

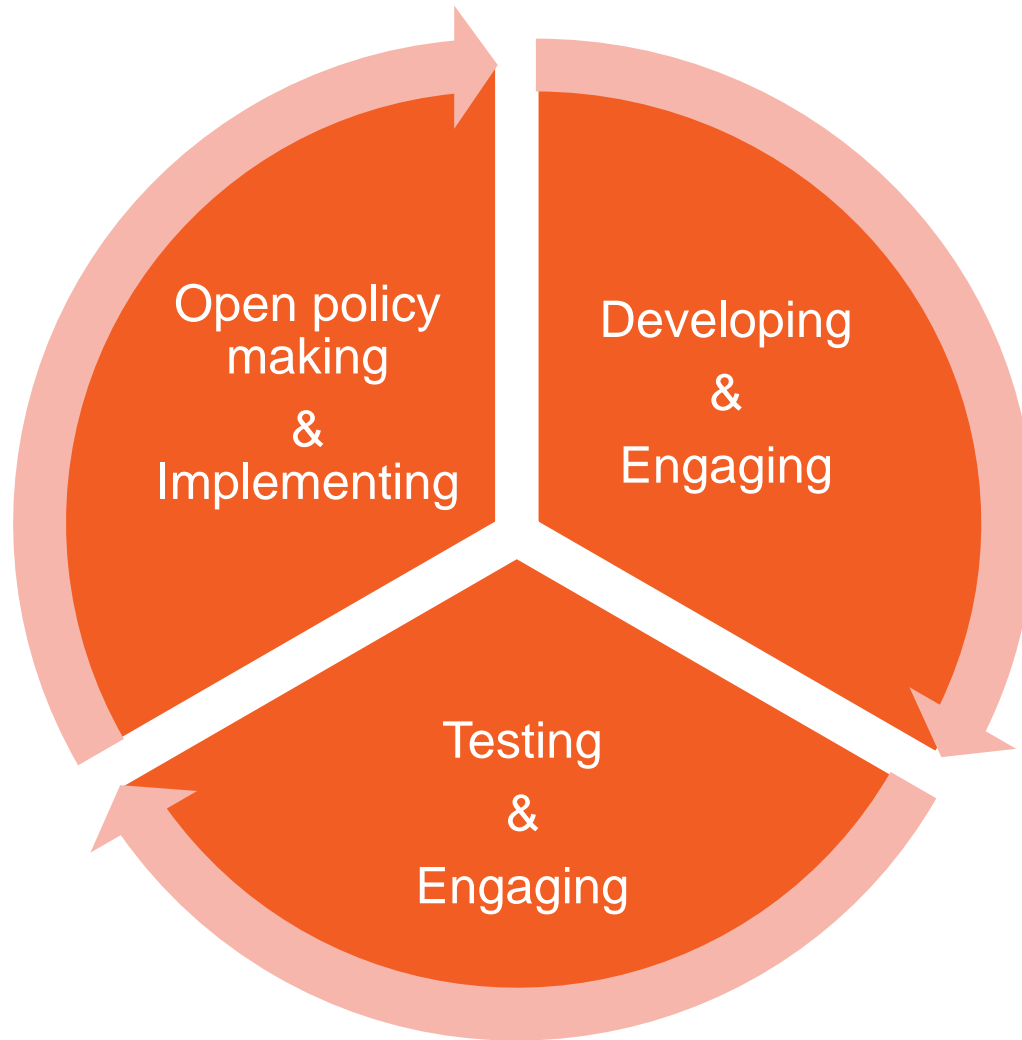


Food
Standards
Agency
food.gov.uk

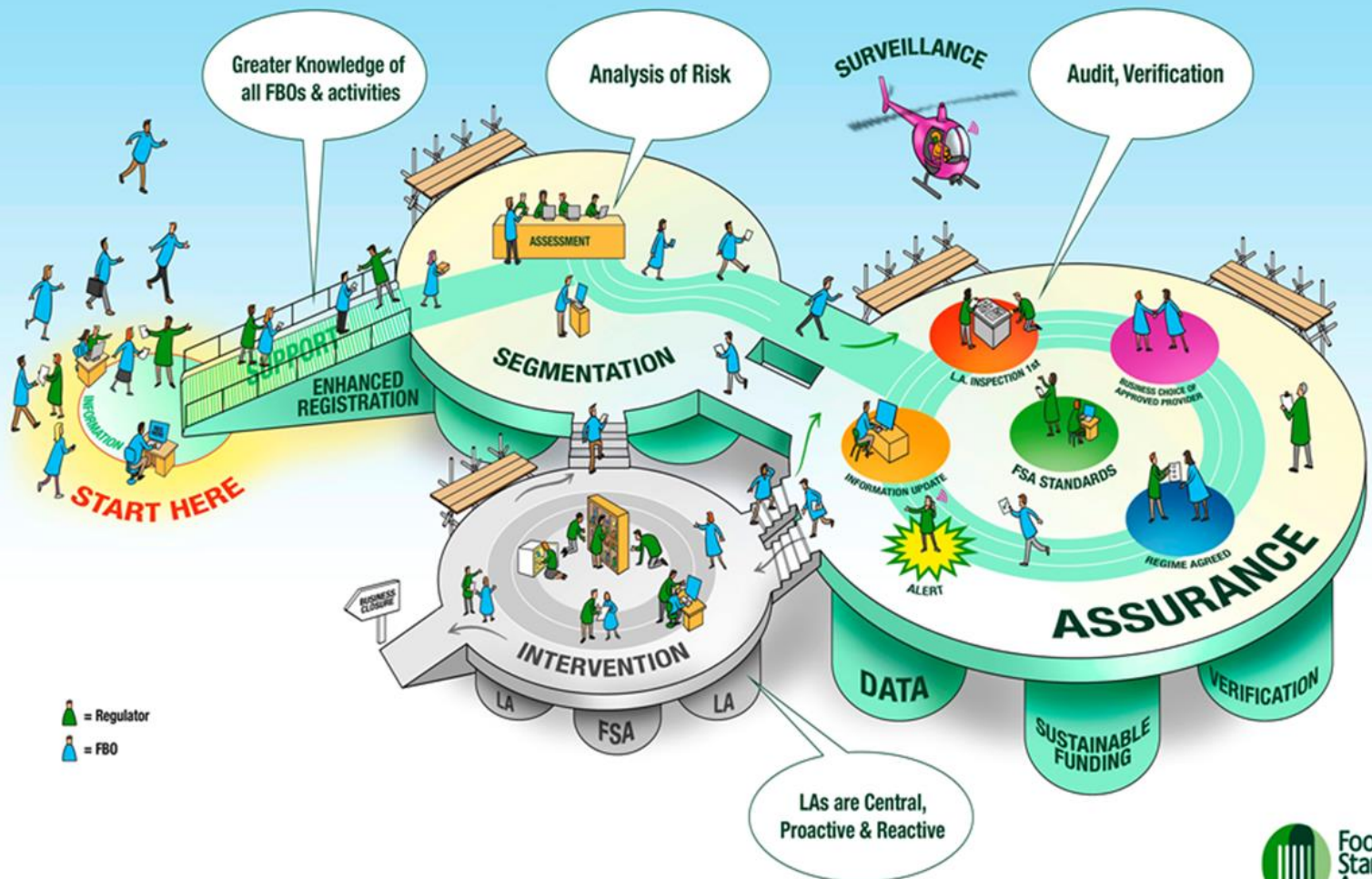
REGULATING
OUR FUTURE



Our Approach



Target Operating Model



= Regulator
 = FBO

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REGULATING OUR FUTURE UPDATE

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ROF - What have we been doing since we last met?

