



A year ago we published ‘Why food regulation needs to change and how we are going to do it’. It set out our ambition, through to 2020, to modernise the regulation of food businesses in England, Wales and Northern Ireland.

In the last twelve months, we have moved from planning to delivery, and already some components of our new approach are becoming a reality. This document explains the difference the delivery of the Regulating Our Future (ROF) programme will make to consumers, local authorities (LAs), other food law enforcement partners and businesses. We describe the progress made on delivering National Inspection Strategies and Enhanced Registration; how our work on regulating private assurance is progressing; the approach we are taking to designing a sustainable funding model for the new regime; and our renewed efforts to make it mandatory to display Food Hygiene Ratings at food premises in England.

So far, most of this work has been about regulating food hygiene and safety – the obligations on businesses to provide safe food to consumers. Over the next year, we will be applying the same principles to food standards, the systems that ensure businesses meet their obligations for food to be what it says it is.

We want to make food regulation agile, flexible and able to respond to technological change. We need most attention paid to where the biggest food risks occur. We want to deliver more consumer protection by enabling local authorities to use available, trusted information intelligently when deciding how a business should be regulated. The more reliable information and insight the food industry shares with us, the better we will all protect the public and build confidence in food.

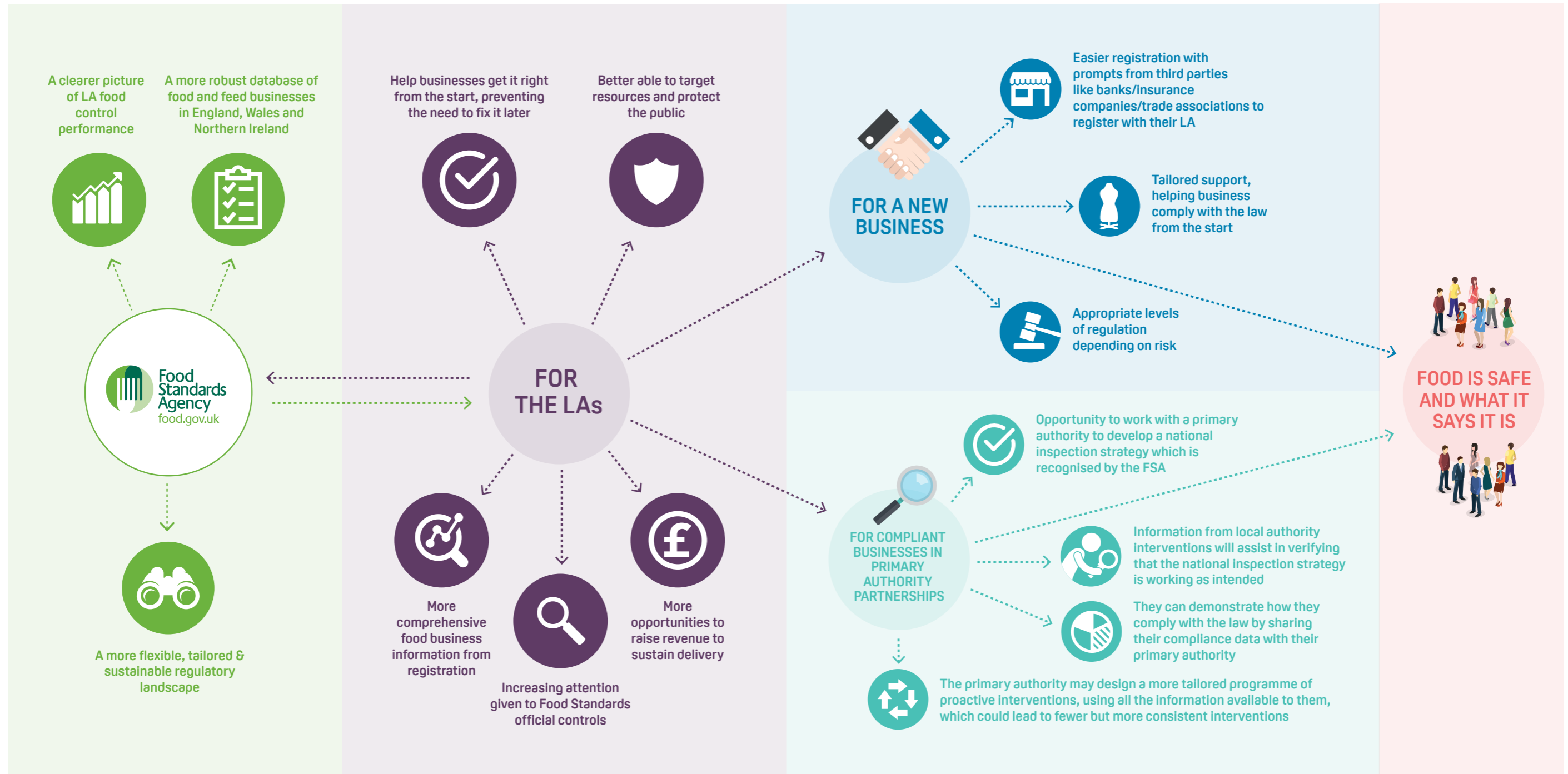
These changes are especially important as the UK leaves the EU. Whatever the outcome of negotiations, we’ll need to be more innovative, flexible and responsive to wider global changes. Core elements of the ROF programme will be up and running in time for our departure in March next year. Our plans and ambitions have always had an international dimension; we are part of a growing trend to modernise food regulation. For example, Canada, Australia and Norway are changing how they regulate their food industries. Some EU countries are developing plans to do so. The direction we have set is of great interest to our international peers.

