

Department for Environment, Food and Rural Affairs

Introduction

This Supplementary Estimate is required for the following purposes:

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Changes in budgets, non-budget voted provision and cash	Increases	Reductions	Total
<u>Resource DEL</u>			
<u>Transfers of budgetary cover to/from other government departments</u>			
(Section B) Transfer of gross programme spend for Help to enhance the environment and biodiversity from Department of Energy and Climate Change.	7,500,000		
(Section I) Transfer of gross programme spend for Prepare for and manage risk from environmental emergencies (NDPB) (Net) from Welsh Assembly Government.	1,650,000		
<u>Budget Exchange</u>			
(Section F) Decrease in gross administration spend for Departmental operating costs for Budget Exchange.		-20,000,000	
<u>Transfers to Future Years</u>			
(Section A) Decrease in gross programme spend for Support and develop British farming in relation to utilisation of provisions for CAP Disallowance which is being deferred to 2013/14.		-87,000,000	
(Section F) Decrease in gross programme spend for Departmental operating costs relating to the voluntary exit and redundancy funding ringfenced budget which is being transferred to 2013/14.		-7,000,000	
<u>Transfers between resource spending and capital spending</u>			
(Section H) Decrease in gross programme spend for Help to enhance the environment and biodiversity (NDPB) (Net) following a transfer to capital within Environment Agency.		-20,200,000	
(Section H) Increase in gross programme spend for Help to enhance the environment and biodiversity (NDPB) (Net) following a transfer from capital within Royal Botanic Gardens, Kew.	3,651,000		
(Section I) Decrease in gross programme spend for Prepare for and manage risk from environmental emergencies (NDPB) (Net) following a transfer to capital within Environment Agency.		-20,000,000	

Transfers within the Department

(Section A) Increase in gross administration spend for Support and develop British farming due to reallocation of budgets.	48,917,000	
(Section A) Increase in administration income for Support and develop British farming due to reallocation of budgets.		-46,019,000
(Section A) Decrease in gross programme spend for Support and develop British farming due to reallocation of budgets.		-61,958,000
(Section A) Increase in gross programme spend for Support and develop British farming following a transfer from Natural England.	110,000	
(Section A) Decrease in programme income for Support and develop British farming due to reallocation of budgets.	11,356,000	
(Section B) Decrease in gross administration spend for Help to enhance the environment and biodiversity due to reallocation of budgets.		-2,330,000
(Section B) Decrease in administration income for Help to enhance the environment and biodiversity due to reallocation of budgets.	2,251,000	
(Section B) Increase in gross programme spend for Help to enhance the environment and biodiversity due to reallocation of budgets.	34,726,000	
(Section B) Decrease in gross programme spend for Help to enhance the environment and biodiversity following a transfer to Natural England.		-1,784,000
(Section B) Decrease in programme income for Help to enhance the environment and biodiversity due to reallocation of budgets.	18,578,000	
(Section C) Decrease in gross administration spend for Support a strong and sustainable green economy due to reallocation of budgets.		-152,000
(Section C) Decrease in gross programme spend for Support a strong and sustainable green economy due to reallocation of budgets.		-20,424,000
(Section D) Decrease in gross administration spend for Prepare for and manage risk from animal and plant diseases due to reallocation of budgets.		-3,251,000
(Section D) Decrease in administration income for Prepare for and manage risk from animal and plant diseases due to reallocation of budgets.	5,368,000	

