

# 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
<b><u>Resource DEL</u></b>			
<b><u>Machinery of Government changes</u></b>			
Machinery of Government gross programme transfer from Departmental Operating Costs (section F) to Department for Business Innovation and Skills for the UK Space Agency.		-182,000	
<b><u>Transfers of budgetary cover to/from other government departments</u></b>			
Transfer of gross administration spend from Support and develop British Farming (section A) to Ministry of Justice.		-135,000	
Transfer of gross programme spend from Support and develop British Farming (section A) to Ministry of Justice.		-30,000	
Transfer of gross programme spend from Support a strong and sustainable green economy (section C) to Department for Communities and Local Government.		-15,000,000	
Transfer of gross administration spend from Departmental Operating Costs (section F) to Cabinet Office.		-40,000	
Transfer of gross programme spend from Departmental Operating Costs (section F) to Welsh Government.		-1,200,000	
Transfer of gross programme spend to Prepare for and manage risk from environmental emergencies (NDPB) (net) (section J) from Welsh Government.	1,650,000		
Transfer of gross programme spend to Departmental Unallocated Provision from Department for International Development.	12,600,000		
<b><u>Transfer from Departmental Unallocated Provision</u></b>			
Decrease in gross programme spend for Departmental Unallocated Provision following transfer to the policy areas.		-12,600,000	
Increase in gross programme spend for Help to enhance the environment and biodiversity (section B) following a transfer from Departmental Unallocated Provision.	2,600,000		

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Increase in gross programme spend for Support a strong and sustainable green economy (section C) following a transfer from Departmental Unallocated Provision.	10,000,000
<b><u>Budget Exchange</u></b>	
Decrease in gross programme spend for Departmental Operating Costs (section F) for Budget Exchange.	-16,000,000
<b><u>Transfers from resource spending to capital spending</u></b>	
Decrease in gross programme spend for Help to enhance the environment and biodiversity (section B) following a transfer to capital.	-2,350,000
Decrease in programme spend for Help to enhance the environment and biodiversity (NDPB) (net) (section H) following a transfer to capital for Environment Agency.	-18,500,000
Decrease in programme spend for Help to enhance the environment and biodiversity (NDPB) (net) (section H) following a transfer to capital for National Forest Company.	-900,000
Increase in programme spend for Help to enhance the environment and biodiversity (NDPB) (net) (section H) following a transfer from capital for Royal Botanic Gardens, Kew.	11,600,000
Decrease in programme spend for Prepare for and manage risk from environmental emergencies (NDPB) (net) (section J) following a transfer to capital for Environment Agency.	-20,000,000
<b><u>Transfers to/from Non-Departmental Public Bodies</u></b>	
Decrease in gross programme spend for Help to enhance the environment and biodiversity (section B) following a transfer to Environment Agency.	-12,304,000
Decrease in gross programme spend for Help to enhance the environment and biodiversity (section B) following a transfer to Joint Nature Conservation Committee.	-3,228,000
Decrease in gross programme spend for Help to enhance the environment and biodiversity (section B) following a transfer to Natural England.	-500,000
Increase in programme income for Help to enhance the environment and biodiversity (section B) following a transfer from Environment Agency.	-2,758,000
Increase in programme income for Help to enhance the environment and biodiversity (section B) following a transfer from Consumer Council for Water.	-28,000

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Decrease in gross programme spend for Support a strong and sustainable green economy (section C) following a transfer to Environment Agency.	-1,200,000
Decrease in gross programme spend for Prepare for and manage risk from environmental emergencies (section E) following a transfer to Environment Agency.	-5,070,000
Decrease in programme income for Prepare for and manage risk from environmental emergencies (section E) following a transfer to Environment Agency.	19,235,000
Decrease in gross administration spend for Departmental Operating Costs (section F) following a transfer to Environment Agency.	-12,000,000
Decrease in gross administration spend for Departmental Operating Costs (section F) following a transfer to Natural England.	-450,000
Increase in gross programme spend for Departmental Operating Costs (section F) following a transfer from Environment Agency.	2,000,000
Decrease in gross programme spend for Departmental Operating Costs (section F) following a transfer to Gangmasters Licensing Authority.	-300,000
Increase in programme spend for Support and develop British Farming (NDPB) (net) (section G) for Gangmasters Licensing Authority.	300,000
Increase in administration spend for Help to enhance the environment and biodiversity (NDPB) (net) (section H) for Environment Agency.	4,000,000
Increase in administration spend for Help to enhance the environment and biodiversity (NDPB) (net) (section H) for Natural England.	450,000
Increase in programme spend for Help to enhance the environment and biodiversity (NDPB) (net) (section H) for Environment Agency.	14,262,000
Increase in programme spend for Help to enhance the environment and biodiversity (NDPB) (net) (section H) for Consumer Council for Water.	28,000
Increase in programme spend for Help to enhance the environment and biodiversity (NDPB) (net) (section H) for Joint Nature Conservation Committee.	3,228,000

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Increase in programme spend for Help to enhance the environment and biodiversity (NDPB) (net) (section H) for Natural England.	500,000	
Increase in administration spend for Prepare for and manage risk from environmental emergencies (NDPB) (net) (section J) for Environment Agency.	8,000,000	
Decrease in programme spend for Prepare for and manage risk from environmental emergencies (NDPB) (net) (section J) for Environment Agency.		-14,165,000
<b><u>Changes in income offset by changes in expenditure</u></b>		
Decrease in gross programme spend for Help to enhance the environment and biodiversity (section B), offset by a decrease in income.	12,270,000	-12,270,000
<b><u>Restructure changes</u></b>		
Movement of gross administration provision from former Estimate line Adapting to Climate Change.		-2,930,000
Movement of gross programme provision from former Estimate line Adapting to Climate Change.		-16,711,000
Movement of gross administration provision from former Estimate line A Healthy Natural Environment.		-50,123,000
Movement of administration income provision from former Estimate line A Healthy Natural Environment.	23,018,000	
Movement of gross programme provision from former Estimate line A Healthy Natural Environment.		-857,053,000
Movement of programme income provision from former Estimate line A Healthy Natural Environment.	515,527,000	
Movement of gross administration provision from former Estimate line Sustainable Consumption and Production.		-10,395,000
Movement of gross programme provision from former Estimate line Sustainable Consumption and Production.		-130,323,000
Movement of gross administration provision from former Estimate line Addressing Environmental Risk and Emergencies.		-80,287,000
Movement of administration income provision from former Estimate line Addressing Environmental Risk and Emergencies.	22,079,000	

