

FOOD HYGIENE RATINGS REPORT



Understanding how changes to food hygiene ratings legislation could impact upon UK hospitality and retail businesses



NFU Mutual
INSURANCE | PENSIONS | INVESTMENTS

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THE FUTURE OF FOOD HYGIENE

Darren Seward, Hospitality and Food and Drink Sector Specialist at NFU Mutual



Darren Seward

When chatting with clients operating in the hospitality and retail space, their outlook for the medium to long term future broadly comprises a combination of opportunity and uncertainty. Emerging anxieties including changes to the market landscape, technology, cyber crime and data protection issues, and of course, Brexit, all bring with them challenges that are keeping some business owners awake at night.

In a recent study, we asked owners of hospitality and retail businesses what they consider to be the top risks to the future of their company. Perhaps unsurprisingly, increased competition, damage to reputation and increased regulation came out amongst the top concerns.¹

One such regulation that holds pronounced influence on the reputation of a business is food hygiene.

On 7 October 2016, changes to legislation in Northern Ireland made it compulsory to display food hygiene ratings in a prominent place such as the windows, door or entrance, of any outlet that serves or sells food such as restaurants, pubs, cafes, takeaways, hotels, schools, hospitals and supermarkets.²

The same legislation was also applied in Wales in November 2013, and in November 2016 was hailed by the Welsh Government as a 'big success story, helping to drive up standards'.³ While Scotland uses a different scheme - the Food Hygiene Information Scheme - similarly each food outlet is asked to display a certificate and/or a sticker on their door or window, stating whether they have passed their hygiene inspection, or whether improvement is required.⁴

The same rules have not yet been applied in England. However within the Food Standards Agency's strategy for 2015-2020, it is highlighted that they favour extending mandatory display of food hygiene ratings at food outlets to England, and have been gathering evidence to inform a case to present to the Government for consideration.⁵ Therefore the possibility of legislation for food outlets to display food hygiene ratings in a prominent place could also apply in England in the near future, possibly as soon as 2019 if not earlier.⁶



BRITISH HOSPITALITY ASSOCIATION

With outcomes that can apply to all businesses across the UK, our research found that getting a good food hygiene rating is extremely important to a business' reputation; so much so that that only "1 in 20 people would not be influenced by food hygiene ratings". Given this knowledge, it could be expected that any changes to the way that food hygiene ratings function may raise some concern. However, using the right advice and taking relatively simple steps can ensure that the food hygiene inspection process runs smoothly and the all-important positive rating is achieved or maintained.

These changes present an opportunity that those businesses that stand up to the challenge can use to their competitive advantage.

Of course it is not only reputation that can be affected by food hygiene. Failing obligations to safeguard the health of customers can also come with a hefty price tag when faced with a public liability claim, a health and safety

dispute or a product recall issue, that could even put a business out of action if not adequately insured for. If it is not already, food hygiene must be at the top of the agenda for businesses across the UK all that serve or sell food. The most important thing is that business owners act now to uphold their place in a competitive market and prepare for the potential for change.

The purpose of this paper is for NFU Mutual to understand how food hygiene ratings affect UK businesses, how changes in England could impact upon the industry and provide our customers with information that will help them to succeed.

If you would like further information or advice about this paper, or hospitality or insurance-related issues, please feel free to contact your local agent by visiting nfumutual.co.uk/branches.



Dr Lisa Ackerley

The BHA appreciates the Food Hygiene Rating Scheme (FHRS) and its importance, and is supportive of NFU Mutual's ongoing commitment to research into the current and future risks and challenges faced by hospitality businesses.

The BHA supports the importance and value of the Food Hygiene Rating Scheme (FHRS) as a means of encouraging business operators to improve and maintain high standards.

It is reassuring to see that consumers are engaged with this scheme. The research shows that good food hygiene ratings are extremely important for consumers and food businesses alike.

The BHA is calling for processes to be put in place to ensure that any mandatory scheme is fair and consistent and would like to see improved consistency, a fairer appeals process, more timely revisits and more rapid ways of reassessment for low risk, easy to fix issues.

There are a number of BHA tools available to help businesses to obtain and maintain good food hygiene ratings.

