

# **Food Standards Agency (FSA)**

**Core Tables 2019/20**

# **Departmental Core Tables: FSA Westminster only**

The following tables have been produced since 2011/12 to support the Annual Report and Consolidated Accounts. They are designed to allow users to review financial performance over past and future periods and provide information up until 2020/21. Tables are consistent in their presentation across government departments and allow users to make comparisons.

In 2016/17 the reclassification of specific Research and Development expenditure and supporting staff costs expenditure from Resource DEL to Capital DEL was introduced. This is detailed below under the Capital DEL heading and is only classed as Capital DEL for HM Treasury (HMT) reporting purposes not in the Resource Accounts. All figures in the Core Tables have been adjusted retrospectively.

# Food Standards Agency

## Table 1: Total departmental spending

	£'000					
	2015-16 OUTTURN	2016-17 OUTTURN	2017-18 OUTTURN	2018-19 OUTTURN	2019-20 OUTTURN	2020-21 PLANS
<b>Resource DEL</b>						
Food Standards Agency Westminster (DEL)	79,141	78,069	77,813	81,838	89,632	105,670
<b>Total Resource DEL</b>	<b>79,141</b>	<b>78,069</b>	<b>77,813</b>	<b>81,838</b>	<b>89,632</b>	<b>105,670</b>
<b>Resource AME</b>						
Food Standards Agency Westminster (AME)	495	2,163	1,159	3,016	3,923	9,603
<b>Total Resource AME<sup>1</sup></b>	<b>495</b>	<b>2,163</b>	<b>1,159</b>	<b>3,016</b>	<b>3,923</b>	<b>9,603</b>
<i>Of which:</i>						
Take up of provisions	4,305	5,903	4,971	4,945	5,749	12,271
Release of provision	(3,810)	(3,740)	(3,812)	(1,930)	(1,826)	(2,668)
Other resource						
<b>Total Resource Budget</b>	<b>79,636</b>	<b>80,232</b>	<b>78,972</b>	<b>84,854</b>	<b>93,555</b>	<b>115,273</b>
<i>Of which:</i>						
Depreciation <sup>2</sup>	1,943	2,273	2,312	1,273	2,049	2,586

<b>Total Capital DEL</b>	<b>4,295</b>	<b>4,684</b>	<b>6,450</b>	<b>6,545</b>	<b>7,396</b>	<b>8,690</b>
<i>Of which:</i>						
Research & Development staff costs (ESA10)	978	1,030	461	370	886	928
Research & Development (ESA10)	2,490	2,519	2,515	1,888	4,517	4,672
Purchase of assets	865	1,134	3,535	4,287	1,993	3,090
Income from sales of assets	(38)	0	(61)	0	0	0
<b>Total Capital Budget</b>	<b>4,295</b>	<b>4,684</b>	<b>6,450</b>	<b>6,545</b>	<b>7,396</b>	<b>8,690</b>
<b>Total departmental spending<sup>3</sup></b>	<b>81,987</b>	<b>82,643</b>	<b>83,110</b>	<b>90,126</b>	<b>98,902</b>	<b>121,377</b>
<i>Of which:</i>						
Total DEL	81,492	80,479	81,951	87,111	94,979	111,774
Total AME	495	2,163	1,159	3,016	3,923	9,603

<sup>1</sup> Pension schemes report under IAS 19 accounting requirements. These figures therefore include cash payments made and contributions received, as well as certain non-cash items

<sup>2</sup> Includes impairments

<sup>3</sup> Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME.

\* Outturn for the periods 2012-13 to 2015-16 have been restated for the Research and Development expenditure reclassification under ESA 10.

Total Resource DEL is relatively static over the period from 2014 – 2018 in line with HMT budgetary requirements. In 2018/19 and 2019/20 expenditure increased in line with significant investment regarding the preparation for and implementation of EU Exit outside business as usual activities.

In 2016/17 there is decrease in Resource DEL of £1,072k mainly due to a reduction in programme project investment of £3,947k, staff costs have also reduced by £2,372k. These reductions are partially offset by increased IT investment of (£1,346k), a reduction to Industry Income of (£2,396k), additional Travel costs of (£695k) and increased Bad debts of (£614k).

