

## CHIEF EXECUTIVE'S REPORT TO THE BUSINESS COMMITTEE

1. We continue to be busy as we move into the close of the year. This report updates the Committee on the Spending Review, the ongoing resourcing challenges in Field Operations, and NFCU and wider agency successes.
2. Following the conclusion of **HM Treasury's Spending Review**, (the exercise where HM Treasury and the FSA agree on our budget allocation for the next 3 years), the FSA's total Resource Departmental Expenditure Limit (RDEL) (Westminster funding only) will be £112.7m in 2022-23, £113.0m in 2023-24 and £112.9m in 2024-25.
3. This represents a c.7% increase over our 2021-22 settlement of £105.7m. The increase will enable FSA to fund some of the pressures we had forecast in our budget arising from a better understanding but what is needed post EU exit, (including imports and exports ongoing management of the Northern Ireland Protocol and regulated products) and other cost pressures, including pay and contract inflation and a contribution towards local authority cost burdens associated with new allergen labelling regulations. It also provides some additional funding for our Achieving Business Compliance (ABC) programme and transforming our frontline operations delivery model. Given the time frame associated with securing legislative change to implement a mandatory Food Hygiene Rating Scheme (FHRS) in England, this settlement allows the FSA to continue to progress our work in support of this but does not include funding to deliver this change. It also does not include funding for any additional work related to the delivery of the FSA's new strategy or additional responsibilities that might fall to the FSA as a result of Defra's work on a food white paper. If there were any additional responsibilities, we would need to have a separate conversation about those. Although this settlement should be seen as a positive outcome, we will still face financial pressures.
4. Our **Capital Departmental Expenditure Limit** (CDEL) will be £9.7m in 2022-23, £10.5m in 2023-24 and £9.7m in 2024-25. This secures funding for our leading science and evidence, and other capital expenses.
5. In March 2022, the Business Committee will be invited to agree priority deliverables for 2022/23.
6. As at the end of the second quarter of financial year 21-22, the full year forecasted **FSA RDEL & CDEL** outturn for Westminster, Northern Ireland and Wales was £131.9m. Westminster full year forecast underspend has halved from £5.4m, as reported in the first quarter, to £2.7m. For Northern Ireland the forecasted underspend is now £0.8m, and for Wales £0.7m (previously £1.6m and £0.5m respectively). A further breakdown of these amounts can be found in the Finance and Performance Report.
7. Since we wrote to the meat industry in July 2021, asking them to consider maintaining existing **COVID-19 health and safety protocols** in abattoirs, a general continuance of COVID-19 controls remains. There have been no

formal reports from the meat industry regarding relaxation of COVID-19 control measures in abattoirs.

8. **Field Operations.** Covid Absences have remained at low levels across E&J and FSA staff over the last month at an average of 0.49% absence for November 2021. We have already begun considering our response to the new Omicron variant. It is worth highlighting that COVID-19 absence is no longer the primary issue impacting resource levels; however, any absence does compound the resource pressures currently being faced.
9. A shortage of both Official Veterinarians (OVs) and Contract Meat Hygiene Inspectors (CMHIs) provided by the Service Delivery Partner (SDP) is having a significant impact on maintaining delivery of the FSA Official Controls. The SDP's optimum number of OVs is 260 and in November OV numbers dropped to 210. The CMHI position is improving with 245 available in November. There are 239 approved abattoirs in England and Wales. The number of inspection positions required and number of days that they operate will vary in each abattoir. The delivery of FSA Official Controls has been maintained in all abattoirs; however, this is becoming much more challenging, with a continued reliance on FSA contingencies. During the month of November, FSA covered 0.5% of inspection positions throughout England and Wales with appropriately trained back-office staff required almost every day. This reflects the dedication and resilience of our FSA teams, as without his intervention abattoirs would not be able to operate, impacting on animal welfare, food supply and the FSA's ability to ensure that food is safe.
10. Field Operations senior managers continue to work with the **Service Delivery Partner** at a national, strategic level and a tactical level to hold them to account and understand when this issue is likely to improve, acknowledging the reality and complexity of the national veterinary shortage. Figures from the RCVS (Royal College of Veterinary Surgeons) Register show a marked decline in joiners to the UK veterinary profession in the past two years, from 2,782 in 2019 to 2,061 in 2021, following a steady rise in joiners from 2013 to 2018.
11. Forecast data provided suggests that CMHI resource is likely to stabilise by the end of December 2021 and OV resource should improve by the end of January 2022. This should mean that FSA team members are not required to cover resource gaps after these dates, however, SDP contingencies will still be required to maintain service delivery. These projections are based on current levels of MHI and OV attrition, which are currently stable.
12. The **resourcing challenges** have influenced the other functions delivered by Field Operations including Unannounced Inspections, Welfare Assurance Visits, Field Veterinary Assurance Visits, and elements of our Wine and Dairy inspection work. The Field Operations teams are developing a recovery plan based on risk and impact in respect of this work not being undertaken. Due to the resourcing challenges, there has been a significant impact on morale in Field Operations across all grades and job roles. The senior Field Operations Team have developed an engagement plan to help address this additional

