

Annual Plan and Budget

FSA 2025/26 - Report by Ruth Nolan, Director of People and Resources

1. Summary

1.1 The Business Committee is asked to:

Agree the Food Standards Agency's (FSA) annual plan and budget allocations for 2025/26.

2. Executive Summary

2.1 This paper summarises the FSA's annual plan and budget for the financial year 2025/26.

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 5-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.

2.3 We will also play our role in delivering the Government's priorities, including the missions set out in the Plan for Change, the National Food Strategy, the commitments we made to the Prime Minister on growth, and supporting the Government's ambition to deliver an EU reset, which for FSA will mean primarily supporting an SPS agreement.

2.4 The FSA will remain flexible, given the economic, political and geopolitical challenges facing food systems, delivering targeted reform that helps improve our efficiency and effectiveness, support government priorities and continue to fulfil our statutory duties.

2.5 The Board reviewed a first draft of the priorities in January 2025. Building on those discussions, this paper provides a summary of the key FSA priorities across England, Wales and Northern Ireland for 2025/26, 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:

3.2 The FSA strategy for 2022 to 2027 sets out our vision for the food system for the next five years. We also have a three-year plan, which translates the strategy into action.

3.3 The strategy will be delivered through the objectives detailed in the three-year corporate plan, linked to the roles set out in our strategy. The annual plan for 2025/26 forms the third year of the three-year corporate plan and identifies the way we will deliver these objectives this year.

4. Annual Business Plan for 2025/26

4.1 The key deliverables we aim to achieve in 2025/26 for each corporate objective are detailed in **Annex A**. The list is a subset of our three-year corporate plan and has been updated with the Executive and Board members to identify our top priorities.

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

- Delivering **official controls in meat, dairy and wine** establishments
- Delivery and **oversight of statutory controls on feed, shellfish and egg** hygiene
- Preventing and responding to **food crime**
- Preventing and responding to **food and feed incidents**
- **Supporting local authority and port health authority** delivery of standards and hygiene controls
- Deliver **risk analysis and regulated product authorisation** advice to ministers, and **policy advice** in line with our policy remit in England, Wales and Northern Ireland.
- Maintain our **scientific and evidence** capability taking advantage of partnerships across government and with academia
- 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.

4.3 We will also continue to play our part in helping to make food healthier and more sustainable for everyone. We will focus our resources on areas where the FSA can make the biggest impact.

4.4 In addition to continuing to deliver our statutory role and 'core' objectives described above, this year we will take the following specific 'change' actions:

- **Market Authorisations:** introduce secondary legislation to remove the requirement for renewals where these are unnecessary. We will remove the requirement for a Statutory Instrument (SI) in each nation for authorisation decisions and plan to put advice to ministers on another set of reforms across the service, focused on decision-making responsibilities.
- **Cell-cultivated products sandbox programme:** establish a regulatory sandbox to accelerate future product authorisations and publish our first wave of guidance to industry within the year.
- **Reform of local authority regulation:** complete the roll out of the new food standards model in England, Wales and Northern Ireland, consult on changes to our approach for food hygiene and develop a policy on local authority charging.
- **Future of regulation:** work with stakeholders to develop and implement the next steps on national level data sharing, and separately run a process of stakeholder engagement about the future regulatory assurance system.
- **Supporting trade:** increase the number of inward audits we support from four to six, continue to support work on trade agreements and take on a new role as the Competent Authority for food grade recycled plastics, allowing UK companies to export to the EU.
- **Sanitary and Phytosanitary agreement:** continue supporting Government's manifesto commitment to agree a UK-EU SPS agreement.
- **Meat Charging and cost recovery:** reach a decision on the future of the discount for meat charging.
- **Operational delivery:** embed the new FSA Delivery of Official Controls contracts with a new delivery model. We will also continue to implement modernisation projects improving our delivery of official controls and support Defra to progress towards a new Veterinary Surgeons Act.
- **Food Crime:** secure access to appropriate additional investigatory powers (PACE powers) for the National Food Crime Unit and put in place governance for their use.
- **Food / Feed Incidents:** continue to improve our incident management processes by implementing new surge capacity, exercising and running a further improvement project.
- **Evolving the FSA:** Completing a programme of workstreams to improve how we deliver our core activities and ensure we are set up in the most effective way to deliver our strategy.

