

## FSA Chair's speech to City University's Food Thinkers seminar

FSA Chair Professor Susan Jebb spoke to City University's Food Thinkers seminar on Wednesday 13 November 2024. Prof Jebb's speech "Keeping food safe – the cost of regulation and the price of getting it wrong" explored the challenges of regulating in a rapidly changing world.

It's great to be with you all today and a new experience to be delivering rather than listening to one of these lectures. And knowing how good they usually are, I feel I have a lot to live up to! I usually tune in to topics relating to my work at the University of Oxford and issues about the prevention of obesity and NCDs. But I'm talking to you today as Chair of the Food Standards Agency.

It's a timely moment to be speaking as I have just been reappointed for a second term of office. I want to ensure that I continue to lead the FSA in ways that live up to the expectations of both Ministers and the public.

Given the global upheaval we've experienced in recent times, expecting the unexpected has become the new normal.

Today, I want to share with you how we're grappling with this new situation, with a primary focus on food safety. I'll start by setting out some of the context for our work, reflect on the cost of getting it wrong, and finish with some of the ideas for how we can do things better in future.

So, put yourself in my shoes when I became Chair of the FSA three years ago. It's an organisation I have followed and admired since it was set up in 2000, so I wanted to make a positive difference. I started with grand plans to use food standards, not just to keep food safe, but to support other government departments to make progress on health and sustainability.

I was delighted to be able to launch our new strategy with a plan to do just that. But within a week there was the invasion of Ukraine and a huge spike in fuel and food prices. As we emerged from Covid we moved into a cost-of-living crisis. The ongoing financial challenges for households and governments remain the backdrop to everything we do.

It's a reminder for me that while strategies help us to keep an eye firmly on the future, we need to be as agile as possible in responding to events today.

The food system is extremely sensitive to global turmoil, with its complex supply chains stretching around the world. When problems hit those chains, it's consumers at home that are often on the receiving end. We all witnessed the long queues and anxiety in supermarkets at the start of the pandemic and the worries about sunflower oil when Russia invaded Ukraine.

It's not just disasters that impact on our work. New business models have emerged which have changed food-related behaviour and that changes the food safety risks.

Since the pandemic, almost half of us order takeaway food through an app or online, with thousands of food businesses only accessible through our phones. The emergence of online aggregators like Just Eat, Uber Eats and Deliveroo are challenging the traditional system of 'bricks and mortar' regulation, where inspectors visit a high street premises to ensure that businesses are doing the right thing.

Technology is also developing at an ever-increasing pace. It's changing food production – think of vertical farms or cell cultivated products which have the potential to create new food risks.

And it's changing our work. For example, whole genome sequencing enables us to better link cases of food poisoning and trace sources of illness, greatly improving the opportunity for root cause analysis and hopefully giving us more chance to prevent similar incidents occurring in future.

The last contextual point I want to make is about working as a non-Ministerial government department. I treasure our independence. It's part of what makes us trusted by consumers. It allows us to take a longer-term view. It allows us to operate without fear or favour.

But we achieve most when we recognise and work with the government's priorities. I'm delighted that better health is such a central tenet for this government, especially the focus on prevention in their health mission. But equally important for us at the FSA is the government's growth mission. We have big responsibilities to the UK agri-food sector that is worth £146.7bn to the UK and employs more than four million people.

I'm a behavioural scientist, so the way I think about regulation is about how best to change behaviours in the food supply chain. We need a mix of carrot and stick –rewarding businesses who get it right, through earned recognition schemes, and taking firm action when they don't follow the rules, with prompt enforcement.

I'll give you some examples of how we are approaching this in practice, and I want to think about the thorny issue of who should meet the cost of regulation, and weigh this against the price of getting it wrong.

## **The price of getting it wrong**

Before we discuss the different approaches to regulating, it's worth reflecting on what's at stake if food safety standards are not upheld.

We're currently dealing with a very serious food incident where mustard ingredients have been contaminated with peanuts. Food-induced anaphylaxis sadly causes up to ten deaths each year in the UK and peanuts are one of the most risky allergens. The extensive media coverage generated when a tragedy occurs is indicative of the level of public concern about these incidents.

While we are still investigating the cause of the contamination, our understanding at present is that a single company in India supplied a UK firm who subsequently distributed the ingredients to a range of manufacturing hospitality and retail businesses.

