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**MINUTES OF THE FSA OPEN BOARD MEETING HELD ON 16 JULY 2013 AT AVIATION HOUSE, LONDON, FROM 13.00 TO 17.00**

**Present:**

Jeff Rooker, Chair; Tim Bennett, Deputy Chair; Margaret Gilmore; Jeff Halliwell; Jim Wildgoose; Liz Breckenridge; Paul Wiles; Sue Atkinson; Roland Salmon

**Officials attending:**

Catherine Brown, FSA Chief Executive  
Andrew Wadge, FSA Chief Scientist  
Andrew Rhodes, FSA Director of Operations  
Chris Hitchen, FSA Director of Finance  
Charles Milne, FSA Director of Scotland  
Steve Wearne, FSA Interim Director of Food Safety  
Liz Olney, FSA Head of Central Operations  
Ester Heller, FSA Chief Scientist Team  
Rebecca Merritt, FSA Head of Private Office Group  
Sital Patel, FSA Interim Head of Secretariat

**Also attending:**

Professor Colin Blakemore, Chair, General Advisory Committee on Science  
Dr Elena Bechberger, National Audit Office  
Alex Scharaschkin, National Audit Office  
Simon Banner, National Audit Office

**WELCOME AND ANNOUNCEMENTS**

1. The Chair welcomed everyone to the meeting including observers both in the room and online. Henrietta Campbell's apology for her absence was noted.
2. The Chair reminded Board Members to declare any relevant conflicts of interest before discussions. No interests were declared.
3. Board Members were invited to propose items for Any Other Business. None were proposed.

**MINUTES OF MEETING HELD ON 4 JUNE 2013 (FSA 13/07/01)**

4. The Minutes of the Open Board meeting on 04 June 2013 were agreed subject to a potential amendment as reflected in the video recording under the Food Authenticity paper (FSA 13/06/05). The amendment was raised by the Public Analyst Services laboratories and related to discussions on a review of the provision of those services to be led by the FSA.

**Action: Secretariat**

**ACTIONS ARISING (FSA 13/07/02)**

5. The actions arising from the 4 June 2013 Open Board Meeting were accepted with no changes.

**CHAIR'S ORAL REPORT**

6. The Chair reported that since the last Open Board meeting:

- He lobbied Rutland to join the Food Hygiene Rating Scheme, out of 406 local authorities that enforce food hygiene, Rutland County Council remained the only local authority remaining to sign up to the Scheme.
  - He met with Michael Matherson MSP, Minister for Public Health on 6 June 2013.
  - He met the Republic of Macedonia Minister for Agriculture on 4 July 2013.
  - He met with Mark Drakeford, the new Welsh Minister for Health and Social Services on 11 July 2013.
  - He pointed out that his final visit, before the end of his term, would be to the office of Institute of Food Science & Technology.
7. The Chair informed the Board that this was his final Board meeting and he had enjoyed his 4 year term with the FSA. He also reiterated that from 27th July 2013 Tim Bennett would be leading the Board as interim Chair of the Board.

#### **CHIEF EXECUTIVE'S REPORT FSA 13/07/03**

##### General Activity Update:

- 8.
- She attended the Industry Stakeholder Forum on Monday 15th July 2013.
  - She met with the Chartered Institute of Environmental Health, the Trading Standards institute and the Association of Chief Trading Standards Officers in various meetings focusing on local authority delivery and relationships.
  - She also visited the Scotch Whisky Research Institute together with a Board Member and a Director on the same day.
  - She attended the Ministerial meetings consisting of regular catch up session with David Heath MP, Minister of State for Agriculture and Food at DEFRA and Michael Matheson MSP, the Minister for Public Health in the Scottish Government.
  - She met with the reps of business and industry when attending events organised by the Chilled Food Association. She also met with the CEO of 2 Sisters for a lively and constructive discussion largely focussing on campylobacter.

##### EU Minima Judgement:

9. She provided an EU minima update in respect of the Judicial Review application hearing relating to Jaspers (Treburley) Limited and informed the Board that the FSA had submitted a written application to the Judge seeking permission to appeal the judgement.

