. The capitalised value will be depreciated on a straight line basis over the life of the Right of Use asset. This treatment does not apply to provisions for leases which transitioned to IFRS 16 from 1 April 2022.

1.14 Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with IAS37, the FSA discloses, for parliamentary reporting and accountability purposes, certain contingent liabilities where the likelihood of a transfer of economic benefit is remote. The rules for notifying liabilities to parliament are:

- there is no need to tell parliament about:
 - new liabilities arising under statutory powers unless the legislation calls for it;
 - liabilities taken on in the normal course of business, except for those not in standard form and above £300,000;
- departments should notify parliament of:
 - statutory liabilities, in the form expected by the legislation;
 - any liability outside the normal course of business and above £300,000;
 - any liability of a non-standard kind undertaken in the normal course of business;
 - any liability which is novel, contentious or significant in relation to the organisation's (of the particular programme) expenditure, which is large and unquantifiable.

1.15 Financial Assets and Liabilities

The FSA holds the following financial assets and liabilities:

1) Assets

- Trade and other receivables
- Other current assets
- Cash

2) Liabilities

- Trade and other payables
- Other Liabilities

Financial Assets and Liabilities are accounted for under IFRS 9.

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

1.16 Early adoption of IFRSs, amendments and interpretations

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

1.17 Initial application of IFRS 16 Leases

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

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

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

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

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

Contracts relating to accommodation and lease cars have been identified as within scope of IFRS 16.

IFRS 16 does not require the recognition of assets or liabilities for leases where the underlying asset is of low value. HMT has mandated the election of this option and the FSA will therefore recognise lease payments for low value assets as an expense. The FSA will adopt a threshold of £5,000 for low value assets which is in line with its capitalisation policy for owned assets, see Note 1.5 for more details.

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

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

On transition Right of Use Assets and Lease Liabilities were recognised at an amount equal to the Net Present Value of the lease payments to be made from recognition, to the anticipated end of the lease. Such payments were discounted at either the rate implied in the contract or at the rate defined by HMT. The rate used for leases recognised in the calendar year 1 January 2022 to 31 December 2022 was 0.95% and for the calendar year 1 January 2023 to 31 December 2023 was 3.51%. Hindsight was used in line with IFRS 16 (C10(e)) when dealing with changes to a transitioned lease where terms were adjusted with effect 01/04/22.

As permitted by the FReM, right of use assets are subsequently measured using the cost model as a proxy for the measurement of the cost value in use. This is because lease terms require payments be updated for market conditions, for example, rent reviews for leased properties, which will be captured in the IFRS 16 cost measurement provisions. Right of Use assets also have shorter useful lives and values than their respective underlying asset, and as such, cost can be used as a proxy for assets with shorter economic lives or lower values in accordance with the FReM.

The FSA has recognised the following opening balances in 2022/23:

	Land and Buildings	Transport	Total
IAS 17 operating lease commitments at 31 March 22	9,417	64	9,481
Less leases treated as short term on adoption of IFRS 16	(8)	(17)	(25)
Adjustment for removal of VAT	(107)	0	(107)
Adjustment for different lease term assumptions under IFRS 16	(2,812)	4	(2,808)
Adjustment for discounting future cashflows	(120)	0	(120)
IFRS 16 lease liability at 1 April 22 (Note 6)	6,370	51	6,421

The lease liability recognised at 1 April 22 is the same as the ROUA recognised at 1 April 22 (Note 6), with a resulting nil impact on the SOCITE.

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

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

2 Net Costs by Operating Segment

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

	2022/23 £000			2021/22 £000		
	Expenditure	Income	Net cost	Expenditure	Income	Net cost
Expenditure Income Net cost						
Operations excl. NFCU and Ops Trans	60,871	36,402	24,469	56,091	32,883	23,208
EU Transition	1,693		1,693	3,172	–	3,172
Risk Analysis inc. Science	19,585	943	18,642	17,828	1,297	16,531
Risk Management inc. Policy	7,027		7,027	6,994	–	6,994
Regulatory Compliance: Official Controls, Legislation and LAs	9,271		9,271	8,642	–	8,642
National Food Crime Unit (NFCU)	5,021		5,021	4,684	18	4,666
Surveillance (inc. Sampling)	1,574		1,574	3,663	–	3,663
Doing the day job well	49,815	475	49,340	42,601	226	42,375
Achieving Business Compliance	1,714		1,714	781	–	781
Operational Transformation	1,265		1,265	1,547	–	1,547
Food Hypersensitivity	1,618		1,618	1,969	–	1,969
Shared Outcomes Fund	2,265		2,265	126	–	126
Westminster Total	161,719	37,820	123,899	148,098	34,424	113,674
Devolved Authorities						
Wales	4,971	–	4,971	4,261	–	4,261
Northern Ireland	18,708	4,516	14,192	16,668	4,065	12,603
TOTAL	185,398	42,336	143,062	169,027	38,489	130,538

