

OPERATIONAL TRANSFORMATION PROGRAMME – DEVELOPMENT OF THE FUTURE DELIVERY MODEL

Report by Colin Sullivan and Richard Wynn-Davies

For further information contact Richard Wynn-Davies

1. Summary

1.1 The Operational Transformation Programme (OTP) is a complex change programme that the FSA, as a Competent Authority, has instigated to modernise the areas of Official Controls it delivers directly and to ensure it remains an **Excellent Accountable Modern Regulator**. The FSA Board agreed the Future Delivery Model guiding principles in January 2020. These principles have been used to shape the design of the draft model with the ongoing engagement we have been conducting helping us to refine our ideas.

1.2 The FSA Board is asked to:

- **Note** the Future Delivery Model proposal.
- **Endorse** the key elements of the draft model and progression to external consultation.
- **Acknowledge** the key delivery and cultural change challenges associated with the draft model.

2. Introduction

Background

2.1 The OTP aims to modernise the regulatory framework for the Official Controls delivered directly by the FSA in the meat, dairy and wine sectors, although given the relative scale, the initial reform activity is focused on the meat sector to achieve maximum impact.

2.2 Whilst our mission remains the same, to ensure food is safe and is what it says it is, we aim to develop, in close collaboration with consumers, industry bodies and other key stakeholders, a regulatory framework that makes it easier for Food Business Operators (FBOs) to maintain food safety in a transparent and cost-effective manner that ensures continued consumer confidence.

2.3 It is important to note that this is an early discussion paper on a proposed framework that explores possible areas of reform to be phased in on an incremental basis over the coming years. The FSA's development work in this area will fully observe obligations under the UK/EU Trade & Co-operation Agreement and the NI Protocol. The concepts in this paper are about using modern ways of working, including technology and intelligence, to make the work we do more effective. We recognise that at some stage this may mean that bespoke aspects of the overall delivery of official controls may evolve, for domestic and export markets while recognising that importing countries set their own expectations for the way that food safety is assured by exporters.

