

## CHIEF EXECUTIVE'S REPORT TO THE BUSINESS COMMITTEE

1. The FSA, like other organisations, felt the pressures of Omicron over the winter period. We prepared well and fortunately the effects were not as detrimental to staff availability the initial forecasts of up to 25% absence. The **FSA's 2021/22 Winter Plan emergency response** focussed on Field Operations resourcing, and the Local Authority recovery plan. On 27 January 2022 the Incident Management Co-ordination Group (IMCG), which had been overseeing the incident since November 2021, agreed to de-escalate to a business-as-usual approach, with pressures handled through normal operations. Significant resourcing challenges remain, primarily focussed within Field Operations, but we no longer need to be on standby to handle 25% absences. There were no service interruptions in the delivery of FSA Official Control activity in approved establishments. The option remains to re-escalate any of the Winter Plan issues should circumstances change.
2. **Local authority recovery.** The Board will recall that they agreed the [Local Authority Recovery Plan](#) at their meeting in May 2021. The Plan, which covers the period July 2021 to March 2023, sets out our guidance and advice for local authorities (LAs) in England, Wales, and Northern Ireland on delivery of official food controls and provides a risk-based framework for restarting the system in line with the Food Law Code of Practice. It details expectations for undertaking inspections of new food establishments and high-risk and/or non-compliant establishments, whilst providing flexibility for undertaking interventions at lower risk establishments, to ensure that consumers are protected.
3. In December 2021, in the [LA Recovery Plan Update](#) we reported that we had begun closer monitoring of LAs, in the form of quarterly temperature check surveys and regular engagement with Food Liaison Groups. This is a shift from the previous arrangement of doing annual monitoring. The themes emerging from this monitoring include:
  - Improvement in the delivery of official controls by local authorities compared to 12 months ago, with professionals who were abstracted to other duties returning to work on food law;
  - Vast majority of LAs able to focus on high-risk businesses and to react to new emerging risks;
  - The Omicron variant did not see an increase in long-term secondments to other duties as happened in previous phases of the pandemic, though staff absences due to sickness or having to self-isolate did impact briefly;
  - LAs are conscious of receiving a high number of new registrations and are concerned about the number of outstanding inspections needed. Many report a deterioration in food business operator (FBO) compliance since the FBOs reopened, leading to more complaints, longer inspection visits and more enforcement;

- LAs consistently report that recruiting qualified staff into food teams is a real challenge.
4. Since the October 2021 temperature check survey, the FSA has engaged with those LAs not meeting minimum expectations. There were 112 LAs (23%) who were concerned about not being able to meet the minimum expectations of the Plan in October. The FSA has engaged with 91 so far, with the remaining 21 to be engaged with in the next few weeks. Of the 91, 61 have given us assurances that they are now on track. There are no LAs of concern in Wales and Northern Ireland. This leaves 30 cases in England open with either ongoing active engagement, or the LA has submitted an action plan and progress with implementing it is currently being monitored. No LA has reached the threshold where we have needed to escalate through our escalation process. This indicates that the majority of LAs across all three countries are making progress in keeping with the Recovery Plan. This is also evident in the [Q3 Performance Report](#), with a fall in the number of businesses 'awaiting inspection' (12% reduction) and an increase in businesses rated as '5 – very good' (+0.3%).
  5. **Field Operations.** As COVID restrictions have been removed across England and Wales, the FSA has encouraged abattoirs where we regularly work to maintain existing **COVID-19 health and safety protocols**. Most operators have maintained COVID-19 control measures and the FSA has maintained its network of COVID control monitoring to support our people. COVID absences have remained manageable across the FSA and our Service Delivery Partner (SDP) during the most recent COVID wave, peaking at 4.58% during January and falling to 2.07% at month end. Resources remain fragile and are closely monitored, however, COVID absence is no longer the primary issue impacting resource levels; but any absence does compound the resource pressures currently being faced.
  6. A significant focus on recruitment has **increased SDP Official Veterinarian (OV) resource levels** from 210 in November 2021 to around 232 in January 2022. This improving resource position is forecast to continue, and the SDP predict that they will be out of contingency measures by the end of March 2022. However, it should be noted that this is reliant on the Temporary Registration initiative agreed with the Royal College of Veterinary Surgeons (RCVS) continuing, and no increase in attrition levels.
  7. There are **potential increases in demand for OV resource** in the coming months, with requirements for checks on specific imported goods being introduced at GB Border Control Posts planned for July 2022. This along with any changes in the Northern Ireland Protocol could increase OV demand in GB and impact on the SDP's ability to retain staff. **Contract Meat Hygiene Inspector (MHI) availability has also improved**, and the SDP now considers this resource to be stable, therefore the use of back-office qualified MHIs as a contingency is not necessary at present.