(Section D) Increase in gross programme spend for Prepare for and manage risk from animal and plant diseases due to reallocation of budgets.	52,412,000	
(Section D) Increase in programme income for Prepare for and manage risk from animal and plant diseases due to reallocation of budgets.		-15,201,000
(Section E) Increase in gross administration spend for Prepare for and manage risk from environmental emergencies due to reallocation of budgets.	322,000	
(Section E) Decrease in gross programme spend for Prepare for and manage risk from environmental emergencies following a transfer to Environment Agency.		-7,491,000
(Section E) Increase in gross programme spend for Prepare for and manage risk from environmental emergencies due to reallocation of budgets.	2,401,000	
(Section E) Increase in programme income for Prepare for and manage risk from environmental emergencies due to reallocation of budgets.		-60,000
(Section F) Decrease in gross administration spend for Departmental operating costs following a transfer to Environment Agency.		-13,000,000
(Section F) Decrease in gross administration spend for Departmental operating costs following a transfer to Marine Management Organisation.		-210,000
(Section F) Decrease in gross administration spend for Departmental operating costs due to reallocation of budgets.		-2,978,000
(Section F) Increase in administration income for Departmental operating costs due to reallocation of budgets.		-2,011,000
(Section F) Decrease in gross programme spend for Departmental operating costs following a transfer to Marine Management Organisation.		-500,000
(Section F) Increase in gross programme spend for Departmental operating costs following a transfer from Environment Agency.	1,850,000	
(Section F) Increase in gross programme spend for Departmental operating costs following a transfer from Natural England.	1,478,000	
(Section F) Decrease in gross programme spend for Departmental operating costs due to reallocation of budgets.		-21,756,000
(Section H) Increase in gross administration spend for Help to enhance the environment and biodiversity (NDPB) (Net) for Environment Agency.	8,000,000	

(Section H) Increase in gross administration spend for Help to enhance the environment and biodiversity (NDPB) (Net) for Marine Management Organisation.	210,000		
(Section H) Increase in gross administration spend for Help to enhance the environment and biodiversity (NDPB) (Net) due to reallocation of budgets for Commission for Rural Communities and National Forest Company.	383,000		
(Section H) Increase in gross programme spend for Help to enhance the environment and biodiversity (NDPB) (Net) for Marine Management Organisation.	499,000		
(Section H) Decrease in gross programme spend for Help to enhance the environment and biodiversity (NDPB) (Net) for Environment Agency.		-1,703,000	
(Section H) Decrease in gross programme spend for Help to enhance the environment and biodiversity (NDPB) (Net) due to reallocation of budgets for Natural England.		-346,000	
(Section I) Increase in gross administration spend for Prepare for and manage risk from environmental emergencies (NDPB) (Net) for Environment Agency.	5,000,000		
(Section I) Increase in gross programme spend for Prepare for and manage risk from environmental emergencies (NDPB) (Net) for Environment Agency.	7,551,000		
Decrease in gross administration spend for Support a strong and sustainable green economy (NDPB) (Net) due to reallocation of budgets.		-500,000	
<u>Changes in income offset by changes in expenditure</u>			
(Section A) Decrease in gross administration spend for Support and develop British farming, offset by a decrease in income.	38,056,000	-38,056,000	
(Section D) Decrease in gross administration spend for Prepare for and manage risk from animal and plant diseases, offset by a decrease in income.	3,191,000	-3,191,000	
(Section H and section B) Decrease in gross programme spend for Help to enhance the environment and biodiversity (NDPB) (Net), offset by a decrease in programme income for Help to enhance the environment and biodiversity following a transfer to Environment Agency.	1,216,000	-1,216,000	
(Section H and section B) Increase in gross programme spend for Help to enhance the environment and biodiversity (NDPB) (Net), offset by an increase in programme income for Help to enhance the environment and biodiversity following a transfer to Consumer Council for Water.	29,000	-29,000	
Total change in Resource DEL (Voted)	256,705,000	-398,366,000	-141,661,000

Resource AME**Transfers to Future Years**

(Section J) Increase in gross programme spend for Support and develop British farming in relation to utilisation of provisions for CAP Disallowance which is being deferred to 2013/14. 87,000,000

Transfers within the Department

(Section J) Increase in gross programme spend for Support and develop British farming in relation to creation of provisions and unrealised exchange rate losses. 24,207,000

(Section K) Decrease in gross programme spend for Help to enhance the environment and biodiversity in relation to utilisation of provisions. -434,000

(Section K) Decrease in gross programme spend for Help to enhance the environment and biodiversity in relation to utilisation of provisions for Forestry Commission. -2,371,000

(Section M) Increase in gross programme spend for Prepare for and manage risk from animal and plant diseases in relation to creation of provisions. 1,000

(Section N) Increase in gross programme spend for Prepare for and manage risk from environmental emergencies in relation to creation of provisions. 1,000

(Section O) Decrease in gross programme spend for Departmental operating costs in relation to utilisation of provisions. -25,427,000

(Section Q) Decrease in gross programme spend for Help to enhance the environment and biodiversity (NDPB) (Net) in relation to utilisation of provisions for Natural England. -9,258,000

