

MINUTES OF THE FSA BOARD MEETING HELD ON 11 JUNE 2014 AT AVIATION HOUSE, FROM 09:00-12:20

Present:

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

Officials attending:

Catherine Brown, FSA Chief Executive
Andrew Rhodes, Chief Operating Officer
Steve Wearne, Director of Policy
Chris Walding, TSE Policy Manager
Will Creswell, Head of Consumer Protection and Commercial Support
Rebecca Merritt, Head of Private Office

Apologies for absence:

There were no apologies for absence

WELCOME AND ANNOUNCEMENTS

1. The Chair welcomed everyone to the meeting, specially the three new Board members who were attending their first Meeting; Heather Peck, Ram Gidoomal and Jim Smart. The Chair also welcomed observers both in the room and online.
2. The Chair reminded all Board Members to declare any relevant conflicts of interest before discussions.
3. The Deputy Chair also informed the Board that questions could be raised via social media for the first time using #FSABoard.
4. There were no items raised for Any Other Business.

MINUTES OF MEETING HELD ON 5 MARCH 2014 (FSA 14/06/01)

5. A Board Member enquired whether there was an update on the work of the Transatlantic Trade and Investment Partnership (TTIP). Catherine Brown responded that she had attended Cabinet Office (CO) meeting to talk about process and an update briefing would be planned for a future Board, probably through the Thursday circulation.
6. There were no further amendments to the minutes and these were accepted as an accurate record of the 5 March meeting.

ACTIONS ARISING (FSA 14/06/02)

7. A Board member queried if a date had been set on the forward agenda to discuss the guidance on rare burgers as stated in item 13. Catherine Brown responded that a date had not yet been set but work was continuing on the review and approach to risky food in general, with a view for initial discussions coming to the Board from September onwards. The Chair agreed that this will be explored.
8. The Chair also advised that meat charging was planned to be discussed at the September Board and that the action regarding the Primary Authority Scheme was two-fold. One action was to circulate a brief note to inform the Board about the scheme. The other was work that Rod Ainsworth was currently working on relating to further development of the scheme.

ACTION: Board Secretariat and Director of Policy

CHAIR'S REPORT

9. The Chair advised the Board of the list that had been circulated on the many useful engagements he had attended since the last Board meeting and that these were available to view on the website. He drew particular attention to the future of raw milk stakeholder event that involved a great deal of consumer and business engagement.
10. The Chair also mentioned the Reducing Regulation Committee he and Ministers attend where he talked about enforcement for small business and the my HACCP on line tool which has been introduced to help small manufacturers with hygiene requirements.
11. The Campylobacter event was also a success and other Board members who attended felt that it was good that all interested parties attended from industry as well as the retailers and the engagement at all levels was vital. However, they also felt that this issue had been looked at for long enough and felt that retailers in particular need to act decisively to reduce public health impacts.
12. The Chair was also delighted to report that Charles Milne (Director FSA Scotland) had been awarded the Fellowship of the Royal Agricultural Societies and also Fellow of the Royal Veterinary College. Sadly, he was leaving his role with the FSA to become Chief Veterinary Officer in Melbourne, Australia and the Board wished him well for the future.
13. A Board Member provided an example of how a bakery in a very challenging environment, in an old prison, had achieved a top rating in FHRS, and pointed out that this demonstrated all businesses could achieve the highest level of hygiene. Further discussion prompted a request that a review on the FHRS system following the mandation in Wales and NI be planned for the Autumn

ACTION: Board Secretariat

CHIEF EXECUTIVE'S REPORT (FSA 14/06/03)

