
Department for Environment, Food and Rural Affairs

Introduction

1. This Estimate is based on two Requests for Resources (RfR), RfR1 provides for the costs of Defra and its Executive Agencies. RfR2 provides for the Forestry Commission in England (including Forest Enterprise England) and its Great Britain wide functions (including the executive agency Forest Research).
2. RfR1 is based on the Department's nine Departmental Strategic Objectives (DSO) plus four further sections covering the Rural Payments Agency (sub-divided between EC funded schemes, running costs and other costs), and Area Based Grants to Local Authorities. RfR1 shows Departmental Expenditure Limits (DEL), Annually Managed Expenditure (AME) and non-budget groupings and differentiates between central government's own expenditure and central government support to local authorities.
3. RfR1 includes the Department's capital grant expenditure, administration costs, costs of executive agencies, grant in aid to Non-Departmental Public Bodies and subsidies to Public Corporations, research and development, payments to agencies, as well as reimbursable costs and some offsetting EU receipts.
4. DEFRA has seven executive agencies - the Veterinary Laboratories Agency (VLA), the Veterinary Medicines Directorate (VMD), the Centre for Environment, Fisheries and Aquaculture Science (CEFAS), the Rural Payments Agency (RPA), Animal Health (AH), the Marine and Fisheries Agency (MFA), and a new agency The Food and Environment Research Agency (FERA). FERA has been formed through a merger of two Agencies - Central Science Laboratory (CSL) and Government Decontamination Service (GDS), along with the Plant Health Division and Plant Variety and Seeds Office elements of Core Defra.
5. RfR2 provides for the net funding for the Forestry Commission's activities in England and those functions which it carries out on a GB-wide basis.
6. The Forestry Commission is responsible for forestry throughout Great Britain with statutory duties and powers which it exercises separately in England, Scotland and Wales. The Commission advises Ministers and implements each country's separate and distinct forestry policy. The financing of its GB-wide functions cover sustainable forestry policy, forestry standards, international relations, plant health and forestry research. Its activities in relation to England cover the promotion of forestry and supporting the planting, management and conservation of forests and woodlands. This includes the operation of the Commission's Estate by its agency, Forest Enterprise England. Also included within RfR2 is the Forest Research Agency.
7. Further details of the expenditure contained in the Estimate can be found in the Defra Departmental Report.
8. Symbols are explained in the Introduction to this booklet.

Department for Environment, Food and Rural Affairs

Part I

	£
Request for Resources 1: Ensuring that consumers benefit from competitively priced food, produced to high standards of safety; environmental care and animal welfare from a sustainable, efficient food chain, to contribute to the well being of rural and coastal communities and funding aspects of the Common Agricultural Policy and Rural Development Programme for England Guarantee Section as economically, efficiently and effectively as possible	5,273,818,000
Request for Resources 2: Direction of the delivery of the Government's Strategy for Trees, Woods and Forests in England and taking the lead in development and promotion of sustainable forest management across Great Britain	75,179,000
Total net resource requirement	5,348,997,000
Net cash requirement	5,236,206,000

Amounts required in the year ending 31 March 2010 for expenditure by the Department for Environment, Food and Rural Affairs on:

RfR 1: Ensuring that consumers benefit from competitively priced food, produced to high standards of safety; environmental care and animal welfare from a sustainable, efficient food chain, to contribute to the well being of rural and coastal communities and funding aspects of the Common Agricultural Policy and Rural Development Programme for England Guarantee Section as economically, efficiently and effectively as possible

Climate modelling, risk assessment and adaptation;

Support national and global biodiversity; contaminated land grants; environmental protection; maintain water quality and supply; management of inland waterways and obligations under the Water Act 2003; marine environment, species and habitat protection; international policy, research, standard-setting, and monitoring to support sustainable forestry; wildlife management; maintain air and ozone quality; increase UK's environment decontamination capabilities;

Promotion and support for sustainable consumption and production, better waste management and sustainable development;

