

## CHIEF EXECUTIVE'S REPORT TO THE BUSINESS COMMITTEE

1. As ever, it has been a busy period for the FSA since my last report to the business committee in June. My update in particular reflects on the pressures on colleagues in Field Operations resulting from COVID-19 and ongoing pressures on vet capacity.
2. Throughout the **COVID-19 pandemic**, Field Operations have continued to **maintain service delivery** for all those meat plants which have been open.
3. Over June to August 2021, COVID-19 related absence has averaged at 0.95% across FSA and E&J (approximately nine absences at any time with a peak of 26 absences (2.84%) on 23 July). Whilst these absences remain relatively low, they are against the backdrop of reduced availability of contractor Meat Hygiene Inspectors (CMHIs) provided by our service delivery partner Eville and Jones, (E&J), increased annual leave during the summer and an increasing demand for leave with easing of travel restrictions. When COVID-19 related absences do occur, they tend to be focused in a particular geographical area exacerbating the impact and running the risk of the FSA being unable to meet all service requirements.
4. The new close contact rules introduced on 16 August 2021 in England eased COVID-19 absence. I am grateful for the flexibility and professionalism of our Meat Hygiene Inspectors (MHIs) and Official Vets (OVs) from both the FSA and our service delivery partner, Eville and Jones (E&J), alongside significant contributions from appropriately qualified colleagues within our operational management teams and the wider Agency. This remains a fluid situation. We have had to use a range of contingencies, including deploying colleagues from non-front-line roles on the line, temporary reductions in attendance in plant and changes to normal working routines. Without the hard work of all involved and the robust contingency arrangements that have been implemented, it is unlikely that service delivery would have been maintained.
5. Over June to August 2021, COVID-19 related absence has averaged at 0.95% across FSA and E&J (approximately nine absences at any time with a peak of 26 absences (2.84%) on 23 July). Whilst these absences remain relatively low, they are against the backdrop of reduced availability of contractor MHIs provided by E&J, increased annual leave during the summer and an increasing demand for leave with easing of travel restrictions. When COVID-19 related absences do occur, they tend to be focused in a particular geographical area exacerbating the impact and running the risk of the FSA being unable to meet all service requirements.
6. We are working closely with our service delivery partner, to address pressures in relation to the **recruitment and retention of Official Vets (OVs)**, to ensure the continued delivery of Official Controls in abattoirs. I reported to you in May that the FSA agreed to provide additional funding to Eville and Jones (E&J) for up to 12 months in 2021-22 to address concerns over the recruitment and retention of OV's. Since those payments began, E&J attrition

rates have started to ease, in the main. Temporary registration arrangements agreed 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 July 2021. We currently have eight Temporary OVs assisting, and the FSA continues to develop additional **business continuity arrangements** to maintain the Delivery of Official Controls in abattoirs.

7. The **health, safety and well-being of our staff** is fundamental. Following the end of the English national lockdown in July 2021, we wrote to the meat industry asking them to consider maintaining existing health and safety protocols and control measures in plants. There have been no formal reports of protocols and control measures being relaxed. All assurance functions in Field Operations have restarted following their reduction/suspension throughout the pandemic.
8. The delivery of the **veterinary audit programme** resumed in July 2020 and audit numbers are increasing month on month. The backlog of audits resulting from COVID-19 is on track to be cleared by the end of Q2 (30th September 2021) providing current staff resources are not redeployed to other priority work. From the outcome data to date, there has been no statistically significant increase in the number of premises in the poorer performing outcome categories (Improvement Necessary/Urgent Improvement Necessary) since the audit programme resumption. Efforts are being made to increase the percentage of audits undertaken remotely and semi-remotely, where it is appropriate. Since resumption, 13% of Food Business Operator (FBO) audits were carried out remotely or semi-remotely and these have provided outcomes consistent with those of on-site audits in that we have identified the same levels of compliance. Export audits have continued at their normal frequency over the period to protect the export trade, and with agreement of Defra, these were conducted almost entirely on a semi-remote basis.
9. Defra has asked the FSA to continue to provide support for **export certification** activities until the end of March 2022 with the completion of Export Health Certificates (EHCs) where the Official Veterinarian (OV) has capacity given their other duties. In addition, Defra has requested that the FSA continues with the completion of Support Health Attestations (SHAs), which accompany the movement of products of animal origin between sites in the UK and provides information to the certifier to enable it to be exported, beyond March 2022. EMT has agreed to support the request as long as the activity remains within the principles that the Board outlined in January 2021 of not impacting the FSA's delivery of Official Controls.
10. The FSA was approached by **BBC Panorama** regarding a television programme on standards in the horse racing industry, equine identification and racehorse treatment when reaching the end of their careers. The programme highlighted a number of issues (e.g., unreliable identification of animals, welfare of horses when being transported), within Defra's