(Section Q) Increase in gross programme spend for Help to enhance the environment and biodiversity (NDPB) (Net) in relation to impairments for Environment Agency. 5,000,000

(Section Q) Decrease in gross programme spend for Help to enhance the environment and biodiversity (NDPB) (Net) in relation to resource expenditure for Sea Fish Industry Authority. -4,000

(Section R) Increase in gross programme spend for Prepare for and manage risk from environmental emergencies (NDPB) (Net) in relation to creation of provisions and impairments for Environment Agency. 15,787,000

Total change in Resource AME (Voted)	131,996,000	-37,494,000	94,502,000
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Capital DEL**Transfers of budgetary cover to/from other government departments**

(Section F) Transfer of gross capital spend to Departmental operating costs from Department for Culture, Media and Sport for Rural Broadband.	3,000,000
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Transfers to Future Years

(Section F) Decrease in gross capital spend for Departmental operating costs relating to Rural Broadband which is being deferred in to 2013/14.	-3,000,000
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Transfers between capital spending and resource spending

(Section H) Increase in gross capital spend for Help to enhance the environment and biodiversity (NDPB) (Net) following a transfer from resource within Environment Agency.	20,200,000
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(Section H) Decrease in gross capital spend for Help to enhance the environment and biodiversity (NDPB) (Net) following a transfer to resource within Royal Botanic Gardens, Kew.	-3,651,000
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(Section I) Increase in gross capital spend for Prepare for and manage risk from environmental emergencies (NDPB) (Net) following a transfer from resource within Environment Agency.	20,000,000
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Transfers within the Department

(Section A) Increase in gross capital spend for Support and develop British farming due to reallocation of budgets.	29,070,000
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(Section B) Increase in gross capital spend for Help to enhance the environment and biodiversity due to reallocation of budgets.	7,606,000
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(Section B) Increase in capital income for Help to enhance the environment and biodiversity following a transfer from Environment Agency.	-1,125,000
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(Section B) Increase in capital income for Help to enhance the environment and biodiversity due to reallocation of budgets.	-350,000
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(Section C) Decrease in gross capital spend for Support a strong and sustainable green economy due to reallocation of budgets.	-19,974,000
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(Section D) Increase in gross capital spend for Prepare for and manage risk from animal and plant diseases due to reallocation of budgets.	14,452,000
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(Section E) Decrease in gross capital spend for Prepare for and manage risk from environmental emergencies following a transfer to Environment Agency.		-2,200,000	
(Section E) Increase in capital income for Prepare for and manage risk from environmental emergencies in relation to Welsh Assembly Government contribution to Environment Agency for capital floods programme.		-693,000	
(Section F) Decrease in gross capital spend for Departmental operating costs following a transfer to Environment Agency.		-27,981,000	
(Section F) Decrease in gross capital spend for Departmental operating costs due to reallocation of budgets.		-40,887,000	
(Section F) Increase in capital income for Departmental operating costs due to reallocation of budgets.		-4,600,000	
(Section H) Increase in gross capital spend for Help to enhance the environment and biodiversity (NDPB) (Net) for Environment Agency.	22,167,000		
(Section H) Increase in gross capital spend for Help to enhance the environment and biodiversity (NDPB) (Net) for Royal Botanic Gardens, Kew.	11,851,000		
(Section H) Increase in gross capital spend for Help to enhance the environment and biodiversity (NDPB) (Net) for Marine Management Organisation.	1,488,000		
(Section H) Increase in gross capital spend for Help to enhance the environment and biodiversity (NDPB) (Net) for Natural England.	6,019,000		
(Section I) Increase in gross capital spend for Prepare for and manage risk from environmental emergencies (NDPB) (Net) for Environment Agency.	19,569,000		
(Section I) Decrease in gross capital spend for Prepare for and manage risk from environmental emergencies (NDPB) (Net) due to reallocation of budgets.		-14,386,000	
Total change in Capital DEL (Voted)	155,422,000	-118,847,000	36,575,000
<u>Non-Budget</u>			
<u>Prior period adjustments</u>			
(Section T) Increase in gross programme spend for Prior period adjustments relating to adjustments to the 2011/12 Annual Report and Accounts.	12,000,000		
Total change in Non-Budget	12,000,000	0	12,000,000
Change to Net Cash requirement		-94,722,000	
Total change in Net Cash Requirement	0	-94,722,000	-94,722,000