##### EFRA Report:

10. The Chief Executive said that the Environment, Food and Rural Affairs Committee's Report on Food Contamination was published on 16 July 2013 and that the FSA would provide a contribution to the UK Government response in due course.

##### FSA powers to obtain and publish information:

11. The Chief Executive informed the Board that she was exploring the FSA's powers to obtain and publish information following the experience of the horsemeat investigations and associated events. The question as to whether adequate powers exist to avert and deal with such events forms part of the wider review led by DEFRA which is due to report in early 2014. Whilst the majority of businesses do work collaboratively there have been circumstances when some do not cooperate. The FSA proposes to use its power to publish information and to bring those circumstances to the public's attention. She emphasised that any report of this nature would be produced fairly and objectively and in a manner that ensured that any business subject to the report, that might be criticised as a result, would have a reasonable opportunity to comment on the report's content.

12. A Board Member commented that the FSA did need recourse to statutory powers in circumstances where a food business has acted in a manner contrary to the interests of consumers. He therefore welcomed a more formal approach from the FSA.

13. The Chief Executive welcomed questions from the Board Members.

Front of Pack (FoP) Labelling Scheme:

14. A Board Member asked about the FoP nutrition labelling scheme and European reaction to the scheme. Charles Milne, FSA Director of Scotland, responded by explaining that this scheme remains a voluntary scheme as there is no legal compulsion to participate and that given this it remained the case that it was in accordance with European legislation, despite the reservations that some European politicians had expressed about it.

Food Hygiene Rating Scheme (FHRS):

15. A Board Member pointed out that response to the consultation on the impact of mandatory display of ratings in Northern Ireland had recently been published and responses confirmed strong consumer support together with local enforcers' support. However, this had been met with mixed views from within the food industry. Another Board Member commented that the FSA should not be dictated by those businesses with the lowest score ratings instead it needed to look at the positive moves towards mandatory display in Wales which she felt would undoubtedly raise food hygiene standards.

16. A Board Member commented that the FSA will within its strategic plan, need to consider creative ways to publicise the FHRS more, such as using Apps.

Food Safety Week:

17. A Board Member shared her satisfaction on the success of Food Safety Week this year. She commented on how simple, clear, useable information and messages works really well. The Chief Executive thanked the Board Member for the feedback.

**RESPONSE TO THE EXTERNAL REVIEW OF THE HORSEMEAT INCIDENT**

18. Steve Wearne, FSA Interim Director of Food Safety, was welcomed to the table. Steve Wearne explained that his paper invited the Board to formally accept Professor Troop's report, accept her recommendations, and agree the proposed action plan.

19. The Board Members were asked to note that the action plan was arranged by the four themes that Professor Troop identified – (i) intelligence; (ii) incident response planning; (iii) roles and responsibilities; and (iv) powers. He explained that the action plan recognised that although the FSA can make progress on its own initiative on the first two of these, on the second two the FSA objective should be to inform consideration of the issues by the Elliott Review commissioned by Secretaries of State for Health and Environment, Food and Rural Affairs.

20. He reminded the Board that other reviews have been commissioned, including the Scudamore Review for Scottish Ministers, which had now been published. The Chair had written to Scottish Ministers to agree handling of any recommendations that were accepted by Scottish Ministers and fell to the FSA. He proposed that the FSA expanded the action plan once this correspondence was concluded to incorporate action to address any such recommendations, retaining the current thematic approach. This was agreed

21. He proposed that the executive report to the Board when further actions were added and in any case in six months' time, by which time he would be able to report delivery against many of the

elements of the current plan. This was agreed

**For Action: Interim Director of Food Safety**

22. A Board Member suggested that the FSA should produce a gap analysis of where existing powers were inadequate to inform the Elliot Review and act as a basis for proposed changes.. It was agreed to amend the action plan to make this explicit.