responsibility for animal welfare policy. A segment of the programme highlighted a concern in relation to animal welfare at slaughter in a slaughterhouse, which was the practice of shooting horses in pairs if they had been feral. While the shooting of horses at distance is compliant with animal welfare legislation, the practice of shooting horses in pairs was not compliant. Animal welfare legislation does not make exceptions for feral animals. In the FSA veterinary opinion, following observation of animals in this slaughterhouse, allowing shooting in pairs had minimised distress for these semi/feral animals. However, as a result of this issue being highlighted by Panorama, this practice was stopped by the FSA on 21 July and Defra are considering next steps in relation to the legislation and how it should be interpreted by the FSA. There were no other matters raised by panorama which required FSA action.

11. I wanted to provide an update on the delivery of the approach to the direct supply of meat from abattoirs during **Eid-Al-Adha 2021**, which supports the practice of Qurbani. This was carried out successfully between 20-23 July with no significant implementation issues. Following on from last year, working in partnership with Muslim meat industry representatives, we built on the industry-led implementation documentation to support consumers, Food Business Operators (FBOs) and officials in line with the following risk mitigation principles:

- Partial chilling of meat before direct supply.
- Verification of supply only to final consumers, or their representatives, with a customer declaration/traceability for all relevant sales/supply.
- Supply of health information and consumer advice.
- Measures to minimise cross contamination, including suitable wrapping.
- Demonstration of suitable micro-biological sampling and/or hygiene history.
- Inclusion of date and time of slaughter on the label of the Qurbani.
- Additional mitigations for the supply of Offal.

12. The FSA and industry representative worked closely with individual FBOs so that understood the requirements, in particular, that they were able to demonstrate a suitable microbiological sampling and/or hygiene history before they implemented their Qurbani Operating Protocols. The FSA also worked with Local Authorities (LAs) and communicated the approach to them through the FSA's Smarter Communications Platform. The National Food Crime Unit also disseminated a number of intelligence reports to LAs to alert them to risks regarding authenticity and traceability of carcasses.

13. In order to review this more fully, we have carried out a data collection exercise by way of a questionnaire issued to Official Veterinarians (OVs), Food Business Operators (FBOs) and consumers with an extended deadline for response of 10 September. This information will feed into a risk assessment being carried out by the Science Evidence and Research Division (SERD) which will support the work finalising our long term approach.

14. The FSA's **Local Authority Recovery Plan**, which the Board agreed in May 2021, provides a framework for re-starting food inspections and other interventions in line with the Food Law Codes of Practice for new food establishments and for high-risk and/or non-compliant establishments, while providing flexibility for lower risk establishments. Phase 1 is focused on planning for the resumption of planned intervention programmes for high risk and non-complaint establishments in Phase 2 (beginning 1 October) and on prioritising new establishments for an initial visit. We are providing grant funding to local authorities for additional administrative staff to triage backlogs of businesses awaiting an initial inspection and prioritising those that are trading/intending to trade. Approximately £900K has been allocated to 158 local authorities for triaging approximately 51,000 businesses as soon as possible, so that initial visits can be prioritised on a risk basis and planned into the inspection programme.
15. To help us monitor delivery of the recovery plan, we have continued to engage regularly with Local Authorities through established liaison groups in each country on at least a quarterly basis, and through direct contact with individual authorities. FSA Performance and Audit colleagues from all countries meet monthly to discuss any emerging issues or risk. Local Authorities are reporting varying levels of resource still being diverted to COVID-19 related work and to other duties, such as port health and imported food functions in Northern Ireland. Recruitment to existing vacancies is a challenge, with new staff not always having the necessary competencies to focus on high priority work (29% of LAs reported this as an issue in the April 2021 annual return). In England and Northern Ireland there has been an increase in the advice/enforcement needed for businesses to address non-compliance. All that said, recent signs have been encouraging. Over 12000 food hygiene ratings were awarded in June, which compares to 470 in June 2020, and 16000 in June 2019. Only a small number of local authorities have indicated they are facing challenges in delivering the recovery plan. In sum, whilst the overall picture is variable, and recognising that LAs started from different positions, the latest intelligence from Food Liaison Groups (FLGs) is positive, and the trend is that resources are returning to food inspections.
16. We are also monitoring **FHRS** (Food Hygiene Ratings Scheme) data, the number of businesses published as 'awaiting inspection' has begun to plateau as the number of hygiene inspections undertaken continues to rise. The data for Q1 of 2021/22 shows a consistent increase in the number of inspections carried out since Q4 of 2020/21 across the three countries. Recovery towards pre-pandemic levels is strongest in Northern Ireland. Details are provided in the Performance and Resources report for Q1 of 2021/22. We will continue to monitor the progress of delivery against the recovery plan requirements through established mechanisms and regular temperature check surveys. The monitoring process will evidence the progress being made and an early indication of any local authorities struggling to meet the recovery plan requirements, whereby risk can be mitigated with appropriate engagement, support or escalation.