5. Budget 2025/26

5.1 HM Treasury launched Spending Review 2025 (SR25) following the 2024 General Election. The focus of phase one of SR25 was to agree departmental budget allocations for

2025/26. FSA Westminster was allocated a funding settlement of £128.5m via this process, and our proposed 2025/26 budget has been set on this basis (see **Annex B**).

5.2 In agreeing the Westminster budget, the FSA has had to prioritise activity and be realistic about what it can achieve in the coming year, against the background of a challenging fiscal position. A breakdown of resources by role and directorate is provided in **Annex C**.

5.3 In line with HM Treasury rules, the budget includes a contingency budget to deal with unforeseen in-year challenges. At present, we are aware of the following key risks which could result in draws upon contingency:

- The lease on the FSA's current London office will end in 2025. Negotiations are ongoing with the Government Property Agency around a new London site, and until this is formalised the estates budget remains subject to change.
- Staffing budgets are set using an assumption around average vacancy rates and potential pay awards. Any variation to these assumptions may result in additional pressure on our budgets.
- Budgets factor in inflationary assumptions around contracts subject to renewal and / or review in 2025/26. Any increases in excess of these assumptions will result in a financial pressure.

5.4 The FSA in Wales budget of £5.46m was confirmed on 4 March as the Welsh Government's final budget was agreed in the Senedd. This includes an increase of £0.25m, from £5.2m the previous year. £0.5m of this budget is ringfenced for funding local authority delivery of feed controls, which the FSA in Wales manage.

5.5 The additional £0.25m will not fully absorb inflationary increases, so programme budget availability in 2025/26 will be reduced compared to previous years. In addition, FSA in Wales have sought clarification from the Welsh Government as to whether they will provide additional funding to cover increases in National Insurance contributions. The Welsh Government are considering their position and will agree a common approach for all organisations funded by them. We are likely to be informed of the agreed approach over the next few months.

5.6 Northern Ireland draft departmental budgets for 2025/26 are currently out for a 12-week consultation until 13 March. FSA in Northern Ireland have been allocated a resource budget of £12.44m (4.2% increase which will be largely absorbed by pay and inflationary increases) and a capital budget of £0.15m (reduced from £0.53m). Additionally, Department of Finance commissioned an exercise seeking departmental financial requirements in relation to costs of implementing the Windsor Framework (24/25 budget £4.49m). A bid was submitted for £5.13m on 25 February.

5.7 FSA in Northern Ireland have also provided figures to Northern Ireland Department of Finance for the impending Employers' National Insurance Contributions increase including the financial impact on the service level agreement with the Department of Agriculture, Environment and Rural Affairs (DAERA). We have been informed that we are unlikely to know final amounts until June.

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

6. Conclusions

6.1 The contents of this paper set out the annual plan for 2025/26 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:

- **Agree** the FSA's annual plan and budget for 2025/26

Annex A

Annual Plan for 2025/26

The FSA has a range of statutory duties, we carry these out through undertaking different roles in the food system. The roles, as set out in our published three-year corporate plan, are, '**Regulator**', '**Policy Maker**', '**Watchdog**', '**Convenor & Collaborator**' and '**Evidence Generator**'. To fulfil these roles, we have '**Enabler**' functions which support and improve delivery across all areas of our business.

Our priorities for the year ahead are laid out under these roles and are a subset of the list of activities contained in our three-year corporate plan. The activities have been iterated with the Executive and Board members to identify our top priorities and represent the most important things to deliver in 2025/26.