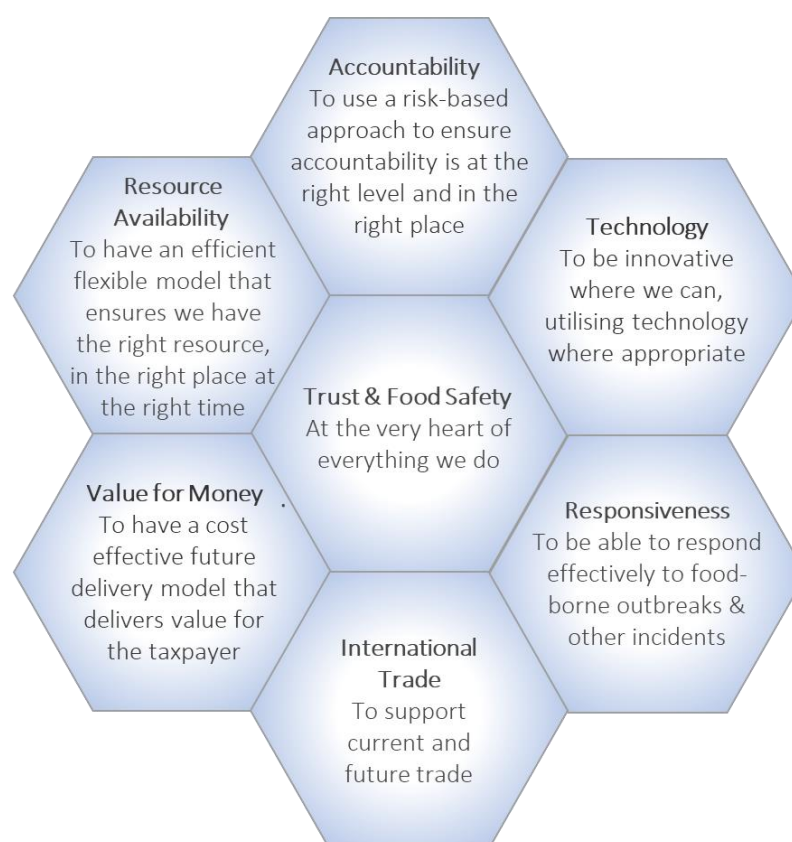
The case for change

- 2.4 Over the last two decades the FSA has striven to keep consumers safe, improved UK consumer trust in food safety, supported export-led growth and operated a successful food regulation model.
- 2.5 However, alongside ongoing developments (both globally and domestically), our evidence, including research through the FSA Analytics Unit, demonstrates that there are several factors that are increasing pressure on our current delivery model, including:
- Technology is changing the speed and methods of food production.
 - In recent years, there has been a significant increase in the availability of data through supplier/customer relationships that is being used across the industry.
 - The COVID-19 pandemic has highlighted the resource-intensive nature of the current model, as well as offering opportunities to work differently.
 - The current model does not strongly incentivise compliance, as the regulatory experience of compliant vs non-compliant FBOs is not significantly different.
 - The end of the Transition Period has had a significant impact on the resources required to provide trading partners with the necessary assurances about the UK's food control system, including through increased import and export controls and, in parallel, has affected the arrangements for recruitment of veterinary resources from EU member states. This has led to increased pressure on the availability of resource needed to carry out Official Controls and ensure the maintenance of the current high levels of food safety, a baseline that the FSA is unwilling to compromise on for the well-being of both domestic and export market consumers.
 - The challenges of recruiting Official Veterinarians across government and the need to ensure the future delivery of official controls requires a sustainable supply of qualified vets and other professionals.
- 2.6 All these developments, along with rising delivery costs mean that now is the opportune time to progress the OTP.
- 2.7 Domestically, whilst departure from the EU and the terms of the EU/UK TCA create the opportunity to review the Official Controls regime for England and Wales, the programme should deliver within the context of the UK's Four Country frameworks and recognise the importance of meeting the requirements of international trading partners.
- 2.8 In 2019 the National Audit Office commented in relation to the delivery of Official Controls: "the existing [food] regulatory system has not kept pace with technological change, or the changing environment, and is becoming increasingly unsustainable". There is an element of this that also applies to Official Controls delivered directly by FSA in the areas of meat, dairy and wine.

2.9 In summary, the current model was not designed as an end-to-end system and many additional processes have been ‘bolted on’ over a number of years to remedy specific problems. Consequently, the resulting model has become cumbersome, complex, and not always in line with the FSA’s strategic direction of travel. These complex processes have many hand-offs which introduce additional risk and inefficiency that need to be addressed by the Operational Transformation Programme. See **Annex A** for the detailed case for change.

Operational Transformation Guiding Principles

2.10 The FSA Board agreed the following principles in January 2020, which have been used to shape the design of the Future Delivery Model over the last few months, following a period of reprioritisation during the initial response to COVID-19.



As-is and to-be delivery model

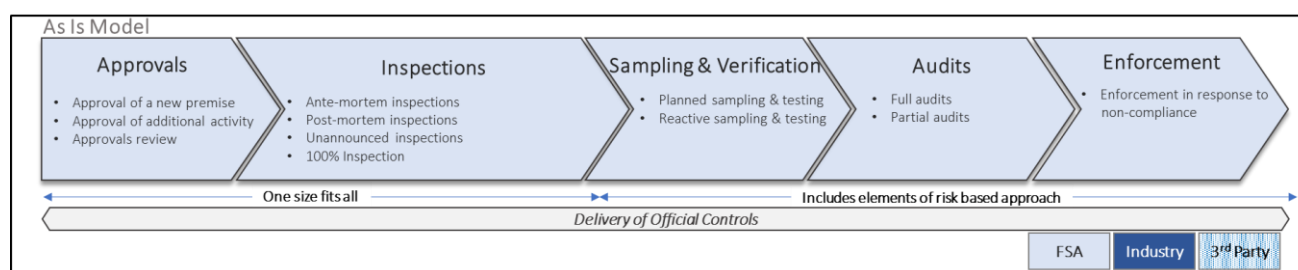
2.11 The end-to-end process for the current delivery of Official Controls by the FSA can be broken up into five stages:

- **Approvals** – Initial registration and approval of the premises to operate. Approvals set the foundation for the future regulatory regime to be applied and are vital in ensuring that food businesses are run by suitable individuals, in appropriate premises capable of operating an effective Food Safety Management System with proper processes and controls.
- **Inspections** – Physical inspection of the products and processes is the most resource intensive part of the current model (approx. 1.2M hours/year spent on inspection). Inspection is necessary to ensure that

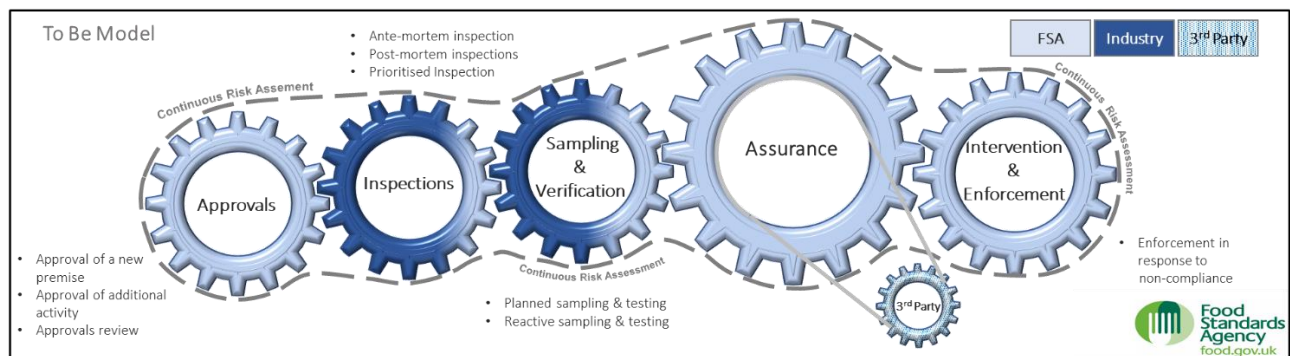
products consistently meet the appropriate hygiene, safety and where appropriate, welfare standards.

