

LOCAL AUTHORITY PERFORMANCE

Report by Maria Jennings, Director for Regulatory Compliance, People and Northern Ireland

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1. Summary

- 1.1 A key element of the FSA's role as central competent authority for food safety is oversight and assurance of local authority performance. Currently, our approach to this is underpinned by annual returns from local authorities on their regulatory activities but we are in the process of transitioning to a new approach based on our Balanced Scorecard tool (BSC).
- 1.2 This paper includes a report on the annual local authority returns for 2018/19 and how these compare with the data for 2017/18. It also provides an overall picture of performance based on an assessment of the 2018/19 data returns using the BSC. Key areas for improvement are identified and the programme of work to secure these is briefly described.
- 1.3 The paper also outlines plans and a timetable for integrating Food Hygiene Rating Scheme (FHRS) data to the BSC assessment and for developing associated Key Performance Indicators (KPIs).

The Business Committee is asked to:

- Comment on the 2018/19 data on local authority regulatory activities and the changes in the picture since 2017/18;
- Comment on the assessment of performance using the BSC, areas for improvement and the performance management programme to address these; and
- Agree the plans for integrating FHRS data to the BSC.

2. Introduction

- 2.1 A key element of our role as central competent authority for food safety in England, Wales and Northern Ireland is oversight and assurance of local authority delivery of official food and feed controls – the checks and systems in place to monitor compliance of food and feed businesses with and enforcement of the requirements of food and feed law. We assess performance against the standards set out in statutory codes of practice and, where these standards are not met, we intervene as appropriate and work with local authorities to secure improvements.
- 2.2 To date our approach to performance assessment has been underpinned by analysis of annual returns made via the Local Authority Enforcement Monitoring System (LAEMS). This data includes the numbers of businesses registered or approved by local authorities as well as data on a range of local authority

activities – both for food standards and food hygiene - such as numbers of interventions, sampling and enforcement actions. In the case of food hygiene, the data indicates the levels of food business compliance, a key proxy measure for public health protection.

- 2.3 Proposals for updating and improving how we monitor, assess and provide assurance on local authority performance were considered and agreed by the Board in March this year (FSA 19-03-05). This included the separation of the audit and performance management functions with the audit programme focusing on providing assurance on the systems and processes in place rather than on performance of individual local authorities (there will be regular communication and exchange of information and intelligence between the two functions including on any performance issues). Local authority performance will be underpinned by a digital reporting tool - the Balanced Scorecard (BSC). Currently, this is being used to analyse and interpret the annual LAEMS data. In due course, the BSC will enable us to collate and analyse a range of data submitted by local authorities and link it with other internal and external data sources. This will provide a more rounded and accurate picture of local activities aimed at protecting consumers and maintaining confidence in the food chain.
- 2.4 We are now in the process of transitioning to the new approach. For the 2018/19 reporting year, our approach is essentially a hybrid one. It will continue to be underpinned by the LAEMS data and by existing KPIs, but we will use the BSC tool to assess the data and to inform our local authority performance management programme.
- 2.5 Our focus in terms of local authority performance remains for now on delivery of food hygiene controls but as recommended in the National Audit Office (NAO) report, Ensuring Food Safety and Standards, we will press ahead with developing indicators to assess local authority performance in relation to food standards controls. These will reflect the modernised food standards delivery model that we will develop and implement over the next two years.

3. Local Authority Delivery During 2018/19

Official statistics

- 3.1 The LAEMS data for 2018/19 were published as Official Statistics on 4 September 2019. The statistics comprise a report summarising the data - this is provided at Annex A to this paper together with the supporting data for each local authority in England, Wales and Northern Ireland.
- 3.2 The returns cover regulatory activity in relation to food hygiene (microbiological quality and contamination of food by micro-organisms or foreign matter) and food standards (composition, chemical contamination, adulteration and labelling of food).
- 3.3 To provide assurance, all LAEMS returns must be validated and signed off formally as being accurate by each local authority's Head of Service. To

enable us to undertake robust secondary analyses of trends and variations in local authority delivery, we undertake validation checks to confirm that the metrics and comparisons are reliable. Details of these data checks are included in the LAEMS report at Annex A.