17. The FSA continues to make the case to Government to secure appropriate **investigative powers for the NFCU** and additional submissions to Ministers and officials have been undertaken in furtherance of this.
18. The NFCU has adopted **four new tasked investigations** since the last report, bringing the number of live tasked investigations up to nine. There has been notable progress on several of these new and existing investigations:
- **Op Wayfaring** was initiated after an officer identified a suspect linked to sales of 2,4 Dinitrophenol (DNP). The suspect was identified through the NFCU's daily routine search of the internet for DNP sellers. A PACE warrant application to allow a search of the subject's home address was drafted by an NFCU investigator. Our Regional Organised Crime Unit (ROCU) partners applied for the warrant at the Crown Court which was secured and executed by NFCU investigators with police support. Enquiries continue.
  - Another investigation concerning DNP supply, **Op Atlas** is now in the hands of CPS following the submission of the Prosecution file. We await the charging decision, expected towards the end of the September.
  - **Op Bantam** continues to investigate the diversion of Animal By-Product (ABP) back into the food chain through fraud and theft. This is a complex enquiry with several strands and critical relationships with the police, regulatory partners and affected businesses. Within one of the strands, probable theft offences were identified through investigative activity by NFCU and an unannounced inspection. These offences were reported to police, resulting in arrests, full admissions and the identification of criminal proceeds totalling hundreds of thousands of pounds. The police investigation is ongoing.
  - Similar and potentially larger scale activity was identified by NFCU at another food business site which has resulted in a significant policing intervention in July, including arrests and another ongoing police investigation. Our enquiries and partnership work have also led, last month, to the suspension of approval to handle animal by-products (ABP) (pending appeal) from one business implicated in the handling of illicit product. The NFCU investigation continues.
  - One of the newer investigations is **Op Hawk**, which concerns intelligence indicating that a FBO is fraudulently labelling meat product as British. Following extensive intelligence development work, the NFCU have drafted a PACE warrant application and investigators engaged with relevant policing partners to take the application to court prior to executing the warrant in the next few weeks.
  - The NFCU also continues to work with CPS to bring about the prosecution for conspiracy to commit fraud as part of **Op Aspen**. We await responses to International Letters of Request for evidence
19. **NFCU Learning & Development** - Over the past six months, 12 investigators from the NFCU have been engaged on the Accredited Counter Fraud

Specialist training programme, delivered by the Chartered Institute of Public Finance and Accountancy (CIPFA). This has involved attendance in remote classrooms, knowledge tests and submission of written assessments. The NFCU is delighted to report that all 12 students have been successful in passing the course and will now be awarded 'level 4' certificates endorsed by Northumbria University. A formal presentation of the awards will take place in due course.

20. On FSA prosecutions and litigation in the period since the last report, **convictions were secured** in cases brought for both food hygiene and animal welfare breaches at approved slaughterhouses. On 29 June 2021 at Weymouth Magistrates' Court, Anthony Norman and John Norman, partners operating the slaughterhouse of S J Norman and Sons in Dorset, each pleaded guilty to twenty-seven offences under food hygiene regulations concerning hygiene deficiencies at their premises. Each partner was fined £1,538 and ordered to pay £3,500 in prosecution costs.
21. On 12 July 2021 at Peterborough Magistrates Court, slaughtermen Alain Gagen and John Codd were convicted of offences under animal welfare legislation relating to the incorrect stunning of animals at the slaughterhouse of N V Gagen and Son in Cambridgeshire. Alain Gagen pleaded guilty to three offences and was fined £750 and ordered to pay prosecution costs and victim surcharge of £575, whilst John Codd pleaded guilty to one offence and was fined £300 with £530 in costs and surcharge.
22. As at the end of the first quarter of financial year 21-22, the **forecast FSA RDEL & CDEL** outturn for Westminster, Northern Ireland and Wales was £130.2m. Westminster underspend was forecast to be £5.4m, Northern Ireland £1.6m and Wales £0.5m. As expected, and reported in my last CE Report, we have continued to generate underspends at the start of the year. The ongoing pandemic and increased or delayed workloads, driven by our exit from the EU and changes in import control policy, have caused delays to both the commissioning of work and the initiation of recruitment activities, and there has been a slower return of travel and training to pre-COVID-19 levels.
23. In anticipation of these minor delays and early year underspend, we have been working to move spend to priority areas. To date, in 21/22, IB have approved a total of £9.0m in new work, and the pipeline contains a further £1.8m of additional yet to be funded ideas. This has helped to ensure the Westminster underspend, as of 3 September, has reduced to £1.0m. We will continue to monitor our forecast throughout the year and respond to any financial risk materialising which are currently not built into the budget.
24. As the Board will be aware, we have been engaged in preparing our response to the **Spending Review**. This is the commission by which the FSA provides a submission to HM Treasury that informs our budget allocation for the next three years. This year's Spending Review will cover the three financial years, 22/23. The FSA will bid for additional funding above our current baseline only where we believe there is a strong justification. Our bid will take account of our new responsibilities and resourcing pressures as a result of exiting the EU,