- **Sampling & verification** – Official sampling activity for a range of requirements. This is a small part of the current model and provides a snapshot that certain key specified standards are being met in a small sample of products being produced, usually at the end of a production process.
- **Audits** – Risk-based veterinary/technical audits of processes through an on-site visit are a vital part of the delivery model that allows FSA to validate that FBOs have all the necessary systems and controls in place to ensure consistently high levels of compliance with food safety law. Audits assess what a Food Business Operator says they will do to comply with required standards against what they actually do. Audits are also an opportunity to interact with and educate the producer in a partnership manner to achieve optimum outcomes.
- **Enforcement** – Informal and formal enforcement procedures allow FSA as the regulator to support businesses to rectify any areas of non-compliance, and to take quick and effective action to halt production, if required. Enforcement is taken in a risk-based and proportionate way in line with the Civil Service Enforcement Concordat and only after other approaches have been exhausted, unless issues arise which are so serious that immediate enforcement action is required.

2.12 In the **as-is model**, the bulk of these controls are undertaken by the FSA's employed and contracted staff, with very little extending to industry or third parties (third parties refers to private assurance schemes e.g., Red Tractor Assurance in the dairy sector). There is a need to create more of an onus on industry to enact their primary responsibility for consistently producing food to the required standards, with the FSA as the regulator maintaining close oversight, and verifying that this is the case. As represented in the diagram - FSA inspection is currently the largest resource activity.



2.13 The **to-be diagram** proposes a move away from the existing, FSA controlled, largely 'one size fits all' model by taking a tailored, risk-based approach and moving towards industry having direct accountability for parts of carcass inspection. From the FSA's perspective, a much greater emphasis will be placed on assurance activities – of which audit is just one component.