The BHA's Industry Guide to Good Hygiene Practice: Catering 2016 is recognised by the Food Standards Agency, Food Standards Scotland and assured by the BHA's Primary Authority, Cornwall Council. This helps caterers comply with their legal obligations, provides suggestions for best practice and guides the industry on achieving the highest standards. bha.org.uk/industry-guide-good-hygiene-practice.

Dr Lisa Ackerley
Food Safety Adviser
British Hospitality Association



1 Qualitative research conducted with Charterhouse Research for NFU Mutual in December 2017
2 FSA Hygiene Ratings Schemes www.food.gov.uk/multimedia/hygiene-rating-schemes/ratings-find-out-more-en/fhrs
3 Welsh Government Newsroom <http://gov.wales/newsroom/health-and-social-services/2015/151128food-hygiene/?lang=en>
4 Food Hygiene Information Scheme Scotland www.foodstandards.gov.scot/food-safety-standards/food-safety-hygiene/food-hygiene-information-scheme
5 FSA Impact Assessment www.food.gov.uk/news-updates/help-shape-our-policies/impact-mandatory-display-ratings-england
6 Media interview with FSA director www.conveniencestore.co.uk/news/stores-face-mandatory-display-of-food-hygiene-scores/543637.article





SUMMARY OF FINDINGS

Darren Seward, Hospitality and Food and Drink Sector Specialist at NFU Mutual

As part of NFU Mutual's ongoing commitment to understand the current and future risks and challenges faced by businesses with a hospitality and retail offering, this research illustrates how changes to food hygiene ratings could affect the behaviour of our clients' customer base. Using research agency ICM Unlimited in November 2016 and using a demographically representative split across Great Britain, the NFU Mutual study surveyed 2,016 people.

Most significantly, the research found that getting a good food hygiene rating is extremely important; so much so that that only 1 in 20 people would not be influenced by food hygiene ratings.

Food hygiene is so significant that even customer loyalty cannot prevail against it - a huge 38% of people said that if a favourite food outlet had scored 3 out of 5 'generally satisfactory' or less, they would stop visiting altogether¹

For the same score of 3 or less, 45% would not consider visiting a food outlet they hadn't tried before², and 44% would even turn away and try somewhere else.

At the beginning of 2018 there were just over 60,000 businesses across England, Wales and Northern Ireland holding food hygiene ratings of 3 or less that could be directly affected by potential and existing loyal customers physically turning away from their door (Food Hygiene Information Scheme ratings used in Scotland are not directly comparable). To put the scale of the problem in context - that is almost one in every eight relevant businesses in the UK².

This figure is also likely to cause further alarm for businesses scoring a 3 or less when also aligned with data that shows the vast majority of people (80%)

are currently unaware of or not actively seeking the food hygiene ratings for their favourite food outlets. While some visitors may currently be complacent, the introduction of compulsory displays of ratings is likely to provide an awakener for customers to think more carefully about their purchase decisions.

Our research also found that poor ratings could have a lasting effect. Even if a food business had a poor food hygiene rating and made changes that rectified it to a very good food hygiene rating, over half (55%) of people would either have lost trust and not be satisfied that the hygiene was up to standard or that the food was safe, or be more satisfied but still wary of the hygiene and safety of the food.

Crucially, the notion of a law for compulsory display of rating stickers in England and Scotland has gained the support of consumers, with 88% in favour and 66% strongly so. **Therefore it is vital that business owners take the prospect seriously, acting now** to prepare for a food hygiene ratings inspection or to preserve a good rating that they may already have.

Towards the end of the paper you will also find health and safety advice that will help to ensure that standards of food hygiene are at the required criteria to achieve a positive rating.

¹ Figures exclude those who still see the maximum rating as unacceptable and those who wouldn't be influenced by ratings at all

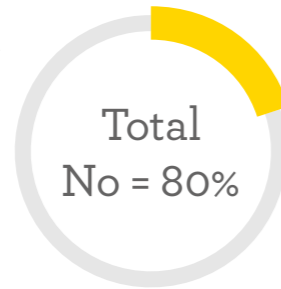
² According to the Food Standards Agency website search tool on 02/01/18 there were 60,055 businesses in England, Wales and Northern Ireland with a rating of 3 or less, out of 478,964 in total, equal to 12.5% or 1 in 8 businesses. Scotland uses a different scheme to the Food Hygiene Ratings Scheme called the Food Hygiene Information Scheme, with incomparable rating measures for the purposes of the study www.foodstandards.gov.scot/food-safety-standards/food-safety-hygiene/food-hygiene-information-scheme

CURRENT ATTITUDES

Respondents were asked about their current attitudes to food hygiene ratings. Given that poorer food hygiene ratings are kept discreet, customers are currently more complacent toward them within their purchase-making decisions. Interestingly, people hold different expectations for different types of food establishment, which could provide either a stark awakener for customer when ratings are not met, or a pleasant surprise when expectations are exceeded.