In 2017/18 Resource DEL decreases by £255k. IT costs increased by (£2,716k) and Accommodation costs (£2,061k) due to the relocation of our London based office and associated exit costs and implementation of our flexible working policy across the FSA. This was a significant investment in 2017/18 to realise savings in future periods. Staff costs have increased by (£1,298k) mainly as a result of increased Agency staff costs (£577k) the introduction of the Apprenticeship Levy across Government (£162k), and an increase in staff salaries of (£456k) which is the 1% pay award offset by a reduction in headcount of 23 posts. Contractor costs have increased by (£989k) due to a 6% price increase in the new Meat Inspection contract. Offsetting these increases in expenditure is a saving on programme expenditure of £2,246k, increased Income of £1,940k due to 2016/17 EU minima shortfall of £2,500k impacting 2016/17 results, reduction in the utilisation of Legal and Pension provisions £1,378k, FSA bad debt reduction £939k, Staff Overheads saving £591k and consultancy savings of £310k.

In 2018/19 Resource DEL increased by (£4,025k) of which (£10,525k) relates to EU Exit preparations investment. In relation to business as usual, excluding EU Exit expenditure, there has been a reduction of £6,500k mainly because of the following; Staff costs £2,694k due to a reduction in staff salaries and associated overtime of £2,080k and savings on Agency staff of £614k, Accommodation costs £2,601k due to efficiencies from our London office relocation, reduction in office floor space and the impact of our flexible working policy across the FSA, IT costs £3,120k due to the successful disaggregation of the previous IT Managed Service Contract in 2017/18 allowing the FSA to drive significant efficiency savings, Depreciation £1,040k and Programme expenditure of £910k due to resources being prioritised to EU Exit preparations work. These savings have been partially offset by increased contractor costs of (£2,803k) due to a contract price increase in the Meat Inspection contract provision, Staff overheads (£880k) due to increasing travel, training and severance costs. Future plans period 2019/20 is to increase by a further £16,456 due to additional EU exit funding and a renewed focus on business as usual activity and priorities.

In 2019/20 Resource DEL increased by (£7,794k) of which (£2,982k) relates to EU Exit investment. In relation to business as usual expenditure, excluding EU Exit costs, there has also been an increase of (£4,811k) mainly due to the following: Staff costs (£5,299k) due to significantly increased headcount 64 FTEs and increased salary costs due to pay inflation and increased employer pension contributions from April 19, increased Programme expenditure of (£802k) due to investing resources in BAU activities across the business, a Depreciation increase of (£425k) as a result of greater capital investment in 17/18, 18/19 and 2019/20; and increased contractor

costs of (£397k) due to contract price increases in relation to EU Exit pressures. These increases have been partially offset by additional Meat Hygiene Inspection Income of £1,242k from increased hourly charge out rates, offset by a reduction in hours charged. Consultancy expenditure has also reduced by £594k.

Future plans period 2020/21 RDEL is to increase by a further £16,038k due to the significant underspend in 2019/20 RDEL against plans of £6,730k and a renewed focus on business as usual activity and priorities post EU Exit, as well as the non-repeating requirement to switch funding from RDEL to CDEL for R&D Capital expenditure.

Total Resource AME fluctuates over the Spending Review periods. This reflects the introduction of the clear line of sight initiative and its implications for reporting provisions. In 2016/17 AME increased by (£1,668k) mainly due to the one-off reduction to dilapidations provision in 2015/16 not being repeated. In 2017/18 there is a decrease of £1,005k mainly due to less creation of; Legal provisions £1,148k, Dilapidations provision £327k and Early retirement provision £325k, offset by increased LPFA pension provisions creation of (£841k). In 2018/19 AME increased by (£1,857k) mainly due to the 2017/18 Dilapidations for the London Office not being repeated (£1,450k), and less Legal claims (£274k). In 2019/20 AME increased by (£907k) mainly due to the creation of a Dilapidations provision of (£762k) ensuring all office spaces are consistently recognised; and increased LPFA pension provisions creation of (£1,107k); partially offset by a reduction in the creation of Legal provisions £581k and Early retirement provision £486k. Future plans period 2020/21 considers the volatile nature of the FSA provisions, particularly the Local Government Pension Scheme pension deficit liability which is reported in accordance with actuarial valuations under the accounting standard IAS19, and in addition reflect the future uncertainty in creation of provisions.