Part I

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	Voted	Non-Voted	Total
Departmental Expenditure Limit			
Resource	-141,661,000	-	-141,661,000
Capital	36,575,000	-	36,575,000
Annually Managed Expenditure			
Resource	94,502,000	-	94,502,000
Capital	-	-	-
Total Net Budget			
Resource	-47,159,000	-	-47,159,000
Capital	36,575,000	-	36,575,000
Non-Budget Expenditure	12,000,000		
Net cash requirement	-94,722,000		

Supplementary amounts required in the year ending 31 March 2013 for expenditure by Department for Environment, Food and Rural Affairs on:

Departmental Expenditure Limit:Expenditure arising from:

Expenditure by Natural England and the Environment Agency. Represent forestry interests, encourage good forestry practice, sustainable forest management and conduct forest research. International policy, research, standard-setting and monitoring to support sustainable forestry. Land grants, countryside access and rights of way. Policy on commons, national parks and town and village greens. Environmental protection and conservation, maintain air and ozone quality, increase UK's environmental decontamination capabilities, deliver social, environmental and economic programmes; Maintain water quality and supply, support for management of inland waterways and obligations under the Water Act 2003. Support terrestrial, marine, waterway environments and protection of water bodies. Support protection of species, wildlife management, habitat protection and conservation. Support national and global biodiversity, geodiversity and research. Support for rural and regional development. Better waste management. Promotion and support for sustainable development, consumption and production. Supporting development of farming and cost-sharing initiatives, payments, losses and penalties relating to the administration of EU schemes including disallowance. EU compensation payments to producers and support for agriculture. Champion hygienic production, marketing, delivery and processing in the agriculture, fisheries and food industries. Support bee and fish conservation, UK's responsibilities under the Convention on International Trade in Endangered Species (CITES) and fishing industry. Support keeping, movement tracing, international trade, health and welfare of animals, animal products and by-products, dairy hygiene and marketing. Support a sustainable, secure and healthy food supply; food labelling and composition policy.

Flood risk management and development implications, land drainage and sewerage. Exotic and endemic animal and plant disease policy portfolio and eradication. Regulatory systems for chemicals, veterinary medicines and pesticides. Radioactive waste management, pollution emergency response services, noise mapping and manage other environmental risks. Consultation on town, urban and country developments. Climate modelling, risk assessment and adaptation.

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

Income arising from:

Income from devolved administrations and European Commission (EC); delivery body funding contributions; provision of employee and financial shared services to other public sector bodies; surveys; receipts from sale of carcasses and vaccines; income from licensing; approvals; investments; interest gained; donations and bequests; commercial activities; 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 training and professional services; pension and redundancy contributions and knowledge-sharing initiatives.

Annually Managed Expenditure:

Expenditure arising from:

Levy collection; publicity, promotion, awareness and publications; research and development; market and supply chain analysis and support; packaging recovery support; licensing, approvals and certification. Specialist support services; staff management and development; delivery body funding contributions; surveys; monitoring; statistics; advice and consultancies; provision for future liabilities; bad debts; revaluations and impairment losses; legacy and residual delivery body costs.

Income arising from:

Levies from the meat; dairy; forestry; horticulture; shellfish; fish; cereals; agriculture industries; delivery body funding contributions; packaging recovery support; surveys; EU funding; investment and commercial income.

Non-Budget Expenditure:

Expenditure arising from:

Payments to devolved administrations.

*Prior period adjustments.

Income arising from:

Funding contributions to support delivery bodies.