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Movement of gross programme provision from former Estimate line Addressing Environmental Risk and Emergencies.	-226,694,000
Movement of programme income provision from former Estimate line Addressing Environmental Risk and Emergencies.	46,905,000
Movement of gross administration provision from former Estimate line Championing Sustainable Development.	-1,722,000
Movement of gross programme provision from former Estimate line Championing Sustainable Development.	-1,726,000
Movement of gross administration provision from former Estimate line A Thriving Farming and Food Sector.	-30,852,000
Movement of administration income provision from former Estimate line A Thriving Farming and Food Sector.	11,632,000
Movement of gross programme provision from former Estimate line A Thriving Farming and Food Sector.	-78,720,000
Movement of programme income provision from former Estimate line A Thriving Farming and Food Sector.	25,000
Movement of gross administration provision from former Estimate line A Sustainable, Secure and Healthy Food Supply.	-3,687,000
Movement of gross programme provision from former Estimate line A Sustainable, Secure and Healthy Food Supply.	-717,000
Movement of gross administration provision from former Estimate line Strong Rural Communities.	-3,001,000
Movement of gross programme provision from former Estimate line Strong Rural Communities.	-49,649,000
Movement of gross administration provision from former Estimate line A Respected Department.	-261,253,000
Movement of administration income provision from former Estimate line A Respected Department.	42,411,000
Movement of gross programme provision from former Estimate line A Respected Department.	-65,660,000
Movement of programme income provision from former Estimate line A Respected Department.	86,000

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Movement of gross programme provision from former Estimate line Rural Payments Agency EC Funded.	-1,803,027,000
Movement of programme income provision from former Estimate line Rural Payments Agency EC Funded.	1,796,027,000
Movement of gross administration provision from former Estimate line Rural Payments Agency Running Costs.	-114,513,000
Movement of administration income provision from former Estimate line Rural Payments Agency Running Costs.	106,000
Movement of gross programme provision from former Estimate line Rural Payments Agency Running Costs.	-60,437,000
Movement of programme income provision from former Estimate line Rural Payments Agency Running Costs.	931,000
Movement of gross programme provision from former Estimate line Rural Payments Agency Other.	-44,000,000
Movement of gross administration provision from former Estimate line Forestry Commission.	-18,812,000
Movement of gross programme provision from former Estimate line Forestry Commission.	-39,051,000
Movement of programme income provision from former Estimate line Forestry Commission.	12,270,000
Movement of administration provision from former Estimate line A Healthy Natural Environment (NDPB) (net).	-167,230,000
Movement of programme provision from former Estimate line A Healthy Natural Environment (NDPB) (net).	-333,202,000
Movement of administration provision from former Estimate line Addressing Environmental Risk and Emergencies (NDPB) (net).	-84,331,000
Movement of programme provision from former Estimate line Addressing Environmental Risk and Emergencies (NDPB) (net).	-278,932,000
Movement of administration provision from former Estimate line A Thriving Farming and Food Sector (NDPB) (net).	-1,635,000
Movement of administration provision from former Estimate line Strong Rural Communities (NDPB) (net).	-600,000
Movement of gross administration provision to new Estimate line Support and develop British Farming (section A).	209,753,000

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Movement of administration income provision to new Estimate line Support and develop British Farming (section A).	-29,799,000
Movement of gross programme provision to new Estimate line Support and develop British Farming (section A).	1,972,013,000
Movement of programme income provision to new Estimate line Support and develop British Farming (section A).	-1,799,583,000
Movement of gross administration provision to new Estimate line Help to enhance the environment and biodiversity (section B).	69,605,000
Movement of administration income provision to new Estimate line Help to enhance the environment and biodiversity (section B).	-23,018,000
Movement of gross programme provision to new Estimate line Help to enhance the environment and biodiversity (section B).	908,698,000
Movement of programme income provision to new Estimate line Help to enhance the environment and biodiversity (section B).	-527,797,000
Movement of gross administration provision to new Estimate line Support a strong and sustainable green economy (section C).	17,655,000
Movement of gross programme provision to new Estimate line Support a strong and sustainable green economy (section C).	189,245,000
Movement of gross administration provision to new Estimate line Prepare for and manage risk from animal and plant diseases (section D).	44,613,000
Movement of administration income provision to new Estimate line Prepare for and manage risk from animal and plant diseases (section D).	-33,229,000
Movement of gross programme provision to new Estimate line Prepare for and manage risk from animal and plant diseases (section D).	213,255,000
Movement of programme income provision to new Estimate line Prepare for and manage risk from animal and plant diseases (section D).	-8,005,000

