
**MINUTES OF THE FSA BOARD MEETING HELD ON 10 SEPTEMBER 2014 AT
HILTON HOTEL BELFAST, FROM 09:00-14:55**

Present:

Tim Bennett, Chair; Henrietta Campbell, Deputy Chair; Liz Breckenridge; Jeff Halliwell; Jim Wildgoose; Jim Smart; Heather Peck; Ram Gidoomal; Roland Salmon

Officials attending:

Catherine Brown, FSA Chief Executive
Andrew Rhodes, FSA Chief Operating Officer
Steve Wearne, FSA Director of Policy
Professor Guy Poppy, FSA Chief Scientific Adviser (CSA)
Dr Penny Bramwell, FSA Director of Science, Evidence and Research (DSER)
Richard Hoskin, FSA Head of Planning, Performance and Change
Maria Jennings, Director FSA in Northern Ireland
Geoff Ogle, Director FSA in Scotland
Rebecca Merritt, FSA Head of Private Office

Apologies for absence:

Paul Wiles

WELCOME AND ANNOUNCEMENTS

1. The Chair welcomed everyone to the meeting.
2. The Chair reminded all Board members to declare any relevant conflicts of interest before discussions.
3. The Chair passed on apologies for absence from Board member, Paul Wiles.
4. No items for Any Other Business were raised.

MINUTES OF MEETING HELD ON 23 JULY 2014 (FSA 14/09/01)

5. The Chair drew attention to the fact that the minutes from the meeting on 19 August 2014 of the Board Working Group on the Publication of the Retail Survey Results on the Reduction of Campylobacter from Poultry were attached as Annexe 1.
6. There were no amendments to the minutes and these were accepted as an accurate record of the 23 July 2014 meeting.

ACTIONS ARISING (FSA 14/09/02)

7. The Chair commented that the Board had received the briefing on the TTIP (Transatlantic Trade and Investment Partnership) and that further discussions would take place on this at a later date.

CHAIR'S REPORT

8. The Chair advised the Board of the list that had been published of the many useful engagements he had attended since the last Board meeting. He drew particular attention to the enjoyable and useful visit he had made on 7 and 8 September to Moy Park in Northern Ireland.
9. The Chair reported that the Board Working Group on the Publication of the Retail Survey Results on the Reduction of Campylobacter from Poultry had met and agreed an indicative timeline for publication of results for the rest of the survey and this timeline had now been published.
10. Steve Wearne, FSA Director of Policy, reiterated that the timescales were indicative. For Q3 and Q4 results, in line with the process for publishing official statistics, the date of publication would be confirmed one month in advance.
11. The Chair welcomed Professor Guy Poppy; the FSA's recently appointed Chief Scientific Adviser (CSA), to the table and also welcomed the FSA's newly appointed Director of Science, Evidence and Research (DSER), DR Penny Bramwell, who was seated in the audience.

CHIEF EXECUTIVE'S REPORT (FSA 14/09/03)

12. Catherine Brown had nothing further to add to her report but wished to thank the staff in FSA Wales who had worked hard to deliver the FSA's Report on a Food and Feed Law Enforcement Stocktake in Wales and Final Response to Pennington Recommendations in July.
13. In response to a question from a Board member, Andrew Rhodes, FSA Chief Operating Officer, stated that the success of the Intelligence Hub would be measured in terms of actionable intelligence e.g. the number of cases developed, live operations undertaken, tonnage of goods seized and prosecutions and other interventions pursued.
14. Further brief comments were made on the strike action by UNISON, official feed controls in Wales and FHRS.

15. The Chair referred to the Salmonella outbreak linked to eggs and asked what actions the FSA were taking to encourage other EU Member States to vaccinate their chicken flocks as the UK does.
16. Steve Wearne replied that he planned to use the proposal to the next meeting of the Advisory Committee on Microbiological Safety of Food on 2 October that it commences new risk assessment activity on eggs as an opportunity to invite the egg industry to submit data it held on the prevalence of Salmonella in flocks and eggs. It is possible that this might support differentiated advice to caterers and consumers on the use of eggs produced under schemes that incorporated effective vaccination, and the use of other eggs.
17. Andrew Rhodes reminded the Board that in the current Salmonella outbreak the eggs appeared to have come from vaccinated flocks from a supplier in Germany and this outbreak might not have occurred if proper cooking and hygiene measures had been followed.

PROGRESS UPDATE ON THE DEVELOPMENT OF THE FOOD STANDARDS AGENCY STRATEGY 2015-20 (FSA 14/09/04)

18. The Chair welcomed Richard Hoskin, Head of Planning, Performance and Change to the table.
19. The Chair said the FSA had approached the development of the strategy in a new way. The Board had engaged with representatives from consumer bodies, industry and scientists and had been involved in workshops with FSA staff. The consultation document was deliberately high level to encourage further discussion with stakeholders ahead of a more definitive document in November.
20. The Chair stated that food systems were changing rapidly and the FSA would have to be responsive to that; more of the same from the FSA would not be adequate. The Board had looked at the Food Standards Act and in protecting the interests of consumers in relation to food, had identified that there were areas where the FSA should take the lead in making policy but there were others where the FSA could usefully have an influence or support others to take action to achieve desired outcomes for consumers.
21. In taking the strategy forward, the FSA would always put the consumer first with the backing of a strong science and evidence base. The Chair then introduced a short video to give context to the work that the FSA did in improving peoples' lives in relation to food.
22. The Chair then asked Richard Hoskin to introduce the paper. Richard said a lot of work had gone into getting to this point and it had been an iterative process. In

order to scope the factors impacting the FSA's operating environment, information from a variety of sources including consumer groups, academic bodies, food industry, central and local government, European stakeholders and from the FSA leadership team and staff had been reviewed.

