

To: Chair, Health and Social Care Select Committee

Date: 06 February 2024

Food Standards Agency (FSA)

Supplementary Estimate 2023/24

An overview and analysis of the Food Standards Agency's 2023/24 Supplementary Estimate.

1. Overview

1.1 Objectives

The Food Standards Agency (FSA) is a non-ministerial government department, set up by an Act of Parliament in 2000 to protect the public's health and consumers' wider interests in relation to food. In April 2022, the FSA launched our five- year strategy. This recommitts the FSA to our mission of 'Food you can trust' and to ensure that we continue to ensure that food is safe and is what it says it is. We have also committed in this strategy to play our role in delivering on Government's wider aims to ensure that food is healthier and more sustainable. We will continue to work in line with our statutory remit on other consumer interests in relation to food. Although the FSA does not hold policy responsibility for the 'healthier and more sustainable' areas of our strategy, we will support the governments in the nations we serve as they work to solve these food system wide issues. We published our three-year corporate plan in April 2023, that outlined how we would deliver our strategy for the period April 2023 to March 2026.

As the department responsible for food and feed safety, we are concerned with the safety and authenticity of food right along the supply chain. We are responsible for the systems that regulate food businesses and work with local authorities across England, Wales and Northern Ireland to make sure that regulations are enforced.

Our work not only protects people, but also reduces the economic burden of foodborne illness and supports the UK economy by ensuring that our food has a strong reputation for safety and authenticity in the UK and abroad. This means that consumers and businesses can have confidence in the food that they buy and sell, including with international trading partners. As a science and evidence led organisation, we work in an open and transparent manner, for example through our open Board meetings and publishing our research and evidence, which contributes to our high levels of trust.

1.2 Spending Controls

The Food Standards Agency's net spending is broken down into several different spending totals, for which Parliament's approval is sought. The spending totals which Parliament votes are:

- Resource Departmental Expenditure Limit (RDEL) – a net limit comprising day to day running and support costs, offset by income from meat official controls and related work. Additional income is received for milk and dairies sampling and from assessments and consultations on radioactive discharges.
- Capital Departmental Expenditure Limit (CDEL) – investment in Research and Development, computer hardware, computer software, office-related assets and leased assets.
- Resource Annually Managed Expenditure (RAME) – non-cash provision for early retirements, pensions, building dilapidation and legal liabilities / obligations.
- Capital Annually Managed Expenditure (CAME) - non-cash provision for lease dilapidations.

In addition, Parliament votes a net cash requirement, designed to cover the elements of the above budgets which require the Food Standards Agency to pay out cash in year.

1.3 Comparison of spending totals sought

The table below shows how the net spending totals sought for the Food Standards Agency compared with the original budget for the 2023/24 Main Estimate and the provisional outturn for 2022/23.

	Amounts sought this year (Supplementary Estimate 2023-24)	Compared to original budget (Main Estimate 2023-24)		Compared to final outturn last year (Outturn 2022-23)	
	£m	£m	%	£m	%
Resource DEL	116.9	115.6	(1%)	115.2	(1%)
Capital DEL	13.5	14.1	5%	9.0	(49%)
Resource AME	9.6	9.6	0%	1.8	(421%)
Capital AME	0.0	0.0	0%	0.0	0%

A breakdown of spending and income within the net total is shown in section 2.1.

1.4 Key drivers of spending changes

Comparisons to the 2023/24 Main Estimate are as follows:

RDEL increase of 0.1%, £1.3m due to receiving the following budget cover transfers:

- Windsor Framework funding from DEFRA of £1.2m. This funding has enabled the FSA to support across government with the delivery of legislative changes that underpin the Windsor Framework. This includes supporting district councils and local authorities to understand the impacts of the Windsor Framework and ensures that food remains safe and is what it says it is.
- Shared Outcome Fund (SOF) PATH -SAFE project funding from DEFRA and UKHSA of £0.1m. This transfer is due to fewer resources being required to deliver their departments' specific workstreams thereby enabling spend to be delivered by the FSA on the extensions of research contracts and additional PATH-SAFE networking and collaboration events.
- School Standard Compliance Pilot funding from the Department of Education of £0.02m. This funding was to enable a full evaluation of the pilot, which reported on the views of local authorities, including Food Safety Officers.

CDEL decrease of 5%, £0.7m, due to:

- A surrender of £0.45m because we decided in 2022/23 to pause vet insourcing so the funding for the purchase of lease cars is no longer required.
- A £0.2m budget cover transfer to Department for Science, Innovation and Technology (DSIT) for the Evaluation Accelerator Fund (EAF) - Sustainable Diet Workstream.
- A switch from CDEL to CAME of £0.04m due to provisions for new accommodation lease dilapidations.
- Netting off these reductions is the receipt of a budget cover transfer from the UK Health Security Agency (UKHSA) of £0.04m for the Shared Outcome Fund PATH -SAFE to enable new spend on research into historical isolates.

RAME has remained constant and CAME has increased by £0.04m due to the switch mentioned above.

Comparisons to 2022/23 Outturn are as follows:

RDEL increase of £1.7m, 1% mainly due to:

- Increases in staff costs and contractor costs of £8.1m and £3.0m respectively. These were partially offset by the corresponding income due to an increase in the associated charges to customers of £3.6m and reductions in programme expenditure of £5.7m.
- The pay related pressures are due to increased pay inflation and the Government wide cost of living allowance payment, together with increased staff numbers (annual average 112) to cover new work priorities such as Windsor framework and EU Exit regulated work. Contractor costs increased due to the labour market pressures.

