



# **Food Standards Agency**

## **Main Estimate Memorandum**

### **2024-25**

## 1. Overview

### 1.1 Objectives

The Food Standards Agency (FSA) is a non-ministerial government department, set up by an Act of Parliament in 2000 to protect the public's health and consumers' wider interests in relation to food.

The FSA's top-level objectives, as set out in its published [3-year Corporate Plan](#), are as follows:

- maintaining food you can trust;
- maintaining food standards, so that food is safe and is what it says it is; and
- growing our contribution to and influence on food that is healthier and more sustainable.

### 1.2 Spending Controls

The FSA's net spending is broken down into several different spending totals, for which Parliament's approval is sought.

The spending totals which Parliament votes are:

- Resource Departmental Expenditure Limit (RDEL) – a net limit comprising day to day running and support costs, offset by income from meat official controls and related work. Additional income is received for milk and dairies sampling and from assessments and consultations on radioactive discharges.
- Capital Departmental Expenditure Limit (CDEL) – investment in Research and Development, computer hardware, computer software, office-related assets and leased assets.
- Resource Annually Managed Expenditure (RAME) – less predictable spending, such as provisions for early retirements, pensions, building dilapidations and legal liabilities and obligations.
- Capital Annually Managed Expenditure (CAME) – less predictable investment spending, such as provision for building dilapidations following implementation of the new standard for leases (IFRS16).

In addition, Parliament votes a net cash requirement, designed to cover the elements of the above budgets which require the FSA to pay out cash in year.

### 1.3 Comparison of spending totals sought

The table below shows how the 2024-25 net spending totals sought for the FSA compares with last year's final budget (Supplementary Estimate) and the original budget (Main Estimate):

	Amounts sought this year (Main Estimate 2024-25)	Compared to final budget (Supplementary Estimate 2023-24)		Compared to original budget (Main Estimate 2023-24)	
	£m	£m	%	£m	%
Resource DEL	117.0	116.9	(0%)	115.6	(1%)
Capital DEL	11.5	13.5	14%	14.1	18%
Resource AME	9.6	9.6	0%	9.6	0%
Capital AME	0.0	0.04	100%	0.0	0%

A breakdown of spending and income within the net total is shown in section 2.1.

### 1.4 Key drivers of spending changes

The net RDEL is consistent with last year's final outturn and is £1.4m higher (1%) than last year's original budget. This increase is due to additional Windsor Framework funding (£1.5m).

Within this, RDEL income (derived mainly from the delivery of meat official controls) and RDEL gross expenditure are expected to rise by £5.0m (13% and 3% respectively). The increase in income is mainly due to increases to the rates charged to industry (7.7% on average), which reflect an increase in meat inspection costs.

The net CDEL proposed is £2.0m (14%) less than last year's final outturn and is £2.6m (18%) less than last year's original budget. This decrease is mainly due to a reduction in funding for a Shared Outcomes Fund project (£2.0m).

RAME is unchanged from last year's allocation and no CAME allocation is being sought this year at Main Estimates.

Further detail on changes to spending and income is provided in section 2.1

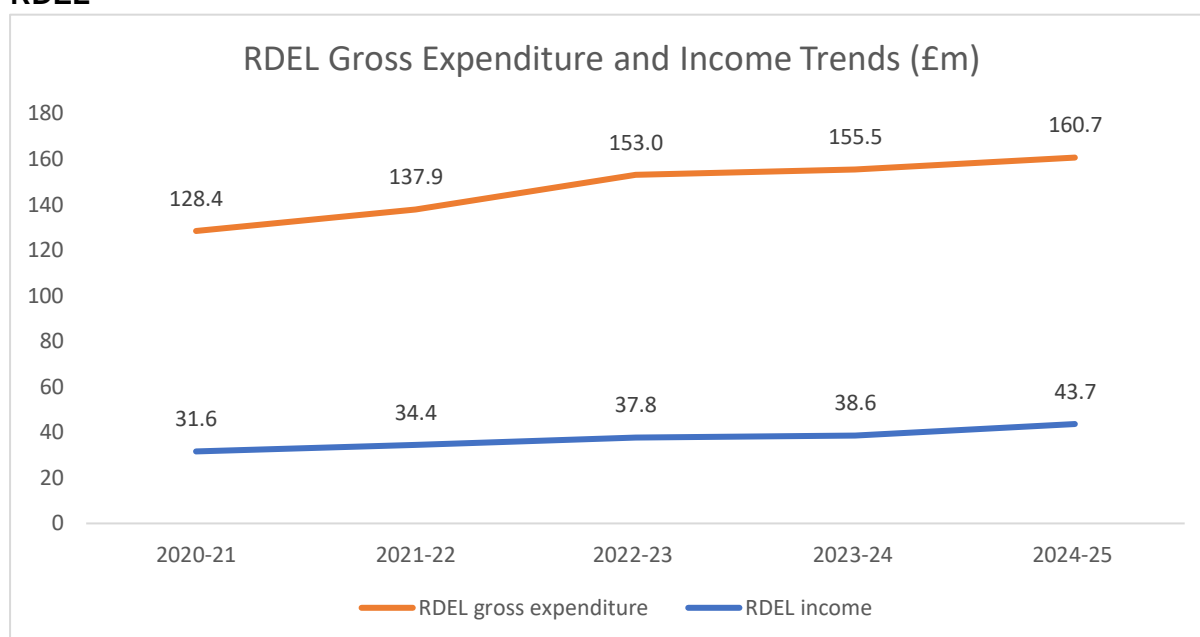
### 1.5 New policies and programmes; ambit changes