3 Expenditure

	2022/23 £000	2021/22 £000
Staff Costs		
Wages and salaries	59,177	52,365
Social security costs	6,951	5,852
Other pension costs	14,894	13,125
Other Staff costs	3,378	1,854
Contract inspectors and veterinary costs	34,449	30,407
	118,849	103,603
Purchase of goods and services	31,183	32,541
	31,183	32,541
Provision expense		
Pension provision expense	1,699	2,425
General provision expense	43	(123)
	1,742	2,302
Other operating expenditure		
Lease expenditure not recognised under IFRS 16 ¹	125	1,914
ICT outsourcing, maintenance and support of networks and systems ²	8,392	7,057
Travel & Subsistence, Hospitality and Conference costs	2,484	1,038
Accommodation costs including rates, estate management and security	2,618	2,943
Operational costs (laundry, sampling and equipment)	2,784	1,852
Grants	1,045	2,301
Research and Development expenditure	4,367	5,012
Training and Development	947	869
Legal costs	704	569
HR, Payroll and Pension services	334	385
Stationery, Printing and Postage	253	229
Welfare costs	132	104
Consultancy	429	45
Other Professional Services	726	944

	2022/23 £000	2021/22 £000
Other	1,346	941
Non cash: Auditors' remuneration and expenses	145	97
Non cash: Apprentice Levy Utilisation	43	15
	26,874	26,315
Non-cash Items		
Depreciation PPE	1,671	1,257
Depreciation ROUA	1,811	0
Amortisation	1,565	1,228
	5,047	2,485
	183,695	167,246

- 1 This expenditure relates to Non Recoverable VAT and lease car service costs paid outside of IFRS 16 calculations.
- 2 Relevant Central IT costs are recharged to Devolved Offices from FSA Westminster.

4 Income

4.1 Revenue from Contracts with Customers

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

	2022/23 £000	2021/22 £000
Income for official controls charged to industry	37,079	33,743
Income for meat hygiene work charges to other government departments	3,610	3,115
Assessments and consultations on radioactive discharges	841	1,253
Income from Joint Nutrition Projects	124	26
Milk and Dairy Hygiene – sampling	20	17
Total income from contracts with customers	41,674	38,154

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

The £41.674m income from official controls charged to industry, milk and dairy inspections, meat hygiene work carried out for other government departments, radiological assessments and joint nutrition projects is contractual income that is invoiced in arrears and thus the performance obligation has already occurred.

There is no variable element to the transaction price. The transaction price is the cost of staff time carrying out services using an hourly rate for the grade of staff supplied/ service provided. FSA does not accept non-cash consideration for payment nor does it offset consideration due to a customer against that due from the same party. Invoices are due on receipt and there is no time value of money or financing offered.

Payment terms are immediate on receipt of the FSA invoice as all invoices are issued in arrears for services carried out in the month or quarter before. There is no separation of price invoiced against performance obligation as the obligation has already occurred. Invoices are calculated on a time basis less discount as described in the Fees and Charges Note on page 146.

