

Department for Environment, Food and Rural Affairs

Main Estimate 2020-21

Select Committee Memorandum

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1. Overview

The purpose of this memorandum is to provide an overview and analysis of the Resource, Capital and cash sought in the 2020-21 Main Estimate and to demonstrate consistency with the plans approved in the 2019 Spending Review (SR19). It also sets out changes from the 2019-20 Supplementary Estimate and provides background information.

This memorandum has been prepared with reference to guidance provided by the House of Commons Scrutiny Unit. The information in this memorandum has been approved by Tamara Finkelstein, Accounting Officer and Permanent Secretary of Defra.

1.1 Spending controls

Defra's spending is broken down into several different spending totals, for which Parliament's approval is sought.

The key activities supported by provision in this Estimate, broken down by budgetary limits, are explained below. The budgets support delivery of the Department's Strategic Objectives. They reflect the settlements agreed for Defra as part of SR19, plus further changes announced in subsequent Budgets.

This Main Estimate has been prepared on the assumption that funding received from the European Commission (EC) will continue for the Basic Payment Scheme (BPS) 2019 payments made until 15 October 2020, being the last date payments can be reimbursed from the EU2020 Budget, and to fund the Rural Development Programme for England (RDPE) until programme closure. Direct Payments from 16 October 2020, principally BPS2020, will be funded domestically by the UK government.

The spending totals which Parliament votes are:

- The Resource Departmental Expenditure Limit (**Resource DEL**) includes the Administration budget for running Core Defra and its Delivery Bodies and the Programme budget for spend on responsibilities including Waste; Animal Disease, Health and Welfare; Natural Environment; and Flood and Coastal Risk Management. Included within Resource DEL budgets are ring-fenced budgets for depreciation and policy ring-fences. These ring-fences are detailed in section 2.2.

The BPS payments and the RDPE payments are included within Programme DEL, net of any income received from the EC. BPS2019 payments are funded by the EC until 15 October 2020 and any residual payments and the 2020 Direct Payment scheme will be funded by the UK government. RDPE payments are partially funded by the EC and partially funded by the UK government. The expenditure and EU income for these schemes are shown gross within the Part II table of the Estimate.

- The Capital Departmental Expenditure Limit (**Capital DEL**) mainly relates to Flood and Coastal Risk Management, which is included as a ring-fenced budget. It also includes the Official Development Assistance (ODA) funding, including the International Climate Fund, which is also ring-fenced. The remainder of the Capital DEL budget has been allocated in accordance with the Department's prioritisation of capital projects.

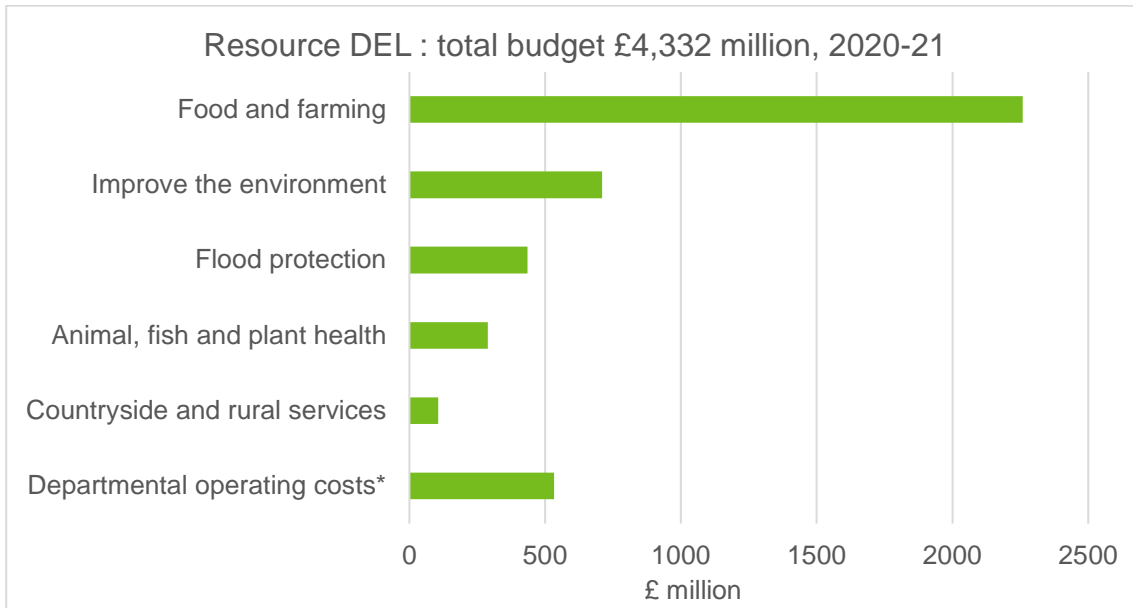
- Resource Annually Managed Expenditure (**Resource AME**) is all classified as Programme and includes movements on provisions, including for Common Agricultural Policy (CAP) disallowance and the Environment Agency (EA) pension schemes, as well as any necessary budget for Flood Re and Levy Funded Bodies (the Agriculture and Horticulture Development Board (AHDB) and the Sea Fish Industry Authority (SFIA)), net of levy income and their other income streams.
- Capital Annually Managed Expenditure (**Capital AME**) covers the capital costs of the Levy Funded Bodies.
- **Non-Budget** spend covers CAP schemes administered by the Devolved Administrations. The payments made by the Devolved Administrations are funded by the Rural Payments Agency (RPA) and subsequently recovered by RPA from the EC, in their role as the UK Funding Body. In line with the funding by the UK government for direct aid, as explained above, payments to the Devolved Administrations will reduce and will relate solely to rural development programme expenditure from 16 October 2020. A small budget is held by RPA to cover exchange rate differences that may arise due to the timing differences between the claim date and the date of actual reimbursement by the EC.