Capital DEL increase of £4.4m, 49% mainly due to:

- Increased Research and Development expenditure of £2.1m due to strengthening the FSA's science and evidence base, supporting policy implementation and risk management for food safety and standards. Of this, £0.5m relates to the Shared Outcome Fund PATH-SAFE project for investment in foodborne disease and antimicrobial resistance research.
- Additional IT and Estates expenditure of £2.1m, of which £1.0m relates to the Shared Outcome Fund PATH-SAFE project which invested in the development of a data platform asset. The remaining increase is due to investment in IT infrastructure and the furniture and fittings across our estates.
- Increased IFRS16 CDEL of £0.3m due to the purchase of lease cars for the operational workforce and the capitalisation of leases.

Resource AME increase of £7.8m, 421%, because the actuals for 2022/23 came in significantly under the Spending Review allocation, which allows for volatility in non-cash AME expenditure for early retirements, pensions, existing leases pre IFRS16 and legal liabilities / obligations.

1.5 New policies and programmes; ambit changes

In 2023/24, the FSA's priorities are to continue to ensure food safety and authenticity are not compromised because of pressures across the food system.

We continue to invest to deliver better outcomes for consumers and business through Regulatory Reform and Surveillance. We will continue to ensure that we can effectively deliver wider government priorities, such as the work on retained EU law and smarter regulation, precision breeding and the Cabinet Office-led Borders Target Operating Model work. We continue to reform the food and feed regulatory system,

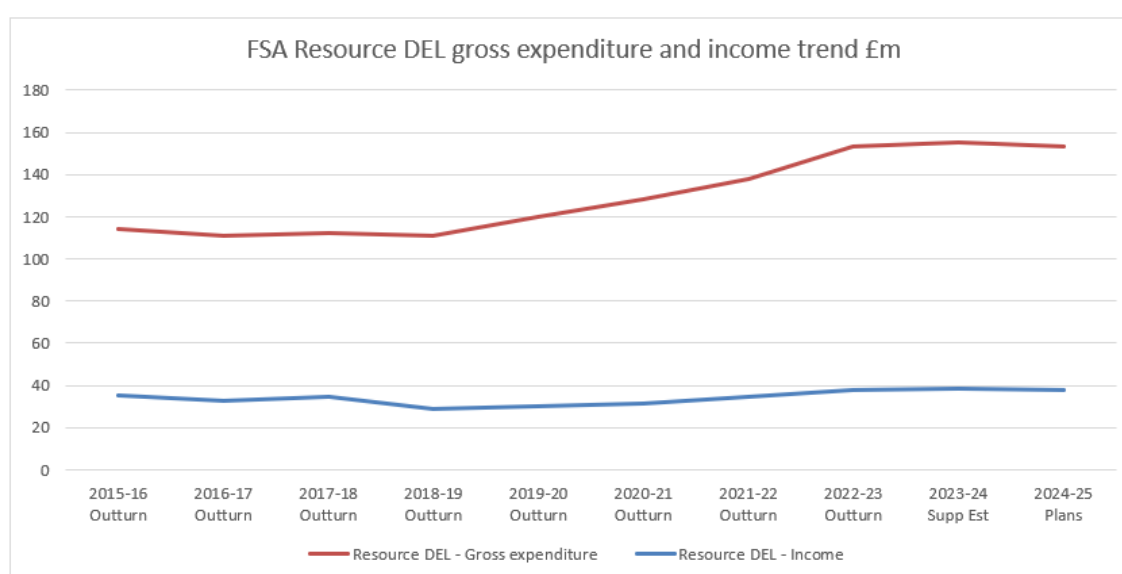
including our work on Regulated Products Reform and through our work with Local Authorities.

The FSA has reprioritised its resources to make progress in these areas whilst ensuring it continues to resource ongoing key day to day regulatory activity. There are no changes to the FSA ambit.

1.6 Spending and income trends

The charts below show gross RDEL spending and income, CDEL and RAME for 2015/16 – 2022/23 outturn, 2023/24 Supplementary Estimate and 2024/25 plans.

Resource DEL



* Note prior year figures are not adjusted for inflation

RDEL remained constant throughout 2015/16 – 2018/19. Expenditure increased in 2019/20 and again in 2020/21 by £14.8m and £13.1m respectively, due to additional EU Exit related expenditure. Expenditure further increased in 2021/22 by £6.6m, mainly due to the impact of COVID 19 and additional post EU Exit responsibilities.

In 2022/23 RDEL increased further by £11.8m, mainly due to increases in:

- Staff costs of £9.8m, due predominantly to the repatriation of EU Exit work such as risk assessment, policy development and work connected with Retained EU Law (REUL).
- Contractor costs of £4.0m, due to the labour market pressures.
- Travel and subsistence of £1.3m and operational costs of £0.9m, which are largely driven by the recovery from COVID 19 restrictions in delivery of meat controls.

These increases are partially offset by the corresponding income increase relating to the associated charges to customers of £3.2m.

