
CHIEF EXECUTIVE'S REPORT

Report by Catherine Brown, Chief Executive

1 GENERAL ACTIVITY UPDATE

- 1.1 I have continued to meet a wide range of stakeholders since my last report to the Board: including Aldi, Co-op, Asda, CIEH/TSI, BRC, and Which?, where discussions have continued to focus on the FSA's Strategic Plan 2015-20 and areas of mutual interest in particular campylobacter reduction plans, the development of future delivery models, and intelligence sharing. I attended the FDF President's reception; as always a good opportunity to meet a wide range of stakeholders. Following up a lead contributed by a Board member, I met the Rail Safety and Standards Board (RSSB) to share thinking on risk assessment, and the use of evidence to support policy development. And I was also pleased to chair the first meeting of a small group of regulators with a shared interest in the food industry.
- 1.2 We continue to develop our strategic approach to wider consumer interests around food security and sustainability. I have met with the Fabian Commission on Food and Poverty, the Sustainable Restaurant Association and WRAP. In support of WRAP and in line with our strategic commitments to affordable, sustainable food and to working in partnership with others, the FSA has agreed to be a founding signatory to the Courtauld 2025 agreement focused on helping people get more value from the food and drink they buy through reducing waste.
- 1.3 I met and provided input to the Committee on Standards in Public Life (CSPL) Ethics for Regulators Review exploring how regulators live up to the 7 principles of public life. The outputs of this review are expected to be published around June. I also met and fed into the evaluation of the UK official veterinary services undertaken by the International Animal Health Organisation (OIE).
- 1.4 In the run up to Christmas we used social media and partnerships to spread the word about our Christmas planner. This helped people plan their meals over the Christmas period to make their Christmas dinner go further safely.

2 FOSS HOUSE FLOODS

- 2.1 On 27 December, Foss House in York, where a number of FSA staff are based, was subject to flooding. We successfully implemented our business continuity plans to manage the incident and advised most of our staff to work from home, with the exception of key IT staff working onsite throughout the period to recover services as quickly as possible. A number of IT systems and services were disrupted during this period, and, for plant based colleagues where all IT systems were down until 12 January, paper based systems were implemented. I was impressed by the way colleagues worked together to minimise the impact on the business and we managed to maintain a fully operational service at plants. There was no impact on consumers and no

impact on our ability to manage food incidents. Foss House re-opened to all staff on 11 January and the majority of IT systems are now back online. I would like to place my thanks on record to everyone who worked through the holiday period to ensure that the effects of the disruption on the business were minimised.

3 CAMPYLOBACTER CAMPAIGN

- 3.1 On 19 November 2015 we published the first set of results from the second year of the Campylobacter retail survey of fresh whole chilled chickens and their packaging. With an increase in market share, Aldi and Lidl have now been added to the group of named retailers with results attributed to them. While we need to be cautious, since this is only one quarter's results, I am really encouraged that the latest results showed, for the first time:
- a significant reduction of highly contaminated chickens (i.e. over 1000 colony forming units per gram (cfu/g)) from 21.7% to 14.9%, compared with the same period last year.
 - a reduction of 7.1% was also achieved for chicken samples positive at any level of Campylobacter compared to the same sampling months in 2014.
- 3.2 Furthermore, 2 retailers, Waitrose (4.1%) and Co-op (4.7%), had a significantly lower percentage of chicken contaminated at high levels (>1000 cfu/g) compared to the average (14.9%) among all other retailers. The only named retailers which had a significantly higher prevalence (>1000 cfu/g) compared to the average were Morrisons (25.7%) and Asda (23.5%).
- 3.3 Nevertheless, the industry target of less than 10% of birds at the most heavily contaminated level at the end of slaughter is unlikely to have been achieved by the end of 2015 (we will not have the verified slaughterhouse data for a little while yet). Clearly there is still a need to keep up the momentum and for the industry to step-up the introduction of their interventions across all their sites. We will publish the second quarter (Q2) results at the end of February 2016.
- 3.4 As well as continuing to maintain a high level of focus on Campylobacter in meetings with both retailers and processors, we have also started discussions with industry on how they might make available to us and their customers the data they have on their own test results so that the FSA can reduce public funding on monitoring industry progress against the agreed target.
- 3.5 As mentioned at the last meeting, an FVO fact-finding visit on Campylobacter took place in November. It was an excellent opportunity for both us and industry to show what the UK is doing to combat Campylobacter in chickens. The agenda included legislative and technical discussions as well as a full programme of visits to farms, slaughterhouses and laboratories. It is expected that we will receive a short report from them on their views in due course.

