

# FSA 2026/27 Annual Plan and Budget

FSA BC 26/03/05 - Report by: Ian Gibson

## 1 Summary

1.1 The Business Committee is asked to:

- **Agree** the Food Standards Agency's (FSA) annual plan and budget allocations for 2026/27.

## 2 Executive Summary

2.1 This paper summarises the FSA's annual plan and budget for the financial year 2026/27.

2.2 The FSA remains focused on our mission of '**food you can trust**', to make sure that food is safe and what it says it is, in accordance with our five-year strategy and vision for the food system. In the coming year, we will also continue to play our part in helping to make food healthier and more sustainable for everyone – ensuring the public can trust food in the longer term.

2.3 The Board reviewed a first draft of the priorities in January 2026. Building on those discussions, this paper provides a summary of the key FSA priorities across England, Wales and Northern Ireland for 2026/27, together with the ongoing activity the FSA needs to carry out, and the budget required to deliver them.

## 3 Strategic Direction

3.1 The FSA's mission is '**food you can trust**'. By food you can trust, we mean a food system in which:

- **Food is safe**
- **Food is what it says it is**
- **Food is healthier and more sustainable**

3.2 Plans for 2026/27 build on the activity set out in our published three-year Corporate Plan (that covered the period to March 2026) and aligns to our five-year strategy, ending March 2027. For the purposes of the 2026/27 plan, we have completed a 'light touch' update of the activities previously set out in the Corporate Plan to reflect our changing circumstances.

**3.3** Our planning approach is necessarily adaptive this year, to reflect the changing role for the FSA which could result from the Sanitary and Phytosanitary (SPS) agreement which is currently being negotiated and from our evolving role in delivering the Government's priorities.

## **4 Annual Business Plan for 2026/27**

**4.1** We will remain focused on our regulator and policy-maker roles and continue to deliver our core statutory functions. These include:

- Delivery of **official controls** in meat, wine and dairy
- Delivery and oversight of **statutory controls** on feed, shellfish and egg hygiene
- Food and feed **incident response** and prevention work, with local authorities and businesses
- Preventing and responding to **food crime**
- Overseeing and **monitoring local authority delivery**
- Supporting **inward audits** by trading partners of these controls
- Monitoring and **managing foodborne disease risks**, including those posed from imported food
- Delivering a **market authorisation service** in line with delivery plans agreed by the FSA Board
- Providing **policy and risk management advice** in line with our policy remit in England, Wales and Northern Ireland
- Delivering a **programme of scientific research** to support our statutory objectives
- Delivering a set of **sampling and surveillance programmes**
- Continue delivering the **Cell Cultivated Products (CCP) Sandbox** programme to February 2027, and continue the Innovation Research Programme (IRP) on precision fermentation until end May 2026, unless further funding can be secured
- Deliver our wider responsibilities in Northern Ireland with **nutritional standards** and **nutrition food labelling** policy and **dietary health and surveillance** as well as **compositional standards and labelling** in Wales and Northern Ireland.

**4.2** In addition to continuing to deliver our statutory role and 'core' objectives described above, this year we will support wider government priorities and undertake the following

specific 'change' actions:

- **Sanitary and Phytosanitary agreement (SPS):** Support the conclusion of negotiations with EU, finalising policy positions and deliver implementation programme across FSA, engagement with Defra / Cabinet Office.
- **Future of Food Regulation:** develop a package of reforms to deliver an effective, sustainable and trusted regulatory assurance system that continues to keep food standards high in the future. This will include developing a national approach to regulation for the largest businesses alongside improvements to locally delivered regulation.
- **Cost of official controls delivery:** Implement a reformed discount scheme for the meat industry and develop a plan to improve the administration of the current official controls charging regime.
- **FSA Ready and technology transformation:** reshape our organisation so we can continue delivering our role effectively and sustainably in a rapidly changing environment. We will deliver a baseline level of technology transformation, harness advanced digital tools, automation, and data-driven insight to deliver simpler, faster, and more secure services for both staff and Food Business Operators.
- **National Food Surveillance Programme:** integrating sampling, surveillance and laboratory capacity activity.
- Developing and publishing an overall **enforcement strategy** for the FSA to ensure a visible and consistent approach to enforcement.

