

Huw Yardley
Clerk, Health and Social Care Select Committee
House of Commons
London
SW1A 0AA

Via email: hscocom@parliament.uk

Your Ref:
Our Ref: BC2020/00148

22 July 2020

Dear Mr Yardley,

Response to questions from the Committee on Food Standards Agency's 2020-21 Main Estimate Memorandum

Thank you for the Health and Social Care Committee's letter of 1 July 2020 and for noting the good progress that the Food Standards Agency (FSA) has made to date in adopting new guidance issued by the House of Commons Scrutiny Unit.

In response to the Committee's questions on the FSA's Main Estimates for 2020-21, please see below.

Overview

The FSA is responsible for the safety of food and feed across England, Wales and Northern Ireland. We have additional responsibilities for non-safety related food labelling and composition in Wales and Northern Ireland and for nutrition policy and nutrition labelling in Northern Ireland only. In Scotland, Food Standards Scotland (FSS) is the responsible authority for these matters and we work closely with them.

Funding to support the FSA's EU Transition work is provided by the Westminster Parliament. The FSA received additional Treasury funding of £0.9m in 2017-18, £14m in

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18-19 and, £19m in 2019-20, to support preparation and delivery of plans to respond to the UK's decision to leave the EU. The FSA's 2020-21 allocation for EU Exit is £14.6m (Annex 1). Separately, the devolved administrations have allocated additional funding to the FSA in Wales and Northern Ireland.

We are dealing with some uncertainty, but are working to two possible outcomes for the end of the year:

- a) The UK secures agreement for a comprehensive Free Trade Agreement (FTA) with the EU
- b) The UK does not agree an FTA with the EU and exit under terms of the Withdrawal Agreement (WA), including the Northern Ireland Protocol (NIP).

Most of the plans we are preparing will come into play in either of those scenarios. We have repurposed much of our preparatory work for the previous no deal EU exit scenario for a possible non-negotiated outcome, with additional planning being undertaken to implement the Northern Ireland Protocol. Work is also underway to prepare for reciprocal import and export arrangements in this scenario.

The FSA will continue to work across government and with its delivery partners in local authorities and other government departments in order to maintain confidence in the UK food sector, protecting consumers and providing a robust safeguard for UK trade and export.

Committee Questions and the FSA Response

1. *FSA's 2020-21 Main Estimates Memorandum states that one of FSA's priorities is to "ensure that food safety and authenticity are not compromised as result of exiting the EU". To achieve this, the FSA says that it "is inputting to the government's preparations for negotiations".*

What does this mean in practice?

How is the FSA ensuring that this vital priority is being achieved?

Leaving the EU has not changed our top priority, which is to ensure that UK food remains safe and what it says it is. In January 2020, the FSA Board set guiding principles (listed at Annex 2) for our input into trade negotiations to reflect this priority.

The Department for International Trade (DIT) and the Department for Environment, Food and Rural Affairs (Defra) lead on the development of the UK's future food trade policy. In preparing for the EU FTA negotiations, the FSA has provided technical input on a wide

range of food and feed safety issues, including support for legal drafting of the UK negotiation text. We have also contributed to briefings for the UK's negotiation team on food and feed safety issues.

The EU FTA negotiations are, at time of writing, well underway and the FSA continues to work with other government departments to provide technical expertise and policy support to the negotiations. When technical issues on food and feed safety are on the negotiation agenda and where an FSA technical contribution is judged useful by the Task Force Europe, an FSA representative has joined, and will join, the negotiation team to contribute technical expertise. To date, the FSA has participated in three of five formal negotiation rounds.

Finally, we are ensuring that our work on EU negotiations aligns with other areas, including non-EU trade negotiations and the Northern Ireland Protocol.

2. *The FSA's Estimates Memorandum states that "additional No Deal scenario funding became unnecessary", and outlines preparations it is taking in paragraph 3.4 of the Estimates Memorandum, with the Estimates Memorandum being finalised on 9 April 2020, shortly after the country entered Lockdown.*

Does the FSA still consider itself fully funded, and fully prepared, for any outcome at the end of the Transition period?