factor. However, it is extremely difficult to release staff to undertake any engagement activity given the current resource constraints. There are some concerns over the consistency of the delivery of the Official Controls as a result of the resource challenges. An action plan to address these concerns has been developed.

13. We continue to work closely with our SDP to influence the recruitment and retention of OVs. The temporary additional funding provided to the SDP to support recruitment and retention of OVs continues and will be reviewed early in 2022. **Temporary registration** arrangements established by the Royal College of Veterinary Surgeons (RCVS) for a period of one year (whereby veterinarians who have not yet met the new level 7 English language requirement can apply for temporary registration and work as OVs under supervision whilst undergoing additional language tuition) commenced in June 2021 and will be reviewed by RCVS later in December. We currently have 17 Temporary Registered OVs undertaking a restricted range of duties with appropriate support and supervision. This number will increase over the coming months. The FSA continues to engage with RCVS and other stakeholders on Temporary Registration.
14. **Operational Transformation Programme.** The Programme is making good progress on the agreed next 12-month deliverables including utilising the risk-based segmentation model to define audit activity (frequency and methodology) and the trialling of new digital technologies, such as, Remote Audit Technology (Oct-Dec).
15. **CO<sub>2</sub> supply** issues have gained significant media and ministerial interest over the last 2 months. CF Fertilizers shut down two of their sites (Billingham and Ince) on 15 September because of a significant increase in the price of gas which led to disruption of CO<sub>2</sub> supply in the UK. CO<sub>2</sub> is the main method of killing for poultry and pigs in the UK. A market-based solution, led by BEIS, has now been agreed until the end of January 2022. A longer-term solution is being developed, led by BEIS (Business Energy and Industrial Strategy Department). There were no immediate food safety or animal welfare risks identified because of the shortages.
16. Defra has launched several initiatives to support the **pig industry** including granting 800 visas for butchers, private storage aid and the Slaughter Incentive Scheme, which was announced by the Defra SoS on 14 October 2021, generating significant media interest. The main impacts for the FSA are extra shifts required in the run up to Christmas, mainly on Saturdays which will compound the current resourcing issues we face. Animal and Plant Health Agency (APHA) are looking to provide support with the provision of suitably qualified veterinary staff but have similar resource challenges. FSA are also providing support to Defra and AHDB (Agriculture and Horticulture Development Board) for a potential off site culling operation.
17. In relation to **incidents** since my last report, on 20 September, FSA, working with the UK Health Security Agency (UKHSA) and Defra published advice to reptile handlers on additional hygiene precautions due to a **Salmonella**

**Enteritidis** outbreak, linked to frozen rodents imported from Lithuania and distributed in the UK by Monkfield Nutrition Ltd. As of 12 November, 880 cases have been reported since April 2014, with 139 of these cases in 2021. Risk to the general public is considered very low but additional interim measures have been imposed with retailers providing point-of-sale safety warnings. A joint FSA and Chief Veterinary Officer (CVO) letter has been sent to the Director General at the European Commission requesting urgent action to tackle contamination at source. The letter requests a plan of action going forward within 20 working days for UK assessment. Should we continue to be concerned the UK has advised that emergency import measures are likely to be imposed. Additional UK led action is expected imminently, including product withdrawal and recalls. We continue to work with the Animal and Plant Health Agency and the enforcing local authority (LA) to impose more stringent controls given the continued public health concerns.