Key findings for 2018/19

3.4 The key findings from our analysis of the data for 2018/19 and how this compares with data from 2017/18 are summarised in the box below.

Number of food businesses registered or approved by local authorities

- The total number of food establishments decreased slightly to 568,324 compared with 571,804 in 2017/18.

Staff resources

- *Food hygiene:* Across the three countries there was a marginal decrease for food hygiene compared with 2017/18 – in England resources increased by 0.7% while they decreased by 8.2% in Wales and 2.2% in Northern Ireland.
- *Food standards:* Across the three countries there was a small increase in reported numbers of professional resources compared with 2017/18 – in England resources increased by 11.0% while they decreased in Wales by 10.4% and in Northern Ireland by 14.9%.

Food hygiene interventions and compliance levels

- Across the three countries the percentage due interventions achieved increased to 86.3% in total compared with 85.1% in 2017/18 – there was an increase in England (from 84.3% to 85.9%) but decreases in Wales (from 92.8% to 91.5%) and Northern Ireland (from 89.3% to 85.1%).
- The reported total number of interventions undertaken across the three countries decreased by 1.6% to 344,741 compared with 350,348 in 2017/18 – the decrease was more significant in Wales (9.7%) and Northern Ireland (12.2%) than in England (0.3%).
- Across the three countries there was a slight increase overall in the level of 'broad compliance' (equivalent to a food hygiene rating of 3, 4 or 5) across England, Wales and Northern Ireland to 90.7% compared with 90.2% in 2017/18 – the level increased in England (89.8% to 90.3%) but decreased in Wales (93.5% to 93.1%) and Northern Ireland (95.4% to 94.1%).
- There was a fall in the percentage of premises 'not yet risk rated' from 5.1% in 2017/18 to 4.8% in 2018/19 – there was a decrease from 5.4% to 5.0% in England, a small decrease in Wales from 2.4% to 2.3% but a small increase in Northern Ireland from 2.8% to 2.9%.

Food standards interventions

- Across the three countries the percentage of due interventions achieved decreased to 40.8% in total compared with 42.3% in 2017/18 – there was a decrease in England (from 37.4% to 36.8%), Wales (from 75.9% to 66.7%) and Northern Ireland (from 88.1% to 83.5%).

- Across the three countries the reported total number of interventions in England, Wales and Northern Ireland increased by 1.9% to 104,575 compared with 102,582 in 2017/18 – there was an increase in England of 4.9% but decreases in Wales (7.6%) and Northern Ireland (9.9%).

Complaints

- The total number of complaint investigations about the safety or standard of food or the hygiene at food establishments increased by 1.3% to 78,605 in 2018/19 compared with 77,627 in 2017/18.
- Hygiene complaints dealt with increased by 2.7% to 68,020.
- Food standards complaints dealt with decreased by 7% to 10,585.

Enforcement actions – hygiene

- The number of establishments subject to at least one type of enforcement action increased by 2.3% to 159,436 compared with 155,861 in 2017/18.
- Similar numbers of establishments were subject to formal enforcement actions – 5,374 in 2018/19 and 5,322 in 2017/18.
- The total number of establishments subject to written warnings increased by 2.3% to 154,062 compared with 150,539 in 2017/18.

Enforcement actions – standards

- The number of establishments subject to at least one type of enforcement action increased by 15.7% to 24,164 compared with 20,894 in 2017/18.
- The total number of establishments subject to written warnings increased by 16.4% to 23,848 compared with 20,483 in 2017/18.

Sampling

- There was a decrease of 3.2% in the number of reported samples to 43,768 in 2018/19 compared with 45,210 in 2017/18.
- There was a 2.2% increase in the number of microbiological analyses (35,399 in 2018/19 compared with 34,627 in 2017/18) but the total number of analyses/examinations decreased by 5.5% (45,797 in 2018/19 compared with 48,454 in 2017/18) as the number of all other analyses/examinations fell.