The ambit has been reviewed to ensure it clearly articulates all areas of FSA's expenditure and income. No significant changes or additions have been made for 2024-25.

### 1.6 Spending and income trends

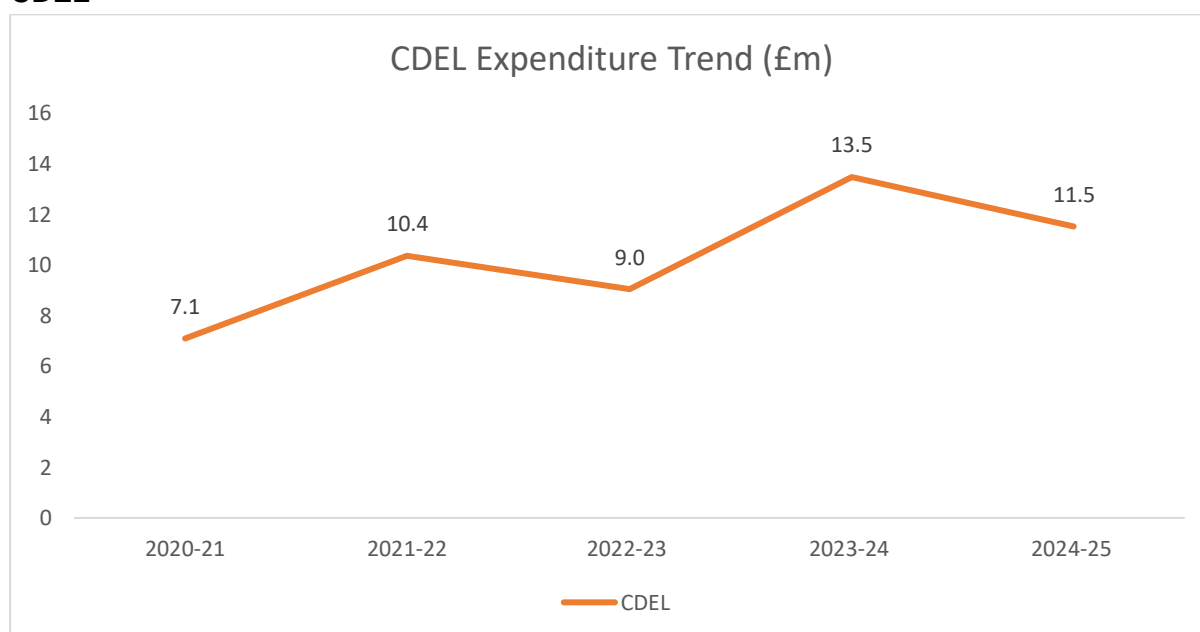
The charts below show overall RDEL spending and income, CDEL and RAME for the last three years and plans presented in Estimates for 2023-24 and 2024-25.