Local authorities will remain at the heart of the new regulatory system, delivering food hygiene and standards controls. We can only make the system better with the co-operation of everyone who works in food regulation – front-line enforcement officers, technical experts and scientists, elected officials. Bringing these colleagues with us will continue as a priority over the next 12 months.

ROF is on track to deliver the ambitious improvements we promised back in 2016 when we launched the programme - delivering a modern, robust and sustainable system of food regulation.

Heather Hancock
Chairman, Food Standards Agency

WHAT WILL CHANGE



ONLINE FOOD BUSINESS REGISTRATION

What it is

We are introducing a new digitally-enabled approach to registration of food businesses that will help them set up for success. It will be a modern, user-friendly process that will capture more useful information about a food business and its activities at the time of registration.

Data obtained will be used to categorise businesses and determine appropriate regulatory intervention frequencies. The new online registration system will provide consumers with greater confidence in the way food businesses are regulated from the start of their business life. As well as providing Local Authorities (LAs) with a clearer view of the business the information obtained will give the FSA, as Central Competent Authority, oversight and a comprehensive understanding of the food industry in England, Wales and Northern Ireland.

How it works

New food businesses are required to register and the online registration service will establish the type of business being registered, with data submitted in real-time to the relevant LA. A unique food business reference number will be generated. Newly registered businesses will receive links to relevant guidance to help them comply with food law right from the start.

We aim to forge third-party alliances (including with trade associations, financial institutions, insurance companies, suppliers etc) as well as engaging with food business operators to help ensure businesses register before they start trading.

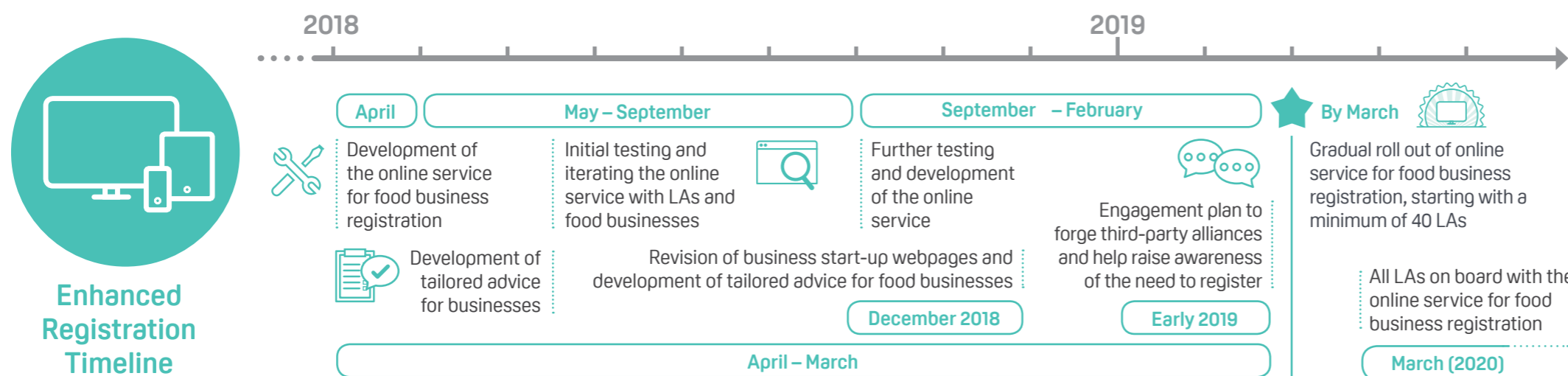


BENEFITS

- Makes it easier for businesses to register and access tailored information and guidance
- Food business receives timely confirmation that registration has been submitted and to whom
- Tool that will help to provide the FSA with oversight of all food businesses in England, Wales and Northern Ireland