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

4.2 Other Operating Income

	2022/23 £000	2021/22 £000
Secondment income	309	171
Other income	275	102
Income from sale of goods and services	35	47
Notional Income – Apprentice Levy Grant	43	15
Total other operating income	662	335

5 Property, plant and equipment

2022/23

	Fixtures and Fittings £000	Office Equipment £000	Computer Equipment £000	Total £000
Cost or valuation				
Cost at 1 April 2022	4,693	37	7,645	12,375
Additions	8	–	1,166	1,174
Disposals	(2,132)	(6)	(3,717)	(5,855)
At 31 March 2023	2,569	31	5,094	7,694
Depreciation				
As at 1 April 2022	3,513	37	5,105	8,655
Charged in year	365	–	1,306	1,671
Disposals	(2,132)	(6)	(3,717)	(5,855)
At 31 March 2023	1,746	31	2,694	4,471
Carrying amount at 31 March 2023	823	–	2,400	3,223
Carrying amount at 31 March 2022	1,180	–	2,540	3,720
Asset financing				
Owned	823	–	2,400	3,223
Carrying amount at 31 March 2023	823	–	2,400	3,223

2021/22

	Fixtures and Fittings £000	Office Equipment £000	Computer Equipment £000	Total £000
Cost or valuation				
Cost at 1 April 2021	4,660	37	6,416	11,113
Additions	33	–	1,229	1,262
Disposals	–	–	–	–
At 31 March 2022	4,693	37	7,645	12,375
Depreciation				
As at 1 April 2021	3,134	35	4,229	7,398
Charged in year	379	2	876	1,257
Disposals	–	–	–	–
At 31 March 2022	3,513	37	5,105	8,655
Carrying amount at 31 March 2022	1,180	–	2,540	3,720
Carrying amount at 31 March 2021	1,526	2	2,187	3,715
Asset financing				
Owned	1,180	–	2,540	3,720
Carrying amount at 31 March 2022	1,180	–	2,540	3,720

6 Right of Use Assets

Right of Use Assets represent the right to direct the use of an underlying asset arising as a result of a lease. The FSA does not own the underlying asset, but recognised the value of the right of use in accordance with IFRS 16.

	Land and Buildings £000	Transport £000	Total £000
At 31 March 2022			
Initial adoption of IFRS 16 on 1 April 2022	6,370	51	6,421
Additions	602	141	743
Reclassification	–	–	–
Disposals	–	–	–
At 31 March 2023	6,972	192	7,164
Depreciation			
As at 1 April 2022	–	–	–
Charged in year	1,764	47	1,811
Disposals	–	–	–
At 31 March 2023	1,764	47	1,811
Carrying amount at 31 March 2023	5,208	145	5,353
Carrying amount at 31 March 2022	–	–	–

7 Intangible assets

Intangible assets comprise computer software and software licences.

2022/23

	Computer software and software licences £000	Assets under construction	Total £000
Cost or valuation			
Cost at 1 April 2022	8,868	–	8,868
Additions	221	661	882
Disposals	(1,044)	–	(1,044)
At 31 March 2023	8,045	661	8,706
Amortisation			
As at 1 April 2022	4,182	–	4,182
Charged in year	1,565	–	1,565
Disposals	(1,044)	–	(1,044)
At 31 March 2023	4,703		4,703
Carrying amount at 31 March 2023	3,342	661	4,003
Carrying amount at 31 March 2022	4,686	–	4,686
2021/22			
Cost or valuation			
Cost at 1 April 2021	7,478	–	7,478
Additions	1,390	–	1,390
Disposals	–	–	–
At 31 March 2022	8,868	–	8,868
Amortisation			
As at 1 April 2021	2,954	–	2,954
Charged in year	1,228	–	1,228
Disposals	–	–	–
At 31 March 2022	4,182	–	4,182
Carrying amount at 31 March 2022	4,686	–	4,686
Carrying amount at 31 March 2021	4,524	–	4,524

8 Financial Instruments

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

The FSA has no borrowings. It relies primarily on departmental grants for its cash requirements, and is therefore not exposed to liquidity risks. It also has no material deposits. All material assets and liabilities are in sterling, so the FSA is not exposed to significant interest rate risk or currency risk.

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

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

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

9 Leases

	£000
Variable lease payments not included in measurement of lease liabilities	48
Expenses relating to short term leases	21
Expenses relating to leases of low-value assets, excluding short term leases of low value assets	–
Other lease expenditure	69
Total cash payments in respect of leases	2,046

The FSA's leases are those relating to its rented accommodation space and leased cars for its staff.