Capital DEL purchase of assets and income from sale of assets increased in 2016/17 by (£307k) due to Capital investment in replacement IT equipment. In 2017/18 expenditure increased by (£1,766k) as a result of increased purchase of assets (£2,400k) for the renewal of IT hardware which had become obsolete, and the associated costs of the relocation of the London office and the introduction of flexible working across the Agency. Partially offsetting this increase is a reduction in Research and Development Capital costs of £573k which is mainly a reduction in the Admin staff support costs. In 2018-19 capital expenditure increased by (£95k). EU Exit related capital expenditure has increased (£2,667k) offset by savings in business as usual capital of £1,854k mainly due to a reduction in Accommodation related capital expenditure of £2,075k due to the non-repeating costs of accommodation investment in 2017/18. IT investment saving of £545k due to the investment in Evolve IT in 2017/18, offset by increased expenditure on Regulating our Future assets of (£446k) and (£221k) on plant hardware. R&D capital expenditure reduced by £718k due to the reprioritisation of resources to EU Exit workstreams.

In 2019/20 expenditure levels increased by (£851k) with an increase in Research and Development Capital spend of (£3,145k) including significant expenditure on Food Allergy Research and Surveillance work, offset by a normal Capital expenditure reduction of £2,295k largely due to a reduction in one off EU Exit related capital investment of £2,066k. Future plans periods see a further planned increase of (£1,294k)

# Food Standards Agency

## Table 2: Administration budget

	£'000					
	2015-16 OUTTURN	2016-17 OUTTURN	2017-18 OUTTURN	2018-19 OUTTURN	2019-20 OUTTURN	2020-21 PLANS
<b>Resource DEL</b>						
Food Standards Agency Westminster (DEL)	33,741	35,473	47,915	44,199	47,490	51,681
<b>Total administration budget</b>	<b>33,741</b>	<b>35,473</b>	<b>47,915</b>	<b>44,199</b>	<b>47,490</b>	<b>51,681</b>
<i>Of which:</i>						
Expenditure	40,249	42,642	48,012	44,458	47,830	51,981
Income	(6,509)	(7,169)	(97)	(259)	(340)	(300)

\* Outturn and plans figures have been adjusted for the Research and Development staff costs reclassified as Capital expenditure

Administration expenditure has increased significantly in 2017/18 by (£8,437k) mainly due to additional IT investment of (£2,872k), increased investment in FSA accommodation costs in relation to the relocation of the London office, reduction in office floor space and the introduction of flexible working (£1,859k), and increased Staff costs (£3,150k).

Administration expenditure remains fairly constant in 2018/19. This is due to the additional EU Exit funding of (£8,070k) offset by savings in FSA Business as usual admin expenditure in the following areas; IT costs £3,831k, Accommodation costs £2,888k, Depreciation £1,003k and Staff costs £495k as explained above.

In 2019/20 Administration expenditure increased by (£3,291k) due to business as usual expenditure increasing by (£3,625k) and a decrease in EU Exit related Admin expenditure of £334k. Business as usual expenditure has mainly increased due to staff costs (£3,112k) as a result of increased headcount 37 FTEs and increased salary costs due to pay inflation and increased employer pension contributions from April 2019. Other costs that have increased year on year are Legal costs (£348k), Depreciation (£255k) and IT Costs (£274k) partially offset by savings on Travel £97k and Voluntary Exit costs £124k.

Future plans period 2020/21 is to increase by a further £4,192k due to the significant underspend in 2019/20 RDEL against plans of £4,389k and a renewed focus on business as usual activity and priorities post EU Exit, and the non-repeating requirement to switch funding from RDEL to CDEL for R&D Capital expenditure.