



Food
Standards
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**Performance and
Resources report
Q3 2022/23
FSA BC 23-03-05**

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Food Standards Agency
Business Committee
13 March 2023



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There have been some significant challenges during 2022/23 including work to deliver the Retained EU Law Bill, the Precision Breeding Bill; the development of the Borders Target Operating Model and dealing with uncertainty on wider public finances. Notwithstanding these, as highlighted by our key metrics, our achievements during Q3 include:

'Doing the day job'

We achieved our Q3 meat food business audit target (90%) for a second successive quarter. Of the 92% audits completed, all high risk premises were audited during the period at the required frequency.

Most LAs are in compliance with the LA Recovery Plan. Many LAs are now completing planned inspections of the low risk categories emphasising how the system is closer to aligning with Food Law Code of Practice expectations, particularly for retailers, restaurants and caterers where, inspections are near pre-pandemic levels.


Although redeployed / diverted staff have returned to food services, there has been a drop in Full Time Equivalent (FTE) posts allocated to food hygiene services in the last 10 years. The lack of suitably qualified people available for LAs to employ has contributed to the fall in filled posts. Across local food liaison groups, some LAs are reporting significant difficulty in recruiting and retaining staff.

The NFCU continues to record noteworthy disruptions against food crime. Figures for Q3 have fallen, but investigations follow unpredictable rhythms of progress, making it difficult to draw conclusive quarterly comparisons. Compared to 2021/22, there has been a 15% increase overall in disruptions achieved by the NFCU in 2022/23 compared to the first three quarters of 2021/22. Early but unconfirmed Q4 figures point towards an uptick in disruptions for that quarter and the prospect of a greater increase for 2022/23 overall.


'Evolving our own capability and capacity'


Due to unforeseen pressure on our resources in the course of 2022/23, we completed a prioritisation exercise part way through the year. This involved conscious decisions to stop, reduce or pause work across the FSA. The effect and impact, and actions we are taking to mitigate these changes is picked up across this update.

Meat food business compliance

 **92% Full meat audit completion**
(+1% points higher than Q2)

Trust and confidence in FSA and food system

 **91% are confident**
that the food they buy is safe to eat

 **86% are confident**
the information on food labels is accurate

Of those that have some knowledge of the FSA:


 **75% Trust the FSA**
to ensure food is safe and what it says it is.

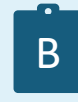
Financial position


 **£3.6 million forecast underspend**
of 2022/23 Westminster, of which:


 **£2.6 million is CDEL**

Local authority performance as at 31 Dec 2022

 **93.6% interventions achieved**
at category A-rated establishments for hygiene.
(Target: 100% by 31 Mar 2022)


 **94.9% interventions achieved**
at category B-rated establishments for hygiene.
(Target: 100% by 30 Jun 2022).

 **90.9% interventions achieved**
at category C-rated establishments for hygiene and less than broadly compliant.
(Target: 100% by 30 Sept 2022).

 **66.7% interventions achieved**
at category D-rated establishments for hygiene and less than broadly compliant.

 **0 LAs escalated** through the process.

Understanding the food crime threat

 **61 food crime disruptions**
(+15% compared to Q3 2021/22)

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

Key successes in the quarter

- Full audit completion achieved 92% in Q3 against a target of 90%, an increase of 1% points from Q2. This reflects a second consecutive quarter of this target being met, the first time this has happened since the pandemic.
- Our Service Delivery Partner has assisted with the high volume of audits in Q3 by providing additional veterinary audit resource.
- After a number of successful recruitment campaigns, all vacancies in the domestic audit team have now in the process of being filled with induction and training scheduled for Q4. Full team should be available for Q1 next financial year.
- Additional resource in the export assurance team are due to start in Q4. Once those auditors complete their training, the risk to domestic audit delivery will be reduced.

Concerns / risks

- Recruitment and retention of auditors continues to be a challenge, due to the highly competitive veterinary market and geographical requirements of the roles. A reduced audit team could impact the delivery of third country audits, a priority, which the FSA undertake on behalf of Defra in order to permit exports and resource may have to be taken from domestic audit teams to support this.
- Until the new joiners have completed their training, there will continue to be some reliance on the domestic audit team to support exports during Q4 although we still expect both domestic and third country export audit teams to be able to meet the required targets.

Next steps

- Work is underway to agree a memorandum of understanding and funding from Defra for increasing export assurance activity which will help support the FSA to provide assurance that establishments comply with requirements imposed by the third country.

