

## **FSA Strategic objectives**

**Report by Emily Miles and David Self**

### **1. Introduction**

- 1.1 Given that the FSA's current corporate strategy comes to an end in 2020, this paper applies the Board's strategic approach to setting future corporate objectives, to identify potential objectives for 2020/21.
- 1.2 The Board has discussed the future approach to strategy during the March 2019 board meeting, agreeing that there should be a more agile approach to prioritisation, rather than a fixed five-year approach.
- 1.3 The Board's view that any future strategic approach should be more agile, stems from a range of interconnected factors that include, but are not limited to:
  - Recent experience of political uncertainty, including the rhythm of General Elections and the UK's departure from the European Union;
  - Rapidly changing consumer practices, such as the use of online aggregators for ordering and delivering food;
  - Changing consumer demographics, such as the increasing spending power of "generation z" consumers;
  - Technological advances in the food industry, utilising 3D printing to nanotechnology, blockchain to sustainable food contact materials; and
  - Changing business behaviour with the increasing prevalence of pop-up restaurants and stalls, dark kitchens and food hubs.
- 1.4 Given these interconnected factors, the FSA needs to be ready to respond to fast changing trends and developments, and setting a fixed 5-year strategy as was done in 2015, may feel quite quickly out of date.
- 1.5 In October 2019, the Board had an informal workshop focused on how the department would approach setting strategic objectives. The workshop emphasised the need to have a schematic endorsed by the Board and seek Board agreement on future objectives. The executive has subsequently produced a suggested schematic for strategic priorities, which highlights the need to update the FSA's guiding list of regulatory principles, as well as the strategic objectives for 2020/21.
- 1.6 This paper will present the mechanism, talking through the proposed stages for setting strategic priorities, as well as presenting an updated list of principles for the organisation, and a proposed list of strategic objectives for the next business year.

## 1.7 The Board is asked to:

- **Note** the approach to the corporate strategy, as set out by the Board in the March 2019 Board meeting.
- **Endorse** the mechanism for setting corporate objectives.
- **Consider** and give an initial steer on the prioritisation of activities for 2020/21.

## 2. Evidence and Discussion

2.1 The FSA's corporate objectives are set against a series of fixed guiding attributes as shown in figure 1. Each attribute will be kept under review, according to a sequence as outlined in figure 2.