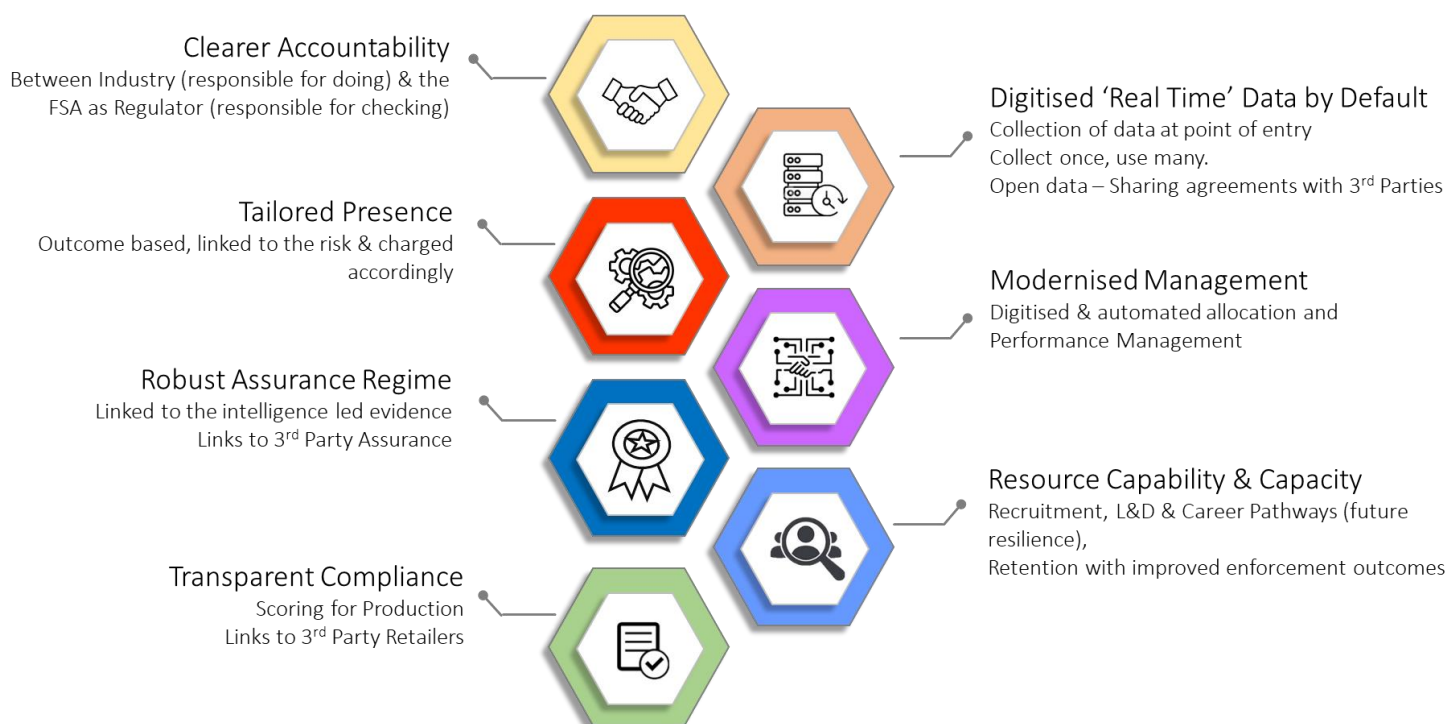
The Future Delivery Model

2.14 The proposed Future Delivery Model (FDM) has been designed to be consistent with the design principles and objectives of the OTP. The key facets of the model can be summarised, as follows:

- As the regulator, the FSA should set the robust framework of core standards, working with the highly compliant parts of industry in a flexible partnership approach to ensure compliance requirements are proportionate and targeted whilst removing unnecessary burdens/barriers. This will make it easier for industry to maintain compliance whilst the FSA continues to be robust in its approach to those businesses that do not follow the rules.
- In the **consumer interest**, the FSA will be the **trusted voice** on food safety and animal welfare standards. Robust, new assurance mechanisms will verify that food safety standards are being met.
- FBOs will continue to be expected to consistently produce safe food to the required and agreed standards of hygiene and safety.
- There will be joint initiatives between the FSA and FBOs based on “earned recognition” to protect public health and consumer interests. Data sharing and transparent compliance will identify best practice (to be shared) as well as where improvements are required.
- FSA will be increasingly efficient and evidence-led in deploying its resources, and interventions will be targeted at those areas known to pose higher food safety risks. In order to facilitate this the FSA will develop a revised resource delivery model that will provide additional flexibility, resilience, and sustainability.
- Optimised inspection and assurance, alongside a robust, transparent charging regime will enable the new model to **make a difference** by promoting growth and supporting trade, whilst continuing to protect consumer interest and public health.

2.15 The design of the proposed Future Delivery Model has been developed through careful engagement with key stakeholders from across the FSA, with consumer groups, other government departments and with representative industry bodies (via a Joint Industry Working Group) helping to understand and shape the elements. Engagement with these stakeholders, including our international trading partners, will continue as our proposals take further shape. The outline

model has been categorised into **seven key elements**, to facilitate transformation and aid planning, delivery, and monitoring.





2.16 These elements have been identified by the OTP as the key components required to deliver the desired changes within the FSA and the broader regulatory environment, in an incremental fashion, starting with the most straight forward. More details on each element of the FDM can be found at **Annex B**.



- **Clearer accountability**
Industry remains accountable for producing safe food, and FSA will monitor and verify this, as the regulator. This will allow both FSA and industry to be clearer about accountability and work more effectively together in the consumer's best interests. A stronger collaborative relationship will ensure clear regulator/FBO roles and responsibilities and aim to deliver increased levels of compliance, ultimately bolstering consumer trust and confidence in food safety standards.
- **Tailored Presence**
FSA's presence will be tailored in line with the risk of individual premises/products (based on relative assessments via an objective, standardised and transparent segmentation methodology). Resources will be weighted more toward higher risk premises with some lower risk premises with systematic and long-term compliance being subject to more proportionate levels of presence than under the current model.

- Robust Assurance Regime**
The FSA will deploy a robust and clear set of tools and techniques to ensure a high level of assurance across all stages of Official Controls delivery. A single, highly skilled, and experienced FSA assurance function will be deployed on a risk-based, intelligence-led basis to work with FBOs to raise standards, identify/share best practice and take the appropriate action in instances of non-compliance.
- Transparent Compliance**
The FSA will publish and share compliance data of FBOs.
- Digitised ‘Real Time’ Data by Default**
The FSA and FBOs collect data once, and use it multiple times for multiple purposes, either in a single system, or via systems that can ‘speak’ to one another.
- Modernised Management**
A more streamlined management function with digitised capability to support efficient resource deployment.
- Resource Capability and Capacity**
A skilled, resilient workforce capable of undertaking a wide range of activities, flexing to changing business requirements and based on a resource delivery model designed to support our future ambitions.

2.17 **Annex C** shows how these different components fit together.