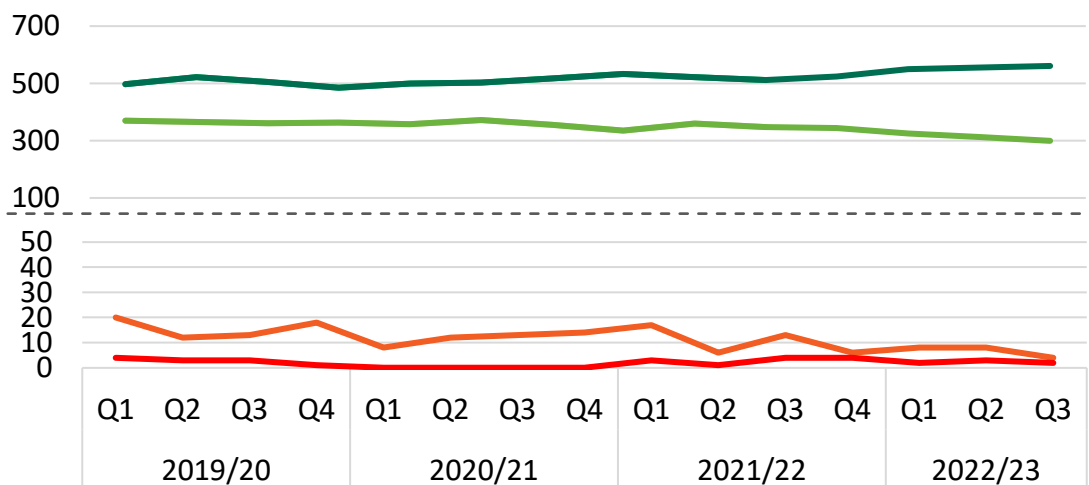


92% (+ 1% points higher than Q2)
Full audit completion



99.3% (+0.6% points from Q2)
Meat FBO premises rated 'Good' or 'Generally satisfactory'

Number of meat FBOs rated



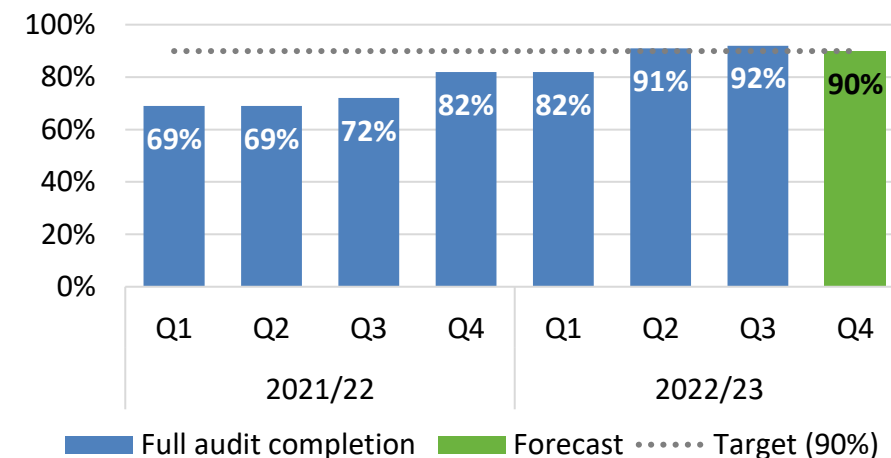
Good 64.7%
(↑5 ratings)

Generally satisfactory 34.6%
(↓13 ratings)

Improvement necessary 0.5%
(↓4 ratings)

Urgent improvement necessary 0.2%
(↓1 ratings)

Full audit completion against target for England and Wales



Key successes in the quarter

- The level of resource in the system is being maintained at levels close to those at the start of the pandemic (but should not be confused with a system being fully resourced).
- Most Local Authorities (LAs) are in compliance with the Recovery Plan.
- The number of businesses reported to be currently awaiting a rating continues to fall and has dropped by a further 9% since October 2022 to 39,390 reported in the January 2023 survey.