The Board member also observed that the FSA already has a system for assessing intelligence relating to food safety and the Board sought assurance that this would not be lost and that any recommendations builds upon this good work and ensures there is no duplication. There was some general discussion on the issue of intelligence gathering and analysis, and various Board members emphasised the importance of taking a pragmatic and cost effective approach to this process.

A question was asked about the resource implications of delivering the action plan and responding to future major incidents, given the funding situation. The executive clarified that there were resources sufficient to implement the actions outlined in the plan but that no guarantees could be given as to the organisation's capacity to deal with large scale incidents in the future, which will naturally depend on resource levels and the scale of the challenge in both the FSA and key delivery partners at the time.

23. A Board Member said that the FSA needed to link the action plan's research and analysis thinking with that of the Chief Scientist's report. He expressed the view that horizon scanning would best focus on scenario planning and be informed by an awareness of the approaches of others (eg SOCA).
24. The Deputy Chair commented that the Troop Report was a model of clarity. He said that in developing its approach to intelligence, the FSA would need to have effective links with the food industry. Steve Wearne agreed and outlined the constructive discussions already held with industry stakeholders, and plans for a workshop with industry on these issues in September.
25. A Board Member expressed the view that an important lesson from the horsemeat incident related to the complexity of the food chain. The FSA needed clarity about the responsibilities of different organisations within and outside government.
26. Steve Wearne agreed that this incident had brought to the fore a public debate about the complexity of the food chain. For the FSA and our partners in delivery of food and feed official controls, it had underlined the need to focus our work not just on intervention within food businesses, but also on traceability between food businesses. All the elements of the plan would be taken forward in collaboration with key partners
27. In Henrietta Campbell's absence the Chair read out her comments as provided in the Northern Ireland's Food Advisory Committee information paper. He agreed with her observations as follows:

"Reference is made to the Machinery of Government which clearly needs to be revisited given the perceived ambiguity at the start of the incident. This recommendation should form the basis of discussion with Government to ensure there is total clarity on the role to be performed by the FSA and DEFRA, especially in the early stages of any incident.

Members are surprised that the current Major Incident plan does not apparently include a strategic director, operational director and description of command and control structures – any

revision needs to address that the next major food related incident could occur anywhere in the UK and the plan must describe how each FSA office is supported should the incident break in their locality. It will be important that there is early revision to the plan and this is accompanied by training in its use throughout the organisation. Deployment and rest of staff at all levels in a long high profile incident need to be carefully considered to prevent burn out and FSA HR and Occupational Health should be involved in this section of the plan.”

28. The Chair pointed out that the EFRA Select Committee had commented on the Machinery of Government changes in 2010 and therefore this was an opportunity for the FSA to voice its view. It was agreed that a letter should be written to Professor Chris Elliott on the machinery of government changes to reflect the Board’s view.

**For Action: Chair of the Board**

29. The Board formally accepted Professor Troop’s final report and the recommendations and endorsed the action plan. The Chair agreed to write to Professor Troop thanking her formally for her work on the review.

**For Action: Chair of the Board**

#### **ANNUAL REPORT OF THE CHIEF SCIENTIST**

30. The Board welcomed Andrew Wadge, FSA Chief Scientist, to discuss his Annual Report. He said that this seventh Annual Report provided an update on the science and evidence-gathering work planned, commissioned and used by the FSA. He paid tribute to the Chair’s continued support to science and evidence during his term as Chair to the Board.
31. A web link will be provided on the FSA website to enable readers to access the final report. He also mentioned the launch event in London on 24 September 2013 where Professor Ian Kimber, President of the British Society for Toxicology and advisor to our research programme on food allergy and intolerance, will present a keynote speech.
32. A Board Member asked about the application of the precautionary principle (referring to the text in the box on pages 45 and 46 of the Report on the “Transparent use of risk assessment in decision making”). As science was about probability and not certainty, he asked whether the precautionary principle could be being used as a 'get out of jail card' when people did not want to follow the evidence.
33. It was agreed that the key issue was greater transparency in how factors beyond the science are used to inform decision making.
34. The Board Member also asked for comments on horizon scanning, recalling the concerns expressed by the General Advisory Committee on Science (GACS) at the meeting he attended relating to this issue.
35. Andrew Wadge clarified that GACS concerns were about not carrying out horizon scanning unless there was a clear objective and benefit. The key was in knowing how to interpret and use the information gathered. These issues will be considered as part of the intelligence work in response to the horsemeat incident.
36. The Board Member asked if the FSA had considered short-term RC fellowships into the FSA to work on particular in-house analysis. He raised this as it has been very successful in other organisations and has also helped with skills transfer to in-house staff.

