
REGULATING OUR FUTURE PROGRAMME UPDATE

Report by Nina Purcell, Director of Wales and Local Delivery

For further information contact Alice Biggins on 0207 276 8293 (Tel)

Email: Alice.Biggins@foodstandards.gsi.gov.uk

1 SUMMARY

- 1.1 The Regulating our Future programme is how we will build an effective, proportionate and robust system for ensuring businesses meet their responsibilities to produce food that is safe and what it says it is.
- 1.2 This paper provides an update, including activity to date, an overview of the plan, a summary of the strategic risks, and a summary of feedback received from consumers and small businesses.
- 1.3 The Board is asked to:
 - **Note:** the programme update;
 - **Note:** the engagement to date and feedback received from consumers and small businesses; and
 - **Discuss:** the strategic risks associated with the programme and proposed arrangements for their management.

2 BACKGROUND

- 2.1 Regulating our Future, launched in early 2016, is a critical FSA strategic programme central to our ability to fulfil our statutory purpose and meet the public's expectations in relation to food we can trust.
- 2.2 The programme's ambition is to develop and implement a new and sustainable approach to regulation that leverages business behaviour change to deliver consumer benefits. This programme will ensure a tailored and proportionate approach to regulation to ensure business compliance.
- 2.3 One of the compelling drivers for designing a new regulatory system is the uncertain and rapidly changing world in which we operate, and its consequences for food safety and standards. The new regulatory framework is being designed so that it is dynamic enough to keep pace with innovation in the food sector and harness new technologies, and flexible enough to adapt to future circumstances, such as a new relationship with the European Union.
- 2.4 The aim is to ensure the smooth and full delivery of a new regulatory model for food businesses in England, Wales and Northern Ireland by 2020 while implementing improvements in the meantime where possible.

3 INTRODUCTION

- 3.1 In May 2016 the Board received an update on the process of designing a new approach. The Board also reviewed an initial outline blueprint and reaffirmed its commitment to the programme, agreeing to strengthen programme governance, establish an expert advisory panel and provide input for the next phase.
- 3.2 Since then, consistent with the commitment to working out in the open, we have been continuing to engage with all our stakeholders, and setting up formal mechanisms to help us make sure their views can continue to be heard. We have undertaken some insight work to test the principles with harder-to-reach groups. One of the key programme risks is that consumers lose confidence in the food system, so understanding how consumers feel about the current and proposed systems is important in helping us mitigate that risk.
- 3.3 The principles which were presented at the 10 February launch event in Cardiff are now fully embedded in how the Food Standards Agency operates, and our ongoing work is being reviewed and revised to ensure it is consistent with them. We have established and are in the process of staffing the programme team and workstreams that will enable us to finalise the design of the model the Board agreed in May, and implement it. The events we held in late August and early September are helping us shape the programme plan for the next, implementation phase.
- 3.4 We have been clear since the start of this process that we are aiming to build a better system that meets the needs of UK consumers, and that we would be prepared to push for legislative change where we felt the legal framework did not satisfy those needs. The UK's departure from the EU may bring opportunities for us to be more ambitious in this area.
- 3.5 Food Standards Scotland (FSS) is also in the process of designing and implementing a new approach to food regulation. We are working closely in collaboration with FSS to protect all UK consumer interests and help minimise additional burdens on businesses that operate on both sides of the border.

4 PROGRAMME UPDATE

Hot House Events

- 4.1 A key milestone of the programme plan was the Hot House event with key business stakeholders; Tesco and Mitchell & Butler, Local Authority representatives and FSA workstream leads. The purpose of this event was to explore the 'pain points' in the current system of regulation, to seek out new approaches and reach agreement on pilots to test new ways of assuring large complex food businesses. The event was highly successful and collaborative. Both Tesco and Mitchell & Butler have agreed to be the first to work with the programme and are exploring opportunities to pilot the use of data in assurance models. The pilots will run between October – December 2016.