- Established a full programme team
- Initiated our Expert Advisory Groups
- Run pilots with Tesco and Mitchells & Butlers
- Shared two versions of the Target Operating Model
- Engaged with other government departments
- Engaged internationally – Codex, GFSI
- In response to EU Exit recalibrated the programme plan
- Continued to be open in our approach; hot houses and working groups

The FSA has been considering:

- Corporate Objectives and future Strategy
 - **Delivering regulatory transformation is a key corporate priority for FSA for next 2 years alongside anticipating, planning and delivering for consequences arising from EU exit and doing the day job very well**
- Our role as an excellent, accountable modern regulator



FSA of the Future – an Excellent Accountable Modern Regulator

Regulator	Modern	Accountable
<ul style="list-style-type: none"> ● Determine on the basis of science and evidence food safety and authenticity standards. ● We design and assure the regime that causes business to comply with our standards. ● Intervene decisively on matters that compromise public health or public trust in food safety and authenticity. 	<ul style="list-style-type: none"> • We understand the economics and the business behaviours in food and use this knowledge to improve. • We are agile & collaborative across UK governments, locally , nationally ; with industry, science & consumer groups • Use data in our decisions, to demonstrate accountability and use new technologies 	<ul style="list-style-type: none"> • Be trusted by the public to protect their interests, provide independent reliable advice and information • Place equal emphasis on our accountability and relationships in Northern Ireland, Wales and England • Take responsibility for the standards we have set. • Make decisions and review our progress in public

Linkages with Regulating Our Future

- A revised programme plan.
- A key role in delivery of the Cabinet Office 'Regulatory Futures Review'.
- Requirement to ensure international recognition of the new model; for example the lead in Codex work on the use of third party accreditation.

ROF Delivery Phases

REGULATING
OUR FUTURE

Phase One Delivery For EU Exit

- Develop approach to enhanced registration and validate solution against Digital Service Standard
- Develop new approach to segmentation and introduce short term changes to existing approach
- Agree criteria for National Inspection Strategies under Primary Authority scheme and progress pathfinders
- Digital solution for enhanced registration and overview of all establishments in place

March
2019

Phase Two Delivery Post EU Exit

- Develop standards for regulated private assurance and model for use of Certified Regulatory Auditors
- Define future roles of FSA, LAs and private assurance within the delivery model
- Introduce CRAs and other regulated private assurance into the model
- Introduce sustainable funding model
- Progress proposals for mandatory FHRS in England
- Intervention in model informed by new Surveillance Strategy
- Implementation of new official control model for meat

The Delivery Landscape

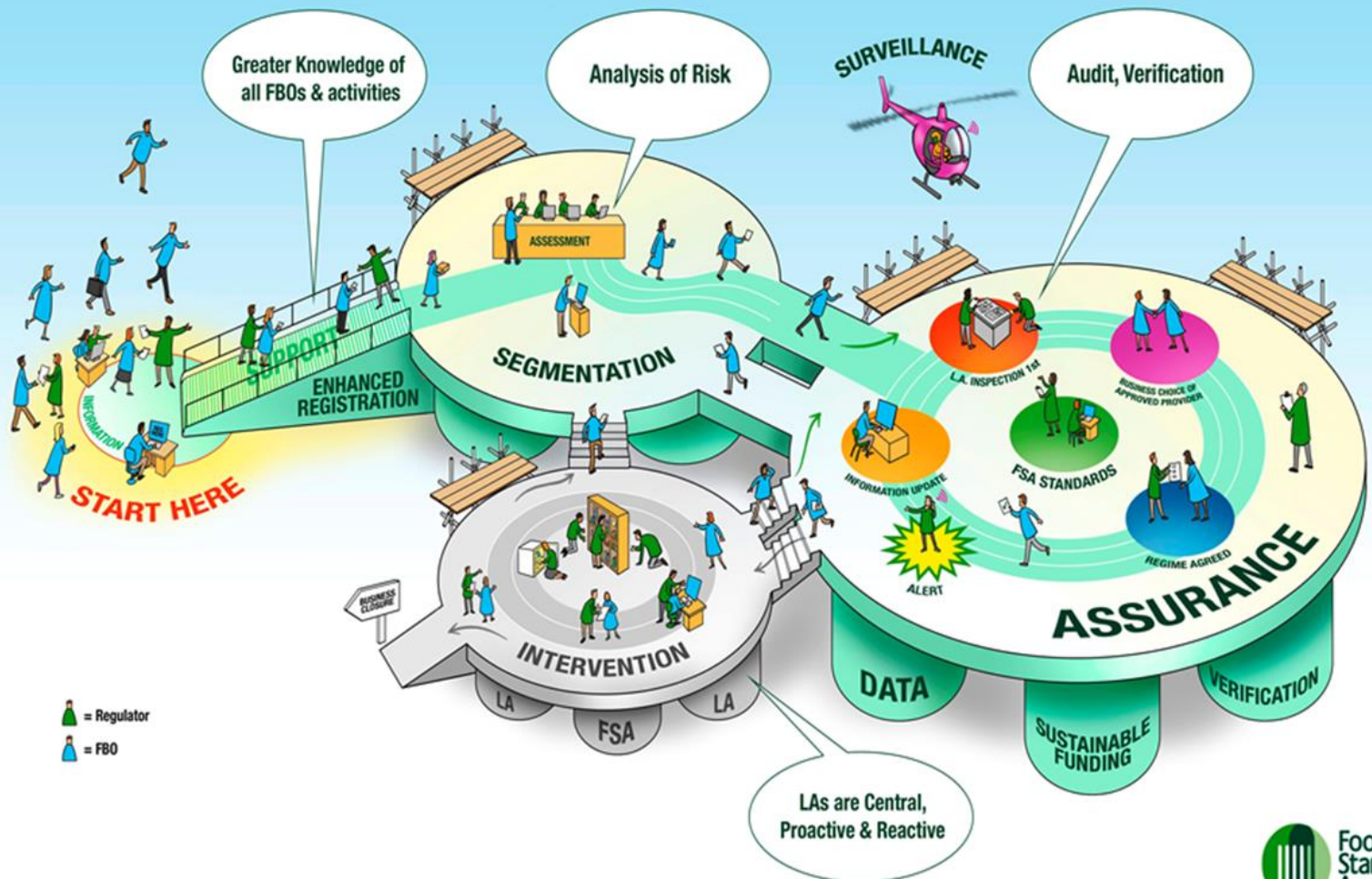
- Local Authorities will be key to the future regulatory model.
- Regulated and approved use of the private sector.
- FHRS will continue to be a flagship policy area