23. A number of key factors had been identified. These included:
- climate change and its impact on food production globally
 - global population increases and changes in global demand for food
 - the ongoing and increasing importance of international trade in food
 - increasingly diversified diets and the existence of food poverty in UK as well as an ageing population in UK; and finally
 - the need to operate within a smaller state – with declining resources which will have an impact on the FSA going forward as well as its delivery partners such as local authorities
24. Throughout the process the FSA had worked hard to ensure that it had engaged with consumers. Richard said that it was clear from the analysis that more than ever consumers needed an effective organisation in Government to act as their champion. At the same time, there was universal agreement on the need for a strong regulator that was independent of the food industry. Therefore, in developing the FSA strategy to 2020 it was proposed to renew the pledge the FSA made, approved by Parliament, in 2000 that 'we will put the consumer first in everything we do.'
25. The draft strategy proposed a number of key themes. These included:
- a Consumer Food Compact
 - a greater focus on collaboration and working more smartly with others
 - the development of new approaches to communications and campaigns to better influence business and consumer behaviour and to maximise the reach and impact of messages
 - supporting consumers better to ensure that they can make decisions about food in an informed manner, and to enable them to influence decision makers whose actions affect their interests. In support of this the FSA would be improving its understanding of different groups of consumers recognising that there is no single typical 'national consumer'.
26. Richard confirmed that there was a host of engagement activities arranged over the next couple of months with both external stakeholders and staff, the aim of which was to get their input to, and challenge around, the key themes and emerging outline activities highlighted in the paper using the key questions outlined within it.

27. Finally, as outlined in the paper, the strategy would be supported by a strategic plan outlining how the FSA would deliver against the priorities in the strategy. This would be developed over the coming months, beyond publication of the strategy, and Northern Ireland & Wales would have the opportunity to tailor plans around their specific needs.
28. The Board said the paper was a good reflection of Board discussions and commended the process which they had enjoyed. The Board thanked all the stakeholders who had contributed so far.
29. A Board member said as economics had a direct impact on affordability and sustainability the document should make explicit reference to it and asked if the FSA was able to get economic input into its decision making from elsewhere. The Chair added that decisions made by the FSA on food safety could impact detrimentally on decisions made by others on sustainability and affordability. This would be where the engagement of the FSA's Chief Scientific Adviser (CSA) in cross-Government discussions would be important.
30. Professor Poppy agreed and said his membership of the cross-Government Food Research Partnership enabled the FSA to get economic input in its decision making and give consumers a voice in decisions made on affordability and sustainability.
31. A Board member said the paper should be clearer on what the FSA proposes to take the lead on and what others lead on. Another Board member said a clear understanding of who does what would be important when considering resource allocation over the next five years. Catherine Brown said stakeholders would be asked at the upcoming workshops what they thought the FSA should do and what others should do.
32. In response to a query, the Chair said the strategy would be regularly reviewed in terms of its ongoing relevance and impact.
33. The Board offered a number of comments on the paper and the strategy:
 - Take the consumer findings and sit them alongside the strategy so that when stakeholders were considering the strategy, they were also considering what consumers had to say
 - Consider the FSA's position on consumers who have no or very restricted choice, such as those in schools and hospitals
 - In developing the detail of the strategic plan, draw up outcome measures to measure how successful the plan has been in delivering the strategy and its impact

- Emphasise the development of new approaches to communications and campaigns to better influence business and consumer behaviour
- The FSA will need to use its reputation as an independent Government department and the consumers' champion to put pressure on other decision makers to move agendas such as affordability and nutrition forward
- The FSA should be more proactive in playing a leadership role in scientific debates on issues such as GM, hormones and cloning so that consumers are better informed about the actual rather than perceived risks
- With regard to the Consumer Food Compact, there was some concern about clarity on the third bullet point in paragraph 4.9 i.e. what is the "best" food future the FSA can deliver?

34. The Chair concluded that the Board agreed with the recommendations in the paper and looked forward to the next phase of consultation and development and thanked Richard and his team for their hard work and staff across the FSA for engaging so enthusiastically with the strategy.

GENERAL ADVISORY COMMITTEE ON SCIENCE (GACS) ANNUAL REPORT (FSA 14/09/05)

35. The Chair welcomed Professor Sir Colin Blakemore to the table and asked him to take the Board through his PowerPoint presentation.
36. Professor Blakemore said that GACS had appreciated being consulted early in the process of appointing the FSA's new Chief Scientific Adviser (CSA) and Director of Science, Evidence and Research (DSER). GACS were pleased with the appointments of both Professor Poppy and Dr Penny Bramwell respectively. The role of GACS was to challenge the FSA, however, that was also the role of the CSA so this would mean a change to the role of GACS. GACS would review the new FSA model of science leadership in spring 2015.
37. GACS had been drawn into working with the FSA on the day to day running of the Agency and it now needed to step back and resume its role of being a critical friend.
38. GACS was pleased that its recommendations in the setting up of the FSA's Intelligence Hub had been taken seriously and that the FSA's Incident Management Plan had taken account of GACS work on the use of science in emergencies.
39. Professor Blakemore said that increased collaboration across the Scientific Advisory Committees (SACs) encouraging the flow of information was an

achievement of GACS this year. GACS was pleased to have joined with the Social Science Research Committee (SSRC) on the Working Group on Use of Evidence to look at how evidence is gathered and how the need for evidence is identified.