Flood risk management; exotic and endemic animal and plant disease policy portfolio and eradication; regulatory systems for chemicals and pesticides; manage other environmental risks; land drainage and sewerage; noise-mapping; radioactive waste management; pollution emergency response services;

Supporting development of farming and cost-sharing initiatives; keeping, movement tracing, international trade and welfare of animals; animal products, dairy hygiene and marketing; champion hygienic production, marketing, delivery and processing in the agriculture, fisheries and food industries; EU compensation payments to producers and support for agriculture; UK's responsibilities under the CITES Convention; fishing industry support;

Support a sustainable, secure and healthy food supply;

Support for rural and regional development;

Specialist support services, staff management and development; other departmental administration and non-cash costs; publicity, promotion, awareness and publications; knowledge sharing initiatives; commissioned and departmental research and development; grant-in-aid and subsidies to support delivery bodies; surveys, monitoring, statistics, advice and consultancies; funding through Area Based Grants; subscriptions and contributions to international organisations; licensing, approvals and certification; inspections and compliance in accordance with EU regulatory requirements.

RfR 2: Direction of the delivery of the Government's Strategy for Trees, Woods and Forests in England and taking the lead in development and promotion of sustainable forest management across Great Britain

Deliver the social, environmental and economic programmes of the UK Government's strategy for Trees, Woods and Forests in England, connected to the distinctive needs of the Regions, through the promotion of forestry: and by managing the Commission's Estate regulating planting and felling and offering incentives. Provide advice and support to the UK Government and to the devolved administrations in Scotland and Wales, represent the United Kingdom's forestry interests within the EU and internationally, set standards for sustainable forest management and encourage good forestry practice, conduct forest research and protect forests from pests and disease.

The **Department for Environment, Food and Rural Affairs** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
RfR 1	5,273,818,000	2,219,779,000	3,054,039,000
RfR 2	75,179,000	32,242,000	42,937,000
Total net resource requirement	5,348,997,000	2,252,021,000	3,096,976,000
Net cash requirement	5,236,206,000	2,229,620,000	3,006,586,000

Part II: Subhead detail**£'000**

2009-10 Provision						2008-09 Provision	2007-08 Outturn		
Resources						Capital	Non-operating	Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A	9	10
1	2	3	4	5	6	7	8		
RfR 1: Ensuring that consumers benefit from competitively priced food, produced to high standards of safety; environmental care and animal welfare from a sustainable, efficient food chain, to contribute to the well being of rural and coastal communities and funding aspects of the Common Agricultural Policy and Rural Development Programme for England Guarantee Section as economically, efficiently and effectively as possible									
425,055	4,351,992	1,567,417	6,344,464	1,070,646	5,273,818	87,947	16,300	5,245,763	4,668,770
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A	A Healthy Natural Environment								
41,944	766,044	68,641	876,629	51,125	825,504	7,496	-	792,429	589,245
B	Sustainable Consumption and Production								
5,089	88,469	-	93,558	-	93,558	-	-	96,572	287,930
C	Addressing Environmental Risk and Emergencies								
31,390	319,289	37,935	388,614	23,453	365,161	25,105	-	345,883	349,479
D	A Thriving Farming and Food Sector								
37,553	65,744	1	103,298	17,635	85,663	1,300	-	79,692	96,981
E	Championing Sustainable Development								
1,595	3,755	-	5,350	-	5,350	-	-	6,549	7,641
F	Strong Rural Communities								
1,734	30,015	65,858	97,607	30	97,577	-	-	76,188	131,706
G	A Respected Department								
297,685	57,242	-	354,927	77,271	277,656	34,498	16,300	229,526	304,580
H	Rural Payments Agency EC Funded								
-	1,871,433	6,962	1,878,395	-	1,878,395	-	-	1,989,867	1,643,796
I	Rural Payments Agency Running Costs								
-	208,234	-	208,234	721	207,513	19,548	-	229,937	252,503
J	Rural Payments Agency Other								
-	55,750	-	55,750	-	55,750	-	-	55,750	-7,784