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Movement of gross administration provision to new Estimate line Prepare for and manage risk from environmental emergencies (section E).	1,849,000		
Movement of gross programme provision to new Estimate line Prepare for and manage risk from environmental emergencies (section E).	31,911,000		
Movement of programme income provision to new Estimate line Prepare for and manage risk from environmental emergencies (section E).		-36,300,000	
Movement of gross administration provision to new Estimate line Departmental Operating Costs (section F).	234,100,000		
Movement of administration income provision to new Estimate line Departmental Operating Costs (section F).		-13,200,000	
Movement of gross programme provision to new Estimate line Departmental Operating Costs (section F).	58,646,000		
Movement of programme income provision to new Estimate line Departmental Operating Costs (section F).		-86,000	
Movement of administration provision to new Estimate line Support and develop British Farming (NDPB) (net) (section G).	1,635,000		
Movement of administration provision to new Estimate line Help to enhance the environment and biodiversity (NDPB) (net) (section H).	167,230,000		
Movement of programme provision to new Estimate line Help to enhance the environment and biodiversity (NDPB) (net) (section H).	333,202,000		
Movement of administration provision to new Estimate line Support a strong and sustainable green economy (NDPB) (net) (section I).	600,000		
Movement of administration provision to new Estimate line Prepare for and manage risk from environmental emergencies (NDPB) (net) (section J).	84,331,000		
Movement of programme provision to new Estimate line Prepare for and manage risk from environmental emergencies (NDPB) (net) (section J).	278,932,000		
<b>Total change in Resource DEL (Voted)</b>	<b>7,391,013,000</b>	<b>-7,439,500,000</b>	<b>-48,487,000</b>



## Introduction

### Resource AME

#### Other changes in AME

Increase in gross programme spend for Support and develop British Farming (section K) in relation to Rural Payments Agency Foreign Exchange gains and losses.	10,000,000	
Increase in gross programme spend for Help to enhance the environment and biodiversity (section L) in relation to Forestry Commission's future early departure costs.	1,169,000	
Increase in gross programme spend for Help to enhance the environment and biodiversity (section L) in relation to Forestry Commission's utilisation of provisions.	2,800,000	
Decrease in gross programme spend for Departmental Operating Costs (section N), in relation to the transfer for Forestry Commission's future early departure costs.		-1,169,000
Increase in programme spend for Prepare for and manage risk from environmental emergencies (NDPB) (net) (section Q) in relation to the Environment Agency Pension Fund.	280,000,000	
<b><u>Restructure changes</u></b>		
Movement of gross programme provision from former Estimate line A Healthy Natural Environment.		-33,395,000
Movement of gross programme provision from former Estimate line Sustainable Consumption and Production.		-13,280,000
Movement of programme income provision from former Estimate line Sustainable Consumption and Production.	13,280,000	
Movement of gross programme provision from former Estimate line A Respected Department.		-50,000,000
Movement of gross programme provision from former Estimate line Rural Payments Agency Other.		-42,000,000
Movement of gross programme provision from former Estimate line Forestry Commission.	2,800,000	
Movement of programme provision from former Estimate line A Healthy Natural Environment (NDPB) (net).	72,636,000	
Movement of programme provision from former Estimate line A Thriving Farming and Food Sector (NDPB) (net).	1,309,000	
Movement of gross programme provision to new Estimate line Support and develop British Farming (section K).	42,000,000	

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Movement of gross programme provision to new Estimate line Help to enhance the environment and biodiversity (section L).		-52,427,000	
Movement of gross programme provision to new Estimate line Support a strong and sustainable green economy (section M).	13,002,000		
Movement of programme income provision to new Estimate line Support a strong and sustainable green economy (section M).		-13,280,000	
Movement of gross programme provision to new Estimate line Departmental Operating Costs (section N).	50,000,000		
Movement of programme provision to new Estimate line Support and develop British Farming (NDPB) (net) (section O).		-1,309,000	
Movement of programme provision to new Estimate line Help to enhance the environment and biodiversity (NDPB) (net) (section P).	10,664,000		
<b>Total change in Resource AME (Voted)</b>	<b>489,660,000</b>	<b>-206,860,000</b>	<b>292,800,000</b>

### Capital DEL

#### Transfers of budgetary cover to/from other government departments

Transfer of gross capital spend from Support a strong and sustainable green economy (section C) to Department for International Development.		-10,000,000	
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#### Budget Exchange

Decrease in gross capital spend from Departmental Operating Costs (section F) for Budget Exchange.		-5,000,000	
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#### Transfers from resource spending to capital spending

Increase in gross capital spend for Help to enhance the environment and biodiversity (section B) following a transfer to programme resource for Environment Agency.	2,350,000		
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Decrease in capital spend for Help to enhance the environment and biodiversity (NDPB) (net) (section H) following a transfer to programme resource for Royal Botanic Gardens, Kew.		-11,600,000	
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Increase in capital spend for Help to enhance the environment and biodiversity (NDPB) (net) (section H) following a transfer to programme resource for Environment Agency.	18,500,000		
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Increase in capital spend for Help to enhance the environment and biodiversity (NDPB) (net) (section H) following a transfer to programme resource for National Forest Company.	900,000
Increase in capital spend for Prepare for and manage risk from environmental emergencies (NDPB) (net) (section J) following a transfer to programme resource for Environment Agency.	20,000,000
<b><u>Transfers to/from Non-Departmental Public Bodies</u></b>	
Decrease in gross capital spend for Prepare for and manage risk from environmental emergencies (section E) following a transfer to Environment Agency.	-2,200,000
Decrease in capital income for Prepare for and manage risk from environmental emergencies (section E) following a transfer to Environment Agency.	2,676,000
Decrease in gross capital spend for Departmental Operating Costs (section F) following a transfer to Royal Botanic Gardens, Kew.	-6,574,000
Decrease in gross capital spend for Departmental Operating Costs (section F) following a transfer to Natural England.	-667,000
Increase in capital income for Departmental Operating Costs (section F) following a transfer from Environment Agency.	-2,000,000
Increase in capital spend for Help to enhance the environment and biodiversity (NDPB) (net) (section H), for Royal Botanic Gardens, Kew.	6,574,000
Increase in capital spend for Help to enhance the environment and biodiversity (NDPB) (net) (section H), for Natural England.	667,000
Decrease in capital income for Help to enhance the environment and biodiversity (NDPB) (net) (section H), for Environment Agency.	2,000,000
Decrease in capital spend for Prepare for and manage risk from environmental emergencies (NDPB) (net) (section J), for Environment Agency.	-476,000
<b><u>Restructure changes</u></b>	
Movement of gross capital provision from former Estimate line Adapting to Climate Change.	-10,000,000
Movement of gross capital provision from former Estimate line A Healthy Natural Environment.	-15,800,000