4 ANIMAL WELFARE

- 4.1 This has been a busy time for us in our role protecting animal welfare safeguards in abattoirs. As I outlined at the last Board meeting, the Welfare At the Time of Killing (England) Regulations 2015 came into force on 5 November, and we have been ensuring effective implementation on the ground.
- 4.2 With the end to transitional provisions in Council Regulation 1099/2009 on 8 December, all individuals carrying out slaughter operations must now hold a Certificate of Competence for the duties they perform, or that they are responsible for. We have received over 5,000 applications for Certificates of Competence under a simplified procedure in England and Wales since the middle of October. Those that were not eligible or able to apply under the simplified procedure must now obtain a Qualification Certificate for the activities and species applied for.
- 4.3 With the FSA taking responsibility from Defra and Welsh Government for the approval of cattle restraint boxes for religious slaughter without stunning, we have recently completed a review of current compliance of existing premises with approval for this method. Two new approvals have been granted after detailed assessments against our new process which follows recommendations by the Farm Animal Welfare Committee.
- 4.4 We are working on developing a new Memorandum of Understanding with Defra and Welsh Government which makes clear policy expectations for animal welfare, and how we deliver against them. This work is tied with our plans to implement an action plan to strengthen animal welfare safeguards from the farm to the point of slaughter, and follows discussions at the FSA Board meeting in June 2015.

5 PEOPLE SURVEY RESULTS

- 5.1 The overall FSA staff engagement score in the Civil Service People Survey increased by 7% in 2015 to 60% which means that we are currently 2% above the Civil Service average and only 3% off the Civil Service high performers. There were improvements in each one of the 9 drivers of engagement.
- 5.2 The results of the People Survey have shown consistently that 'Leadership and managing change' is the strongest driver of employee engagement. The time and effort we've invested in this area has resulted in a 9% rise, the greatest improvement across all the indicators. However, there is still a lot of scope for improvement and we have identified improving the frequency and effectiveness of 1:1's between line managers and their team members as an important next step.
- 5.3 '*Learning and development*' has seen an 8% increase and we have also seen a 5% point improvement in '*Inclusion and fair treatment*' at 71%. As the Board are aware, however, this is an area I remain keen to improve on further as we

seek to become an organisation in which everyone can make their best contribution and feel fully included and respected.

- 5.4 Managers have been analysing the data for their departments in order to identify areas for change and all colleagues are being given the opportunity to contribute. Alongside this, the senior leadership team under the leadership of Maria Jennings (Director of Organisational Development and Northern Ireland) are identifying priority areas for the FSA as a whole and creating a corporate action plan.

6 WESTMINSTER SPENDING REVIEW & BUDGETS

- 6.1 The Board will be aware that the FSA Westminster budget for the next four years has been agreed through the Spending Review process SR15; Wales and Northern Ireland budgets have been provisionally confirmed for 2016-17.
- 6.2 For the next four years to March 2020 the FSA's annual budget allocation from Westminster for front-line delivery and administration costs remains flat each year at £85.4 million. This means that by 2020 the FSA will have delivered a real terms reduction in spending of around £6 million when compared with the 2015-16 budget. In percentage terms it represents a 7% reduction. The settlement reflects the robust case explaining the economic impact the FSA delivers as well as our progress to date improving efficiency, and provides FSA with a realistic level of funding up until March 2020.
- 6.3 Overall, while this is a smaller reduction than some departments are facing it still represents a material cut in real terms and requires us to make further savings over the next four years. The wider environment we work in will remain extremely challenging, particularly as Local Authority funding is reduced and other government departments face very significant pressures.
- 6.4 Key cost pressures which need to be absorbed within allocated funding include: any expansion of the current Food Crime Unit; costs associated with exiting Aviation House; and the costs of any restructuring required to meet the savings targets; inflation and pay awards; contract renegotiations with major suppliers; and increasing national insurance and pension costs.
- 6.5 Wales's budget continues to remain flat at £3.5m for 2016-17. The Northern Ireland Executive has produced a draft budget for FSA in NI for 2016/17 at £8.2m; this equates to a 5.7% cut on the 15/16 baseline and is yet to be agreed by the NI Assembly.
- 6.6 In order to deliver 'Food we can trust' and protect consumers with the resources available, we will therefore need to continue to be imaginative in our approaches, clear on how we prioritise and focus on ensuring value for money from everything we do. The Executive Management Team is continuing to work up plans and budget allocations for 2016-17 in line with strategic priorities.