**4.3** We will also continue to play our part in helping to make food healthier and more sustainable for everyone, by providing support and input where we can to wider government initiatives in these areas as well as our nutritional dietary health work in Northern Ireland (as covered in paragraph 4.1 and 4.2).

**4.4** Unlike the Future of Food Regulation, we have to date received no additional funding for SPS – HM Treasury have provided a letter of comfort which indicates they will look favourably on a request for additional resource; however the expectation is that we will absorb as much of this additional cost as we can. Our planning has taken this approach but consequently we have needed to take a series of difficult decisions, such as:

**4.5** Reducing resourcing levels in other areas, such as our trade and international work, and refocusing people on the SPS activity from other priorities where we can safely do so (e.g. our risk management work on routine market authorisations). This has significantly limited our overall resilience across many parts of the organisation, meaning that issues like sickness absence or unforeseen new work pressures are more likely to impact on our ability to deliver the business plan.

**4.6** Not funding new (or continuing) projects unless they are essential to the delivery of our statutory functions, including in areas which are priorities for us and for governments. This means, for example, that the Innovation Research Programme will end in May 2026, unless further funding can be secured. Funding in 2025/26 was provided by DSIT. It also means that we will not be able to undertake any substantial design or preparatory work on the commitments

made in the NHS Ten Year Plan for mandatory reporting on healthy food sales, in anticipation of a decision by ministers on whether FSA should be the regulator that enforces these new requirements.

**4.7** It is also important to note that our business planning is based on significant assumptions around the scope and timelines of a SPS Agreement, which are subject to negotiation with the EU. If these materially change through the year, we will need to revisit the business plan to create capacity.

**4.8** We are preparing a Business Case to HM Treasury to explain the pressure SPS is putting on our delivery with the current Spending Review settlement and will seek additional funding to alleviate this.

**4.9** The key deliverables we aim to achieve in 2026/27 for each corporate objective are detailed in **Annex A**.

## **5 Budget 2026/27**

**5.1** The proposed Westminster 2026/27 business plans are affordable within our available budget, which comprises £129.7m resource (including R&D) and £2.2m capital (see **Annex B**). A breakdown of resources by role is provided in **Annex C**.

**5.2** In line with HM Treasury requirements, we plan to hold some contingency to deal with unforeseen in-year pressures. We are entering the year with a lower than desirable level of contingency, consequently our ability to manage financial risks is more constrained than in 2025/26. The most significant area of uncertainty in plans relates to SPS resources, which are based on significant assumptions and could change as negotiations progress. As flagged above, we remain in dialogue with HM Treasury regarding SPS resources.

**5.3** The Wales indicative budget for 2026/27 of £5.6m resource was approved by vote in the Senedd on 27 January 2026. This will be formally confirmed shortly by the Welsh Government as the final budget agreed in the Senedd.

**5.4** The FSA Northern Ireland 2026/27 draft budgets are £12.4m resource and £0.1m capital, and these are currently out for an 8-week consultation until 3 March.

**5.5** FSA Wales and FSA Northern Ireland business plans will be updated to reflect the budget finally agreed.

**5.6** In addition to the planning against 2026/27 budgets, work is ongoing to plan against allocations for the remainder of the SR period. In Westminster, we received a 'flat cash' settlement for 2026/27 through to 2027/28 and a 0.5% cash cut in 2028/29. This will require us to absorb the significant impact of inflation through efficiency savings and is likely to include headcount reductions in the later years.

## **6 Conclusions**

**6.1** The contents of this paper set out the annual plan for 2026/27 to achieve our strategy as detailed in **Annex A** and budget as detailed in **Annex B-C**.

