

Chief Executive's Report to the Business Committee

FSA BC 25/12/03 - Report from Katie Pettifer

1. Incidents

1.1 I am pleased to inform the Committee that the Proactive Resource for Incidents and Signals Management (PRISM) system, introduced in April, has now been fully implemented and is in use by the Incidents and Prevention teams in England, Wales and Northern Ireland. PRISM allows incident information to be viewed in real time by key players in the incident management chain, helping to reduce administrative burdens. It enables more consistent, efficient, and transparent handling of incident communications across the organisation, improving incident response for FSA colleagues and external stakeholders. It should also give us the capacity for enhanced, automated reporting and higher quality management information through improved data interrogation.

2. Operations

Parasites In Sheep Lungs

2.1 In September and October, several consignments of sheep lung carcasses intended for human consumption were rejected at EU borders due to the presence of parasites in offal (mainly lungs). Field Operations met with an industry Partnership Working Group on 7 November to discuss and update Industry representatives on its response. Four options were presented, and industry representatives agreed with the FSA's preferred option, to include an additional verification step after postmortem inspection prior to dispatch. Industry representatives agreed to consult with their Members and Operational and Sales teams as to its viability. We agreed to reconvene at the end of November for a further discussion.

Inspections

2.2 The FSA, in collaboration with the meat industry, has introduced a voluntary, informal review process for Food Business Operators (FBOs) who disagree with an Official Veterinarian's (OV's) decision not to apply a health mark to a carcass following inspection.

2.3 This process will only apply to disputes over inspection result decisions and does not override legal challenge routes. The new process will involve a review and recommendation by an FSA Vet to inform the original OV's final decision, which is in line with established legal principles on health marking and the OV decision making.

2.4 The process will be piloted for one year at no additional cost to FBOs, after which its continuation will be reviewed.

3. NFCU

Operation Cedar

3.1 Operation Cedar is an investigation into the distribution and sale of misrepresented rice in counterfeit packaging. Following joint enforcement activity in July, the NFCU has worked closely with the Metropolitan Police, who made a further arrest on 9 September. There have been subsequent searches of business and residential premises in connection with this ongoing investigation.

Prevention

3.2 The NFCU is due to deliver the first Third-Party Auditor Food Fraud Training session to Red Tractor on the 12 November. This a suggested action from the Food Fraud Industry Working Group, which NFCU uses as a reference group to consider options for strengthening lines of defence against food crime. A second training session to the Soil Association is scheduled for the 26 November.

OPSON XIV

3.3 Operation OPSON is a Europol and Interpol joint operation targeting fake and sub-standard food and beverages. This year's OPSON activity has included a pilot project with the Science, Evidence and Research Directorate to trial innovative rapid screening technology for verifying the authenticity of herbs and spices. The trial resulted in two product recalls, one industry alert, an international inquiry, 51 new intelligence reports, and 25 enforcement outcomes across the three nations. The NFCU collaborated with FSA Sampling, Incidents, and the Additives and Contaminants policy teams to interpret and act on the findings.

Finance

3.4 As of 30 September, the FSA was forecasting to spend £156.8m against available funding of £160.0m, representing a £3.3m (2%) net underspend for the Agency as a whole (£2.8m Westminster, £0.4m Northern Ireland and £0.1m Wales).

3.5 Although we are forecasting an underspend overall in the Westminster budget, we are in fact forecasting a £0.8m (1%) Resource overspend, offset by a £3.6m (18%) capital expenditure underspend. Most of the Resource pressure is driven by increased contractor costs relating to the delivery of official controls and significant new work in relation to the SPS agreement.

3.6 We are holding some contingency centrally, which can be used to address pressures arising during the year. However, in addition to the resource overspend, there are several other live risks which could crystallise, requiring the use of this budget by the end of the calendar year. The financial position therefore remains tight and requires continued careful management.

3.7 The £3.6m Capital underspend is driven primarily by the reduction in lease term on the new London office, from the ten years we had expected to 5 years. As this budget is ringfenced for lease costs, we will surrender this underspend to HMT at Supplementary Estimates, to minimise the overall underspend position.

3.8 Since the last Business Committee meeting, we have started to work through the implications of the flat cash Resource settlement, including agreeing savings assumptions with Directors ahead of the annual business planning cycle.

3.9 Preparation of our 2024/25 annual report and accounts is on track, with the National Audit Office (NAO) expected to finalise their work in November. We are currently aiming to lay all sets of accounts before Parliament in December.

4. People and Resources

Pay

4.1 The 2025/26 pay award for staff at grades Administrative Officer to Grade 6 was implemented in November and backdated to 1 August 2025. The 2025/26 Civil Service Pay Remit Guidance allows for a headline increase in the pay bill of up to 3.25%. An additional 0.5% can be used flexibly to address specific departmental workforce issues. The FSA has made full use of the headline figure and additional flexibility permitted. The award is calculated using a quartile-based approach, which provides higher cash increases to the lowest paid within each grade. This approach aims to support pay progression for the lowest paid and strengthen our competitiveness with Other Government Departments.

Inclusion

4.2 We are progressing with the adoption of the Civil Service Staff Network Policy, which is currently going through the HR policy consultation process. This includes introducing network principles, updating the corporate time policy, and formalising our operating guidelines to ensure consistency across departmental and cross-government networks. The policy reinforces our commitment to inclusive practice and provides clarity on how networks should operate while upholding Civil Service values. In conjunction with Internal Communications, we have also successfully introduced a societal events framework to respond to significant events in the UK and globally, ensuring that our approach supports the wellbeing of colleagues during challenging times.

Senior Recruitment

4.3 The Director of Corporate Services campaign concluded successfully, and Ian Gibson joined us from the Ministry of Defence on 13 October. The CSA campaign also concluded successfully on 5 November, and we will confirm the successful candidate in due course. The campaign to recruit a Director to replace Anjali Juneja is planned to go live in late November with interviews planned for early February.