#### RDEL



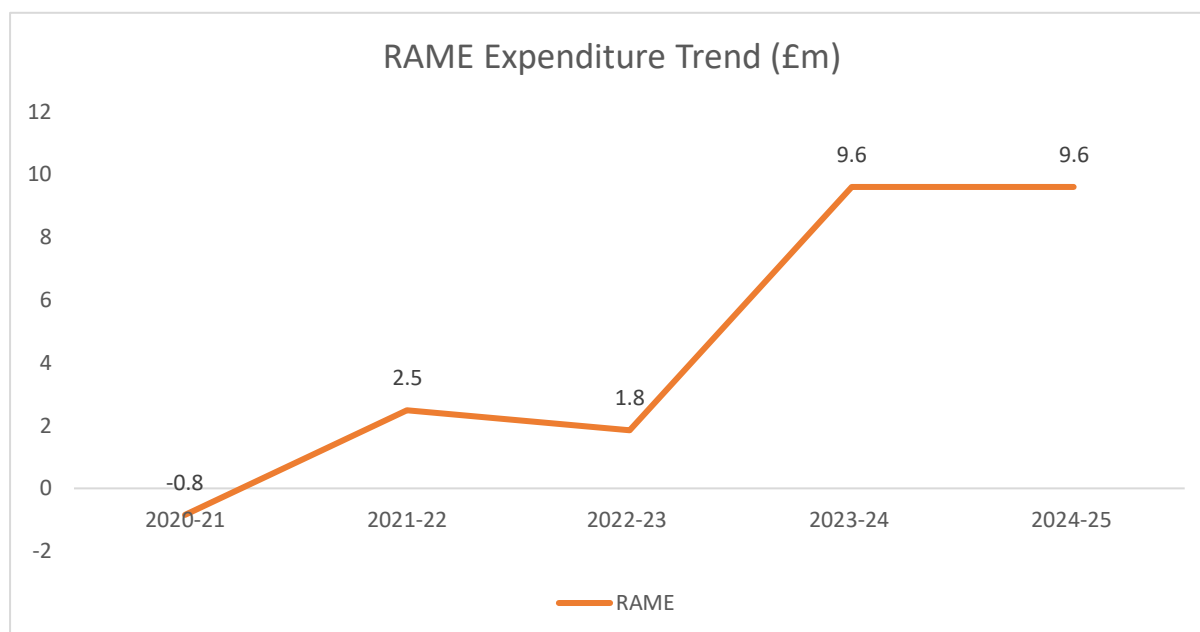
RDEL gross expenditure and income have both increased steadily over the reported period. The increases in gross expenditure can be attributed to: increased staff costs, mainly to deal with additional responsibilities following EU exit, but also due to pay inflation; increased contractor costs, mainly due to labour market pressures; and project investment in surveillance, regulatory delivery and resource and evidence programmes. The increase in expenditure and a reduction in the discount provided has generally led to an increase in the associated charges to customers.

#### CDEL



CDEL expenditure has fluctuated over the reported period. The increases in 2021-22 and 2023-24 were mainly driven by investment in the FSA’s science and evidence base, which supports policy implementation and risk management for food safety and standards. The FSA has also invested in the development of a data platform asset as part of the Shared Outcome Fund (SOF) Pathogen Surveillance in Agriculture, Food and Environment (PATH-SAFE) programme for investment in foodborne disease and antimicrobial resistance research. In 2024-25, SOF PATH-SAFE expenditure will reduce as the programme enters its third year.

**RAME**



RAME expenditure for 2024-25 remains at 2023-24 levels, which allows for the uncertainty surrounding provisions and the volatile nature of AME related expenditure. The actual outturn for the last three years has been significantly lower.

**1.7 Administration costs and efficiency plans**

	Amounts sought this year (Main Estimate 2024-25)	Compared to final budget (Supplementary Estimate 2023-24)		Compared to original budget (Main Estimate 2023-24)	
	£m	£m	%	£m	%
Admin DEL	117.0	116.9	(0%)	115.6	(1%)

The FSA’s spending plans are consistent with last year and the department regularly reviews it’s work priorities, structures and processes to ensure it delivers in an efficient manner. Annual business planning ensures that the FSA continues to operate within budget limits set by HMT, whilst absorbing inflationary pressures and the costs of increased responsibilities as a result of leaving the EU, delivering wider government priorities and investing in regulatory reform.

See section 1.4 and 1.6 for detail on drivers regarding spending changes.

## 1.8 Funding: Spending Review and Budgets

Planned spending for 2024-25 is higher than the FSA's SR21 settlement. The key drivers for this increase are:

- A transfer from Department for Environment, Food and Rural Affairs of £1.5m RDEL for Windsor Framework activity;
- A reserve claim of £0.6m RDEL and £0.8m CDEL for the Shared Outcomes Fund PATH-SAFE project; and
- A transfer to DHULC of £0.8m in respect of local authority burdens relating to Natasha's Law.

See Annex 1 for a full reconciliation between the FSA's SR21 allocation and 2024-25 plans.

## 1.9 Other funding announcements

No other funding announcements.