14. Catherine Brown advised that she had little to add to her circulated report but highlighted a couple of specific areas. She thanked the four Board Members that attended the Acting on Campylobacter Together (ACT) workshop. This provided valuable interaction with a wide range of stakeholders and emphasised the high priority that the Board has placed on dealing with the issues. The event also highlighted the significant time invested by both industry and consumer groups.
15. Catherine also advised that Geoff Ogle would be covering the Director role in Scotland now that Charles Milne was leaving and that successful interviews had recently been held for the Director of Science, Evidence and Research role, subject to the normal checks.
16. She also highlighted the Allergy Awareness week (section 4) and recommended the "storify link" within her CEO published document. Finally she reported that the entry on para 6.1 regarding the Chinese concerns on the importing of cheese from the UK had now been resolved, and trade was once more underway.
17. Further discussion took place on some of the subjects included in the CEO Report, including authenticity and the FSA strategy, audit practices, and the allergy awareness week.
18. Specific questions were asked about the concerns Moy Park have on food safety week. Catherine responded that Moy Park in common with much of industry, have concerns about the messaging on Campylobacter and want to be sure that consumers are informed in an empowering way and a food scare is avoided.
19. A Board member raised the question on the FSA's communications and how they are assessed. Catherine responded that the FSA does assess and evaluate its communications initiatives and took the opportunity to recommend to those on twitter to sign up to Thunderclap for the beginning of food safety week which will allow us to see our quality and depth of reach and provide analysis thereafter.
20. Further discussion took place regarding earned recognition and mandatory fortification of bread. Also, with the successful outcome of the cheese to China, a Board member reminded the meeting that one of the strategic purposes of the FSA was to encourage growth and that this was a good example. Catherine responded that she had recently completed an interview with Food Manufacture magazine where growth was discussed and that she would circulate this to the Board through the Thursday circulation.

ACTION: Board Secretariat and CEO

A REPORT SUMMARISING THE TRAJECTORY OF CHANGE OF THE CONTROLS ON TSEs FROM EMERGENCE TO THE PRESENT DAY AND BEYOND (FSA 14/06/04)

21. The Chair welcomed Chris Walding (TSE Policy Manager) to the table. The Chair also reminded the Board that because of regulatory changes over a period of time, he felt it important to re-assure consumers of the controls in place. The paper was therefore not a decision one but an information one. Steve Wearne introduced the paper.
22. Steve reported that the second six-monthly report on BSE surveillance and enforcement of controls on specified risk material and animal feed could be found in annex 1 to the paper. He also took the opportunity to set out the broader context for TSE controls, including:
 - the emergence and decline of BSE and of the human disease vCJD
 - the introduction and subsequent changes to controls designed to manage public health risks
 - the current controls, set out at annex 2, and
 - possible future changes to the controls regime at national and EU level
23. Steve highlighted section 4.15 on page 5 of the paper, which summarised recent Board discussions regarding BSE controls. During those discussions of changes to BSE surveillance the Board expressed some concern that reduced testing levels might be insufficient to detect re-emergence. On each occasion the Board received the necessary reassurances from SEAC and Defra officials. The data was now available to back up these assurances - although the BSE testing of healthy cattle ceased on 1 March 2013, the current testing requirements still meant that a significant number of higher risk animals were tested. In the 6 month period covered by the report in Annex 1, nearly 76,000 cattle were tested.
24. Steve also provided an update on the breach of SRM controls referred to in paragraph 10e of annex 1, on page 11 of the paper.

These breaches took place in May and July 2013 in a combined slaughterhouse and cutting plant which was part of the same chain as the plant that was reported in November as despatching significant quantities of bone in cuts that resulted in consumer exposure to SRM. In this breach, in July a consignment of 5 carcasses was sent to a butcher that was not authorised to remove bovine vertebral column. The error was quickly noticed and the carcasses recalled.

25. In May two small consignments consisting of 2 full roasts and 5 prime standing ribs were sent to the same butcher. These were not recalled and it was probable that consumers were exposed to SRM as a result of those breaches.

The food business operator had now decided not to despatch bone in carcasses meat from over 30 month cattle to other premises. Instead it would remove the vertebral column in its own co-located authorised cutting plants. The breaches should not therefore re-occur.

Notwithstanding that change in practice, the breach remained under investigation with a view to possible prosecution if the necessary evidence was available.

26. The Board paper made one proposal for consideration by the Board – that subsequent reports on BSE surveillance and controls be incorporated into Operations Group reports to the Board, which would be considered later on at the Business Committee. After some discussion, and taking account of the view expressed by NIFAC, it was agreed to continue with the current format and frequency of Board reporting.
27. Roland Salmon made a declaration of interest as Joint Chair of the Advisory Committee on Dangerous Pathogens (ACDP) and joint chair of its Transmissible Spongiform Encephalopathies' Risk Management Subgroup, as well as Chair of WFAC. He welcomed the paper and that any proposed changes to the controls would be subject to full public consultation. He also said that considerable caution was still appropriate in terms of rules on the removal of the spinal column of sheep and that any solution appeared to be technical rather than legislative.
28. Steve responded that the legislation designates the spinal cord of sheep aged over 12 months of age, or with a permanent incisor erupted, as specified risk material (SRM) but there is a desire within industry to find an economically preferable way of dealing with this restriction if it cannot be removed altogether.
29. A question was raised about the discrepancy in numbers published in paragraph 2 of Annex 1.
30. Chris Walding was unable to provide a detailed explanation on the monitoring figures but would provide further clarification for the Board.