Corporate plan objective	Annual Plan for 2025/26
<p>Regulator</p> <p>Deliver our regulatory responsibilities to ensure food and feed businesses to comply with the rules so that food is safe and what it says it is.</p>	<p>Deliver our core statutory duties including official controls in meat, dairy and wine establishments and ensure appropriate assurance and performance monitoring is in place.</p> <p>Continue to ensure the FSA has the capacity and capability to effectively detect, respond and prevent food and feed safety incidents.</p> <p>Preventing and responding to food crime.</p> <p>Deliver food business trade audits and support inward and outward missions as determined by UK Office and Department for Environment, Food and Rural Affairs.</p> <p>Continue to support and oversee delivery of official controls by Local Authorities and Port Health Authorities.</p> <p>Delivery / oversight of statutory controls on feed, shellfish and egg hygiene.</p> <p>Embed a new FSA Delivery of Official Controls contract with a new delivery model.</p> <p>Deliver risk analysis outcomes and market authorisations (including cannabidiol) service to agreed timetables, with ongoing continuous improvement.</p> <p>Set up an audit scheme as Competent Authority for food grade recycled plastics, allowing UK companies to export to the EU</p>

Corporate plan objective	Annual Plan for 2025/26
Regulator	
<p>Reform the food safety regulatory framework to deliver proportionate and risk-based assurance, now and in the future.</p>	<p>Implement Modernisation Projects to improve effectiveness and efficiency in delivering Official Controls and support Defra to progress towards a new Veterinary Surgeons Act.</p> <p>Secure access to appropriate additional investigatory powers for the National Food Crime Unit.</p> <p>Carry out a review of our approach to managing incidents across FSA, to develop further improvements for the future.</p> <p>Complete the roll out of the new food standards model in England, Wales and Northern Ireland, consult on changes to our approach for food hygiene and develop a policy on local authority charging.</p> <p>We will run a process of stakeholder engagement about the future regulatory assurance system.</p> <p>Further develop the immediate next steps around data sharing between large retailers and the FSA - working with a broad range of stakeholders to agree the data sharing principles</p>
Policy Maker	
<p>Make robust recommendations and support decision makers to take informed decisions on rules relating to food and feed, based on evidence and independent assessment.</p>	<p>Deliver expert advice to enforcement authorities on the interpretation and application of food and feed regulations.</p> <p>Deliver in line with our service agreement with the UK Office for Sanitary and Phytosanitary Trade Assurance.</p> <p>Supporting response to complex, non-routine incidents.</p> <p>Reach a decision on the future of the discount for meat charging.</p> <p>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.</p> <p>Work with Department for Environment, Food and Rural Affairs to carry out inward inspections by importing countries, export approval visits and support on completing third country questionnaires.</p>
<p>Create a proportionate, effective, efficient and future focused approach to regulation through the risk analysis process and regulated products service, that protects consumers and removes barriers to innovation.</p>	<p>Introduce secondary legislation to remove the requirement for Market Authorisation renewals where these are unnecessary. We will remove the requirement for a Statutory Instrument (SI) in each nation for authorisation decisions and plan to put advice to ministers on another set of reforms across the service, focused on decision-making responsibilities.</p> <p>Our work on Sanitary and Phytosanitary agreement will support the Government's work to deliver an EU reset.</p> <p>Publish guidance on the provision of allergen information in the eating out sector and send further advice to Ministers on legislative options.</p> <p>Continue work with business to generate a greater understanding of how precautionary allergen labelling (PAL) thresholds are used.</p> <p>Deliver and implement Precision Breeding (PB) regulations and begin processing the first PB applications for food and feed.</p> <p>Deliver the Cell-cultivated products sandbox programme to establish a regulatory sandbox to accelerate future product authorisations and publish our first wave of guidance to industry within the year.</p>
Evidence Generator	
<p>Ensure that our decisions, and those of others are informed by evidence.</p>	<p>Maintain our scientific and evidence capability taking advantage of partnerships across government and with academia</p> <p>Deliver appropriate risk assessments.</p> <p>Support highest priority food / feed incidents response where a new risk assessment is required.</p> <p>Analysis (such as, impact assessments, business cases) to support operational decisions e.g. market authorisations, national level regulation and Sanitary and Phytosanitary agreement.</p> <p>Routine analytics for Field Operations activity and foodborne disease and if priorities require analysis for regulatory compliance and trade.</p>