We took urgent action, working with businesses, to warn consumers and instigate dozens of food recalls, but incidents like this highlight the number of countries, companies, and intermediaries in the food chain. It's vital that we have good traceability systems and that food businesses know their supply chain if they are to uphold their responsibilities to consumers to ensure food is safe and properly labelled.

History also provides us with ample evidence of the price we pay when food safety is ignored. The 'mad cow' disease outbreak, for example, which precipitated the creation of the FSA, led to nearly 200 deaths. It also cost the UK beef industry £900m – around £2.2bn in today's prices.

It also caused catastrophic and long-lasting reputational damage to British food. The UK only resumed beef exports to the US in 2020.

And the impacts were not just economic. People who lived in the UK during the BSE crisis were sometimes restricted from giving blood in their own countries, rules which in some cases have only recently been rescinded.

## **What's working?**

I'm pleased to say that, on the whole, food in the UK is some of the safest in the world.

Together with our colleagues in Food Standards Scotland, we've produced an annual report on food standards every year since the UK left the EU. Our most recent findings, published last month, show that the food industry and its regulators continue to maintain high standards and keep consumers protected.

And levels of consumer confidence in the UK remain high. Data from our latest consumer survey found 90% people say that they're confident that the food they buy is safe to eat; 72% of people with knowledge of the FSA reported that they trusted the FSA to make sure 'food is safe and what it says it is'; and 72% reported they had confidence in the food supply chain.

There are essentially three lines of defence in the food system. First and foremost, there are food businesses. There are more than half a million registered food businesses in the UK. The law says that businesses must ensure that their food is safe and authentic.

The second line of defence is the network of around 350 local authorities across England, Wales, and Northern Ireland whose environmental health and trading standards officers enforce food safety and standards, inspecting registered food businesses across the country.

I've seen their work at first hand - they do an amazing job, often in challenging circumstances, and I would like to thank them for all of their work. But the number of environmental health officer posts in local authorities in England, Wales and Northern Ireland has fallen by nearly 14% since 2012. There's been a 45% drop in the number of trading standards officer posts from 2012 to 2022 in England, Wales and Northern Ireland.

The third line of defence is the FSA. We regulate a domestic food market worth £240 billion with our annual budget of £140 million. To do this, we oversee the delivery of food controls by Local Authorities, inspect over a billion animals for slaughter each year and manage the response to more than 2000 food incidents annually.

Regulation needs keep food safe day-to-day - upholding standards, protecting consumers and providing predictability for business, and a strong regulatory framework can help manage the unexpected, so that together we can rise to the challenge of the unexpected.

## **Why do we need reform?**

Although we are now in a good place, we can't be complacent because there are risks ahead. I've already talked about the pace of change in the food system and new risks that are emerging that we need to manage. We have workforce capacity issues. Most notably having sufficient public health vets, environmental health and trading standards officers, and financial pressures – on the economy and on people's purses.

So, I want to explore three specific areas where we are looking to improve the system. The first is where local authorities play a critical role making checks on food businesses; the second is in how we run the system of market authorisations for new foods; the third is how government

departments work together.

I'll start with **inspections**: Our system of food regulation dates back decades and relies on local authority environmental health officers inspecting the premises of every registered food business in their area.

Although the frequency of interventions differs for some businesses, it's the same approach whether the premises is a small independent café, a school canteen or a branch of a large national supermarket chain. This system of checks has served the consumer well over the years, but the current system is failing to maximise the use of the vast amount of data available from larger businesses.

Food safety is primarily the responsibility of business and failures have serious economic and reputational consequences. Businesses use multiple assurance systems to check their food is safe, that it is what it says it is and that it complies with food law. The data and the reach that the large national food businesses have can help us improve the food system for everyone.

You may have seen coverage in the trade press recently about the trials the FSA has been carrying out of national level regulation. This new approach could see a small number of large national food businesses regulated at a national level by the FSA, rather than on a premises-by-premises basis by individual local authorities.

These larger businesses tend to be very highly compliant. The ten largest supermarket chains, for example, have a combined average FHRS rating of 4.9 out of 5. They have centralised data, risk controls, and standardised food safety management systems and staff whose job it is to uphold these standards. They know that consumers expect consistency between their local supermarket branch and other branches around the country.