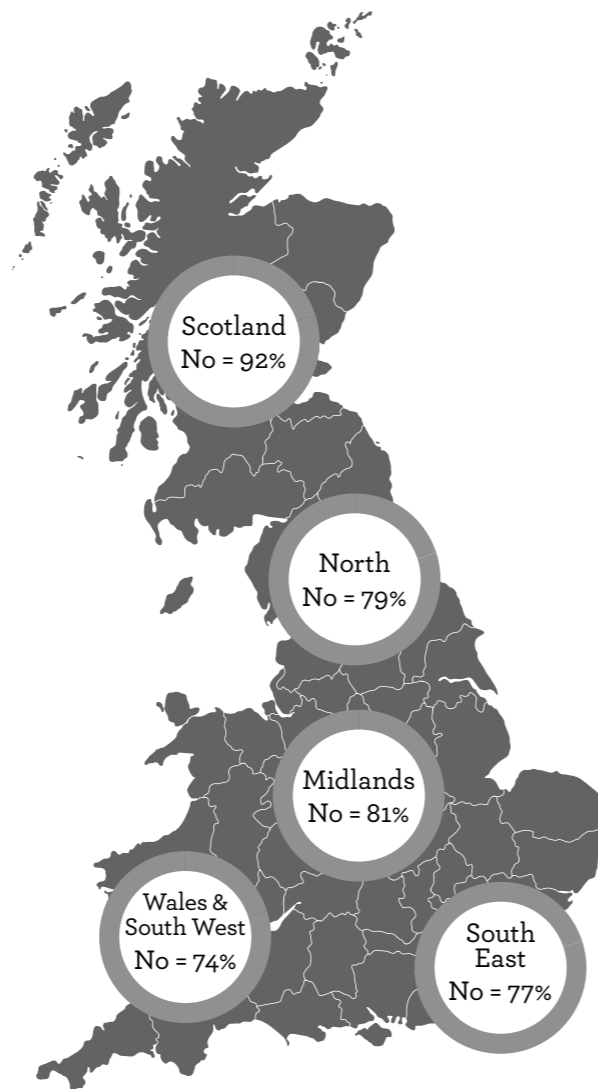
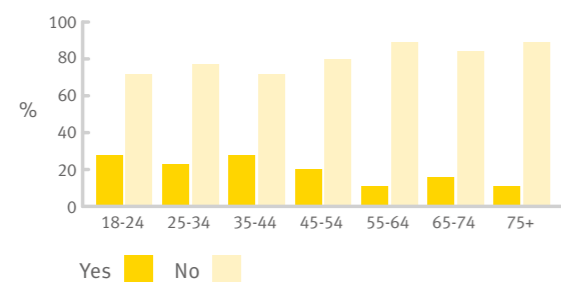
Do you know the hygiene ratings for all your favourite food outlets, such as bakeries, restaurants and takeaways?

80% of people are currently unaware of the food hygiene ratings for their favourite food outlets