Part II: Subhead detail

£'000

2009-10 Provision						2008-09 Provision	2007-08 Outturn		
Resources						Capital	Non-operating	Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A	9	10
1	2	3	4	5	6	7	8		
K	Adapting to Climate Change								
	6,350	18,594	6,725	31,669	-	31,669	-	39,737	6,227
L	A Sustainable, Secure and Healthy Food Supply								
	1,715	2,012	-	3,727	-	3,727	-	3,715	3,060
Support for Local Authorities									
M	A Healthy Natural Environment								
	-	-	73,931	73,931	-	73,931	-	64,193	52,161
N	Sustainable Consumption and Production								
	-	-	118,916	118,916	-	118,916	-	104,982	3,005
O	Rural Payments Agency EC Funded								
	-	-	4,868	4,868	-	4,868	-	7,115	4,325
P	Area Based Grant: DEFRA								
	-	-	2,997	2,997	-	2,997	-	3,000	-
<i>Addressing Environmental Risk and Emergencies</i>									
	-	-	-	-	-	-	-	8,500	39,335
Spending in Annually Managed Expenditure (AME)									
Central Government spending									
Q	A Healthy Natural Environment								
	-	-35,000	59,300	24,300	-	24,300	-	37,300	11,225
<i>Rural Payments Agency: EC Funded</i>									
	-	-	-	-	-	-	-	-	-12,400
Non-Budget									
R	A Healthy Natural Environment								
	-	-	488,845	488,845	-	488,845	-	485,799	336,410
S	Addressing Environmental Risk and Emergencies								
	-	-	620,234	620,234	-	620,234	-	563,287	550,192

Part II: Subhead detail

£'000

2009-10 Provision						2008-09 Provision	2007-08 Outturn			
Resources						Capital	Non-operating	Net Total Resources	Net Total Resources	
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A			
1	2	3	4	5	6	7	8	9	10	
T	A Thriving Farming and Food Sector									
-	-	2,741	2,741	-	2,741	-	-	17,591	6,153	
U	Strong Rural Communities									
-	-	6,400	6,400	-	6,400	-	-	6,526	7,538	
V	Rural Payments Agency EC Funded									
-	900,411	-	900,411	900,411	-	-	-	-	5,462	
W	Championing Sustainable Development									
-	-	3,063	3,063	-	3,063	-	-	1,625	-	
RfR 2: Direction of the delivery of the Government's Strategy for Trees, Woods and Forests in England and taking the lead in development and promotion of sustainable forest management across Great Britain										
-	74,379	800	75,179	-	75,179	2,000	-	84,729	83,632	
Spending in Departmental Expenditure Limits (DEL)										
<i>Central Government spending</i>										
A	Forestry Commission (England)									
-	56,860	-	56,860	-	56,860	40	-	65,001	65,717	
B	Forestry Commission (GB Core)									
-	17,519	800	18,319	-	18,319	1,960	-	19,728	17,915	
Total for Estimate:										
425,055	4,426,371	1,568,217	6,419,643	1,070,646	5,348,997	89,947	16,300	5,330,492	4,752,402	

Part II: Resource to cash reconciliation

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
Net Resource Requirement	5,348,997	5,330,492	4,752,402
Voted capital items			
Capital	89,947	123,693	114,605
Less Non-operating A-in-A	16,300	31,300	8,593
Total net voted capital	73,647	92,393	106,012
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-56,708	-52,721	-20,100
Depreciation	-124,729	-96,949	-114,609
New provisions and adjustments to previous provisions	-93,647	-110,575	-72,317
Profit/loss on sale of assets	-	-	-2,139
Prior period adjustments	-	-	-
Other non-cash items	-1,354	1,800	-18,744
Increase (+) / Decrease (-) in stock	-	-	4,325
Increase (+) / Decrease (-) in debtors	-	-	67,472
Increase (-) / Decrease (+) in creditors	-	200,000	280,011
Use of provisions	90,000	90,000	9,267
Total accruals to cash adjustments	-186,438	31,555	133,166
Excess cash to be CFERd	-	-	-
Net Cash Requirement	5,236,206	5,454,440	4,991,580