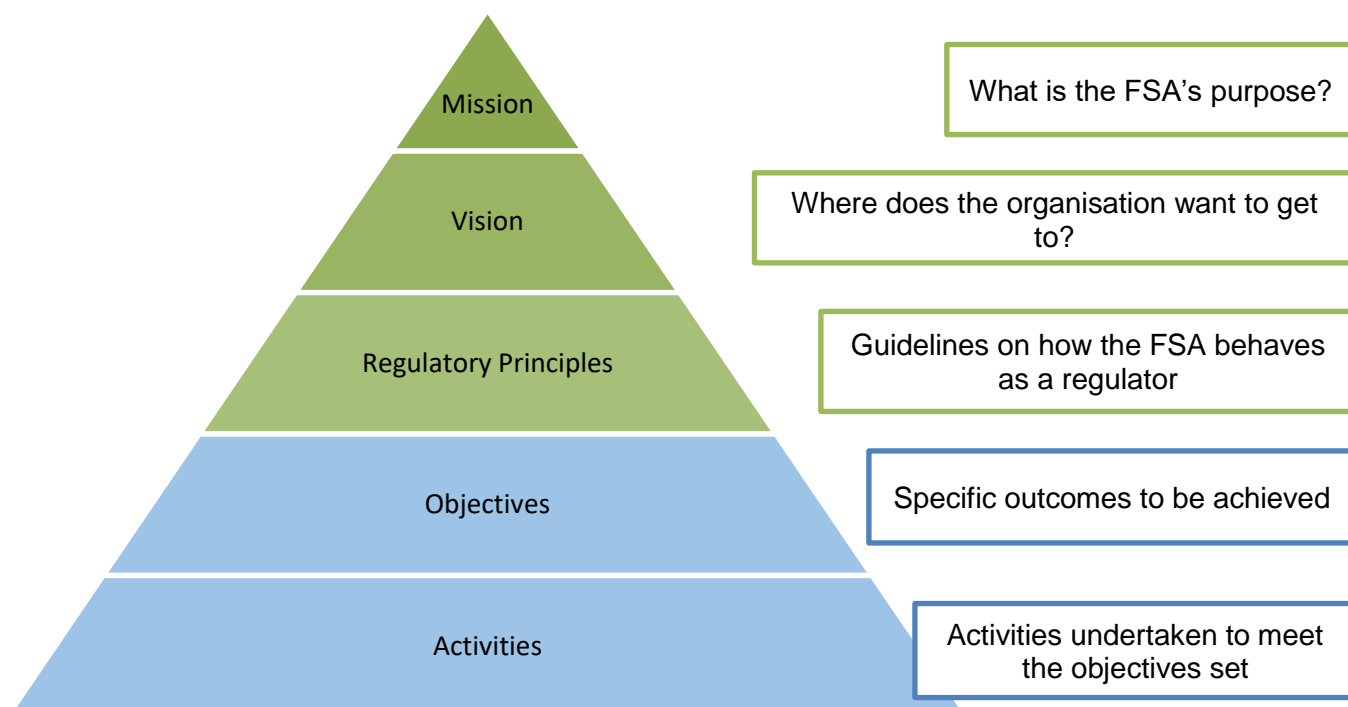
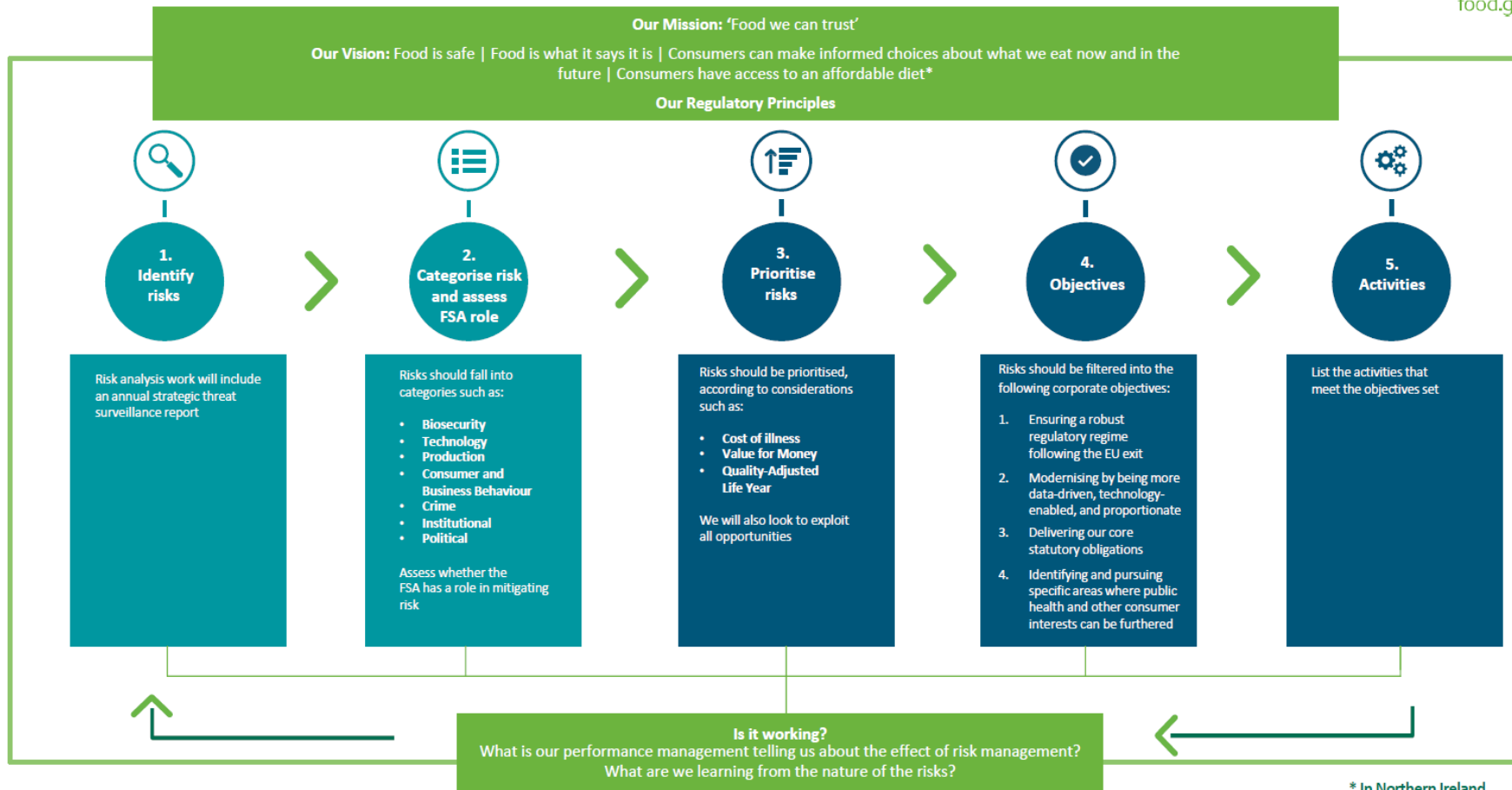