18. FSA is investigating with LAs and UKHSA a recent outbreak of **Norovirus** with a possible link to oysters, in the Bournemouth, Christchurch and Poole, and Cornwall areas. LA and FSA food chain investigations resulted in two suppliers, Porthilly Shellfish and Dorset Oysters, undertaking precautionary product withdrawals and recalls following FSA risk management advice. The businesses have voluntarily ceased harvesting and are proactively working with their LAs to find the root cause. We published Product Recall Information Notices (PRINs) on 12 and 14 November 2021. CEFAS, the Agri-Food & Biosciences Institute and the National Reference Laboratory continue to provide FSA with expertise and Norovirus and biotoxin analysis, and action has been taken to control any immediate food safety risks.
19. A significant update to flag is the NFCU's **Operation Atlas**. A charging decision was made by the Crown Prosecution Service following the submission of a full case file. The suspect was charged with eight offences, including two related to the sale of 2,4-Dinitrophenol. On 23 November the defendant pleaded guilty to all charges and will appear before Chester Crown Court on 21 December for sentencing. This investigation resulted from the NFCU developing intelligence with other law enforcement partners in the months leading up to activity in July 2020 where they supported the police in the execution of a search warrant at the defendant's home in Cheshire. This first end-to-end result marks a huge milestone in the NFCU's evolution, and I would like to put on record my gratitude to colleagues who worked tirelessly to gather evidence.
20. On 1 December, defendant Gent Jakupi was sentenced to 10 months' imprisonment at Swindon Crown Court. He had pleaded guilty 239 offences against **food safety regulations**. The NFCU supported the development of intelligence and co-ordinated tactical activity, during October and November 2020 when local authority food officers, police and FSA staff executed search warrants and recovered over 5 tons of meat being prepared for supply from an unregistered business Jakupi was operating out of a car wash garage. Wiltshire County Council led the investigation

supported by the NFCU. The assessment of Jakupi's customer list across the UK necessitated a Food Alert for Action (FAFA) being issued last year to local authorities to recover food where it was traced. A proceeds of crime investigation by the NFCU continues in respect of the suspected benefits accrued by Jakupi from his criminal conduct.

21. From 11 October 2021 **our offices** in England were opened to staff (priority 1, 2 and 3 staff, i.e., all) and our offices in Wales and Northern Ireland were opened to priority 1 and 2 staff. This approach considered the government guidance in different parts of the UK and the COVID-19 risk assessments produced by our landlords, which informed the FSA's own risk assessments and incident control plans for each office site. Office occupancy of between 40%-50% is now achievable across FSA office space, subject to staff demand. Demand for desks/office space remains low.
22. **Recruitment** remains busy with 109 campaigns closing between 4 August and 28 October covering 137 roles. These included 56 external campaigns, 23 across government campaigns and 29 internal campaigns. The total number of applications received was 1978 with a smaller number of applications on average received per role compared to last quarter reflecting the changing labour market for skilled workers.
23. Andy Cole joined the FSA as **Deputy Director Northern Ireland** in October on secondment from the Northern Ireland Civil Service. Pam Beadman also joined us in September from Defra as the **interim Director of Finance and Performance**. The campaign is now live to recruit a **Director of Operations**. A staff engagement panel will take place in early January followed by interviews in mid-January. Following an internal expression of interest process, Simon Tunnicliffe will be covering the role on temporary promotion until the permanent appointment has been made.
24. The 2021 **People Survey** closed on 3 November. The FSA response rate was 77% this year compared to 87% in 2020. The results will be available in mid-December.
25. **Diversity and inclusion**. We have focussed on ensuring fairness within our recruitment processes by introducing Diverse Panel Members in October 2020 to increase insight from different perspectives within recruitment panels and improve decision-making in recruitment and selection. Our pool of Diverse Panel Members stands at 61 trained members and of the 99 recruitment panels held during Quarter 2, only 6 did not have a diverse panel member. 68% of panels contained at least one employee from an ethnic minority background. We have also conducted a pilot project on removing the hiring manager from panels. Our data tells us that we have seen the largest increase in representation of ethnic minority colleagues at Grade 6/7 from 6.9% in 2020/21 to 9.8%. Our recruitment data shows that 29% of applicants are Black, Asian or Minority Ethnic, but only 15% of people interviewed are from an ethnic minority and of those selected for offer, 12% are ethnic minority. This is in line with the economically active population (12%). In the last 12 months we have also seen a 56% rise in temporary promotions

awarded to ethnic minority candidates compared to the prior 12-month period, which is the highest rate in 5 years and means that 12% of all temporary promotions were awarded to ethnic minority candidates, which is again reflective of the economically active population. Many candidates have been given tailored support to help prepare for applications and interviews. We still do not have sufficient representation at the most senior levels, however.