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37. Andrew Wadge informed the Board that a fellowship into the FSA was something he was actively working on with BBSRC and ESRC. He agreed this was cost effective, it provided valuable contribution into the FSA, by bringing in bright and enthusiastic people into the organisation.
38. The Board Member commented that the Report was great for informing its readers about the last 12 months but asked if the Board would receive a forward looking plan in another report which amongst other things addressed how new challenges would be tackled.
39. Andrew Wadge referred to the forward evidence plan which the Agency had published for the last two years. This had generated a very useful response from the research community. However, he agreed to consider how to take this wider.

**Action: Chief Scientist**

40. Another Board Member congratulated Andrew on the Report and said he supported the previous comments about a future science research and development plan. He welcomed the information on Diet and Nutrition in Chapter 2 of the Report and asked if it were possible to examine trends over time.
41. The Board Member also referred to the graph on page 37 of the Report on the trends in hospital admissions due to food intolerances in the UK and commented that it would be useful to understand this more. Finally, he encouraged people to attend the launch event on 24 September 2013.
42. In terms of the increase in hospital admissions for food intolerance from around 2005, Andrew Wadge explained that a number of factors were likely to be involved:
- Better diagnosis of conditions (particularly coeliac disease for the food intolerance figures) i.e. improved clinical tests for diagnosis.
  - Increased awareness of conditions and possible symptoms by health care professionals.
  - More awareness/understanding of conditions by individuals with the disease.
  - Greater allergy information in the public domain following a Royal College of Physicians' publication prior to the increase in reporting figures. Therefore, the observed increase could partially be attributed to the increased awareness of the conditions/diagnosis/treatments by health professionals.

In 2005 the allergen labelling legislation came into effect. This required that any of 14 food allergens have to be declared on the label when used as ingredients at any level. This may have increased awareness of the conditions.

43. A Board Member made the following comments:

Food Allergy and Intolerance

Chapter 2 dealing with the food allergy and intolerance needed to be clearer in terms of clarifying whether these subjects were a UK wide responsibility.

Front of Pack labelling scheme

An editorial point that the last three sentences on the bottom of page 30 on the Front of Pack labelling scheme needed to be updated.

Andrew Wadge agreed with this and said he would address these comments and make the necessary changes.

Research highlights and expenditure

Referring to Chapter 4 on page 59, he wanted to know (i) how allocation of money had changed over time; and (ii) the best effect of expenditure and our forward projection of spend, i.e., where the FSA money was spent and its allocation to different types of activity.

Andrew Wadge agreed that the readers would want to know where the FSA is allocating funds. The recent changes to programmes had muddied the waters but he noted the point about allocation of funds and this could be included as trend data in the future.

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**Action: Chief Scientist**

44. A Board Member commented that the Report was excellent for showcasing the FSA's work in particular:

Campylobacter

The biggest frustration must be seeing from the graphs that campylobacter is almost as big a killer as listeria. She asked if the Board could help by being more aggressive in moving policies ahead.

Andrew Wadge explained that the FSA saw campylobacter as a priority as it is the main source of foodborne illness. It may be too soon to evaluate the effectiveness of some of the work, but the FSA will be considering this area at the September Open Board meeting.

Allergens

She then referred to allergens and indicated her personal interest in the issue and that the threshold work was a matter of mitigation rather than cure. She said her thoughts were more aligned with industry. She said that we were in a place where new allergens will occur and the wider question was how we educated people. She asked if the FSA will be doing this.