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**OUR CURRENT VISION OF THE
LA ROLE IN THE NEW MODEL**

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Target Operating Model

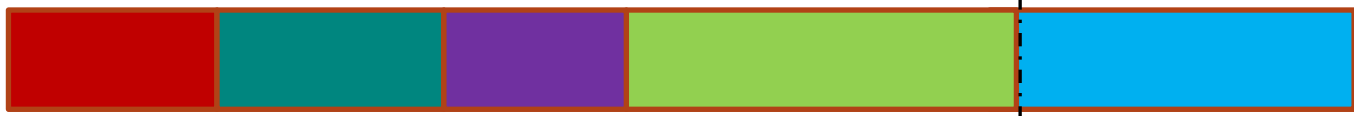


ROF vision for future LA role

Now



Future model



LA Competent Authority Role

- Ongoing responsibility for delivery of Official Controls
- Increased emphasis on:
 - Supporting new businesses to achieve compliance
 - Timely and robust enforcement action, when necessary, to make sure the business achieves compliance and doesn't expose consumers to risk
 - Official Controls in businesses trading outside UK
- LAs to investigate complaints, food safety incidents and food fraud.
- Detail of role may be different in England, Wales and Northern Ireland.

Evolution of the LA role

- Where FBO is not compliant or doesn't opt to use regulated private assurance – no significant change to current role
- Where regulated private assurance is in place emphasis will move from inspection to risk assessment and verification (official controls) as specified in the recognised scheme.
- Assessing assurance data reported and made available through digital solutions and other technology

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**ENHANCED REGISTRATION -
IMPROVING THE SYSTEM OF
BUSINESS REGISTRATION**

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Short term – EU exit

- Enhanced Registration
- FSA as the CCA to have oversight of all food businesses across England, Wales and Northern Ireland
- Obtain relevant information:
 - at the point of registration - new food business
 - all food businesses - FBs already in operation
- Encourage proactive registration

Increase Business Awareness

- Provide access to good quality, credible and current information and advice to help new businesses start-up
- Earliest intervention – support to new business

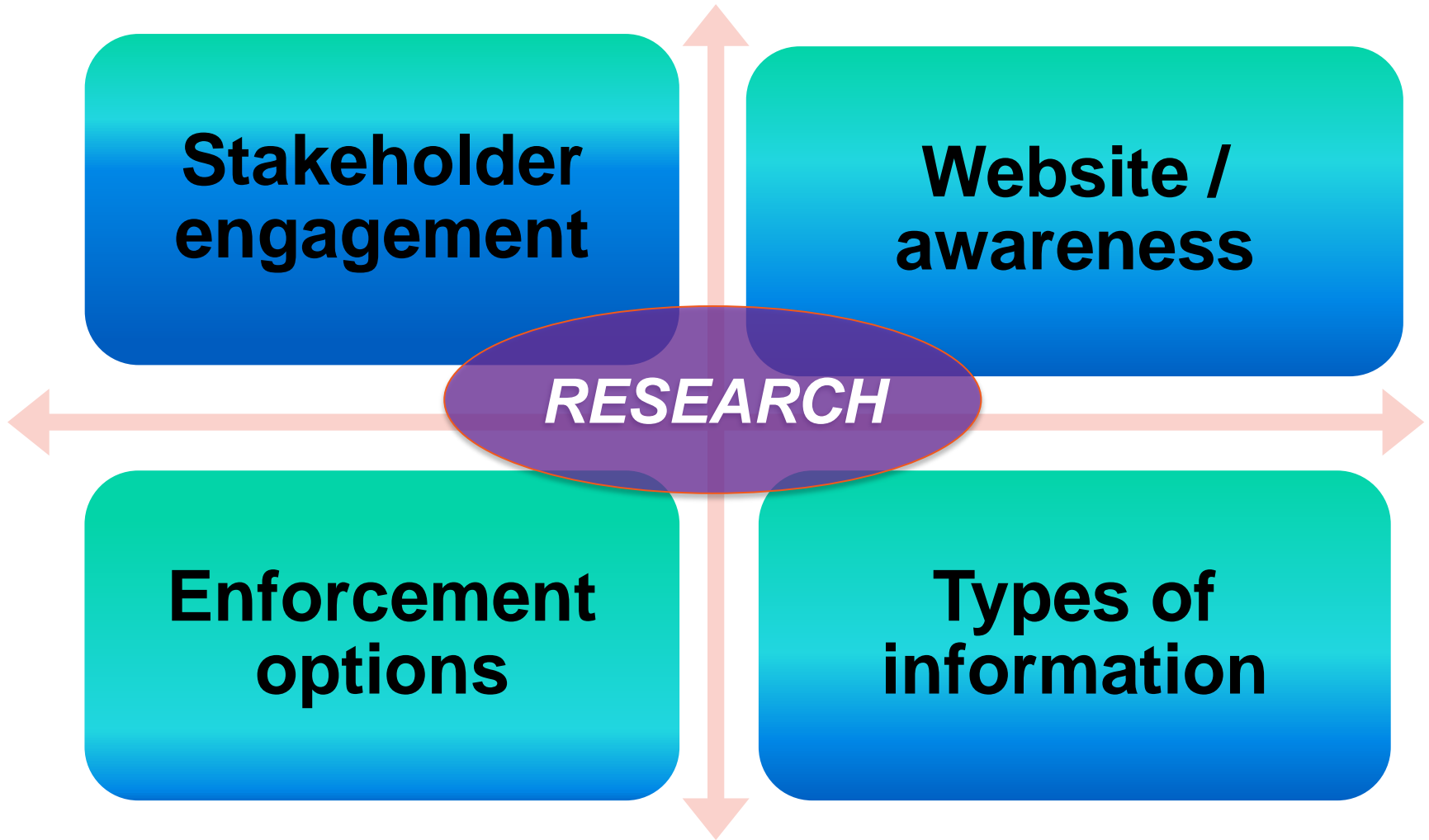
**Enhanced registration & Support Tools
(EU exit +1)**

Permit to Trade - PTT

- EU Exit has impacted on parliamentary and government priorities
- A complete change to current model
- Would require new domestic legislation
- Conflicts with current deregulatory agenda in England
- Need robust evidence: existing shortcomings, the need for change and benefits
- PTT still very much an option but dependant on evidenced gathered