8. The resourcing challenges and the focus on delivering front line positions without service interruption have **affected 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. High risk work and incidents have continued to be the focus, but the wider reduction in assurance visits has had some isolated impact on the quality and consistency in delivery of Official Controls. The Field Operations teams have now implemented recovery plans using a risk and impact-based approach.
9. The issue of **low morale** is still a significant issue within the Field Operations. The management team have undertaken an initial review of the People Survey results (which get published across the Civil Service in April) and are putting plans in place to address immediate issues. Work is also underway to develop a People Plan exclusively for Field Operations which recognises the specific issues and challenges and will sit alongside the corporate People Plan.
10. 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 has been extended by 1 month to include payment in March 2022. The FSA is considering whether further support will be required in the 2022/23 financial year.
11. **Temporary Registration** arrangements for OVs were agreed with the Royal College of Veterinary Surgeons (RCVS) in March 2021 for 12 months. This allows vets who have not yet met the higher standard of English language to carry out a restricted range of OV activities with supervision and support, whilst developing their English language skills. A review of these arrangements was completed and presented to RCVS in December 2021. The RCVS were content with the governance and oversight that the FSA have in respect of this contingency measure but were clear that it should not be assumed that Temporary Registration will be extended beyond May 2022 and are keen to see an exit strategy in respect of Temporary Registration by Spring 2022. We currently have 48 Temporary Registered OVs, however, this number will increase over the coming months. The FSA continues to engage with the RCVS and other stakeholders regarding Temporary Registration.
12. The **Operational Transformation Programme (OTP)** is making good progress on the deliverables agreed with the Board in September 2021 and these are reported in more detail in the [OTP Board paper](#).
13. The FSA has completed a thorough options analysis looking at transitional **resourcing models for the OV role** when the current SDP contract ends in 2023. We have decided to move to a flexible hybrid model, which combines insourcing and outsourcing. We plan to insource a quarter of OVs before the start of a new contract period, with the ambition to increase this. We believe

this will improve the resilience of the service, improve retention within the workforce, and give greater control over our work. This decision was announced in January. Work is now underway to deliver the re-tendering and recruitment activity to implement this transitional hybrid resourcing model.

14. We have also reviewed our **charging regime** for the way we recover costs for Official Controls from the meat industry. We have confirmed that the Future Delivery Model developed by the Operational Transformation Programme, and our charging mechanisms are fully compatible.

We want our approach to cost recovery to continue to:

- Protect the interests of UK consumers;
- Incentivise achieving and maintaining compliance with food safety regulations as well as animal health and welfare and public policy outcomes in order to deliver the public good;
- Be transparent (easy to understand for FBOs and easy to administer by the FSA);
- Not disproportionately impact specific stakeholders;
- Have a robust legal foundation, complying with legislation, HM Treasury and international trade requirements;
- Be responsive to UK and global needs and expectations and demonstrate the value of FSA delivery of meat official controls to all stakeholders;
- To be developed collaboratively in line with commitments under the provisional UK Framework for food and feed safety and hygiene.

15. We do not plan significant changes to the current approach, such as moving swiftly to full cost recovery. Recovering a far greater proportion of costs would need political support, which we do not believe exists given post-COVID and post-EU Exit pressures on the food industry at present, and other cost of living pressures. We discussed this with the Board in a retreat session in January and are grateful for your confirmation that a continuation of the current arrangements is acceptable for now.

16. Defra and Welsh Government have asked the FSA to undertake a new **Slaughter Sector Survey** (similar to those conducted in 2011, 2012 and 2018) in all England and Wales slaughterhouses, to inform policy about animal welfare at slaughter. The survey will comprise a similar set of themes to the 2018 survey including the number of animals slaughtered, where they were sourced, how they were slaughtered, whether slaughter involved stunning and whether it was for religious purposes, where meat was distributed – domestically and/or the countries exported to, and membership of third-party assurance certification schemes.