Concerns / risks

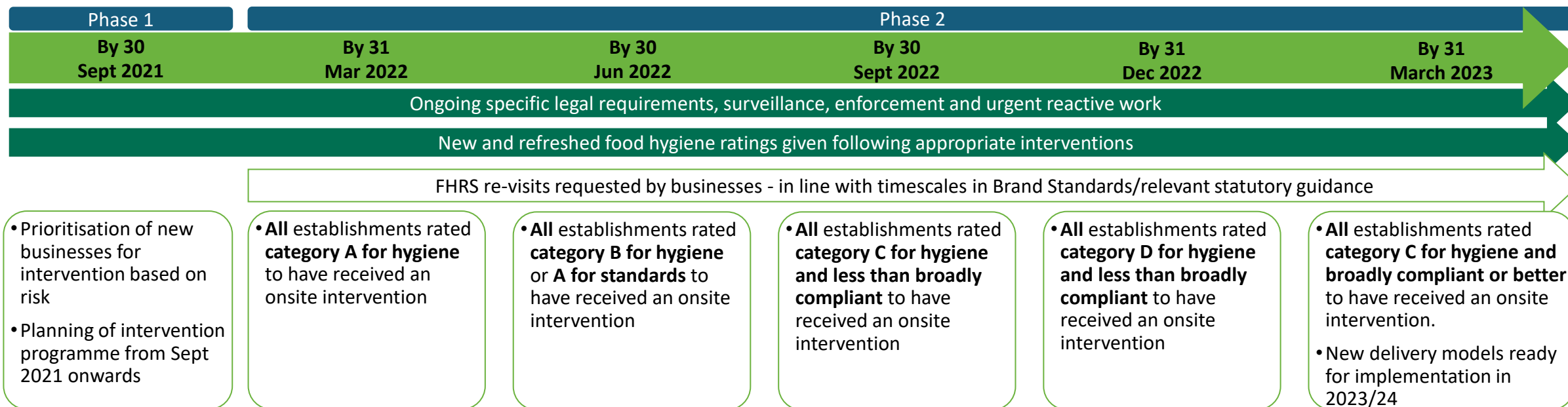
- The number of new businesses triaged as potentially higher risk and awaiting inspection, is still high (10.8k). This may be due to the total volume of work required by the Recovery Plan which means LAs have increasingly large workloads to manage.

Next steps

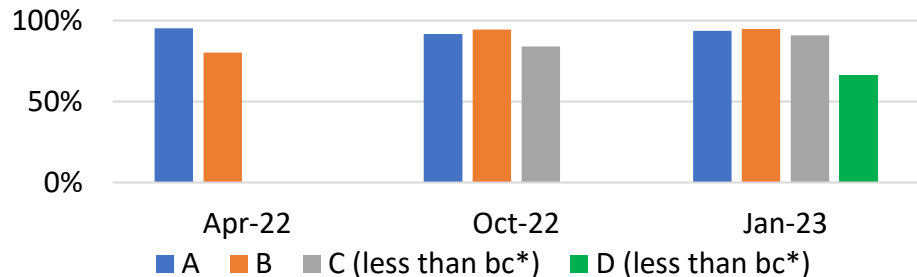
- Actively engage and monitor LAs who have yet to give an acceptable level of assurance of being able to deliver the key requirements of the Recovery Plan and escalate if necessary.

FSA Recovery Plan – current RAG status

Date	Milestone	RAG rating
By 30 Sept 2021 and onwards	Prioritisation of new businesses for intervention based on risk.	Green
From 30 Sept 2021 onwards	Completion of inspection of new registrations prioritised as higher risk.	Amber
By 31 Mar 2022 and ongoing	Completion of onsite hygiene inspections at Category A establishments.	Green
By 30 Jun 2022 and ongoing	Completion of onsite hygiene inspections at Category B establishments.	Green
By 30 Sept 2022 and ongoing	Completion of onsite hygiene inspections at Category C establishments < broadly compliant.	Green
By 31 Dec 2022 and ongoing	Completion of onsite hygiene inspections at Category D establishments < broadly compliant.	Amber



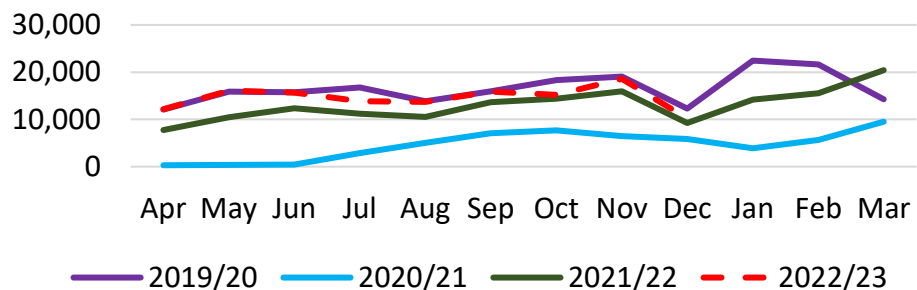
Planned interventions achieved at A-rated, B-rated & C and D less than broadly compliant (bc*) establishments



Is the system as a whole targeting the risks?

- Interventions at higher risk, A and B-rated establishments, remain high (94% and 95% respectively).
- LAs have made good progress on interventions at C-rated establishments less than broadly compliant (91%). Progress on D-rated establishments less than broadly compliant, due by 31 Dec 2022, is only at 67%. LAs should make progress at lower risk establishments (C and D-rated) where resource is available.
- In addition to progressing with the higher risk businesses, LAs have made inroads into the backlog of mid-low risk businesses with 114K having received an intervention (YTD). Due to the higher volumes of premises in these categories (c.28x more than higher risk), progress to pre-pandemic levels is expected to take longer and comparing to pre-pandemic, 66% of expected interventions for 2022/23 year to date have been achieved.

