
Department for Environment, Food and Rural Affairs

Introduction

1. This 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 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.
2. The single RfR contains all capital expenditure, the Department's administration costs, costs of executive agencies, grant in aid, research and development, payment to agencies, as well as reimbursable costs and offsetting EU receipts in respect of the Common Agricultural Policy and the Rural Development Plan. Further details of the expenditure contained in this Estimate can be found in the DEFRA Departmental Report (Cm 6537).
3. DEFRA has seven 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), Rural Payments Agency (RPA) and the State Veterinary Service (SVS).
4. Symbols are explained in the Introduction to this booklet.

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 England Rural Development Plan Guarantee Section as economically, efficiently and effectively as possible.	5,699,470,000
Total net resource requirement	5,699,470,000
Net cash requirement	5,637,160,000

Amounts required in the year ending 31 March 2006 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 subsidy to 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, management of inland waterways by British Waterways Board 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
	£	£	£
RfR 1	5,699,470,000	1,270,027,000	4,429,443,000
Total net resource requirement	5,699,470,000	1,270,027,000	4,429,443,000
Net cash requirement	5,637,160,000	1,256,475,000	4,380,685,000

Part II: Subhead detail

£'000

2005-06						2004-05 Provision	2003-04 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
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									
369,183	3,913,041	2,292,668	6,574,892	875,422	5,699,470	96,083	5,480	3,104,366	2,625,657
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Animal Health and Welfare									
26,928	216,784	27,136	270,848	25	270,823	5,540	-	216,295	274,305
B Environment									
33,897	484,175	190,742	708,814	2,048	706,766	3,584	-	683,395	606,464
C Sustainable Farming Food and Fisheries									
27,735	93,887	4,326	125,948	2,498	123,450	-	-	144,960	127,518
D Natural Resources and Rural Affairs									
23,310	212,009	54,324	289,643	2,088	287,555	-	-	177,973	241,592
E Departmental Operations									
217,600	107,289	5,245	330,134	14,686	315,448	55,059	5,480	478,297	269,823
F Rural Payments Agency									
-	462,767	-	462,767	-	462,767	4,800	-	743,957	651,777

Part II: Subhead detail (continued)

£'000

2005-06						2004-05 Provision	2003-04 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	
G	Other Executive Agencies									
	39,713	63,204	-	102,917	50,316	52,601	27,100	-	49,813	42,394
	<i>Support for Local Authorities</i>									
H	Environment									
	-	-	152,930	152,930	-	152,930	-	-	106,662	143,238
	<i>Rural Payments Agency</i>									
	-	-	-	-	-	-	-	-	-	1,183
	Spending in Annually Managed Expenditure (AME)									
	<i>Central Government spending</i>									
I	Rural Payments Agency									
	-	2,272,926	-	2,272,926	-	2,272,926	-	-	2,256,717	2,088,287
	<i>Support for Local Authorities</i>									
J	Rural Payments Agency									
	-	-	6,445	6,445	-	6,445	-	-	6,430	7,175
	Non-budget									
K	Environment									
	-	-	659,148	659,148	-	659,148	-	-	505,184	152,802

Part II: Subhead detail (continued)

£'000

2005-06						2004-05 Provision	2003-04 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
L	Sustainable Farming Food and Fisheries								
-	-	7,294	7,294	-	7,294	-	-	-1,778	14,544
M	Natural Resources and Rural Affairs								
-	-	151,275	151,275	-	151,275	-	-	169,275	160,080
N	Departmental Operations								
-	-	24,899	24,899	-	24,899	-	-	17,299	-
O	Rural Payments Agency								
-	-	1,008,904	1,008,904	803,761	205,143	-	-	-2,445,426	-2,155,525
	<i>Animal Health and Welfare</i>								
-	-	-	-	-	-	-	-	-4,687	-
Total for Estimate:									
369,183	3,913,041	2,292,668	6,574,892	875,422	5,699,470	96,083	5,480	3,104,366	2,625,657

Part II: Resource to cash reconciliation

	£'000					
	2005-06		2004-05		2003-04	
	Provision		Provision		Outturn	
Net Total Resources	5,699,470		3,104,366		2,625,657	
Voted capital items						
Capital	96,083		157,052		156,923	
Less Non-operating A-in-A	5,480		8,034		15,494	
Total net voted capital	90,603		149,018		141,429	
Accruals to cash adjustment						
Adjustments to remove non-cash items:						
Cost of Capital charges	-45,379		-29,458		-39,865	
Depreciation	-107,771		-101,733		-52,162	
New provisions and adjustments to previous provisions	-		-		139	
Profit (+) / loss (-) on sale of assets	-		-		-	
Prior period adjustments	-		-		-	
Other non-cash items	-75		-75		-431	
Increase (+) / Decrease (-) in stock	-		-		-	
Increase (+) / Decrease (-) in debtors	429		429		145,429	
Increase (-) / Decrease (+) in creditors	-117		-117		145,119	
Use of provisions	-		-		53,000	
Total accruals to cash adjustments	-152,913		-130,954		251,229	
Excess cash to be CFERd	-		-		-	
Net Cash Requirement	5,637,160		3,122,430		3,018,315	

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					
	2005-06		2004-05		2003-04	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	2,619,414	<i>2,600,419</i>	22,764	<i>25,924</i>	56,898	<i>22,455</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	-	-	-	-	-	-
Total	2,619,414	<i>2,600,419</i>	22,764	<i>25,924</i>	56,898	<i>22,455</i>