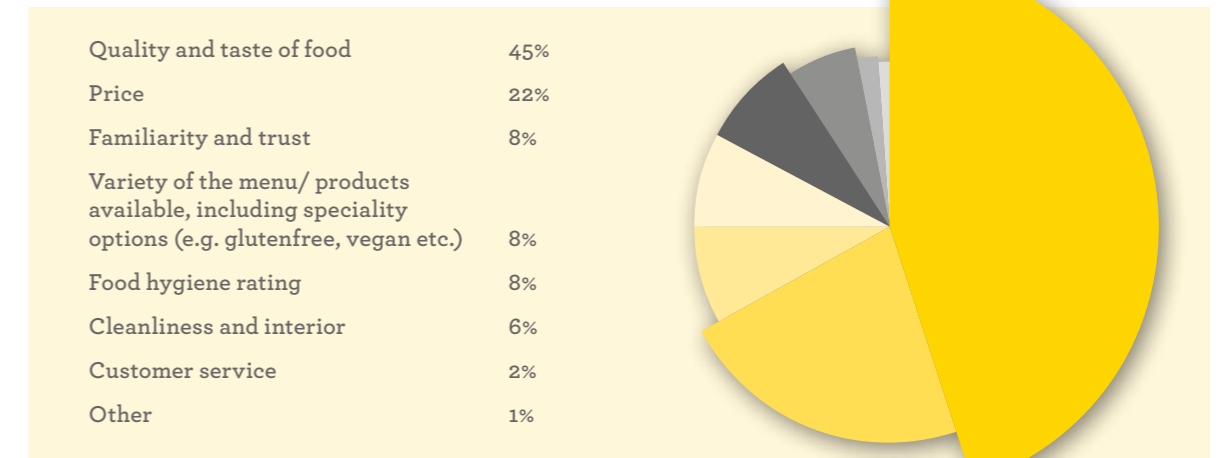
Those in the South East are most likely to already know the food hygiene ratings for their favourite food outlets (23%) while those in the Midlands (19%) and Scotland (8%) are least aware.

Individuals over the age of 55 are less likely to know their favourite food outlet's food hygiene ratings, with 18-24 and 35-44 year olds the most savvy



Generally speaking, what do you find most important when choosing a place to purchase food (e.g. restaurant, supermarket, takeaway, etc.)?

Quality and taste of food (45%) and price (22%) are currently the most influential purchase decision factors, although for 14% the food hygiene rating or cleanliness and interior are the most important.



PUBLIC SUPPORT

Which of the following eating outlets do you generally assume to have good or very good food hygiene ratings? (Select all that apply)

People's expectations of food hygiene ratings vary to a large extent by establishment: a majority of respondents expect fine dining restaurants, hotel restaurants, bakeries, and delicatessens to have a good or very good food hygiene (61% average); whilst less than a third (32%) think fast food restaurants and about a quarter (26%) think that takeaways would have such a rating.

People expect that artisan markets and food stalls are the least likely to have a good or very good hygiene rating, with scores of 18% and 12% respectively.

	Total	18-24	25-34	35-44	45-54	55-64	65-74	75+
Fine dining restaurants	69%	60%	62%	66%	72%	73%	73%	82%
Hotel restaurants	60%	45%	54%	55%	66%	67%	66%	71%
Bakeries and delicatessens	55%	48%	46%	48%	60%	58%	60%	68%
Cafes or bistros	43%	41%	38%	45%	53%	43%	43%	33%
Casual or family dining restaurants	40%	36%	34%	38%	45%	43%	41%	42%
Pubs and bars	39%	24%	32%	40%	51%	42%	40%	42%
Catering company	33%	26%	34%	31%	37%	37%	33%	34%
Fast food restaurants	32%	25%	30%	35%	40%	36%	28%	24%
Takeaway restaurants	26%	23%	22%	28%	34%	27%	24%	21%
Artisan markets	18%	19%	22%	16%	21%	19%	16%	10%
Food stalls/vans (e.g. festival caterers)	12%	15%	14%	10%	13%	11%	8%	10%
I don't expect any eating outlets to have a good food hygiene rating	7%	3%	10%	6%	4%	11%	5%	5%

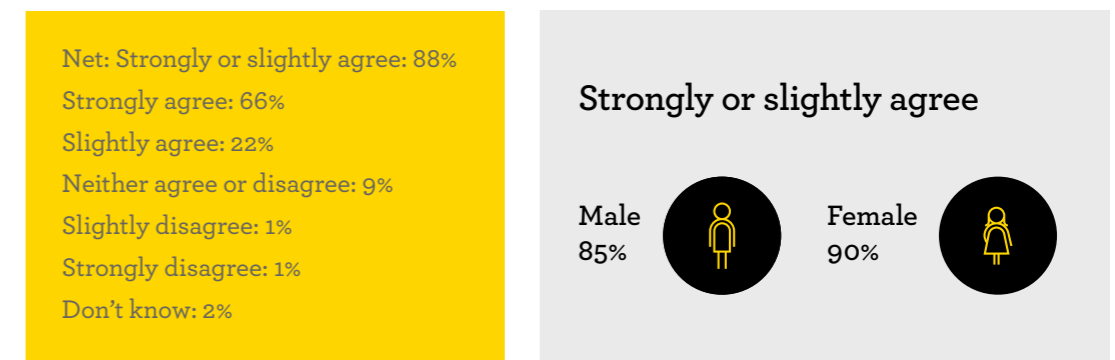
Respondents were asked for their opinion on the prospect of a law in England for the display of food hygiene rating stickers in a prominent place to become compulsory. The findings show that the concept is supported by consumers, emphasising the potential for its implementation.