10 Finance Expense

	2022/23 £000	2021/22 £000
Interest Expense for Board Pension	14	11
Interest Expense for LPFA Pension (Note 16.2.3)	1,635	1,770
Interest Expense for Leasing Arrangements	54	–
Total Interest Expense	1,703	1,781

11 Cash

	2022/23 £000	2021/22 £000
Balance at 1 April	554	1,769
Net changes in cash and cash equivalents	1,815	(1,215)
Balance at 31 March	2,369	554

	At 31/03/23 £000	At 31/03/22 £000
The following balances at 31 March were held at:		
Government Banking Service	2,369	554
Balance at 31 March	2,369	554

11.1 Reconciliation of liabilities arising from financing

	2021/22 £000	IFRS16 adoption adjustment £000	Cashflows £000	Non-Cash Changes £000	2022/23 £000
Supply	554	–	1,815	–	2,369
Lease liabilities	–	6,421	(2,021)	657	5,057
Total liabilities from financing activities	554	6,421	(206)	657	7,426

Non-cash changes comprise of new leases taken out in the year, lease interest and movements on prepaid expenditure.

12 Trade receivables, financial and other assets

	At 31/03/23 £000	At 31/03/22 £000
Amounts falling due within one year:		
Trade receivables	1,836	2,706
VAT recoverable	3,459	3,016
Other receivables	32	55
	5,327	5,777
Other current assets:		
Prepayments and accrued income	6,148	4,857
	6,148	4,857
Total	11,475	10,634

13 Trade payables and other liabilities

	At 31/03/23 £000	At 31/03/22 £000
Amounts falling due within one year		
Trade payables	3,255	4,334
Other payables	44	48
	3,299	4,382
Other current liabilities:		
Accruals and deferred income	15,184	16,682
Amounts issued from the Consolidated Fund for supply but not spent at year end	2,369	554
	17,553	17,236
Lease adjustment as per IAS 17	–	532
	–	532
Total	20,852	22,150

While FSA is jointly funded by Revenue from Customers and the Taxpayer, the majority of funding received is from the Taxpayer with Industry Customers subsidised by around 31% as discussed in the Parliamentary Accountability Disclosures. Therefore it is right that any funds held at year end are acknowledged as due to the Consolidated Fund as Industry Customers are not meeting the full cost of the services provided to them by the agency and so can not be considered due any of the funds.

14 Lease liabilities

Amounts falling due within one year

Lease Liabilities	1,734	–
	1,734	–

Amounts falling due after more than one year but within five years

Lease Liabilities	3,323	–
	3,323	–

14.1 Timing of non-discounted cashflows re Lease Liabilities

Lease Liabilities reported in note 14 are discounted, at the rates referred to in Note 1.11. For comparison, the committed non-discounted cashflows as at 31 March 2023 are:

Amounts payable within one year	1,776
Amounts payable after more than one year but within five years	3,359
Total payable	5,135
Less interest element	(78)
Present Value of obligations	5,057

15 Provisions

2022/23

	Legal claims £000	Dilapidations £000
Balance at 1 April	300	820
Provided in the year	217	130
Provisions not required written back	–	(118)
Provisions utilised in the year	–	–
Borrowing costs (unwinding of discount)	–	(56)
Balance at 31 March	517	776

2021/22

	Legal claims £000	Dilapidations £000
Balance at 1 April	300	944
Provided in the year	–	–
Provisions not required written back	–	(124)
Provisions utilised in the year	–	–
Borrowing costs (unwinding of discount)	–	–
Balance at 31 March	300	820

Analysis of expected timing of discounted flows

2022/23

	Legal claims £000	Dilapidations £000	Total £000
within one year	517	–	517
Total current provisions liability	517	–	517
between one and five years	–	776	776
between five and ten years	–	–	–
thereafter	–	–	–
Total non-current provisions liability	–	776	776
Provisions balance at 31 March 2022	517	776	1,293

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

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

15.1 Legal Claims

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

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

15.2 Dilapidations

A provision has been created in respect of estimated dilapidation costs for Apex House in Birmingham, Clive House in London, Foss House in York, Clarendon House in Belfast and Southgate House in Cardiff. The Clive House, Apex House, Foss House and Southgate House provisions are all based on an independent survey carried out by a third party. The provisions have been inflated and discounted by the HM Treasury rates. Inflation at 7.4% for year 1, 0.6% for year 2 and 2.0% into perpetuity and discounted at 3.27% for years 1-5 and 3.2% for years 6-10.