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	£'000					
	2009-10 Provision		2008-09 Provision		2007-08 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	2,220,263	<i>2,721,891</i>	2,280,950	<i>2,481,849</i>	1,872,193	<i>2,751,593</i>
Non-operating income not classified as A in A	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	2,220,263	<i>2,721,891</i>	2,280,950	<i>2,481,849</i>	1,872,193	<i>2,751,593</i>

Forecast Operating Cost Statement

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
Net Administration Costs			
RfR 1	304,296	310,583	345,596
RfR 2	-	-	-
Total Net Administration costs	304,296	310,583	345,596
Net Programme Costs			
RfR 1	4,969,522	4,935,180	4,323,174
RfR 2	75,179	84,729	83,632
Non-voted	-2,220,263	-2,280,950	-1,872,193
Total Net Programme costs	2,824,438	2,738,959	2,534,613
Total Net Operating Cost	3,128,734	3,049,542	2,880,209
<i>of which:</i>			
Net Resource Requirement	5,348,997	5,330,492	4,752,402
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-2,220,263	-2,280,950	-1,872,193
Reduction in planned spend unable to be included in Estimate	-	-	-
Resource Budget	2,713,081	2,682,219	2,675,093

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
Net Resource Requirement (Estimates)	5,348,997	5,330,492	4,752,402
<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	-2,220,263	-2,280,950	-1,872,193
Reductions in planned spend unable to be included in Estimate	-	-	-
Other adjustments	-	-	-
Net Operating Cost (Accounts)	3,128,734	3,049,542	2,880,209
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-	-2,139
Capital grants	-177,881	-132,083	-84,176
European Union income related to capital grants	-	-	-
Voted expenditure outside the budget	-	-	-5,462
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	52,527
Resource consumption of non departmental public bodies	-263,880	-235,240	-119,368
Unallocated resource provision	26,000	-	-
Other adjustments	108	-	-46,498
Resource Budget (Budget)	2,713,081	2,682,219	2,675,093
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	2,708,632	2,667,871	2,703,596
Annually Managed Expenditure (AME)	4,449	14,348	-28,503

Reconciliation of capital expenditure between Estimates and Budgets

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
Net Voted Capital (Estimates)	73,647	92,393	106,012
<i>Adjustments to remove:</i>			
Provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Capital spending by non-departmental public bodies	417,495	398,365	321,029
Capital grants	177,881	132,083	84,176
European Union income related to capital grants	-	-	-
Supported capital expenditure (revenue)	-	-	-
Capital spending by levy funded bodies	500	172	232
Unallocated capital provision	-	-	-
Reductions in planned spend unable to be included in Estimate	-	-	-
Other adjustments	-108	-4,000	47,473
Capital Budget (Budget)	669,415	619,013	558,922
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	668,915	618,841	558,690
Annually Managed Expenditure (AME)	500	172	232

Notes to the Main Estimate (*continued*)

Explanation of Accounting Officer responsibilities

The Accounting Officer prepares resource accounts for each financial year.

The following Accounting Officer appointments have been made for the Request for Resources within this Estimate:

Request for Resources 1: Helen Ghosh, Accounting Officer and Permanent Head of Department

Request for Resources 2: Tim Rollinson, Director General of the Forestry Commission

Helen Ghosh, has personal responsibility for the proper presentation of the resource accounts and their transmission to the Comptroller and Auditor General. Helen Ghosh is also responsible for the use of public money and stewardship of assets.