Forecast Operating Cost Statement

	£'000		
	2005-06 Provision	2004-05 Provision	2003-04 Outturn
Net administration costs:			
RfR 1	317,064	403,014	287,108
Net programme costs:			
RfR 1	2,762,992	2,678,588	2,281,651
Total net programme costs	<u>2,762,992</u>	<u>2,678,588</u>	<u>2,281,651</u>
Total Net Operating Cost	3,080,056	3,081,602	2,568,759
<i>of which:</i>			
Net Resource Outturn	5,699,470	3,104,366	2,625,657
CFERs	-2,619,414	-22,764	-56,898
Non-voted expenditure	-	-	-
Resource Budget Outturn	5,369,904	5,641,405	4,783,518

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2005-06	2004-05	2003-04
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	5,699,470	3,104,366	2,625,657
<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	-2,619,414	-22,764	-56,898
Other adjustments	-	-	-
Net Operating Cost (Accounts)	3,080,056	3,081,602	2,568,759
<i>Adjustments to remove:</i>			
capital grants to local authorities	-124,700	-78,432	-118,218
capital grants financed from the Capital Modernisation Fund	-	-	-
European Union income and related adjustments	818,827	3,266,600	2,997,071
voted expenditure outside the budget	-1,022,520	-806,287	-837,596
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	2,619,414	22,764	56,898
resource consumption of non departmental public bodies	-9,123	150,758	169,604
unallocated resource provision	-	-	-
Other adjustments	7,950	4,400	-53,000
Resource Budget Outturn (Budget)	5,369,904	5,641,405	4,783,518
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	3,018,963	3,306,660	2,615,211
Annually Managed Expenditure (AME)	2,350,941	2,334,745	2,168,307

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2005-06	2004-05	2003-04
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	90,603	149,018	141,429
<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	102,261	61,828	51,503
capital grants to local authorities	124,600	78,332	118,118
capital grants financed by the Capital Modernisation Fund	-	-	-
local authority credit approvals	22,632	43,548	40,101
capital spending by levy funded bodies	-	-	-
unallocated capital provision	-	-	-
Other adjustments	-	-	-
Capital Budget Outturn (Budget)	340,096	332,726	351,151
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	338,700	331,330	349,755
Annually Managed Expenditure (AME)	1,396	1,396	1,396

Notes to the Main Estimate (*continued*)

Explanation of Accounting Officer responsibilities

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

Request for Resources 1: Sir Brian Bender, Principal Accounting Officer and Permanent Head of Department

Sir Brian Bender as the Principal Accounting Officer (PAO) of the Department for Environment, Food and Rural Affairs has personal responsibility for the proper presentation of the Department for Environment, Food and Rural Affairs' resource accounts as prescribed in legislation, or by the Treasury, and their transmission to the Comptroller and Auditor General. The PAO as the permanent head, in addition to the responsibilities for the assigned RfR, remains in general overall charge of the Department for Environment, Food and Rural Affairs.

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 the 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 available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the Department of Environment, Food and Rural Affairs' policies, aims, and objectives; and should regularly review the effectiveness of that system.

Notes to the Main Estimate *(continued)*

Analysis of appropriations in aid (A in A)

	£'000					
	2005-06 provision		2004-05 provision		2003-04 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
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.						
EU funding	803,761	—	3,253,587	—	2,992,147	—
Fees and charges to external customers	52,119	—	56,094	—	76,306	—
Fees and charges to other departments	—	—	—	—	—	—
Other programme income	19,542	—	31,253	—	26,502	—
Sale of land and buildings	—	5,480	—	8,034	—	15,494
Total RfR 1	875,422*	5,480**	3,341,204	8,034	3,094,955	15,494
<i>of which: Administration budgets</i>	—	—	—	—	—	—

*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.

Notes to the Main Estimate *(continued)*

Analysis of Consolidated Fund Extra Receipts (CFERs)

	£'000					
	2005-06 provision		2004-05 provision		2003-04 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Sugar and isoglucose production and storage levies ●	42,443	—	22,588	25,924	53,884	22,455
Forfeited securities ●	2,426	—	126	—	—	—
Administration ●	50	—	50	—	3,014	—
Single Payment CAP scheme	2,574,495	2,600,419	—	—	—	—
Total	2,619,414	2,600,419	22,764	25,924	56,898	22,455

Notes to the Main Estimate *(continued)*

Departmental Expenditure Limits and Administration Budgets

£'000

Details of 2005-06 Departmental Expenditure Limits (DEL) and Administration budget limits

	Voted*	Non-voted	Total
Resource DEL	2,249,090	769,873	3,018,963
<i>of which: Administration Budgets</i>	<i>317,064</i>	—	<i>317,064</i>
Capital DEL**	215,203	123,497	338,700
Less depreciation†	–107,771	–97,311	–205,082
Total DEL	2,356,522	796,059	3,152,581

* Excludes EU receipts included in Estimates, but excluded in Budgets.

** 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.

† 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.

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

The total net resource sought for 2005-06 of £5,699,470,000 is 83.6 per cent higher than the final net provision for 2004-05 of £3,104,366,000 and 90.4 per cent higher than the forecast outturn for 2004-05 of £2,992,787,000.

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

	2005-06 provision	2004-05 provision	2003-04 outturn
	880,902	3,349,238	3,110,449

Expenditure resting on the sole authority of the Appropriation Act

RfR 1 contains provision sought under the sole authority of Part 1 of the Estimate and of the confirming Appropriation Act:

Section	Service	£'000
A-D	Payments for Committees and Tribunals ■	58

Grant in Aid to Non-Departmental Public Bodies in excess of £1 million

	£'000
Countryside Agency ♥	70,000
English Nature ♥	78,004
Environment Agency ♥	659,148
Food From Britain ♥	6,874
Royal Botanic Gardens, Kew ♥	24,899
National Forest Company ♠	3,271