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Movement of gross capital provision from former Estimate line Sustainable Consumption and Production.	-2,000,000
Movement of gross capital provision from former Estimate line Addressing Environmental Risk and Emergencies.	-6,300,000
Movement of gross capital provision from former Estimate line A Thriving Farming and Food Sector.	-240,000
Movement of gross capital provision from former Estimate line Strong Rural Communities.	-6,000,000
Movement of gross capital provision from former Estimate line A Respected Department.	-53,490,000
Movement of capital income provision from former Estimate line A Respected Department.	8,000,000
Movement of gross capital provision from former Estimate line Rural Payments Agency Running Costs.	-2,120,000
Movement of gross capital provision from former Estimate line Forestry Commission.	-2,000,000
Movement of capital income provision from former Estimate line Forestry Commission.	13,000,000
Movement of capital provision from former Estimate line A Healthy Natural Environment (NDPB) (net).	-34,530,000
Movement of capital provision from former Estimate line Addressing Environmental Risk and Emergencies (NDPB) (net).	-261,000,000
Movement of capital provision from former Estimate line A Thriving Farming and Food Sector (NDPB) (net).	-520,000
Movement of gross capital provision to new Estimate line Support and develop British Farming (section A).	5,301,000
Movement of gross capital provision to new Estimate line Help to enhance the environment and biodiversity (section B).	21,332,000
Movement of gross capital provision to new Estimate line Support a strong and sustainable green economy (section C).	18,000,000
Movement of gross capital provision to new Estimate line Prepare for and manage risk from animal and plant diseases (section D).	12,841,000

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Movement of gross capital provision to new Estimate line Prepare for and manage risk from environmental emergencies (section E).	2,200,000		
Movement of capital income provision to new Estimate line Prepare for and manage risk from environmental emergencies (section E).		-11,676,000	
Movement of gross capital provision to new Estimate line Departmental Operating Costs (section F).	32,779,000		
Movement of capital income provision to new Estimate line Departmental Operating Costs (section F).		-4,000,000	
Movement of capital provision to new Estimate line Help to enhance the environment and biodiversity (NDPB) (net) (section H).	25,747,000		
Movement of capital provision to new Estimate line Prepare for and manage risk from environmental emergencies (NDPB) (net) (section J).	270,476,000		
<b>Total change in Capital DEL (Voted)</b>	<b>463,343,000</b>	<b>-448,193,000</b>	<b>15,150,000</b>

### Capital AME

#### Other changes in AME

Decrease in capital spend for Support and develop British Farming (NDPB) (net) (section O), for Agriculture and Horticulture Development Board.		-9,650,000	
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#### Restructure changes

Movement of capital provision from former Estimate line A Thriving Farming and Food Sector (NDPB) (net).		-10,650,000	
Movement of capital provision to new Estimate line Support and develop British Farming (NDPB) (net) (section O).	10,650,000		

<b>Total change in Capital AME (Voted)</b>	<b>10,650,000</b>	<b>-20,300,000</b>	<b>-9,650,000</b>
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### Non-Budget

#### Increases in Non-Budget spending

Increase in gross programme spend for Support and develop British Farming (section R), to increase Rural Payments Agency's Other Paying Agencies.	5,000,000		
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#### Restructure changes

Movement of gross programme provision from former Estimate line Rural Payments Agency EC Funded.		-1,314,110,000	
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Movement of programme income provision from former Estimate line Rural Payments Agency EC Funded.	1,309,110,000		
Movement of gross programme provision to new Estimate line Support and develop British Farming (section R).	1,314,110,000		
Movement of programme income provision to new Estimate line Support and develop British Farming (section R).		-1,309,110,000	
<b>Total change in Non-Budget</b>	<b>2,628,220,000</b>	<b>-2,623,220,000</b>	<b>5,000,000</b>
<b>Total change in Net cash requirement</b>			<b>448,128,000</b>

**Part I**

	Voted	Non-Voted	Total
<b>Departmental Expenditure Limit</b>			
Resource †	-48,487,000	-	-48,487,000
Capital	15,150,000	-	15,150,000
<b>Annually Managed Expenditure</b>			
Resource	292,800,000	-	292,800,000
Capital	-9,650,000	-	-9,650,000
<b>Total Net Budget</b>			
Resource	244,313,000	-	244,313,000
Capital	5,500,000	-	5,500,000
<b>Non-Budget Expenditure</b>	<b>5,000,000</b>		
<b>Net cash requirement †</b>	<b>448,128,000</b>		

Supplementary amounts required in the year ending 31 March 2012 for expenditure by Department for Environment, Food and Rural Affairs on:

**Departmental Expenditure Limit:**Expenditure arising from:

Climate modelling, risk assessment and adaptation.

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, 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.

Better waste management. Promotion and support for sustainable development, consumption and production.

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.

## Part I

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.

Support for rural and regional development.

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 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; 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.

#### Income arising from:

Funding contributions to support delivery bodies.

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



## Part I

† The functions of the Jason 3 space mission subscription were transferred to the Department for Business Innovation and Skills on 1 April 2011. Within the overall changes sought in this Estimate, the specific changes relating to this Machinery of Government change are:

- (a) Departmental Expenditure Limit - Resource (voted) is decreased by £182,000;
- (b) and the net cash requirement is decreased by £182,000.