16 Provisions for pensions liabilities and charges

Pension provisions

2022/23

	Board Pension £000	LGPS Pension £000	Total £000
Net pension liability at 1 April	896	64,520	65,416
Total service and interest costs	14	4,981	4,995
Employer contributions	(36)	(1,776)	(1,812)
Deficit payment	–	(1,500)	(1,500)
Actuarial (gain)/loss	(182)	(65,197)	(65,379)
Net pension liability/(surplus) at 31 March	692	1,028	1,720

2021/22

	Board Pension £000	LGPS Pension £000	Total £000
Net pension liability at 1 April	879	90,170	91,049
Total service and interest costs	11	5,847	5,858
Employer contributions	(34)	(1,779)	(1,813)
Deficit payment	–	(1,500)	(1,500)
Actuarial (gain)/loss	40	(28,218)	(28,178)
Net pension liability at 31 March	896	64,520	65,416

16.1 FSA Board Pension Provision

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

The capitalised value of the pension benefits payable by the FSA's Pension Schemes as at 31 March 2023 is £692,000 (31 March 2022 £896,000).

The scheme is closed and therefore it is likely that the current scheme liabilities will gradually decrease over time, as the expected pension payments are made to the scheme members.

In the short-term changes in the scheme liability may be primarily driven by the assumptions used for future assessments (particularly the financial assumptions prescribed by HM Treasury).

Financial assumptions

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

	31/03/23	31/03/22
Discount rate	4.15%	1.55%
Rate of increase in salaries	n/a	n/a
Rate of increase in pensions in payment	2.40%	2.90%
CPI inflation assumption	2.40%	2.90%

Mortality

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

	31/03/23 Males	31/03/23 Females	31/03/22 Males	31/03/22 Females
Current Pensioners	21.8 years	23.2 years	22.1 years	23.8 years

Present value of scheme liabilities

	Value at 31/03/23 £000	Value at 31/03/22 £000	Value at 31/03/21 £000	Value at 31/03/20 £000	Value at 31/03/19 £000
Liability in respect of					
Active members	–	–	–	–	–
Deferred pensioners	(183)	(245)	(236)	(229)	(216)
Current pensioners	(509)	(651)	(643)	(639)	(626)
	(692)	(896)	(879)	(868)	(842)

Analysis of movement in scheme liability

	2022/23 £000	2021/22 £000
Scheme liability at 1 April	(896)	(879)
Movement in the year:		
Current service cost (net of employee contributions)	–	–
Interest cost	(14)	(11)
Actuarial (Loss)/Gain	182	(40)
Benefits paid	36	34
Net pension liability at 31 March	(692)	(896)

Analysis of amount charged to operating profit

	2022/23 £000	2021/22 £000
Current service cost (net of employee contributions)	–	–
Interest cost	14	11
	14	11

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

	2022/23 £000	2021/22 £000
Experience (losses)/gains arising on the scheme liabilities	(64)	(8)
Changes in financial assumptions underlying the present value of scheme liabilities	246	(32)
Net total actuarial (loss)/gain recognised in the statement of changes in taxpayers' equity	182	(40)

History of experience gains and losses

	2022/23	2021/22	2020/21	2019/20
Experience (losses)/gains on scheme liabilities:				
Amount (£000)	64	8	14	10
Percentage of scheme liabilities	9.25%	0.89%	1.59%	1.20%

16.2 Provision for LPFA Pension Liability

16.2.1 The Local Government Pension Scheme is a defined benefit scheme which is administered by Local Pensions Partnership and governed by the Local Government Pension Scheme Regulations 1995. On 1 April 2000, when the Meat Hygiene Service (MHS) became part of the FSA, all MHS staff were part of LGPS and FSA staff were part of PCSPS. The FSA Admission Agreement (AA) limits the staff who can join LGPS to those originally employed by the MHS, therefore no new scheme members are admitted and there is no option for new staff to join.

For the year ended 31 March 2023, contributions of £1.6m (2021/22 £1.7m) were paid to the fund at the rate determined by the Actuary appointed to the fund. For the period ended 31 March 2023, this rate was 19.4% (2020/21 19.4%) of pensionable remuneration.