In addition, Parliament votes a net cash requirement, designed to cover the elements of the above budgets which require Defra to pay out cash in year.

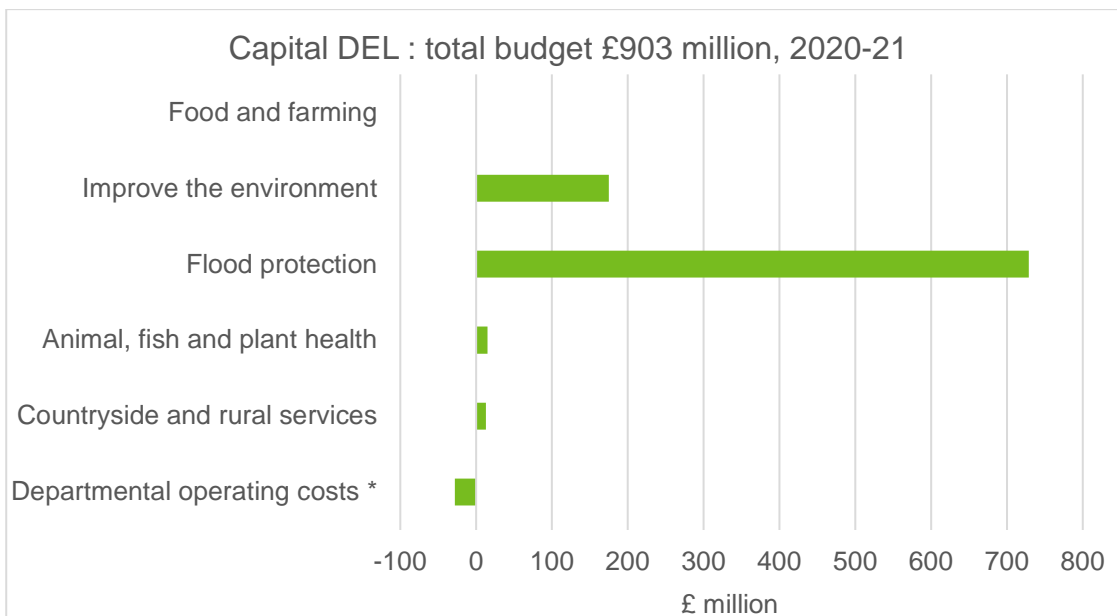
Main Estimates are presented to Parliament by HM Treasury in order to seek Parliament's authority for departmental spending plans. They are usually presented in April/May each year. Departments should seek a Supplementary Estimate in order to change voted spending provision, reallocate spending provision between budgetary limits or amend the Ambit. Supplementary Estimates are usually presented to Parliament by HM Treasury in January/February each year.

1.2 Main areas of spending

The graphic below shows the main components of Defra’s proposed budget for 2020-21 included in this latest Main Estimate, and the proportions of funds spent on its main activities.



*Departmental Operating costs includes HR, IT, estates, communications and finance functions from the largest network bodies, including associated depreciation. These have been brought in to the core Department and have formed new group-wide functions to improve prioritisation, decision-making, professionalism and efficiency. Many of these costs directly support the front line work in the main operating areas.

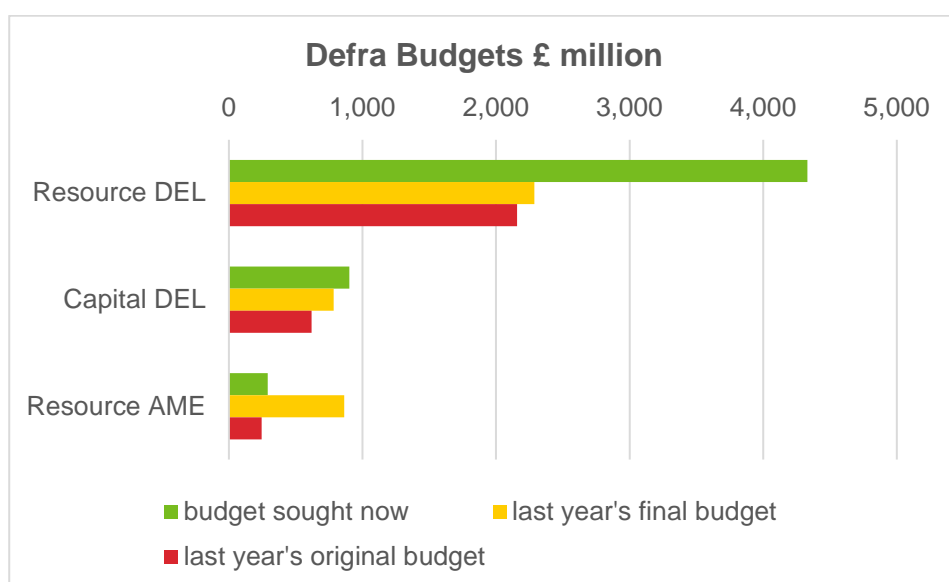


* The Budget for Departmental Operating Costs shows a negative figure. This is due to additional budget for flood protection, which is due to be allocated to Defra’s Budget in the Supplementary Estimate, being allocated out to the Environment Agency. This creates a credit in the centre which will be off-set in the Supplementary Estimate when the budget is received from HM Treasury, as explained in section 2.1