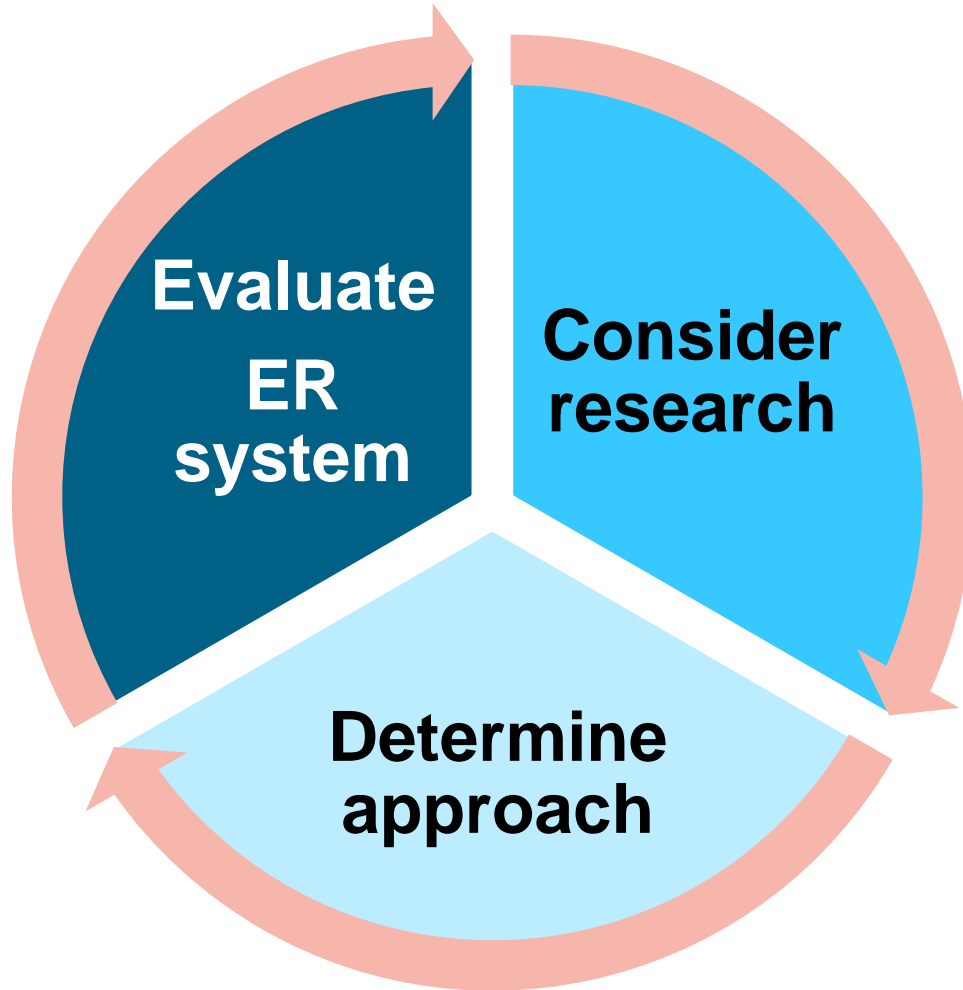
Phase 1



Stakeholder involvement helps set the direction of travel
Collaboration is key

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Evaluation - Phase 2



Key Messages

- **PTT is still very much on the table** – will be dependant on success of ER and evaluation of research (post EU exit)
- New approach will be about capturing the right information at the right time
- Effective CCA oversight will enable more strategic risk management & regulatory decisions
- Provide additional support for new businesses to aid compliance
- Solution will be digitally driven

Working Closely with LAs, ensuring continual engagement throughout the process is vital for the success of this work and the programme as a whole.

Gaps identified

- Need to be more joined with other regulators
- To work Bottom up/Top down with LAs
- FSA website to be a one stop shop for useful information and advice for FBOs, consumers
- Greater understanding of gaps in FBOs technical knowledge, and capability to produce food that is safe
- Communication – how to do it better
- Greater understanding of human behaviours and system requirements

Questions

- 1. How can we create an environment which would encourage FBOs to register their food business earlier?**

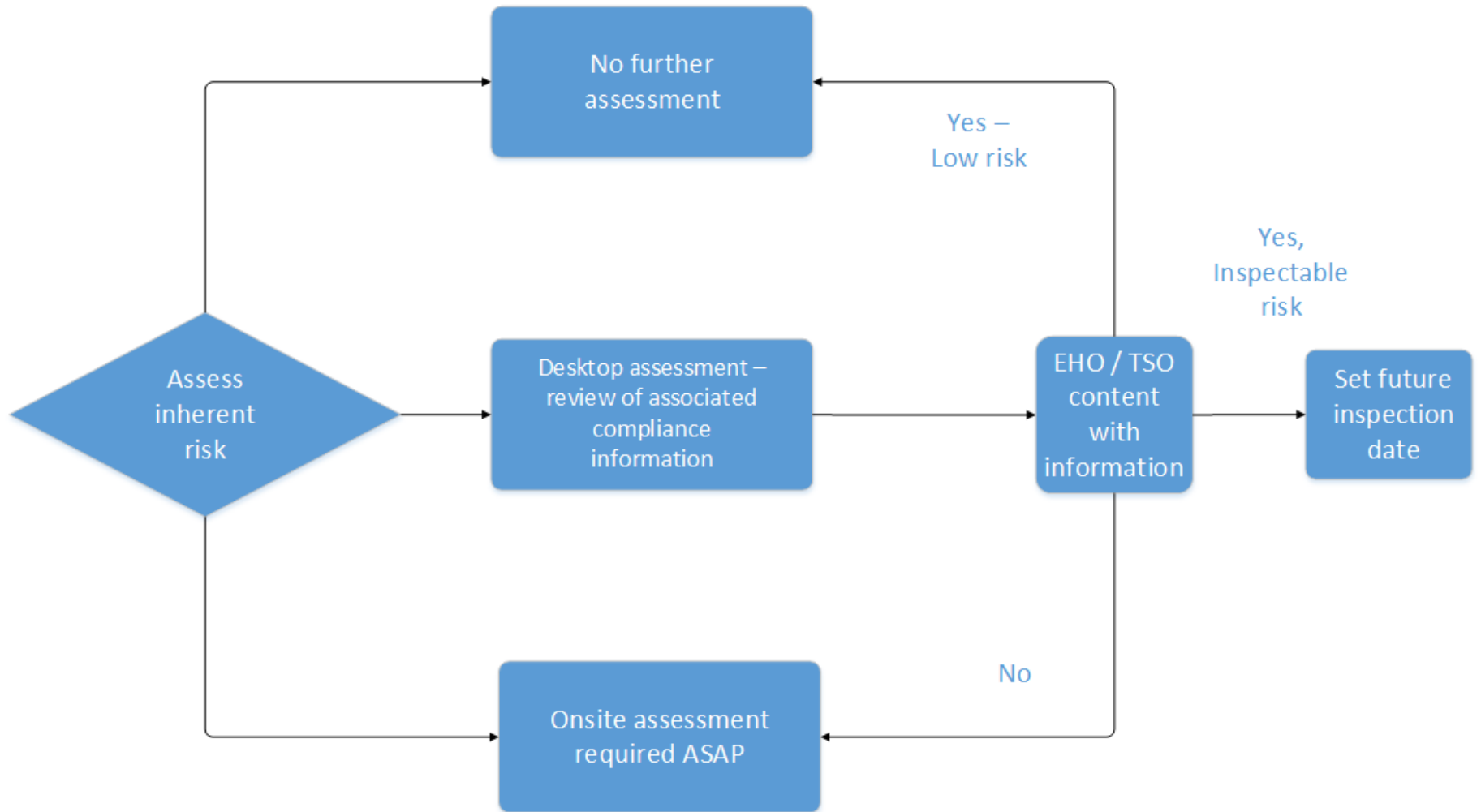
e.g. use of current enforcement tools/communication campaigns/changes to COP



