

Food Standards Agency

Introduction

1. This Supplementary Estimate is required for the following purposes:

Amount £

Changes in resources

RfR 1: Food Standards Agency

Increases:

Machinery of Government transfer

Amount: £415,000

415,000

Section A

Transfer of responsibility for the Wine Standards Board from The Department for the Environment, Food and Rural Affairs to FSA.

Neutral Changes:

Movement within RFR

Amount: £1,100,000

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From Section A to Section B

Reason: To increase the MHS net cost of operations in line with agreed budget.

Total change in resources 415,000

Changes in capital

Application to take up End Year Flexibility

Amount: £300,000

Section A

Reason: To fund Food Standards Agency's headquarters Capital Investment Programme

Total change in capital for Estimate 300,000

2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £715,000.
3. Symbols are explained in the Introduction to this booklet.

Part I

		£
RfR 1: Food Standards Agency	†	415,000
Total additional net resource requirement		415,000
Additional net cash requirement	†	715,000

SUPPLEMENTARY amounts required in the year ending 31 March 2007 for expenditure by the Food Standards Agency on:

RfR 1: Food Standards Agency

Administration, inspections, surveillance, managing research and development, education, publicity and publications, funding for non-cash items; funding for Meat Hygiene Service.

The **Food Standards Agency** will account for this Estimate.

† The Wine Standards Board was transferred from DEFRA to the FSA on 1st July 2006. Within the overall changes sought in this Estimate, the specific changes relating to this machinery of government transfer are:

- a) the net resource requirement is increased by £415,000;
- b) the net cash requirement is increased by £415,000.

Part II: Changes proposed

£'000

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 1: Food Standards Agency					
Spending in Departmental Expenditure Limits (DEL)					
RfR 1 - A Food Standards Agency HQ Operations	110,385	-685	-	-685	109,700
RfR 1 - B Meat Hygiene Service	33,100	1,100	-	1,100	34,200
Total RfR 1		415	-	415	
Total Changes to RfRs		415	-	415	

£000

	Present Provision	Change in Provision	New Provision
Capital and Cash			
Total Capital Expenditure	647	300	947
Non-Operating A in A	-	-	-
Net cash requirement	141,324	715	142,039

Part II: Revised subhead detail including additional provision

Resources						Capital		£'000
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
RfR 1: Food Standards Agency								
52,923	154,511	-	207,434	63,534	143,900	947	-	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Food Standards Agency HQ Operations								
52,923	60,011	-	112,934	3,234	109,700	622	-	
B Meat Hygiene Service								
-	94,500	-	94,500	60,300	34,200	325		
Total for Estimate:								
52,923	154,511	-	207,434	63,534	143,900	947	-	

Part II: Resource to cash reconciliation

	<u>Present</u>	Increase (+)/ Decrease (-)	£'000 <u>Revised</u>
Net Resource Requirement	143,485	415	143,900
Voted capital items			
Capital	647	300	947
<i>Less:</i> Non-operating A in A	<u>-</u>	<u>-</u>	<u>-</u>
Total net voted capital	647	300	947
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-762	-	-762
Depreciation	-2,004	-	-2,004
New provisions and adjustments to previous provisions	-	-	-
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-42	-	-42
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-	-	-
Increase(-)/decrease (+) in creditors	-	-	-
Use of provisions	<u>-</u>	<u>-</u>	<u>-</u>
Total accruals to cash adjustments	-2,808	-	-2,808
Excess cash to be CFERd	-	-	-
Net Cash Requirement	141,324	715	142,039

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

	£'000
	2006-07 provision
Net Administration Costs	
RfR1	52,423
Total Net Administration Costs	52,423
Net Programme Costs	
RfR1	91,477
Total Net Programme costs	91,477
Total Net Operating Cost	143,900
<i>of which:</i>	
Net Resource Requirement	143,900
Non-voted expenditure	-
Consolidated Fund Extra Receipts	-
Resource Budget	143,900

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2006-07 Provision
Net Resource Requirement (Estimates)	143,900
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	-
Consolidated Fund extra receipts in the OCS	-
Other adjustments	-
Net Operating Costs (Accounts)	143,900
<i>Adjustments to remove:</i>	
capital grants	-
European Union income related to capital grants	-
voted expenditure outside the budget	-
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
resource consumption of non departmental public bodies	-
unallocated resource provision	-
Other adjustments	-
Resource Budget (Budget)	143,900
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	143,900
Annually Managed Expenditure (AME)	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2006-07 Provision
Net Voted Capital (Estimates)	947
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	-
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
capital spending by non departmental public bodies	-
capital grants	-
European Union income related to capital grants	-
supported capital expenditure (revenue)	-
capital spending by levy funded bodies	-
unallocated capital provision	-
Other adjustments	-
Capital Budget (Budget)	947
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	947
Annually Managed Expenditure (AME)	-

Notes to the Estimate (*continued*)

Explanation of Accounting Officer responsibilities

In accordance with the Government Resources and Accounts Act 2000 the Treasury has made the following Accounting Officer appointments for the Requests for Resources within this Estimate.

Request for Resources 1 John Harwood, Chief Executive of the FSA

John Harwood as the Accounting Officer of the Food Standards Agency has personal responsibility for the proper presentation of the department's resource accounts as prescribed in legislation, or by the Treasury, and their transmission to the Comptroller and Auditor General. The AO as the permanent head, remains in general overall charge of the Food Standards Agency.

The responsibilities of an Accounting Officer are set out in Annex 4.1 of Government Accounting. In essence these responsibilities include a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the organisation's policies, aims and objectives and should regularly review the effectiveness of that system.

Notes to the Estimate (*continued*)
Analysis of operating appropriations in aid (A in A)

	£'000
	2006-07 Provision
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RfR 1: Food Standards Agency	
Administration	500
<i>of which:</i>	
Sale of goods and services	500
Programme	63,034
<i>of which:</i>	
Sale of goods and services	63,034
<hr/> Total RfR1	<hr/> 63,534 †
† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: fees for slaughterhouse hygiene inspections, radioactive waste disposal inspections, milk and dairies sampling, government funded controls and miscellaneous receipts including the proceeds from the sale of assets.	
<hr/> Total Operating A in A	<hr/> 63,534

Notes to the Estimate (*continued*)

Departmental Expenditure Limits and Administration Budgets

	Change		New DEL		£'000
	Voted	Non-voted	Voted	Non-voted	Total
Resource DEL	415	-	143,900	-	143,900
<i>of which:</i>					
Administration budget*	308	-	52,316	-	52,316
Near-cash in RDEL	-	-	140,677	60	140,737
Capital**	300	-	947	-	947
Less Depreciation†	-	-	-2,004	-	-2,004
Total	715	-	142,843	-	142,843

* The total of 'Administration budget' and 'Near-cash in Resource DEL' figures may well be greater than total resource DEL, due to the definitions overlapping.

**Capital DEL includes items treated as resource in Estimates and accounts but which are treated as Capital DEL in budgets.

†Depreciation, which forms part of resource DEL, is excluded from total DEL since capital DEL includes capital spending and to include depreciation of those assets would lead to double counting.

Cash which may be retained to offset expenditure

	£'000
Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) that has been or will be appropriated in aid	63,534