2.18 In addition to these seven elements, there are four key ‘enabling’ activities which are critical to successful implementation of the Future Delivery Model:

<p>Resource Allocation System</p>	 Discover	<p>The key factor in creating efficiency in the allocation and scheduling of resources is via a digitised resource allocation system which will enable better targeting and deployment of resources. This will release management capacity to focus on leadership and performance. Work on developing this system is underway.</p>
<p>A new charging regime</p>	 Define	<p>Aspects of the current charging regime are perceived to be complex and unfair by some sections of industry. Therefore, in parallel with revisions to the delivery model, a new charging regime will be explored. Ideally, reforms to charging would redress the perceived cost imbalance (where smaller or compliant FBOs may feel a disproportionate financial burden) and incentivise compliance through improved understanding.</p>

<p>Segmentation Assessment Tool</p>	 Discover	<p>Industry segmentation will allow us to section or group similar FBOs into cohorts to deliver a risk-based approach, which is critical to several elements of the Future Delivery Model. Understanding the relative assessment of each FBO, based on reliable data and local intelligence around the performance and behaviours of Food Business Operators, will help to transform relationships and future approaches, supporting the future vision of clearer accountability, a robust assurance regime and resulting in an increase in consumer confidence.</p> <p>At present FBOs in the meat industry are not effectively segmented, with largely a 'one size fits all' approach to delivering Official Controls. Failure to progress this element will jeopardise implementation of the overall goal.</p>
<p>Legislative Change</p>	 Discover	<p>In the short term the FSA will look to fully exploit retained EU legislation where it is consistent with our guiding principles. Longer term, legislative change will be considered to allow us to maximise transformative opportunities to move to a fully developed new model domestically..</p>

Delivery Challenges

2.19 As a transformational change programme there are multiple delivery challenges to consider and address. The OTP will continue to work with internal and external partners to identify and mitigate these as they arise, utilising the governance process for escalation when necessary. At this stage, there are some emerging themes:

- **Culture**
FSA culture – Trust – repositioning the relationships between the FSA and Industry, redefined roles and responsibilities.
Industry culture – Trust, transparency, and accountability as a collective.
- **Technology**
Cost - The cost of investment in technology could be prohibitive to smaller FBOs and the FSA alike so it requires clear strategies on benefits/long term value.
Pace - In an ever developing and evolving landscape, technological advancements will pose both challenges and opportunities for Industry and the FSA which requires a model which can support adaptation of new innovations.

- **Organisational Design**
Structural – The FSA Operations Directorate will need to adapt to new relationships, skills/resource requirements and ways of working to meet the changing demands.
- **Charging Regime**
Restructuring the charging regime will require support and input from other government departments including Department for the Environment, Food and Rural Affairs (Defra), Cabinet Office (CO) and Business, Energy and Industrial Strategy (BEIS) in addition to Welsh Government (WG), in discussion with other devolved authorities, and will be challenging to structure in a way that ‘levels the playing field’ for smaller or geographically remote businesses.
- **Legislative Change**
New legislation may be considered to change the inspection and potentially charging approaches domestically, and this process would take some time to work through.

2.20 The programme will take a careful and considered approach when exploring changes to existing legislative arrangements (with particular reference to NI). This approach will take account of the existing frameworks in England, Wales and Northern Ireland and consider trade arrangements, not least, in respect of exports to EU member states. Any legislative changes recommended would be considered and developed in line with commitments under the provisional food and feed safety and hygiene framework.

Evidence of Success

2.21 Full implementation of the Future Delivery Model, once finalised and agreed, will result in a modernised regulatory framework which should change the dynamic between the FSA, as the regulator, and industry, resulting in better mutual understanding of shared goals and enabling a stronger, more collaborative relationship with highly compliant service leaders. This will contribute to a number of potential benefits for the FSA, industry, the consumer, and the taxpayer, as noted below (the list is not exhaustive):

- **Consumers and Taxpayers**
 - Improved choice through greater understanding of where their meat is sourced from.
 - Increased confidence in food hygiene safety standards.
 - Reduced burden of Food Borne Disease on the taxpayer and public services.
 - Potential for economic growth resulting from increased productivity.
- **FSA and Industry**
 - Collaborative relationship with highly compliant parts of the sector built on trust and clearer accountability.
 - Risk-based and evidence-led approach based on segmentation, with more regulatory focus applied to high-risk premises.

- For the FSA, a flexible resource model not overly reliant on external suppliers ensuring full resilience so that we always have the right person in the right place at the right time.
- For Industry, greater growth opportunities for those who comply.

Consultation Process

2.22 Across the FSA, there is widespread commitment to developing the proposed Future Delivery Model in a collaborative and transparent manner, with effective communication and stakeholder engagement being key. Our primary objectives are to:

- ensure that stakeholders understand the case for change and have “buy-in” to the process;
- engage with and seek input from external bodies on the proposals, where possible;
- seek engagement with internal stakeholders who are part of the current system and gather views on the model and its impact on them; and
- demonstrate commitment to delivering improvements as a flexible, modern regulator.

