

# Department for Environment, Food and Rural Affairs

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## Introduction

1. The Estimate is based on the Department's four policy Directorates-General plus three further sections covering central service administration costs and Executive Agencies. The Request for Resources (RfR) shows Departmental Expenditure Limit (DEL), Annually Managed Expenditure (AME) and non-budget groupings and differentiates between central government's own expenditure and central government support to local authorities.
  2. The single RfR contains all capital expenditure, the Department's administration costs, costs of executive agencies, grant-in-aid, research and development, payments to agencies, as well as reimbursable costs and offsetting EU receipts in respect of the Common Agricultural Policy and the England Rural Development Plan. Further details of the expenditure contained in this Estimate can be found in the DEFRA Departmental Report CM 6219.
  3. Defra has six executive agencies – the Central Science Laboratory (CSL), the Veterinary Laboratories Agency (VLA), the Veterinary Medicines Directorate (VMD), the Centre for Environment, Fisheries and Aquaculture Science (CEFAS), Pesticides Safety Directorate (PSD) and the Rural Payments Agency (RPA). CSL, VLA, VMD, PSD, and CEFAS operate under net administration costs control.
  4. Symbols are explained in the Introduction to this booklet.
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## Part I

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<b>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 England Rural Development Plan Guarantee Section as economically, efficiently and effectively as possible</b>	<b>2,822,282,000</b>
<b>Total net resource requirement</b>	<b>2,822,282,000</b>
<b>Net cash requirement</b>	<b>2,792,166,000</b>

Amounts required in the year ending 31 March 2005 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 England Rural Development Plan Guarantee Section as economically, efficiently and effectively as possible**

environmental protection; support for measures which improve local environmental quality; pollution emergency response services; flood and coastal protection and land drainage; water partnership supply and sewerage services, including national security; support to the environmental protection industry for environmental technology and for measures to promote sustainable development; measures to reduce carbon dioxide emissions and improve energy efficiency, security and environmental practice; botanical services; radon measurement and support of remedial works campaigns; support for agriculture in special areas; food safety and hygiene; support for rural and regional development; assistance to production; marketing and processing in the agriculture, fisheries and food industries; assistance to the residuary Milk Marketing Board; cover for payment arising out of the Factortame group of claims following the House of Lords judgement in October 1999; emergency and strategic food services; plant health; support for the fishing industry; compensation payments to producers; grants and other financial support to voluntary bodies; support for measures to stimulate sustainable consumption of goods and services; countryside management and stewardship; conservation; national parks grants; support of countryside and wildlife initiatives; animal health and welfare; emergency measures, including foot and mouth eradication and compensation schemes; other services including emergency measures in relation to BSE; grant-in-aid to Non-Departmental Public Bodies and Public Corporations; subscriptions and contributions to international organisations; surveys, monitoring, statistics, advice and consultancies; publicity, promotion, awareness and publications; commissioned and departmental research and development; specialist support services, management and development of staff, other departmental administration costs, regional restructuring costs; EU receipts; giving effect in the United Kingdom to the agricultural support provisions of the Common Agricultural Policy and England Rural Development Plan of the European Union including compensation payments to producers and support for agriculture in special areas and associated non-cash costs.

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

**Part I (continued)**

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
<b>RfR 1</b>	2,822,282,000	1,071,040,000	1,751,242,000
<b>Total net resource requirement</b>	2,822,282,000	1,071,040,000	1,751,242,000
<b>Net cash requirement</b>	2,792,166,000	1,107,240,000	1,684,926,000