-
- 6.7 We expect to have delivered over £30 million cash savings between 2010-11 and 2015-16, and again be within financial control limits for the 2015-16 financial year.
- 6.8 Final agreement has been reached with Scottish Government in relation to the transfer of Westminster funding from FSA for the establishment of Food Standards Scotland. The settlement is in line with the FSA Board's recommendation and with our Spending Review settlement to 2020.
- 6.9 FSA's business planning and budgeting for 2015-16, 2016-17 and beyond was based on an expectation that this settlement would be reached so no adjustment to our plans will be required.
- 6.10 Both the FSA and Scottish Government were mindful during negotiations that keeping a good working relationship between the FSS and FSA is vital for the consumer and the relationship continues to be strong.
- 6.11 The Board will approve the next budget which allocates resources for 2016-17 in March 2016.

7 REGULATORY STRATEGY

- 7.1 The proposed features of the FSA's regulatory delivery framework, due to be considered by the Board today, will form the basis of discussion at our key stakeholder forum in St. David's Hotel, Cardiff Bay on 10 February 2016. This will be the first major opportunity for a wide range of key stakeholders from central and local government, food industry representatives and consumer organisations to consider the proposed regulatory features and importantly, enables them to help translate the FSA's vision for a sustainable and resilient future model of regulation that protects consumers, by contributing ideas and suggestions of their own.
- 7.2 I am pleased to report that we have had a very positive stakeholder response to the launch event and we expect the final number to be in the region of around 75 delegates from across England, Wales and Northern Ireland. From this event, a programme of external engagement and collaborative working with all the FSA's stakeholders to deliver our future delivery models will be taken forward.

8 FOOD FUTURE

- 8.1 At the heart of open policy making is the recognition that we should invite broader inputs and expertise and create space for others to help identify and solve problems. We are working with a range of partners, such as Which?, the Wellcome Trust, Global Food Securities Programme, Defra, Food Standards Scotland and ScienceWise to develop a shared understanding of what the impact of medium-term changes to the global food system could be on consumers.

- 8.2 We have been conducting joint research with consumers to inform an event on 18 February 2016 titled 'Our Food Future' where we will launch the report, invite others to speak and respond from across disciplines, exploring some of the emerging risks and bringing the interests of consumers to the fore in the wider debate about the food system. We have an impressive speakers' list and attendee numbers are nearly at capacity, and we are looking forward to seeing some of you there. The event will also be webcast live on the day.

9 SCIENCE UPDATE

Strategic Evidence Programme

- 9.1 In my last report, I mentioned the response to the FSA call for Expressions of Interest to address strategic science challenges in five main areas: tackling listeriosis, technology to support meat operations, next generation sequencing (including big data), understanding food safety risk from the use of recycled waste and optimising food and feed sampling and analysis. We have now concluded the appraisal process of the invited full proposals and are currently finalising contract details on 5 projects which are scheduled to begin in January 2016. Once contractual details have been concluded we will publish more details.
- 9.2 We are organising a workshop on the microbiome for the Advisory Committee on Microbiological Safety of Food (ACMSF) as part of its horizon scanning activity. This is being hosted by the Institute of Food Research in Norwich on 28 January.
- 9.3 The ACMSF will be particularly interested in aspects relating to food borne pathogens (including viruses) such as the role the microbiome might play in resilience/vulnerability to bacterial and viral food borne disease. We are also thinking about the wider view of the microbiome as a system, and understanding its influences – which may/will range more widely than just the food we eat – so we are also starting to get an idea of how understanding the microbiome might play into other areas of the FSA's work in the future.
- 9.4 Last week (20&21 January), the FSA held a joint workshop with the Science and Technology Facilities Council, focussing on innovations in how we deliver safe food and official controls in meat plants. The workshop provided an opportunity for staff from the Science, Policy and Operations divisions to work with leading academic experts to address our challenges. The workshop aimed to identify opportunities for pilot projects which will produce robust evidence that new approaches can deliver safe food more efficiently or effectively.