Stakeholder engagement and insight

- 4.2 At the May meeting, the FSA Board agreed to the formation of an external group to provide input to the programme. Applications were invited from people interested in being on the group, with 73 received. The Programme's Strategic Reference Group, whose establishment was also agreed at the May Board Meeting, reviewed plans for the external group, and decided that to enable more focused discussions, three external groups would be established, representing consumers, businesses, and the professions.
- 4.3 The groups will have a joint induction meeting where the terms of reference will be finalised. The initial approach will be for the groups to meet quarterly but we will take a pragmatic approach. Given the range of issues that will have a bearing on this work, we may convene smaller, more specialist, working groups to examine specific issues. These will be task and finish groups with a very specific remit. Combining the expertise and experience from business, regulatory professions and the consumer perspective will provide a holistic stakeholder engagement process to the development of the new system for regulation
- 4.4 The Chair has written to relevant new UK Secretaries of State and in Wales, has met the Minister for Health and the Cabinet Secretary for the Environment and Rural Affairs to highlight the work of the Agency and the Regulating our Future programme. We will follow up with specific meeting requests in the autumn.
- 4.5 The FSA's board members and staff are valuable ambassadors for the programme, and we have developed a briefing for them to use, setting out the programme's high level aims. The programme communications team are also available to brief individual board members on request.
- 4.6 Internal communications and engagement is critical and we are:
- Organising a series of all staff road shows in England, Wales and Northern Ireland to explain the programme, its importance and how it will affect staff in the FSA;
 - Providing regular updates on Yammer and Foodweb to mark the programme's evolution and progress; and
 - Developing a newsletter for both external and internal stakeholders to mark developments in the programme.
- 4.7 We have completed qualitative work with consumers and small businesses to explore their views on the proposed model and the five principles underpinning the programme.
- 4.8 TNS BMRB undertook a series of depth interviews with 24 small food businesses. Each interview lasted 90 minutes and took place in the

respondent's home or business premises. To ensure a broad range of experiences were reflected in the research, respondents were recruited from four locations across the England, Wales & Northern Ireland and from a range of business types.

- 4.9 TNS BMRB also ran a series of reconvened deliberative workshops with 35 members of the general public. The first wave consisted of five two hour workshops introducing the current regulatory model, the rationale for change, and participants' initial views on changing the system.
- 4.10 Wave two consisted of five two and a half hour workshops testing the five key principles, and understanding customers' reactions to how these principles may be realised.

Ongoing work to align business as usual with the Regulating our Future principles

- 4.11 In addition to the work of the programme on designing the detail of the future model and engaging with stakeholders, there is a lot of work going on to align specific aspects of current activity with the programme and its principles.
- 4.12 The future of the Food Hygiene Rating Scheme is within scope of the programme. The new system for food safety and standards will need to be designed to allow the FHRS system to continue providing straightforward information to consumers. We are developing a full proposal for FHRS mandation in England based on the Regulating our Future principles. This will include detail on how we will use third party providers, and introduce paid-for elements in the system.
- 4.13 Other examples of areas where work is taking place to align delivery to the RoF principles include:
- Shellfish sampling
 - Development of industry guides
 - Review of the feed delivery model
 - Food law code of practice review
- 4.14 Our work on the delivery of official controls in meat is now fully integrated into the RoF programme, and we have been making progress on a number of fronts. We have mobilised three streams of work designed to make improvements and efficiencies in the delivery of official controls in the short, medium and long term. We have introduced major changes to the charging discount regime and work to undertake a more fundamental look at the overall funding of meat controls is underway led by a steering group under Bill Stow's chairmanship. A new contract covering the delivery of official controls will commence from April 2017 and the Invitation to Tender has been issued with contract award scheduled for the end of the year.