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

Part II: Changes Proposed

£'000

Net Resources						Net Capital		
Present		Changes		Revised		Present	Changes	Revised
Admin	Prog	Admin	Prog	Admin	Prog			
1	2	3	4	5	6	7	8	9
Spending in Departmental Expenditure Limits (DEL)								
Voted Expenditure								
642,904	1,591,358	-20,000	-121,661	622,904	1,469,697	380,974	36,575	417,549
<i>Of which:</i>								
A Support and develop British Farming								
146,656	245,325	2,898	-137,492	149,554	107,833	-	29,070	29,070
B Help to enhance the environment and biodiversity								
42,323	331,741	-79	60,207	42,244	391,948	14,500	6,131	20,631
C Support a strong and sustainable green economy								
14,979	157,150	-152	-20,424	14,827	136,726	19,974	-19,974	-
D Prepare for and manage risk from animal and plant diseases								
8,324	215,149	2,117	37,211	10,441	252,360	-	14,452	14,452
E Prepare for and manage risk from environmental emergencies								
1,778	31,342	322	-5,150	2,100	26,192	-9,476	-2,893	-12,369
F Departmental Operating Costs								
188,257	28,537	-38,199	-25,928	150,058	2,609	79,790	-73,468	6,322
H Help to enhance the environment and biodiversity (NDPB) (Net)								
160,915	328,422	8,593	-19,286	169,508	309,136	3,000	58,074	61,074
I Prepare for and manage risk from environmental emergencies (NDPB) (Net)								
77,754	253,692	5,000	-10,799	82,754	242,893	273,186	25,183	298,369
Support a strong and sustainable green economy (NDPB) (Net)								
500	-	-500	-	-	-	-	-	-
Total Spending in DEL						36,575		
		-20,000	-121,661					
Spending in Annually Managed Expenditure (AME)								
Voted Expenditure								
-	19,346	-	94,502	-	113,848	1,000	-	1,000
<i>Of which:</i>								
J Support and develop British Farming								
-	-4,000	-	111,207	-	107,207	-	-	-
K Help to enhance the environment and biodiversity								
-	-32,534	-	-2,805	-	-35,339	-	-	-
M Prepare for and manage risk from animal and plant diseases								
-	-	-	1	-	1	-	-	-
N Prepare for and manage risk from environmental emergencies								
-	-	-	1	-	1	-	-	-
O Departmental Operating Costs								
-	50,000	-	-25,427	-	24,573	-	-	-
Q Help to enhance the environment and biodiversity (NDPB) (Net)								
-	9,170	-	-4,262	-	4,908	-	-	-
R Prepare for and manage risk from environmental emergencies (NDPB)(Net)								
-	-	-	15,787	-	15,787	-	-	-
Total Spending in AME						-		
		-	94,502					

Part II: Revised subhead detail including additional provision

£'000

Revised Plans									
Resources						Capital			
Administration		Programme							
Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	
1	2	3	4	5	6	7	8	9	
Spending in Departmental Expenditure Limits (DEL)									
Voted expenditure									
761,417	-138,513	622,904	3,851,151	-2,381,454	1,469,697	439,993	-22,444	417,549	
<i>Of which:</i>									
A Support and develop British Farming									
187,230	-37,676	149,554	1,897,004	-1,789,171	107,833	29,070	-	29,070	
B Help to enhance the environment and biodiversity									
65,095	-22,851	42,244	942,965	-551,017	391,948	22,106	-1,475	20,631	
C Support a strong and sustainable green economy									
14,827	-	14,827	136,726	-	136,726	-	-	-	
D Prepare for and manage risk from animal and plant diseases									
69,984	-59,543	10,441	275,566	-23,206	252,360	14,452	-	14,452	
E Prepare for and manage risk from environmental emergencies									
2,100	-	2,100	44,252	-18,060	26,192	-	-12,369	-12,369	
F Departmental Operating Costs									
168,501	-18,443	150,058	2,609	-	2,609	14,922	-8,600	6,322	
G Support and develop British Farming (NDPB) (Net)									
1,418	-	1,418	-	-	-	-	-	-	
H Help to enhance the environment and biodiversity (NDPB) (Net)									
169,508	-	169,508	309,136	-	309,136	61,074	-	61,074	
I Prepare for and manage risk from environmental emergencies (NDPB) (Net)									
82,754	-	82,754	242,893	-	242,893	298,369	-	298,369	
Total Spending in DEL									
761,417	-138,513	622,904	3,851,151	-2,381,454	1,469,697	439,993	-22,444	417,549	
Spending in Annually Managed Expenditure (AME)									
Voted expenditure									
-	-	-	127,128	-13,280	113,848	1,000	-	1,000	
<i>Of which:</i>									
J Support and develop British Farming									
-	-	-	107,207	-	107,207	-	-	-	
K Help to enhance the environment and biodiversity									
-	-	-	-35,339	-	-35,339	-	-	-	
L Support a strong and sustainable green economy									
-	-	-	13,280	-13,280	-	-	-	-	
M Prepare for and manage risk from animal and plant diseases									
-	-	-	1	-	1	-	-	-	
N Prepare for and manage risk from environmental emergencies									
-	-	-	1	-	1	-	-	-	
O Departmental Operating Costs									
-	-	-	24,573	-	24,573	-	-	-	
P Support and develop British Farming (NDPB) (Net)									
-	-	-	-3,290	-	-3,290	1,000	-	1,000	