CSA Report

- 9.5 The next issue of the Chief Scientific Adviser's Report will focus on Whole Genome Sequencing (WGS), and the increasing role that this plays in managing incidents. The report will highlight how the FSA is using recent advances in sequencing technology, and will also consider the potential future

opportunities and benefits that WGS could bring. We aim to publish the report by the end of February and anticipate the publication of several other CSA reports over the coming year, focusing on subjects such as antimicrobial resistance and allergies.

Climate Change Workshop

- 9.6 On 2 December we held a workshop to look at the impacts of climate change on food safety. It was a very well-attended event, with almost 80 external stakeholders registered. It consisted of a combination of talks (with the keynote address from Lord John Krebs), discussions in breakout groups, and a panel discussion. The first session examined the specific issue of mycotoxins, increased levels of which have already been reported in Europe due to changes in climate. Feedback from the breakout discussions on managing the risks, concerns about the legislative limits and gaps in the scientific evidence-base will be used to inform the Agency's position. The second session considered more general impacts that climate change may have on food safety (both direct and indirect).

10 FOOD HYGIENE RATING SCHEME & FOOD HYGIENE RATING BILL NI

- 10.1 The end of November marked the fifth anniversary of the launch of the Food Hygiene Rating Scheme (FHRS). We took the opportunity to secure media coverage, particularly local and regional, on the success of the scheme.
- 10.2 As part of our work to build the case for extending mandatory display to England, we are developing an impact assessment setting out the costs and potential benefits of introducing the legislation that would be required. We have recently issued this to stakeholders to get their early input. This will help inform our evidence for the Government's consideration.
- 10.3 I am pleased to report that Rutland Country Council has recently decided to adopt the FHRS which means that every Local Authority is now signed up to the scheme. We will be working with the officers at Rutland to help them to get up and running as soon as possible.
- 10.4 I am also very pleased to inform you that the Final Stage of the Food Hygiene Rating Bill took place in the NI Assembly on 8 December with all MLAs present supporting the passing of the Bill. The Bill has therefore completed its passage through the NI Assembly and will now be sent for Royal Assent, which we anticipate will take four to six weeks to receive.
- 10.5 Once the Bill has received Royal Assent, we will undertake a public consultation on the regulations and orders that are required to bring the statutory Food Hygiene Rating Scheme into operation and give effect to the provisions of the Act.
- 10.6 We are provisionally working towards introduction of the statutory scheme in October 2016 and have agreed a programme of work with district councils that will facilitate a "big bang" transition to the new scheme in which the majority of

establishments within scope will receive a statutory rating as soon as the legislation comes into operation.

- 10.7 This is excellent news for consumers in Northern Ireland and represents a significant step towards achieving the key outcome within the Strategic Plan 2015-20 of providing consumers with information to make informed choices.

11 ENFORCEMENT AND FOOD CRIME

- 11.1 Further to my last report, during November, the NFCU jointly headed the UK response to the Interpol/Europol initiative Operation OPSON, which encourages participating countries to observe a period of particular focus on fake and illicit food and drink. A day of action against counterfeit vodka took place on 11 November. Intelligence gathered from seizures has been fed into the NFCU and results sent onwards to Europol for analysis. Alongside this, the NFCU will conduct its own assessment in order to inform the overall understanding of the threat. This assessment will be published after the official publication of the OPSON results by Europol/Interpol in the middle of the year.
- 11.2 The NFCU is also currently developing a number of intelligence packages where there are indications of food related criminality.

12 INCIDENTS

- 12.1 As of the end of December 2015, the FSA had published 142 UK recalls and allergy alerts in this calendar year, representing a 61% increase compared to the total issued in 2014 (88 alerts). This increase includes the effects of improved reporting and changes in legislation including the introduction of the Food Information Regulations 2014. We are in the process of putting 2015 figures together for trend analysis for the 2015 annual report of incidents, which forms part of the Governments Official Statistics and is due for publication in June 2016.
- 12.2 The Christmas period saw a small increase in incidents involving the potential contamination of food consignments by migrant stowaways boarding goods vehicles at French ports. On average one incident involving food supplies is being reported by Border Force each day. An FSA team recently visited Calais port and Coquelles Eurotunnel terminal to better understand the issue and we continue to work closely with other government departments to address the issue.
- 12.3 The FSA continues to be involved in work to design and deliver a pan-EU emergency exercise involving the competent authorities of Spain, Germany, Ireland, Portugal and the UK (including FSS). The exercise is planned to take place towards the end of this year.