17. Defra [support to the pig industry](#) was relaunched after revisions on 14 January 2022 and is open until the end of March 2022. The main impact for the FSA is on resource, with the potential for extra shifts to deliver Private

Storage Aid and Slaughter Incentive Scheme Initiatives. The FSA is also providing support to Defra and AHDB (Agriculture and Horticulture Development Board) for a potential off site culling operation.

18. **Salmonella Enteritidis outbreak**, linked to frozen rodents imported from Lithuania and distributed in the UK. Unfortunately, cases continue to occur, children continue to be disproportionately affected, with over 400 children under 9 years affected so far, and 921 cases in total as of 1 February 2022. The importer suspended import of all Lithuanian mice as of 7 December 2021, the products were withdrawn and recalled on 9 and 11 December and a product recall information notice, (PRIN) was published on the FSA website on the same day. The European Commission responded on 4 January 2022 to a joint FSA and Chief Veterinary Officer (CVO) letter requesting urgent action to tackle contamination at source but offered limited assurance that the issue would be addressed by the Commission or Lithuanian authorities. Defra-led efforts, working with the FSA and FSS, and several other government departments, took further escalated action and safeguarding measures were implemented across each country in the UK, under TARP (The Trade in Animals and Related Products Regulations 2011) on 16 February 2022, preventing the import of rodents from Lithuania until the UK is satisfied that contamination is managed at source by Lithuanian authorities.
19. The FSA is continuing its work to secure **additional investigatory powers for the NFCU**. We now have the consent of the Secretary of State for Health and Social Care to proceed to public consultation on this topic, and plan to do so shortly.
20. Recent or ongoing investigations: the NFCU led, multi-agency **Op ATLAS** investigation became the unit's first case to go through the process from start to finish. It involved a UK-based individual selling 2,4 – Dinitrophenol (DNP) internationally, as well as steroids (Class C Controlled Drugs) and prescription only medicines (POM) on the Dark Web. The defendant was charged with eight offences, including some under the Food Safety Act 1990 relating to the sale of DNP, and was sentenced to 28 months' imprisonment in December 2021 following a guilty plea. Confiscation proceedings have also commenced to remove any proceeds of crime from the suspect.
21. **Op ENDEAVOUR** is a new joint investigation between NFCU and FSA Legal Investigations which, following an unannounced inspection at a food business, has led to the detention of several tonnes of unfit meat. Traceability enquiries are ongoing alongside the consideration of serious hygiene offences and obstruction, based on the circumstances of the inspection.
22. We continue to seek a more appropriate legislative footing to deter the sale of **DNP**. We will respond positively to the Home Office-led consultation to make amendments to the Poisons Act, definitively categorising DNP as a poison, broadening the ability of authorities/agencies to enforce its unlawful possession and sale. The consultation concludes on 10 March 2022.

23. The Legal team (Litigation and Prosecution) is handling a number of judicial reviews including a challenge in the Novel Food space, a challenge in respect of whether authorisation for warm meat/partially chilled meat transport requires national implementing measures before the FSA can enforce and a challenge against the FSA's interpretation of Mechanically Separated Meat.
24. After a seven-year legal case, AIMS's case on behalf of Cleveland Meat Company v FSA was dismissed in its entirety by the **Supreme Court**, as it was previously by the High Court and Court of Appeal. It confirmed that EU law imposed on Member States an obligation to provide a remedy against an OV's decision that meat from a carcass was unfit for human consumption though accepted that a judicial review as a public law challenge was adequate.
25. **FSA prosecutions** in the period since my last report have seen convictions secured in three cases for offences under the Food Safety and Hygiene (England) Regulations 2013. **Arsalaan Qasid** was found guilty of obstructing an OV at the premises of Medina Pure Halal UK Limited following a trial at Dudley Magistrates Court on 15 December 2021. Mr Qasid was fined £1,500 and ordered to pay prosecution costs of £7,532.50.
26. **T Smith and Sons Limited**, the food business operator (FBO) of a dairy production holding, pleaded guilty to an offence of placing unsafe food on the market at Leicester Magistrates Court on 10 November 2021. The prosecution was taken after the FBO had continued to sell raw cows' milk directly to the public despite testing showing that the milk was failing to meet required microbiological limits. Sentencing took place at Leicester Magistrates Court on 5 January 2022 and the company was fined £14,666 and ordered to pay prosecution costs of £3,062.
27. Sentencing took place at Chelmsford Crown Court on 7 January 2022 in the prosecution of **GST Limited**, the FBO of an approved poultry slaughterhouse. The company pleaded guilty to two offences concerning their failure to ensure that poultry that was presented for slaughter at their premises on two separate dates was properly identified through the presentation of the necessary food chain information to the OV. On both occasions, documentation was presented to the OV that did not correspond to the turkeys being slaughtered on that day. The company was fined £10,000 and ordered to pay prosecution costs of £17,250.80.
28. On **finance**, the FSA is forecasting a £4m Resource Departmental Expenditure Limit (RDEL) underspend in the current financial year ending 31 March 2022 (about 3% of our total budget). This reflects continuing difficulties in recruiting the staff we require and the consequent slippage of work delivery. Due to the recent COVID-19 restrictions, travel has not recovered this year as expected when the budget was set and in recent months we have been seeing a lack of interest in work put out to tender due to market demand exceeding supply. We are looking at how we can better use pipelines and