**6.2** We will monitor the delivery of our plan through existing process and performance measures as detailed in Annex D.

**6.3** The Business Committee is asked to:



Corporate Plan Objective	Annual Plan for 2026/27
<p><b>Reform the food safety regulatory framework to deliver proportionate and risk-based assurance.</b></p>	<ul style="list-style-type: none"> <li>• Deliver Future of Food Regulation Programme, including Local Authority reforms and development of a national approach to regulation, including substantial stakeholder engagement.</li> <li>• Implement Operations digitisation change projects to improve the efficiency of the delivery of Official Controls and continue improvements to our operational data, governance and performance framework.</li> <li>• Ensure we have the capability to capture, process and analyse data for Shellfish Classification controls.</li> <li>• Implement a reformed discount scheme for the meat industry and develop a plan to improve the administration of the current official controls charging regime.</li> </ul>
<b>Policy Maker</b>	
<p><b>Make robust recommendations and support decision makers to take informed decisions on rules relating to food and feed.</b></p>	<ul style="list-style-type: none"> <li>• Deliver the objectives of the Sanitary and Phytosanitary agreement Programme including new legislative framework, future policy model design, negotiations to support transition planning including industry engagement and guidance.</li> <li>• Deliver expert advice to enforcement authorities on the interpretation and application of food and feed regulations.</li> <li>• Lead analysis of risk management and consequential changes to guidance, legislation etc. including foodborne disease outbreaks, food hypersensitivity incidents, novel foods, contaminants, additives.</li> <li>• Ensure obligations for working across England, Wales and Northern Ireland and working with Food Standards Scotland are fulfilled and devolution is at the heart of delivering both policy and operations.</li> <li>• Ensuring GB / UK food safety standards are represented in imported food requirements and trade agreements and supporting border controls.</li> <li>• Develop, deliver and review policy change in response to routine and non-routine incidents and priority areas including on glycerol and additives.</li> <li>• Deliver strategic policy projects including on identifying causes/interventions for foodborne disease and influencing work in Codex to harmonise Precautionary Allergen Labelling standards.</li> <li>• Deliver statutory monitoring and reporting including on RIFE (radioactivity in the food environment).</li> <li>• Streamline and reform our support to local authorities on novel food enforcement.</li> </ul>
<p><b>Create a proportionate, effective, efficient and future focused approach to regulation through the risk analysis process and regulated products service.</b></p>	<ul style="list-style-type: none"> <li>• Deliver Cell Cultivated Products Sandbox programme including publication of policy and scientific guidance.</li> <li>• Continue the Innovation Research Programme on precision fermentation until the end May 2026, when funding ends. Unless further funding can be secured work on innovative products will be limited to aspects that can be taken forward as part of the overall plan for Market Authorisations.</li> </ul>
<b>Evidence Generator</b>	