NEXT STEPS

- Live trials are happening now and businesses have started to use the online service to register
- We will scale up the number of LAs in the live trial and our target is to have at least 40 LAs using the service by March 2019
- The benefits of the new service are being captured and the first registration took approximately six minutes
- Development of webpages for new food business guidance



SEGMENTATION OF FOOD BUSINESSES

What it is

Currently, all new food businesses are inspected when they first start trading, regardless of the food safety risk they present. We have always said that we would develop a more sophisticated and data driven method for the segmentation of businesses, moving towards a more proportionate, risk-based approach.

How it works

The focus to date has been on building a 'risk engine' that uses a set of business rules to generate a 'risk score', which segments businesses into categories. This categorisation will be used to determine the nature, frequency and intensity of official controls for all new businesses using data from the online food business registration service.

We will test the first iteration of this 'risk engine' by using information provided by businesses at the point of online registration. The generated

'risk scores' will be validated against what LA officers find when they undertake their first inspection of these businesses.

Controlled field trials will begin to take place with LAs in the spring of 2019 when a suitably sized test group of LAs will be using the new registration system. This will allow us to ensure that we are asking the right questions of food business at registration and that the 'risk scores' generated can be used to segment the food industry accurately. In the future, LAs will be able to use this segmentation process to plan and prioritise their inspections, and to evaluate their accuracy and effectiveness.

In addition, we're undertaking several research projects to provide an evidence base to inform future iterations of the 'risk engine'. The goal is to include data from wider sources, which will be used to help determine the 'risk score'. These projects are exploring, for example, whether compliance performance in other regulatory

areas correlates with food safety compliance, and what the impact of the food safety culture within a business has on that compliance.

These projects will be completed next year, and the findings will be factored into further developments.

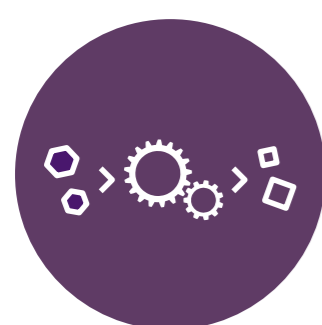


BENEFITS

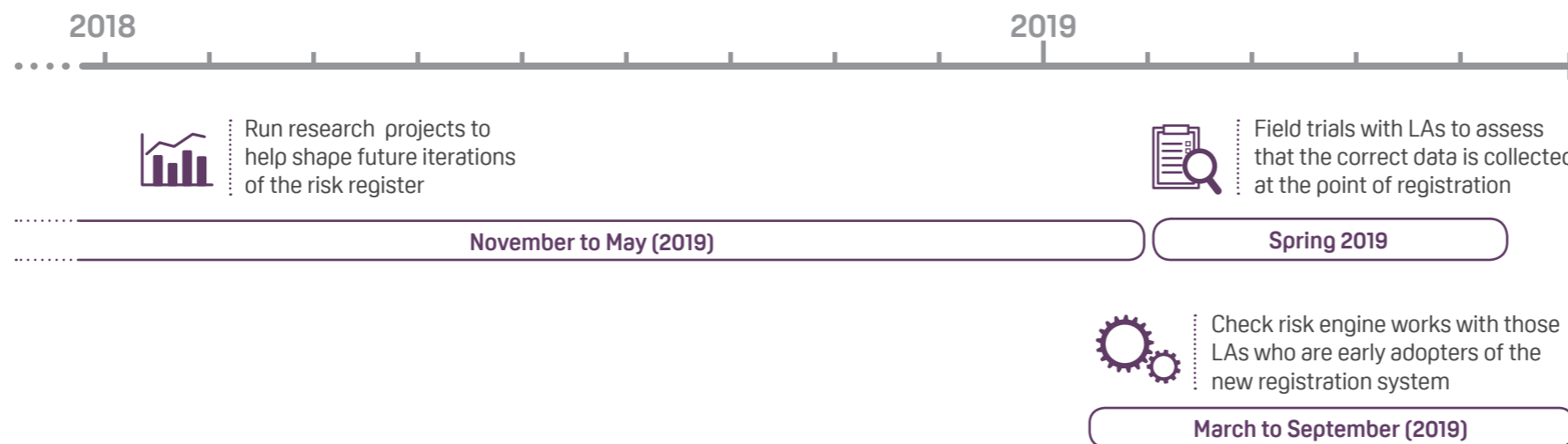
- Improves LA planning and prioritisation, interventions and allocation of resources based on risk
- Regulation of businesses will be tailored to the food safety risk they present
- Provides consumers with more confidence in the regulation of food businesses