## 2. Spending detail

### 2.1 Explanations of changes in spending

The tables below show how spending plans for 2024-25 compare with last year. There are no material variances (defined as a movement greater than both 10% and £10.0m from last year) and the key drivers of spending changes can be found in section 1.4.

#### RDEL

Subhead	Amounts sought this year (Main Estimate 2024-25)	Compared to last year final budget (Supplementary Estimate 2023-24)	Change to last years final budget (Supplementary Estimate 2023-24)	
	£m	£m	£m	%
A Gross Expenditure	160.7	155.5	(5.2)	(3%)
A Income	43.7	38.6	(5.1)	(13%)
A Net Expenditure	117.0	116.9	(0.1)	(0%)

#### CDEL

Subhead	Amounts sought this year (Main Estimate 2024-25)	Compared to last year final budget (Supplementary Estimate 2023-24)	Change to last years final budget (Supplementary Estimate 2023-24)	
	£m	£m	£m	%
A Capital	11.5	13.5	2.0	15%

**RAME**

Subhead	Amounts sought this year (Main Estimate 2024-25)	Compared to last year final budget (Supplementary Estimate 2023-24)	Change to last years final budget (Supplementary Estimate 2023-24)	
	£m	£m	£m	%
B Resource AME	9.6	9.6	0.0	0%

**CAME**

Subhead	Amounts sought this year (Main Estimate 2024-25)	Compared to last year final budget (Supplementary Estimate 2023-24)	Change to last years final budget (Supplementary Estimate 2023-24)	
	£m	£m	£m	%
B Capital AME	0.0	0.0	0.0	100%

\* The FSA requested £40k Capital AME at 23/24 Supplementary Estimate round. This is not shown in the table due to rounding

**2.2 Restructuring**

No machinery of government changes have taken place, nor have there been any changes to the Estimate subheads.

**2.3 Ring Fenced Budgets**

Within the totals, the following elements are ring-fenced i.e. savings in these budgets may not be used to fund pressures on other budgets:

	Amounts sought this year (Main Estimate 2024-25)	Compared to last year final budget (Supplementary Estimate 2023-24)		Compared to original budget (Main Estimate 2023-24)	
	£m	£m	%	£m	%
<b>RDEL</b>					
Depreciation	3.3	3.2	(5%)	3.2	(5%)
Depreciation IFRS16	2.3	2.1	(10%)	2.1	(10%)
Shared Outcomes Fund	0.6	0.7	21%	0.6	4%
<b>CDEL</b>					
Research & Development	8.0	7.7	(4%)	7.9	(1%)
Capital IFRS16	1.1	0.4	(141%)	0.9	(19%)
Shared Outcomes Fund	0.8	2.8	72%	2.7	72%

**2.4 Changes to contingent liabilities**

The following contingent liability declaration has been added to the Estimate in line with previous years.

“FSA Legal claims: The FSA is subject to various claims and legal actions in the ordinary course of its activities the outcome of which is uncertain, for example for personal injury cases. The value is unquantifiable.”

### 3 Priorities and Performance

#### 3.1 How spending relates to objectives

Expenditure under Estimate subheads A and B supports all the objectives set out in section 1.1 above.

#### 3.2 Measures of performance against each priority

The FSA's latest [Annual Report & Accounts](#) and [Business Committee Performance Report](#) provide the most recent performance indicator data against the key objectives set out in section 1.1, which include:

1. **Reputation and communication** – Covering trust and confidence in the FSA reported in our [Food & You 2](#) consumer survey and press coverage and social media engagement.
2. **Foodborne disease** - Rate per 100,000 population of laboratory confirmed human cases in the UK of the four major gastrointestinal pathogens.
3. **Science** – covering our key science outcomes and accompanying key performance indicators, including trusted provider of independent science, experts on our scientific committees and science reports produced and published.
4. **FSA sampling and laboratories** – Spend on sampling activities, total samples tested and non-compliance by sampling objective and type.
5. **Regulated Products** – covering caseload in the system and service delivery.
6. **Trade and imports / exports controls** – to provide assurance for imported food and international trade.
7. **Direct delivery of Official Controls** – including Official Controls staffing; service delivery contract arrangements in England, Wales and Northern Ireland; establishment approvals; Official Veterinarian enforcement and incident recommendations and meat, dairy and wine food business operator audits and inspections.
8. **Food incidents** - Notifications received (food, feed, and environmental contamination) and alerts issued (allergy, product recalls and food alerts for action).
9. **Understanding the food crime threat (NFCU)** – Progress against the four key performance questions including alignment with the NFCU Control Strategy priorities and Intelligence and disruptions and national outcomes achieved.
10. **Local Authority performance** – including business compliance, such as Food Hygiene Rating Scheme business ratings. Local authority resourcing and performance to ensure official controls are being delivered. (to provide context to FSA performance).
11. **Our people** – the delivery of our 'People Plan' and refreshing our systems including key insights into our HR activity.
12. **Nutrition Northern Ireland** – Active engagement (food business and consumer) with the Calorie Wise scheme / MenuCal tool including recipes inputted and updated into MenuCal. Consumer recognition, understanding and use of the traffic light label using the Eat Well Choosing Better tracker survey and NI average daily consumption of calories, fat, and sugar.
13. **Sustainability** – Progress against our Environmental Sustainability Strategy that outlines how we will support the government's green agenda. The strategy focusses on reducing our carbon footprint; conserving natural resources and prioritising sustainable procurement.