40. GACS biggest priority going forward was to monitor the new FSA science governance structure and the substantial changes in the FSA due to restructuring, the Elliott Review and the different arrangements being put in place with the creation of Food Standards Scotland.
41. Roland Salmon declared an interest as a member, and occasional Chair, of the Advisory Committee on Dangerous Pathogens. As Chair of the Welsh Food Advisory Committee (WFAC) Roland then reported that WFAC welcomed regular reports from GACS to the Board. Further, WFAC would welcome a glossary to accompany GACS reports and the inclusion of case studies to show how science translates into policy. The report was potentially a valuable tool in promoting public engagement with the Agency's science.
42. A Board member asked if the FSA's procedures for commissioning research with a limited budget were fit for purpose. Professor Blakemore responded that the FSA did a good job at prioritising and commissioning applied and routine research. He recognised that the FSA was working against a background of resourcing constraints, and hoped that the FSA would maintain a role in commissioning more open-ended research. He also hoped the Board would reiterate its commitment that in the face of funding cuts, the FSA would continue to place as a high priority as it could on research funding.
43. A Board member said the Board saw science as fundamental to assisting the Board in making decisions and there had been disquiet in recent years over the under spend on science research, albeit now reducing. Professor Blakemore agreed that the existence of a surplus had come as a surprise to GACS.
44. A Board member said it was not clear in the Terms of Reference for GACS that the risks to the FSA were a driver for GACS. Professor Blakemore responded that risk assessment and risk management were at the heart of what the FSA did. Therefore risks to the FSA were a primary consideration in GACS critical challenge of the Agency's work and would inform the GACS review of the new FSA science structures over the next six months.
45. Professor Poppy said he was looking forward to an effective working partnership with GACS. He knew other CSAs across Government looked to the FSA as a model of how to use a GACS and that Research Councils were keen to commission research jointly with the FSA. He also said that the Cabinet Office

Triennial Review of Committees post July 2015 would be a good opportunity to review arrangements.

46. In discussion the Board said that the clarification of the roles of GACS and the CSA would be important in avoiding conflicting advice coming to the Board; that the joint working between GACS and the SSRC was a good way of making better use of the information that the FSA already had; that the Board appreciated challenge to the Agency throughout the system so it was good news that GACS would build on its role of challenge; and the Board looked forward to GACS review of the new science governance structure in 2015.
47. In response to a request from a Board member, Professor Blakemore agreed to ask the joint GACS-SSRC Working Group on Use of Evidence to look at how well the FSA handled the need to balance quick decision making in emergencies with the need for those decisions to be proportionate and evidence based.

ACTION: Director of Policy

48. Steve Wearne said the hiatus between changing the FSA's science governance structure had drawn GACS into the day to day running of the Agency and it was right it should now refocus on its strategic challenge role. The restructure across FSA policy and operations aimed to improve capability but as part of these changes some staff that had been very visible to the SACs had left the FSA. Understandably both of these situations had created unease in the SACs.
49. Catherine Brown clarified that total FSA staff vacancies were not all scientific posts rather they were across the entire Agency and included, for example, meat hygiene inspectors. The Executive would come back to the Board as part of the science and evidence strategy discussions on the issue of striking the balance between agenda setting research and research that sought to respond to near term challenges. The Executive would also come back to the Board on the budget for research at a future Business Committee as part of the overall budget for future years.

ACTION: Director of Policy

50. The Chair concluded by thanking Professor Blakemore for his energy and commitment and by thanking the GACS members for sharing their knowledge and time with the FSA – we were very fortunate and grateful that so many such eminent scientists, under Sir Colin's leadership, were willing to give the FSA their input and support in the interests of consumers. The Chair reiterated the point that the Cabinet Office Triennial Review of Committees post July 2015 would be a good opportunity to review working arrangements between GACS and the

FSA. The Chair also announced that the FSA Annual Science Report would be published the following week.

FUTURE STRATEGY FOR FSA SCIENCE (FSA 14/09/06)

51. The Chair invited Professor Poppy to introduce the paper.
52. Professor Poppy first apologised to the Board for his part in creating the hiatus between changing science governance structures as his joining had been delayed because he had been involved in the Research Excellence Framework in Agriculture, Veterinary and Food Science; he hoped this experience would prove to be of use to the FSA.
53. Referring to the paper, Professor Poppy drew attention to the new technologies for food system monitoring, information and control. He was keen that the FSA should be involved in these to access high quality data and get ahead of the curve.
54. He said the FSA needed to look at the data it already had and use it as effectively as possible; this would help ensure that investments in research and evidence were well targeted.
55. He stated that it should always be possible to see the potential impact of research and trace its impacts to a strategic objective.
56. Taking the complexity of the global food system the FSA was dealing with into account, the FSA should take a systems approach to managing problems and recognise that the FSA could not manage all the problems by itself and so must be part of wider discussions with others.
57. Professor Poppy said the FSA needed to develop its internal and external science community. There were an impressive number of bodies willing to work on behalf of the FSA so the FSA needed to work hard to maintain this strong reputation. The FSA needed its entire staff to contribute to the aims of the Agency and so the science and evidence strategy should help deliver and be grounded in and inform the FSA's overall strategy.
58. The Chair welcomed Dr Penny Bramwell, FSA Director of Science, Evidence and Research (DSER), to the table to say a few words in her new role. Dr Bramwell said how the FSA evaluated evidence and how it commissioned research were linked to its overall capability as an organisation. As the FSA moved in new directions to fulfil a new strategy so it may be necessary to bring some new people in to complement the existing excellent people. Dr Bramwell also said that

she would reinforce support for an interdisciplinary approach to the evidence base.