NEXT STEPS

- Checking that the 'risk engine' works for those LAs who are early adopters of the new registration system
- Begin the development of the next iteration of the 'risk engine' to focus on food standards
- Launching a new research project to gather detailed data to help establish correlations between the business activities or operations, and the most significant non-compliances in various industry sectors



Business Segmentation Timeline



PRIMARY AUTHORITY NATIONAL INSPECTION STRATEGIES

What it is

Primary Authority is a scheme administered by the Department of Business, Energy and Industrial Strategy (BEIS). It offers a different way of delivering local regulation, enabling LAs to help businesses comply with regulations¹.

Food businesses trading in both England and Wales that wish to benefit from Primary Authority in both nations will need to partner with both a primary authority in England and a primary authority in Wales. These primary authorities will be able to work closely together to provide an efficient service.

In Northern Ireland, regulatory functions for food, including food safety, are outside the scope of Primary Authority. However, we're

exploring with councils in Northern Ireland how the principles of the national inspection strategies (NIS) approach could be used in Northern Ireland.

One of the tools available under Primary Authority are national inspection strategies (NIS), contained within an inspection plan. NIS have existed as a concept since Primary Authority was introduced 10 years ago, however to date, no food primary authority partnership has developed or implemented a NIS.

Utilising NIS is a key part of our work to recognise compliant and transparent food businesses and enable LA activity to focus on those food businesses that are performing poorly or need more help.

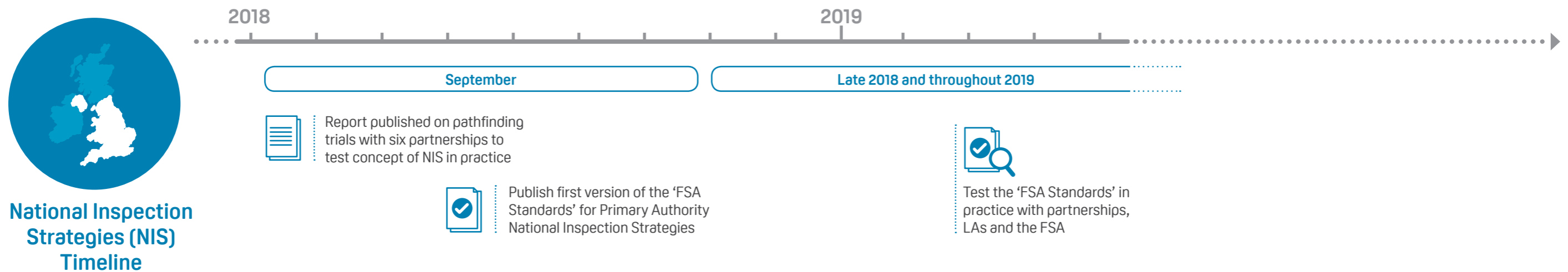
NIS involves one LA – called the primary authority – working with a multi-site food business or group of businesses, to ensure the business is meeting its food hygiene responsibilities. This may involve them accessing the business's central systems and compliance data. A NIS will mean that responsible businesses could face a lower number or more tailored approach to proactive interventions by other LAs.

To benefit from a NIS, the primary authority partnership will have to meet stringent standards that we have developed in conjunction with stakeholders.

By introducing NIS, LA resource can be better targeted to the businesses that present the greatest risk to public health, and help new businesses get it right from the start.



¹<https://primary-authority.beis.gov.uk/about>



What we have done to date

During 2018, we have worked with six primary authority partnerships on a project to test the concept of NIS; to explore primary authorities accessing and using business compliance data; and to find out what needs to be done to make food related NIS a success. This project has been independently evaluated and is available on food.gov.uk.