1.3 Comparison of spending totals sought

The table and graphic below show how the totals sought for Defra in its Main Estimate compare with last year:

Spending total Amounts sought this year (Main Estimate 2020-21)	Last year's final budget (Supplementary Estimate 2019-20)		<i>Difference between the current year's proposed budget and last year's final budget</i>		Last year's original budget (Main Estimate 2019-20)		<i>Difference between the current year's proposed budget and last year's original budget</i>	
	£m	£m	£m	%	£m	£m	%	
Resource DEL	4,331.7	2,287.8	2,043.9	89.3	2,157.4	2,174.3	100.8	
Capital DEL	902.5	783.3	119.2	15.2	617.8	284.7	46.1	
Resource AME	291.6	862.3	-570.7	-66.2	244.6	47.0	19.2	



1.4 Key drivers of spending changes since last year

The Resource DEL budget has increased by £2,043.9 million since the 2019-20 Supplementary Estimate. The main causes of the changes in Resource DEL are explained in more detail below:

- £1,751 million increase relating to direct payments for farmers following the UK's planned departure from the EU. Additional budget was announced in a Written Ministerial statement on 9 January 2020 confirming that the 2020 Direct Payment scheme would be funded by the UK government, these payments were previously funded from the EC.

- £210 million increase due to the COVID-19 pandemic. Defra received additional programme budget to cover the scheme costs for providing food supply to vulnerable individuals.
- £115 million decrease in EU exit funding. The UK left the EU on 31 January 2020 and is now in a transition period until the end of 2020. EU exit related work continues within Defra during this transition period. The EU exit funding received in this Main Estimate is approximately the same as that allocated in the Main Estimate for 2019-20. Extra funding was allocated for 2019-20 in the Supplementary Estimate, any additional requirement for this year will be assessed later in the year.
- £86 million increase due to the Resource to Capital budget transfer in the 2019-20 Supplementary Estimate, largely within the EA. At the start of the year there is uncertainty about the value of the Resource/Capital split of some of EA's projects. The budget is therefore held in Resource until Capital spend becomes identifiable, at which point it is appropriate to transfer Resource budget to Capital budget.
- £87 million increase following additional budget announced in the 2020 Budget to support work on: the Winter Defence Repair fund which will fund repairs to flood defence assets that were damaged during the 2019-20 winter floods; and the Flood and Coastal Defence Capital programme which is part of a six year flood defence programme.
- There are a number of other smaller changes in Resource DEL which make up the balance.

The Capital DEL budget has increased by £119.2 million since the 2019-20 Supplementary Estimate. The main causes of the changes in Capital DEL are explained in more detail below:

- £179 million increase in the flood defence budget, mainly due to the announcement of additional budget in the 2020 Budget for the Winter Defence Repair fund and the Flood and Coastal Defence Capital programme, as explained in the Resource DEL section above.
- £67 million increase following the announcement in the 2020 Budget for funding for the Animal and Plant Health Agency's Weybridge site. Investment in the scientific capability at Weybridge is critical for the UK trade in animals, meat and animal by-products, maintaining food security and retaining the UK's "most trusted" international trading status post EU exit.
- £86 million decrease mainly due to resource to capital transfers, as explained in the Resource DEL section above.
- There are a number of other smaller changes in Capital DEL which make up the balance, including a £20 million decrease in EU exit funding.

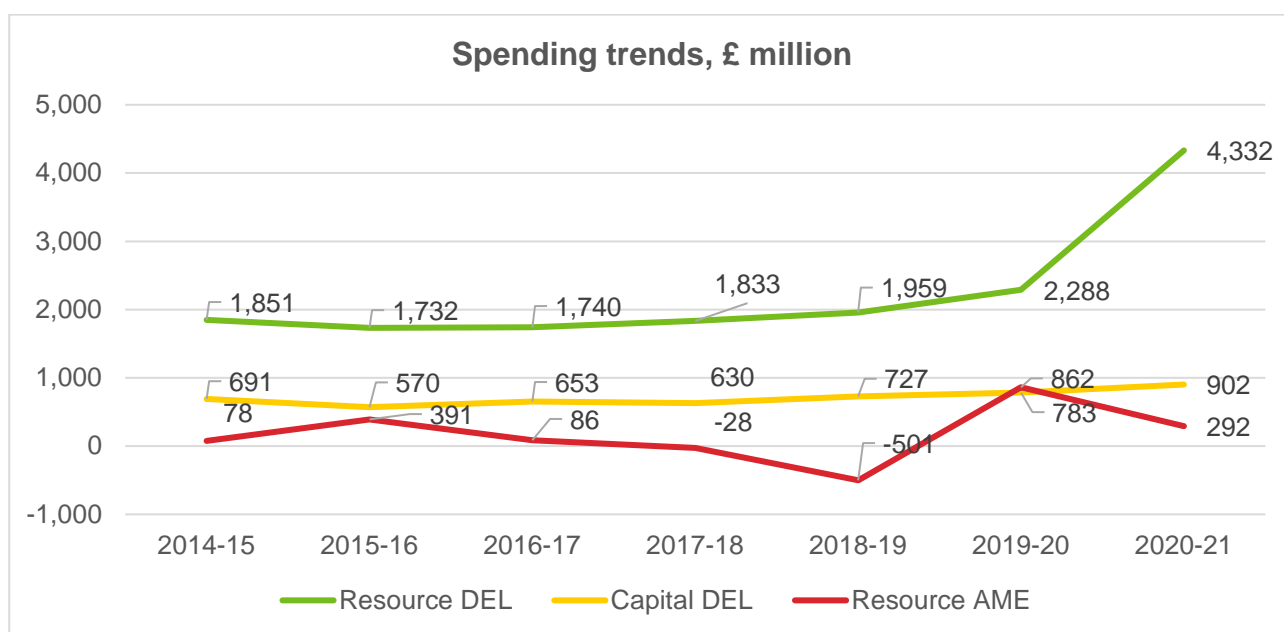
The main cause of the change in Resource AME is a £600 million decrease due to an increase in the CAP disallowance provision in the 2019-20 Supplementary Estimate. This increase primarily related to BPS and was required following the receipt of the Commission's audit findings, as reported in the Article 34 letter received in November 2019. This letter set out proposed disallowance of a ten per cent flat rate to be applied for the BPS scheme years 2017, 2018 and 2019.