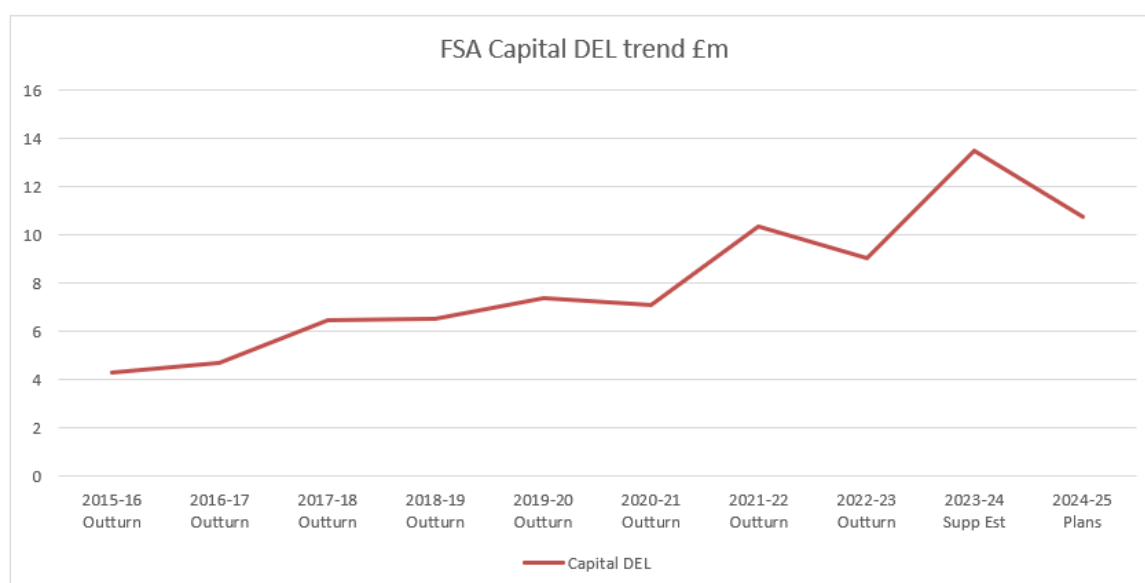
In 2023/24, there is a further increase in RDEL due:

- Increase in staff costs of £8.1m due to increased pay inflation and the Government wide cost of living allowance payment, together with increased staff numbers (annual average 112) to cover new work priorities such as Windsor framework and EU Exit regulated work.
- Increase in contractor costs of £3.0m due to the labour market pressures.
- These increases are partially offset by the corresponding income relating to the associated charges to customers of £3.6m and reduced programme expenditure of £5.7m to allow for pay related pressures.

2024/25 plans show a £1.5m reduction which is mainly due to:

- Windsor Framework funding of £1.2m received in 2023/24 not being included in current 2024/25 plans. This will be allocated through the 2024/25 Supplementary Estimate.
- Shared Outcome Fund PATH-SAFE project funding of £0.8m in 2023/24 is not repeated as the workstream ceases.
- Partially offsetting these reductions is an increase of £0.4m as part of the initial Spending Review allocation when compared to adjusted 23/24 figures.

Capital DEL



CDEL expenditure increased from £4.3m in 2015/16 to £7.1m in 2020/21. Significant increases over this period ranged up to £3.3m in IT, £1.9m in estates and £2.0m in

Research and Development. The additional investment across the years was spent on improving the FSA's IT infrastructure, such as developing knowledge-based systems supporting regulatory reform and risk-based analysis. We have also focussed on upgrading our estate across our offices in London and York and strengthening the FSA science and evidence base through research projects. The increased spend in 2021/22 of £3.3m related to research and development spending and was mainly driven by investment in the FSA's science and evidence base, supporting policy implementation and risk management for food safety and standards.

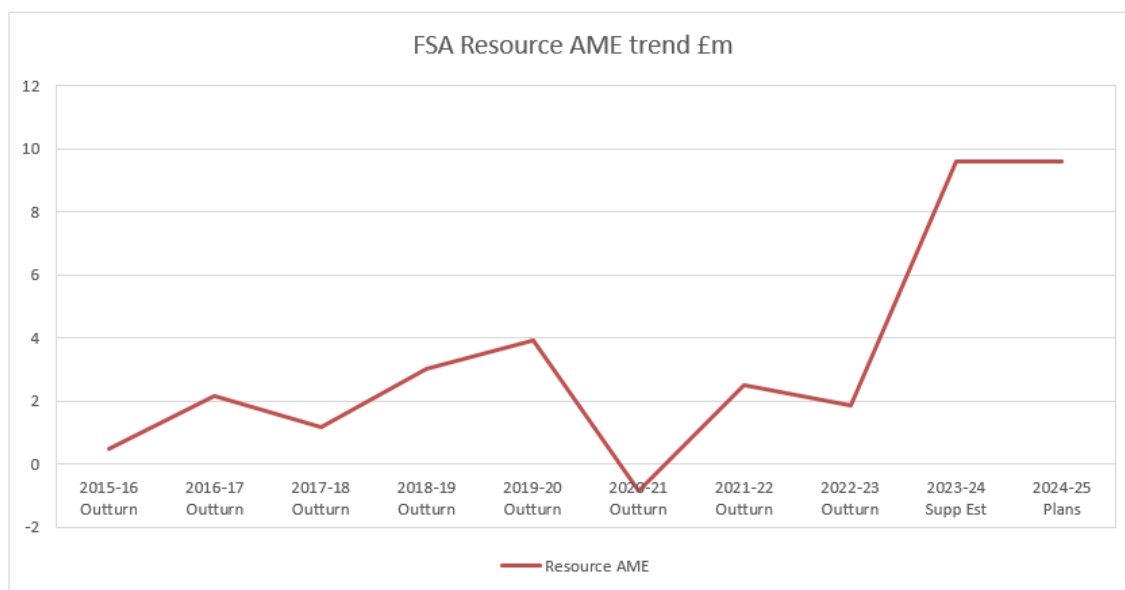
In 2022/23, expenditure reduced by £1.4m following a decrease in Research and Development investment (£0.9m), a reduction year on year on IT hardware and software (£0.6m), partially offset by increased expenditure on lease cars following the introduction of IFRS16 lease accounting.