This work has led us to establish three FSA draft standards, for NIS to operate. The draft standards form a framework to ensure NIS are robust and operate with the right level of oversight. We will establish clear expectations for ongoing FSA recognition of NIS. These steps reflect a message we hear repeatedly from food businesses: they want more certainty and clarity on the standards they are expected to follow. And they also reflect that modernising regulation means changes for all parts of the system – including for the FSA itself in the role we provide and the way we deliver it.

BENEFITS

- Responsible businesses could see a more tailored approach to proactive interventions by LAs
- Enables LA resource to better target businesses that present the greatest risk to public health
- Existing compliance data held by businesses and regulators is considered in a new way, using previously untapped compliance information
- Builds upon and makes better use of an already existing and well-established scheme to deliver ROF outcomes – Primary Authority

NEXT STEPS

- Encouraging well established partnerships, with excellent levels of business compliance, to join us in exploring the development of the first NIS during late 2018 and 2019
- Developing, refining and testing the FSA's draft standards including oversight mechanisms
- Considering any impact on the Food Hygiene Rating Scheme (FHRS) and working to ensure that the FHRS scheme remains robust and credible

FOOD STANDARDS

We have recently completed a survey of delivery of food standards controls by LAs. This survey looked at current delivery arrangements, enforcement responsibilities and resource provision. We have established a food standards technical working group comprising representatives from both regulatory services and industry, to review the findings and discuss possible developments to the current official control system.

The current system for food standards controls has not been working as effectively as possible for some years and delivery is under increasing pressure. On the back of our survey we are looking at a range of options and drawing on examples of current best practice to think about how we can address the fundamental issues that affect the delivery of food standards.

This will become a major part of our focus in the next 12 months.



BENEFITS

- A robust evidence base of current delivery arrangements, to help us establish and prioritise proposals and recommendations for the future delivery model for food standards regulation

NEXT STEPS

- Technical working group to consider survey findings and identify potential areas for improvement
- Publication of report outlining findings of the Food Standards Delivery Review survey
- Development of proposals to improve the effectiveness of food standards controls and inform the future delivery model

SUSTAINABLE FUNDING

The modernised regulatory regime that we are building will be more effective and efficient, but it will still need to be paid for. Those resources must come either from the public purse or from the businesses being regulated. Today, local and national government bear the majority of the costs of official controls. Businesses may be paying to obtain their own assurance that they are complying with the law, but only some pay towards the costs that the statutory regulatory delivery bodies incur, and to very different degrees.

In 2017 we highlighted that we would seek to introduce a new funding model to ensure the future sustainability of the system, one based on the principle that businesses should bear the costs of regulation as this is in line with wider Government regulatory policy.

What we are doing

We are taking a phased approach to developing the new funding model. We have focussed firstly on scoping and understanding the current delivery landscape and the costs of regulation and we are now moving on to an options appraisal phase. We will identify, explore, assess costs and benefits and consult on options that will provide sufficient ring-fenced financial resource for ongoing delivery of the changing regulatory system. In doing so we will learn from other regulators both within the UK and internationally that already have charging models in place. We will work with colleagues in central and local government and engage with the food industry. We will work on the basis of the following general principles:

We anticipate that moving to a sustainable funding model, where businesses bear the cost, will require new legislation in England, Wales and Northern Ireland. We recognise that securing political support and parliamentary time for this is unlikely to be straightforward so we will work to secure wider cross government support before moving forward.

BENEFITS

- A regulatory system that is sustainably funded

NEXT STEPS

- Over the next year, we will identify, explore and seek ideas and views from stakeholders on options for a new sustainable funding model, and will assess the costs and benefits of these

PRINCIPLES FOR CREATING A NEW SUSTAINABLE FUNDING MODEL

Costs to be recovered will be specifically identified so that there is transparency for businesses

Costs should be no more than they need to be

We will not assume that one size fits all and different approaches may be adopted within each country and within different sectors

Charging systems will be easy to understand by businesses and easy for the delivery bodies to operate and administer

Charging systems will be fair and equitable, encourage innovation, incentivise compliance and provide good value for money



STANDARDS FRAMEWORK

What we are doing

Ensuring standards remain current, approved and accessible is vital, and we are developing the controlling framework to facilitate that. We are working with the British Standards Institute to identify the requisite elements of a framework for standards.

In addition, we've been working on standards for NIS and progressing work on other operating model standards in the following areas:

- Standard for enhanced food business registration data;
- Standards for recognised assurance schemes
- Updated standards have been put in place for FSA-recognised schemes in the animal feed and primary production sectors.