Figure 1 – The FSA strategy pyramid

2.2 The executive has designed a mechanism for setting corporate objectives that adhere to the strategy pyramid. The cyclical mechanism will apply the department's core mission and vision, in a robust and agile manner across a diverse range of food system risks. The mechanism is presented on the next page.

# Our Strategic Approach



2.3 For the mechanism to operate effectively, different parts of its framework will need to be assessed by the Board at certain intervals. The following timeframe for assessment is suggested:

Our mission	Every three years
Our vision	Every three years
Our regulatory principles	Every three years
Strategic threat assessment report	Annually
FSA's ownership of risks	As needed depending on the risk
Prioritisation mechanisms used	Likely to be every two years
Objectives	Every two years
Activities	Annually

Figure 2 – review cycles for the FSA attributes

2.4 The following paragraphs explain what is proposed for each level of the strategy pyramid.

### **Mission**

2.5 The Food Standards Agency is here to develop and operate the regulatory system to incentivise the organisations responsible for food production and sale, to create food that can be trusted. The FSA Board has therefore decided that the overarching mission from the 2015 – 20 strategy, “food we can trust”, should be retained moving forward.

2.6 The Board is expected to next review the FSA’s mission in 2023.

### **Vision**

2.7 The department’s vision remains as was set out in the 2015 – 2020 strategy. The organisation’s vision is comprised of the following goals:

- Food is safe;
- Food is what it says it is;
- Consumers can make informed choices about what to eat; and
- Consumers have access to an affordable diet, now and in the future.<sup>1</sup>

2.8 The Board is expected to next review the FSA’s vision in 2023.

### **Regulatory Principles**

2.9 In January 2015, the Board endorsed a set of regulatory principles for the 2015 – 2020 strategy (see annex A). While these principles are still both relevant

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<sup>1</sup> While the first three goals have continued to be a core focus of the work of the department, the fourth goal is more difficult to evenly apply across the geographical remit of the FSA, as the department only holds nutrition policy in Northern Ireland, following the machinery of government changes in 2010. It is therefore proposed that the final goal is interpreted to clarify this point.

and important, we also propose articulating them in a simpler way, as proposed below:

**The Food Standards Agency assures the safety of food in England, Wales and Northern Ireland. In doing so, the department strives to be an excellent, accountable and modern regulator, by adhering to the following principles:**

- 1) We are proactive and risk-led, acting proportionately to mitigate current and future impacts on public health, and seizing opportunities to further consumer interests.
- 2) We are science and evidence-based, using the most rigorous and up-to-date information and data.
- 3) We are open and transparent in our decision-making.
- 4) We are collaborative by default.
- 5) We are assurers, making sure that all in the food system shoulder their responsibilities.
- 6) We are international in our outlook, recognising the transnational nature of the food industry and its global supply chains.

2.10 The Board is expected to next review the FSA's regulatory principles in 2023.

### **Objectives**

2.11 Before setting out a set of activities that the FSA could commit to in 2020/21, the department should continue to deliver on pre-existing objectives, which are:

- Ensuring a robust regulatory regime following the UK's exit from the EU;
- Modernising the regulatory regime for the FSA and its delivery partners, through being more data-driven, technology-enabled, agile and risk-led;
- Identifying and pursuing specific areas where public health and other consumer interests can be furthered;
- Delivering the FSA's core statutory obligations.