1.5 New policies and programmes; ambit changes

There have been some minor wording changes to the ambit, mainly to cover work in support of HM Government preparations following our exit from the EU and during the transition period and work due to the COVID-19 pandemic.

1.6 Spending trends

The chart below shows overall spending trends for the last six years and plans presented in Estimates for 2020-21.



Resource DEL budgets include an underlying requirement to make savings, primarily across corporate service areas, including efficiencies across the Defra IT and property estate and increased external income generation. The increases from 2017-18 are mainly due to additional expenditure for EU exit work funded from the Reserve. The large increase in 2020-21 reflects the additional budget for Direct Payments to farmers, as explained in section 1.4.

Capital budgets reflect the profile of the Department's SR15 and SR19 settlements. The Capital budget is higher between 2016-17 and 2018-19, reflecting increased investment in IT and property, to enable a reduction in the corporate services resource budget, and additional expenditure for EU exit work funded from the Reserve.

Resource AME balances vary greatly over the years due to the volatility of provisions valuations. The large increases in 2015-16 and 2019-20 mainly reflect increases in the valuation of the Metal Mine and Foot and Mouth Disease Burial Sites provisions due to a change in the discount rate and an increase in the CAP disallowance provision relating to BPS scheme years 2017, 2018 and 2019.

1.7 Administration costs and efficiency plans

Spending total Amounts sought this year (Main Estimate 2020-21)	Last year's final budget (Supplementary Estimate 2019-20)		<i>Difference between the current year's proposed budget and last year's final budget</i>		Last year's original budget (Main Estimate 2019-20)		<i>Difference between the current year's proposed budget and last year's original budget</i>	
	£m	£m	£m	%	£m	£m	%	
Administration costs	858.5	821.0	37.5	4.6	794.5	64.0	8.1	

Administration spend has increased since the 2019-20 Supplementary Estimate, primarily due to announcements in the 2020 Budget for additional funding to support the Capital DEL work on flood defence schemes and the Nature for Climate Fund project.

1.8 Net cash requirement

Spending total Amounts sought this year (Main Estimate 2020-21)	Last year's final budget (Supplementary Estimate 2019-20)		<i>Difference between the current year's proposed budget and last year's final budget</i>		Last year's original budget (Main Estimate 2019-20)		<i>Difference between the current year's proposed budget and last year's original budget</i>	
	£m	£m	£m	%	£m	£m	%	
Net cash requirement	5,611.5	3,457.0	2,154.5	62.3	2,709.2	2,902.3	107.1	

The increase in net cash requirement since the 2019-20 Supplementary Estimate is primarily due to the additional funding provided for the Direct Payments to farmers, as explained in section 1.4.

1.9 Funding: Spending Review and Budgets

The underlying levels of DEL funding for Defra for 2020-21 are based on plans published in SR19. Since that time, the Government has made a number of changes to 2020-21 Spending Plans as announced in the 2020 Budget. Details of funding changes are set out in Annex B.

Notable amongst these changes are:

- Additional funding of £1,751 million, relating to additional budget for direct payments to farmers, as explained in section 1.4.
- Additional net funding of £647 million, announced by the Chancellor in the 2020 Budget, predominantly additional money for:

- £286 million for constructing and maintaining flood defences following flooding events, split between the resource and capital budgets;
- £210 million COVID-19 shielding budget for the resource budget;
- £67 million capital budget for APHA Weybridge site; and
- £57 million for the Nature for Climate Fund project, split between the resource and capital budgets.

2 Spending detail

2.1 Explanations of changes in spending

Resource DEL

The table below shows how Defra's spending plans for Resource DEL compare with last year.

Resource DEL							
Subheads	Description	2020-21 Main	2019-20 Supplementary	Change from		see	
		Estimates budget sought	Estimates budget approved	Supplementary Estimate			note number
		£m	£m	£m	%		
A	Food and farming	2,258.9	360.7	1,898.2	526.3	1	
B, H	Improve the environment	710.1	664.0	46.1	6.9		
C, I	Flood protection	434.7	303.6	131.1	43.2	2	
D, E, J	Animal, fish and plant health	289.8	307.6	-17.8	-5.8		
F, K	Countryside and rural services	105.5	105.6	-0.1	-0.1		
G	Departmental operating costs	532.7	546.3	-13.6	-2.5		
	Total	4,331.7	2,287.8	2,043.9	89.3		

Variations between the current and past budget are given below:

- Where the variation is greater than both 10% and £10 million
- Where the variation is greater than both 5% and £200 million
- Any other variation whereby an explanation is necessary i.e. significant new spending programmes or unusual one-off spending items

Further detail of spending within these totals is given in the Table at Annex A.