## Part II: Changes Proposed

£'000

	Net Resources						Net Capital		
	Present		Changes		Revised		Present	Changes	Revised
	Admin	Prog	Admin	Prog	Admin	Prog	7	8	9
	1	2	3	4	5	6			
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<b>Voted expenditure</b>	732,125	1,614,131	-175	-48,312	731,950	1,565,819	373,000	15,150	388,150
<i>Of which:</i>									
A Support and develop British Farming	-	-	179,819	172,400	179,819	172,400	-	5,301	5,301
B Help to enhance the environment and biodiversity	-	-	46,587	362,333	46,587	362,333	-	23,682	23,682
C Support a strong and sustainable green economy	-	-	17,655	183,045	17,655	183,045	-	8,000	8,000
D Prepare for and manage risk from animal and plant diseases	-	-	11,384	205,250	11,384	205,250	-	12,841	12,841
E Prepare for and manage risk from environmental emergencies	-	-	1,849	9,776	1,849	9,776	-	-9,000	-9,000
F Departmental Operating Costs	-	-	208,410	42,878	208,410	42,878	-	14,538	14,538
G Support and develop British Farming (NDPB)(net)	-	-	1,635	300	1,635	300	-	-	-
H Help to enhance the environment and biodiversity (NDPB)(net)	-	-	171,680	343,420	171,680	343,420	-	42,788	42,788
I Support a strong and sustainable green economy (NDPB)(net)	-	-	600	-	600	-	-	-	-
J Prepare for and manage risk from environmental emergencies (NDPB)(net)	-	-	92,331	246,417	92,331	246,417	-	290,000	290,000
<i>Adapting to Climate Change</i>	2,930	16,711	-2,930	-16,711	-	-	10,000	-10,000	-
<i>A Healthy Natural Environment</i>	27,105	341,526	-27,105	-341,526	-	-	15,800	-15,800	-
<i>Sustainable Consumption and Production</i>	10,395	130,323	-10,395	-130,323	-	-	2,000	-2,000	-
<i>Addressing Environmental Risk and Emergencies</i>	58,208	179,789	-58,208	-179,789	-	-	6,300	-6,300	-
<i>Championing Sustainable Development</i>	1,722	1,726	-1,722	-1,726	-	-	-	-	-
<i>A Thriving Farming and Food Sector</i>	19,220	78,695	-19,220	-78,695	-	-	240	-240	-
<i>A Sustainable, Secure and Healthy Food Supply</i>	3,687	717	-3,687	-717	-	-	-	-	-
<i>Strong Rural Communities</i>	3,001	49,649	-3,001	-49,649	-	-	6,000	-6,000	-
<i>A Respected Department</i>	218,842	65,574	-218,842	-65,574	-	-	45,490	-45,490	-
<i>Rural Payments Agency EC Funded</i>	-	7,000	-	-7,000	-	-	-	-	-
<i>Rural Payments Agency Running Costs</i>	114,407	59,506	-114,407	-59,506	-	-	2,120	-2,120	-

## Part II: Changes Proposed

<i>Rural Payments Agency Other</i>	-	44,000	-	-44,000	-	-	-	-	-
<i>Forestry Commission</i>	18,812	26,781	-18,812	-26,781	-	-	-11,000	11,000	-
<i>A Healthy Natural Environment (NDPB) (net)</i>	167,230	333,202	-167,230	-333,202	-	-	34,530	-34,530	-
<i>Addressing Environmental Risk and Emergencies (NDPB) (net)</i>	84,331	278,932	-84,331	-278,932	-	-	261,000	-261,000	-
<i>A Thriving Farming and Food Sector (NDPB) (net)</i>	1,635	-	-1,635	-	-	-	520	-520	-
<i>Strong Rural Communities (NDPB) (net)</i>	600	-	-600	-	-	-	-	-	-
<b>Total Spending in DEL</b>									
			-175	-48,312				15,150	
<b>Spending in Annually Managed Expenditure (AME)</b>									
<b>Voted expenditure</b>	-	48,650	-	292,800	-	341,450	10,650	-9,650	1,000
<i>Of which:</i>									
K Support and develop British Farming	-	-	-	52,000	-	52,000	-	-	-
L Help to enhance the environment and biodiversity	-	-	-	-48,458	-	-48,458	-	-	-
M Support a strong and sustainable green economy	-	-	-	-278	-	-278	-	-	-
N Departmental Operating Costs	-	-	-	48,831	-	48,831	-	-	-
O Support and develop British Farming (NDPB)(net)	-	-	-	-1,309	-	-1,309	-	1,000	1,000
P Help to enhance the environment and biodiversity (NDPB)(net)	-	-	-	10,664	-	10,664	-	-	-
Q Prepare for and manage risk from environmental emergencies (NDPB)(net)	-	-	-	280,000	-	280,000	-	-	-
<i>A Healthy Natural Environment</i>	-	33,395	-	-33,395	-	-	-	-	-
<i>A Respected Department</i>	-	50,000	-	-50,000	-	-	-	-	-
<i>Rural Payments Agency Other</i>	-	42,000	-	-42,000	-	-	-	-	-
<i>Forestry Commission</i>	-	-2,800	-	2,800	-	-	-	-	-
<i>A Healthy Natural Environment (NDPB) (net)</i>	-	-72,636	-	72,636	-	-	-	-	-
<i>A Thriving Farming and Food Sector (NDPB) (net)</i>	-	-1,309	-	1,309	-	-	10,650	-10,650	-
<b>Total Spending in AME</b>									
			-	292,800				-9,650	