Corporate plan objective	Annual Plan for 2025/26
<p>Regulator</p> <p>Build evidence so we can anticipate opportunities and risks across the UK food system.</p>	<p>Evidence and analysis of FSA data for the Annual Food Standards Report.</p> <p>Delivery of the annual science-led surveillance programme including sampling, laboratory support, methods, knowledge exchange and related skills development.</p> <p>We will complete implementation of Pathogen Surveillance in Agriculture, Food and Environment (PATH-SAFE) & maintain the level of capacity for Official Controls Laboratories and Reference Laboratories.</p> <p>Maintain research infrastructure e.g. Annual Food and You 2, consumer insight tracker.</p>
<p>Watchdog</p> <p>Speak out publicly about areas of consumer interest to support food standards in the UK.</p>	<p>Publish annual report on food standards.</p> <p>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</p>
<p>Convener and collaborator</p> <p>Work in partnerships across the food system to address issues in the food system affecting consumers and businesses.</p>	<p>Engagement in Food Data Transparency Partnership, UK Government Missions and the National Food Strategy with Department for Environment, Food and Rural Affairs and Department of Health and Social Care.</p> <p>Continue to deliver against the international workplan and forward look for 2025/26. We will not seek to increase our work in this area but will consider opportunities as they arise through the year.</p> <p>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.</p>
<p>Enabler</p> <p>Provide the people, resources and processes needed to deliver the FSA's corporate objectives and priorities.</p>	<ul style="list-style-type: none"> • Deliver the priorities of Year 3 of the People Plan – enhancing people management capacity, corporate development planning, succession planning, talent management and supporting development of Government Veterinary Profession Graduate Programme. • We will continue to deliver our Estates Plan, including moving the Agency out of our current London office. • Delivery of all finance, human resources and digital services meeting government standards in efficiently and effectively. • Plan, develop and submit our next HM Treasury Spending Review submission. • Complete a programme of workstreams to improve how we deliver our core activities and ensure we are set up in the most effective way to deliver our strategy.

Annex B

2025/26 FSA Westminster Budgets

2025/26 FSA Westminster Budgets	24/25 Budget	25/26 Budget
	£m	£m
FSA Westminster		
Income	(43.6)	(52.5)
Staff Costs*	84.7	89.9
Non-Pay Costs**	78.5	88.9
Net Cost of Operations***	119.6	126.3
Capital Expenditure	3.3	2.2

*&** For 25/26 Service delivery partner costs for MHIs and OVs are reported in Non-Pay costs not Staff Costs, 24/25 budget figures reflect this change for comparison.

***Net Cost of Operations is Resource (including Research and Development) excluding depreciation and excluding Annually Managed Expenditure (AME). Total budget has increased due to the Spending Review settlement increase and HMT supporting departments with National Insurance employer contribution increases. The reduction in capital expenditure is due to a lower requirement for IFRS 16 capital.

