
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 or 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 the Estimate can be found in the Defra Departmental Report (Cm6537).
3. DEFRA has nine 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), State Veterinary Service (SVS), Government Decontamination Service (GDS) and the Marine Fisheries Agency (MFA).

Symbols are explained in the Introduction to this booklet.

Part I

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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.	5,934,132,000
Total net resource requirement	5,934,132,000
Net cash requirement	5,957,385,000

Amounts required in the year ending 31 March 2007 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; to increase the UK's environment decontamination capabilities involving chemical, biological or radiological materials; 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; consumer representation and other functions under the Water Act 2003 and associated non-cash costs.

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

Part I

	Net total	Allocated in Vote on Account	Balance to complete
RfR 1	5,934,132,000	2,564,762,000	3,369,370,000
Total net resource requirement	5,934,132,000	2,564,762,000	3,369,370,000
Net cash requirement	5,957,385,000	2,536,722,000	3,420,663,000

Part II: Subhead detail

										£'000	
2006-07 Provision								2005-06 Provision	2004-05 Outturn		
Resources						Capital Non- operating A in A		Net Total Resources	Net Total Resources		
Admin 1	Other Current 2	Grants 3	Gross Total 4	A in A 5	Net Total 6	Capital 7	8	9	10		
<p>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.</p>						91,403	-	5,809,614	5,406,107		
<p>Spending in Departmental Expenditure Limits (DEL)</p>											
<p><i>Central Government spending</i></p>											
A	Animal Health and Welfare										
	26,928	221,651	27,136	275,715	25	275,690	-	-	298,329	196,008	
B	Environment										
	33,945	554,208	413,094	1,001,247	2,096	999,151	640	-	748,891	654,745	
C	Sustainable Farming Food and Fisheries										
	34,100	90,816	8,187	133,103	2,498	130,605	-	-	111,343	132,253	
D	Natural Resources and Rural Affairs										
	23,310	303,816	75,814	402,940	3,997	398,943	-	-	405,481	168,814	
E	Departmental Operations										
	182,283	47,447	5,220	234,950	15,645	219,305	53,423	-	274,540	398,238	
F	Rural Payments Agency										
	-	2,790,148	502	2,790,650	-	2,790,650	4,700	-	2,854,547	3,003,164	
G	Other Executive Agencies										
	191,223	51,706	-	242,929	192,328	50,601	32,640	-	88,130	49,813	
<p><i>Support for Local Authorities</i></p>											
H	Environment										
	-	-	189,392	189,392	-	189,392	-	-	154,980	106,662	
I	Rural Payments Agency										
	-	-	5,691	5,691	-	5,691	-	-	5,895	6,430	
<p>Spending in Annually Managed Expenditure (AME)</p>											
<p><i>Central Government spending</i></p>											
<p><i>Environment</i></p>											
	-	-	-	-	-	-	-	-	52,200	-	

Part II: Subhead detail

£'000

2006-07 Provision							2005-06 Provision	2004-05 Outturn			
Resources						Capital Non- operating A	Net Total Resources	Net Total Resources			
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	in A	9	10		
1	2	3	4	5	6	7	8				
Non-Budget											
J	Environment	-	-	691,624	691,624	-	691,624	-	-	627,448	505,184
K	Sustainable Farming Food and Fisheries	-	-	9,792	9,792	-	9,792	-	-	11,656	-1,778
L	Natural Resources and Rural Affairs	-	-	147,789	147,789	-	147,789	-	-	151,275	169,275
M	Departmental Operations	-	-	24,899	24,899	-	24,899	-	-	24,899	17,299
N	Rural Payments Agency	-	1,024,400	-	1,024,400	1,024,400	-	-	-	-	-
O	Other Executive Agencies	-	38,000	-	38,000	38,000	-	-	-	-	-
Total for Estimate:											
		491,789	5,122,192	1,599,140	7,213,121	1,278,989	5,934,132	91,403	-	5,809,614	5,406,107

Part II: Resource to cash reconciliation

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Resource Requirement	5,934,132	5,809,614	5,406,107
Voted capital items			
Capital	91,403	156,831	142,548
Less Non-operating A-in-A	-	23,349	8,034
Total net voted capital	91,403	133,482	134,514
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-25,379	-25,379	-29,458
Depreciation	-42,771	-42,771	-101,733
New provisions and adjustments to previous provisions	-67,046	-189,431	-
Profit/loss on sale of assets	-	2,651	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	354	354
Increase (-) / Decrease (+) in creditors	-	-117	-117
Use of provisions	67,046	37,469	-
Total accruals to cash adjustments	-68,150	-217,224	-130,954
Excess cash to be CFERd	-	-	-
Net Cash Requirement	5,957,385	5,725,872	5,409,667

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					
	2006-07		2005-06		2004-05	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	2,501,081	<i>3,959,992</i>	2,505,734	<i>2,392,054</i>	2,468,190	<i>2,468,190</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	2,501,081	<i>3,959,992</i>	2,505,734	<i>2,392,054</i>	2,468,190	<i>2,468,190</i>