In 2023/24, expenditure increased by £4.4m due to:

- Increased Research and Development expenditure of £2.1m, due to strengthening the FSA's science and evidence base, supporting policy implementation and risk management for food safety and standards. Of this, £0.5m relates to the Shared Outcome Fund PATH-SAFE project for investment in foodborne disease and antimicrobial resistance research.
- Additional IT and Estates expenditure of £2.1m, of which £1.0m relates to the Shared Outcome Fund PATH-SAFE project's development of a data platform asset. The remaining increase is due to investment in IT infrastructure and furniture and fittings across our estates.
- Increased IFRS16 CDEL of £0.3m due to the purchase of lease cars for the operational workforce and the capitalisation of leases.

2024/25 plans reflect a reduction in funding of £2.7m, which is mainly due to the Shared Outcome Fund PATH-SAFE project ceasing in 2023/24.

Resource AME



Resource AME figures are non-cash and future years plans remain constant at £9.6m, which allows for uncertainty surrounding FSA pension provisions and the volatile nature of AME related expenditure. The actual outturn has been significantly lower each year.

1.7 Administration costs and efficiency plans

	Amounts sought this year (Supplementary Estimate 2023-24)	Compared to original budget (Main Estimate 2023-24)		Compared to final outturn last year (Outturn 2022-23)	
	£m	£m	%	£m	%
Admin DEL	116.9	115.6	(1%)	115.2	(1%)

The FSA became 100% Admin funded from 21/22

As explained in section 1.4, the FSA is 100% Admin funded.

The FSA remit continues to expand due to repatriation of EU Exit work and ensuring that we can effectively deliver wider government priorities such as the Retained EU Law Bill, Precision Breeding Bill and the Cabinet Office led Borders Target Operating Model. This, in conjunction with our ongoing regulatory activity, has led to an increase in resources. However, we constantly review our structures and processes to ensure we deliver in the most efficient manner.

1.8 Funding: Spending Review and Budgets

In 2023/24, the FSA bid for and received Shared Outcomes Funding of £6.9m relating to the PATH-SAFE workstream. This project, led by the FSA with partners DEFRA, Food Standards Scotland, DHSC - UKHSA and the Environment Agency,

will develop new surveillance systems for monitoring and characterising foodborne pathogens and Antimicrobial Resistance (AMR), across the agri-food supply chain and the wider environment.

Of the original bid, the FSA retained £3.3m and project partners were allocated £3.6m (DEFRA £3.2m, FSS £0.2m and DHSC - UKHSA £0.2m). DEFRA and DHSC - UKHSA were forecasting underspends on this project and transferred £0.2m to the FSA allowing for the extensions of research contracts, additional networking and collaboration events and research into historical isolates.

All funding is anticipated to be utilised in 23/24.

1.9 Other funding announcements

There are no other funding announcements.

2. Spending detail

2.1 Explanations of changes in spending

Resource DEL

The table below shows how spending plans for RDEL compare with the previous budget established at Main Estimate 2023/24.

	Amounts sought this year (Supplementary Estimate 2023-24)	Original Budget this year (Main Estimate 2023-24)	Change to original budget (Main Estimate 2023-24)	
Subhead	£m	£m	£m	%
A Gross Expenditure	155.5	154.2	(1.3)	(1%)
A Income	38.6	38.6	0.0	0%
A Net Expenditure	116.9	115.6	(1.3)	(1%)

The overall 1% increase in RDEL of £1.3m is due to the Budget Cover Transfers received: from DEFRA for Windsor Framework (£1.2m); the Department for Education for the School Standard Compliance Pilot (£0.02m); and DEFRA and the UK Health Security Agency (UKHSA) for the Shared Outcome Fund (SOF) PATH - SAFE project (£0.1m), as detailed in section 1.4.

Capital DEL

The table below shows how spending plans for CDEL compare with the previous budget established at Main Estimate 2023/24.

	Amounts sought this year (Supplementary Estimate 2023-24)	Original Budget this year (Main Estimate 2023-24)	Change to original budget (Main Estimate 2023-24)	
Subhead	£m	£m	£m	%
A Capital	13.5	14.1	0.7	5%

The 5% decrease in CDEL of £0.7m is due to:

- £0.5m of budget being surrendered back to HMT, due to pausing the planned vet insourcing in 2022/23. The associated CDEL funding relating to the purchase of lease cars for the insourced staffing model is no longer required.
- A switch from CDEL to CAME of £0.04m to cover provisions for new lease dilapidations.
- A budget cover transfer of £0.2m to the Department for Science, Innovation and Technology (DSIT) for the Evaluation Accelerator Fund (EAF) - Sustainable Diet Workstream.

- Netting off these reductions is the receipt of a budget cover transfer from the UK Health Security Agency (UKHSA) of £0.04m for the Shared Outcome Fund PATH -SAFE to enable new spend on research into historical isolates.