BENEFITS

- A demonstrably rigorous and robust development process for operating model standards
- Enhances the credibility of standards in the future operating model across England, Wales and Northern Ireland
- Establishes clear roles and responsibilities for the operating model standards

NEXT STEPS

Next year we will:

- Initiate a framework for standards development project
- Establish a working group and commence development of framework and supporting guidance
- Hold an informal consultation on framework and guidance and necessary revisions completed

EU EXIT AND ROF

Modernising regulation and the process of leaving the EU are inextricably linked. The FSA has a duty to have a fit for purpose, sustainable and risk-led approach to food safety and standards to meet the challenge and greater demands once we leave the EU. It's not possible to say what the specific consequences of leaving the EU will be, but we can confidently predict that it will demand a modernised system for food: agile, flexible and resilient.

Our work to modernise how we regulate food was started before the decision was made to

exit the EU but plans for both major changes are closely aligned. In fact, ROF is central to ensuring that we meet that obligation and deliver public protection, by means of a proportionate and cost-effective system of regulation outside the EU. Getting the new model right, will in turn, give us more scope to protect consumers within the rapidly evolving global food system and could widen our international influence on modern food standards.



FOOD HYGIENE RATING SCHEME

We have recently reaffirmed our ambition to have a statutory scheme for display of hygiene ratings in England, for which we have wide stakeholder support, and have stepped up our work to progress this. We are ready to capitalise on opportunities to bring in the necessary legislation and have a robust evidence case to support this from our experience in Wales and Northern Ireland where display is already mandatory.

Work to manage the interdependencies with elements of the ROF programme is underway to ensure that the scheme remains a robust and credible scheme and continues to operate effectively within the context of the changing regulatory system.

The current focus is on the impacts of the Primary Authority national inspection strategies and the new risk segmentation model. Engagement with stakeholders to help inform our work is underway.

BENEFITS

- A robust and credible FHRS which continues to operate successfully as part of the changing regulatory system, will enable informed choice and incentivise businesses to improve and maintain standards

NEXT STEPS


- Developing a framework for the statutory scheme in England
- Updating the evidence case and the Impact Assessment
- Seeking to secure Ministerial sponsorship for a statutory scheme



MYTH BUSTING

Below are some myths about the ROF programme that crop up from time to time.

MYTH	REALITY
<p>The Certified Regulatory Auditor (CRA) concept has not really been de-prioritised and it will be back with a different name.</p>	<p>We haven't altered our stance on CRAs since our Board meeting in December 2017. The Board decided we would not pursue the CRA concept, except in the case of highly technical areas of the food chain which might require specialist knowledge, and not at this point in time.</p>
<p>Primary authorities operating national inspection strategies will own business compliance data and it will be open to FOI request.</p> 	<p>We would not necessarily expect a LA to hold on to business data that they have analysed and considered. In the recent pathfinder exercise to trial national inspection strategies, the primary authorities (PAs) that we worked with accessed data in different ways. Some were able to access and analyse business data without actually holding on to it themselves. Rather like on routine inspections at the moment, when officers might view a business's records and data, analysing and considering it, without necessarily taking a copy of the data/information to store at the LA.</p> <p>The FSA will not be expecting or requiring LAs or primary authorities to retain business compliance information.</p>
<p>Food businesses will be forced to use a third-party assurance scheme in the future.</p>	<p>We have no plans to force any food business of any size to use a third-party assurance scheme.</p>

MYTH	REALITY
<p>The FSA has decided the amount that businesses will be charged for inspections and other official controls.</p>	<p>This is not the case. Our aim is to develop a funding model based on the principle that businesses bear the cost but we are just beginning the work to examine the different options there might be to achieve this and we will be working with businesses and others to assess these options before any decisions are made.</p>
<p>Businesses who enter into a national inspection strategy will not have individual premises inspected.</p> 	<p>Individual premises will continue to be inspected by the relevant LA under national inspection strategies. The primary authority will check that the business is meeting its responsibilities through assessment of its central systems and other information and data. The primary authority will then use this intelligence to inform the frequency and nature of LA inspections of individual premises.</p> <p>In a NIS recognised by the FSA, routine inspections of individual outlets by LAs may be less frequent than now. However proactive inspections will continue and the feedback from these inspections will be vital in verifying how the NIS is working. Individual LAs will continue to play the central role in managing food incidents and outbreaks.</p>

For further information and advice about food, or to download this publication, visit the Food Standards Agency's website: food.gov.uk

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