1. Food and farming

Resource DEL spending under these subheads is forecast to increase by £1,898.2 million, or 526.3% since the Supplementary Estimate. This is mainly driven by the additional funding for direct payments to farmers, as explained in section 1.4.

2. Flood protection

Resource DEL spending under these subheads is forecast to increase by £131.1 million, or 43.2% since the Supplementary Estimate. This is mainly driven by a decrease to the 2019-20 Supplementary Estimate budget due to a Resource to Capital budget transfer, largely within the EA, as explained in section 1.4, and an increase in budget following the 2020 Budget to support work for flood defence asset repairs.

Capital DEL

The table below shows how Defra's spending plans for Capital DEL compare with last year.

Capital DEL						
Subheads	Description	2020-21 Main Estimates budget sought	2019-20 Supplementary Estimates budget approved	Change from Supplementary Estimate		see note number
		£m	£m	£m	%	
A	Food and farming	0.0	18.9	-18.9	-100.0	3
B, H	Improve the environment	174.4	113.1	61.3	54.2	4
C, I	Flood protection	729.3	550.5	178.8	32.5	5
D, E, J	Animal, fish and plant health	14.5	20.9	-6.4	-30.6	
F, K	Rural services	12.5	10.3	2.2	21.4	
G	Departmental operating costs	-28.2	69.6	-97.8	-140.5	6
	Total	902.5	783.3	119.2	15.2	

Variations between the current and past budget are given below:

- Where the variation is greater than both 10% and £10 million
- Where the variation is greater than both 5% and £200 million
- Any other variation whereby an explanation is necessary i.e. significant new spending programmes or unusual one-off spending items

Further detail of spending within these totals is given in the Table at Annex A.

3. Food and farming

Capital spending under these subheads is forecast to decrease by £18.9 million, or 100.0% since the Supplementary Estimate. This is mainly due to a claim on the reserve in 2019-20 Supplementary Estimate to fund bridging payments made to eligible farmers and land owners with outstanding claims under the Environmental and Countryside Stewardship schemes (these payments were initially Exchequer funded before reimbursement being sought from the EU once fully processed).

4. Improve the environment

Capital spending under these subheads is forecast to increase by £61.3 million, or 54.2% since the Supplementary Estimate. This is mainly driven by an increase due to the announcement of additional budget in the 2020 Budget for the Nature for Climate Fund and water supply and navigation assets. This was partially offset by an increase to the 2019-20 Supplementary Estimate budget due to a Resource to Capital budget transfer, largely within the EA, as explained in section 1.4.

5. Flood protection

Capital spending under these subheads is forecast to increase by £178.8 million, or 32.5% since the Supplementary Estimate. This is mainly due the announcement of additional budget in the 2020 Budget for: the Winter Defence Repair fund which will fund repairs to flood defence assets that were damaged during the 2019-20 winter floods; and the Flood and Coastal Defence Capital programme which is part of a six year flood defence programme.

6. Departmental operating costs

Capital spending under this subhead is forecast to decrease by £97.8 million, or 140.5% since the Supplementary Estimate. This is mainly driven by the central budget including a negative figure (£154 million), which enabled the allocation of flood and coastal risk management budgets to EA in advance of the Reserve claim being processed by HM Treasury. This Reserve claim will be processed by HM Treasury in the 2020-21 Supplementary Estimate. This Reserve claim includes additional funding announced in previous Budgets to cover a number of flood defence programmes. These budget increases are part of multi-year work programmes that HM Treasury have committed to, but usual practice is to allocate to the Departmental budget on an annual basis as part of Supplementary Estimates. These have been internally allocated to EA at the start of the year to allow EA to plan their year's work. This central credit will be offset once the budget increase has been processed by HM Treasury in the Supplementary Estimate. This decrease is partially offset by an increase in budget for the Weybridge project (£67 million), as explained in section 1.4.

Resource AME

The table below shows how Defra's spending plans for Resource AME compare with last year.

Resource AME							
Subheads	Description	2020-21 Main Estimates budget sought	2019-20 Supplementary Estimates budget approved	Change from Supplementary Estimate		see note number	
		£m	£m	£m	%		
L, R	Food and farming	56.0	652.0	-596.0	-91.4	7	
M, S	Improve the environment	29.5	18.3	11.2	61.2	8	
T	Flood protection	156.0	156.0	0.0	0.0		
N, O, U	Animal, fish and plant health	0.1	0.1	0.0	0.0		
P, V	Countryside and rural services	-0.3	-0.3	0.0	0.0		
Q	Departmental operating costs	50.3	36.2	14.1	39.0	9	
	Total	291.6	862.3	-570.7	-66.2		

Variations between the current and past budget are given below:

- Where the variation is greater than both 10% and £10 million
- Where the variation is greater than both 5% and £200 million
- Any other variation whereby an explanation is necessary i.e. significant new spending programmes or unusual one-off spending items

Further detail of spending within these totals is given in the Table at Annex A.

7. Food and farming

Resource AME spending under these subheads is forecast to decrease by £596.0 million or 91.4% since the Supplementary Estimate. This is mainly driven by an increase in the CAP disallowance provision in 2019-20. This increase primarily related to BPS and was required following the receipt of the Commission's audit findings, as reported in the Article 34 letter received in November 2019. This letter set out proposed disallowance of a ten per cent flat rate to be applied for the BPS scheme years 2017, 2018 and 2019.

8. Improve the environment

Resource AME spending under these subheads is forecast to increase by £11.2 million or 61.2% since the Supplementary Estimate. This is mainly driven by an increase in budget to cover payments that Defra will make during SR19 to provide financial assistance to domestic customers of South West Water (SWW). A provision was previously made in 2015-16 that covered payments made in the previous Spending Review.