Resource and Capital AME

The table below shows how spending plans for Resource AME compare with the previous budget established at Main Estimate 2023/24.

Subhead	Amounts sought this year (Supplementary Estimate 2023-24)	Original Budget this year (Main Estimate 2023-24)	Change to original budget (Main Estimate 2023-24)	
	£m	£m	£m	%
B Resource AME	9.6	9.6	0.0	0%
B Capital AME	0.0	0.0	0.0	0%

* The FSA has requested £40k Capital AME this Supplementary Estimate round. This is not shown in the table due to its minimal value

There is no change to Resource AME.

The FSA has requested £0.04m Capital AME to cover provisions for new accommodation lease dilapidations in 2023/24. This has been transferred from Capital DEL - see section 1.4.

2.2 Restructuring

No machinery of government changes have taken place, and there have also been no changes to the Estimate subheads or how expenditure is recorded between the years.

2.3 Ring Fenced Budgets

Within the totals, the following elements are ring-fenced i.e. savings in these budgets may not be used to fund pressures on other budgets.

RDEL – Depreciation

	Amounts sought this year (Supplementary)	Original Budget this year (Main Estimate 2023-24)		Compared to final outturn last year (Outturn 2022-23)	
	£m	£m	%	£m	%
Depreciation	3.2	3.2	0%	3.1	(0%)
IFRS16 Depreciation	2.1	2.1	0%	1.6	(30%)
Total Depreciation	5.3	5.3	0%	4.8	(10%)

IFRS16 depreciation outturn is lower than budget in 2022/23 due to the pause on the Operations Transformation Programme and the associated surrender of CDEL funding. This 2023/24 allocation is in line with the original allocations on the introduction of IFRS16 before the programme was paused.

Research & Development Capital

	Amounts sought this year (Supplementary Estimate 2023-24)	Original Budget this year (Main Estimate 2023-24)		Compared to final outturn last year (Outturn 2022-23)	
	£m	£m	%	£m	%
Capital R&D	7.7	7.9	3%	6.9	(12%)

The FSA has transferred £0.2m Research and Development ring fenced allocation to the Department for Science, Innovation and Technology (DSIT) for the Evaluation Accelerator Fund (EAF) - Sustainable Diet Workstream.

IFRS 16 Capital

	Amounts sought this year (Supplementary Estimate 2023-24)	Original Budget this year (Main Estimate 2023-24)		Compared to final outturn last year (Outturn 2022-23)	
	£m	£m	%	£m	%
IFRS 16 Capital	0.4	0.9	51%	0.1	(211%)

The FSA has surrendered £0.5m of its allocation due to a decision to pause the Operations Transformation Programme in 2022/23. The associated CDEL funding relating to the purchase of lease cars for the insourced staffing model is no longer required. The FSA also handed back £0.7m of funding in 2022/23 for the same reason.

Shared Outcome Funds (SOF) – PATH-SAFE project (RDEL and CDEL)

	Amounts sought this year (Supplementary Estimate 2023-24)	Original Budget this year (Main Estimate 2023-24)		Compared to final outturn last year (Outturn 2022-23)	
	£m	£m	%	£m	%
SOF - RDEL	0.7	0.6	(22%)	1.0	30%
SOF - CDEL	2.8	2.7	(1%)	1.3	(121%)

The FSA has received additional funding of:

- £0.1m RDEL from DEFRA and UKHSA. This transfer is due to fewer resources being required to deliver their departments specific workstreams thereby enabling spend to be delivered by the FSA on the extensions of research contracts and additional PATH-SAFE networking and collaboration events.
- £0.04m CDEL from the UK Health Security Agency (UKHSA) to enable new spend on research into historical isolates.

Windsor Framework

	Amounts sought this year (Supplementary Estimate 2023-24)	Original Budget this year (Main Estimate 2023-24)		Compared to final outturn last year (Outturn 2022-23)	
	£m	£m	%	£m	%
Windsor Framework	1.2	0.0	0%	0.0	0%

New funding in 2023/24 from DEFRA enabling the FSA to support across government with the delivery of legislative changes that underpin the Windsor Framework. This includes supporting district councils and local authorities to understand the impacts of the Windsor Framework and ensures that that food remains safe and is what it says it is.

2.4 Changes to contingent liabilities

There is no change. The estimate for the existing contingent liability for legal claims remains the same as set in the 2023/24 Main Estimate.

FSA Legal claims: The FSA is subject to various claims and legal actions in the ordinary course of its activities the outcome of which is uncertain.

3. Priorities and Performance

3.1 How spending relates to objectives

Expenditure under Estimate subheads A and B supports all the objectives set out in section 1.1 above.