We firmly believe, based on evidence from our trials, that by using technology to combine the data that they hold, together with boots on the ground to validate the data and check the things only a person can check, we can deliver a system that delivers value for consumers, taxpayers and business.

I won't get into the details now, not least because we are working closely with EHOs and other stakeholders in the system to design this potential approach, but I do want to be clear: this is not self-regulation. It's more regulation – but it's smarter, more intelligence-led regulation. Moreover, if we can drive better collaboration with businesses on data relating to food safety, where we all have a shared agenda, I hope this might be the foundation for closer working on standards or targets for healthier and more sustainable food too.

My second example is the **system for authorising new food products**. We took on this responsibility, with FSS, from EFSA when the UK left the EU. We have over 400 products in the system awaiting authorisation and there is no doubt that the increasing pace of technological change in the food industry is a challenge for regulators.

We might debate which of the new products coming to market will be a hit with consumers, but there is no doubt that innovation by the food industry will help address some big global challenges. These include making our food system better for people, with healthier food – and for the planet, with more sustainable and resilient production systems. This type of innovation is good for the economy, too – making the most of our outstanding scientific developments and bringing jobs and investment to the UK.

I've become used to hearing that regulation is a barrier to innovation – but I want to emphasise the flip side: that ensuring safety and consumer confidence in innovation is essential to successfully bring these products to market.

Our work on precision-breeding is a good example. Consumers told us that they knew little about this, but they wanted to learn more because they saw that precision-breeding offered the possibility of cereals with a better fatty acid profile, or more nutritious fruits and vegetables and that more climate resilient crops could help reduce the risk of volatile food prices when harvests fail because of unexpected weather events. But their openness to these new foods was predicated on being able to trust that they were safe. And that someone would take care of that for them.

I will never apologise that in the FSA we will always put safety first. But we need to take a proportionate approach, or we will stifle innovation. That means our systems need to evolve and we as an organisation need to understand the new technologies so we judge the risks correctly.

Just last month, the Government's Engineering Biology Sandbox Fund awarded us £1.6 million to run a programme designed to make sure cell-cultivated food products – sometimes known as 'lab-grown products' - are safe for consumers to eat before they are approved for sale.

These new foods are made without using traditional farming methods like rearing livestock or growing plants and grains. Instead, cells from plants or animals are grown scientifically in a controlled environment to make a food product.

Because CCPs are new, complex and unlike anything we've seen in the UK before, none are currently approved for human consumption here. So, we need to learn more about these products and how they're made, to make sure they're safe for consumers to eat.

It will also help us develop assessment approaches that can be applied to other new food products, helping support innovation across the food sector and ultimately provide consumers with a wider choice of safe foods.

CCPs are a good example where industry does the primary innovation, and we, the regulator, need to be operating in step so we don't slow down that innovation, while ensuring we keep the food safe.

My third example of where we need to think about reform is **the role of the FSA**. Almost a quarter of a century on from the creation of the FSA and we can see that we are just one player in a complex picture across UK government.

Our role in England has changed over time, so that we now have slightly different responsibilities in England, Wales and NI, while FSS has a wider remit, but only in Scotland. So, on matters of global trade, we take the lead for the whole of the UK, working closely of course with all the devolved countries.

Food is a devolved matter and since EU Exit that has added considerable complexity into the system. We no longer all need to follow rules from Europe – each country within the UK can make its own decisions. Every piece of advice we generate in the FSA needs to go to Ministers in each country for a decision and that adds time and cost.

When people put food in their baskets, or choose from the menu, they want to know that someone has taken care of the things that matter to them – that food is safe, that it's properly labelled and increasingly, I'd argue, they want someone to be working to make that food healthier and more sustainable. They don't want to think about who does that, but they do want it done well and efficiently.

If we were starting from scratch, I dare say we wouldn't organise things like this. But in the absence of machinery of government changes, we must find better ways to coordinate to help consumers get the information they need.

To do this we need to improve coordination between national and local governments, and also between Westminster and the devolved administrations. We could make progress if there was a national food strategy agreed by all four UK governments – a development we would very much welcome.

