

# Chief Executive's Report to the Business Committee

FSA BC 25/06/03 - Report by Katie Pettifer

## Field Operations

1. The new FSA Delivery of Official Controls contract, which supplies the FSA with Official Vets (OVs) and Contract Meat Hygiene Inspectors (CMHIs), commenced on 31 March 2025. Hallmark have returned as a provider for FSA and have been awarded the contract in 2 of the 9 areas. The transition from Evile & Jones to Hallmark in these two areas has been seamless and both suppliers have maintained a good standard of delivery in the first couple of months of transition into the new contract.

2. The FSA set its charge rates for the meat sector in February 2025 and businesses received the first invoices with the new FSA charge out rates in early May 2025. Although we have been able to maintain the same discount in cash terms as in 2023/24, the costs of delivery have risen significantly. The new charges include a 17.7% increase for OV and 11.3% for increase for Meat Hygiene Inspector (MHI) standard charges. We expect there to be increased scrutiny and challenge of invoices and resource levels from businesses and their representatives, and the Association of Independent Meat Suppliers (AIMS) have brought a Judicial Review against FSA in relation to this year's charges.

3. In October 2024 we set up an internal vet-led working group to ensure compliance with emergency slaughter requirements in the Official Controls Regulations (OCR). On farm emergency slaughter of cattle is permitted when an otherwise healthy animal has suffered an accident that prevented its transport to the slaughterhouse for welfare reasons. The working group was tasked with ensuring that farm vet training and designation to carry out ante-mortem inspection and OVs to perform the post-mortem inspection in the abattoir were compliant. Online training and FSA designation process now in place from 1 April. An Industry group was convened to seek and hear views and to explain our next steps. AIMS have written in on behalf of one Member stating their disagreement with the FSA interpretation of the OCR requirements and appealing the statement of resources. A response is being drafted.

## National Food Crime Unit (NFCU)

4. The latest [NFCU Control Strategy](#) was published at the start of April. The new priorities now include misrepresentation of dairy products by origin, adulteration and substitution, and waste diversion in dairy supply chains because of a slight and sustained uptick in intelligence volumes, coupled with observed supply chain and economic pressures.

5. The new powers provided to the FSA under the Police and Criminal Evidence Act 1984 and the Criminal Justice and Public Order Act 1994 came into force for the FSA on 1 May 2025. These powers will enable NFCU investigators, who are authorised to act as 'food crime officers,' to apply for and execute search warrants, with the appropriate safeguards. This will help to

protect consumers and businesses from food fraud more effectively. New governance arrangements have been put in place within the NFCU to ensure that the powers are exercised appropriately. Any complaints relating to the use of these powers will be subject to oversight by the Independent Office of Police Conduct. We are also working with His Majesty's Inspectorate of Constabulary and Fire and Rescue Services, who agreed in October 2024 to inspect the FSA voluntarily until a statutory basis for these reviews is established. We have also put in place an internal system for the authorisation of NFCU officers, ensuring that only those who have appropriate training and experience can exercise the powers.

6. Operation BANTAM - Four men and a business were convicted for diverting meat unfit for human consumption back into the human food chain. As mentioned in my previous report, three of the men entered guilty pleas for their involvement. The fourth defendant, sole director of Fears Animal Byproducts, entered not guilty pleas for himself and on behalf of his business and elected to stand trial. On 27 March, the jury found both the fourth defendant and his business guilty of the offence of conspiracy to defraud by placing unfit food on the market.

7. NFCU Financial Investigators secured a confiscation order on 10 April. This was a joint operationist Gangmasters and Labour Abuse Authority against a man who had been acting as an illegal gangmaster. He owes £32,500 gained from the proceeds of his crimes and was ordered to pay £2,400 within 3 months or face prison. He owes the full amount of his benefits from the offence until it is paid off; if more assets are discovered, he will be taken back to court.