Recent changes to the law in Northern Ireland made displaying food hygiene ratings compulsory in the windows of restaurants, pubs, cafes, takeaways, hotels, bakeries, supermarkets, schools, residential care, hospitals and other businesses that serve food. To what extent do you agree that this is a good idea?

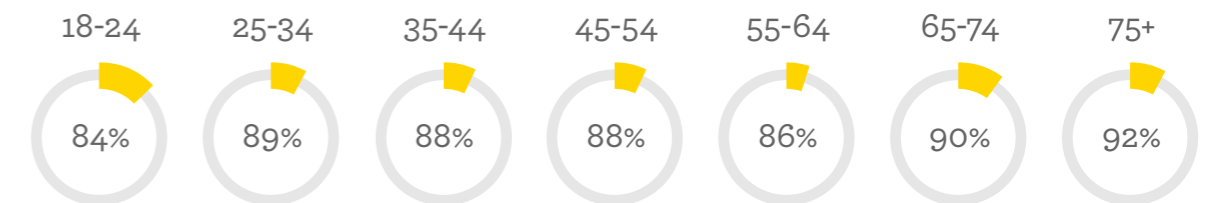
The vast majority of people (88%) are in favour of making displaying food hygiene ratings in the windows of outlets that serve food compulsory, 66% of which are strongly in favour

People aged over 65 are most likely to be in favour of compulsory food hygiene rating window stickers (91%), followed by people aged 25-34 (89%)

Women are slightly more in favour of compulsory window stickers than men (90% compared with 85% respectively).



Importance of food hygiene rating by age



POTENTIAL IMPACT

When respondents were asked which food hygiene rating scores would be unacceptable to them in a variety of situations, the results consistently showed that a score of 3 (generally satisfactory) or less would be inadequate to many. Over half of people also expressed concern at the validity of an improved food hygiene rating, either remaining wary or losing trust in the standard and safety of the food.

Think about your favourite food outlet (e.g. favourite restaurant or café). What score would make you decide not to visit that outlet any longer? Please select the highest score that is unacceptable to you.

Over a third (38%) of respondents would not visit an outlet any longer if it scored 3 out of 5 (generally satisfactory) or less (excluding those who still see the maximum rating as unacceptable and those who wouldn't be influenced by ratings at all).



Think about a food outlet that you haven't visited before. What score would make you decide not to try it? Please select the highest score that is unacceptable to you.

45% of people would not visit a food outlet they had not tried before if it had a food hygiene rating of 3 out of 5 (Generally Satisfactory) or less (excluding those who still see the maximum rating as unacceptable and those who wouldn't be influenced by ratings at all).



If the food hygiene rating was displayed in the window of all food outlets, what score would make you turn away and try somewhere else in general? Please select the highest score that is unacceptable to you.

Just under half (44%) of respondents would generally turn away and try somewhere else if an outlet scored 3 out of 5 (generally satisfactory) or less (excluding those who still see the maximum rating as unacceptable and those who wouldn't be influenced by ratings at all).

Fewer than 1 in 20 respondents say that they would not be influenced by a food hygiene rating when deciding whether to visit or turn away from a food outlet.



If a food business had a poor food hygiene rating and made changes that rectified it to a very good food hygiene rating, how would you feel about eating food from there?

If a food business had a poor food hygiene rating and made changes that rectified it to a very good food hygiene rating, over half (55%) of people would either have lost trust and not be satisfied that the hygiene was up to standard or that the food was safe, or be more satisfied but still wary of the hygiene and safety of the food.