Q Help to enhance the environment and biodiversity (NDPB) (Net)	-	-	-	4,908	-	4,908	-	-	-
R Prepare for and manage risk from environmental emergencies (NDPB)(Net)	-	-	-	15,787	-	15,787	-	-	-
Total Spending in AME	-	-	-	127,128	-13,280	113,848	1,000	-	1,000
Non-Budget spending									
Voted expenditure	-	-	-	1,331,110	-1,309,110	22,000	-	-	-
<i>Of which:</i>									
S Support and develop British Farming	-	-	-	1,319,110	-1,309,110	10,000	-	-	-
T Prior Period Adjustments	-	-	-	12,000	-	12,000	-	-	-
Total Non-Budget Spending	-	-	-	1,331,110	-1,309,110	22,000	-	-	-
Total for Estimate	761,417	-138,513	622,904	5,309,389	-3,703,844	1,605,545	440,993	-22,444	418,549
<i>Of which:</i>									
Voted Expenditure	761,417	-138,513	622,904	5,309,389	-3,703,844	1,605,545	440,993	-22,444	418,549
Non Voted Expenditure	-	-	-	-	-	-	-	-	-

Part II: Resource to cash reconciliation

£'000

	Present Plans	Changes	Revised Plans
Net Resource Requirement	2,263,608	-35,159	2,228,449
Net Capital Requirement	381,974	36,575	418,549
Accruals to cash adjustments	-189,841	-96,138	-285,979
<i>Of which:</i>			
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-92,491	13,000	-79,491
New provisions and adjustments to previous provisions	-196,100	4,791	-191,309
Departmental Unallocated Provision	-	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-12,000	-12,000
Other non-cash items	-227	-4,823	-5,050
<i>Adjustment for NDPBs:</i>			
Remove voted resource and capital	-1,105,767	-77,790	-1,183,557
Add cash grant-in-aid	1,022,110	63,452	1,085,562
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	182,634	-82,768	99,866
Removal of non-voted budget items	-	-	-
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-	-	-
Net Cash Requirement	2,455,741	-94,722	2,361,019

Part III: Note A - Statement of Comprehensive Net Expenditure & Reconciliation Table

£'000

	Revised Plans
Gross Administration Costs	760,356
<i>Less:</i>	
Administration DEL Income	-138,513
Net Administration Costs	621,843
Gross Programme Costs	5,569,002
<i>Less:</i>	
Programme DEL Income	-2,395,298
Programme AME Income	-13,280
Non-budget income	-1,309,110
Net Programme Costs	1,851,314
Total Net Operating Costs	2,473,157
<i>Of which:</i>	
Resource DEL	1,950,113
Capital DEL	256,708
Resource AME	256,336
Capital AME	-
Non-budget	10,000
<i>Adjustments to include:</i>	
Departmental Unallocated Provision (resource)	-
Consolidated Fund Extra Receipts in the budget but not in the SoCNE	-
<i>Adjustments to remove:</i>	
Capital in the SoCNE	-256,708
Non-Budget Consolidated Fund Extra Receipts in the SoCNE	-
Other adjustments	-10,000
Total Resource Budget	2,206,449
<i>Of which:</i>	
Resource DEL	2,092,601
Resource AME	113,848
<i>Adjustments to include:</i>	
Prior period adjustments	12,000
<i>Adjustments to remove:</i>	
Consolidated Fund Extra Receipts in the resource budget	-
Other adjustments	10,000
Total Resource (Estimate)	2,228,449