9. Departmental operating costs

Resource AME spending under this subhead is forecast to increase by £14.1 million or 39.0% since the Supplementary Estimate. This is mainly driven by a decrease in the Foot and Mouth burial site provision in the 2019-20 Supplementary Estimate (this provision is

held within the estates and commercial programme), partially offset by an increase in centrally held provisions and impairments.

2.2 Ring-fenced budgets

Within the budgetary totals, the following elements are ring-fenced for 2020-21, i.e. savings in these budgets may not be used to fund pressures on other budgets. Comparable 2019-20 figures are also shown where relevant.

Resource DEL

Spending total Amounts sought this year (Main Estimate 2020-21)		Last Year's Final budget (Supplementary Estimate 2019-20)	Difference between the current year's proposed budget and last year's final budget		Last Year's Original Budget (Main Estimate 2019-20)	Difference between the current year's proposed budget and last year's original budget	
			£m	£m		£m	%
CAP Disallowance (Resource DEL)	25.0	45.0	-20.0	-44.4	45.0	-20.0	-44.4
Official Development Assistance (Resource DEL)	46.8	57.1	-10.3	-18.0	45.9	0.9	2.0
EU Exit (Resource DEL)	413.0	528.1	-115.1	-21.8	393.0	20.0	5.1
Depreciation	239.1	239.1	0.0	0.0	239.1	0.0	0.0

Capital DEL

Spending total Amounts sought this year (Main Estimate 2020-21)		Last Year's Final budget (Supplementary Estimate 2019-20)	Difference between the current year's proposed budget and last year's final budget.		Last Year's Original Budget (Main Estimate 2019-20)	Difference between the current year's proposed budget and last year's original budget.	
			£m	£m		£m	%
Official Development Assistance (Capital DEL)	45.5	25.7	19.8	77.0	35.4	10.1	28.5
Flood Defence (Capital DEL)	729.3	550.2	179.1	32.6	452.0	277.3	61.3
EU Exit (Capital DEL)	19.0	39.0	-20.0	-51.3	17.0	2.0	11.8

2.3 Contingent liabilities

The Main Estimate includes details of all the contingent liabilities included in the Department's 2018-19 ARA. A link to the ARA is [here](#).

3.0 Other information - Summary of funding variations split by the core Department and network bodies.

Included in Annex C is a table detailing the funding variations split by the core Department and network bodies.

4.0 Accounting Officer Approval

This Estimates Memorandum has been prepared according to the requirements and guidance set out by the House of Commons Scrutiny Unit, available on the Scrutiny Unit website.

The information in this Estimates Memorandum has been approved by myself as Departmental Accounting Officer.

A handwritten signature in black ink, appearing to read 'T. Finkelstein', with a long horizontal flourish extending to the right.

Tamara Finkelstein

Accounting Officer

Permanent Secretary, Department for Environment, Food and Rural Affairs

28 April 2020

Annex A
Departmental Expenditure Limits (DEL) by programme

Estimate Subheads	Description	Programme	Resource					Capital				
			2020-21 Main Estimates budget sought	2019-20 Supplementary Estimates budget approved	Change from Supplementary Estimate		Note number (section 2.1)	2020-21 Main Estimates budget sought	2019-20 Supplementary Estimates budget approved	Change from Supplementary Estimate		Note number (section 2.1)
			£m	£m	£m	%		£m	£m	£m	%	
A	Food and farming	<i>CAP disallowance</i>	45.0	45.0				0.0	0.0			
		<i>Food, sustainable and competitive farming</i>	287.1	81.5				0.0	18.9			
		<i>Rural Payments Agency including UK Coordinating Body</i>	1,862.3	180.6				0.0	0.0			
		<i>Food and Farming EU Exit (Core)</i>	64.5	53.6				0.0	0.0			
	sub total		2,258.9	360.7	1,898.2	526.3	1	0.0	18.9	-18.9	-100.0	3
B, H	Improve the environment	<i>Better regulation</i>	0.0	0.3				0.0	0.0			
		<i>EU and International Trade</i>	0.0	2.5				0.0	0.0			
		<i>Natural environment and atmosphere improvement programmes</i>	258.6	249.0				20.9	24.0			
		<i>Waste</i>	14.0	28.6				2.0	10.4			
		<i>Water</i>	41.0	42.8				4.0	2.4			
		<i>EA - Environment protection, water and fisheries (NDPB)</i>	100.3	85.2				41.7	36.5			
		<i>NE and JNCC (NDPB)</i>	88.1	94.6				1.0	2.0			
		<i>RBG KEW (NDPB)</i>	25.0	25.3				1.0	10.9			
		<i>Consumer Council for Water (CCW) (NDPB)</i>	5.9	5.9				0.0	0.0			
		<i>Wildlife, international, climate and forestry programme</i>	96.9	63.8				99.9	26.9			
		<i>Improve the Environment EU Exit (Core)</i>	80.3	66.0				3.9	0.0			
	sub total		710.1	664.0	46.1	6.9		174.4	113.1	61.3	54.2	4
C, I	Flood protection	<i>Flood risk management</i>	11.0	1.7				0.0	0.3			
		<i>EA - Flood risk management (NDPB)</i>	423.7	301.9				729.3	550.2			
	sub total		434.7	303.6	131.1	43.2	2	729.3	550.5	178.8	32.5	5
D, E, J	Animal, fish and plant health	<i>Animal and Plant Health Agency</i>	100.1	108.8				0.1	1.1			
		<i>Animal health and welfare including disease control and trade policy</i>	11.2	10.3				0.0	2.6			
		<i>Bio security and food projects</i>	0.0	1.1				0.0	0.0			
		<i>Endemic diseases</i>	52.2	39.6				0.0	3.1			
		<i>Plant Health</i>	4.1	11.8				0.0	2.5			
		<i>Veterinary Medicines Directorate</i>	15.7	13.0				2.4	1.5			
		<i>Marine Programme</i>	34.5	35.5				5.9	8.3			
		<i>MMO (NDPB)</i>	27.4	29.5				0.0	0.0			
		<i>Animal and Plant Health EU Exit (Core)</i>	27.8	37.6				3.3	0.0			
		<i>Marine and Fisheries EU Exit (Core)</i>	16.8	20.4				2.8	1.8			
	sub total		289.8	307.6	-17.8	-5.8		14.5	20.9	-6.4	-30.6	
F, K	Countryside and rural services	<i>Rural development programme policy and outdoor recreation</i>	102.7	102.8				12.5	10.3			
		<i>National Forest Company (NFC) (NDPB)</i>	2.6	2.6				0.0	0.0			
		<i>Countryside and Rural Services EU Exit (Core)</i>	0.2	0.2				0.0	0.0			
	sub total		105.5	105.6	-0.1	-0.1		12.5	10.3	2.2	21.4	