Andrew Wadge commented that the work on early exposure to allergens together with the work on possible thresholds for allergens would be extremely helpful for consumers and industry alike. There was a good opportunity for us to work with industry.

45. A Board Member expressed support for seeing Nutrition and Diet in the Report. On a separate point she referred to the foodborne virus research programme on page 20 and commented that a lot of people could benefit from this research and asked if there was a possibility to work jointly to get these issues out in the public.
46. Andrew Wadge explained that the FSA was good at linking both science and public communications but that the challenge was to look at other imaginative ways of communicating the FSA's message and the FSA was always alert to possibilities and welcomed suggestions.
47. The Chair congratulated Andrew Wadge for such a readable and comprehensive Report and the Board endorsed the Report and recommended publication.

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**GENERAL ADVISORY COMMITTEE ON SCIENCE ANNUAL REPORT**

48. Professor Colin Blakemore, Chair of the General Advisory Committee on Science (GACS) was welcomed. He presented the GACS fifth Annual Report, outlining the Committee's progress to date and the key issues it foresees for the future in providing challenge and advice on the FSA's use of science.
49. He commented on the high quality and robust nature of the FSA's use of science. He explained the GACS role to provide independent challenge.
50. He also picked up on the comment by a Board Member earlier during the Board meeting on horizon scanning and explained that the GACS role was to act as a hub to draw together and review the outputs from horizon scanning. He also considered the outcomes of a pilot by the Social Science Research Committee to support horizon scanning in the Scientific Advisory Committee using the expert resource at the cross department centre for Environment Risks and Futures at Cranfield. He expressed the view that the FSA's approach should be flexible, targeted and tailored to each committee and it would be interesting to see how the FSA used this. He turned to his slide presentation which can be accessed on the FSA website.
51. He felt that it was really important that the FSA maintained its capacity in order to retain the quality of work. On the area of governance and use of science the issues identified were exploitation of data and use of science in emergencies. GACS set up two new working groups to consider the issues around the exploiting available data using tools such as data/text mining, crowd-sourcing and analysis of web and social media and use of science in emergencies.
52. He said that each meeting GACS discussed the science across and between SACs and that the Chair of Scientific Advisory Committee on Nutrition attended GACS meetings as an observer and plays a vital role. The Chair of the Advisory Committee on Dangerous Pathogens had provided a presentation on their relevant work, which GACS had found interesting and reassuring with regard to the on-going provision of expert advice on TSEs, following the abolition of the Spongiform Encephalopathies Advisory Committee (SEAC). GACS also commented on the proposals for future reviews of SACs; and felt that whilst this process is very important there is a need for it to be streamlined and proportionate to the low risk and cost of the SACs.
53. He outlined the future issues for GACS including: reviewing of the Committee's working groups; a strategic overview of FSA's evidence portfolio; plans and the potential for better exploitation of data; the use of science in emergencies; and reviewing experience with the use of the framework for sharing data and funding and work with industry and NGOs. He took the opportunity to thank FSA staff supporting the GACS, Gwen Ahern, Patrick Miller, Andrew Wadge and Jeff Rooker and welcomed questions from the Board.
54. The Chair raised the issue of folic acid prompted by paragraph 21 on page 10 of the Report regarding general updates on scientific advice. This was a practical example and would be useful to the Board so that it could track actions on a more strategic level.
55. The Chair reminded the committee that the evidence demonstrated that the addition of folic acid to white flour was an important means of cutting the births of babies with Neural Tube Defects leading to spina bifida. Advice was initially given in 2007 and re-affirmed by the FSA in the early part of 2010. During this period whilst responsibilities for the FSA have changed it still remained responsible for supplementation in Scotland and Northern Ireland. Overall there are 150-200 babies born with NTD in the UK each year and many more pregnancies are terminated after the 20 week scan which is tragic for many families. The evidence was that

implementation of the FSA's advice would prevent up to 106 NTD births every year and hundreds of late terminations. In March 2013 the scientists raised the issue with the FSA Board and interested parties such as SHINE Charity and Flour Fortification were looking for action.