2.23 Key groups have been identified to support engagement with stakeholders who have varying levels of involvement in the sector. Plans have been developed to ensure regular updates and progress are provided. These groups include:

- **Internal** – The FSA’s operational staff, policy, Trade Unions, and others across the organisation.
- **Local Authorities**
- **Food Sector** - food businesses, industry media.
- **Consumers** – consumer groups, Which?
- **Trade Associations & Professional Bodies** – AML, meat trade bodies, food / farm associations, RCVS/BVA.
- **Third Party Assurance Bodies** – Red Tractor Assurance, Royal Society for the Prevention of Cruelty to Animals (RSPCA) Assured, Farm Assured etc.
- **Retailers** – supermarkets and smaller retailers.
- **Government Departments, Trade etc.** – all appropriate Government departments, devolved administrations, relevant Parliamentary committees, and parliamentarians across regions.
- **Wider interest** – national media, international organisations, international partners including EC etc.

2.24 The FSA already has several established groups of stakeholders, and these have been involved in early engagement. These include a Joint Industry Working Group for OTP, the Partnership Working Group, and the Small Abattoirs Group. As we further develop the Future Delivery Model, the OTP will continue to collaborate with all stakeholders, including consumers, to validate findings and co-create options for change, utilising existing engagement channels and forums, where possible.

Programme priorities - next phase

2.25 Following consultation and development of the Future Delivery Model, the next phase of the OTP will be to focus on making full use of opportunities within retained EU legislation as well as improving internal structures and mechanisms to bring both efficiency and increased assurance as a result. The FSA Board will play a key role in influencing the future direction of legislation and charging and will also be interested in the potential future resourcing options.

3. Recommendations

3.1 The FSA Board is asked to:

- **Note** the Future Delivery Model proposal.
- **Endorse** the key elements of the model and progression to formal external consultation.
- **Acknowledge** the key delivery and cultural change challenges associated with the draft model.

Annex A – The detailed case for change

The meat processing industry is worth approx. £8bn to the UK economy. In 2019 the National Audit Office commented: “the existing [food] regulatory system has not kept pace with technological change, or the changing environment, and is becoming increasingly unsustainable”.

Whilst the meat regulatory system continues to maintain official controls, our evidence demonstrates that the approach is becoming increasingly unsustainable. This can be attributed to a number of factors, including:

- Increased year-on-year cost of contracting resource through the Service Delivery Partner (SDP) contract (FSADOC). 99% of Official Veterinarians (OV) and approximately 60% of Official Auxiliaries (OA) are contracted through the SDP, at a cost of c£28m per year. Recent trends suggest the costs would continue to rise in excess of £1m per year
- Increased dependency on the SDP for OV and OA resource. Cabinet Office has requested that the FSA is able to demonstrate a clear plan by October 2021 to reduce the risk of dependency on a single market supplier
- The increasing age demographic of the current employed workforce
- Increased risk relating to recruitment. Historical evidence suggests that UK vets are less inclined to choose a career in public health work and compounding this we can no longer afford to take a steady supply of international vets or meat inspectors for granted
- The FSA’s in-plant technology has not kept pace with technological advancements (inspection technology innovations to improve accuracy/efficiency i.e. cameras, AI). Data collection at the point of entry is variable, with some premises dependent on manual data capture. This is an inefficient use of staff hours (for data to be transferred onto systems) and increases the risk of rekeying errors.
- Whilst broadly, the FSA has a stable working relationship with FBOs and the meat ‘Industry’, in general, the current delivery model for the FSA delivery of Official Controls is largely a ‘one-size fits all’ approach. There is evidence suggesting that the current model does not strongly incentivise compliance, as the regulatory experience of compliant vs non-compliant Food Business Operators is not significantly different
- Compliance levels have seen extraordinarily little variation in the last few years, with compliance levels marginally rising to 98.5% on average. This results in a disproportionate impact on most businesses whilst doing little to target the remaining small number of non-compliant businesses appropriately. In turn, the current model does not help to drive best practices to make it easy for businesses to maintain food hygiene and safety standards
- In a post EU world, UK PLC needs to think about its position on the world stage. The National Food Strategy (Part 1) recognises the need for a food system fit for the next generation. The OTP and more widely the FSA, directly support this ambition.
- The response to COVID-19 has highlighted the inflexibility of the existing delivery model. Adapting to this ongoing challenge requires a fresh approach.

Annex B – Detailed breakdown of the elements of the Future Delivery Model



Clearer Accountability

The Vision:

Industry remains accountable for producing safe food, and FSA will monitor and verify this, as the regulator. This will allow both FSA and industry to be clearer about accountability and work more effectively together in the consumer's best interests. A stronger collaborative relationship will aim to deliver increased levels of compliance and ultimately bolster consumer trust and confidence in food safety standards.