3.5 For food hygiene, the picture overall in the three countries differs somewhat. Some small but positive trends were seen in England. The proportion of due interventions undertaken increased compared to 2017/18, the level of 'broad compliance' – equivalent to a food hygiene rating of 3 or better – rose by 0.5 percentage points and there was a 0.3 percentage point reduction in the number of businesses waiting for their first inspection. In Wales and Northern Ireland, on the other hand, the proportion of due interventions undertaken decreased and levels of 'broad compliance' fell. These trends may, in part, be due to changes in the resources available which increased in England but decreased in both Wales and Northern Ireland.

3.6 The small decrease in the number of registered and approved food businesses and rising levels of broad compliance across the three countries may have contributed to the lower number of overall interventions delivered. As levels of

broad compliance rise, fewer interventions may become due in any one year as more compliant businesses require less frequent interventions compared to non-compliant businesses.

- 3.7 The marginal rise across the three countries in the number of establishments where formal enforcement actions were taken for food hygiene compared with 2017/18 indicates that where serious non-compliance is identified, local authorities are using their statutory powers to protect the public from risks associated with these businesses.
- 3.8 For food standards, the picture overall shows a rising trend in the delivery of food interventions compared with 2017/18 and in numbers of food establishments subject to enforcement actions.
- 3.9 Sampling levels have further declined compared with 2017/18. This continues the trend noted by the NAO in its report and which led to the recommendation that we should establish the role that sampling plays in reducing risks to consumers. As part of the new sampling strategy we are developing we have committed to assessing what level of and approach to sampling is needed to provide assurance that food risks, including food fraud, are being managed effectively by food businesses to ensure consumer confidence.
- 3.10 In considering the LAEMS data for this year, we are conscious that there have been additional demands on local authorities associated with preparations for EU Exit. In Northern Ireland, in particular, extensive planning has been required for the anticipated increase in health certification of consignments for export, which will have a significant impact on the district councils.
- 3.11 We are also conscious that the key findings outlined above compare data only for 2018/19 with that for 2017/18 so it is important to be cautious in drawing any conclusions from it. The trends over a longer period need to be considered. The table below shows, by way of example, figures for the last five years for food hygiene for due interventions achieved, for level of business compliance, and proportion of establishments not yet risk-rated.

	2014/15	2015/16	2016/17	2017/18	2018/19
England					
% total due interventions achieved	80.9	82.8	83.6	84.3	85.9
% of establishments that are 'broadly compliant or better'	88.7	89.2	89.8	89.8	90.3
% of establishments that are below 'broadly compliant'	6.4	5.8	5.2	4.8	4.6
% of establishments not yet risk rated	4.9	5.0	5.0	5.4	5.0
Wales					
% total due interventions achieved	92.5	86.3	91.2	92.8	91.5
% of establishments that are 'broadly compliant or better'	92.1	92.6	92.6	93.5	93.1
% of establishments that are below 'broadly compliant'	5.5	4.7	4.2	4.2	4.5
% of establishments not yet risk rated	2.3	2.6	3.2	2.4	2.3
Northern Ireland					
% total due interventions achieved	91.6	94.7	93.1	89.3	85.1
% of establishments that are 'broadly compliant or better'	91.5	93.0	91.2	95.4	94.1
% of establishments that are below 'broadly compliant'	3.8	3.3	1.8	1.8	3.0
% of establishments not yet risk rated	4.7	3.7	7.0	2.8	2.9

4. Assessment of Performance

Balanced Scorecard

- 4.1 Our focus to date and for the next year is to measure and assess performance in relation to food hygiene controls. We have analysed LAEMS data for 2017/18 using the BSC tool and have been using the assessments made to challenge local authorities where there appears to be a service delivery issue. We have now integrated the data for 2018/19 into the BSC and will use the assessments made to inform and update our rolling programme of local authority performance management.
- 4.2 The BSC enables us to more easily visualise local authority performance on a national basis. Figures 1 to 4, for example, show the changes in regulatory activity for local authorities from 2017/18 to 2018/19.

- 4.3 Our assessments will be based on the data and using the KPIs that we previously used internally as part of the audit selection process to help identify performance issues – see box below.