56. A Board Member welcomed the fact that no major problems were identified and asked if Professor Blakemore was content that the Scientific Advisory Committee on Nutrition and TSE Sub-Committee arrangements were working satisfactorily. He also referred to paragraph 33 on page 13 of the Report in respect of the FSA setting up a "Register of Specialists" and asked how this was working and whether he found this register valuable. Finally, he asked whether any issues had arisen during the Scientific Advisory Committees which he felt should also be raised with the Board in terms of any action it could take.
57. Professor Blakemore responded by stating that he was content with the relations with other committees in that it provided adequate co-ordination and exchange of information; and commented that the Register of Specialists was now being used to support peer review. There were no issues that needed to be raised with the Board in respect of the matters arising before the Scientific Advisory Committee.
58. A Board Member suggested contacting Professor Sir David King regarding work he had done that was relevant to the GACS working group on science in emergencies. He also emphasised the importance of multi-disciplinary research approaches.
59. Professor Blakemore noted the points made by the Board Member and said he would provide feedback on contacting Sir David King.
60. A Board Member noted paragraphs 25 and 26 of the Report in respect of Working Group on Science Communication and Engagement and considered whether there was any more that could be done. There was a general discussion regarding the importance of data exploitation and understanding the importance of social networks and data gathering.

#### **OPERATIONS GROUP QUARTERLY REPORT**

61. Andrew Rhodes, Director of Operations, and Liz Olney, Head of Central Operations, were welcomed to the table to present the Operations Group quarter four (January 2012 to March 2013) performance update to the Board. Andrew Rhodes referred to the detailed executive summary in the Report and drew the Board's attention to the new reporting data in the area of milk production hygiene, shellfish hygiene, FHRS, and campylobacter and then handed over to Liz Olney.
62. Liz Olney informed the Board that this was the final quarter operations performance report for 2012/13. The report included results on pages 11 to 14, of a formal programme of unannounced visits to standalone cutting plants in Great Britain, commissioned in February 2013. She explained that this was the first time the FSA have co-ordinated unannounced visits as part of a specific and structured programme. The FSA operations staff visited over 650 premises. The FSA found non-compliances in 68% of the cutting plants visited. Most non-compliance was minor, although there was an average of 5 non-compliances per visit. The table on page 13 ranks issues found. She explained that the results were in contrast to official veterinarian audits which are currently carried out on a scheduled and announced basis.
63. Also of interest in the report were as highlighted on pages 6 and 7 demonstrating a slight reduction in the number of meat establishments within the UK achieving broad compliance. Board Members were asked to note:

- The FSA is planning to introduce a more structured approach to unannounced visits in cutting plants within Great Britain, ensuring all cutting plants are visited at least once in between scheduled audits.
- The FSA is carrying out a detailed analysis on the impact of the new audit reporting arrangements on compliance in FSA approved meat establishments, and will bring results of the analysis to the Board later in the year.

64. Liz Olney welcomed questions from the Board. A Board Member firstly congratulated her team for the coordinated programme of unannounced visits. He secondly referred to egg production hygiene data on page 23 of the report and observed that the compliance levels in Scotland were very different to the rest of the UK. He understood this may be due to differences in how compliances are reported, and asked whether there would be any harmonisation of the levels of controls as he noted that this was not mentioned in the report.

65. Andrew Rhodes responded by firstly discussing the announced audit visits versus the unannounced visits. He explained that there are reasons for an announced visit (so that the relevant manager, records and plans are available) and that there are also clear reasons for unannounced visits in terms of giving a clearer picture of normal practice at the plant. Secondly, in terms of the egg production hygiene data, he was looking to introduce more granularity in terms of how we measure and report levels of compliance across the different sectors. This piece of work was ongoing and the Board would get more information on this.

**Action: Director of Operations**

66. A Board Member noted that there are many businesses subject to visits for third party assurance schemes or checks by supermarkets and asked if there was any merit in exchanging this information. Andrew Rhodes agreed that there were benefits in sharing this information and that options for this were under consideration as part of work on earned recognition, which will be brought back to the Board in due course.