13 SENTENCING FOR FOOD HYGIENE AND FOOD SAFETY OFFENCES

- 13.1 On 16 April 2015 Portsmouth City Council (CC) served a Hygiene Emergency Prohibition Notice (HEPN) on a Food Business Operator (FBO) (6oz Burgers Ltd) to prohibit the practice of undercooking burgers without having an adequate HACCP based food safety system to address the risks. The District Judge found in favour of the LA, because there was insufficient evidence provided to the LA that the FBO had controls in place to control the hazards; action to serve a HEPN was appropriate. The FSA welcomed this decision.
- 13.2 Following the successful prosecution by Bradford MBC of Majid Zaman last year for 12 hygiene and food safety offences relating to his operation of an illegal, unapproved cutting plant he was sentenced on 4 January 2016 to nine months in prison, suspended for a year. Mr Zaman has been banned indefinitely from operating a food business, other than his current business of transporting poultry carcasses, and ordered to undertake 250 hours unpaid community work and to pay £10,000 towards the costs of the investigation and prosecution totalling nearly £40,000.
- 13.3 Environmental Health Officers from Kirklees Council working in partnership with Financial Investigators from West Yorkshire Trading Standards have successfully prosecuted the owner of a business which was supplying other food establishments in West Yorkshire whilst being unregistered and unapproved. The defendant already had previous convictions from 2012 for food hygiene contraventions. He was sentenced to 6 months in prison suspended for 2 years and a confiscation order of £35,000 was served.
- 13.4 Eastleigh Borough Council successfully prosecuted The Real China restaurant after causing food poisoning to customers in July 2015. There were 15 charges brought against Akkora Management Ltd and the director of the company. Guilty pleas were entered to all charges. The court imposed a fine of £37,500 against Akkora Management Ltd and Zudong Liu was fined £22,500, the council's costs of £22,232 are to be paid between the company and the Director, in total an amount of £82,232 is payable by the defendants.
- 13.5 Finally, Croydon Council has recently secured two exceptionally strong results following prosecutions for food hygiene offences. At Croydon Crown Court on 30 November 2015, 99p Stores Limited were sentenced following guilty pleas to 7 food hygiene offences across two of their stores. The company was fined a total of £154,000 and ordered to pay prosecution costs of £8,200. At Camberwell Green Magistrates Court on 7 December 2015, Babylon Inn Limited and two company officers were fined £76,800 and ordered to pay prosecution costs of £15,731 following conviction on 36 breaches of food hygiene, health and safety and public health regulations.

14 WELSH LANGUAGE STANDARDS

- 14.1 We have now received the report from the Welsh Language Commissioner in relation to the Welsh Language Standards Investigation, for the attention of Welsh Government. It is a blanket report which has been sent to each public

body included in this round of standard setting (round 3). The Commissioner has recommended (section 7 of the report) that most of the standards should be specifically applied to all departments in this round. This includes the operational and policy making standards (including the provision of a bilingual intranet for example) which the Food Standards Agency listed in its evidence as being unreasonable and disproportionate. I have taken the opportunity to write to the Commissioner to reiterate the FSA's position in relation to this matter.

- 14.2 In terms of Welsh language services, the FSA is currently in a very strong position regarding provision. Through the FSA's Welsh Language Unit, the current Welsh Language Scheme has been in operation since 2008, providing high quality Welsh language services to consumers in Wales. This has been reflected in the FSA's exemplary status, as noted by the Welsh Language Board. The FSA not only ensures that Welsh language consumers are provided with a language choice when engaging with the FSA, but actively promotes the availability of its bilingual resources by engaging regularly with its Welsh speaking public. The Welsh Language Commissioner has continuously acknowledged the great work undertaken by the FSA in her feedback to our annual monitoring report, and no complaints have ever been made regarding the FSA's Welsh language services.