Key performance indicators

- % total interventions achieved
- % high risk interventions achieved (category A and B interventions)
- % unrated businesses interventions achieved (carrying out inspections at newly registered businesses within 28 days)
- % broad compliance achieved (an outcome indicator)
- % rated businesses (we would expect to see a very low proportion of unrated businesses)
- FTE ratio - numbers of businesses compared to the numbers of full-time equivalent officers (an indicator of whether the local authority has the resources to deliver its functions)
- Enforcement ratio - number of formal enforcement actions taken compared with the number of highest risk non-compliant businesses (aims to identify where we would expect to see formal enforcement activity)

- 4.4 These KPIs are based on percentages but we will also assess the actual numbers involved to ensure we do not miss any significant public health risks. We will also identify any significant changes in any of these KPIs to enable us to intervene at an earlier stage if necessary.

Figure 1: Change in % total food hygiene due interventions achieved - 2017/18 to 2018/19

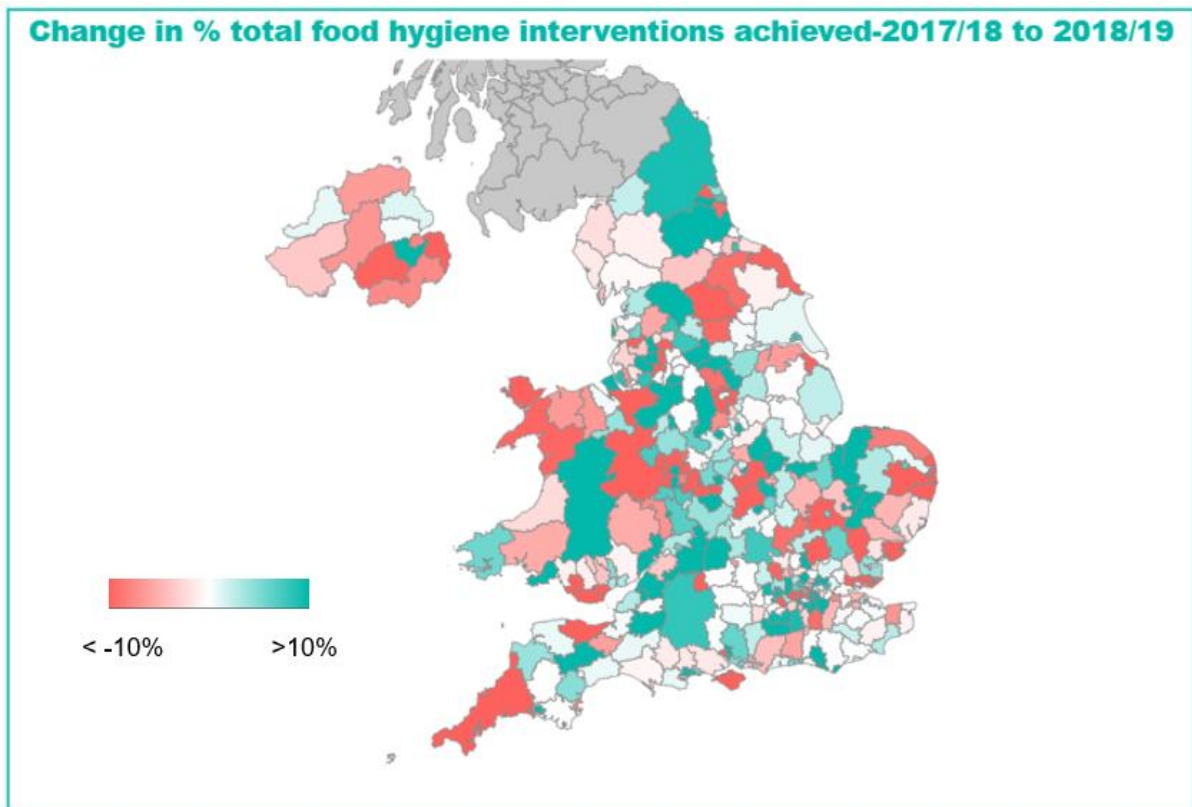


Figure 2: Change in % high risk food hygiene due interventions achieved - 2017/18 to 2018/19