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SEGMENTATION

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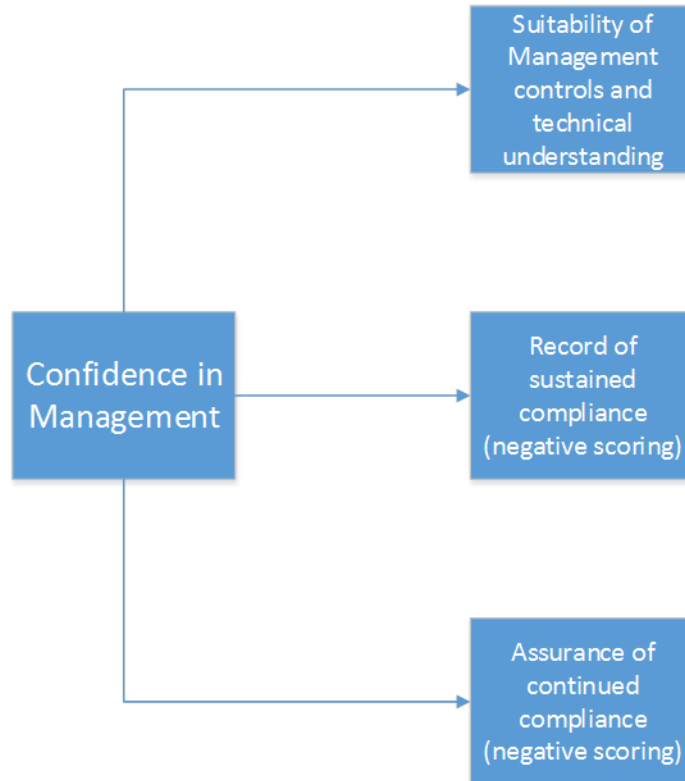
Development Time Line and Approach

Proposed Time line:	
First phase of identified research based on current available data.	September 2017
Complete the first iteration of the basic data requirements, business rules and risk categorisation of food businesses	September 2017
Complete modelling and field trails to enable an evaluation of the operational impacts on LAs/FSA and the food industry of the proposed new approach.	January 2018
Complete second phase of supporting research based upon new data sources that arise from the discovery process	April 2018
Complete the second iteration of the advanced data requirements, business rules and risk categorisation of food businesses	July 2018
Complete modelling and field trails to enable an evaluation of the operational impacts on LAs/FSA and the food industry of the proposed new approach.	November 2018
Operationalisation of the new system by local authorities	April 2019

Approach:

- Iterative development.
- Ever Increasing complexity.
- Ever larger number of data sources used.
- Working group of FSA, LAs, industry and other experts.
- LAs invite to trial this approach in the real world

Proposed changes to the risk rating approaches



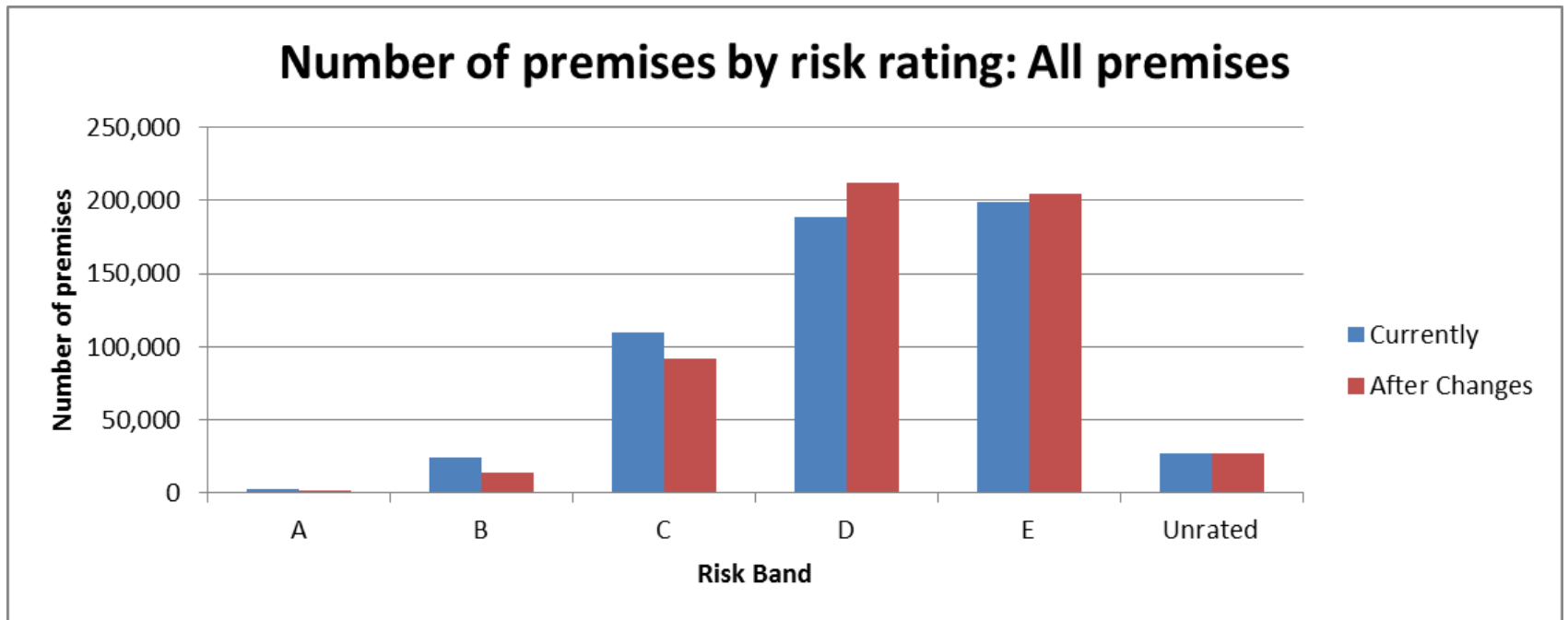
Coming in?