Evidence to support this element:

The OTP commissioned research has identified that the following incentives motivate UK Food Business Operators (FBOs):

- Positive relationships with the regulatory authorities and their willingness to engage in discussion
- Frequency of audit, transparency, and enforcement activities
- Highly regulated environment (leads to increased business / safety related ethics as it increases probability of detection)

The OTP commissioned international benchmarking of other meat regulators has also identified that clearer accountability is likely to deliver the best outcomes.

Benefits:

- Joint initiatives will make it easier for businesses to understand their role in the food system, which should help to **improve compliance** and drive higher levels of **consumer confidence and trust**.
- **Improved value for money** – clearer accountability can lead to a more efficient distribution of costs, helping to avoid any disproportionate impact on businesses of different sizes.
- Clearer accountability will encourage industry **innovation** in seeking, proposing, and creating new, efficient ways of working.

Risks:

- Lack of Industry engagement to take up clearer accountability. We cannot force collaboration and therefore significant engagement and influencing is required.
- Failure of the FSA to embrace collaborative working with highly compliant parts of industry. A culture of trust needs to be nurtured and grown at senior levels in order to cascade across all sides.
- Misconception that clearer accountability will reduce the regulatory effectiveness. Careful management of perceptions through a transparent, robust assurance framework is required.



Tailored Presence

The Vision:

The FSA's presence for domestic production will be tailored in line with the risk of individual premises/products (based on relative assessments via the segmentation tool). Resources will be weighted more toward higher risk premises with some premises having more proportionate levels of presence than under the current model.

Evidence to support this element:

The FSA has seen a significant increase in operational costs over the last 4 years whilst throughput has increased only marginally, and compliance levels have remained flat. The OTP commissioned international benchmarking of other meat regulators (and the UK Regulator's Code) identifies that regulation should be outcome focused and risk based.

Benefits:

- Tailoring Presence to the areas of highest risk will continue to ensure that **food is safe** in a changing world
- Reduction in regulatory presence for highly compliant businesses could **enable business growth**, by empowering FBOs to manage efficiently and effectively.
- **Increased efficiency** by better utilisation of FSA expertise and resource.

Risks:

- More proportionate levels of presence at some premises could have an adverse effect on compliance levels in that location, however robust oversight and assurance should mitigate this risk.
- Failure to secure new legislation to move to a risk-based approach will mean that FSA cannot achieve the financial and resource efficiencies that tailored presence will allow.
- Moving away from full-time inspection could impact trade – which accounts for £15.7BN per year to the UK economy. Close engagement with DEFRA's Market Access Team as well as a noticeably clear narrative around the new approach increasing compliance levels, is critical to risk mitigation. It is recognised that bespoke approaches may be required in the future for domestic and export markets and it should be emphasised that there is no reduction in standards but rather an intention to increase standards.



Robust Assurance Regime

The Vision:

The FSA's deployment of a full suite of assurance techniques to provide a high level of assurance at all stages of Official Control delivery. A single 'Assurance' function within the FSA with a range of skills / expertise available to deploy on a risk-based, intelligence led basis, in addition to routine verification checks.

Evidence to support this element:

The existing FSA Audit Programme has demonstrated good assurance over the last four years, with compliance levels raising to 98.5% on average. However, despite improvements in audit techniques, 1.5% of premises are still assessed as 'Improvement Necessary' and 'Urgent Improvement Necessary' at any given time and warrant further exploration.

The OTP commissioned research has identified that frequency of audit, transparency, and enforcement activities as well as a highly regulated environment motivate UK FBOs to comply.

Benefits:

- A range of assurance methods will provide greater in-depth assurance and intelligence, that will help the FSA continue to ensure that **food is safe** in a changing world.
- Increased assurance is a motivator for FBOs to **improve compliance rates**, leading to improved outcomes
- End-to-end assurance activity will **increase the skills and capability** of the FSA's officials, **increasing future responsiveness**

Risks:

- Increase in assurance activity is resource dependent (people, IT, and data). In terms of human resources, this will require efficiencies to be found to enable redeployment of current staff to prevent costs continuing to increase. It is anticipated that a number of digital solutions (including digital resource allocation) will release capacity, but failure to achieve this could jeopardise these plans.
- Increased assurance activity could result in the identification of an upturn in non-compliant premises, initially resulting in spiked activity. Whilst this may appear negative from a statistics point of view, this will ultimately help us in our regulatory capacity by giving us a better picture and increasing the level of assurance we can provide.



Transparent Compliance

The Vision:

The FSA will publish and share compliance data of FBOs where appropriate

Evidence to support this element:

The OTP commissioned international benchmarking has identified that publishing compliance data can have a positive effect on compliance rates. For example, the United States publishes all compliance data online, and New Zealand shares compliance data between identified peers (those producing similar things) – both to good effect. The OTP commissioned research has identified compliance data has an impact on marketing. Transparency on compliance data has a positive impact on the reputation of FBOs, and therefore consumer trust in the quality of the product and arguably enhancing FSA's reputation as an effective regulator. That leads to higher demand and profitability for the FBO.