and our ambitions for our priority reform programmes. However, given the pressures that UK finances are under, HMT have indicated that there will be a high bar for any additional funding to be awarded. As the Board would expect, once the final settlement is agreed (likely end of October) we will need to look closely at our existing work plan and decide any changes to this, given additional funding.

25. As UK Governments implemented their **COVID-19 roadmaps**, the People and Organisational Change and Field Operations management teams have engaged with industry to emphasise that COVID-19 will still need to be managed as a workplace risk. Close working between all parties progresses as we continue to review and adapt our working arrangements in light of the increasing relaxation of restrictions.
26. Preparations for an increased level of **occupancy within FSA office space** continue as we consider central government guidance and the COVID-19 risk assessments produced by our landlords. These are informing the FSA's own risk assessments. Whilst offices have remained open on a limited basis throughout the pandemic, we are now in a position to increase access to this space from approximately 10%-20% to 40%-50% in September. This will then be kept under review through discussion with landlords and we anticipate further increases over the autumn and winter months.
27. We have refreshed and enhanced our **flexible working offer (OWOW – Our Ways of Working)**. Our non-frontline staff are now 10% site based (where an individual chooses to work from a specific FSA office the majority of the time), 30% multi location (a 50/50 split between an FSA office and working from home) and 60% home enabled (where an individual chooses to work from their home address the majority of the time and would only expect to be in the office for 1 day a week). We have made the top 30 list for 'Top Employers for Working Families' for the third consecutive year.
28. **Recruitment** volumes have reduced slightly this quarter for campaigns closing between 2 June and 4 August there were 75 campaigns in total, for 96 roles. These included 31 external campaigns, 19 across government campaigns and 25 internal campaigns. The total number of applications received was 2113.
29. The SCS1 Head of Incidents & Resilience Unit has concluded with the successful appointment of Darren Whitby, an internal applicant promoted from Head of Animal Welfare & Delivery Assurance. The recruitment for the SCS1 Deputy Director for Northern Ireland has concluded and an offer has been made. Katie Pettifer joined us in July as the new **Director of Strategy, Legal, Communications and Governance**. Following Chris Hitchen's secondment to the UK Investment Bank, we ran a cross Government campaign successfully recruiting Pam Beadman who will be joining us in September from Defra on a temporary promotion to cover the role of **Director of Finance and Performance**. The role will be formally competed in due course.
30. The FSA **reward and recognition scheme** enables us to reward excellent and exceptional one-off achievements relating to work completed over a limited time. Between 1 April and 31 July 2021, a total of 306 awards totalling

£77,600 were made to staff up to and including Grade 6. This quarter we have launched a new employee benefits platform which includes a mechanism to award £50 e-Vouchers to recognise excellence in accordance with one or more of the FSA ASPIRE values.

31. Significant progress has been made to embed **Inclusion and Fair Treatment**, with the appointment of a dedicated Diversity and Inclusion lead in March 2021, and a refresh of the Diversity Council Terms of Reference in April. Several 'deep-dives' have been conducted in collaboration with Networks into the experience of staff from minority groups, including staff from the BAME (Black and Minority Ethnic) backgrounds and disabled staff, with the results being presented to EMT and BDG. Training on allyship and inclusive management has been delivered. The FSA hosted 4 internship placements during July as part of the Autism Intern Exchange Programme. We have also developed and launched 'FSA Accelerate', an internal development programme for under-represented groups developed collaboratively with our Networks and piloted at SEO grade. 14 people are taking part in the pilot. In addition, 13 mentees and 28 mentors from the FSA are participating in the 'Cross Government Catapult' social mobility mentoring scheme.