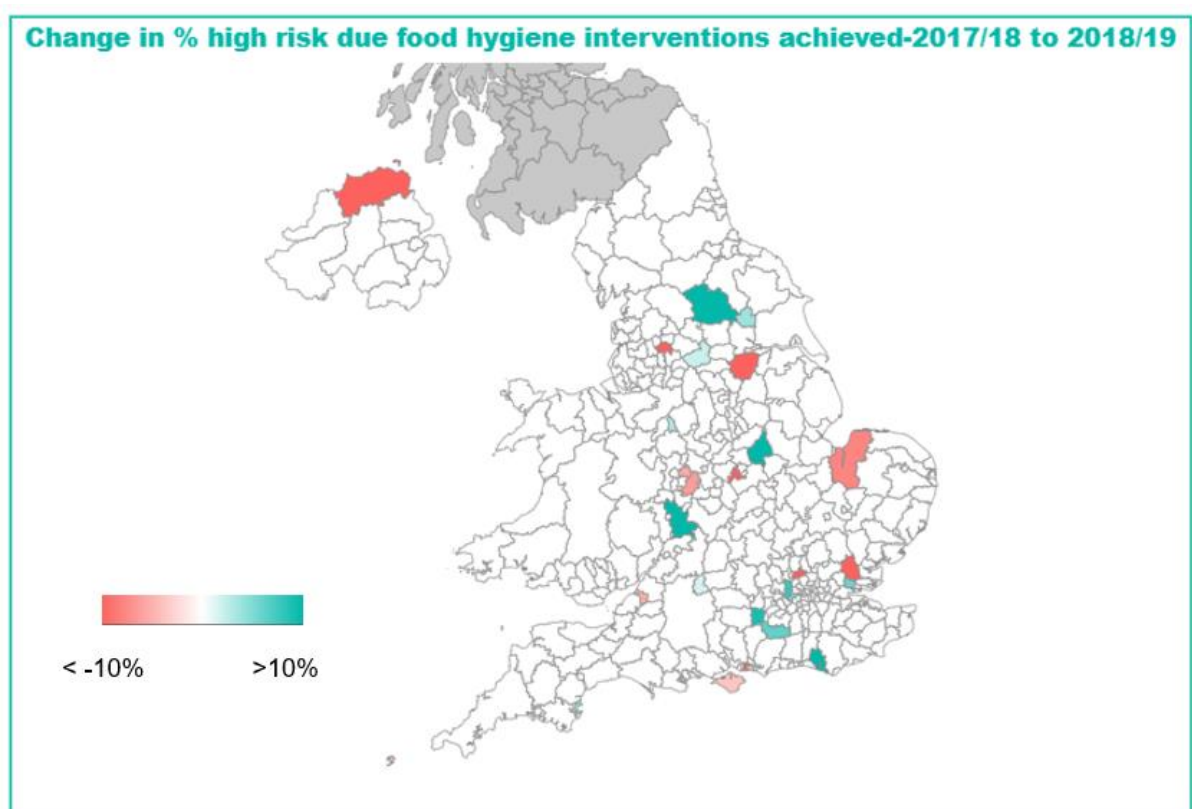


Figure 3: Change in % of establishments which are 'broadly compliant' or better – 2017/18 to 2018/19