## Part II: Changes Proposed

<b>Non-Budget spending</b>									
<b>Voted expenditure</b>									
	-	5,000	-	5,000	-	10,000	-	-	-
<i>Of which:</i>									
R	Support and develop British Farming								
	-	-	-	10,000	-	10,000	-	-	-
	<i>Rural Payments Agency EC Funded</i>								
	-	5,000	-	-5,000	-	-	-	-	-
<b>Total Non-Budget spending</b>									
			-	5,000				-	
<b>Total for Estimate</b>									
			-175	249,488				5,500	
<i>Of which:</i>									
<b>Voted expenditure</b>									
			-175	249,488				5,500	
<b>Non-voted expenditure</b>									
			-	-				-	

**£'000**

	<b>Present Plans</b>	<b>Changes</b>	<b>Revised Plans</b>
<b>Net cash requirement</b>	<b>2,458,975</b>	<b>448,128</b>	<b>2,907,103</b>

**Part II: Revised subhead detail including additional provision****£'000**

		Revised Plans				Capital			
		Resources			Capital				
Gross	Administration	Net	Gross	Programme	Net	Gross	Income	Net	
1	Income	2	3	4	5	6	7	8	9
<b>Spending in Departmental Expenditure Limits (DEL)</b>									
<b>Voted expenditure</b>									
	831,196	-99,246	731,950	3,908,871	-2,343,052	1,565,819	403,150	-15,000	388,150
<i>Of which:</i>									
A	Support and develop British Farming								
	209,618	-29,799	179,819	1,971,983	-1,799,583	172,400	5,301	-	5,301
B	Help to enhance the environment and biodiversity								
	69,605	-23,018	46,587	880,646	-518,313	362,333	23,682	-	23,682
C	Support a strong and sustainable green economy								
	17,655	-	17,655	183,045	-	183,045	8,000	-	8,000
D	Prepare for and manage risk from animal and plant diseases								
	44,613	-33,229	11,384	213,255	-8,005	205,250	12,841	-	12,841
E	Prepare for and manage risk from environmental emergencies								
	1,849	-	1,849	26,841	-17,065	9,776	-	-9,000	-9,000
F	Departmental Operating Costs								
	221,610	-13,200	208,410	42,964	-86	42,878	20,538	-6,000	14,538
G	Support and develop British Farming (NDPB)(net)								
	1,635	-	1,635	300	-	300	-	-	-
H	Help to enhance the environment and biodiversity (NDPB)(net)								
	171,680	-	171,680	343,420	-	343,420	42,788	-	42,788
I	Support a strong and sustainable green economy (NDPB)(net)								
	600	-	600	-	-	-	-	-	-
J	Prepare for and manage risk from environmental emergencies (NDPB)(net)								
	92,331	-	92,331	246,417	-	246,417	290,000	-	290,000
<i>Adapting to Climate Change</i>									
	-	-	-	-	-	-	-	-	-
<i>A Healthy Natural Environment</i>									
	-	-	-	-	-	-	-	-	-
<i>Sustainable Consumption and Production</i>									
	-	-	-	-	-	-	-	-	-
<i>Addressing Environmental Risk and Emergencies</i>									
	-	-	-	-	-	-	-	-	-
<i>Championing Sustainable Development</i>									
	-	-	-	-	-	-	-	-	-
<i>A Thriving Farming and Food Sector</i>									
	-	-	-	-	-	-	-	-	-
<i>A Sustainable, Secure and Healthy Food Supply</i>									
	-	-	-	-	-	-	-	-	-
<i>Strong Rural Communities</i>									
	-	-	-	-	-	-	-	-	-
<i>A Respected Department</i>									
	-	-	-	-	-	-	-	-	-
<i>Rural Payments Agency EC Funded</i>									
	-	-	-	-	-	-	-	-	-
<i>Rural Payments Agency Running Costs</i>									

**Part II: Revised subhead detail including additional provision****£'000**

<b>Revised Plans</b>									
<b>Resources</b>						<b>Capital</b>			
<b>Gross 1</b>	<b>Administration Income 2</b>	<b>Net 3</b>	<b>Gross 4</b>	<b>Programme Income 5</b>	<b>Net 6</b>	<b>Gross 7</b>	<b>Income 8</b>	<b>Net 9</b>	
	-	-	-	-	-	-	-	-	
<i>Rural Payments Agency Other</i>									
	-	-	-	-	-	-	-	-	
<i>Forestry Commission</i>									
	-	-	-	-	-	-	-	-	
<i>Department Unallocated Provision</i>									
	-	-	-	-	-	-	-	-	
<i>A Healthy Natural Environment (NDPB) (net)</i>									
	-	-	-	-	-	-	-	-	
<i>Addressing Environmental Risk and Emergencies (NDPB) (net)</i>									
	-	-	-	-	-	-	-	-	
<i>A Thriving Farming and Food Sector (NDPB) (net)</i>									
	-	-	-	-	-	-	-	-	
<i>Strong Rural Communities (NDPB) (net)</i>									
	-	-	-	-	-	-	-	-	
<b>Total Spending in DEL</b>									
<b>831,196</b>	<b>-99,246</b>	<b>731,950</b>	<b>3,908,871</b>	<b>-2,343,052</b>	<b>1,565,819</b>	<b>403,150</b>	<b>-15,000</b>	<b>388,150</b>	
<b>Spending in Annually Managed Expenditure (AME)</b>									
<b>Voted expenditure</b>									
	-	-	-	354,730	-13,280	341,450	1,000	-	1,000
<i>Of which:</i>									
K Support and develop British Farming			52,000	-	52,000	-	-	-	-
L Help to enhance the environment and biodiversity			-48,458	-	-48,458	-	-	-	-
M Support a strong and sustainable green economy			13,002	-13,280	-278	-	-	-	-
N Departmental Operating Costs			48,831	-	48,831	-	-	-	-
O Support and develop British Farming (NDPB)(net)			-1,309	-	-1,309	1,000	-	-	1,000
P Help to enhance the environment and biodiversity (NDPB)(net)			10,664	-	10,664	-	-	-	-
Q Prepare for and manage risk from environmental emergencies (NDPB)(net)			280,000	-	280,000	-	-	-	-
<i>A Healthy Natural Environment</i>									
	-	-	-	-	-	-	-	-	-
<i>Sustainable Consumption and Production</i>									
	-	-	-	-	-	-	-	-	-
<i>A Respected Department</i>									
	-	-	-	-	-	-	-	-	-
<i>Rural Payments Agency Other</i>									
	-	-	-	-	-	-	-	-	-
<i>Forestry Commission</i>									
	-	-	-	-	-	-	-	-	-