## Part II: Subhead detail

£'000

2004-05						2003-04 Provision	2002-03 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
<b>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 England Rural Development Plan Guarantee Section as economically, efficiently and effectively as possible</b>									
394,407	3,422,356	2,059,680	5,876,443	3,054,161	2,822,282	125,770	6,578	2,727,407	2,128,102
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<i>Central Government spending</i>									
A Animal Health and Welfare									
26,928	276,435	27,136	330,499	225	330,274	27,957	-	765,917	326,415
B Environmental Protection									
34,164	463,519	184,882	682,565	2,048	680,517	13,048	-	690,688	506,094
C Food Farming and Fisheries									
26,285	89,707	4,326	120,318	2,475	117,843	1,176	-	65,322	106,427
D Land Use and Rural Affairs									
22,710	154,339	49,324	226,373	2,088	224,285	23,973	-	242,434	228,432
E Departmental Operations									
245,491	155,800	5,245	406,536	14,678	391,858	23,111	6,578	276,078	95,644
F Rural Payments Agency									
-	478,867	-	478,867	-	478,867	9,305	-	218,144	603,956
G Other Executive Agencies									
38,829	-420	-	38,409	40,102	-1,693	27,200	-	556	-5,659
<i>Support for Local Authorities</i>									
H Environmental Protection									
-	-	113,330	113,330	-	113,330	-	-	82,157	94,323

**Part II: Subhead detail (continued)**

£'000

2004-05						2003-04 Provision	2002-03 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
<i>Food Farming and Fisheries</i>									
-	-	-	-	-	-	-	-	-	500
<b>Spending in Annually Managed Expenditure (AME)</b>									
<i>Central Government spending</i>									
I	Rural Payments Agency								
-	1,785,755	-	1,785,755	49,976	1,735,779	-	-	2,186,969	1,767,699
<i>Animal Health and Welfare</i>									
-	-	-	-	-	-	-	-	-	2,208
<i>Support for Local Authorities</i>									
J	Rural Payments Agency								
-	-	6,430	6,430	-	6,430	-	-	6,400	6,426
<b>Non-budget</b>									
K	Animal Health and Welfare								
-	-	7,554	7,554	-	7,554	-	-	7,554	-
L	Environmental Protection								
-	-	800,058	800,058	-	800,058	-	-	245,092	151,460
M	Food Farming and Fisheries								
-	18,354	14,544	32,898	-	32,898	-	-	12,869	32,481
N	Land Use and Rural Development								
-	-	74,275	74,275	-	74,275	-	-	37,826	131,045
O	Departmental Operations								
-	-	17,299	17,299	-	17,299	-	-	-	-
P	Rural Payments Agency								
-	-	755,277	755,277	2,942,569	-2,187,292	-	-	-2,110,599	-1,919,349
<b>Total for Estimate:</b>									
394,407	3,422,356	2,059,680	5,876,443	3,054,161	2,822,282	125,770	6,578	2,727,407	2,128,102

## Part II: Resource to cash reconciliation

	£'000		
	2004-05 Provision	2003-04 Provision	2002-03 Outturn
<b>Net Total Resources</b>	2,822,282	2,727,407	2,128,102
<b>Voted capital items</b>			
Capital	125,770	201,882	114,124
Less Non-operating A-in-A	6,578	20,532	22,833
<b>Total net voted capital</b>	<b>119,192</b>	<b>181,350</b>	<b>91,291</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-47,812	-42,972	-37,769
Depreciation	-101,733	-78,715	-48,050
New provisions and adjustments to previous provisions	-	-	-1,741
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-75	-75	-75
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	429	145,429	150,354
Increase (-) / Decrease (+) in creditors	-117	145,119	150,935
Use of provisions	-	110,000	131,184
<b>Total accruals to cash adjustments</b>	<b>-149,308</b>	<b>278,786</b>	<b>344,838</b>
<b>Excess cash to be CFERd</b>	-	-	-
<b>Net Cash Requirement</b>	<b>2,792,166</b>	<b>3,187,543</b>	<b>2,564,231</b>

### 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					
	2004-05		2003-04		2002-03	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	22,764	<i>25,924</i>	22,764	<i>25,924</i>	167,134	<i>26,364</i>
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
<b>Total</b>	<b>22,764</b>	<b><i>25,924</i></b>	<b>22,764</b>	<b><i>25,924</i></b>	<b>167,134</b>	<b><i>26,364</i></b>