pre-market engagement, to notify potential suppliers of upcoming opportunities, while exploring more targeted procurement routes during the final months of 2021/22.

29. To help manage the underspends during this very volatile year, a significant amount of new or brought forward priority work was approved by the **Investment Board**, more than £14m to the end of January 2022, an increase of £4m over the previous year. By overprogramming this year in Science, we are not expecting to underspend in Research for the first time in some years. We were also able to put funding into improving our information systems and we provided additional funding for EU Exit related priority activities, such as Local Authority grants, sampling and surveillance activities.
30. Following agreement with HMT on our SR21 funding for 2022/23 to 2024/25, the FSA is presenting its proposed priorities and budget to the Business Committee in a [separate paper](#). Although we did not get the full extent of our ask, we have been allocated more than we have had in previous years, largely to address our additional responsibilities driven by EU Exit.
31. Following the Board's more open appetite for risk on resources, the FSA is over-allocating spend of circa. £7m for the 22/23 budget as noted in the March Business Committee paper. This anticipates continuing uncertainty in our business environment with resulting challenges around speed of recruitment and commissioning work. However, we will monitor forecasts closely and reassess these assumptions on an ongoing basis, reprioritising spend as needed.
32. **People.** 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 31 December 2021, a total of 1294 awards totalling £261,450 were made to 870 staff up to and including Grade 6. This compares with 1163 awards costing £263,400 made to 661 employees over the same period last year.
33. Following the return to increased **COVID** restrictions in December 2021 and the resulting need to limit access to our offices, in late January the revised positions adopted by the governments of each nation meant that we could once again make office space available to all staff across the estate. We are seeking an increase in usage as we work toward 1 April, the date by which all staff, whose contract requires them to attend an office, are expected to do so.
34. **Recruitment** activity has increased with 132 campaigns closing between 29 October 2021 and 1 February 2022 covering 181 roles. These included 61 externals, 39 across government and 32 Internal campaigns. The total number of applications received was 3830, showing an increase in average applications received per role from last quarter.
35. On **SCS recruitment**, the Director of Operations campaign is nearing completion. We received 86 applications for this post. The recruitment campaign for the new Director of Resources & People post was launched on

3 February 2022. Preparation is also underway on the campaign for a new Director of UK and International Affairs. The post will be offered on temporary promotion through an expression of interest exercise until a permanent appointment is made. There are also several Deputy Director roles in the planning stage.

36. I also wanted to mention here that **Michael Wight** retires from the FSA at the end of March after 42½ years in the Civil Service. He has worked for the FSA for all of its 20 years, save for a short period in Defra when he moved over with the work on food composition and labelling in 2010. He has made a very significant contribution, in that time, to food we can trust.
37. The Civil Service **People Survey** took place in October 2021, and results were shared with the organisation in December (although they remain embargoed outside of the Civil Service at present). 77% of our people participated, a reduction from last year. Our overall engagement score is 68%, which is a drop of 2 percentage points from last year but remains our second highest ever engagement score, and higher than the Civil Service benchmark of 66%. This is a really good result. Early analysis indicates that the scores in Field Operations are lower than the rest of the FSA, which has a significant influence on the overall organisational engagement scores, and which causes concern in its own right.
38. We also carried out our first ever FSA **Culture Enquiry** during October and November 2021 to better understand our culture (and micro cultures) across the organisation. The Executive Management Team are now reviewing the themes from the Culture Enquiry in the wider context of CS (Civil Service) People Survey results and strategy staff engagement themes to identify our People Priorities for 2022/23, inform a review of our values and shape our 3-year People Plan.