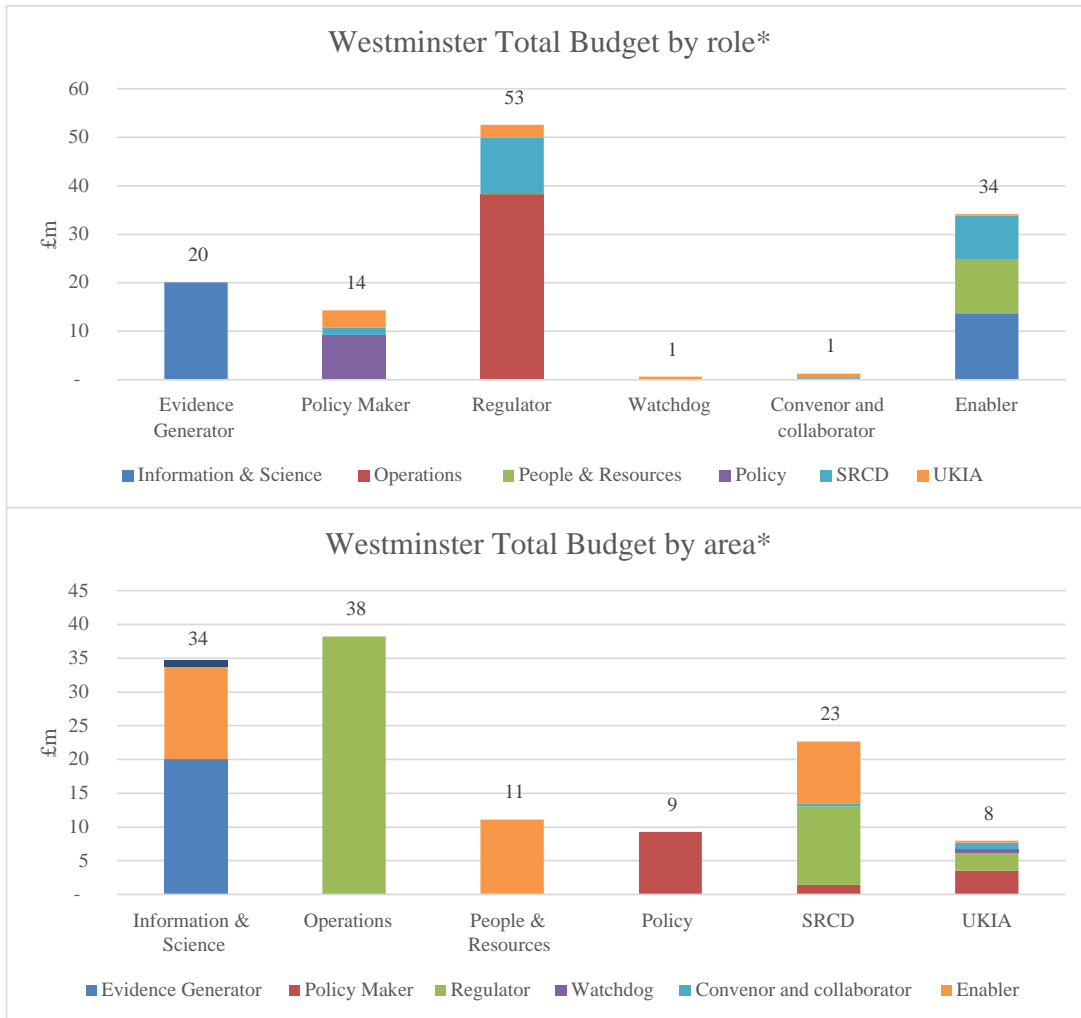
2025/26 Westminster Budgets by Directorate (£m)

2025/26 Westminster Budgets by Directorate (£m)	Information & Science	Operations	People & Resources	Policy	SRCD	UKIA	Centrally Managed**	Total
Income	(0.1)	(50.9)	(0.1)	(1.3)	(0.1)	0.0	0.0	(52.5)
Staff Costs	15.0	33.8	7.7	8.4	16.5	6.9	1.6	89.9
Non-Pay Costs	17.8	55.1	3.3	2.2	6.1	1.0	3.4	88.9
Net Cost of Operations*	32.7	38.0	10.9	9.3	22.5	7.9	5.0	126.3
Capital Expenditure	1.0	0.3	0.2	0.0	0.0	0.0	0.8	2.2