Part III: Note B - Analysis of Departmental Income

£'000

	Revised Plans
Voted Resource DEL	-2,519,967
<i>Of which:</i>	
Administration	
Sales of Goods and Services	-138,513
<i>Of which:</i>	
A: Support and develop British Farming	-37,676
B: Help to enhance the environment and biodiversity	-22,851
D: Prepare for and manage risk from animal and plant diseases	-59,543
F: Departmental Operating Costs	-18,443
Total Administration	-138,513
Programme	
EU Grants Received	-2,313,958
<i>Of which:</i>	
A: Support and develop British Farming	-1,789,131
B: Help to enhance the environment and biodiversity	-522,226
D: Prepare for and manage risk from animal and plant diseases	-2,601
Sales of Goods and Services	-28,604
<i>Of which:</i>	
A: Support and develop British Farming	-40
B: Help to enhance the environment and biodiversity	-7,959
D: Prepare for and manage risk from animal and plant diseases	-20,605
Other Grants	-38,892
<i>Of which:</i>	
B: Help to enhance the environment and biodiversity	-20,832
E: Prepare for and manage risk from environmental emergencies	-18,060
Total Programme	-2,381,454
Voted Resource AME	-13,280
<i>Of which:</i>	
Programme	
Sales of Goods and Services	-13,280
<i>Of which:</i>	
L: Support a strong and sustainable green economy	-13,280
Total Programme	-13,280
Total Voted Resource Income	-2,533,247
Voted Capital DEL	-22,444
<i>Of which:</i>	
Programme	
Sales of Assets	-8,600
<i>Of which:</i>	
F: Departmental Operating Costs	-8,600

Other Grants	-13,844
<i>Of which:</i>	
B: Help to enhance the environment and biodiversity	-1,475
E: Prepare for and manage risk from environmental emergencies	-12,369
Total Programme	<hr/> -22,444
Total Voted Capital Income	<hr/> -22,444 <hr/>

Part III: Note C - Analysis of Consolidated Fund Extra Receipts

No CFER income or receipts are expected in 2012-13.

Part III: Note D - Explanation of Accounting Officer responsibilities

The Accounting Officer prepares resource accounts for each financial year.

The following individuals are responsible for the expenditure within this Estimate:

Accounting Officer:	Bronwyn Hill
Additional Accounting Officers:	Tim Rollinson for sections C, L (Forestry Commission)

In accordance with Chapter 3 of Managing Public Money (issued by the Treasury), the following individuals are NDPB Accounting Officer appointments:

ALB/NDPB Accounting Officers:

Jon Carling	Commission for Rural Communities
Tony Smith	Consumer Council for Water
Dr Paul Leinster	Environment Agency
Paul Broadbent	Gangmasters Licensing Authority
Marcus Yeo	Joint Nature Conservation Committee
James Cross	Marine Management Organisation
Sophie Churchill	National Forest Company
Dave Webster	Natural England
Richard Deverell	Royal Botanic Gardens – Kew
Tom Taylor	Agriculture & Horticulture Development Board
Paul Williams	Sea Fish Industry Authority

Bronwyn Hill has personal responsibility for the proper presentation of the department's resource accounts and their transmission to the Comptroller & Auditor General, and 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 (FRoM), 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 regularity and propriety of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding assets, are also set out in Chapter 3 of Managing Public Money.

In accordance with Managing Public Money requirements, the relationship between the Principal Accounting Officer and Additional Accounting Officer(s), and with their Ministers, together with their respective responsibilities, is set out in writing. Similarly, the relationship between the Principal/Additional Accounting Officer and the NDPB Accounting Officer(s) is set out in writing.

Part III: Note E - Non-Departmental Public Bodies

£'000

Section in Part II: Subhead Detail	Body	Resources	Capital	Grant-in-aid
P	Agriculture and Horticulture Development Board	-3,290	1,000	-
H	Commission for Rural Communities	380	-	380
H	Consumer Council for Water	5,130	-	5,130
H, I, Q, R	Environment Agency	581,187	340,736	799,914
G	Gangmasters Licensing Authority	1,418	-	1,418
H	Joint Nature Conservation Committee	9,763	-	9,739
H	Marine Management Organisation	31,177	1,488	33,198
H	National Forest Company	3,099	-	3,007
H, Q	Natural England	173,339	6,019	197,969
H	Royal Botanical Gardens, Kew	21,163	11,200	34,807
Q	Sea Fish Industry Authority	-252	-	-
Total		823,114	360,443	1,085,562

Part III: Note F - Accounting Policy changes

Prior Period Adjustments

This note provides details of Prior Period Adjustments (PPAs) impacting on this Estimate.

Voted

The Supplementary Estimate includes a voted PPA to reflect an omission in the outturn figures for 2011-12 that will be corrected as part of the preparation of the 2012-13 Annual Report and Accounts. No adjustments are required for 2012-13 or 2010-11.