26. We continue to explore other ways to support the development of FSA colleagues from diverse backgrounds, including those with disabilities or who identify as LGBT+. We are currently piloting our new development programme '**FSA Accelerate**' at the Senior Executive Officer grade, which was developed collaboratively with our staff networks. The initial cohort of 14 successful candidates are midway through the programme which includes bespoke elements such as mentoring, coaching, sponsorship and shadowing activities in addition to training. The cohort's midpoint feedback has been positive and once the pilot has concluded and been evaluated, the programme will be offered at Higher Executive Officer grade during 2022/23. We have also supported the roll out of **Beyond Boundaries** (the new Civil Service emerging talent programme) which was launched this summer. The FSA ringfenced 50% of our available spaces to colleagues from under-represented groups and has supported all 8 candidates who successfully passed the scheme's application process to start on the programme w/c 22 November. We have also participated in Cross Government Catapult, a mentoring programme for people from lower socio-economic backgrounds with 28 mentors and 13 mentees from the FSA participating and will be promoting the second tranche when it launches in the new year.
27. The Civil Service pay pause for 2021/22 means no increase to FSA salaries this year except for a £250 underpin paid to 16 staff earning below £24,000. The pay pause does not extend to non-consolidated performance pay. The **FSA Reward and Recognition Scheme** utilises a ring-fenced pot and enables us to reward excellent and exceptional one-off achievements. Between 1 April and 30 September 2021, a total of 589 awards totalling £129,350 were made to staff up to and including Grade 6. SCS performance pay is not delegated to departments. In September and following confirmation from Cabinet Office of this year's SCS non-consolidated pay pot, FSA **Senior Civil Servants** received performance bonuses for year 2020/21. Bonuses totalling £44,000 were paid to 8 members of the SCS. A further 4 SCS received in-year bonuses totalling £14,000.
28. The **2021 Global Food Safety Incidents and Emergency Response Conference** was jointly held by FSA and Food Standards Scotland (FSS) as a virtual event between Wednesday 13 October and Friday 15 October 2021. The conference aimed to address how to enhance food safety in a changing world. It enabled over 650 delegates from the food safety community and food industries in 80 countries to come together to explore how we can improve global food security through sharing of best practice, working collaboratively and learning from each other. The conference programme included speakers from the USA, Canada, New Zealand, Australia, Uganda,

Chile, Spain and the UAE as well as international speakers representing INFOSAN, WHO, FAO and Codex.

29. The FSA and FSS continued so-working, jointly hosting an event during **COP26**. The key objectives were to promote the work of the FSA and FSS, as well as to explore how regulators, government, businesses, and the wider food system can work together to address the challenges of climate change and sustainability. The event took place online over 200 people joining virtually for the day.
30. In international news, in November, our Director of Global Affairs, Steve Wearne was successfully elected to Chairperson of the **Codex Alimentarius Commission** (CAC). Steve had been Vice-Chairperson since 2017. CAC is the organisation that develops global food standards, guidelines and codes of practice for food safety and quality.
31. FSA had another success at the same meeting when the guidelines on the use of voluntary third party assurance (vTPA) were adopted as a new global standard. The vTPA approach mirrors what the FSA has been doing in the primary production, dairy hygiene, and animal feed sectors since 2006 when awarding earned recognition to compliant Food Business Operators who are members of an FSA recognised assurance scheme.
32. **Awards**. The FSA in Wales, through their Health and Wellbeing Workgroup, have succeeded in extending their 'Chware Teg Award' – **bronze level Corporate Health Standard** for another year with a very positive report on their efforts over a difficult 18 months in adapting and ensuring that the health and wellbeing of staff continued to be a priority. The Corporate Health Standard is Welsh Government's national quality framework and award for employers to improve health and well-being in the workplace.
33. The NI team recently won a **Chartered Institute of Personnel and Development (CIPD)** NI Award for the Best Remote and Flexible Working Initiative, for our OWOW smarter working policy in the FSA. They were also shortlisted as finalists for the category of Embedding a Culture of Workplace Wellbeing for the Wellness Works programme which is run in the NI office.
34. Finally, a huge success to report for one of our staff networks, the **Climate & Environment Action Group** (CEAG). The FSA were recently awarded with an ISO 14001 accreditation; an internationally recognised and agreed standard that set requirements for environmental management. The network has been working towards this for nearly two years and the achievement provides the FSA with solid environmental credentials that our staff and our public could trust and helps us achieve our wider legal obligations in the Greening Government Commitments and Net Zero 2050.