ACTION: Chris Walding

31. Further questions were asked by Board members concerning A-typical BSE scrapie and whether the controls in place apply to both typical and standard BSE as well as whether there was a feeling of “steady state” with BSE and were the risk assessments set right. Chris Walding responded that the current controls are sufficient but there is on-going research in this area.
32. Steve Wearne responded that there remained the need to stay vigilant and ensure there was compliance with the framework even though there had been a decline in incidents.
33. Roland Salmon said that while levels of BSE are currently very low they are not zero. He added that overseas confidence remained a little fragile so there was a need to remain active and added that there was a wider scientific question on whether blood testing should be developed further as all current testing remained post-mortem. There was scope to make technical advances in this area.

34. The Chair raised the recent incident in Brazil as an example of how there was a need to look at what is happening worldwide with BSE. Chris Walding advised that any countries trading with the EU must meet any EU rules.
35. A further discussion took place about what testing and controls other countries have and the importance of continuing surveillance.
36. The Chair summarised the discussion and noted the action to provide a short paper on controls used to assure meat imported from non EU countries.
ACTION: Steve Wearne
37. The Chair advised that any specific policy changes will come to the Board in the future. The Board also agreed that the six monthly report remain and not be incorporated into the Operations Group report.
38. Catherine Brown agreed that the review of evidence priorities planned with a small Group including the new Chief Scientific Adviser would consider the possibility of future blood testing as suggested by Roland Salmon in the context of other research priorities.
ACTION: Steve Wearne
39. The Chair thanked Steve and Chris for their paper.

PROGRESS UPDATE ON THE FSA'S INCIDENT MANAGEMENT PLAN (FSA 14/06/05)

40. The Chair welcomed Will Creswell (Head Consumer Protection & Commercial Support Division) to the table and invited Andrew and Will to introduce the paper.
41. Andrew advised the Board that this plan had been put together in light of the lessons learnt from the horsemeat incident and other major incidents. It is not designed to be exhaustive but is a blueprint for collaboration and lays out the basis for our approach to material incidents.
42. Will Creswell introduced the report by stating that the plan was a living document following the lessons learned from last year and the Troop Report and includes the results of consultation completed in January. He added that there were approximately 1500 incidents a year in the FSA but most of those were classed as business as usual. This plan was designed for the strategic/tactical incidents. The plan also reflected those of other Government Departments in terms of structure and context and included a number of levels and escalations, as well as flexibility.
43. Will also reported that work across Government had meant that there was now the facility for sharing resources. An internal operational Emergency Preparedness Resilience and Response Board (EPRR) had now been set up to meet quarterly and work on developing and assuring our capability in this area, e.g. through co-

ordinating exercises and a full test of the plan would be starting in February next year.

44. A Board member raised a question about close partnerships during large incidents. Will responded that there had been major cross Government working and both strategic and tactical meetings had supported the decision making process for the plan. Catherine reinforced this as she had identified a previously insufficient collaborative process which had to be significantly reinforced during the horsemeat incident.
45. Discussion took place about maintaining business as usual, the impact on the new food body in Scotland, keeping the Board informed and rotating staff during a major incident. Planning for business as usual and rotation of staff would be in place. A protocol would be agreed for joint incident management with the new food body. And it was agreed it would be useful to refer to mechanisms for keeping the Board informed of developments in a major incident as was effectively done in the horsemeat incident.
46. It was agreed that it would be useful to identify some performance measure for incident management, and also that stakeholders and consumer communications should be split out in Annex C. The importance of collaborating well with relevant Chief Medical Officers was stressed.

ACTION: Andrew Rhodes

47. Overall the Board welcomed the plan, but they asked that key principles around putting the consumers first and being evidence based and independent in our response be flagged more clearly alongside the mechanics of response.
48. The Board welcomed the assurance that the outcome of the planned major exercise will be reported back to them once completed. The Board agreed the publication and content of the plan.