3.2 Measures of performance against each priority

Our fundamental mission remains to ensure food you can trust. By food you can trust, we mean a food system in which:

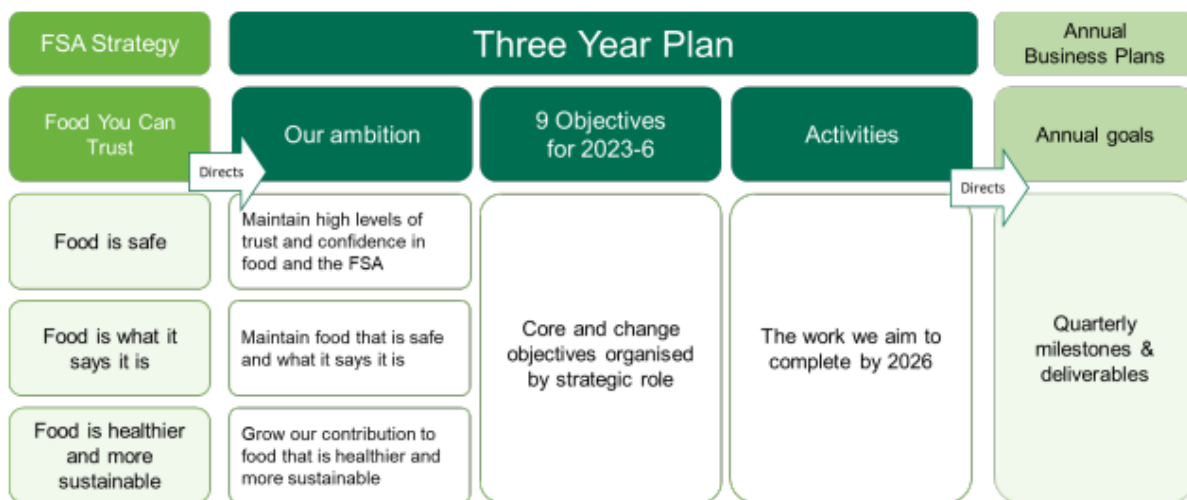
- Food is safe
- Food is what it says it is
- Food is healthier and more sustainable

This is our vision for the food system for the lifetime of our strategy (2022-2027).

Our three-year corporate plan outlines our ambition for our mission and each part of the vision. Our ambitions are to:

- Maintain the current high levels of trust and confidence in the food system and the FSA.
- Maintain food standards, so that food is safe and what it says it is, and consumers can continue to have confidence in their food.
- Grow our contribution to and influence on food that is healthier and more sustainable, build on the work we have started since we published our strategy.

We apply this through nine objectives that align with our roles, both core and change activities that provide direction for our annual business plans. The figure below shows the linkages from our mission, vision, three-year corporate and annual business plans.



To measure our performance against our plans the FSA uses an established performance assurance framework that aims to create a cascade of measures with accompanying targets, ambitions and indicators. The framework identifies cross-cutting risks, supports prioritisation decisions and provides strategic oversight of our progress as an organisation in delivering against our strategy and corporate business plan and if not, discuss how we can collectively get back on track.

The framework is used to provide assurance to the FSA Board, Business Committee, the Chief Executive as Accounting Officer and help senior leaders monitor performance and engage their teams in progressing ambitions and targets. In doing so, it forms part of the 'three lines of defence' model, a concept that helps identify and understand the contributions of various parts of an organisation.

Performance reporting operates at four different levels of management across the organisation with each level having a different focus i.e. the strategic vision through to day-to-day activities. They are:

- **The Annual Report and Accounts (ARA)** – sets out the FSA’s key strategic objectives for the financial year and progress against delivering those priority outcomes whilst also illustrating work carried out across the FSA.
- **Business Committee performance report (formerly the Performance and Resources report)** – presents progress against measures quarterly to the Business Committee, a sub-committee of the FSA Board, which is delegated duties on behalf of the FSA Board. The Business Committee provides high-level oversight of operational matters to hold the Executive to account on delivery of its plans and inform the Audit and Risk Assurance Committee of any risks that are of a strategic concern.
- **Executive performance dashboard** – structured around six service areas, captures key activity across the Agency and align to the ‘roles’ set in our strategy and three-year corporate plan. It provides clear accountability and drives decision making allowing the Executive to fulfil their responsibilities in directing the FSA’s day-to-day business to deliver the strategy. This includes taking decisions on resource allocation, finance, performance of individual service areas and risk management.
- **Directorate and divisional performance reporting** - Directorates and Divisions may also have their own performance reporting in the forms of dashboards and routine team leader meetings.

The four levels of reporting culminate in the performance section of the ARA.

In support of the FSA’s Strategy and three-year corporate plan, a suite of corporate performance measures and indicators of progress have been identified, and agreed by the FSA Board, which will provide an overview of whether the food system (as opposed to the FSA) is continuing to deliver food you can trust with progress being presented through an annual paper to the Board at the end of each financial year.

As our strategy and corporate plan changes so do the suite of measures. Therefore, we follow the principle that information / data does not need to be perfect nor detailed to trigger the conversation and determine action and we will need to evolve and change our data and reporting over time to maintain its relevance using a mix of qualitative and quantitative measurement. Our suite of FSA delivery measures, including some outcome measures to provide context to FSA performance, have been provided below:

1. **Trust and confidence in the FSA** - Consumer awareness, knowledge and trust in the FSA reported in our Food & You 2 consumer survey.
2. **Foodborne disease** - Rate per 100,000 population of laboratory confirmed human cases in the UK of the four major gastrointestinal pathogens.
3. **Science** – covering our key science outcomes and accompanying key performance indicators.
4. **FSA sampling and laboratories** – Spend on sampling activities, total samples tested and non-compliance by sampling objective and type.