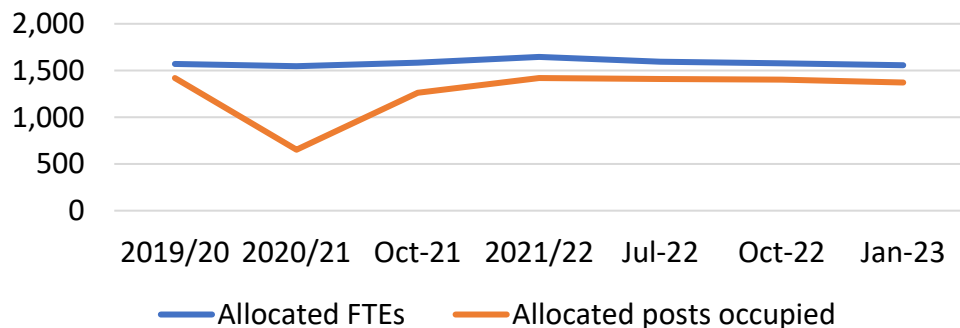
All interventions achieved at retailers, restaurants and caterers



How does LA delivery compare to previous years?

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

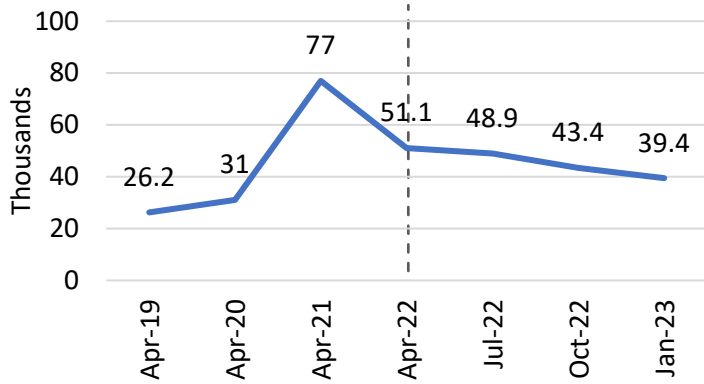
Professional FTEs for food hygiene controls work



Are occupied resources returning to food hygiene control delivery work?

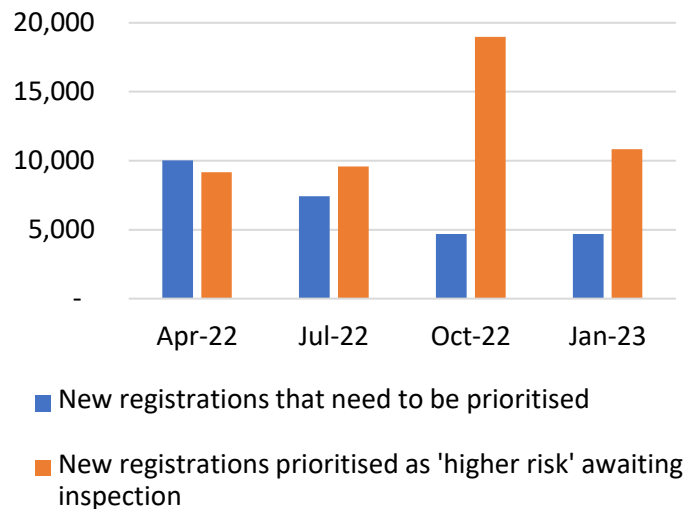
- Slight variations in FTE data should be treated with caution as they are LAs' estimates and only provide an indicator of resource.
- Some LAs reported additional professional resource was allocated to deal with backlogs of food controls work between April 2021 and April 2022. Where this resource was funded for a short time on top of the normal allocated resource, this is included in the FTE posts on a pro-rata basis.
- The slight reduction in FTEs in January 2023 may have an impact on the delivery of food control work.
- Some LAs have reported issues with recruitment of fully competent staff or long-term sickness of staff.
- 88% LAs reported they anticipated having sufficient resource to deliver the Recovery Plan by 31 March 2023.

Unrated businesses reported in each return*



*Until April 22 data available from end of year annual returns. Since then data was collected quarterly.

Prioritisation of new registrations at each quarter

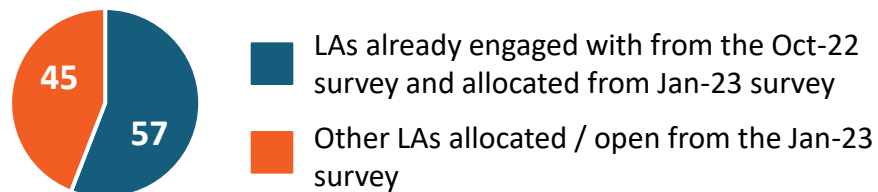


How are LAs managing new businesses and is there an increase in the level of unknown risk entering the system?

