

MINUTES OF THE FSA BUSINESS COMMITTEE MEETING ON 10 MARCH 2021

Via Zoom from the Chair's Residence, Liverpool

Present:

Ruth Hussey, Interim Chair; David Brooks; Margaret Gilmore; Colm McKenna; Peter Price; Timothy Riley; Mark Rolfe.

Attending

Emily Miles	-	Chief Executive
Chris Hitchen	-	Director of Finance and Performance
Maria Jennings	-	Director of Regulatory Compliance, People and Northern Ireland
Robin May	-	Chief Scientific Adviser
Rick Mumford	-	Deputy Director of Science
Julie Pierce	-	Director Openness, Data, Digital, Science and Wales
Steven Pollock	-	Interim Director of Strategy, Legal and Governance
Rebecca Sudworth	-	Director of Policy
Colin Sullivan	-	Chief Operating Officer

1. Welcome and Introductions

- 1.1 The Chair welcomed everyone to the meeting, noting that there were no apologies. She explained that, in the event that her Zoom connection was lost, the meeting would be chaired by Margaret Gilmore until the Chair was able to re-join. No conflicts of interest were raised.

2. Minutes of 8 December 2020 (FSA 21/03/07)

- 2.1 No comments were made on the minutes of the Business Committee Meeting of the 8 December and they were accepted as an accurate record of that meeting.

3. Actions Arising (FSA 21/03/08)

- 3.1 The Chair noted that there were no actions arising from the previous meeting and none outstanding from earlier meetings.

4. Chief Executive's Report to the Business Committee (FSA 21/03/09)

- 4.1 The Chief Executive (CE) gave a brief summary of key issues covered in her report including field operations work, and the budget underspend. The Chair congratulated the field operations team on maintaining 100% service and

added that the FSA in Wales had also received a gold award at the Fair Play employer awards.

- 4.2 Colm McKenna asked whether the Operational Transformation Programme (OTP) would enable more efficiency in provision of Export Health Certificates (EHCs) or allow the FSA to cease the activity. The CE said provision of EHCs was not part of the core business of the FSA; in abattoirs where FSA vets had capacity, they were offering assistance with EHCs. Colin Sullivan said that the FSA's Executive Management Team (EMT) had committed to review the FSA's role in providing EHCs after three months, and looking to the future Operations were working on longer term solutions with partners and having regard to the direction of travel and progress of the OTP.
- 4.3 Colm noted that the underspend had also been a particular issue in Northern Ireland, adding that much of the money being returned was in relation to COVID-19 funding. The CE said the FSA's budget exchange request to the Treasury had resulted in £2m to be added to next year's budget. Chris Hitchen added that the FSA submitted a monetary return to Treasury with forecast spending for the coming year followed by quarterly calls with Treasury, where financial performance was discussed. Julie Pierce noted that some money was not spent due to research that could not take place during the pandemic, particularly where it was designed to involve face-to-face surveys.
- 4.4 Margaret Gilmore asked if there was a case for delaying the young people's campaign on food hypersensitivity during lockdown as the restrictions of the pandemic limited the usefulness of some of the information to the public. Rebecca Sudworth said that originally, a campaign was planned that focused on small businesses, but this was complicated by the restrictions of the pandemic response. The campaign was now designed to speak to young people directly on social media platforms, which were currently still very active. These focussed on the kinds of food experiences they would be having during the pandemic, particularly takeaways, and ordering by phone.
- 4.5 Margaret noted that a website selling DNP had been disrupted and asked whether the people responsible for the site had been found and held to account. Colin said that this was still an active case and was being pursued.
- 4.6 David Brooks asked about the possibility of FSA staff returning to offices as lockdown restrictions eased, potentially in full, from the middle of June. The CE said that advice was clear that staff should continue work from home if they could, for the time being. She said that she expected the FSA to follow a similar approach to the one they had applied last Summer: the FSA had taken a step-by-step approach where each office was risk-assessed, with a clear communications plan for each office. The main difference this year would be the availability of mass testing. This would need to be factored in, to health and safety assessments. It might differ by location, proximity to testing centres and local restrictions in the devolved administrations. She added that some staff had found the working from home arrangements more conducive to balancing their work and other responsibilities at home, so there would need to be

conversations with those staff about whether they wanted to switch to a different kind of contract.

- 4.7 David asked about the shortage of vets noted in the report and discussions with the Department for Environment, Food & Rural Affairs (Defra), the Chief Veterinary Officer (CVO), and the Royal College of Veterinary Surgeons (RCVS) on potential solutions. Colin said that the FSA, with Defra, was working with the RCVS to enable temporary registration of vets. The FSA was also working with service delivery partners to consider actions to help retain vets that were already employed in the system.
- 4.8 Mark Rolfe asked if there was an action plan to deliver on recommendations around investigatory powers for the National Food Crime Unit (NFCU), noting that the use of those powers in respect of Covert Human Intelligence Sources (CHIS) also contained reputational and financial risks. Colin explained that these powers had been available for some time but as a result of the new legislation, had now been put on a stronger legal footing with FSA specifically mentioned in the Bill.