On the basis of the full actuarial valuation the FSA Fund surplus was £37.9m as at March 2022 (March 2019 surplus £3.7m). During 2022/23 the FSA made additional deficit reduction payments of amount of £1.5m and will pay £0.75m in 2023/24.

The next full actuarial review of the scheme will show the position at 31 March 2025. This triennial valuation process will be carried out in the summer of 2025 and will determine the FSA's employer contribution rate for a three year period starting 1 April 2026. This valuation takes into account the scheme is closed and has been since 1 April 2000, where the option to join was removed and thus has remained that way.

An updated valuation, under IAS19 criteria, resulted in a calculated deficit of £1.0m as at 31 March 2023 compared with a calculated deficit of £64.5m as at 31 March 2022.

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

The actuary has estimated the employer's contributions for 2023/24 to be £1.5m.

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

Financial Assumptions

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

	31/03/23	31/03/22
Inflation/Pension increase rate (CPI)	2.90%	3.30%
Salary Increases	3.90%	4.30%
Pension Increases	2.90%	3.30%
Discount Rate	4.80%	2.60%

Mortality

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

	31/03/23 Males	31/03/23 FemaleS	31/03/22 Males	31/03/22 Females
Retiring today	20.2	22.9	21.1	23.3
Retiring in 20 years	21.4	25.6	22.5	26.0

Movement in liabilities

	2022/23 £000	2021/22 £000
Opening Defined Benefit Obligation	266,324	272,193
Current service cost	3,285	3,840
Interest cost	6,826	5,370
Change in financial assumptions	(84,846)	(8,210)
Change in demographic assumptions	(10,206)	–
Experience loss/(gain) on defined benefit obligation	11,782	494
Liabilities assumed/(extinguished) on settlements	–	–
Estimated benefits paid net of transfers in	(8,020)	(7,810)
Past service costs, including curtailments	–	–
Contributions by Scheme participants	541	574
Unfunded pension payments	(145)	(127)
Closing Defined Benefit Obligation	185,541	266,324

Movement in assets

	2022/23 £000	2021/22 £000
Opening Fair Value of Employer's Assets	201,804	182,023
Interest on assets	5,191	3,600
Return on assets less interest	(2,566)	20,502
Other actuarial gains/(losses)	(152)	–
Administration expenses	(61)	(237)
Contributions by Employer including unfunded	3,276	3,279
Contributions by Scheme participants	541	574
Estimated benefits paid plus unfunded net of transfers in	(8,165)	(7,937)
Settlement prices received/(paid)	–	–
Closing Fair Value of Employer Assets	199,868	201,804
	2022/23 £000	2021/22 £000
Opening impact of asset ceiling	–	–
Actuarial (loss)/ gain	(15,355)	–
Closing impact of asset ceiling	(15,355)	–

The FSA has applied IFRIC14 in relation to the deficit fund figure, reducing the reported amount to £1.0m. The asset ceiling is the present value of any economic benefit available in the form of refunds or reduced future employer contributions.

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

	Value at 31/03/23 £000	% at 31/03/23	Value at 31/03/22 £000	% at 31/03/22
Equities	117,534	59%	114,866	57%
Target return portfolio	37,163	19%	43,465	22%
Infrastructure	25,289	13%	20,559	10%
Property	19,627	9%	18,106	9%
Cash	255	0%	4,808	2%
Market value of assets	199,868	100%	201,804	100%
Asset ceiling	(15,355)		–	
Present value of scheme liabilities	(185,541)		(266,324)	
Net pension liability	(1,028)		(64,520)	

16.2.2 Movement in deficit during the year

	2022/23 £000	2021/22 £000
Scheme liability at 1 April	(64,520)	(90,170)
Service cost	(3,285)	(3,840)
Administration expenses	(61)	(237)
Employer contributions	1,776	1,779
Payment of deficit and unfunded	1,500	1,500
Past service cost	–	–
Other finance net interest charged (note 16.2.3)	(1,635)	(1,770)
Actuarial (loss)/gain (note 16.2.4)	65,197	28,218
Net pension liability	(1,028)	(64,520)

16.2.3 Analysis of the amount charged to operating deficit

	2022/23 £000	2021/22 £000
Service cost	3,285	3,840
Net interest on the defined liability/(asset)	1,635	1,770
Administration expenses	61	237
	4,981	5,847
Employer contributions to be set off	(1,647)	(1,652)
Amount (credited)/charged to operating cost	3,334	4,195