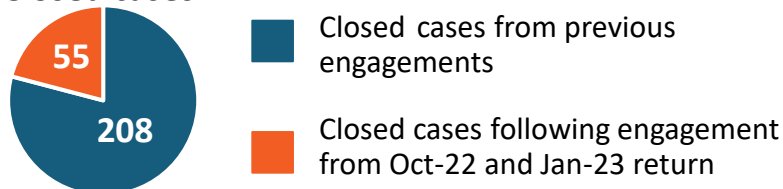
- The number of unrated businesses and “New registrations that need to be prioritised” for inspection are decreasing, suggesting an improvement in the management of unknown risk in the system.
- “New registrations prioritised as ‘higher risk’ awaiting inspection” has decreased since Oct-22. A change of wording to the question may have contributed to the large increase in Oct-22 where some LAs may have reported all new businesses that had been triaged regardless of risk. The wording was amended to ‘higher risk’ in Jan-23.
- However, high numbers of ‘higher risk’ new registrations awaiting inspection following triage (10.8k) may be expected if interventions at other higher risk businesses now due an inspection were more of a priority.
- The number of new registrations (new businesses or change of business ownership) changes over time as new registrations come in and interventions of previously unrated businesses take place.

Status of LA engagement following the January 2023 temperature check survey

Open cases



Closed cases



Escalations

0 LAs escalated

through the escalation process

Status of LA Engagement

- We are actively engaging with 102 LAs to address issues of concern from their survey returns. There are currently no LAs in the [escalation process](#).
- LAs are selected for engagement based on risk. Food hygiene and food standards survey responses are analysed to identify the authorities that are considered to present a risk.
- When sufficient assurance is received that the delivery issues have been/are being addressed, the engagement is closed.
- Differing staff capacity in Wales and NI may allow teams to make contact with authorities that present a lower risk in the risk matrix.

Key successes in the quarter

- The monthly consumer insights tracker has been an effective vehicle to promote our food standards messages and role through proactive communications. The tracker received widespread national coverage in October along with December which included a Christmas angle on consumers' food concerns during the festive period.
- Actively supported Defra with its messaging on relaxation on chilled poultry advice providing confidence to shoppers in advance of Christmas.
- We conducted extensive communications and engagement activities around the Precision Breeding Bill to coincide with the Bill's progress through parliament, ensuring our stakeholders were kept up to date and engaged.

Concerns / risks

- Ongoing coverage, commentary and controversy surrounding the Retained EU Law (REUL) (Revocation and Reform) Bill may affect consumer and business confidence and trust in food safety standards.
- The changes to the in-year work plan and prioritisation of key FSA activities may lead to a lower profile for other strands of FSA work, for example, making Food Hygiene Rating Scheme mandatory in England and communications around Food Hypersensitivity.
- Achieving profile and traction on marketing, media and stakeholder communication continues to be challenging with public and media interest in food focussed on cost-of-living issues.
- The consumer insights tracker shows confidence in the UK food supply chain to ensure "affordable food options for everyone" has declined overtime.

Next steps

- Continue to work across England, Wales and Northern Ireland to promote the key FSA priorities, particularly REUL, Precision Breeding, import controls, local authority assurance models and school pilots.



91% are confident that the food they buy is safe to eat (over our ambition of 86%).



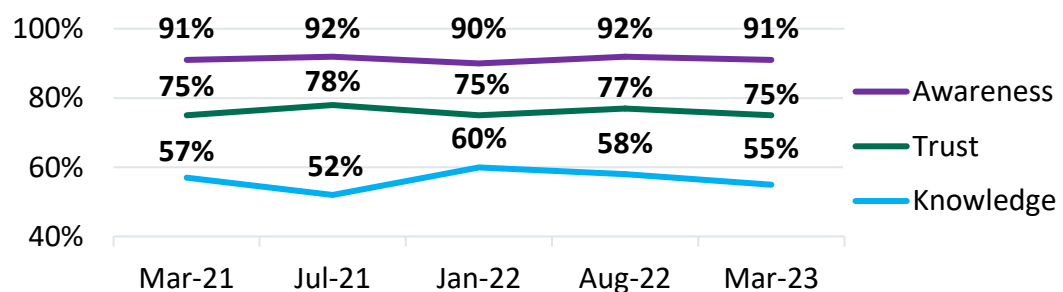
86% are confident that the information on food labels is accurate (level with our ambition of 86%).