- Import and export activities (standards)
- Third party Assurance

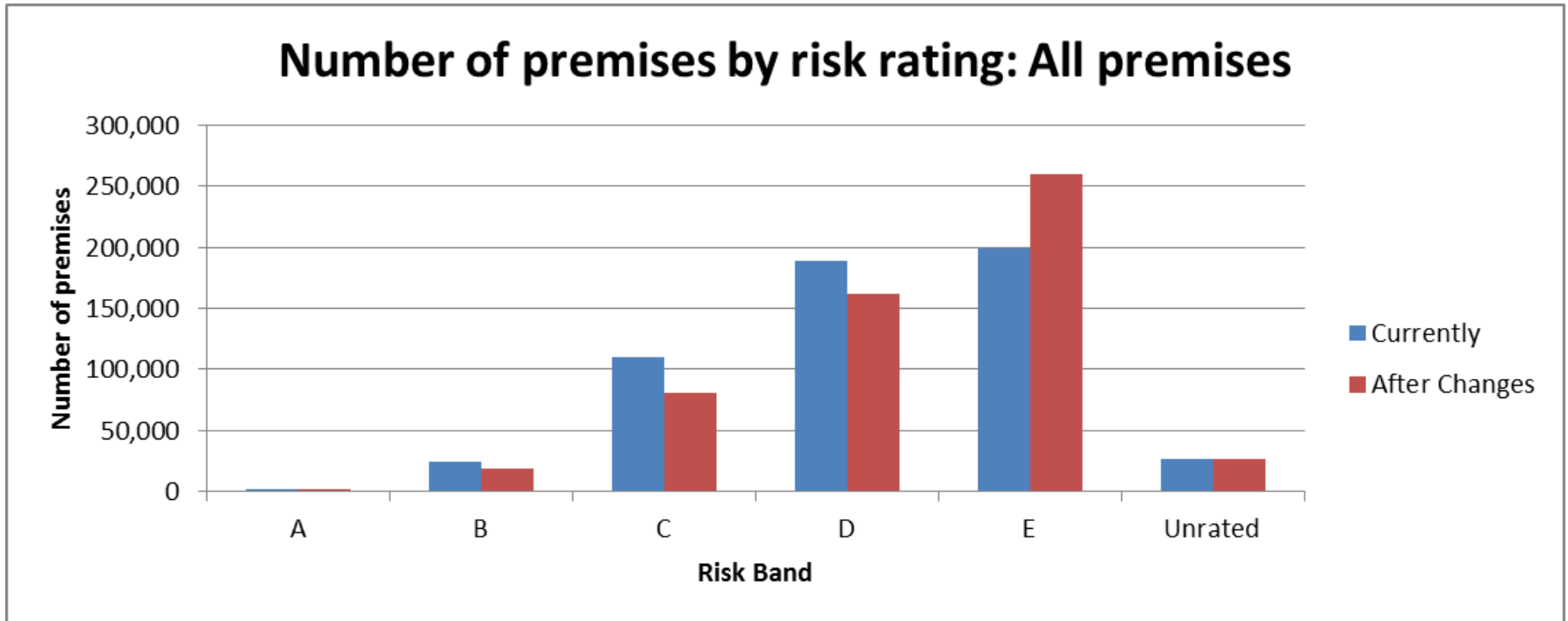
Coming out?

- vulnerable risk group (Hygiene)
- Significant risk (Hygiene)
- Extent to which the activities of the business affect any hazard (Standards)

Changing Vulnerable groups & Significant risk



Recognising sustained compliance



Development Approach and Time Line

Proposed Time line	
Complete a programme of stakeholder engagement to discuss in detail the draft proposals for revisions to the current risk assessment system.	September 2017
Development of the complete policy development package, (including impact assessment)	December 2017
Formal 12 week consultation and ministerial submission process required to implement a new Food Law Code.	April 2018
New Food Law Code of Practice comes into force	April 2019

Approach:

- Working group of FSA, LAs, industry and other experts.
- Programme of LA events to discuss the proposals in detail and review projected effects
- 12 months Implementation period to address IT, FHRS, Training issues

Questions

1. If the segmentation approach was to take a business out of a planned inspection programme, what type of business should this be, and why?

2. At what level of compliance should recognising sustained compliance be applied?

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ASSURANCE

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Private Assurance Schemes

- Heads of Agencies Working Group on Private Assurance Schemes
 - Developing guidance on how countries can use Private Assurance Schemes to inform official controls
- International Work: the role of private certification in a regulatory context

<http://www.fao.org/fao-who-codexalimentarius/meetings-reports/detail/en/?meeting=CCFICS&session=23>

Regulatory Futures Review

Objectives:

- Identify opportunities to improve operating efficiency of regulators
- Identify the sources of burdens on regulators themselves and reduce regulatory
 - Cost
 - Complexity
 - Delays
- Develop examples of effective regulatory delivery regimes

Two key recommendations from review:

- Business should bear the full cost of regulation
- Sources of private assurance need to be recognised

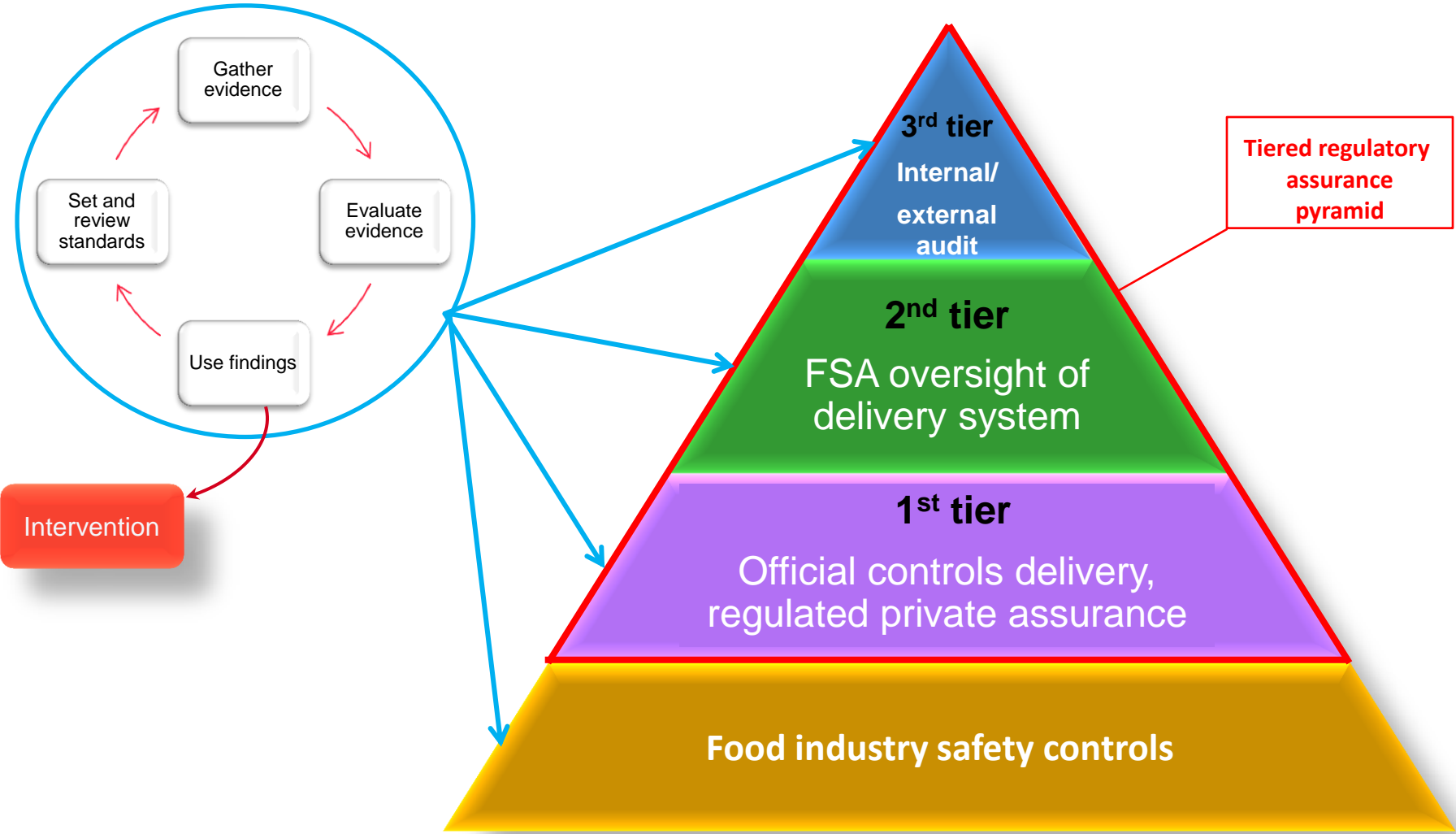
Ongoing work

- Engagement with 5 key regulators (FSA, Defra, HSE included)
- Specific exploratory development projects (eg Regulatory Intelligence Hub)