G	Departmental operating costs	<i>Corporate services and centrally held budgets</i>	108.8	83.1					-140.8	10.7			
		<i>Estates and commercial</i>	133.8	129.4					95.6	21.4			
		<i>Information services</i>	147.9	144.6					9.0	0.6			
		<i>EU Exit budget held centrally</i>	0.0	0.0					-0.4	0.0			
		<i>Departmental Operating Costs EU Exit (Core)</i>	142.2	189.2					8.4	36.9			
	sub total		532.7	546.3	-13.6	-2.5			-28.2	69.6	-97.8	-140.5	6
	Total		4,331.7	2,287.8	2,043.9	89.3			902.5	783.3	119.2	15.2	

Annex A
Annually Managed Expenditure (AME) by programme

Estimate Subheads	Description	Programme	Resource		Change from Supplementary Estimate		Note number (section 2.1)	Capital		Change from Supplementary Estimate		note number (section 2.1)
			2020-21 Main Estimates budget sought	2019-20 Supplementary Estimates budget approved	£m	%		2020-21 Main Estimates budget sought	2019-20 Supplementary Estimates budget approved	£m	%	
L, R	Food and farming	<i>CAP disallowance</i>	41.1	641.1				0.0	0.0			
		<i>Rural Payments Agency including UK Coordinating Body</i>	9.8	9.8				0.0	0.0			
		<i>AHDB (NDPB)</i>	5.1	1.1				14.5	16.0			
	sub total		56.0	652.0	-596.0	-91.4	7	14.5	16.0	-1.5	-9.4	
M, S	Improve the environment	<i>Natural environment and atmosphere improvement programmes</i>	-0.5	-0.5				0.0	0.0			
		<i>Water</i>	-1.8	-28.7				0.0	0.0			
		<i>EA - Environment protection, water and fisheries (NDPB)</i>	32.3	48.0				0.0	0.0			
		<i>Wildlife, international, climate and forestry programme</i>	-0.5	-0.5				0.0	0.0			
	sub total		29.5	18.3	11.2	61.2	8	0.0	0.0	0.0	0.0	
T	Flood Protection	<i>EA - Flood risk management (NDPB)</i>	56.0	56.0				0.0	0.0			
		<i>Flood risk management (Flood Re)</i>	100.0	100.0				0.0	0.0			
	sub total		156.0	156.0	0.0	0.0		0.0	0.0	0.0	0.0	
N, O, U	Animal, fish and plant health	<i>SFIA</i>	0.1	0.1				0.0	0.0			
	sub total		0.1	0.1	0.0	0.0		0.0	0.0	0.0	0.0	
P, V	Countryside and rural services	<i>Rural development programme policy and outdoor recreation</i>	-0.3	-0.3				0.0	0.0			
	sub total		-0.3	-0.3	0.0	0.0		0.0	0.0	0.0	0.0	
Q	Departmental operating costs	<i>Corporate services and centrally held budgets</i>	49.3	0.2				0.0	0.0			
		<i>Estates and commercial</i>	1.0	36.0				0.0	0.0			
	sub total		50.3	36.2	14.1	39.0	9	0.0	0.0	0.0	0.0	
	Total		291.6	862.3	-570.7	-66.2		14.5	16.0	-1.5	-9.4	

