

FSA SIMPLIFICATION REPORT AND PLAN 2009**EXECUTIVE SUMMARY**

1. This paper seeks the Board's agreement to publish the 4th FSA Simplification Report and Plan. The current simplification programme started in 2005 and will end in May 2010. This penultimate report, covering a period of consolidation as we approach the end of the current simplification programme, includes progress on delivering simplification initiatives discussed in previous reports, provides an update on how we are doing against the Government's published net 25% administrative burden reduction target and sets the scene for future work. There is no set target for policy cost reductions, although the simplification programme aims to deliver reductions in respect of these costs also.
2. As at the end of October 2009, having where possible reviewed and clarified assumptions for savings made in earlier reports, we are now delivering up to £380 million simplification savings a year (administrative burden reduction and policy cost reduction). This includes £44 million towards the administrative burden reduction target.
3. All of the simplification measures are designed to ensure that the FSA delivers against its statutory objective of protecting public health and consumers' other interests in relation to food and drink, but in ways that avoid unnecessary burdens on the private sector, public sector and the third sector.
4. We shared early drafts of this report with the Better Regulation Executive and our Better Regulation Advisory Group and the final draft at Annex A incorporates their comments and suggestions. Subject to Board agreement, we intend to publish the report, alongside those of other Government Departments, during the first week of December 2009.
5. The Board is asked to:
 - **agree** this draft of the Simplification Report and Plan;
 - **agree** that any subsequent minor changes to the Report and Plan can be signed off by the Chair, taking into account advice from the Chief Executive; and
 - **agree** that the Report and Plan should be published alongside those of other Government Departments during the first week of December 2009.

REGULATORY POLICY AND PERFORMANCE DIVISION

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FSA SIMPLIFICATION REPORT AND PLAN 2009**Issue**

1. Board agreement to the publication of the FSA's 4th Simplification Report and Plan (at Annex A).

Strategic Aims

2. The FSA's statutory objective is to protect public health and consumers' other interests in relation to food and drink. Some regulation will always be necessary if we are to deliver this and maintain consumer confidence. We are, however, fully committed to following the principles of good regulation; that regulatory activities should be carried out in a way which is proportionate, accountable, consistent, transparent and targeted only where action is needed to protect consumers and without imposing unnecessary burdens.
3. Protection of the consumer remains paramount and the Chief Executive has assured the Board that if any simplification proposal would put this protection at risk it will be reported to them. Our experience is that reducing the burdens on businesses can make it easier for them to comply with legislation, e.g. through providing advice and issuing guidance, thus delivering consumer protection.

Background

4. Along with other Government Departments, the FSA has developed a rolling programme of regulatory simplification. Each Department reports on progress in their annual Simplification Plans. This Report and Plan provides the FSA with an opportunity to highlight our wider work on the better regulation agenda, within the context of the FSA's regulatory framework, which is currently being reviewed (see Chapter 9 of the plan). This year's Report includes progress on delivering simplification initiatives discussed in previous reports, provides an update on how we are doing against the net 25% administrative burden reduction target and sets the scene for future longer term work on simplification. It includes a number of case studies and supportive quotes from business and public sector stakeholders to show how the initiatives are having an impact on the ground (e.g. Meat Hygiene Service (MHS) transformation on page 21, Safer Food Better Business (SFBB) on pages 27/ 28, and guidance on page 40).

Impact

5. This past year has been one of consolidation, having now delivered most of the simplification initiatives that we set out in earlier plans and as we approach the end of this particular simplification programme in May 2010. We have also reviewed and clarified, where possible, assumptions made in previous reports. The overall result is that delivered savings at the end of October 2009 stand at up to £380 million a year, including £44 million towards the administrative burden reduction target.
6. The primary focus of the cross-Government Simplification Programme in respect of the FSA policy remit is England. However, as a regulator whose statutory duties extend across the UK, many of the FSA initiatives reported will impact on businesses in Scotland, Wales and Northern Ireland. Chapter 11 also includes specific examples of simplification initiatives being taken forward in the devolved administrations.