EU Referendum

- 4.15 The Regulating our Future programme began as a review of how we interpret and implement relevant regulatory provisions, to make sure the UK had a food safety system that meets the needs of UK consumers. Through this process we have closely scrutinised the (predominantly EU) legislation, and talked to businesses and consumers about areas where the legislation or our interpretation of it could be improved. As the nature of the UK's exit from the EU becomes clearer, there may be opportunities to be more creative in how we derive assurance, and increase the role that businesses and technology play in the new system.
- 4.16 New and different trade relationships will form as a result of leaving the EU, so ensuring the imports and exports functions of the FSA and Local Authorities are properly incorporated into the programme is critical.

Resource

- 4.17 A programme manager has been recruited and taken up post, and Workstream leads have been identified and appointed. Additional external resource is being recruited including a number of business analysts because this is a skill set which we have historically lacked in-house. Key staff in existing functions are also spending an increasing proportion of their time supporting activity which relates to RoF implementation, for example the FHRS and shellfish teams.

Risks

- 4.18 We have identified two strategic risks for the programme, covering the need to obtain buy-in from a range of stakeholders, and the need for the programme to be adequately resourced. The Board is invited to comment on whether these are the right risks, and whether the proposed mitigations are sufficient.

1. Insufficient support, or opposition, from:

- a) Within Government, in Whitehall and the Devolved governments**
- b) Consumers**
- c) Food business operators**

Controls and mitigating activities

- Development of effective Communications & Engagement strategy and plan, based on insight into views of key stakeholders. Strategy and plan designed to marshal senior (e.g. Chair & Chief Exec) support to effect early and sustained engagement, identification of support and allies, and effective influencing of key stakeholders and opinion-makers.
- Open policy making approach to bring stakeholders into the process of refining the model, ensuring concerns are heard, needs met (where

possible) and trust built.

- Rigorous options analysis to identify which options for future delivery will be the most effective in delivering our vision (and thus make us most effective as a regulator in delivering consumer protection), to maximise likelihood that key stakeholders will buy-in to our approach (e.g. UK governments, European Commission, consumer groups, industry).
- Mechanisms in place to allow Wales and Northern Ireland to actively contribute to shaping RoF programme to ensure national needs and consumers' interests met.
- Proactive and extensive working between the programme team and Food Standards Scotland to ensure collaboration without impacting on pace of either's work.
- Develop a compelling narrative including benefits of new system for consumers and businesses.

Related to, but separate from this risk is an additional risk that a lack of clarity about organisational boundaries could lead to confusion or unintended consequences arising. This risk will be kept under review and mitigated by clear and explicit discussions with stakeholder organisations of where such issues could occur

2. RoF Unable to draw on resources as required. Likely to manifest with regards to people (i) capacity constraint; (ii) capability constraint or (iii) financial constraint and any combination of above.

Controls and mitigating activities

- Detailed resource needs incorporated into programme planning, with high-level diagnosis of experience, skills gaps and pressure points.
- Executive Management Team buy-in to importance of programme with redeployment of staff from across Agency as necessary, and external recruitment fast-tracked through FSA internal approval process.
- Recruitment underway for five business analyst positions.
- Strategic Reference Group oversight of progress against milestones, holding SRO to account if progress is slipping because of resource constraints. Programme capacity and capability standing item at RoF programme board.

5 NEXT STEPS - Future Milestones

5.1

- Launch and mobilise the experts groups by October 2016
- Produce the 2nd iteration of the overall operating model by November 2016.
- Establish and complete the data assurance pilots with Tesco and Mitchell & Butler by January 2017
- Produce high level 3 year plan by November 2016

5.2

Progress against the plan will be regularly reviewed by the Strategic Reference Group.

6 CONCLUSION AND RECOMMENDATIONS

6.1

The Board is asked to:

- **Note:** the programme update;
- **Note:** the engagement to date and feedback received from consumers and small businesses; and
- **Discuss:** the strategic risks associated with the programme and proposed arrangements for their management.