In discharging these responsibilities particular regard is given to:

- Observing any accounting and disclosure requirements (including any Accounts Direction) and applying suitable accounting policies on a consistent basis;
- making judgements and estimates on a reasonable basis;
- stating whether applicable accounting standards, as set out in the *Financial Reporting Manual* (FReM), or an organisation's version of it, have been followed, and explain any material departures in the accounts; and
- preparing the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding assets, are set out in chapter 3 of *Managing Public Money* issued by the Treasury.

Notes to the Main Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

	£'000		
	2009-10 Provision	2008-09 Provision	2007-08 Outturn
RfR 1: Ensuring that consumers benefit from competitively priced food, produced to high standards of safety; environmental care and animal welfare from a sustainable, efficient food chain, to contribute to the well being of rural and coastal communities and funding aspects of the Common Agricultural Policy and Rural Development Programme for England Guarantee Section as economically, efficiently and effectively as possible			
Administration	120,759	127,322	255,290
<i>of which:</i>			
Sale of goods and services	120,759	127,322	255,248
EU Income	-	-	42
Programme	949,887	1,011,657	1,048,436
<i>of which:</i>			
Sale of goods and services	10,399	54,220	19,634
EU Income	904,346	912,820	1,003,940
Other grant income (including repayments of grants/subsidies)	5,404	15,300	5,300
Interest and dividends	29,630	29,317	19,562
Other income (including receipts)	108	-	-
Total RfR 1	1,070,646†	1,138,979	1,303,726
<i>† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: Income from devolved administrations and EC; receipts from sale of carcasses and vaccines; income from levies, licensing, approvals, certification, publications, public inquiries, information, inspections, registrations, supervision and extensification; administration of grant, waste disposal, capital loan schemes; commissioned surveys, research, studies and advice; rental income and repayments; occupancy charge; administrative and professional services; pension and redundancy contributions; knowledge sharing initiatives.</i>			
Total Operating A in A	1,070,646	1,138,979	1,303,726

Analysis of non-operating appropriations in aid (A in A)

	£'000		
	2009-10 Provision	2008-09 Provision	2007-08 Outturn
RfR 1: Ensuring that consumers benefit from competitively priced food, produced to high standards of safety; environmental care and animal welfare from a sustainable, efficient food chain, to contribute to the well being of rural and coastal communities and funding aspects of the Common Agricultural Policy and Rural Development Programme for England Guarantee Section as economically, efficiently and effectively as possible			
Programme	16,300	31,300	8,593
<i>of which:</i>			
Sale of assets	16,300	31,300	8,593
Total RfR 1	16,300†	31,300	8,593
<i>† Amount that may be applied as non-operating appropriations in aid, arising from: the sale of surplus land, buildings and other capital assets.</i>			
Total Non-Operating A in A	16,300	31,300	8,593

Notes to the Main Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

£'000

	2009-10		2008-09		2007-08	
	Provision Income	Receipts	Provision Income	Receipts	Outturn Income	Receipts
Rural Payments Agency EU Income Φ	1,883,263	2,369,691	1,966,950	2,167,849	1,601,852	2,621,485
Rural Payments Agency Sugar Levies Income \bullet	-	-	-	-	52,527	52,527
Rural Development Programme England Income Φ	337,000	352,200	314,000	314,000	193,977	53,744
Structural Funds Φ	-	-	-	-	23,837	23,837
Total	2,220,263	2,721,891	2,280,950	2,481,849	1,872,193	2,751,593

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	4,002,285	-1,293,653	2,708,632
<i>of which: †</i>			
Administration budget	304,296	-	304,296
Near-cash in RDEL	3,750,147	-1,376,947	2,373,200
Capital DEL ††	274,776	394,139	668,915
Less Depreciation †††	-124,729	-99,119	-223,848
Total DEL	4,152,332	-998,633	3,153,699

† The total of the '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.

Comparison of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2009-10 of £5,348,997,000 is 0.3 per cent higher than the final net provision for 2008-09 of £5,330,492,000 and 4.8 per cent higher than the forecast outturn for 2008-09 of £5,105,649,000.