8. As part of our ongoing work to increase industry awareness of the NFCU and our fraud prevention tools, the NFCU had a Business Advice Hub stand at the Food & Drink Expo and connected with over 70 new businesses. Two new intelligence reports were received by the NFCU from our new connections and the Prevention Team continue work to develop these new relationships.

## Incidents

9. When the Business Committee last met, we were dealing with an outbreak of *Listeria* monocytogenes that was genetically linked to desserts supplied to establishments that cater to vulnerable consumer groups. We escalated this to a non-routine incident, and we continue to contribute support for the UK Health Security Agency (UKHSA) led investigation. We are working closely with the NHS, Department for Health and Social Care, and UKHSA to improve protocols for handling incidents in healthcare settings.

10. FSA's Incidents teams are also working with UKHSA and several other authorities, industry bodies and food businesses in the UK and internationally in response to a significant rise in non-travel related Hepatitis A cases in the UK in 2024/25. Arising from this, two separate outbreak clusters of Hepatitis are under investigation across the UK. In one cluster 23 of 31 cases occurred since August 2024 and in a second cluster 62 of 73 cases occurred since December 2024. UKHSA and Public Health Scotland have established genetic links, and provided epidemiology, and FSA is working to identify the source of contamination and the root cause.

Food chain analysis and international liaison has identified strong links in both clusters to imported berries; one cluster is concerned with fresh berry imports and the other concerns frozen berries. The role consumers can play in minimising risks is critical. We have therefore [published general guidance for consumers on 25 April](#) to raise consumer awareness on potential Hepatitis A Virus (HAV) contamination of food and provided advice how to minimise the risks. A prevention strategy is under development in response to the reported significant increase in cases.

## Finance

11. As of 31 March 2025, the FSA's provisional year-end outturn was £141.4m against available funding of £145.0m, representing a £3.6m (2.5%) net underspend for the Agency as a whole (£2.8m Westminster, £0.7m Northern Ireland and £0.1m Wales). The provisional outturn for each spend category falls within all respective HMT control limits.

12. The Westminster underspend can be broken down as a £1.8m (1.6%) resource expenditure (RDEL) underspend, and a £1.0m (9.1%) capital expenditure (CDEL) underspend. This represents the lowest Westminster total underspend (CDEL and RDEL) in both cash terms and as a proportion of budget in the last five years, and the second lowest Westminster RDEL underspend in the last five years. The majority of the RDEL underspend arose in the final quarter, driven primarily by the release of £1.1m contingency; a £0.5m reduction for Meat Hygiene Inspector costs; and the removal of £0.6m LA burdens from SRCD's forecast. The contingency was held until year end to manage post-year-end adjustments which may still emerge, and several ongoing financial risks.

13. The £1.0m CDEL underspend was driven primarily by the release of £0.4m contingency, which had been held to manage unforeseen year-end adjustments, and by a £0.4m reduction in Research and Development support costs in March, as we reviewed and strengthened the calculation methodology used to capitalise support costs.

14. This is a provisional outturn position, subject to both final year-end adjustments, and to adjustments following any audit findings later this year, all of which could result in a reduction to the underspend position.

15. We submitted our final Spending Review 2025 (SR25) bid to HM Treasury ahead of their deadline of 10 April. We are currently awaiting further news on our settlement, with HMT having confirmed that SR25 will conclude in full by 11 June. Whilst our bid set out a strong case to protect our funding, clearly articulating the benefits we deliver to the public and the food industry, we are mindful of the overall economic context in which this SR is being undertaken. We will work through any delivery and prioritisation implications of our settlement in the lead up to business planning and continue to keep the Board up to date.

16. We are currently working with the National Audit Office to agree an audit timetable for our 2024/25 Annual Reports and Accounts.

## **Estates**

17. We identified our preferred new London office at the end of last year and Government Property Agency (GPA), are in the process of finalising the required contractual arrangements. It is likely that for a short period of time we will need to put in place interim accommodation arrangements as we need to vacate our current site at the end of June. The Estates Team continue to work closely with GPA to ensure a smooth exit and transition.