2.12 The Board will be asked to endorse this list at the March 2020 Board meeting.

### **Activities**

2.13 Given these objectives, and the number of activities attached to them, there is not much available capacity for further activities, in the short to medium term. However, recent discussion at both Board and executive levels have highlighted other potential areas for corporate commitment:

- The FSA's role as both Central Competent Authority within England, Wales and Northern Ireland;
- The FSA's relationship with key delivery partners such as local authorities;
- The FSA's role internationally, and how it can exert global influence for the benefit of UK consumers;

- The delivery of the FSA's risk analysis process, and how strategic surveillance and sampling plays into this;
- The regulation of internet sales, especially considering the rise of online aggregators offering takeaway food services, and the increase in online grocery shops;
- The regulation of novel foods, and how they might intersect with the policy responsibility of other government departments;
- The FSA's approach to labelling across England, Wales and Northern Ireland, following the recent cross-governmental review of allergen labelling; and
- Significantly improving the impact we have on the protection and experience of food hypersensitive consumers.

2.14 Given the range of potential areas for new or further commitment, the Board is asked to discuss these, as part of giving an early steer on the department's objectives for 2020/21.

2.15 Prioritisation of activities will be required for 2020/21 and this will be discussed at the March 2020 Board.

### 3. Conclusions

3.1 The Board is asked to:

- **Note** the approach to the corporate strategy, as set out by the Board in the March 2019 Board meeting.
- **Endorse** the mechanism for setting corporate objectives.
- **Consider** and give an initial steer on the prioritisation of activities for 2020/21.

## Annex A – 2015 list of regulatory principles

1. We will put consumers first in everything we do.  
The distinctive feature of our Regulatory Strategy is that it is neither pro nor anti regulation, but understands regulation as one of a tool box of options to apply to seek to deliver consumer benefits.
2. We will be open to using a wide spectrum of actions and interventions to deliver our regulatory responsibilities and strategic objectives to influence businesses for the benefit of consumers. Where only compliance is acceptable, legislative regulation may be appropriate, backed by effective and deterrent sanctions; where the desired impact is an improvement in behaviour, influence through consumer or peer pressure may be better; where the desired impact is to encourage others to adopt good practice, then sharing information may be the best intervention.
3. We will seek to align incentives and disincentives for food businesses with the interests of consumers.  
When incentives are aligned, our future approach will be less dependent on the current system of official checks, inspections and controls and this will enable us to focus our resources on the areas of highest risk/potential impact. Effective disincentives are an important part of this -where businesses are persistently non-compliant, we will use more robust escalation procedures and dissuasive sanctions to secure the right outcomes for consumers, either through sustained improved performance, or by preventing these businesses from operating if they cannot or will not improve.
4. Our focus will be on the outcomes we are seeking to achieve, keeping an open mind about the means by which those outcomes are achieved.
5. Our future regulatory approach should be truly risk-based and assessed in terms of impacts.  
That means that our greatest efforts should be focused on the areas and issues that pose greatest risks to consumers and where we can deliver the greatest consumer benefits through our interventions.
6. We will differentiate between the FSA's regulatory functions in relation to food law compliance and our broader objectives.  
These broader objectives are on behalf of consumers but also concern businesses, for example supporting economic growth objectives.
7. We will use our powers to deliver our strategic objectives - which go beyond 3 our regulatory responsibility in respect of verifying compliance with food law. Our future Regulatory Strategy should include using these powers to inform and influence consumers, industry, other regulators, Ministers and others in pursuit of those objectives.
8. Government intervention (including legislation) is warranted where its benefits to the public are proportionate to the costs/disbenefits of its application. We will use evidence, knowledge and judgement to identify the core of legislation around food safety and standards that delivers benefits, so that we know those areas we require business compliance.
9. The costs to businesses of regulation are no more than they need to be. The price of food is affected by the costs of regulation and compliance, so to protect consumers' interests in terms of affordability, we have a responsibility to ensure that costs of complying are kept to a minimum, and where food law does not deliver benefits for consumers, we should seek to minimise its impacts and cause it to be removed.

10. It is not the FSA's or LAs' role to achieve compliance – that is clearly defined in law as the responsibility of business.  
Our role is to verify that food businesses are complying with their legal obligations to produce food that is safe, and what it says it is.