ACTION: Andrew Rhodes – mid 2015

PROPOSAL FOR THE FSA AUDIT & RISK ASSURANCE COMMITTEE TERMS OF REFERENCE (FSA 14/06/06)

49. The Chair introduced the paper to the Board. At the last Meeting the Board agreed to merge the Audit and Risk Committees and the terms of reference had been drafted using the HMT guidance.
50. There were a number of comments from Board members in relation to more explicit terms being included within the terms of reference. These included a role in considering the high level risk register, quality of disclosure, quality of financial systems and a review of the effectiveness of internal audit and its resources.

51. The Chair thanked the Board Members for their comments and the terms of reference document was agreed subject to some drafting to reflect the discussion.

ANNUAL REPORT TO THE BOARD FROM THE CHAIR OF THE AUDIT COMMITTEE (FSA (14/06/07))

52. The Chair invited Paul Wiles (Board Member & Chair of Committee) to introduce the paper to the Board.
53. Paul advised the Board that he had only Chaired the Audit Committee once although the Committee had met three times during the year. He thanked Etta Campbell for Chairing over the last year, as well as thanking both Margaret Gilmore, and Caroline Mawhood for their work throughout the last year now they have both left the Audit Committee.
54. He also advised that non-executive members of the Audit Committee had met privately with Internal Audit on 10 June regarding assurance, in line with best practice.

UPDATE FROM THE AUDIT COMMITTEE CHAIR FOLLOWING THE AUDIT COMMITTEE MEETING OF 10 JUNE

55. The Chair invited Paul Wiles (Board Member & Chair of Committee) to report to the Board.
56. Paul advised that the consolidated and country specific accounts for the last financial year were to be signed off without qualification and that this had been achieved mainly by the good work carried out by Chris Hitchen and his team as well as the Head of Internal Audit, John Furley. The accounts had been passed by NAO and delivered a month earlier than the previous year. Paul also thanked Mark Babington from NAO who had worked hard through the year with officials and provided a great deal of advice.
57. The accounts showed an important reduction in underspend and this was due in no small part to Catherine and her Team working up a business plan which maximised the impact and effective use of public resources. Paul added that the future would remain a challenge as there was likely to be more resource reductions which would mean a difficult operating environment.
58. The Chair congratulated all for the work that had been completed

ANNUAL REPORT TO THE BOARD FROM THE CHAIR OF THE RISK COMMITTEE (FSA (14/06/08))

59. The Chair invited Paul Wiles (Board Member & Chair of Committee) to introduce the paper to the Board.
60. Paul advised the Board that he had only Chaired one meeting of the Risk Committee during the year. He thanked Margaret Gilmore for her work whilst she was Chair during the rest of the year
61. As work continued finalising the new FSA strategy, the Audit and Risk Committee would need to re-examine the risk process which would also involve the whole Board and Executive in deciding what the identified risks are.
62. The Chair reported that the Board planned to look at risk at a workshop planned for January 2015.

REPORTS FROM THE CHAIRS OF THE FOOD ADVISORY COMMITTEES (INFO 14/06/01–03)

63. Etta Campbell, (NIFAC) had nothing to add to the report already provided.
64. Jim Wildgoose, Chair Scottish Advisory Committee (SFAC) mentioned an interesting presentation delivered by Dr Julia Allen who was a Psychologist. The presentation covered the psychological issues affecting nutrition, particularly in relation to obesity.
65. Roland Salmon, Chair of WFAC had nothing to add to the WFAC report already provided.

ANY OTHER BUSINESS

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

**MINUTES OF THE FSA BUSINESS COMMITTEE MEETING HELD ON
11 JUNE 2014 AT AVIATION HOUSE, FROM 12:55 – 13:45**

Present:

Rod Ainsworth, Director of Regulatory and Legal Strategy
Tim Bennett, Chair
Liz Breckenridge
Lynne Bywater, Director, Human Resources
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
Geoff Ogle, Portfolio Director
Liz Olney, Head of Operations Assurance
Heather Peck
Nina Purcell, Director Wales
Andrew Rhodes, Chief Operating Officer
Roland Salmon
Jim Smart
Steve Wearne, Director of Policy
Jim Wildgoose
Paul Wiles

Rebecca Merritt, Head of Private Office

WELCOME AND ANNOUNCEMENTS

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

**MINUTES OF BUSINESS COMMITTEE MEETING HELD ON 5 MARCH 2014
(FSA14/06/09)**

2. A Committee member raised a question under paragraph 7 about the auditing arrangements for FBO audit. The Chair responded that this item was coming to the Board for discussion in July.