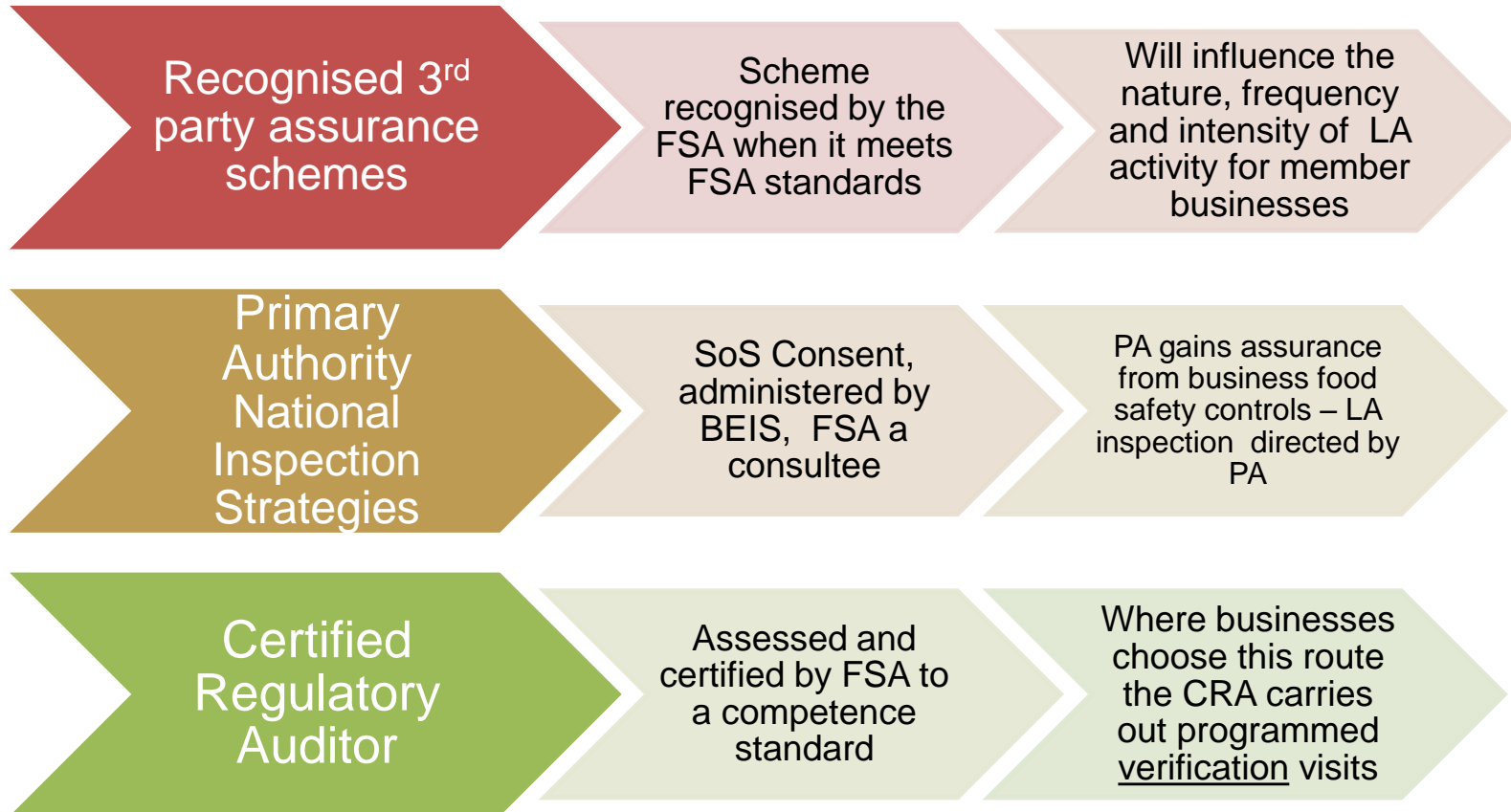
<https://www.gov.uk/government/publications/regulatory-futures-review>



Assurance system for the future model



Routes to Regulated Private Assurance





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**PILOTS, FEASIBILITY STUDIES
AND PATHFINDERS**

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Pilots, Feasibility Studies and Pathfinders

- Pilots with Tesco and Mitchells and Butlers

<https://www.food.gov.uk/news-updates/news/2017/16046/regulating-our-future-assurance-studies-published>

- Concept – worth further consideration
- Feasibility Study – small scale, provide insight to develop concept
- Pathfinder – live trials, test effectiveness, assess impacts



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**PRIMARY AUTHORITIES AND THE
REGULATING OUR FUTURE
PROGRAMME**

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National Inspection Strategies (NIS)

What is a **National Inspection Strategy**?

- A NIS enables the assessment of risk to be extended from a single site to a **‘business-wide’ assessment** which takes account of a wide range of information, including:
 - Systems for managing compliance.
 - Data generated from internal compliance checks e.g. through in-house audits.
 - Data generated by third party compliance checks e.g. through external auditing, accreditation checks, test purchases, surveillance and sampling programmes.
 - Data generated by regulatory checks on the business (e.g. inspection plan feedback from local authorities).
- After considering **all** the information available, the PA could decide that it has sufficient evidence that the business is being well managed, and consider that a lower number or a more tailored style of regulatory interventions are warranted.

Feasibility study: Developing National Inspection Strategies for food

- The FSA led a Primary Authority National Inspection Strategy **Feasibility Study** during January to May 2017
- This involved 8 primary authorities and their partners:
 - Drafting **criteria** that a partnership should meet before developing a NIS at a 'hot house' event in January
 - Thinking about the type of **evidence** they might need to demonstrate meeting the criteria
 - Drafting **ideas** as to what a NIS could look like for food hygiene and standards

National Inspection Strategy Draft Criteria

- The NIS is appropriate for the business type
- PA demonstrates its competency
- Business has food safety pre-requisites in place
- PA to have reviewed and issued PA Advice on the food safety management system
- PA to have verified implementation of the food safety management system (and other elements as needed)
- PA to have reviewed and verified compliance history
- Robust process for issuing PA Advice and overseeing compliance in the business is in place (e.g. data access, complaints, audits (1st, 2nd or 3rd party), sampling, feedback from regulators)
- Business's own audit 'maps' to legislative requirements
- Evidence that non-compliances are dealt with
- Evidence of peer review or benchmarking

Next steps

- FSA to support a small number of partnerships to try NIS as a small scale '**pathfinder**' (a pilot)
 - This is effectively a scoping exercise to build the evidence base and test how NIS could work in practice
 - It will help to identify what the FSA needs to do to ensure it has good oversight of NIS in the future
 - And determine what work needs to be done to make NIS a real possibility for food partnerships
- FSA will seek views on the draft criteria, and develop guidance for partnerships, working with BEIS RD and all relevant stakeholders

Questions

1. What are your views on the draft criteria?

Are we missing any? Are any unnecessary?