## Forecast Operating Cost Statement

	2004-05 Provision	2003-04 Provision	2002-03 Outturn	£'000
<b>Net administration costs:</b>				
RfR 1	343,139	273,122		319,777
<b>Net programme costs:</b>				
RfR 1	2,456,379	2,431,521	1,641,191	
<b>Total net programme costs</b>	<u>2,456,379</u>	<u>2,431,521</u>	<u>1,641,191</u>	
<b>Total Net Operating Cost</b>	<b>2,799,518</b>	<b>2,704,643</b>		<b>1,960,968</b>
<i>of which:</i>				
<b>Net Resource Outturn</b>	<b>2,822,282</b>	<b>2,727,407</b>		<b>2,128,102</b>
CFERs	-22,764	-22,764		-167,134
Non-voted expenditure	-	-		-
<b>Resource Budget Outturn</b>	<b>4,816,772</b>	<b>4,753,851</b>		<b>4,021,010</b>

## Notes to the Main Estimate

### Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2004-05 Provision	2003-04 Provision	2002-03 Outturn
<b>Net Resource Outturn (Estimates)</b>	<b>2,822,282</b>	<b>2,727,407</b>	<b>2,128,102</b>
<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	-22,764	-22,764	-167,134
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	<b>2,799,518</b>	<b>2,704,643</b>	<b>1,960,968</b>
<i>Adjustments to remove:</i>			
capital grants to local authorities	-85,100	-82,257	-70,969
capital grants financed from the Capital Modernisation Fund	-	-400	-330
European Union income and related adjustments	2,959,530	2,968,068	2,636,658
voted expenditure outside the budget	-789,142	-854,344	-735,246
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	22,764	22,764	25,320
resource consumption of non departmental public bodies	-90,798	292,377	204,609
unallocated resource provision	-	-	-
Other adjustments	-	-297,000	-
<b>Resource Budget Outturn (Budget)</b>	<b>4,816,772</b>	<b>4,753,851</b>	<b>4,021,010</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	3,002,965	2,784,637	2,227,336
Annually Managed Expenditure (AME)	1,813,807	1,969,214	1,793,674

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2004-05 Provision	2003-04 Provision	2002-03 Outturn
<b>Net Voted Capital Outturn (Estimates)</b>	<b>119,192</b>	<b>181,350</b>	<b>91,291</b>
<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	87,284	41,610	68,750
capital grants to local authorities	85,000	82,157	70,969
capital grants financed by the Capital Modernisation Fund	-	400	330
local authority credit approvals	43,548	35,365	8,532
capital spending by levy funded bodies	-	-	-
unallocated capital provision	-	-	-
Other adjustments	-	29,912	650
<b>Capital Budget Outturn (Budget)</b>	<b>335,024</b>	<b>370,794</b>	<b>240,522</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	333,628	369,398	239,126
Annually Managed Expenditure (AME)	1,396	1,396	1,396

## Notes to the Main Estimate (*continued*)

### Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Secretary, Sir Brian Bender, as Principal Accounting Officer with overall responsibility for preparing the Department's Estimate.

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 for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*.

Notes to the Main Estimate *(continued)*

## Analysis of appropriations in aid (A in A)

	£'000					
	2004-05		2003-04		2002-03	
	provision		provision		outturn	
	Operating	Non-	Operating	Non-	Operating	Non-
	A in A	operating	A in A	operating	A in A	operating
	A in A	A in A	A in A	A in A	A in A	A in A
<b>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 well-being of rural and coastal communities and funding aspects of the Common Agricultural Policy and England Rural Development Plan Guarantee Section as economically, efficiently and effectively as possible.</b>						
EU funding	2,941,745	—	3,015,037	—	2,620,323	—
Fees and charges to external customers	35,888	—	34,214	—	35,173	—
Fees and charges to other departments	12,694	—	12,108	—	11,878	—
Other programme income	63,834	—	18,328	—	35,328	—
Sale of land and buildings	—	6,578	—	20,532	—	22,833
<b>Total RfR 1</b>	<b>3,054,161*</b>	<b>6,578**</b>	<b>3,079,687</b>	<b>20,532</b>	<b>2,702,702</b>	<b>22,833</b>