5. **Risk Analysis and Regulated Products** – From March 2024, performance reporting on the Regulated Products Service will be discussed at Business Committee with additional information included in the Business Committee performance report to support discussions.
6. **Trade and imports / exports controls** –to provide assurance for both Import and export market access.
7. **Direct delivery of Official Controls** – including meat, dairy and wine activity and meat food business operator compliance to provide context to FSA performance.
8. **Food incidents** - Notifications received (food, feed, and environmental contamination) and alerts issued (allergy, product recalls and food alerts for action).
9. **Understanding the food crime threat (NFCU)** – Progress against the four key performance questions including alignment with the NFCU Control Strategy priorities and Intelligence and disruptions and national outcomes achieved.
10. **Local Authority performance** – including Food Hygiene Rating Scheme business ratings and awareness. Local authority resourcing and performance to ensure official controls are being delivered. (to provide context to FSA performance).
11. **Financial position** – to provide timely assurance to regarding our financial spend.
12. **Our people** – the delivery of our ‘People Plan’ and refreshing our systems including key insights into our HR activity.
13. **Nutrition Northern Ireland** – Active engagement (food business and consumer) with the Calorie Wise scheme / MenuCal tool including recipes inputted and updated into MenuCal. Consumer recognition, understanding and use of the traffic light label using the Eat Well Choosing Better tracker survey and NI average daily consumption of calories, fat, and sugar.
14. **Sustainability** – Progress against our Environmental Sustainability Strategy that outlines how we will support the government’s green agenda. The strategy focusses on reducing our carbon footprint; conserving natural resources and prioritising sustainable procurement.

The Business Committee performance report links (including the P&R reports) for 2022/23 and the Annual Report & Accounts for 2021/22 will provide the most recent indicator data for the above areas and additional papers also outline progress in other areas as presented to the Board for discussion and decision.

- [FSA Board Agenda and papers](#)
- [FSA priorities and budget 2023/24](#)
- [2021/22 Consolidated Annual Report & Accounts](#)
- [2022/23 Q3 Performance & Resources report](#)
- [2022/23 Q4 Performance & Resources report](#)
- [2023/24 Q1 Performance & Resources report](#)
- [2023/24 Q2 Business Committee performance report](#)

3.3 Commentary on steps being taken to address performance issues

During the year, there has not been any funding specifically allocated to address performance issues, however the FSA Board meets at least four times a year to discuss performance. The Board has collective responsibility for the activities of the Food Standards Agency in England, Wales and Northern Ireland, and for ensuring that the FSA discharges its statutory duties to protect public health and consumers' interests in relation to food.

The Business Committee is a body to which the FSA Board has delegated functions to provide appropriate high-level oversight of operational matters, including performance and use of resources (financial and people), and to hold the Executive to account on delivery of its plans and policies.

Since June 2023, the Board and Business Committee have discussed, and provided strategic direction and made decisions on the following aspects of the FSA's work:

Import controls and Borders Target Operating Model

- In June 2023¹, the Board were provided an update on the Trusted Trader Scheme pilot scheme and a discussed and agreed a series of principles for the development of the Target Operating Model. An update was provided in September 2023² to Business Committee, and Board discussion also took place in December 2023³.

Science

- In June 2023⁴ and December 2023⁵, the Board were provided a summary of progress made, and impact delivered since the last update, alongside the plans for the future, including development of our foresight capability over the coming year.

Risk analysis and regulated products

- Our Risk Analysis Process sets out the FSA's approach to its increased role in food and feed safety. The FSA receive applications for regulated food and feed products which require authorisation prior to entering the market. The approval process for applications has various stages prior to recommendations being made to Ministers in England, Scotland and Wales. Regular updates were provided at each Board meeting (March 2023⁶, June

¹ [FSA 23-06-04 - June 2023 - Border Target Operating Model Update](#)

² [FSA BC 23-09-05 - September 2023 - Performance and Resources report quarter 1 2023/24 | Food Standards Agency](#)

³ [FSA 23-12-06 - December 2023 - Border Target Operating Model Update](#)

⁴ [FSA 23-06-06 - June 2023 - Foresight and Horizon Scanning – Annual Update to the Board](#)

⁵ [FSA 23-12-09 - December 2023 - Annual FSA Science Update](#)

⁶ [FSA 23-03-08 - March 2023 - Risk Analysis and Regulated Products Service: Regular Update to FSA Board](#)

2023⁷, September 2023⁸ and December 2023⁹). From Q3 2023/24, these will be reported to the Business Committee.

Veterinary resourcing

- The Board were provided an update on Veterinary Supply, Modernisation and Support for the Small Abattoir Sector for 2023/24¹⁰ in June 2023.

Retained EU Law

- In June 2023¹¹, the board were provided an update on progress of the UK Government's REUL (Revocation and Reform) Bill and outlined preparations for delivering reforms before the powers in the Bill cease to be useable in June 2026.

Food hypersensitivity

- Updates on progress against the plans for the Food Hypersensitivity (FHS) work and sets out options for improving the provision of allergen information in the non-prepacked food sector were discussed at Business Committee in June 2023¹² and Board in December 2023¹³

Precision breeding

- The Board were provided outline proposals for the regulation in England of Precision Bred Organisms for use in food and feed in September 2023¹⁴.