Benefits:

- Improved ability for retailers and consumers to make an **informed choice**
- **Business growth** opportunity for FBOs who can demonstrate high levels of compliance
- Direct demonstration of regulatory impact, resulting in **increased confidence in the FSA**

Risks:

- Industry may challenge what / how / when data is published. The FSA will need to assure comprehensive consultation in advance of implementation
- Unintended consequences of data sharing – for example, the market impact of publishing data relating to poor performers / increase in appeals. The FSA will need to fully explore and mitigate these issues in advance of implementation whilst maintaining the benefits of data sharing



Digitised 'Real-Time' Data by Default

The Vision:

FSA and FBOs collect data once, and use it multiple times for multiple purposes, either in a single system, or via systems that can 'speak' to one another.

Evidence to support this element:

The FSA's existing legacy systems are inefficient, and do not all connect in a way that enables the FSA to gather data in a single space or format that can be used to produce meaningful information.

Data collection at point of entry (i.e. in the slaughterhouse) is mixed and, whereas in some premises there are digital systems in place, in others we are dependent on capturing data manually and transferring the data onto a system, creating risk of inaccuracy and inefficiency.

Benefits:

- **Improved intelligence**, analysis, and forecasting
- Access to real-time, accurate intelligence will enable **faster, robust decisions** to be made

Risks:

- Cost of investment in new systems might be perceived as being disproportionate to the benefits
- Better data could identify additional (previously unseen) non-compliances at the outset, risking short-term reputational damage. This will be offset by the ability to increase assurance in the longer-term



Modernised Management

The Vision:

A streamlined management function with digitised capability to support efficient resource deployment

Evidence to support this element:

- Data analysis has identified inefficiencies in existing management structures, with between 20% and 60% of time spent on tasks that could be digitised, releasing resource to undertake higher priority work
- Other Government Departments successfully utilise resource allocation systems to manage workflows and resource deployment, with improvements in efficiency

Benefits:

- **Increased resilience and flexibility** in response to incidents and outbreaks. Digital systems will increase ability to move people to the work to meet demands
- **Increased efficiency** in business as usual (BA) resource deployment, to ensure the right people are in the right place, at the right time. This will **lower costs and increase our understanding** of the required skills and numbers of people to undertake operational activity
- **Increased efficiency will increase opportunities** to undertake additional work that will bring wider benefits. For example, people could be redeployed to undertake assurance activity, thereby driving improved compliance rates, or account management functions, improving clearer accountability
- **Improved Health and Safety assurance** – digital resource deployment will enable the FSA to identify where people are working (i.e. lone workers)
- **Improved forecasting** – as data trends develop, we will be able to better plan for peaks and troughs in activity (i.e. seasonal variation)

Risks:

- Reduction in engagement with Trade Unions and the FSA's colleagues as a result of changes to job roles and organisational design. This is a significant cultural change that will require consultation and buy-in to be successful
- Industry will expect any increase in efficiency to be offset against charging. The FSA will need to manage this expectation

Some FBOs may perceive a negative impact in reduction of front-line management roles. This will be offset through expansion in the number of Account Managers



Resource Capability & Capacity

The Vision:

A skilled, resilient workforce capable of undertaking a wide range of activities, flexing to changing business requirements. An organisation with a strong culture of staff engagement and professional development.

Evidence to support this element:

- Evidence demonstrates the current in-house capacity is arguably at risk (ref. age demographics data)
- SDP recruitment and retention figures continue to be closely scrutinised – we are dependent on the SDP for 99% of OVs and c60% of OAs
- FSA Operations do not currently have any way of tracking skills and experience to match to role requirements

Benefits:

- **Improved career pathways**, resulting in improved recruitment and retention
- **Improved resource management** through increased understanding of our people's skills and experience to align them to appropriate roles
- This will also enable the FSA to have **greater assurance** that we have the right people in place (gap analysis) and **improve performance management** to support career development for our people (through diversification etc.)
- **Increased engagement** through increased job satisfaction and investment in our people

Risks:

- Time taken to implement new systems may create a 'gap' which reduces confidence in / engagement with the programme ability to deliver improved in-house capacity and capability. Implementation will require careful planning and communication
- Revised roles and responsibilities may be less attractive to some people, adversely affecting retention. Consultation will be key to understand the likelihood and impact of this
- New roles will require Job Evaluation and Grading Support (JEGS) which could increase grading, thereby potentially affecting resource levels and costs
- Increased costs for new skills database and learning and development requirements. These should be offset longer-term with increased consistency of performance and outcomes

Annex C - Network Map – describes how the components fit together and the interdependencies to deliver the new regulation topography.

FSA Future Delivery Model Network Map