5. Performance and Resources Q3 2020-21 (FSA 21/03/10)

- 5.1 Chris Hitchen gave a summary of a few aspects of the report focusing on COVID-19 and the winter plan; pressures on Local Authority (LA) performance; and the NFCU.
- 5.2 David Brooks asked about the expectation for businesses to be returning to normal operation in June and how the inspection of higher-risk businesses could be supported. Maria Jennings said that at the 8 December meeting the Board had set out its expectations that LAs must be allowed to target resources at the highest risk businesses. She said the advice and support being provided to LAs for planned overdue inspections had been well-received and all the LAs spoken to had reported meeting the FSA's expectations.
- 5.3 David noted that if current advice was continued past the end of the financial year, this would mean entering a second year under reduced measures. He asked whether a graduated approach to returning to full inspection was possible. Margaret Gilmore added that she was concerned that LA staff moves related to the pandemic could later be used to justify not returning to full capacity. Margaret also asked whether the Food Hygiene Rating Scheme (FHRS) was able to operate effectively with the reduced inspection regime.
- 5.4 Maria gave an assurance that once full inspection was resumed, the businesses identified as high risk would be the first priority. The CE said that a more proportionate approach should be considered to that which had been in place before COVID-19.
- 5.5 The CE asked whether the Board were seeking a return to the system that was in place 18 months ago or whether they were seeking reform as well. The Chair said that some reform was sought but that a functional FHRS should be a

part of that. Julie Pierce said that data scientists, working in support of Maria's team were working towards possible operationalising the prioritisation of FHRS risk, predicting the scores to prioritise LA resources. Timothy Riley said that reform would be welcome rather than simply reverting to a pre-pandemic approach but that the old approach should still provide the reference point for reform, not the current situation.

- 5.6 Mark Rolfe noted that some legislation being enforced had sunset clauses due to expire in July and that LAs would question why further resource should be allocated, having operated on reduced inspection for so long without being able to demonstrate a detrimental impact on outcomes. This potential challenge reinforced the need for changes to ensure a more effective system. Maria offered to discuss the issue with Mark after the Committee meeting to draw on his knowledge of the thinking within LAs.
- 5.7 David noted that some LAs were at the highest level of escalation and asked what discussions there had been with these LAs. Maria Jennings said that there were five LAs in England and one in Wales where the FSA had had concerns. Conversations with these authorities had provided assurance that they were acting appropriately.
- 5.8 David said that, recognising the impact of COVID-19 on the delivery of corporate priorities, it would be necessary to ensure that the issues being reported were really related to pandemic restrictions and that this was not being used as a justification after the fact. The CE said she was confident that this was not happening and that there was frustration about the inability to progress workstreams due to pandemic restrictions. Chris said that the teams were capturing relevant milestones including root causes where work was not progressed and EMT discussed the performance report prior to the Business Committee allowing a rigorous review process.
- 5.9 Margaret asked whether COVID-19 had impacted on the Food Allergic Reporting Mechanism. Rebecca Sudworth said that not enough was yet known about consumers' experience of severe allergic reactions to food and a means of reporting those experiences was being planned. It had taken some time to agree how the mechanism would work and the pandemic had impacted on our ability to engage with LAs on the issue; this was now being focussed on as a priority.
- 5.10 Mark noted the success of preventative actions taken by the NFCU and asked if it was possible to have an example of a 'prepare' action and how that could disrupt food crime. Colin Sullivan highlighted the Food Fraud Resilience Toolkit, which was a questionnaire for food businesses to see how well prepared they were to identify fraud or being subject to fraud and food crime themselves.
- 5.11 Peter Price asked if the FSA was communicating to LAs that they should take a helpful approach to unregistered businesses rather than clamping down on them, potentially forcing them underground. Maria said that throughout the pandemic, there had been a growth in the number of small home businesses.

Some of these were very small and had limited reach. It was likely that following the easing of restrictions, some would consider moving into bespoke units while others would continue producing from homes, either way it was still necessary for them to register. Maria said that unregistered businesses likely accounted for around 5% of businesses that were trading.

5.12 The Chair said that the Board would need a substantial update before June on progress with LAs returning to 'business as usual', demonstrating a roadmap to recovery. She noted that outdoor hospitality would be opening up from the 12 April in England and it would be important to ensure that this took place safely. The Chair said the Business Committee recognised the issues and would like to see progress.

Action 1 - A substantial update to be brought to the Board before the end of June on progress with LAs returning to 'business as usual', demonstrating a roadmap to recovery.