Since the referendum result, the FSA has received additional funding to deliver Minimum Viable Product (MVP) of its plans for the end of the Transition Period on 31 December 2020. However, as one of the departments most impacted by EU Exit, there has been a material impact on the workforce and workforce planning, along with corresponding investment required in IT, data and digital. The next period will bring additional challenges for the FSA to face, whether or not the UK secures an FTA with the EU, as we move beyond our minimum viable product to more sustainable, better value for money solutions.

The FSA has additional confirmed funding of £14.6m in place for this financial year (2020-21) and will participate in the forthcoming Spending Review process to secure funding from April 2021. To date, all EU Exit funding allocated by HM Treasury has been from the Reserve and is therefore not included in the FSA's baseline. This creates considerable uncertainty for planning into future years.

The FSA's EU Transition Programme is sufficiently resourced and on track with its preparations to be ready at the end of the transition period. However, there are factors outside the FSA's control, which are discussed below. The FSA is currently reviewing its

post transition period requirements, and these will be taken into account as part of its bid for funds in the next spending review (SR20).

The programme consists of a number of projects as set out at Annex 3. A brief assessment of the key areas is as follows:

- **Imports and Exports** - The projects are staffed and structured to support a negotiated or non-negotiated outcome based on the FSA's current understanding, however outstanding Ministerial decisions on border controls, including at the GB-NI border, may impact on required delivery resource. Other Government Department policy decisions – yet to be made – may also impact. Delivery is reliant on Local Authorities and Port Health Authorities, with whom we are working closely. We have provided them with support, including funding, but there may need for further funds depending on the outcome of decisions outlined in this text.
- **Risk Analysis** - The necessary legislation to enable continuity in food safety standards will be in place and the FSA has established processes that will ensure that it can continue to safeguard food safety and consumers' interests in relation to food once the UK exits the transition period. The FSA will be taking on the risk management and risk assessment roles for specific food products and preparation processes currently undertaken by the European Commission and the European Food Safety Authority respectively and will be reflecting what it considers are the necessary resource requirements to undertake these roles in the current Government spending round so it can carry these out effectively for the long term.
- **Official Control Labs** - The FSA's 2019 review of Official Control Laboratories concluded that the UK has sufficient laboratory capacity and capability for day 1 of EU Exit. The FSA will be engaging with the UK's Official Laboratory network in the run up to the end of the transition period to ensure they are able to respond to any changes in sampling levels and using the outcomes of this engagement to inform long-term resourcing requirements for Official Laboratories. The longer-term funding requirements, which are outside the scope of this programme, will be considered as part of SR20 spending review.
- **Northern Ireland Protocol** - The FSA is working through the implications of the Northern Ireland Protocol and will be prepared for the end of the transition period. There may be a need for additional funding for the Protocol's long-term operationalisation, again to be considered as part of the spending review.
- **UK Frameworks / UK Internal Market** – The FSA is working with FSS on proposals for a UK Framework for food and feed safety and hygiene to set out how the food safety bodies will work together after the end of the transition period. Work

is also ongoing on the two frameworks that the FSA will be part of in Northern Ireland/ Wales and Northern Ireland (Nutrition Health Claims, Composition and Labelling; and Food Compositional Standards and Labelling respectively). Frameworks will need to interlink with proposals for the UK Internal Market. There may be a need for additional funding to support the functioning of frameworks which would be considered as part of the spending review.

- **Incidents** - There may be resource requirements not yet determined, which will be linked to Northern Ireland Protocol negotiations on Networks, Systems and Databases. In terms of continued incidents resilience from January 2021 onwards, the Stakeholder Engagement Receipt and Management Team in place since Feb 2019 will continue after the transition period ends and become a business-as-usual function (with plans to include in future budget planning), to help ensure the UK is able to respond to the uncertainties related to 1 January 2021 and beyond.

Whilst the COVID-19 pandemic to date has led to some disruption, we continue to be on track and have sufficient resource to deliver our plans to minimum viable product level for 31 December 2020. All projects have been undertaking contingency planning for COVID-19 second wave. We continue to prioritise EU Transition work, but any second wave would divert resource and lead to further reprioritisation of overall FSA activity.