Corporate Plan Objective	Annual Plan for 2026/27
<p><b>Ensure that our decisions are based on science and evidence, and share this evidence to inform and influence others.</b></p>	<ul style="list-style-type: none"> <li>• Maintain our scientific and evidence capability taking advantage of partnerships across government and with academia.</li> <li>• Deliver appropriate risk assessments.</li> <li>• Support highest priority food / feed incidents response where a new risk assessment is required.</li> <li>• Analysis (such as, impact assessments, business cases) to support operational decisions e.g. market authorisations, national level regulation and Sanitary and Phytosanitary agreement.</li> <li>• Routine analytics for Field Operations activity and foodborne disease and if priorities require analysis for regulatory compliance and trade.</li> </ul>
<p><b>Build evidence, including through science and research, so we can anticipate opportunities and risks across the UK food system.</b></p>	<ul style="list-style-type: none"> <li>• Foodborne Disease &amp; Anti Microbial Resistance innovation and discovery to address rising illness rates and SPS drivers.</li> <li>• Provide evidence impacts of system change (e.g. SPS, meat charging, consumer behaviour) and support UK devolved strategies (e.g. Healthier Food Targets and Reporting, School Food Standards).</li> <li>• Build a national Food Surveillance Programme, to deliver the annual science-led surveillance programme including sampling, laboratory support, methods, knowledge exchange and related skills development.</li> <li>• Research on UPFs focused on risk assessment needs.</li> <li>• Continue contributions to DSIT sandbox and bacteriophage projects.</li> </ul>
<p><b>Watchdog</b></p>	
<p><b>Speak out publicly about areas of consumer interest to encourage high food standards in the UK.</b></p>	<ul style="list-style-type: none"> <li>• Provide FSA expertise into other government department led trade agreement negotiations to secure food safety and provide scrutiny of Free Trade Agreements through our input to section 42 requirements on invitation from Department for Business and Trade.</li> <li>• Public reporting on food standards, including through our Strategic Indicators report to the Board; as part of cross-government food security reporting; and by developing and delivering our future approaches to strategic reporting.</li> </ul>
<p><b>Convenor &amp; Collaborator</b></p>	
<p><b>Work in partnerships across the food system to address issues affecting consumers and businesses.</b></p>	<ul style="list-style-type: none"> <li>• Appropriate engagement in cross government work, Healthier Food Targets and Reporting, School Food Standards, Food Strategy and Regulation for Growth.</li> <li>• Continue to deliver against the international workplan and forward look for 2026/27. We will not seek to increase our work in this area but will consider opportunities as they arise through the year.</li> <li>• Deliver our wider responsibilities in Northern Ireland with nutritional standards and nutrition food labelling policy and dietary health and surveillance as well as compositional standards and labelling in Wales and Northern Ireland.</li> </ul>
<p><b>Enabler</b></p>	

Corporate Plan Objective	Annual Plan for 2026/27
Provide the people, resources and processes needed to deliver our corporate objectives and priorities.	<ul style="list-style-type: none"> <li>• Deliver our multi-year change programme - FSA Ready. This will reshape the organisation so that it is well set to meet the challenges of the future.</li> <li>• Delivery of all finance, commercial, human resources, internal audit, and legal services efficiently, effectively and consistent with government standards while continuing to seek ongoing improvements in the services we provide.</li> <li>• Begin preparations for the next Spending Review and, subject to timescales to be confirmed by HM Treasury, begin negotiations.</li> <li>• Deliver and support secure core digital, data and technology services, providing modern devices, access to business software and cloud storage to enable day to day activity.</li> <li>• Identify and deliver opportunities to modernise products and services, using automation and artificial intelligence where appropriate.</li> </ul>

## Annex B

### 2026/27 FSA Westminster Budgets

	25/26 Budget	26/27 Budget
	£m	£m
<b>FSA Westminster</b>		
Income	(52.5)	(61.5)
Staff Costs	91.4	99.0
Non-Pay Costs	91.0	92.2
Net Cost of Operations*	129.9	129.7
Capital Expenditure**	5.8	2.2

### 2026/27 FSA Westminster Budgets by Role

26/27 Budget £m***								
FSA Westminster	Evidence Generator	Policy Maker	Regulator	Watchdog	Convenor and collaborator	Enabler	Support Functions	Board/PO
Income	(0.3)	(1.4)	(59.7)	0.0	0.0	0.0	(0.2)	0.0
Staff Costs	10.9	15.9	46.1	0.8	2.7	6.7	13.4	1.4
Non-Pay Costs	10.0	2.2	64.3	0.0	0.1	8.4	3.8	0.2
Net Cost of Operations*	20.7	16.7	50.7	0.8	2.8	15.1	17.0	1.7
Capital Expenditure	0.0	0.2	0.3	0.0	0.0	1.4	0.0	0.0

*\*Net Cost of Operations is Resource (including Research and Development) excluding depreciation and excluding Annually Managed Expenditure (AME).*

*\*\* 25/26 Capital includes £3.4m relating to IFRS 16 (£0.0m 26/27)*

*\*\*\*The table excludes centrally managed (£4.2m Resource and £0.3m Capital) which are budgets outside of an area's control and include contingency.*

# Annex C

## 2026/27 Westminster Resources

\*Total Budget is Resource (exc. Depreciation) and Capital. The graphs exclude centrally managed (£4.5m) which are budgets outside of an area's control and include contingency.