59. In discussion the Board welcomed Professor Poppy and Dr Bramwell and welcomed the risk driven approach of the science strategy to address the needs of the Agency.
60. In response to questions from Board members, Professor Poppy said that the science community was already thinking beyond 2020 as to how research could have impact so he was confident that it was ready to help the FSA deliver its agenda. He also said that collaboration with others was the best way to incorporate business and economic thinking into FSA decision making and that his part-time position as an independent adviser would make it easier for the FSA to interact with and influence others within the complex environment in which it operated.
61. The Board welcomed the focus on the better use of information the FSA already had and Professor Poppy said over the next 12-24 months he hoped to get some early wins in this area.
62. In answer to a question from a Board member Professor Poppy said he would welcome the opportunity to discuss with Board members the interaction between the Board and the FSA scientific community and if it could be improved and has in fact a number of one to ones with Board members arranged at which he will explore this amongst other issues.
63. Dr Bramwell reminded the Board of the open invitation to attend GACS meetings. Dr Bramwell supported Professor Poppy in highlighting the importance of building partnerships to progress the FSA agenda in areas beyond food safety and encouraged the Board to share with them details of any key people or organisations that they should be contacting.
64. In concluding the Chair said it was evident that the Board supported the science strategy which was an important part of the new overall FSA strategy. He said he had particularly noted Professor Poppy's point that the FSA needed to take advantage of the work done by others e.g. the Treasury on modelling, to develop its intelligence capacity in an ever-increasingly complex operating environment.

THE ELLIOTT REVIEW – “THE INTEGRITY AND ASSURANCE OF FOOD SUPPLY NETWORKS”

65. The Chair explained that when the Elliott Report was published at the end of the preceding week, this item had been added to the agenda to enable the Board to

be promptly updated. The Board would have the opportunity to discuss the Report in full at the next Board meeting in November.

66. Catherine Brown confirmed that a paper which included the Elliott Report but looked more widely at the FSA's programme of work in the wake of the horsemeat scandal and would also include the Troop Report and the Scudamore Report was on the agenda for the November Board meeting.
67. Steve Wearne said the final report on the review by Professor Chris Elliott of Queen's University Belfast on the integrity and assurance of food supply networks was published on Thursday, 4 September. The review was commissioned jointly by the Secretary of State for the Environment, Food and Rural Affairs and the Secretary of State for Health on behalf of the UK Government. Professor Elliott's recommendations had been accepted by the UK Government.
68. First, Steve gave a reminder of the horsemeat incident, which broke in January 2013 with the report by the Food Safety Authority of Ireland that they had detected horse DNA, equivalent to 29% of the meat content, in a burger produced for Tesco. Subsequent discoveries of gross contamination in other products and the response by Government and industry kept the issue at or near the top of the news agenda for the next seven weeks – an unprecedented level of public interest and scrutiny in a food incident in the UK.
69. Steve said reviews had subsequently been commissioned by the FSA, by the National Audit Office, by the UK Government, and by other UK administrations. This was in addition to two inquiries by the Environment, Food and Rural Affairs Select Committee in Westminster.
70. The FSA had been active throughout the incident itself, and in the twenty months since. The FSA met the industry and published a four-point plan the day after the news broke; the Agency required a wide scale programme of testing by industry (the most extensive published testing regime in Europe); the FSA had reviewed its own handling; the Agency had fed in to the other reviews that had been conducted.
71. The FSA's early responses were informed by the Troop and NAO reviews, with their themes of strengthening intelligence, improving incident response, and understanding the impact of reductions in sampling by local authorities. This led the Agency to establish a new intelligence hub in the FSA last autumn; to revise, consult on, publish and plan exercises of a new major incident plan; and increase the FSA's funding for a targeted national programme of food sampling and testing by local authorities to £2m each of last year and this year.

72. Turning to the Elliott review, its recommendations sat within eight themes that emerged from Professor Elliott's systems-based approach. They were variously addressed to the food industry, to the FSA, and to other parts of Government.

There were four themes where there were particular actions for the FSA:

1. Putting consumers first – a headline which the FSA endorsed as it had been one of the FSA's guiding principles since its inception. In addition to the increased resources for a targeted national programme of sampling and analysis, the Agency continued to conduct surveys both where it believed there was the potential for consumer detriment (such as the current survey of take away meals sold as containing lamb), or where new technologies offered new opportunities (such as the survey of geographic provenance earlier this year using stable isotope technology).
2. Intelligence gathering – where in addition to the FSA's work to establish an intelligence hub, it had been working closely with trade associations and other industry interests to assure active channels through which this intelligence can be fed to the Agency, and through which the FSA can feed back its analysis of intelligence to help food businesses best protect themselves from food fraud threats.
3. Leadership and co-ordination of investigations and prosecution – this concerned the establishment and role of a Food Crime Unit within the FSA. This had been commented on widely following publication of the report last week, so Steve said he would spend some time on the issue.
 - i) The Food Crime Unit was a natural extension of the FSA's earlier work to create an intelligence hub. We had taken the opportunity of recent restructuring to bring together and refocus the FSA's intelligence and investigation capabilities, which would form the core of the Food Crime Unit, which would be operational by the end of the year. The Agency was recruiting a small number of additional permanent and seconded staff to support this work.
 - ii) The Unit would also be supported by a range of investigation and enforcement partners with whom the FSA had already established links, including the National Fraud Investigation Bureau and the National Trading Standards Board. The Agency would access not only local, regional and national intelligence networks, but also the networks being established across the EU and more widely.
 - iii) This was a staged process, and the first stage would see the FSA build the intelligence and evidence picture of risks and the nature of food fraud

and food crime in the UK. The Agency anticipated being able to build and maintain the Food Crime Unit through this first phase of its operation from within the FSA's existing resources, by restructuring and refocusing its efforts. This would in itself be a significant achievement as, in common with most other Government Departments, the FSA's budget had been reducing in recent years

iv) There would be a review of progress and future needs after two years. If this review were to propose an expanded remit or operations for the Food Crime Unit, moving for example to a unit with the scope and scale of that operated by the NVWA in the Netherlands, very significant additional resource would then be needed.