#### 3.3 Commentary on steps being taken to address performance issues



The FSA doesn't currently have any budget specifically for addressing performance issues. Where recommendations are made, by Internal Audit, the National Audit Office or any other relevant party, any associated work is carried out under business as usual and is not separately budgeted for.

### 3.4 Major Projects

The FSA is not currently implementing any major projects that fall under the remit of the Government Major Projects Portfolio. The following programmes and projects are considered significant to the FSA:

- The **Achieving Business Compliance (ABC)** programme has three workstreams: modernising the delivery of local authority regulation; testing new approaches to regulation; and designing the blueprint for the future regulatory assurance system. The programme is funded from the FSA's standard SR21 allocation and is expected to have successfully delivered against its scope this year.
- The **Regulated Products Modernisation** programme aims to deliver a more efficient regulatory system that will bring benefits to consumers through an enhanced choice of safe food whilst providing greater value for the taxpayer. The programme is funded from the FSA's standard SR21 allocation and is expected to have successfully delivered against its scope in March 2027.
- The **Windsor Framework** project is working to implement the Windsor Framework, supporting across government, developing guidance for delivery partners, reviewing FSA processes and procedures for delivery of statutory obligations and developing new processes as required. The programme is funded by funds transferred from DEFRA and is expected to have successfully delivered against its
- The **Veterinary Resourcing Programme (VRP)** aims to secure Official Veterinarian (OV) resources to deliver Official Controls in abattoirs in England and Wales from 2025, whilst creating greater political visibility and public awareness of the chronic shortage of vets in the UK, and the systemic issues and global conditions which significantly impact the recruitment and retention of OVs, who play a critical role in ensuring our food is safe. The programme is funded from the FSA's standard SR21 allocation and is expected to have successfully delivered against its scope in late 2025.
- The **Shared Outcomes Fund (SOF) Pathogen Surveillance in Agriculture, Food and Environment (PATH-SAFE)** programme aims to develop new surveillance systems to monitor and characterise foodborne pathogens and Antimicrobial Resistance, across the agri-food supply chain and the wider environment. The programme is funded by a reserve claim and is expected to have successfully delivered against its Phase 2 scope in March 2025.

#### **4 Other information**

##### **4.1 Additional specific information required by the select committee**

There is no specific additional information which has been requested for inclusion by the select committee.

#### **5 Accounting Officer Approval**

This memorandum has been prepared according to the requirements and guidance set out by HM Treasury and the House of Commons Scrutiny Unit, available on the Scrutiny Unit website.

**The information in this Estimates Memorandum has been approved by myself as Accounting Officer.**

**Emily Miles  
Accounting Officer  
Food Standards Agency  
17 July 2024**

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**Annex 1: Reconciliation of SR21 2024-25 allocation to 2024-25 Main Estimate**

	RDEL	RAME	CDEL	CAME
<b>Original Spending review allocation (SR21)</b>	<b>115.8</b>	<b>9.6</b>	<b>9.7</b>	<b>0.0</b>
<b>Main Estimate 2022/23</b>				
IFRS16 adjustment	0.1		1.1	
<b>Main Estimate 2023/24</b>				
Additional depreciation	0.1			
National Insurance compensation surrender	(0.5)			
<b>Main Estimate 2024/25</b>				
Windsor Framework funding from DEFRA	1.5			
Shared Outcomes Fund (SOF) funding	0.6		0.8	
Natasha's Law / PPDS administration transfer to DLUHC	(0.8)			
Additional depreciation	0.3			
<b>Total</b>	<b>117.0</b>	<b>9.6</b>	<b>11.5</b>	<b>0.0</b>