Cash which may be retained to offset expenditure

	£'000		
	2009-10 Provision	2008-09 Provision	2007-08 Outturn
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.	1,086,946	1,170,279	1,312,319

Notes to the Main Estimate (*continued*)**Expenditure resting on the sole authority of the Appropriation Act**

The following subheads contain provision sought under the sole authority of Part I of the Estimate and of the confirming Appropriation Act:

RfR/Section	Service	£'000
RfR1 A-F	Payments for Committees and Tribunals	58

Notes to the Main Estimate (*continued*)
Grants in aid

RfR/Section	Body	£'000
RfR1 - R	Natural England ♦	213,466
RfR1 - U	Commission for Rural Communities ♥	6,400
RfR1 - R & S	Environment Agency ♥	856,111
RfR1 - R	National Forest Company ♥	3,570
RfR1 - R	Royal Botanic Gardens, Kew ♥	28,500
RfR1 - T	Food from Britain ♥	500
RfR1 - R	Joint Nature Conservation Committee ♠	1,920
RfR1 - R	Consumer Council for Water ♥	5,512
RfR1 - T	Gangmasters Licensing Authority ♥	2,241
RfR1 - W	Sustainable Development Commission ♥	3,063

Notes to the Main Estimate (*continued*)

Contingent liabilities

Nature of Liability	£'000
Liability for landfill sites that do not reach the standards required by Pollution Prevention and Control regulations if the licence holder becomes insolvent.	20,000
FMD Farm Burial Ground claims.	4,000
Infringements of the Urban Waste Water Treatment Directive could lead to substantial fines from the EU.	Unquantifiable
Investment guarantees related to the Waste and Resources Action Programme (WRAP).	5,600
Various liabilities concerning WRAP lease commitments.	500
Indemnity against all actions, costs and expenses made against the National Institute of Agricultural Botany (NIAB) arising from their contract with Defra.	Unquantifiable
RPA is in dispute with the owners of certain storage facilities which it has used for the storage of tallow (under the Over Thirty Month Scheme (OTMS)). The disputes relate to alleged tank damage and/or contamination and tank rentals payable.	6,000
The Government has an obligation under Article 14.2 of an agreement of 1988, registered with the UN, to support the Commonwealth Agricultural Bureau International (CABI). For the year to 31 December 2006, Defra provided 35% of the member contributions towards CABI's costs. Under the Agreement, the Government is required to underwrite any future deficit or recover any surplus on winding up of CABI in the same proportion as its members' contributions.	5,000
Possible liabilities to MFA arising from changes proposed in the Marine and Coastal Access Bill 2008.	4,000
As a result of a recent Employment Tribunal, it is possible that a small proportion of staff whose application for Voluntary Early Retirement/Voluntary Early Severance was unsuccessful could potentially appeal.	Unquantifiable
A writ has been received from a company seeking damages from the Department and IBM, relating to an alleged breach of software licensing conditions.	9,500
Claim for repayment of Sugar Levy due to incorrect EC rates - The Commission have acknowledged rates set were incorrect but have advised member states to wait for revised regulation before refunding levies overpaid during the period 2002 to 2006.	Unquantifiable
When a new lease is undertaken or building altered this creates a contractual future liability for dilapidations claims. The likelihood or extent of the obligation cannot be reliably estimated at inception. Provision is made where the landlord has notified an intention to enforce a claim and the amount of the claim can be reasonably assessed. A contingent liability therefore exists for potential claims over and above the existing provision.	Unquantifiable

Contingent Liabilities (continued)

Potential liabilities relating to a Redundancy Indemnity Agreement entered into between Defra and East Malling Research. 1,000

Potential liabilities arising from small claims against Defra. 2,900

Defra has the lead responsibility for a large number of NDPBs and Public Corporations. Although these sponsored bodies lie outside the accounting boundary, the Department is still required to meet any liabilities they are unable to absorb themselves. Unquantifiable