Out of those who have some knowledge of the FSA:

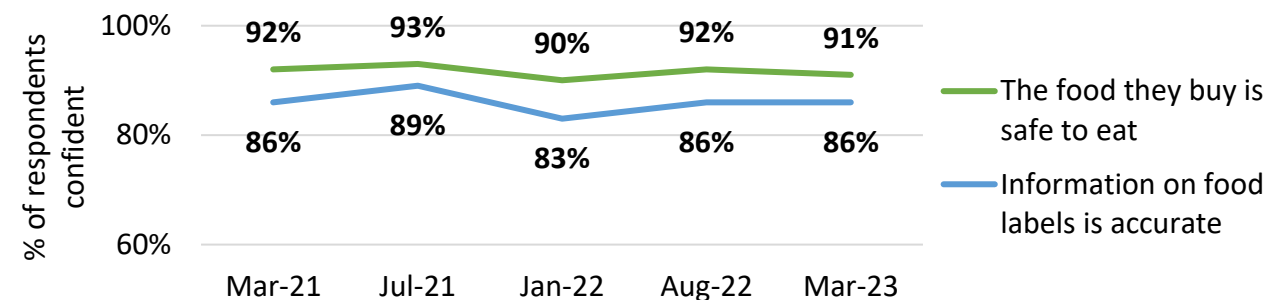


75% Trust the FSA to ensure food is safe and what it says it is (level with our ambition of 75%).

Consumer awareness, knowledge and trust in the FSA



Consumer confidence in food safety and authenticity



Public attitudes: Results from our latest Food and You 2 survey indicate that trust in the FSA (75%), confidence that food is safe to eat (91%) and confidence that information on food labels is accurate (86%) remain high.

Key successes

- A multi-agency LA-led investigation, supported by the NFCU, resulted in the **arrest of 3 people** suspected to be involved in illegal slaughter and the production and distribution of smokies – slaughtered sheep or goats where carcasses are burnt outside of authorised safe processing.
- The NFCU subjected another suspect to **Confiscation Order Proceedings** where his total benefit was assessed as c.£154k and realisable assets at c.£3.5k. This removes the criminal's means to commit further crimes and likely deters others from engaging in food crime.
- The **Food Fraud Resilience Self-Assessment Tool**, which provides guidance and support to businesses on food fraud, was completed for the 500th time since launch in mid-2021 making businesses more likely to have increased knowledge and resilience against food fraud.
- Intel collection related to our Control Strategy has increased to 61% in Q3 (from 54% in Q1) demonstrating the balance required for intelligence in Control Strategy priorities and allowing the FSA to be aware of wider food crime threats outside of the strategy.

Concerns / risks

- The Food Crime Strategic Assessment work was paused following an FSA prioritisation exercise. This work contributes to our understanding and assessment of UK food crime threats. We will look to maintain situational awareness for changes in the food crime landscape to enable us to respond as necessary.

Next steps

- Continue to deliver against **11 current investigations** at various stages in their lifecycles, and to enact 4P plans (Pursue, Protect, Prevent, Prepare) against our agreed strategic priorities.
- Review and revalidate our Control Strategy priorities to establish our focus for 2023/24

Highlighted food crime successes in Q3:



1 enforcement activity where 67 smokie carcasses were seized



7 website takedowns selling 2,4 dinitrophenol (DNP)



3 warrants executed



3 suspects arrested



1 confiscation order obtained



1 charging decision received

Food crime intelligence reports by control strategy priority Q3 2022/23

400 Reports recorded

(↑24 from rolling 12 month average of 376) of which:

42% Red meat (pork/beef/lamb/mixed)

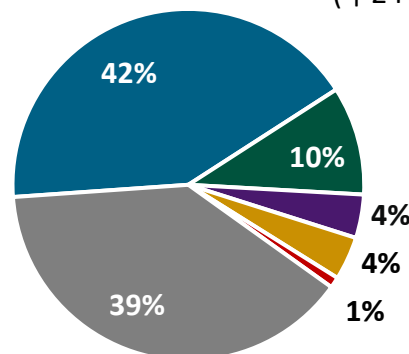
10% Diversion of animal by-products (ABP)

4% Dangerous non-foods

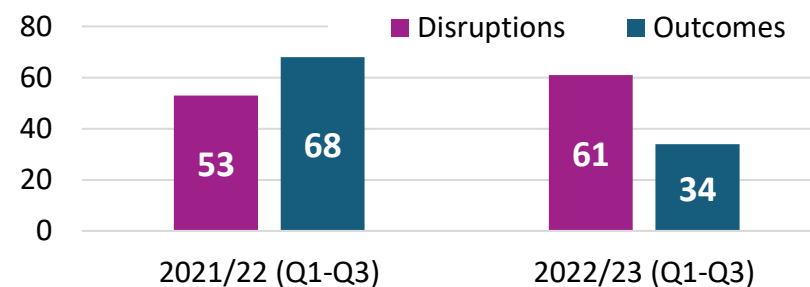
4% Shellfish

1% Sustainability

39% Outside of NFCU Control Strategy



Disruptions and outcomes



61 disruptions

(+8 compared to Q1 - Q3 2021/22)

34 outcomes

(-34 compared to Q1 - Q3 2021/22)

Disruption and outcome recording is used as a measure of the Unit's impact on tackling food crime. Disruptions must demonstrate a higher impact level on food crime to be recorded. Investigative progress follows unpredictable rhythms, impairing meaningful comparison between quarters. Despite a downturn in disruptions in Q3, the Unit has recorded an overall increase in disruptions, compared with Q1 – Q3 2021/22.