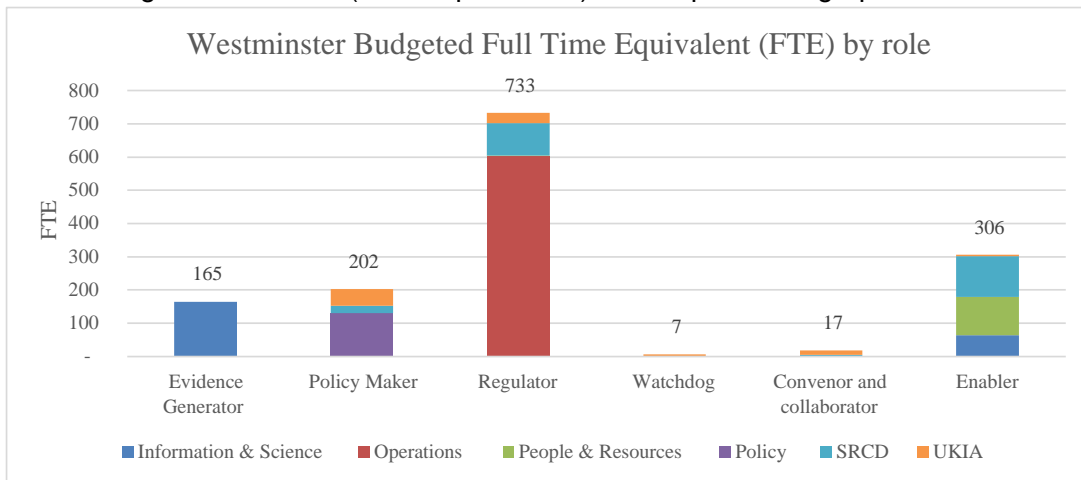
* Resource (including Research and Development) excluding depreciation and Annually Managed Expenditure (AME)

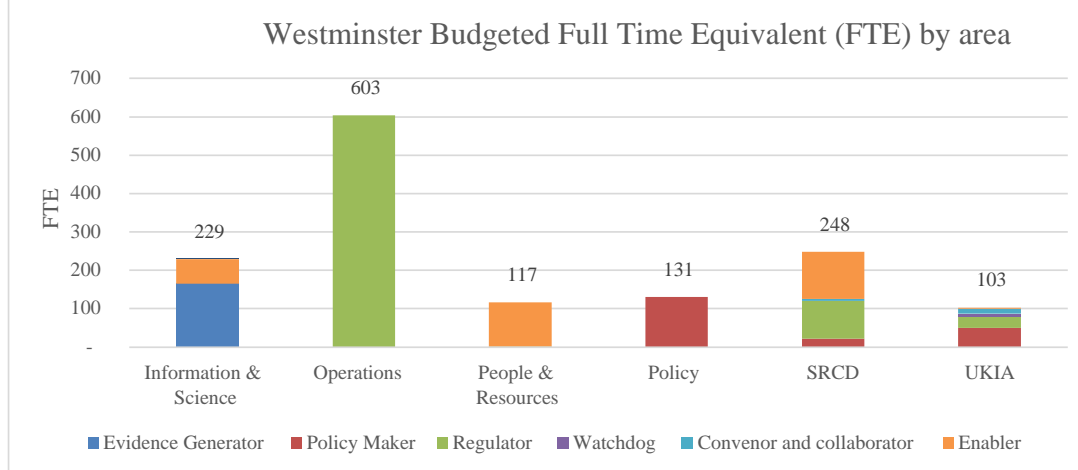
**** Centrally managed consists of budgets outside of individual budget holder control, including contingency.**

Annex C



*Total Budget is Resource (exc. Depreciation) and Capital. The graphs exclude





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 for 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 and will alongside the published papers.

6.4 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:

- Completion of meat food business operator audits and the audit outcomes
- Approval of establishments within legislative requirements
- Resourcing and retention of officials to undertake Official Controls

- Inspection and statutory obligations in the wine and dairy premises
- Response to food and feed incidents, issuing of alerts product recalls
- National food crime operations undertaken and disruptions and outcomes achieved
- Local authority resources and performance delivering official controls
- Rating of food businesses and interventions achieved
- Compliance and Food Hygiene Rating Scheme outcomes
- Regulated products caseload and quality of service provided
- Robust science, evidence and research available openly and in collaboration
- Imported food checks and meeting trade and international obligations
- Public trust and awareness of the FSA
- Media coverage, public engagement, complaints and correspondence
- People and resources to deliver our objectives

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

4. 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. The three-year corporate plan, alongside the annual business planning, have been designed to aid prioritisation and provide a 'medium term' forward look of the main activities we aim to deliver over the next few years.