

Achieving business compliance programme – forward plan

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1. Summary

1.1. In January 2020 the FSA Board considered the current status of the Regulating Our Future (ROF) programme and proposed next steps for the refreshed second phase of work to be titled 'Achieving Business Compliance'.¹

1.2. The Board agreed on a refreshed programme of work that focuses around the following key priorities:

- **Target Operating Model (TOM):** Defining roles of the central competent authority and competent authorities in relation to regulating relevant food businesses.
- **Surveillance, data:** Collecting and disseminating data on food sectors (e.g. imports) and food businesses to competent authorities so that they can assess risk on a more real-time basis.
- **Sophisticated risk assessment:** Continuing work to take all sources of information on food businesses to enable sophisticated segmentation by risk so that competent authorities can target their resources effectively. This will be supported by refreshed guidance to local authorities on risk assessment and a digitally-enabled, sophisticated risk engine that all can use.
- **Skills for the job:** Altering expectations around professional skill levels so that competent authorities can deploy skills and resources effectively in food business and offer appropriate assurance. This would also include continuing to complete the work on food standards.

1.3. This work will incorporate the roles and responsibilities of all bodies across the food regulatory system, including the FSA, local authorities, food businesses and consumers. As Official Controls are delivered in the main by local authorities, this work will support them to target resources to where they have the greatest impact, providing clear capabilities to deliver those controls. The delivery of this work will provide a clear set of activities to address the current challenges, moving towards a vision for a future food regulatory system with

¹ Modernising Regulation – Progress Update and Forward Plan. (FSA 20-01-07), https://www.food.gov.uk/sites/default/files/media/document/fsa-20-01-07-modernising-regulation-progress-update-and-forward-plan_1.pdf

clearly defined roles and responsibilities, that is fit for purpose and capable of managing future risks.

- 1.4. We recognise that there are differences in the legislative context and application of official controls across England, Wales and Northern Ireland, with some local authorities performing strongly in the delivery of certain official controls. The FSA's national role will enable us to identify and draw on good practice by LAs and incorporate those into the TOM, to ensure outcomes are consistent for all consumers and Food Business Operators (FBOs) in the three countries.
- 1.5. This paper proposes a forward work plan and the Board is asked to:
 - Provide further guidance and **Agree** to the phase II work programme proposed for the Achieving Business Compliance Programme.

2. Introduction

- 2.1. In January 2020 the Board considered proposals to reshape the Programme of work.
- 2.2. In addition to the four priorities in paragraph 1.2 the Board agreed that the following constraints apply to this work:
 - Constraint 1: No major structural reform. The regulatory landscape of local authorities, the FSA and other bodies will largely be retained. The FSA is committed to retaining the distinction between its role as a Central Competent Authority, and local authorities' roles as competent authorities. Wholescale structural reform would be lengthy, costly, and distracting. Rather, some small adjustments might be needed to the FSA's role (for example, it may need to take on a bigger role in setting data standards to support information sharing); and further thinking will be needed on how to support competent authorities to act nationally or non-geographically.
 - Constraint 2: Resourcing local authorities is a matter the FSA might be able to influence but is it not wholly within the FSA's gift. Decisions on increasing which services can be charged for, and increasing resourcing to local authorities, are matters for Ministers. The FSA will do all it can to a) help local authorities target their limited resources to risk; b) shine a light on whether the resources in the regulatory system are sufficient; c) explore different funding models so that Ministers have options to consider if they are keen to pursue this.