**Part II: Revised subhead detail including additional provision**

£'000

<b>Revised Plans</b>								
<b>Resources</b>						<b>Capital</b>		
<b>Gross</b>	<b>Administration</b>	<b>Net</b>	<b>Gross</b>	<b>Programme</b>	<b>Net</b>	<b>Gross</b>	<b>Income</b>	<b>Net</b>
<b>1</b>	<b>Income</b>	<b>3</b>	<b>4</b>	<b>Income</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>
<i>A Healthy Natural Environment (NDPB) (net)</i>								
-	-	-	-	-	-	-	-	-
<i>A Thriving Farming and Food Sector (NDPB) (net)</i>								
-	-	-	-	-	-	-	-	-
<b>Total Spending in AME</b>								
-	-	-	<b>354,730</b>	<b>-13,280</b>	<b>341,450</b>	<b>1,000</b>	-	<b>1,000</b>
<b>Non-Budget spending</b>								
<b>Voted expenditure</b>								
-	-	-	1,319,110	-1,309,110	10,000	-	-	-
<i>Of which:</i>								
R Support and develop British Farming								
-	-	-	1,319,110	-1,309,110	10,000	-	-	-
<i>Rural Payments Agency EC Funded</i>								
-	-	-	-	-	-	-	-	-
<b>Total Non-Budget spending</b>								
-	-	-	<b>1,319,110</b>	<b>-1,309,110</b>	<b>10,000</b>	-	-	-
<b>Total for Estimate</b>								
<b>831,196</b>	<b>-99,246</b>	<b>731,950</b>	<b>5,582,711</b>	<b>-3,665,442</b>	<b>1,917,269</b>	<b>404,150</b>	<b>-15,000</b>	<b>389,150</b>
<i>Of which:</i>								
<b>Voted expenditure</b>								
831,196	-99,246	731,950	5,582,711	-3,665,442	1,917,269	404,150	-15,000	389,150
<b>Non-voted expenditure</b>								
-	-	-	-	-	-	-	-	-

**Part II: Resource to cash reconciliation**

£'000

	Present Plans	Changes	Revised Plans
<b>Net Resource Requirement</b>	<b>2,399,906</b>	<b>249,313</b>	<b>2,649,219</b>
<b>Net Capital Requirement</b>	<b>383,650</b>	<b>5,500</b>	<b>389,150</b>
<b>Accruals to cash adjustments</b>	<b>-324,581</b>	<b>193,315</b>	<b>-131,266</b>
<i>Of which:</i>	-	-	-
<i>Adjustments to remove non-cash items:</i>	-	-	-
Depreciation	-132,203	12,000	-120,203
New provisions and adjustments to previous provisions	-186,576	-	-186,576
Departmental Unallocated Provision	-	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-29	-10,000	-10,029
<i>Adjustment for NDPBs:</i>	-	-	-
Remove voted resource and capital	-1,098,685	-380,841	-1,479,526
Add cash grant-in-aid	1,028,931	91,656	1,120,587
<i>Adjustments to reflect movements in working balances:</i>	-	-	-
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	400,000	400,000
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	63,981	80,500	144,481
<b>Removal of non-voted budget items</b>	-	-	-
<i>Of which:</i>	-	-	-
Consolidated Fund Standing Services	-	-	-
Other adjustments	-	-	-
<b>Net Cash Requirement</b>	<b>2,458,975</b>	<b>448,128</b>	<b>2,907,103</b>



## Part III: Note A - Forecast Operating Cost Statement & Reconciliation Table

	£'000
	Revised Plans
Gross Administration Costs	825,523
<i>Less:</i>	
Administration DEL Income	-99,246
<b>Net Administration Costs</b>	<b>726,277</b>
Gross Programme Costs	5,827,022
<i>Less:</i>	
Programme DEL Income	-2,343,052
Programme AME Income	-13,280
Non-budget income	-1,309,110
<b>Net Programme Costs</b>	<b>2,161,580</b>
<b>Total Net Operating Costs</b>	<b>2,887,857</b>
<i>Of which:</i>	
Resource DEL	2,137,352
Capital DEL	238,638
Resource AME	501,867
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 OCS	-
<i>Adjustments to remove:</i>	
Capital in the OCS	-238,638
Non-Budget Consolidated Fund Extra Receipts in the OCS	-
Other adjustments	-10,000
<b>Total Resource Budget</b>	<b>2,639,219</b>
<i>Of which:</i>	
Resource DEL	2,297,769
Resource AME	341,450
<i>Adjustments to remove:</i>	
Consolidated Fund Extra Receipts in the resource budget	-
Other adjustments	10,000
<b>Total Resource (Estimate)</b>	<b>2,649,219</b>