4. Crisis management – one of the FSA's first actions after the horsemeat incident, spurred on by Professor Troop's report into the FSA's handling of the incident, was to build a new major incidents plan capable of dealing with even the largest food incidents. The Agency had devised and consulted on this new plan, and were now planning exercises with key stakeholders to test its operation.

73. Steve concluded that the final slide attempted to compare the FSA's position in January 2013 when the horsemeat incident broke, with its position now and where it aimed to be at the end of the year. It was indicative rather than exhaustive, and showed how the FSA had improved its capability; the journey from the germ of an idea about an intelligence hub through to an operational Food Crime Unit; and the development of assessments and tools to help improve resilience across the food chain.

74. The Chair said that he and the Deputy Chair had met with Professor Elliott the week before the Report had been published and that the Professor had had regular meetings with the FSA since the publication of the interim Report. This had enabled the FSA to ensure that our ongoing work was aligned with the direction of thinking captured in the final report.

75. A Board member asked that the issues of resourcing the Food Crime Unit now and in the future and the impact on the rest of the FSA's work programme as well as governance of the Food Crime Unit be addressed at the November meeting.

76. Regarding governance, Steve said the Government's response to the Elliott Report stated: "The work of the Food Crime Unit will be overseen by a Board made up of Government departments and relevant criminal enforcement agencies, with an escalation route to Ministers."

77. This statement would have to be defined more clearly and it was hoped this could be done through the new government Group on Food Integrity and Food Crime of which the FSA Chair was a member and which may helpfully have met before the November Board meeting.
78. Regarding resourcing Andrew Rhodes, within whose directorate the Food Crime Unit sat within the Consumer Protection Division of the FSA, said there had been a lot of out of context inaccurate reporting in the media. The Food Crime Unit was not yet fully operational; over 40 posts had been centralised from existing FSA divisions and over 20 more posts were being recruited from a strong field.
79. The costs of the Food Crime Unit were being met from within the FSA's existing budget and for financial year 2014-15 were less than £1.5million as the Unit was not yet at full strength. Estimated costs for the next financial year were approximately £2million and this was caveated with the clarification that the Food Crime Unit was not a quasi-police force as reported in the media.
80. It had also been reported that the FSA had been given an additional £2million for sampling. This was not the case. The FSA had given Local Authorities £2.2million (an increase of £600 000 on the previous year) from its own budget towards the national sampling plan. This was against a background of reductions in the overall budget of the FSA, in that since the horsemeat scandal broke in 2013 until 2016 the FSA's budget would have reduced by £22million. These internal efficiencies and investments therefore represented a material achievement.
81. Andrew clarified that the recommendation in the report, agreed by Government and the FSA, was to introduce Phase 1 of the Food Crime Unit – concentrating on gathering intelligence, building critical relationships and ensuring appropriate action takes place in light of developing intelligence using existing mechanisms. There will then be a review of whether to implement Phase 2, a fully developed separate "police force" more along the lines adopted in Holland. Professor Elliott has estimated the cost of this at £36million which would be more than a third of the FSA's existing budget.
82. Andrew said Phase One of the Food Crime Unit would be fully resourced, operational and effective by the end of 2014.
83. A Board member said he noted there was nothing in the Government's response about the recommendations in the Elliott report to "Urge industry to adopt incentive mechanisms that reward responsible procurement practice" and to "Encourage industry to reduce the burdens on businesses by carrying out fewer

but more effective audits and by replacing announced audits with more comprehensive unannounced audits”.

84. He said it would be good to explore with Professor Elliott and industry if possible what could be done to actively take those recommendations forward as without addressing these environmental factors which enable food fraud to occur it would continue.
85. In response to comments from the Board, Andrew agreed that a constant drip feed of communication on the scope, powers and activities of the Food Crime Unit would be necessary to ensure everyone was clear about what was being undertaken at this stage.
86. In concluding the Chair said it was clear that the Food Crime Unit brought significant extra work for the Agency. He reflected that the issue of earned recognition and how to reward good businesses while setting penalties that reflected the risk for wrong doers had also been taking place in discussions on the FSA’s strategy.
87. The Chair said he looked forward to the Board’s deeper discussion on the Elliott report and the FSA’s response to horsemeat at the November Board meeting.

**STEERING GROUP ON MEAT CHARGING: MEAT OFFICIAL CONTROLS
DISCOUNT REFORM (FSA 14/09/07)**

88. The Chair welcomed Bill Stow, independent Chair of the Steering Group on Meat Charging, to the table. The Chair then asked Andrew Rhodes, FSA Chief Operating Officer, to give some background to the paper before Bill presented it.
89. Andrew said the current system of discounts on meat official control charges to Food Business Operators (FBOs) was introduced in 2009 when time-based charging was adopted, and was based on data from the last year the FSA charged on the basis of the Maclean system where FBOs were charged the lesser of the time-based charges or a throughput charge. The current discount system was widely considered to be not fit for purpose because it potentially distorted competition by charging very different amounts to similar sized plants with similar working practices.
90. Bill Stow firstly thanked the team of FSA analysts who did the complex work underpinning the proposal in the paper. That proposal could be compared to a system of graduated income tax; the smaller the plant, the bigger the discount based on charging per hour rather than historic data linked to throughput. The discount pot (in effect the subsidy) remained at the same size.