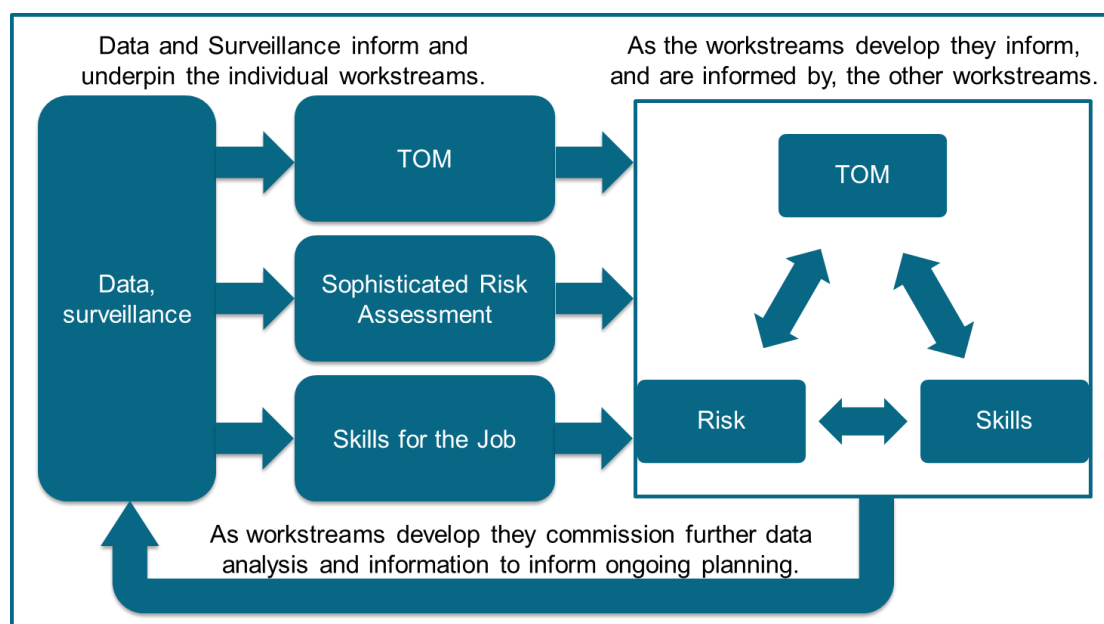
3. Refreshed Phase II Work Programme

- 3.1. Noting these constraints, we have set out a programme of work that will strengthen the regulatory system and delivery of the outcomes that the system needs to achieve.

- 3.2. Alongside this, our existing work to build the framework of the programme, will continue to deliver services, e.g. continuing to offer the online Register A Food Business to local authorities, expand how we get best value from the Unified View, pilot the new Food Standards Model and continuing to explore the viability of the National Inspection Strategy approach.
- 3.3. The next step is to propose a vision and approach for the TOM and a proposal for the future regulatory system, for consideration by the Board in September. This proposal will apply the criteria agreed at the January Board and seek the Board's approval for further work and wider engagement around the delivery plan. Key deliverables are shown in Annex 1. We are in the process of exploring how we can work effectively with local authorities in England, Wales and Northern Ireland to ensure that proposals are practical and deliverable.

4. Dependencies:

- 4.1. The starting point for this phase of work is understanding the data that the FSA can currently access and how this underpins the priorities. As these workstreams develop they need to inform, and be informed, by each other. Data and Surveillance is the key tool that will enable local authorities to effectively target their resources to higher risk activities.



5. Target Operating Model (TOM):

- 5.1. Our objective through this work is to provide a vision for the future regulatory system, identify changes to the current roles and responsibilities of the FSA (both in our capacity as Central Competent Authority, and beyond), local authorities (as Competent Authorities) and food businesses across the food system. Working with partners across the system, we will implement these changes to support a proportionate and effective regulatory regime, allowing resources to better target risk.

5.2. This work will deliver:

- A clearly defined future Target Operating Model:
 - A proposed vision for the TOM that will deliver the outcomes needed across the system and will address the problems and challenges identified within the current operating model.
 - A set of proposals, developed in partnership with other parties, (both immediate and longer term) that will make changes across the food regulatory system to deliver the future vision and address these challenges.
 - A revised and agreed set of roles and responsibilities for different bodies across the food system.
 - Being clear about the responsibilities of the FSA in assuring the system, and how much the FSA focuses on outcomes rather than *how* controls are delivered.
 - A developed understanding of the FSA's tolerance for risk, and how much inherent risk there is within the food system.
 - Analysis of the levers that are available to help meet these outcomes.
 - Improved understanding of the barriers that will limit the ability of the FSA and others to deliver the agreed outcomes.
 - Refreshed guidance to local authorities reflecting the revised approach to Official Controls, to help them target resources and undertake inspections more effectively, delivered through changes to the Food Law Code of Practice.

- Detailed description of the current Operating Model:
 - Collating the work already done within the programme across multiple layers; 1) the principles that underpin it, 2) the outcomes and outputs it is trying to achieve; and 3) the detailed activity (included roles and responsibilities) that deliver these outcomes.
 - Identification of the tension and alignment between the different bodies in the current model and understanding the impact of any proposed changes.
 - A set of clear problem statements that reflect the issues in the current system that will be addressed through the TOM.
 - Identifying and surfacing the assumptions that have been embedded within the programme and how they influence the roles and responsibilities that the FSA (in the post EU world), local authorities and businesses have within the regulatory system.