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

	2022/23 £000	2021/22 £000
Return on Fund assets in excess of interest	(2,566)	20,502
Other actuarial gains/(losses) on assets	(152)	–
Changes in financial assumptions	84,846	8,210
Change in demographic assumptions	10,206	–
Experience gain/(loss) on defined benefit obligation	(11,782)	(494)
Asset ceiling actuarial (loss)/gain	(15,355)	–
Actuarial gain/(loss) recognised in the Statement of Changes in Taxpayers' Equity	65,197	28,218

16.2.5 Sensitivity Analysis

	£000	£000	£000	£000	£000
Adjustment to discount rate	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of Total Obligation	173,876	183,110	185,541	188,023	198,497
Projected Service Cost	1,583	1,725	1,763	1,801	1,965
Adjustment to long term salary increase	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of Total Obligation	186,748	185,779	185,541	185,304	184,369
Projected Service Cost	1,768	1,764	1,763	1,762	1,757
Adjustment to pension increases and deferred valuation	+0.5%	+0.1%	0.0%	-0.1%	-0.5%
Present value of Total Obligation	197,476	187,829	185,541	183,301	174,789
Projected Service Cost	1,972	1,802	1,763	1,725	1,576
Adjustment to mortality age rating assumptions		+1 Year	None	-1 Year	
Present value of Total Obligation		193,116	185,541	178,288	
Projected Service Cost		1,826	1,763	1,701	

17 Contingent liabilities

The Department has the following contingent liabilities:

“The FSA has an unquantified contingent liability relating to a staff benefits dispute. The nature of the work carried out by the FSA can mean that it may be subject to various claims and legal actions in the ordinary course of its activities with the position being uncertain and therefore unquantifiable.

The total quantified contingent liabilities are £0.4m (2021/22 £7.3m).

18 Other financial commitments

The FSA has made payments totalling £11.7k relating to short term leases for cars which did not transition under IFRS 16. FSA has no other financial commitments for non-cancellable contracts which are not leases, PFI contracts or other service concession arrangements.

19 Capital commitments

At 31 March 2023 there were no commitments for the purchase of capital items (31 March 2022 £nil).

20 Related-Party Transactions

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

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

Details of remuneration provided to Senior Civil Servants and Board Members can be seen in the Remuneration Report on page 116.

21 Entities within the Departmental Boundary

The FSA has the following entities within the Departmental Boundary:

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

22 Events after the reporting period

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

There are no reported events after the reporting period.

Annex A

Accounts Direction given by the Treasury in accordance with Paragraph 4(2) of Schedule 4 to the Food Standards Act 1999

1. This Accounts Direction applies to the consolidated accounts of the Food Standards Agency prepared in accordance with Schedule 4, section 1 of the Food Standards Act 1999 (“the Act”). These consolidated accounts report spending approved by the House of Commons under section 39 of the Act; the sums paid by the Welsh Assembly Government under section 39(3)(a) of the Act; the sums paid out of the Scottish Consolidated Fund under section 39(3)(b) of the Act; and the sums appropriated by an Act of the Northern Ireland Assembly under section 39(3)(c) of the Act.
2. The Foods Standards Agency shall prepare consolidated accounts (excluding the Statement of Parliamentary Supply and supporting notes) for the year ended 31 March 2013 and all subsequent years in compliance with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual issued by HM Treasury (“the FReM”), which is in force for that year.
3. The consolidated accounts shall be prepared so as to:
 - (a) give a true and fair view at 31 March of its income and expenditure and its overall state of affairs for that financial year then ended; and
 - (b) provide disclosure of any material expenditure or income that has not been applied to the purposes intended by, or material transactions that have not conformed to, the authorities which govern them.
4. Compliance with the requirements of the FReM as far as is consistent with the preparation of Consolidated Accounts will be necessary for the accounts to give a true and fair view. If compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment, which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with HM Treasury.
5. This Accounts Direction supersedes the Accounts Direction issued by HM Treasury on 14 November 2007.

Karen Sanderson
Deputy Director, Government Financial Reporting
HM Treasury

21 February 2013