\*Amount that may be applied as appropriations in aid in addition to the net total, arising from eligible expenditure on farm grants, monitoring of Arable Area Payments Scheme, the UK Register of Organic Food Standards, decommissioning of fishing vessels, EC Leader Programme and Sector Challenge Grants. Receipts resulting from projects under the Wider Markets Initiative. Receipts from sale of carcasses and vaccine relating to Brucellosis and Tuberculosis eradication, Receipts from fees and charges on Local Veterinary Inspectors' work, public enquiries on salmon, whaling and inland fisheries, certification testing, National List and plant breeders' rights, commissioned surveys, studies and advice. Repayments of ATB Landbase redundancy fund and loans, SFIA loan capital and refund of SFIA grants. Rental income from ATB Landbase and from land managed by the Minister. Receipts in respect of the tide gauge network, work carried out by the Veterinary Laboratories Agency and NIAB Redundancy Fund. Recovery of shellfish enquiry expenses. Income from the provision of services to internal and external customers, including the secondment of staff and services to IBEA. Statutory receipts. Receipts from the sale or use of rights and assets. Rents from property. Receipts from the sale of information, including publications. Income from levies, licensing approvals, certification, inspections, registrations, supervision and extensification. Reimbursement of Defra expenditure, including EC receipts. Income from legal claims. Insurance recoveries, Other receipts and credits. Receipts in respect of environment protection and research (ex-DETR). Amount that may be applied as appropriations in aid in addition to the net total, arising from the recovery of income from transfers, bulletins and for receipts for CAP market support and from European Community Institutions.

\*\*Amount that may be applied as non-operating appropriations in aid arising from the sale of surplus land and buildings and loan repayments.

## Notes to the Main Estimate *(continued)*

### Analysis of Consolidated Fund extra receipts

	£'000					
	2004-05 provision		2003-04 provision		2002-03 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Operating income and receipts – excess A in A	—	—	—	—	141,814	—
Sugar and isoglucose production and storage levies	22,588	25,924	22,588	25,924	25,144	26,082
Forfeited securities	126	—	126	—	126	232
Administration	50	—	50	—	50	50
Water Industry Closed Pension Fund	—	—	—	—	—	—
<b>Total</b>	<b>22,764</b>	<b>25,924</b>	<b>22,764</b>	<b>25,924</b>	<b>167,134</b>	<b>26,364</b>

## Notes to the Main Estimate *(continued)*

### Administration cost limits and Departmental Expenditure Limits

Administration costs limits £'000

	Gross provision	Income	Total administration costs limit
<b>Gross administration costs limits</b>	<b>355,578</b>	<b>-16,084</b>	<b>339,494</b>
Central Science Laboratory	44,862	-43,200	1,662
Centre for Environment, Fisheries and Aquaculture Science (CEFAS)	36,926	-36,926	—
Pesticides Safety Directorate (PSD)	7,415	-5,432	1,983
Veterinary Laboratories Agency (VLA)	91,334	-91,334	—
Veterinary Medicine Directorate (VMD)	9,639	-9,639	—
<b>Total Net administration costs limits</b>	<b>190,176</b>	<b>-186,531</b>	<b>3,645</b>

Departmental Expenditure Limits (DEL) £'000

	Voted*	Non-voted	Total
Resource DEL	2,251,631	751,334	3,002,965
Capital DEL	204,192	129,436	333,628
Less depreciation	-101,733	-97,117	-198,850
Total DEL	2,354,090	783,653	3,137,743

- \* i. Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review  
 ii. Excludes EU receipts included in Estimates, but excluded in Budgets

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

The total net resource sought for 2004-05 of £2,822,282,000 is 3.5 per cent higher than the final net provision of £2,727,407,000, and 35.3 per cent higher than the forecast outturn for 2003-04 of £2,086,222,000

### Expenditure resting on the sole authority of the Appropriation Act

The RfR contains provision sought under the sole authority of Part I of the Estimate and the confirming Appropriation Act as follows:

Payments for Committees and Tribunals (Sections A to D) ■ £'000

58

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**Notes to the Main Estimate (continued)****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

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	<b>2004-05 provision</b>	<b>2003-04 provision</b>	<b>2002-03 outturn</b>
	<b>3,060,739</b>	<b>3,092,787</b>	<b>2,725,513</b>

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