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91. Bill referred the Board to paragraph 12.1 in the paper which listed the Steering Group's conclusions. The Steering Group had concluded that the proposed system was fairer since like plants were treated in a similar way. Bill referred the Board to the scatter diagram at paragraph 7.3 which showed big anomalies with plants of the same size being charged different amounts. The scatter diagram at paragraph 7.5 showed many fewer anomalies under the proposed system; the continued existence of some anomalies was likely to be due to EU minimum charging rates.
 92. Bill said the proposal gave FBOs greater incentive to make better use of FSA resource since the more a plant used, the more it paid; at the moment some FBOs were paying as little as 4p per hour so they had little incentive to make the best use of the FSA's service when it was essentially free.
 93. Bill said the Steering Group had considered using discounts to increase compliance but had concluded that it would be a complication too far given the contentious nature of charging and the fact that the FSA had other means of increasing compliance. The proposal was neutral in terms of its impact on consumer safety and it was unlikely to change the end cost of the product for consumers as charging for official controls was only a small part of a meat producer's costs.
 94. However, the Trade Bodies had been unable to fully sign up to the proposal for three reasons. First, one or two big companies, which were nearly at full cost recovery, and would even benefit from the proposal held principled objections to the system of charging per se and could not be reconciled to it.
 95. Second, the proposal was a zero sum game; some of those who had benefited from the system in the past no longer would which was unavoidable. Yet Bill noted that when FBOs had been given the opportunity to request an estimate of their discount under the proposed system the response rate had been low perhaps because the margins of gains and losses were relatively small.
 96. Third, as could be seen from the chart at paragraph 7.6 there were significant losses and gains in the poultry sector. Poultry did the least well out of the proposal because it had done so well out of the current system; this however was no consolation to the plants that would have to pay more. One of the ways to mitigate the impact could be the use of Plant Inspection Assistants (PIAs).
 97. Andrew explained that the EU Regulations make provision for the poultry sector in certain circumstances to be able to employ its own staff to carry out post-mortem inspections; in every other sector this must be done by a Government official. PIAs had to be fully accredited and were still overseen by an Official

Veterinarian (OV). A plant had to have followed good HACCP (Hazard Analysis and Critical Control Point) procedures for 12 months before it was allowed to employ a PIA to carry out official controls and if the plant's HACCP standards fell, it would no longer be allowed to deploy a PIA on official controls. 42% of poultry plants had a PIA system; some used them alongside FSA Meat Hygiene Inspectors (MHIs).

98. Bill said the Steering Group had only considered PIAs in relation to discounts and had not concerned itself with the issue of whether PIAs were a good thing or not, nor with incentivising their use. He referred the Board to paragraph 6.7 in the paper. FBOs would not pay more if they chose to use a PIA but the intention was not to disincentivise or incentivise the use of PIAs but rather to ensure there was no disincentive to their use. In addition the PIA discount proposal would have no adverse impact on the red meat sector.
99. Paragraph 1.2 in the paper did refer to possible gains for the FSA if there was an increased take up of PIA systems but Bill warned that there was no reason to think this was likely to happen to a significant degree.
100. Bill said the Board were being asked to agree to the recommendations as listed at paragraph 1.2 and highlighted the last one in particular:
 - Agree to the setting up of a group to review the wider issues, including full cost recovery, alternative delivery models and the treatment of indirect costs in the charges calculation
101. Bill said this was very important to the industry and should be taken as a vote of confidence in the process. However, before a new group was established, the FSA should consider how the discount proposals were received.
102. A Board member who had sat on the Steering Group commended the paper to colleagues. He thanked the FSA analysts who had carried out world class work; he thanked Bill for his attention to detail and his tact and skill in chairing the Group; and he thanked the industry representatives who had engaged with the process in a highly constructive manner. He said this collaborative style of working could be used to move on to bigger issues but a period of implementation of the proposal was needed before wider ranging discussions should proceed
103. In discussion Bill confirmed that the consultation process would require a regulatory Impact Assessment which would contain data on how much of a meat producer's costs are taken up by charging; and that it was not proposed to introduce the new system until 2016/17 to allow FBOs time to reconfigure to use less FSA resource by working with local FSA management.

104. Catherine Brown said she was very impressed with the report which was an independent one, not an FSA one. She agreed with the recommendation to implement the proposed system in 2016/17 to minimise the financial risk to businesses by allowing them time to adjust. Catherine said FSA resources could not support establishing the new group and moving onto phase two at the same time as implementing phase one.
105. Further, if there was increased uptake of the PIA system whether that money should reduce the discount pot was a question for phase two. The issue of using discounts as a means to incentivise compliance, while a difficult one, was one favoured by the Board and so should also be considered as part of phase two.
106. Andrew suggested phase one could be considered complete and phase two could commence once the proposal had made it through the regulatory committee process.
107. A Board member asked if there was still further work to be done on the issue of PIAs before the consultation started. Bill Stow replied that since the paper had been written there had been two meetings with the poultry sector but there was no real change on the nature of the proposal as outlined at paragraph 6.7.
108. The Chair of WFAC said the Committee had had lots of discussion on this paper and relayed the following comments:
- A regulatory Impact Assessment for Wales would be needed
 - A member of WFAC, who belonged to the primary production sector felt that the independence of the inspection process should be maintained and the employment of food inspectors by private business potentially compromised the inspectors' independence and willingness to challenge the business. A mechanism to protect this independence would be important.
 - The FSA may be obliged to hand back any savings to industry but if not, some WFAC members would welcome the availability of seed money to modernise the techniques used throughout the inspection process. Other members felt that it should be used to support business particularly small and medium enterprises.
109. Bill said that an Impact Assessment for Wales could endanger commercial confidentiality as there are so few plants and it would be easy to identify them and this would need to be considered as part of the implementation plan.
110. In concluding the Chair thanked all of those who been involved in the process, especially Bill Stow whose knowledge as well as his skills was now invaluable.