## **The cost of regulation**

Hanging over all of this is the issue of funding. It's clear the financial model that supports this regulation is in trouble. Local authorities are struggling to fund food safety and standards teams. We are under pressure to reduce costs of delivering regulation at a time when the complexity is increasing, and consumers are worried about the price of their food shopping. Who should foot the bill for regulation: should it be the state or the food industry? And what's best for consumers?

Funding for food regulation over the past 25 years has largely been met by the taxpayer. We're looking at different ideas in terms of how we share this cost of regulation across society. Whether, for example, local authorities could start recovering costs for delivery of official controls from businesses, such as inspections, and how the costs of the delivering official controls in FSA-approved meat establishments should be met.

Under the current system, the FSA has meat inspectors and vets based in abattoirs and meat plants, where they inspect more than a billion animals every year. They check animal welfare, food safety standards, and monitor activities right up to the point the meat leaves the premises on its way to the supermarket.

Under Treasury rules, regulatory services like those we provide in meat plants should be recovered in full, from the industry. However, we've been able to offer discounts to the meat industry on the basis of the value this work provides for consumers and the economy. Most businesses don't pay the full rate, and small abattoirs can receive up to a 90% discount. But this is effectively a subsidy to the meat industry.

The cost of this regulation is a very small proportion of the total value of this industry. Last year we charged the industry £39.5m, including the discounts. The total value of meat production in the UK is almost £11 billion. The question is how much of the cost of official controls should be met by the taxpayer and how much should the industry pay?

To help us examine this, we recently held a Call for Evidence on meat charging to hear what stakeholders think. As you might imagine, there was a range of views expressed, from why should we subsidise meat, to evidence on the benefits that some abattoirs, particularly those serving rural communities, can offer in terms of welfare benefits for animals, jobs for local people and as an integral part of sustainable local food systems. I've seen this for myself visiting a small abattoir in Staffordshire, essentially part of the butcher's shop.

This Call for Evidence has now closed, and we will be discussing at our Board meeting in December, but it's not simple. This is the first part of an engagement process to better understand the impact of increased costs, before we set the changing rates for subsequent years.

But it's also part of a bigger conversation about who should bear the cost of regulation and I'd welcome 'Food Thinkers' contributing to this debate.

## **Conclusion - What does a reformed system look like?**

There's clearly a lot of work to be done and some difficult decisions to be made to achieve the efficient, proportionate, trusted regulatory system we all want.

I'm very clear that people need to be at the heart of this – people as consumers, taxpayers and citizens, making decisions about the society we live in.

I do think we need to get back to basics where businesses are responsible and carry the cost of keeping food safe – this is part of their contract with the public. Businesses will always have better channels to reach their customers than the FSA, so we need them to collaborate with us on communicating to consumers about food that's safe. But that is not a call to 'leave it to the markets.'

Regulators need to set the rules, monitor that they are being followed, and take strong enforcement action when they are not. They need to have guardrails that protect the public from unscrupulous operators, while also supporting the well-intentioned actors to do the right thing. That means ensuring that our regulatory framework supports businesses by upholding standards, without adding unnecessary barriers to innovation or unjustified extra costs to consumers.

There are three areas I want to focus on at a strategic level.

First, we need to invest in people – trained people that care are the people who keep our food safe. I've been so impressed at the work of our vets and MHIs, whose ability to spot the slightest sign of disease in a carcass is phenomenal; at EHOs who know the local traders on their patch and can provide individual advice to improve their businesses; and at the risk assessment team in the FSA who scrutinise novel food applications to ensure all the necessary checks have been done.

Second, we need to collect, share and use data better – along the supply chain and between businesses and regulators. When I visit food businesses, I am astonished at the data they collect and the level of detail – I was taken aback when I visited a flour mill in Whitely Bridge, the most technologically advanced Europe and their ability to detect contaminants. At a supermarket site in Peterborough, I saw how every single piece of fruit is photographed 35 times before packing to ensure the very highest quality.

Third, we need greater cooperation across governments in the UK and with our international trading partners so that we learn from the best and we are not duplicating effort. We can and must work together more efficiently.

That means more shared effort to deliver better outcomes and pooling our resources so that we are better informed about the supply chain. Incidents will happen, but if we are better prepared, we will be able to better respond to disruptions.

I also hope the insights we gain will enable us to plan for a better future food system. And, if we can do that, we will achieve the FSA mission on behalf of consumers – for a food system that offers safe, healthier and more sustainable food.

Thank you.