	Total	South East	Midlands	North England	Wales & South West	Scotland
I would be satisfied that the hygiene was now up to standard and the food was safe	40%	42%	37%	39%	43%	39%
I would be more satisfied but still wary of the hygiene and safety of the food	46%	45%	47%	46%	46%	43%
I would have lost trust and not be satisfied that the hygiene was up to standard or that the food was safe	9%	9%	10%	10%	6%	11%
Don't know	5%	4%	5%	5%	6%	7%



WHEN AN INSPECTOR CALLS

Sandy Cox, Health and Safety Consultant at
NFU Mutual Risk Management Services Limited



Sandy Cox

The benefits of good food hygiene

There are many benefits to getting a good food hygiene rating. The most obvious are to keep customers safe, to ensure customer satisfaction and to maintain a great reputation – but there are plenty of other good reasons to make sure that food hygiene is at the top of your priority list.

- Better food hygiene ratings imply better standards in the business as a whole, which can inspire employee satisfaction as well as customers'. Employees want to be proud of their workplace and spend their time in a clean and comfortable environment, and when the conditions are right it can lead to less staff turnover and more happy customers.
- Having a good track record for hygiene will allow a business to benefit from a better working relationship with the Environmental Health Officer/Food Safety Inspector – including less frequent inspections.
- A business with good food hygiene will be naturally less likely to cause a food poisoning issue or complaint, and importantly, will have more evidence to refute it.
- A better managed food business should keep costs down in the long-term. You don't have to spend lots of money to get things right – good systems, good staff training, and good management go a long way to keep any nasty surprises such as fines and public liability claims at bay.

Achieving a good hygiene rating

Aside from keeping your premises clean and hygienic, there are many other ongoing training and paperwork considerations to keep at front of mind so that you or your employees are not caught off guard when an inspector visits. It goes without saying, but you need to make sure the premises is always as good as it can be in all areas assessed by the Food Hygiene Ratings Scheme.

The Food Hygiene Ratings Scheme looks at three key areas: food hygiene, structure and confidence in management. It only takes one area to be poor to affect the whole rating – for example, no documented system leads to a hygiene rating of 1 (major improvement necessary), so it's extremely important to be organised and keep on top of every aspect.



Advice from Sandy Cox, Health and Safety Consultant at NFU Mutual Risk Management Services Limited

AS PART OF A PROPER FOOD HYGIENE STRATEGY, THE FOLLOWING TIPS COULD HELP TO ACHIEVE A BETTER RATING:

1. Concentrate on those areas that you can influence easily and quickly, for example improving food hygiene and safety procedures and practices. The second part of your focus should be the structure of your premises, for example cleanliness, layout, condition and lighting. If the structure is a bit tired and the layout difficult to change- make up for this as much as possible by ensuring good cleaning and flow of product, for example.
2. When setting up a new business – make sure you seek advice and request an advisory visit, and register your business with your local authority in good time for an initial inspection.
3. Ensure that all employees are suitably trained in proper food hygiene methods, and that you keep ongoing records as proof of the care you take to keep food safe. Training employees to keep records can help to share the load and ensure that everything is logged.
4. Keep all records such as cooking and temperature control, pest control, training records and the Food Standards Agency's Safer Food, Better Business packs up to date and legible. Make sure the records are legitimate, that they are kept in a safe and easily accessible place, and that no-one completes records in advance for whatever reason.
5. Make sure that there are no risks of cross contamination between raw foods and 'ready to eat' food. Remember that raw food is not just raw meat or raw fish, but unwashed veg too. If you haven't considered and applied correct separation procedures, or have the correct British Standard chemical and know the correct usage, then you are likely to get a food hygiene rating of 2. Full E. coli guidance can be found at www.food.gov.uk/business-industry/guidancenotes/hygguid/ecoliguide
6. Make sure that you or a manager accompany the Environmental Health Officer (EHO) on their visit and ask them to summarise their findings at the end. Make sure that you follow through with any required actions – the EHO will assess you on compliance (confidence in management). Update the Officer on what you have done to make changes before the next inspection, rather than leaving it until the next time they visit.
7. Ensure that you understand the difference between the Food Establishment Intervention Rating Schemes and the Food Hygiene Ratings Scheme (FHRS). The first is used by the EHO to give your business a score that is used to determine the risk of the business and the frequency of inspection and in turn used to determine the FHRS. The lower the score the better. The FHRS is then scored out of five, and the higher the score the better. At the moment in England it is your choice if you display this result for your customers to see, whereas in Wales and Northern Ireland display in a prominent place is mandatory. In Scotland the Food Safety Information Scheme gives you a Pass or Fail.
8. If you are a member of NCASS (Nationwide Caterers Association), be aware of the Primary Authority Partnership that they have, and tell the EHO when they visit (although they may have this information already) as you may have adopted their 'Due Diligence System'. This partnership scheme only covers England and Wales and may be taken account of in Scotland, but has no legal standing. Larger companies may also have a Primary Authority Partnership with a particular Local Authority (LA) and then all EHOs must take heed of this. It helps to improve consistency across businesses, particularly where they have the same type of outlet in lots of different places. The scoring schemes have lots of guidance for the EHO to follow, but the scoring can still be open to interpretation and different people or local authorities may score differently.
9. If you think your rating is unfair or poor – speak to the EHO as you have the 'right to reply'. This is different from an appeal, and allows you to tell potential customers how the business has improved hygiene, or to declare unusual circumstances at the time of the inspection. A business's right to reply will be published online by the local authority along with the business's hygiene rating. Use the right to reply when you have done everything you can and have requested a rescore, but are in the period of waiting for it to happen. The local authority may rescore after three months from the original visit and has up to six months to do so, so it could be a while that you would be stuck with the original rating even having made improvements. If you are still unhappy, look at the local authority's appeal process.
10. Once you have made any improvements that you feel would change your position you can request a revisit and get a new rating – don't wait until the next inspection.