111. The Chair said there was consensus among the Board to accept the recommendations at 1.2 in the paper except for the following:
- Agreement as to the spirit of savings, should they occur, reducing the costs for onwards charging but detail to be considered and confirmed
 - Agreement on the need for a pause before moving on to the next phase but a desire to build on the collaborative style of working with industry; therefore the Board would regularly review when to start the next phase to reassure stakeholders that the Board was still engaged with the issue

ACTION: Chief Operating Officer

REPORT FROM THE CHAIR OF THE NORTHERN IRELAND FOOD ADVISORY COMMITTEE (NIFAC) (FSA 14/09/08)

112. The Chair invited Henrietta Campbell, Chair of NIFAC, to introduce the paper.
113. Firstly Henrietta Campbell thanked the members of NIFAC for their contributions to the Committee. She said NIFAC had recently recruited two new members from a strong field of Northern Ireland candidates and she was sure they would strengthen the Committee further.
114. Henrietta reminded the Board that NIFAC also had a role to look at public health protection in Northern Ireland and to provide independent advice to industry particularly on nutrition and labelling.
115. She reported that NIFAC were pleased to have had early input into the FSA strategy which recognised the importance of devolution to respond to the needs of communities.
116. The Chair then said he would invite the FSA in Northern Ireland Director to present the next paper before taking questions from the Board on both papers together.

FSA IN NORTHERN IRELAND DIRECTOR'S UPDATE (FSA 14/09/09)

117. The Chair welcomed Maria Jennings, FSA in Northern Ireland Director, to the table and invited her to introduce the paper.
118. Maria Jennings started by reminding the Board that Northern Ireland (NI) was the only part of the UK with a land border with another Member State. There were a number of food companies with interests across the UK and Ireland who, rightly, expected equivalent treatment. At operational level the FSA in NI worked very

closely with their colleagues in the Food Safety Authority of Ireland (FSAI) to ensure that standards were applied consistently and fairly.

119. The FSA in NI also worked in partnership with the all-island body safe food to ensure that they avoided duplication and delivered cost-effective programmes for consumers on the island.
120. Agri-food was NI's largest and most successful manufacturing industry directly employing around one hundred thousand people. In order to support the food industry to provide safe, high quality and accurately labelled food, the FSA in NI managed a strong inspection service provided by Department of Agriculture & Rural Development (DARD) through Service Level Agreements.
121. The FSA in NI also relied immensely on the work carried-out by Environmental Health Officers based within the District Councils. Maria said it was important to acknowledge that this service was currently being reformed and Council numbers would reduce from 26 to 11. During this time of change and, uncertainty, the FSA in NI were working hard to ensure that a strong, targeted, robust food control service was established for the future.
122. Maria acknowledged the effort that had been put into the Food Hygiene Rating Scheme (FHRS) Bill which would be introduced to the Northern Ireland Assembly very soon.
123. In order to effectively manage the work of the FSA in NI, the senior team in Belfast had recently carried-out an in-depth review of its structure and organisation, in order to better align the teams within the FSA and with key stakeholder groups. This would allow the FSA in NI to deliver more effectively and build their capability and capacity to influence locally and nationally.
124. Finally, in outlining the FSA in NI's priorities for 2015, Maria reflected on the need to continue to build on their existing good working relationships with their key partners to deliver for NI consumers.
125. A Board member said he had been impressed on the Board's last visit to Belfast with the Caloriewise scheme and wanted to know if it was ready to be expanded to the rest of the UK. He also wanted to know if there was strong evidence to support giving information on Caloriewise to consumers.
126. Maria replied that it was difficult for small businesses to gather the calorie information of their recipes to put on their menus. The FSAI had also encountered this issue and had developed an online tool into which businesses could input their nutritional information and get the calorie information to put on

their menus. The FSA in NI were hoping to be able to use this online tool as well.

127. The FSA in NI also worked with the Department of Health (DH) to align policies for UK wide businesses as a lot of large businesses were already displaying calorie information on their menus. Once these policies were aligned and small businesses were in a better position to do it, then the FSA in NI would be able to tell consumers how they could use the calorie information on menus constructively.
128. A Board member asked if the review of overall roles and responsibilities of statutory bodies in relation to food safety, diet and nutrition had improved the environment in which the FSA in NI operated. Maria confirmed that the formal structures the review put in place had helped by giving the FSA in NI the time and space to discuss cross-over areas of responsibilities with partners on a regular basis.
129. The Chair concluded by thanking Henrietta Campbell and the members of NIFAC and by welcoming their continued challenge to the Board.
130. The Chair then thanked Maria Jennings and the FSA in NI staff for all their hard work and said it was thanks to the different ways of working across the UK, that the FSA was able to identify best practice.

**FSA NUTRITION ANNUAL UPDATE: SCOTLAND AND NORTHERN IRELAND
(INFO 14/09/01)**

131. There were no comments or questions from the Board on this information paper.

**REPORTS FROM THE CHAIRS OF THE FOOD ADVISORY COMMITTEES (INFO
14/09/02–04)**

132. There were no comments or questions from the Board on the Reports submitted by the Chairs of NIFAC, SFAC and WFAC.

ANY OTHER BUSINESS

133. The Chair advised that there was no other business to report and closed the Board Meeting.

DATE OF NEXT MEETING

134. The next meeting of the FSA Board will take place on Wednesday 5 November 2014 in Aviation House, London.

**MINUTES OF THE FSA BUSINESS COMMITTEE MEETING HELD ON 10
SEPTEMBER 2014 AT HILTON HOTEL BELFAST, FROM 14:15 – 14:55**

Present:

Tim Bennett, Chair
Liz Breckenridge
Catherine Brown, Chief Executive
Henrietta Campbell, Deputy Chair
Ram Gidoomal
Jeff Halliwell
Chris Hitchen, Director of Finance and Strategic Planning
Stephen Humphreys, Director of Communications
Maria Jennings, Director Northern Ireland
Rebecca Merritt, Head of Private Office
Geoff Ogle, Director Scotland
Heather Peck
Professor Guy Poppy, Chief Scientific Adviser
Nina Purcell, Director Wales
Andrew Rhodes, Chief Operating Officer
Roland Salmon
Jim Smart
Steve Wearne, Director of Policy
Jim Wildgoose

WELCOME AND ANNOUNCEMENTS

1. The Chair reminded everyone to declare any relevant conflicts of interest before discussions.

**MINUTES OF BUSINESS COMMITTEE MEETING HELD ON 11 JUNE 2014 (FSA
14/09/10)**

2. There were no amendments to the minutes and these were accepted as an accurate record of the 11 June 2014 meeting.

ACTIONS ARISING (FSA 14/09/11)

3. The Chair obtained clarification that the action on retesting consumer engagement work would be met in November 2014.
4. Stephen Humphreys confirmed that the action to submit the report to Parliament was on track for October 2014; the Chair was due to receive a draft by the end of September.

RESOURCE AND PERFORMANCE UPDATE - SEPTEMBER 2014 (FSA 14/09/12)

5. In introducing the paper Chris Hitchen (Director of Finance and Strategic Planning) said the FSA was on track to meet its SR10 settlement for 2014/15 which as the final year of the settlement would mean that the FSA had met its SR10 spending settlement in its entirety.
6. There had been a lot of discussion about pressures on resourcing and Chris wanted to remind the Board that in 2010 the FSA had agreed to a 25% reduction in its budget over the following four years. The incoming Government in 2010 had also introduced spending restrictions on marketing for example which caused a large part of the FSA's underspend.
7. With regard to the science underspend, there had been some opportunities for expenditure and science spend had now increased slightly since the FSA had aligned its policy and science teams.
8. Chris referred the Board to Annexe C and said that next year would be a new world in terms of financial resources for the FSA. The FSA had a heavy programme of work with the Food Crime Unit, the new strategy and science outcomes to deliver with flat expenditure. Tough decisions would have to be made on spending priorities and these would be brought to the Board in the usual way in January before the Budget was agreed.
9. Chris referred to the action on the Actions Arising list about including more on risks in the Performance and Resource Report. Chris said there were well established processes for risk to be considered in the FSA in business plans, the strategy and the budget and so he was not proposing to include risk registers per se into the Report.
10. Chris reminded the Board that this Report was on a journey of improvement and he would welcome the Board's views on how to better integrate the performance report at the back of the report into the body of the Report.
11. Chris said he would also welcome the Board's views on a new staffing update at Annexe D of the Report and on the proposed focus papers to come to the Board.
12. Some Board members said they would like to see the top 5-10 risks on the FSA's corporate risk register on a more regular basis than every six months as currently arranged; perhaps as an annexe to this Report.
13. The Chair reminded the Board that it was the role of the Audit and Risk Assurance Committee to reassure the Board on the FSA's process of risk management. It was the role of the Board to concern itself with the strategic risks of the FSA. The Chair stressed the importance of the Board being given regular access to the corporate risk register to be able to assess the top level strategic risks.

14. Catherine Brown confirmed that the Board were due to review the risk register in November after which she was confident the Board would be reassured. If after November the Board still wanted to discuss ways to look at the risk register more often, then they could look at an annexe to this Report or as the Chair had suggested being alerted by means of this Report to any changes in the risk register as and when they occurred.
15. Catherine confirmed the risk register would be circulated to Board members in advance of the November meeting and if any of the new Board members wanted to talk through it on one to one basis before then she or Chris would be happy to do so.

ACTION: Director of Finance and Strategic Planning

16. In response to a question from a Board member Chris said based on the ambitious work programme of the FSA for 2015/16 the gap between the 2015/16 “wish list” and the limit of £108.8million was likely to be in the region of £5-10million; the gap at this stage in the process last year was £5million as well.
17. A Board member referred to the disproportionate (given the relatively small size of the industry) sum of £6.3million of the FSA’s budget which was spent on shellfish. Andrew said it was due to the burden of official controls and the very fragmented nature of the industry. He confirmed the FSA were engaged with the shellfish industry and that the creation of Food Standards Scotland next year would decrease the amount the FSA had to spend on shellfish.
18. The Committee agreed it was content with the list of proposed focus papers.
19. The Committee asked for a more in depth look at Health and Safety and Wellbeing to be the subject of a focus paper at some stage.

ACTION: Director of Human Resources

20. The Committee asked for a more in depth look at the survey of staff attitudes.

ACTION: Director of Human Resources

21. A Board member asked if there was a better way of linking the distribution of FSA money to the impact on the high level risks identified for the Agency. Steve said there could never be one single unified measure of impact that would work across the work of the Agency. There would always have to be different impact indicators for policy in comparison with for example official controls.
22. Catherine added that the mutual permeability of the five historic key strategic areas of the Agency made the task of linking financial information to outcomes more difficult and so the new FSA strategy would more clearly distinguish between strategic objectives.
23. The Chair reminded the Committee that the FSA had recently completed a Governance Review, written new Terms of Reference for the Board, set up the Business committee and established the Audit and Risk Assurance Committee.

It would be sensible to see how these changes bedded in before making further adjustments and any further changes to resource and performance reporting would have to be considered and add to the effectiveness of the Board and the running of the FSA.

ANY OTHER BUSINESS

24. There was no other business and the Chair closed the Business Committee meeting.

DATE OF NEXT MEETING

25. The next meeting of the Business committee would take place on 5 November 2014 in London.