# Annex D

## Monitoring the delivery of our Annual Plan and Budget

1. To measure performance against our plans, we use an established performance assurance framework. The framework uses performance indicators to provide strategic oversight of our progress in delivering against our strategy and corporate business plan, helps identify cross-cutting risks and supports prioritisation decisions. This gives assurance to the FSA Board, Business Committee and Executive. The indicators continually evolve as our work and delivery changes but include regular measures from Operational delivery such as meat food business operator compliance, Local Authority and Port Health Authority delivery; the Risk Analysis Process and Market Authorisations of Regulated Products Service; imported foods and international trade; our key science outcomes and consumer trust and confidence in the FSA.

2. This is reported across four different levels of management which includes quarterly to the Executive and Business Committee via separate performance reports. These reporting levels culminate, annually, into the performance section of the Annual Report and Accounts for an aligned golden thread of performance from our strategic vision through to our day-to-day activities. To ensure we remain open and transparent the Business Committee performance report will accompany a written note from the Committee and will be provided to the following FSA Board meeting alongside the published papers.

3. Measures we use to monitor our performance and to provide assurance to the Board, via the Business Committee, that we are on track to meet our objectives include:

- **Reputation and communication** – Covering trust and confidence in the FSA reported in our Food & You 2 consumer survey and press coverage and social media engagement.
- **Science** – We track key indicators to ensure evidence underpins policy and decision-making. These include the quality and timeliness of risk assessments, scientific capacity and resource allocation, progress on research and evidence programmes, and the publication and external impact of scientific outputs. We also monitor engagement with trusted providers and expert committees to maintain credibility and transparency.
- **FSA sampling and laboratories** – Covering expenditure across sampling categories and monitoring the status of sampling projects, including whether they are on track or off track.
- **Market Authorisations** – Covering caseload management, service delivery, and resource allocation alongside monitoring user satisfaction through feedback and complaints.
- **Trade and imports / exports controls** – To provide assurance for imported food and international trade obligations. This includes monitoring border notifications, import market access audits and equivalence assessments, alongside compliance with World Trade Organisation notifications and Section 42 advice submissions.
- **Direct delivery of Official Controls** – including Official Controls staffing; service delivery contract arrangements in England, Wales and Northern Ireland; establishment approvals; Official Veterinarian enforcement and incident recommendations and meat, dairy and wine

food business operator audits and inspections.

- **Food incidents** - Notifications received (food, feed, and environmental contamination) and alerts issued (allergy, product recalls and food alerts for action). Our monitoring of international signals for potential incidents and our review and communication of root cause analysis of incidents that have materialised.
- **Understanding the food crime threat (NFCU)** – Progress against the four key performance questions including alignment with the NFCU Control Strategy priorities and Intelligence and disruptions and national outcomes achieved, alongside the impact of those on the food system.
- **Local Authority performance** – including business compliance, such as Food Hygiene Rating Scheme business ratings. Local authority resourcing and performance to ensure official controls are being delivered in England, Wales and Northern Ireland (to provide context to FSA performance).
- **People and resources** - To deliver our objectives.

4. In addition to performance reporting, we also have a well-established quarterly finance and delivery review process. We use this to assess the FSA's overall financial position throughout the year and re-allocate / re-balance budgets as appropriate.

5. The Executive will continue to periodically review how changes in the external environment and uncertainty are impacting our priority activity and may reassess allocation of resources.