5.3. The TOM will be subject to ongoing validation and testing with local authorities and other bodies across the food regulatory system. Although this will have happened to some extent by the September Board, further work may be required.

6. Surveillance, data and Sophisticated Risk Assessment

6.1. Our objective through these work streams is to utilise the available data that the FSA can access to help inform the current Operating Model and input into the future approach to regulating the food system (the TOM). On an ongoing basis this work will continue to make use of available sources of information to deliver segmentation by risk. This work will also identify and deliver changes to the way that we share intelligence (building on the approach that we will be piloting in relation to Food Standards controls) and information with local authorities to help them target their resources more effectively.

6.2. This work will deliver:

- Summary of the work completed to date, including how this can support the existing understanding of the food system across all priorities.
- A development 'sprint' that will deliver a better understanding of how the FSA may segment the market and what criteria are most relevant in delivering an effective segmentation approach.
- An initial approach to the tolerances and thresholds that will impact segmentation and inform how we manage risk and refocus activity as appropriate.
- Ongoing requirements as defined by other workstreams to allow them to iterate and develop

7. Skills for the job:

7.1. Our objective through this work is to develop a competency framework for all individuals engaged in delivering front-line official food controls, whether in the FSA or local authorities. It will also apply to those working in the private sector who undertake assurance activities that are formally recognised to inform targeting/frequency of official controls. The framework will describe the competencies required for specific activities rather than take a role-based or profession-based approach as is the case currently.

7.2. This work will deliver:

- Development of activity-based model that provides greater flexibility within the overall delivery model;
- A clearly understood set of competencies that will be required to deliver the new Food Standards and Hygiene controls;
- A flexible framework that will improve quality and consistency by setting a standard applicable to all individuals engaged in relevant official control/assurance activities in the public and private sectors in England, Wales and Northern Ireland.
- Embedding the framework through changes to the Food Law Code of Practice.

8. Conclusions

- 8.1. The future programme of work to deliver the Achieving Business Compliance Programme aims to deliver a set of ambitious outcomes that will meet the Board's expectations including the need to accelerate the delivery of this next phase of the programme.
- 8.2. As these work streams develop, they will identify and challenge the assumptions that the FSA has made to date, posing questions for the future regulatory model.
- 8.3. A proposal for the TOM (subject to ongoing engagement and validation) will be provided to the September Board for further consideration.
- 8.4. The board is asked to:
 - Provide further guidance and **Agree** to the phase II work programme proposed in the Achieving Business Compliance Programme.

Annex 1

Project Deliverables:

At the September Board,

Deliverable:	Deadline:
Target Operating Model	
As Is modelling of the TOM completed and validated; including analysis of tension / alignment and programme assumptions.	June 2020
Future vision for the TOM, including responsibilities, risk tolerance and assurance of the FSA.	July 2020
An agreed set of outcomes that the FSA / local authorities / food businesses need to achieve and a clear understanding of the roles and responsibilities of each party in delivering these. <i>Note: this work may be subject to ongoing validation and testing with local authorities, beyond the deadline stated here.</i>	August 2020
An improved understanding of the drivers and levers that each party across the food system hold to help them to deliver their outcomes and the barriers that limit delivery.	August 2020
Updated guidance to local authorities (via the FLCOP) incorporating immediate changes and improvements to strengthen the food regulatory system. <i>Note: updates to the FLCOP will occur in two stages – immediate changes by March 2021 and more complex changes to occur at a later date.</i>	March 2021
Data, Surveillance and Sophisticated Risk Assessment:	
Results of the AI project which attempts to predict a food business FHRS rating so the date of its inspection can be prioritised.	March 2020
Identification of other risk factors worth further analysis.	April 2020
Sprint Completed around proposed segmentation	June 2020
Further deliverables as commissioned by other workstreams	TBC
Skills for the Job:	
Agreement of outline competency framework and detail of competencies for specific official controls	August 2020
Review other regulator and private sector approaches to assessing competency and authorisation of competency	September 2020
Agreement of appropriate mechanism for assessing and authorising competency for official food controls	November 2020
Implement mechanism for assessing and authorising competency for official food controls	TBC