£'000

	2010-11	2011-12	2012-13
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In order to meet the required laying date for the 2011-12 Annual Report and Accounts, some late changes to the accounts of our consolidated arms length bodies were not included. The exact value of these adjustments have not yet been fully confirmed but the amount sought is based on current estimates and will not lead to a breach in the previous year's control totals.

	-	12,000	-
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Part III: Note G - Expenditure resting on the sole authority of the Supply and Appropriation Act

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

Section in Part II: Subhead Detail	Service	£'000
A to F - DEL	Payments for Committees and Tribunals	58

Part III: Note K - 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.	15,000 - 30,000
Infringements of the Urban Waste Water Treatment Directive could lead to substantial fines for the Core-Department from the EU.	Unquantifiable
Potential future claims against the Core-Department for pollution that may arise from FMD Farm Burial Grounds.	Unquantifiable
A contractual liability for dilapidations arises to the extent that the tenant fails to repair, maintain or decorate in accordance with the terms of the lease. A liability for reinstatement arises where a leased building is altered by the tenant at the request of the tenant. These obligations cannot be reliably estimated at inception. Provision is made where the landlord has notified an intention to enforce a claim and the amount of such a claim can be assessed. A contingent liability therefore exists for potential claims against the Core-Department over and above the existing provision.	21,200
Possible European Court of Justice fines relating to alleged failure to transpose the Wild Birds Directive.	7,000 - 8,000
As part of the revised contract with our Facilities Management providers it has been agreed that under certain conditions arising from the rationalisation of the estate and subsequent reduction in demand, any restructuring costs such as redundancies or early retirement will be recharged to Defra.	Unquantifiable
The EU is considering the UK response to a letter of formal notice alleging non-conformity in relation to various aspects of the transposition of the Water Framework Directive. The potential liability is not quantifiable at this stage.	Unquantifiable
Fera was awarded a European Regional Development Fund (ERDF) grant, administered by Yorkshire Forward/Department for Communities and Local Government (DCLG), of £2m to refurbish science accommodation and provide supporting infrastructure to let out to small and medium sized science-based enterprises. The works were completed during March 2011. If Fera are unable to meet the objectives and conditions of the grant, some monies may be repayable to ERDF.	Unquantifiable
Fera is responsible for indemnity against all actions, costs and expenses made against the National Institute of Agricultural Botany (NIAB) arising from their contract with Defra. The value of any such possible future actions is not quantifiable but, to minimise liability, the contract requires NIAB to take out a £5m professional insurance.	Unquantifiable
The EU has acknowledged that sugar levy rates, advised by regulation, were incorrect leading to overcharged levies during the period 2002 to 2006. The EU has issued new regulations which are being challenged by sugar producers with the EU. The potential liability is held by RPA.	Unquantifiable
RPA is currently in receipt of appeals from scheme claimants against the non payment of claims covering the Single Payment Scheme (SPS) and Trader related schemes. If the appeals are successful they could either result in a liability for EU or Exchequer funded payments.	Unquantifiable

Cefas management consider specific risks exist relating to potential claims. The range of these contingent liabilities is currently believed to individually be between no claim and £150,000.	Unquantifiable
Potential liabilities arising from small claims, individually less than £3m, against Defra and its Executive Agencies.	7,200
In addition to the liabilities of the Core–Department and Executive Agencies the following NDPB liabilities are included for information:	
JNCC is currently awaiting a hearing date for an industrial tribunal. The case is likely to be heard within the next 12 months but it is not possible to accurately estimate the potential costs as these are subject to legal process.	Unquantifiable
Potential obligations for remedial work on contaminated assets should the Environment Agency dispose of the assets and legal claims are made by third parties.	4,100
Natural England is involved in certain claims and litigation relating to its core purpose. In the opinion of management the liabilities, if any, arising from these claims and litigation will not have a material impact on the financial position or results.	Unquantifiable
Potential liabilities arising from small claims, individually less than £3m, against Defra's NDPBs.	2,400

Part III: Note M - Replacement for Trust Statement

It is expected that the following taxes, fines, penalties and charges will be paid over to the Consolidated Fund and are excluded from the Departments consolidated accounts.

£'000

Taxes, fines and charges

Rural Payments Agency	11,000
Environment Agency	10

11,010