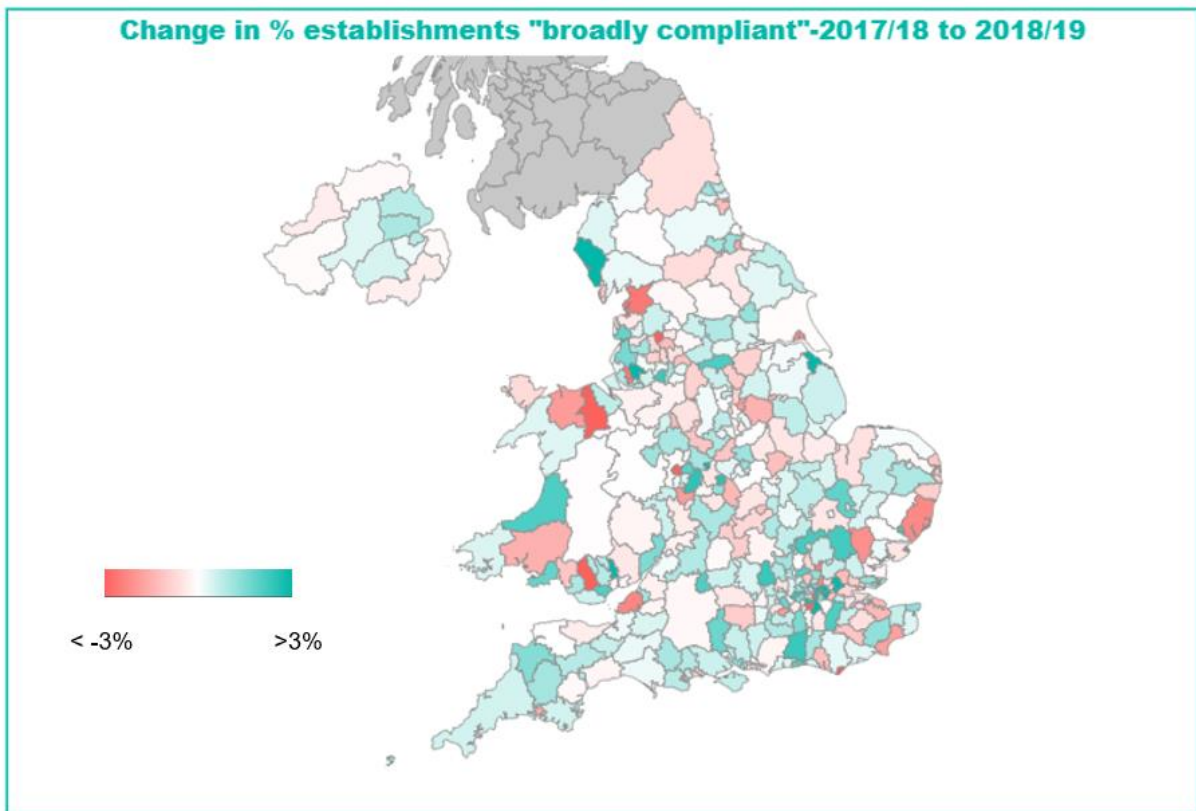
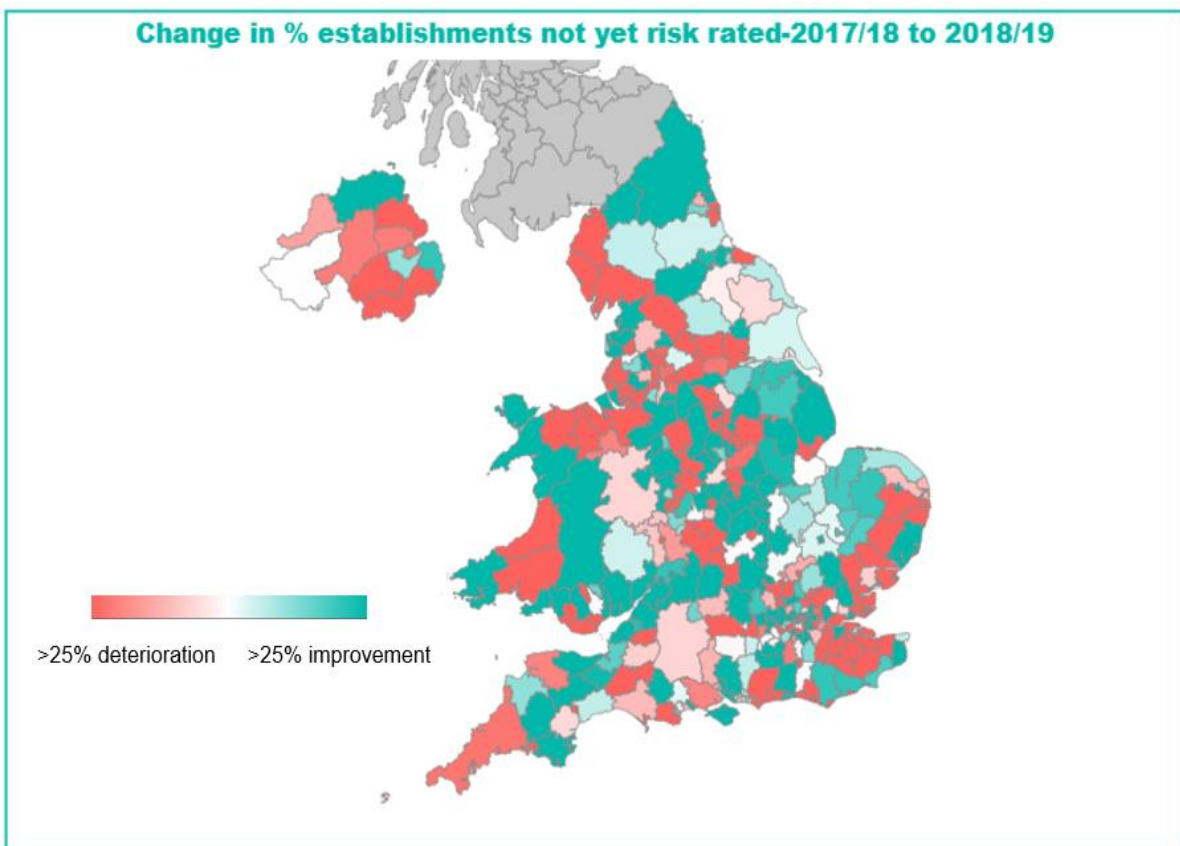