**Action: Director of Operations**

67. The Deputy Chair commented that the FSA is a UK body and the assumption was that Northern Ireland would also be carrying out unannounced visits and emphasised the need for consistency across the UK.

68. Liz Olney responded by explaining that Northern Ireland already has a structured programme of unannounced visits to cutting plants and that the objective was for future reports to include NI data.

69. A Board Member was concerned about the compliance figures for approved meat establishments and also the possibility that there was a relatively high level of non-compliance in dairy plants only being visited every ten years.

70. Andrew Rhodes commented that with the pasteurisation process in place, milk was a low risk product and non-compliances being reported were also not typically of public health significance. On compliance levels in approved meat establishments, most businesses had now been audited under the new system, which placed a greater emphasis on areas of food safety significance and so direct comparisons with previous figures could not be drawn. There will be further analysis carried out and a discussion on this issue at the September Board meeting.

71. A Board Member noted the low field sickness figures and congratulated on this achievement the FSA on behalf of all Board Members.

#### **NAO EFFICIENCY REVIEW**

72. Andrew Rhodes, FSA Director of Operations, Chris Hitchen, FSA Director of Finance, and Dr Elena Bechberger, Alex Scharaschkin and Simon Banner from the National Audit Office (NAO) were welcomed to the table.
73. Andrew Rhodes introduced the paper to provide the Board with a summary of the findings of the NAO Efficiency Review. He explained the FSA had asked the NAO to undertake an efficiency review in order to identify whether the FSA was delivering the official controls required for the UK meat industry under European and UK legislation as efficiently as possible. He welcomed the NAO colleagues to present their findings.
74. NAO colleagues went through their slide presentation which is available on the FSA website.
75. They drew attention in particular to the considerable differences in costs and efficiency of inspections across operators in both Great Britain and Northern Ireland. They raised the issue of the incentives on industry to respond to the differential costs and enable potentially material efficiency savings.
76. In summary the NAO notes that good progress had been made on improving efficiency using internal levers and that significant future savings relied on aligning incentives for industry to support increasing efficiency. They confirmed in answer to questions from Board members that changes to the discount system needed to be an area of particular focus.
77. A Board Member thanked NAO colleagues for a thorough analysis of the FSA's business and welcomed the report.
78. There was a brief discussion of the potential for further back office savings but much of the focus was on the discount system.

#### **Action: Director of Operations**

79. A Board Member expressed concerns about continuing with the discounting system particularly when some of those businesses benefiting from large discounts were non-compliant.
80. NAO colleagues responded by stating that although there could potentially be material savings they would not be easy to achieve and the FSA would need to influence and work with food business operators to effect this change.
81. A Board Member asked NAO colleagues if in their view the discount system was anti-competitive. NAO colleagues responded by explaining that this question could only be answered by the Office Of Fair Trading as it was a competition question which was outside the NAO's remit.
82. Andrew Rhodes concluded the discussions and mentioned that Bill Stow had been appointed as Chair to the Industry Committee on charging and had an 18 months appointment. It was agreed that it would be useful for Bill to have the opportunity to meet Board members and share views at an early stage.

83. The Board noted the findings of the NAO review and the initiatives already underway and noted the planned development of an action plan to address the recommendations from the review. It was agreed that the Director of Operations would provide a formal progress report to the FSA Board early in 2014 and routine updates are provided to the Audit Committee and Board.

**Action: Director of Operations**

**REPORTS FROM THE CHAIRS OF THE FOOD ADVISORY COMMITTEES (INFO 13/03/01-03)**

84. The Board accepted, without discussion, the reports from the Chairs of the NIFAC, SFAC and WFAC.

**ANY OTHER BUSINESS**

85. There was no other business to report other than the Deputy Chair taking the opportunity to thank the Chair for his service during the 4 year term of his appointment.

**DATE OF NEXT MEETING**

86. The next Open Board meeting of the FSA Board would be held on 10 September 2013 in Aberdeen.