✓ Key successes in the quarter

- **Food standards:** Published the Food Law Code of Practice Consultations in England and Northern Ireland which highlight changes needed to support the new Food Standards delivery model. Delivered well attended face-to-face and virtual LA Engagement Events across England, Wales and Northern Ireland, with a 50% increase in number of LA attendees compared to similar events held in 2019, pre-COVID. Ministerial submission cleared by FSA in Wales seeking approval to pilot the new model with Welsh LAs.
- **Food hygiene:** Presented and discussed draft policy proposals with our LA/FSA Working Group, established to provide a mechanism for collaboration with LAs across the 3 nations, and received positive initial feedback.
- **Enterprise level regulation:** 5 Large Retailers (LRs) on track to take part in the pilot scheduled to commence Q1 2023/24. New posts have been recruited to support the pilot activity. The digital solutions are in place and agreed with each LR. This will enable us to access LR data throughout the pilot. Success measures have been developed to help evaluate the pilot impact.
- **Online assurance:** The ABC Programme Board approved the supporting 4 headline principles of the Aggregators Food Safety Charter and the FSA Board are supportive of the working relationship with the aggregators involved. This aims to support business compliance, and develop our understanding of changes needed for future assurance of online food sales to protect consumers.

⚠ Concerns / risks

- The agency wide reprioritisation to deliver against Retained EU Law (REUL) Bill and Borders Target Operating Model work means some activities have been paused and will require a resource review in the ABC Programme.
- Refresh of scope of ABC programme for the merger with transformative elements of the Operations Transformation Programme may create confusion around the programme scope, and who is responsible for which developments in operations, impacting delivery of work within projects. Industry stakeholder expectations will need careful management.

➡ Next steps

- **Enterprise level:** Further progressions of the data access and verification elements for inclusion in the pilot to commence in Q4. Work is underway to onboard an additional major retailer and their Primary Authority into the pilot.
- **Online assurance aggregator charter:** The longer-term aspiration for exploring a wider online framework that provides accessibility for other businesses facilitating the sale of food online is generally supported within the FSA.
- **Food standards:** Delivery of LA data cleansing in anticipation of rollout and subsequent conversion of LA business data to the new model. We anticipate the previously delayed publication of Pilot Evaluation Report will occur in Q4 2022/23.
- **Food hygiene:** Planning continues for the wider stakeholder engagement on initial policy proposals and planned delivery due in early 2023.
- FSA Board discussion on the ABC Programme in March 2023.



Large Retailer Proof of Concept Trial remains on track for Q1 2023/24.



FSA and Aggregator Oversight Group enabling useful information feedback loop.



Food Standards Local Authority (LA) engagement events reached 247 attendees from 148 LAs +50% from 2019.



Food Hygiene led successful collaborative establishment of 3 nation working group

✓ Key successes in the quarter

- Work on prioritising FSA activities has continued in Q3 through business planning and budgeting for financial year 2023/24.
- We have made progress in one of the collaborative projects in the space of food that is healthier and more sustainable. This includes significant progress towards delivering the School Food Standards Pilot to assess nutritional standards of food in schools with the second phase of the pilot beginning in February. There has been positive media coverage on BBC News, BBC Radio 4 Today Programme and regional articles, and feedback from Local Authorities has been positive.
- Our People Plan is nearing finalisation and will be published in due course. It details the activities we will deliver over the next three years in relation to three themes; an exceptional employee experience; maximising capability and an enabling organisation.
- Our three-year corporate plan will be presented at the FSA Board in March 2023, setting out what we will achieve over the next three years, and the indicators we will use to demonstrate that we are delivering our strategy.

⚠ Concerns / risks

- While we have delivered work focussed on the third pillar of our strategy (food that is healthier and more sustainable), we made a decision during prioritisation to reduce work in this area. This means we are not contributing as much to this space as we would have if further resources were available.
- The decision made to stop work as part of prioritisation represents delay to opportunities to improve across the FSA. For work specific to this corporate priority, pausing work on the governance review and services approach delays improvements to our governance structures and approach to making decisions, and we will be doing less to drive toward a regulatory system that makes it easier for businesses to meet their obligations. We will need to carefully consider if and when we resume these pieces of work.

➡ Next steps

- We will continue to deliver key projects in the space of food that is healthier and more sustainable (including School Food).
- We will continue to keep the FSA's workload under review and consider whether further prioritisation is needed in the course of 2023/24, including revisiting items that were reduced, stopped or paused.