2. “Primary authority demonstrates its competency”

What do you think demonstrating this criteria should look like in practice?

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**THE CERTIFIED REGULATORY
AUDITOR CONCEPT**

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Certified Regulatory Auditor

Picking up on key CRA drivers

- Contributes to all available assurance data being taken into account
- Potential to increase efficiency of the regulatory regime - avoids duplication of assurance effort/cost for food businesses and regulators
- Meets the international drive and government desire to utilise private assurance in a meaningful way
- Ensures private assurance is used in a regulated way with robust Central Competent Authority oversight

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Certified Regulatory Auditor in the future model

The early concept

Proposed that Certified Regulatory Auditors (CRAs) will:

- carry out ongoing verification of food business controls in businesses that choose to use their services
- be competent to carry out the role and subject to effective Central Competent Authority controls
- provide an opinion on status of food business controls that delivers an FHRs rating
- not undertake enforcement activity or other official activities

CRAs in the model – concerns that may be raised?

- **Lack of independence from the business that pays them**
 - Build adequate system controls to address this
 - LAs already coach and officially inspect the same business
 - LAs will also charge for official interventions in new model
- **They'll give favourable opinions to their clients**
 - Independent verification of the processes, inputs and outcomes of the activities of CRAs and their employers
- **Private sector auditors don't have the same competence as LA officers**
 - For verification activities – Equivalence of competence requirements for CRAs and Competent Authority officers
- **LA officials and private sector in the same space just won't work!**
 - It already is in place and working in other countries
eg Australia (NSW) and New Zealand

CRAs in the model - potential benefits

- **Resource & funding** - Introduces ongoing private sector resource and associated funded training - contributes to sustainability of the system
- **Helps reduce routine inspection burden – LA prioritisation of resource and officer expertise** – focus on persistently non-compliant and start up businesses
- **Cost to businesses** - efficient for business to use their existing private assurance company CRA for official verification of their controls
- **Availability of additional technical expertise in high risk establishments** - additional private sector expertise in technically demanding and complex areas of food and feed safety control
- **Driving the consistency and quality of private assurance** - introducing the CRA will set standards, rules and governance for the world of private assurance

Questions for discussion

**How can we
build trust into
the CRA concept
for**

- **Consumers**
- **Regulators**
- **Businesses**

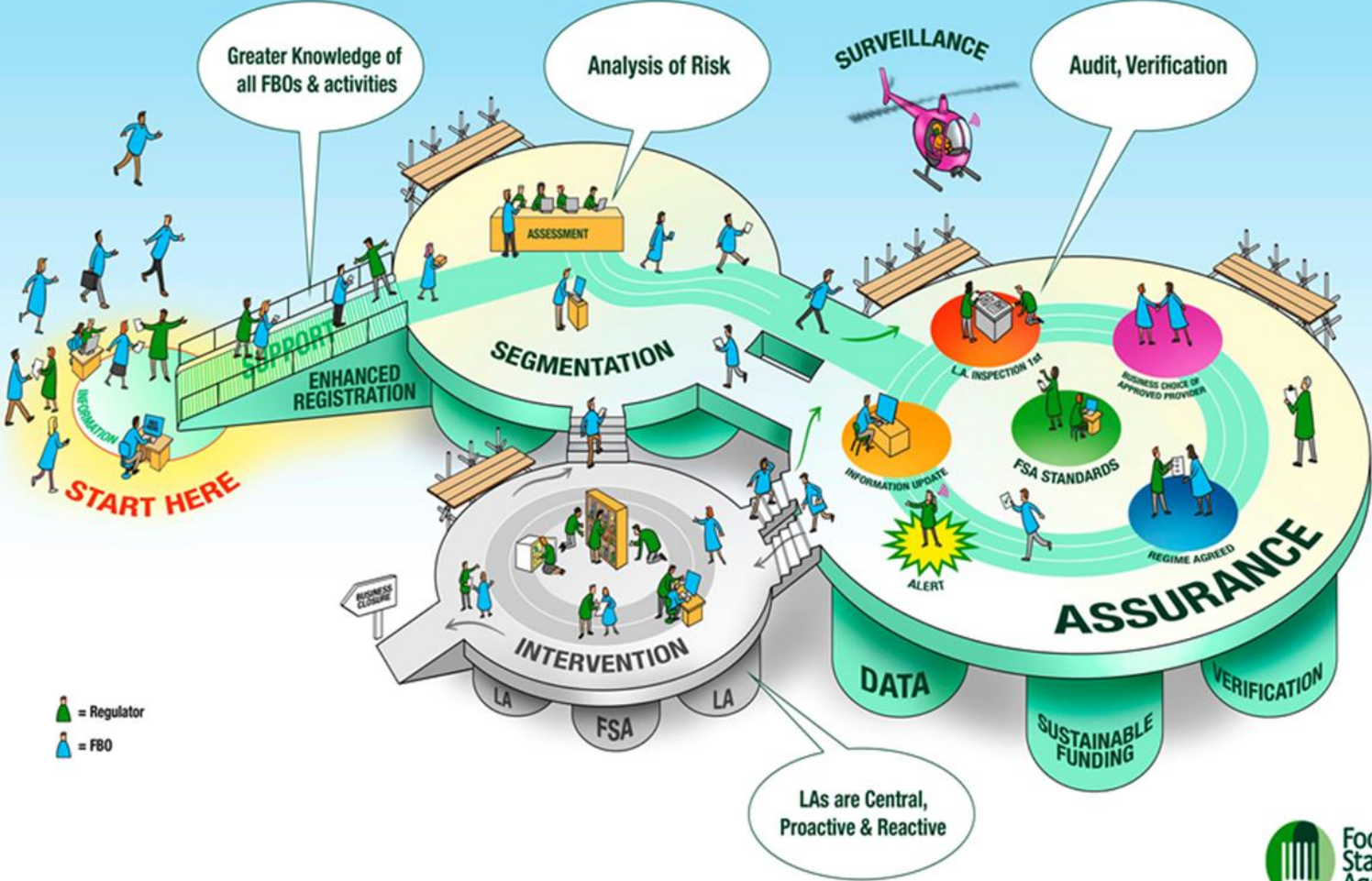
**How can we
develop the CRA
concept to work
effectively in
parallel with local
authority
delivery?**

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CLOSING COMMENTS

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Target Operating Model



 = Regulator
 = FBO



- Full report from LA engagement end of July
- Further engagement will be tailored to specific elements of development Target Operating Model
- Survey Monkey to provide further comments on today's event
- Thank you for your time and contribution