There is lots of valuable information on the Food Standards Agency website regarding the Food Hygiene Ratings Scheme: food.gov.uk/multimedia/hygiene-rating-schemes/ratings-find-out-more-en/fhrs

ABOUT NFU MUTUAL

Insurance that's all about your business

Whatever the profile of your business, from small independents to large national businesses, NFU Mutual Insurance is all about you.

As a mutual organisation, our customers are our members, so we're proud to offer a range of products designed to meet our customers' needs - from the artisan producer right up to the most complex and largest organisations in the UK. We're recognised for our financial strength so our customers can trust us to deliver on our promises.

Regardless of the size of your business, there is so much to think about when you open your doors to your customers, from the health and safety of your staff and customers to food hygiene and staffing levels. You may be at risk of business interruption through any number of issues - cyber attacks, damage to your property, the loss of a major supplier or customer, the loss of a key person through illness, or an outbreak of food poisoning. But you're not alone. NFU Mutual can help you plan for the unexpected and get you back on your feet should things go wrong.

Our network of specialist local Agents work extensively with the hospitality and retail industries - everything from local coffee shops, bed and breakfasts to a chain of restaurants or food stores and urban chic hotels. Not only do they understand your industry, but they're also on your doorstep to provide a local personal service. They'll meet you face to face to build a personal relationship and understand your requirements. Only then will they recommend commercial insurance that's right for you. Agents are also supported by a team

of experts - underwriters, surveyors, loss adjusters, even buildings valuation experts. Experts all accessed through one single NFU Mutual point of contact.

To keep business running smoothly they can recommend a wide choice of NFU Mutual products and services.

Business insurance - We can advise you on tailored cover to match your specific business needs and whatever insurance you take we always guarantee a no quibble claims service.

Risk Management Services - Our health and safety consultants from NFU Mutual Risk Management Services Limited are committed to providing the highest level of guidance and advice on health and safety within your business.

Financial Protection - We can offer a range of products from protection for loss of key person and director's liability to employee benefits such as pensions, succession planning and investments.

The right insurance starts with the right conversation. So contact your local Agent today by visiting nfumutual.co.uk/branches



THE NEXT STEP

To contact your local NFU Mutual Agent visit nfumutual.co.uk/branches.

For more information and advice on a range of hospitality and retail services visit nfumutual.co.uk/business

Alternatively, you can speak directly to our Hospitality and Food and Drink Sector Specialist, Darren Seward, using the contact details below.

Email: Darren_Seward@nfumutual.co.uk
Phone: 01789 443 233



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Further reports on a range of topics affecting the hospitality and retail sectors and more can be found at nfumutual.co.uk/reportsandguides

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