3 year corporate plan to deliver the strategy is being presented at the board in March



Activities identified as lower priority in the prioritisation exercise last year have been stopped (governance review and services approach)

Key successes in the quarter

- Continuing to recruit and onboard staff to progress our agenda, whilst being mindful of the medium term financial position and headcount limits, with a record 53 people due to start in January.
- All 2022/23 finance forecasts are now within HMT control limits having started the year with significant over programming .
- 2021/22 Annual Reports and Accounts have been laid in Parliament and respective Assemblies in January 2023.
- Quarterly director meetings providing additional insight to align business plans to the budget have continued during Q3.

Concerns / risks

- Westminster is forecasting an underspend against RDEL (Resources Departmental Expenditure Limits) and CDEL (Capital Departmental Expenditure Limits) of £3.6m and we are looking at ways to utilise this underspend whilst providing value for money to the taxpayer.
- Forecast underspend of £0.3m on Shared Outcomes Funding (SOF) is ring-fenced funding and cannot be reallocated to other directorates. As lead partner on the programme, the FSA must ensure all other partners are managing their budgets effectively. The SOF programme, including non-FSA partners, is forecasting a £7.1m spend of a £9.0m 2022/23 budget.

Next steps

- The Supplementary Estimate, the formal method by which government departments seek parliamentary authority for expenditure, is expected to be finalised and published in early Q4.
- We will continue progressing our work calculating the charge rates to meat industry for delivery of official controls and discount calculations for 2023/24.
- An integrated budget and planning exercise for 2023/24 commenced in Q3 and will be completed in Q4, allowing us to set budgets for the next financial year.

Expenditure	2022/23 Full Year Forecast Q3 (£m)	2022/23 Full Year Limits (£m)	Under / (Over) spend availability (£m)	Fav/(Adv) Variance %
FSA total RDEL and CDEL exc. AME	139.0	143.3	4.3	3.0%
Westminster (excluding SOF) RDEL and CDEL exc. AME	117.3	120.9	3.6	3.0%
of which, RDEL	109.6	110.9	1.3	1.2%
CDEL	7.7	10.0	2.3	23.0%
Shared Outcomes Fund RDEL and CDEL	2.2	2.5	0.3	12.0%
Wales RDEL and CDEL	4.9	5.0	0.1	2.0%
Northern Ireland RDEL and CDEL	14.6	14.9	0.3	2.0%
of which, RDEL	14.1	14.4	0.3	2.1%
CDEL	0.5	0.5	0.0	0.0%

£ **£2.3 million forecast underspend** of 2022/23 Westminster CDEL. Of which:

- **£1.6m** relating to CDEL Research and Development, is ringfenced and cannot be repurposed.
- **£0.3m** relating to CDEL for a technical accounting adjustment (International Financial Reporting Standards 16), which is ringfenced and cannot be repurposed.
- **£0.4m** CDEL is non-ringfenced and available for IT and estates.

+131 People
actual Net FSA Full Time Equivalents from Q3 2021/22 to Q3 2022/23

✓ Key successes in 2022

- Internal audit of health and safety arrangements provides a **'Substantial Assurance'** opinion meaning 'the framework of governance, risk management and control is adequate and effective.'
- Effective transition from a **Covid-19** incident response to managing the virus as a business as usual risk.
- Launch of the **Assure** injury, illness and incident reporting system, a more accessible platform providing improved performance data.
- Improving accessibility, established a single Intranet site for all 'Speak Up' resources and materials including bullying, harassment, discrimination, security and whistleblowing.
- Review and enhancement of wider staff benefits and delivery of a **'cost of living support'** communications plan (continues into 2023).

Concerns / Risks	Next steps
Occupational health resource pressures impacting appointment waiting times and health surveillance activity which includes hearing and lung function tests.	Focused discussions with the supplier continue in order to establish a clear timeline to return service to required levels.
The top causes of sickness absence continue to be musculoskeletal (6.2% 2022/23 year to date (YTD), 11.1% in 2021/22) and mental health illnesses (19.5% 2022/23 YTD, 20.2% in 2021/22).	<ul style="list-style-type: none"> • Improve data capture and analysis to develop a clear picture of all absence, work-related or other. • Work with Field Operations to review ergonomic assessment processes, guidance and manual handling awareness within meat inspection, to identify and reduce risk factors for work-related musculoskeletal ill health. • Use data and staff engagement activity to better understand areas of influence in mental health.
<p>Bullying and harassment continues to be a challenge:</p> <ul style="list-style-type: none"> • 43 formal reports were made during 2020/21. • 90 during 2021/22. • 64 formal reports have been made year to date to Q3 2022/23. <p>(Data includes alleged incidents involving external third parties).</p>	<ul style="list-style-type: none"> • Grow, train and promote Fair Treatment Champions to provide a safe and empathetic workplace. • Convene the 'Speak Up Campaign' 2023 and engage with Staff Networks to understand barriers to reporting unacceptable behaviour.