6. FSA Priorities and Budget 2021-22 (FSA 21/03/11)

6.1 Chris Hitchen introduced the paper highlighting: the guiding principles listed in Annex A of the paper; the COVID-19 response; the Food Hypersensitivity and Operational Transformation programmes; and EU Transition and the budget underspend. The CE outlined the draft guiding principles.

6.2 Colm McKenna asked whether enough preparation was taking place to ensure the budget would be spent in the next financial year. Chris explained that the impact of COVID-19 on the ability to spend the budget was not solely related to programme work but also to other areas such as travel and subsistence that were not taking place. Whether the willingness to spend had matched the risk appetite that the Board had set would be considered by the Executive. Chris said he was hopeful that the changes made would avoid an underspend in the coming year but that it would be monitored and reviewed constantly to ensure that it was on target.

6.3 Rick Mumford added that the FSA had been creating its own research and evidence programmes and resource had been brought in to support them. There was activity taking place to address that area of budget underspend that would be brought to the Board in the future to give a more detailed overview of what was being done.

6.4 Peter Price asked how the £3m for EU Transition related work would be used. Chris said that the £3m budget commitment from Treasury was currently only for one year and therefore would not support expenditure such as permanent staffing. He said that details of how the money would be spent were available and that he would be happy to share that with Board.

Action 2 - Chris Hitchen to share details for the spending of the £3m EU Transition budget allocation with the Board.

6.5 Margaret Gilmore asked about the timescale for the review of the emergency response to COVID-19 and the Board's input into that. The CE said that it would be a good idea to involve the Board in the emergency response, noting that some of the work around lessons learned could be highly detailed and care would be needed to ensure information was being shared appropriately.

Action 3 - Board input into the review of the emergency response to COVID-19 to be sought.

6.6 A response had been submitted to the Defra Select Committee giving reflections on the FSA's learning from the pandemic.

6.7 Colm asked whether enough was being done to prepare for a scaling up of the work around the Achieving Business Compliance (ABC) programme. The CE said that there had been an effort to factor this in when forecasting recruitment.

6.8 David Brooks said that the guiding principles were clearly laid out in the paper and this provided an excellent tool to lead the food sector through a period of substantial change. David also asked about the potential to accelerate the ABC, OTP and Food Hypersensitivity Programmes should funding become available. The CE said that the proportion of the budget that was spent on these Programmes was quite small and that there was an effort to honour the priorities set by the Board and attribute more resource into the Programmes.

6.9 Timothy Riley asked whether it was considered likely that LA allocation of resource was likely to be permanently changed by COVID-19 restrictions. Julie explained that not all of the ABC Programme related to enforcement, which was the responsibility of LAs; other roles for the FSA around the provision of services were being considered for inclusion in the ABC scope.

6.10 Timothy asked whether there was sufficient resource within the OTP Programme to counter bad actors in the system. The CE said that although bad actors could have detrimental impacts on the system, there were not many of them. She said that the data team was doing work on analysing large amounts of data to help recognise these actors in the system in ways that might not be picked up by normal inspections.

6.11 The Chair thanked Chris for the report and said that the Business Committee agreed the FSA's high-level activity, budget and additional key priorities for 2021/22.

7. Review of Staff Engagements (FSA 21/03/12)

7.1 Maria Jennings gave a brief overview of the paper, highlighting: progress on staff engagement; Staff Survey results; COVID-19 measures and staff welfare; and next steps.

- 7.2 Margaret Gilmore noted that 2020 was not a normal year and said the positive approach adopted by FSA staff was apparent in the staff survey results and the work the FSA had produced over the year.
- 7.3 Colm McKenna asked about benchmarking the Staff Survey results against other Civil Service departments. The CE said that other departments had not yet published their data but that it was expected within the coming weeks.
- 7.4 Colm noted the rise in pay and benefits. The CE said that the FSA had changed its approach to bonuses to enable more flexibility. She also noted that the pay for shielding staff, particularly in operations, likely contributed to the figures in the report. Maria added that the FSA had reformed its pay and grading boundaries over the last few years which would also have contributed to the uplift in staff salaries. The CE noted that the FSA was still subject to the public sector pay freeze in 2021/22. This was disappointing for many staff who felt they had exceeded their responsibilities over the year.
- 7.5 The Chair said that the report illustrated the importance of listening, engaging with and responding to staff issues and that the Business Committee was supportive of the approach outlined in the paper.

8. Any Other Business

- 8.1 The Chair mentioned that this was David Brooks' last Business Committee meeting and formal engagement as a member of the FSA Board. She thanked him for his valued and effective contribution.
- 8.2 Margaret Gilmore noted that David had acted as her official 'buddy' on joining the FSA and noted how much she had been able to learn from his mentoring.
- 8.3 No further business was raised, and the meeting was closed. The next meeting was planned for 16 June with arrangements to be confirmed according to COVID-19 related restrictions.