Animal welfare

- In September 2023, the Board reviewed the FSA activities delivered through the 'Deter, Prevent, Detect, Enforce' Animal Welfare Action Plan and its objective of making ongoing improvements in slaughterhouses in England and Wales.¹⁵

Incidents and resilience

⁷ [FSA 23-06-07 - June 2023 - Risk Analysis and Regulated Products Service: Regular Update to FSA Board](#)

⁸ [FSA 23-09-08 - September 2023 - Risk Analysis and Regulated Products Service: Regular Update to FSA Board](#)

⁹ [FSA 23-12-07 - December 2023 - Risk Analysis and Regulated Products Service: Regular Update to FSA Board](#)

¹⁰ [FSA 23-06-08 - June 2023 - Update on Veterinary Supply, Modernisation and Support for the Small Abattoir Sector for 2023/24](#)

¹¹ [FSA 23-06-01 - June 2023 - Retained EU Law: Update](#)

¹² [FSA BC 23/06/05 - June 2023 - Summary Report of 12 June 2023 Business Committee Meeting](#)

¹³ [FSA 2023-12 - Food hypersensitivity update on progress and options for improving the provision of allergy information](#)

¹⁴ [FSA 23-09-04 - September 2023 - Genetic Technology \(Precision Breeding\)](#)

¹⁵ [FSA 23-09-06 - September 2023 - Annual Animal Welfare Report 2022/23](#)

- The Board were provided with an overview of the work undertaken by the Incidents and Resilience Unit (IRU) to carry out food and feed incident response/prevention and outlines the challenges faced in 2022/23¹⁶.

Understanding the food crime threat

- The National Food Crime Unit (NFCU) provided their Annual Update to the Board in December 2023¹⁷, which set out the NFCU's operational delivery for the 2023 calendar year, governance arrangements, future challenges, and opportunities.

Local Authority performance and Achieving Business Compliance

- Provided update to the Board in December 2023¹⁸, on local authority performance in enforcing food law over the past year, and how the FSA is performance managing local authorities and highlights some of the issues that have been identified and addressed. A comprehensive update on the Achieving Business Compliance Programme was also discussed at the Board in December 2023¹⁹.

3.4 Major Projects

Achieving Business Compliance

In a rapidly evolving food sector, we need to regulate in a smarter way, looking at the implications of the changing shape of the food sector in the UK. The Achieving Business Compliance Programme (ABC) is the regulatory change programme for the FSA and seeks to:

- Modernise and transform our regulatory system to ensure the FSA and its delivery partners better focus regulatory resources towards the greatest risk;
- Build on our relationships with businesses who can help make change happen;
- Improve compliance by employing a targeted and proportionate approach to support the food sector in managing current and future risk.

In 2023/24, the refreshed programme will further modernise the delivery of local authority regulation, test new approaches to regulation and design the blueprint for the future regulatory assurance system. Compliance will be improved by working with and through others, including regulatory partners, primary authorities, local authorities, online aggregators and key actors and businesses in the food system.

¹⁶ [FSA 23-09-07 - September 2023 - Incidents and Resilience Annual Report 2022/23](#)

¹⁷ [FSA 23-12-11 - December 2023 - National Food Crime Unit \(NFCU\) - Annual Update](#)

¹⁸ [FSA 23-12-04 - December 2023 - Annual Local Authority Performance Review](#)

¹⁹ [FSA 23-12-05 - December 2023 - Achieving Business Compliance Programme](#)

The funding for this project falls under our standard SR allocation.

Windsor Framework

The Windsor Framework (WF) provides a unique set of arrangements to support the critical flow of agrifood retail products from Great Britain to Northern Ireland (NI).

In 2023/24, work will continue on the implementation of Phase II of the Windsor Framework, supporting across government, developing guidance for delivery partners, reviewing FSA internal processes and procedures for delivery of statutory obligations following WF changes and developing new processes as required.

The Windsor Framework project is funded by a budget cover transfer from DEFRA.

4. Other information

4.1 Additional specific information required by the Select Committee

Not applicable at present.

5. Accounting Officer Approval

This memorandum has been prepared according to the requirements and guidance set out by HM Treasury and the House of Commons Scrutiny Unit, available on the Scrutiny Unit website.

The information in this Estimates Memorandum has been approved by myself as Accounting Officer.

**Emily Miles
Accounting Officer
Food Standards Agency
06 February 2024**

Annex 1: DEL / AME Funding 2023/24

	Resource DEL	Resource AME	Capital DEL	Capital AME	Detail
Original Spending review allocation (SR21)	115.92	9.60	10.50	0.00	
Main Estimate 2023/24 adjustments:					
IFRS16	0.07		0.89		IFRS 16 technical classification
Shared Outcomes Funding (SOF)	0.58		2.74		Shared Outcomes Funding - PATH-SAFE
Natasha's Law budget cover transfer	(0.78)				Natasha's Law / PPDS administration transfer to DLUHC
Depreciation	0.27				Additional depreciation
National Insurance compensation surrender	(0.50)				National Insurance compensation surrender
Supplementary Estimate 2023/24 adjustments:					
Windsor Framework funding	1.19				Windsor Framework transfer from DEFRA
School Standards Compliance Pilot funding	0.02				School Standards Compliance Pilot funding transfer
Shared Outcomes Funding (SOF) funding	0.03		0.04		Shared Outcomes Funding - PATH-SAFE from UKHSA
Shared Outcomes Funding (SOF) funding	0.09				Shared Outcomes Funding - PATH-SAFE from DEFRA
CDEL Transfer to the Department for Science, Innovation and Technology (DSIT)			(0.20)		Transfer for the Evaluation Accelerator Fund (EAF) - Sustainable Diet Workstream.
CDEL surrender			(0.45)		IFRS16 CDEL surrender
CDEL to CAME switch			(0.04)	0.04	Switch to CAME from CDEL to cover creation of provisions for new accommodation lease dilapidations.
Total	116.91	9.60	13.48	0.04	