In summary, whilst there remains some inherent risk, the FSA is confident that the current programme activities are funded to the end of this financial year. There are areas of uncertainty for the operationalisation of the changes. These uncertainties will be crystallised over next few months. Where resources cannot be reprioritised within the FSA's existing 20/21 budget, any additional requests for funding will be considered, working closely with HM Treasury.

I would be happy to speak to the Committee at any point about the work that the FSA is doing.

Yours sincerely,


Emily Miles

Annex 1: EU Exit Funding 2020/21 compared with 19/20

In 19/20 FSA received £16m of funding for EU Exit, with a further £3m in year to specifically address no deal readiness. In 20/21 allocation to continuing EU exit work is £14.6m.

	Amounts sought this year (Main Estimate 2020-21)	Compared to last year final budget (Supplementary Estimate 2019-20)		Compared to original budget	
	£m	£m	%	£m	%
EU Exit Admin	9.6	12.2	22%	9.4	(2%)
EU Exit Programme	5.0	3.9	(28%)	5.0	(2%)
EU Exit Depreciation	0.0	0.6	100%	0.6	100%
EU Exit Capital	0.0	2.3	100%	1.1	100%
EU Exit total	14.6	19.0	23%	16.0	9%

Annex 2: FSA Framework for Input into Trade Negotiations

1. Ensure no reduction in public health protection for UK consumers. This includes:
 - a. ensuring food and feed safety are properly considered in FTAs, including that products and processes are only authorised to be placed on the domestic market following a robust FSA risk analysis process;
 - b. seeking to preserve our right to regulate under the WTO SPS Agreement and set our own appropriate level of protection to protect consumers from risks arising from food and feed;
 - c. maintaining and upholding the existing, tried and tested, regulatory regime.
2. Where appropriate, enable public health protection for UK consumers to be improved. This includes seeking opportunities to maximise:
 - a. the FSA's access to information and data from trading partners that facilitates protection of consumers in the UK; and
 - b. the scope for future collaboration with trading partners on food and feed safety.
3. Safeguard consumer confidence and interests by putting the consumer first, including:
 - a. agreeing the application of robust science and evidence under FTAs that includes consideration of other interests and legitimate factors in decision making.
 - b. securing and supporting as unified a system as possible across the UK reflecting our devolved responsibilities.

Annex 3: FSA EU Transition Programme – key projects

Project	Description
Imports	Understanding, planning and managing all changes resulting from EU Exit needed to ensure FSA areas of biosecurity are managed for imports.
Exports	Understanding, planning and managing all changes resulting from EU Exit and needed to ensure FSA areas of responsibilities for exports continue to be undertaken.
Incidents	Understanding, planning and management of all changes resulting from EU Exit to our Incidents activities.
NFCU	Ensuring that the National Food Crime Unit is able to successfully operate in a post EU Exit world.
Risk Analysis	Understanding, planning and managing all changes resulting from EU Exit to our risk assessment and management activities.
Official Control Labs	Understanding the impact of EU Exit on official control laboratories (changes in volumes and lack of access to EU labs); planning and implementing the required changes.
EU FTA	Leading the FSA's input into the UK Government's programme of work to negotiate an FTA with the EU. Ensuring that FSA's needs are understood and included.
Rest of World (Inc. USA) FTAs	Leading the FSA's input into the UK Government's programme of work to negotiate FTAs with the rest of the world (including the USA). Ensuring that FSA's needs are understood and included.
Northern Ireland Protocol and Joint Committee Negotiations	Leading the FSA's preparations to implement the Protocol at the end of the Transition Period. Ensuring that FSA's needs are understood and included in Joint Committee Working Group discussions.

EU Exit Legislation (SIs)	Leading the FSA's EU Exit legislative SI work. Ensuring that changes to and new legislation is understood, planned and implemented.
UK Frameworks	Leading the development and/or coordination of FSA Frameworks with the DAs and OGDs. Includes coordinating/managing engagement with DAs, Crown Dependencies and Overseas Territories on negotiations.