ACTIONS ARISING (FSA 14/06/10)

3. The Chair advised the Committee that the outstanding action regarding the Non-Executive stakeholder plan was with him for clearance. Stephen Humphreys also advised that the further action to produce a paper on enhancing parliamentary engagement had been outlined and was now in draft.

4. A Committee member enquired about the Chief Executive meeting with the Supermarket adjudicator. Catherine advised that it had been the first time they had met and that useful discussions had taken place regarding influencing practices when dealing with retailers as well as discussions about openness.

PERFORMANCE UPDATE ON OPERATIONAL ACTIVITY (FSA 14/06/11)

5. The Chair welcomed Liz Olney (Head of Operations Assurance) to the table and invited her and Andrew Rhodes to introduce the paper.
6. Liz reported that this report covered Operational activity to the period ending March 2014 and flagged up key points and activities as requested by the Committee previously. The main areas of focus in this report covered the programme of work on shellfish controls and the progress of animal feed arrangements. Liz also advised that the proposed audit arrangements for meat establishments would be brought to the Board in July.
7. It was noted that a relatively high number of premises were “not broadly compliant”. Once the new audit system was in place it would be interesting to see if improvements could be made. In response to a query on shellfish, Andrew responded that £1.2 million of the £6.2 million costs on shellfish were research and the remainder was spent on delivery of controls.
8. A Committee member raised the issue of earned recognition in the feed and dairy areas and wanted some assurances about the clarity and transparency of arrangements. Andrew explained that there was a written agreement with the National Trading Standards Board governing arrangements. Because less than half the inspections that should have been being done had not been being done by Local Authorities (LA’s), the changes would not materially reduce the number of inspections undertaken, but would improve their targeting and quality.
9. A question also arose regarding the audit of Local Authorities (LA’s) and it was agreed to include a section in future quality operations reports summarising findings from LA audits.
10. The Chair identified that there should be a discussion of earned recognition in the context of the 2015-20 strategy.

ACTION: Board Secretariat and Rod Ainsworth

11. The Committee discussed further the wealth of information available through the FHRS/FHIS charts and whether the information could be used as a tool at LA level

and was assured that it is. There was also a question regarding the absence of Northern Ireland (NI) meat information and whether that could be assimilated. Maria Jennings responded that she was already moving quickly to ensure NI information was available in the same format. Liz also responded that there were currently two systems in place but the new system later in the year would bring information in from NI.

12. Further discussions took place about gathering intelligence links, food crime and security. There was also a further point from a Committee Member about whether a retest of the previous consumer engagement work on earned recognition was now appropriate. The Committee agreed.

ACTION: Rod Ainsworth and Stephen Humphreys

RESOURCE AND PERFORMANCE UPDATE JUNE 2014 (FSA 14/06/12)

13. Chris Hitchen introduced the paper and advised the Committee of the additional information on FTE and staffing at Annex A and the incorporation of the performance management report in Annex D. He also mentioned para. 2.2 where the FSA had met the financial limits as set by Treasury (HMT) in the final year of SR10. Chris also mentioned Annex A showing the UK expenditure of £126.8 million as agreed at business committee and included the delivery of controls. Annex B showed non-discretionary and discretionary expenditure on official controls totalling £26.8 million on Local Authority support and science which included key delivery targets. Annex C showed the reduced corporate costs which had been achieved through savings in the areas of accommodation and IT. Finally, Chris mentioned para 3.5 and the continuous improvement strategy which aimed to deliver improved services and staff engagement scores and para. 3.6 showing a significant reduction in the number of days lost to illness and injury. There was a brief discussion of the health and safety figures, which reflected the reduction in staff numbers as well as real focus and progress in management.
14. Catherine advised the Committee that the aim was to get a single report with all the appropriate information included on a quarterly basis. There would also continue to be a focus on improving the alignment of resource reporting with strategic objectives particularly when the new strategy was in place. It was suggested more focus on key risks in the report would be useful.

ACTION: Chris Hitchen

15. Steve Wearne advised that the FSA was already working on the link between resources and priorities and this would hopefully provide new capability in the future.

He provided the Committee with the IID Extension Study as an example which was due to be published later in June.

ANY OTHER BUSINESS

16. There was no other business and the Chair closed the Business Committee Meeting.

DATE OF NEXT MEETING

17. The next meeting of the Business Committee will take place on 23 July 2014 in London.