Figure 4: Change in % of establishments which are not yet risk rated – 2017/18 to 2018/19



Performance management programme

4.5 In terms of individual local authorities, we will identify those where performance improvements are necessary and will work with and support them to develop and implement proportionate and time bound action plans. We will monitor progress against these plans and where action is not taken, or where improvements are not sustained, we will follow the agreed escalation procedures so that public health is protected, and consumer confidence maintained.

5. Next Steps

5.1 We propose to integrate FHRs data to the BSC tool. We are currently working to develop the technology that will facilitate this and enable us to regularly update the data so that we may use it as part of our assessment of local authority performance. It is envisaged that initially, analysis will be undertaken quarterly but longer term we anticipate that it will be possible to have more real time access to the data which will help us develop a more timely and dynamic approach.

5.2 In the first instance, our assessment will be based on a straightforward analysis of the data but in the medium to longer term, analysis will be underpinned by a set of agreed FHRs KPIs. These could include the proportion of compliant businesses – those with a food hygiene rating of 5 - over time, or the proportion of non-compliant businesses – those with a rating of zero, 1 or 2. This would allow the assessment and benchmarking of local authority performance and would enable us to measure the effectiveness of a local authority at targeting their limited resources towards the non-compliant and higher risk businesses. The availability of a more frequent and more timely data set, and its assessment, will also enable us to intervene earlier than is possible at present using the LAEMS data. We will be working with local authorities during the rest of 2019 to explain how we will use the FHRs (and other data sets in due course) with the BSC and will consult them on the development of appropriate FHRs KPIs.

6. Conclusions and Recommendations

6.1 Comparison of the LAEMS data for 2018/19 compared with that for 2017/18 has highlighted some small positive changes but also some issues of concern, particularly in Wales and Northern Ireland, which we need to explore further.

6.2 Resources continue to be a significant issue as highlighted in the NAO report on food regulation. This noted that the level of funding local authorities in England allocated to food controls has been declining for a number of years, driven by significant funding pressures coupled with increased demand for other services. As recommended in the report, we intend to work very closely with other parts of government to determine the level of government funding required to ensure food safety and standards.

- 6.3 The BSC is already giving us a better visualisation of overall local authority performance and making it easier for us to identify both common areas for improvement as well as areas of improvement for individual local authorities.
- 6.4 Integrating FHRS data will provide more timely data enabling more effective ongoing monitoring and enabling the performance management programme to be more flexible and dynamic.

The Business Committee is asked to:

- Comment on the 2018/19 data on local authority regulatory activities and the changes in the picture since 2017/18;
- Comment on the assessment of performance using the BSC, areas for improvement and the performance management programme to address these; and
- Agree the plans for integrating FHRS data to the BSC.