Highlights of the FSA Simplification Report and Plan 2009

7. As reported to the Board in September¹, the FSA has an extremely challenging target to reduce administrative burdens by £136 million by May 2010 and had delivered £44 million by October 2008, considerably more than our initial reduction target of £23 million. We are on track to deliver a further £45 million before May 2010, mainly from new record keeping guidance for farmers (£35 million) and flow diagram decision-making guidance to accompany the Meat Products Regulations (£9 million) - see Chapter 4. This will bring our total to £89 million. Although this will leave us short of our amended target by some £46 million, it is still a significant achievement and has been recognised as such by the Better Regulation Executive (BRE). The table at page 11 of the report shows how this has been calculated.
8. Reducing the administrative burden of regulations on business has been a major focus of the Government's better regulation programme but is only one part of our rolling simplification programme. The Report includes other initiatives to help business, for example:
 - Since January 2009, when the minimum age for BSE testing increased from 30 to 48 months, estimated policy cost savings for abattoirs, purely from the cost of the tests themselves, are estimated at £1.4 million per annum.
 - Alternative enforcement strategies and increased recognition of third party assurance schemes, discussed in Chapter 5, reduce the burden of inspection for low risk businesses by enabling local authorities to target their resources better and to focus on high risk establishments.

¹ September Board information paper – Better Regulation update
<http://www.food.gov.uk/multimedia/pdfs/board/info090901.pdf>

- Arrangements for the approval of meat establishments in Great Britain were simplified from 1 October 2009 when responsibility was consolidated within the MHS.

Stakeholder Engagement

9. This year's successful Stakeholder Simplification Event (Chapter 12) attracted a good range of delegates from industry, enforcement and our partners in other government Departments. It also resulted in the publication of an action plan (at Annex B) that will be updated regularly. The format of next year's event will be planned in conjunction with stakeholders to ensure that we enhance opportunities for regional businesses and SMEs to participate, possibly by holding a number of smaller events in regional locations and at varying times of the day.

Risk, Resource and Sustainability

10. Making it easier for business, the public sector and the third sector to understand and comply with regulations should improve compliance and enhance consumer protection. However there is a risk that some stakeholders might perceive that FSA activities on simplification indicate a reduced commitment to consumer protection. The Chief Executive's earlier reassurances should continue to address this concern.
11. The Better Regulation Team is responsible for delivering the Government's Better Regulation agenda across the whole Agency and the rolling simplification programme is part of this work. During 2009, the Team combined with the Agency's Sustainability Team, realising an efficiency saving of half a team leader post. The majority of the team budget is attributed to staff costs and does not include time spent on the Better Regulation agenda by policy officials across the Agency.
12. Minimising economic costs is entirely consistent with sustainability, so long as we ensure that there are no knock-on negative consequences and that consumer protection is maintained. The newly combined Better Regulation and Sustainability Team is better able to assess the issues together and is well placed within the Agency's new Integrated Corporate Services group.

Conclusion

13. The Simplification Plan and Report demonstrates the positive effect that the FSA simplification programme is having on business and the public sector. As we approach the end of this simplification programme in May 2010, most of the promised savings have been delivered and the last year has been one of consolidation.
14. The Government's better regulation programme has not so far addressed the policy costs of regulation but new simplification targets for 2010 to 2015 have

been announced, which the Board is also discussing at this meeting (see paper FSA 09/11/08).

Board Action Required

15. The Board is asked to:

- **agree** this draft of the Simplification Report and Plan;
- **agree** that any subsequent minor changes to the Report and Plan can be signed off by the Chair, taking into account advice from the Chief Executive; and
- **agree** that the Report and Plan should be published alongside those of other Government Departments during the first week of December 2009.

ANNEX A - Draft Simplification Report and Plan 2009

ANNEX B – Simplification Stakeholder Event Response and Action Plan