## Part III: Note B - Analysis of Departmental Income

£'000

	Revised Plans
<b>Voted Resource DEL</b>	<b>-2,442,298</b>
<i>Of which:</i>	
Administration	
Sale of goods and services	-96,528
<i>Of which:</i>	
Section A: Support and develop British Farming	-29,799
Section B: Help to enhance the environment and biodiversity	-20,300
Section D: Prepare for and manage risk from animal and plant diseases	-33,229
Section F: Departmental Operating Costs	-13,200
Other grant income (including repayments of grants/subsidies)	-2,718
<i>Of which:</i>	
Section B: Help to enhance the environment and biodiversity	-2,718
Total Administration	-99,246
Programme	
Sale of goods and services	-16,564
<i>Of which:</i>	
Section A: Support and develop British Farming	-956
Section B: Help to enhance the environment and biodiversity	-7,517
Section D: Prepare for and manage risk from animal and plant diseases	-8,005
Section F: Departmental Operating Costs	-86
EU income	-2,258,686
<i>Of which:</i>	
Section A: Support and develop British Farming	-1,798,627
Section B: Help to enhance the environment and biodiversity	-460,059
Other grant income (including repayments of grants/subsidies)	-40,802
<i>Of which:</i>	
Section B: Help to enhance the environment and biodiversity	-23,737
Section E: Prepare for and manage risk from environmental emergencies	-17,065
Interest and dividends	-27,000
<i>Of which:</i>	
Section B: Help to enhance the environment and biodiversity	-27,000
Total Programme	-2,343,052
<b>Voted Resource AME</b>	<b>-13,280</b>
<i>Of which:</i>	
Programme	
Sale of goods and services	-13,280
<i>Of which:</i>	
Section M: Support a strong and sustainable green economy	-13,280
<b>Total Voted Resource Income</b>	<b>-2,455,578</b>

**Part III: Note B - Analysis of Departmental Income**

	<b>£'000</b>
	<b>Revised Plans</b>
<b>Voted Capital DEL</b>	<b>-15,000</b>
<i>Of which:</i>	
Programme	
Sale of assets	-15,000
<i>Of which:</i>	
Section E: Prepare for and manage risk from environmental emergencies	-9,000
Section F: Departmental Operating Costs	-6,000
<b>Total Voted Capital Income</b>	<b>-15,000</b>

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

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No CFER income or receipts are expected in 2011-12.

## 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:

**Principal Accounting Officer** Bronwyn Hill

**Additional Accounting Officers** Tim Rollinson (Forestry Commission)

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

### NDPB Accounting Officers

Jon Carling	Commission for Rural Communities
Tony Smith	Consumer Council for Water
Dr Paul Leinster	Environment Agency
Ian Livsey	Gangmasters Licensing Authority
Marcus Yeo	Joint Nature Conservation Committee
James Cross	Marine Management Organisation
Sophie Churchill	National Forest Company
Dr Helen Phillips	Natural England
Prof Stephen Hopper	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 (FRM), 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*.

**Part III: Note E - Non-Departmental Public Bodies****£'000**

<b>Section in Part II:</b>				
<b>Subhead Detail</b>	<b>Body</b>	<b>Resources</b>	<b>Capital</b>	<b>Grant-in-aid</b>
I	Commission for Rural Communities	600	-	600
H	Consumer Council for Water	5,201	-	5,129
H, J, P, Q	Environment Agency	864,372	324,600	830,734
G	Gangmasters Licensing Authority	1,935	-	1,934
H, P	Joint Nature Conservation Committee	10,278	-	10,286
H	Marine Management Organisation	30,851	1,340	30,134
H, P	National Forest Company	2,233	900	3,159
H, P	Natural England	201,928	5,047	213,363
H	Royal Botanic Gardens, Kew	29,649	901	25,248
O	Agriculture & Horticulture Development	-1,309	1,000	-
P	Sea Fish Industry Authority	-	-	-
<b>Total</b>		<b>1,145,738</b>	<b>333,788</b>	<b>1,120,587</b>

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## Part III: Note G - 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:

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

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## 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 from the EU.	Unquantifiable
Investment guarantees related to the Waste and Resources Action Programme (WRAP), together with various liabilities concerning WRAP lease commitments, due in stages to 2011.	3,100
Potential future claims for pollution that may arise from FMD Farm Burial Grounds.	2,000
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 East Malling Research (EMR) liability arises from the agreement made in 2004 for Defra to cover redundancy costs should EMR need to make HRI staff redundant. The liability was estimated at £4.5m when the agreement was made in 2004–05, but declines every year down to £0.3m in the final year of the agreement in 2023–24. The full amount would only be paid once, in the case of East Malling winding down. Small claims may arise should EMR need to make staff redundant during a specific year.	3,200
A writ has been received seeking damages from the Department and IBM, relating to an alleged breach of software licensing conditions.	9,500
The HR Redundancy liability relates to planned restructuring affecting 51 IBM staff; the estimated charge for this campaign is over 8 years.	3,800
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 over and above the existing provision.	Unquantifiable
Potential costs associated with a possible adverse outcome to a European Court of Justice case which would require the slaughter of goat herds where scrapie has been confirmed.	1,000
The European Commission have acknowledged that sugar levy rates, advised by regulation, were incorrect leading to overcharged levies during the period 2002 to 2006. The European Commission has issued new regulations which are being challenged by sugar producers with the European Union.	Unquantifiable



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**Part III: Note K - Contingent Liabilities**

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The Government has an obligation under Article 14.2 of an agreement of 1988, registered with the UN, to support the Commonwealth Agricultural Bureau International (CABI). For the year to 31 December 2006, Defra provided 35% of the member contributions towards CABI's costs. Under the Agreement, the Government is required to underwrite any future deficit or recover any surplus on winding up of CABI in the same proportion as its members' contributions. Defra considers that, on the basis of the assessment of CABI's management, the liabilities gap is currently falling.	5,000
Possible ECJ fines relating to alleged failure to transpose the Wild Birds Directive.	7,000 - 8,000
Fera has received a professional negligence claim which seeks an indemnity to pay for future claims. This is being defended.	Unquantifiable
Potential liabilities arising from small claims against Defra.	200

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### 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 Defra's consolidated accounts.

	<b>£'000</b>
<u>Taxes, fines and charges</u>	
Rural Payments Agency	25,000
Environment Agency	<u>10</u>
	<u>25,010</u>