Forecast Operating Cost Statement

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Administration Costs			
RfR 1	285,164	372,375	315,063
Total Net Administration costs	285,164	372,375	315,063
Net Programme Costs			
RfR 1	3,147,887	2,931,505	2,622,854
Total Net Programme costs	3,147,887	2,931,505	2,622,854
Total Net Operating Cost	3,433,051	3,303,880	2,937,917
<i>of which:</i>			
Net Resource Requirement	5,934,132	5,809,614	5,406,107
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-2,501,081	-2,505,734	-2,468,190
Resource Budget	2,968,270	3,060,493	2,778,818

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Resource Requirement (Estimates)	5,934,132	5,809,614	5,406,107
<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	-2,501,081	-2,505,734	-2,468,190
Other adjustments	-	-	-
Net Operating Cost (Accounts)	3,433,051	3,303,880	2,937,917
<i>Adjustments to remove:</i>			
Capital grants	-553,597	-315,127	-250,485
European Union income related to capital grants	-	-	-
Voted expenditure outside the budget	-	1,200	8,750
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	22,205	44,919	22,764
Resource consumption of non departmental public bodies	66,611	25,621	58,472
Unallocated resource provision	-	-	-
Other adjustments	-	-	1,400
Resource Budget (Budget)	2,968,270	3,060,493	2,778,818
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	2,917,643	2,936,723	2,707,220
Annually Managed Expenditure (AME)	50,627	123,770	71,598

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Voted Capital (Estimates)	91,403	133,482	134,514
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	2,651	-
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Capital spending by non-departmental public bodies	127,000	110,610	59,977
Capital grants	553,597	315,127	250,485
European Union income related to capital grants	-	-	-
Supported capital expenditure (revenue)	-	22,212	43,548
Capital spending by levy funded bodies	-	857	857
Unallocated capital provision	-	-	-
Other adjustments	-	-	-
Capital Budget (Budget)	772,000	584,939	489,381
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	772,000	583,543	487,985
Annually Managed Expenditure (AME)	-	1,396	1,396

Notes to the Main 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 appointment for the Request for Resources within this Estimate.

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

Helen Ghosh as the Accounting Officer of the Department for Environment, Food and Rural Affairs 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 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 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 Main Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 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 England Rural Development Plan Guarantee Section as economically, efficiently and effectively as possible.			
Administration	206,625	233,951	207,982
<i>of which:</i>			
Sale of goods and services	206,625	233,951	207,982
Programme	1,072,364	1,210,420	863,379
<i>of which:</i>			
Sale of goods and services	7,948	74,337	28,202
Regulatory licences, fines, penalties and taxes	22,205	44,919	22,764
EU Income	3,541,276	3,591,582	3,278,587
Other grant income (including repayment of grants/subsidies)	-	3,300	-
Interest and dividends	2,000	2,000	2,000
CFERs	-2,501,081	-2,505,734	-2,468,190
Other income (including receipts)	16	16	16
Total RfR 1	1,278,989†	1,444,371	1,071,361
† Amount that may be applied as operating 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.			
Total Operating A in A	1,278,989	1,444,371	1,071,361

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

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 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 England Rural Development Plan Guarantee Section as economically, efficiently and effectively as possible.			
Programme	-	23,349	8,034
<i>of which:</i>			
Sale of assets	-	23,349	8,034
Total RfR 1	-	23,349	8,034
Total Non-Operating A in A	-	23,349	8,034

Notes to the Main Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

	£'000					
	2006-07		2005-06		2004-05	
	Provision		Provision		Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
RPA CFERed EU income	2,501,081	3,959,992	2,505,734	2,392,054	2,468,190	2,468,190
Total	2,501,081	3,959,992	2,505,734	2,392,054	2,468,190	2,468,190

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	4,484,931	-1,567,288	2,917,643
<i>of which:*</i>			
Administration budget	285,164	-	285,164
Near-cash in RDEL	4,349,735	-1,727,316	2,622,419
Capital DEL**	666,500	105,500	772,000
Less Depreciation†	-42,771	-162,311	-205,082
Total DEL	5,108,660	-1,624,099	3,484,561

* 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 for the previous year

The total net resource sought for 2006-07 of £5,934,132,000 is 2.1 per cent higher than the final net provision for 2005-06 of £5,809,614,000.

Cash which may be retained to offset expenditure

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 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.	1,278,989	1,467,720	1,079,395

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
A - D	Payments for Committees and Tribunals	58
	Funding to establish the Association of Commons Registration Officers	50

Notes to the Main Estimate (*continued*)

Grants in aid

RfR/Section	Body	£'000
Section L	♥ Countryside Agency	63,139
Section L	♥ English Nature	80,650
Section J	♥ Environment Agency	685,136
Section K	♥ Food from Britain	6,492
Section M	♥ Royal Botanic Gardens, Kew	24,899
Section L	♠ National Forest Company	4,000
Section K	♥ Gangmasters Licensing Authority	3,300
Section J	♥ Consumer Council for Water	6,488