Annex B

How DEL funding plans for 2020-21 have altered since Spending Review 2019

	Defra			£m
	Admin	Programme	Resource DEL total	Capital DEL
DEL baseline for SR2019 (2019-20)	828.87	1,417.63	2,246.50	531.90
ESA10 Capital R&D	0.00	0.00	0.00	30.30
Spending Review outcome	828.87	1,417.63	2,246.50	562.20
SR19 control total - non ring fenced	720.00	1,287.36	2,007.36	562.20
SR19 control total - ring fenced depreciation	108.87	130.27	239.14	0.00
Spending Review total on Estimates basis	828.87	1,417.63	2,246.50	562.20
Additional, new, money awarded since SR2019:-				
<u>Budget 2020</u>				
Budget 2020 - Scoring Farm Support Payments	0.00	1,751.09	1,751.09	0.00
Budget 2020 - Animal Health Science Estate - Weybridge	0.00	0.00	0.00	67.00
Budget 2020 - Natural Environment Impact Fund	0.00	0.50	0.50	0.00
Budget 2020 - Nature for Climate Fund	8.50	0.00	8.50	48.00
Budget 2020 - Digital Waste Tracking	0.90	0.00	0.90	0.80
Budget 2020 - Fly-Tipping Innovative Solutions	0.00	0.00	0.00	0.50
Budget 2020 - Flood Defence Capital Programme	10.00	15.00	25.00	0.00
Budget 2020 - Place Based Flood & Coastal Resilience	1.00	0.00	1.00	0.00
Budget 2020 - Flood and Coastal Defence Capital Programme	0.00	0.00	0.00	140.00
Budget 2020 - Flood Defence Asset Repairs (Winter 19-20 Floods)	8.00	54.00	62.00	58.00
Budget 2020 - Nature Recovery Network Fund	0.50	0.00	0.50	0.00
Budget 2020 - Darwin Plus Expansion	0.00	2.00	2.00	0.00
Budget 2020 - Covid-19 Shielding	0.00	210.00	210.00	0.00
Budget 2020 - Water supply Assets	0.00	0.00	0.00	12.00
Budget 2020 - Water Navigation Assets	0.00	0.00	0.00	10.00
Budget 2020 - Extended Producer Responsibility IT	0.00	0.00	0.00	0.70
Estimating, forecasting and reprofiling changes:-				
Budget Exchange - Urban Trees (confirmed May 2019)	0.00	0.44	0.44	1.59
Budget Exchange - Abandoned Waste Sites	0.00	1.90	1.90	0.00
Budget Exchange - GovTech (confirmed October 2019)	0.00	0.00	0.00	0.41
Neutral funding changes between departments:-				
<u>Other funding transfers (Budget Cover Transfers) :-</u>				
Net transfers to/from Cabinet Office for Outsourcing implementation programme; special advisors (SPADS) and Public Sector GeoSpatial Agreement	-0.33	-0.19	-0.52	-3.71
Net transfers to/from Department for International Development for International Climate Fund and Conflict, Stability and Security Fund	0.00	20.90	20.90	0.00
Net transfers to/from HM Revenue and Customs for Operational Delivery Profession	0.00	-0.03	-0.03	0.00
Net transfers to/from Ministry of Justice for Consultation on microbeads ban; Control of Trade in Endangered Species and Rogue Waste Management Companies	0.00	-0.03	-0.03	0.00

Net transfers to/from Foreign and Commonwealth Office for One HMT, Cefas use of Embassy Platform in Oman	0.00	0.03	0.03	0.00
Net transfers to/from Department for Transport for Air Quality Nitrogen Dioxide	0.00	0.00	0.00	1.00
Net transfers to/from Department for Business, Energy and Industrial Strategy for Seafood Fund (CEFAS)	0.00	0.00	0.00	4.00
Net transfers to/from Department for Exiting the European Union for Staff transfers	1.06	0.00	1.06	0.00
2020-21 Main Estimates DEL totals as at April 2020	858.50	3,473.23	4,331.73	902.49

Annex C

Summary of funding variations split by core Department and network bodies

Description	Resource DEL			
	2020-21 Main Estimates budget sought	2019-20 Supplementary Estimates budget approved	Change from Supplementary Estimate	
	£m	£m	£m	%
Animal and Plant Health Agency (APHA)	100.1	108.8	-8.7	-8.0
Centre for Environment, Fisheries and Aquaculture Science (CEFAS)	13.3	20.9	-7.6	-36.4
Core Defra	1,625.7	1,380.9	244.8	17.7
Environment Agency (EA)	524.0	387.1	136.9	35.4
Forestry Commission (FC)	41.5	38.5	3.0	7.8
Marine Management Organisation (MMO)	27.4	29.5	-2.1	-7.1
Natural England (NE)	79.3	85.0	-5.7	-6.7
Royal Botanic Gardens, Kew (RBG, Kew)	25.0	25.3	-0.3	-1.2
Rural Payments Agency (RPA) including UK Coordinating Body	1,862.3	180.6	1,681.7	931.2
Veterinary Medicines Directorate (VMD)	15.7	13.0	2.7	20.8
Other Network Bodies	17.4	18.2	-0.8	-4.4
Total	4,331.7	2,287.8	2,043.9	89.3

Description	Capital DEL			
	2020-21 Main Estimates budget sought	2019-20 Supplementary Estimates budget approved	Change from Supplementary Estimate	
	£m	£m	£m	%
Animal and Plant Health Agency (APHA)	0.1	1.1	-1.0	-90.9
Centre for Environment, Fisheries and Aquaculture Science (CEFAS)	5.9	6.7	-0.8	-11.9
Core Defra	111.5	166.7	-55.2	-33.1
Environment Agency (EA)	771.0	586.6	184.4	31.4
Forestry Commission (FC)	9.5	7.9	1.6	20.3
Natural England (NE)	0.3	1.2	-0.9	-75.0
Royal Botanic Gardens, Kew (RBG, Kew)	1.0	10.9	-9.9	-90.8
Veterinary Medicines Directorate (VMD)	2.4	1.5	0.9	60.0
Other Network Bodies	0.8	0.7	0.1	14.3
Total	902.5	783.3	119.2	15.2

Description	Resource AME			
	2020-21 Main Estimates budget sought	2019-20 Supplementary Estimates budget approved	Change from Supplementary Estimate	
	£m	£m	£m	%
Core Defra	88.4	647.4	-559.0	-86.3
Environment Agency (EA)	88.3	104.0	-15.7	-15.1
Flood Re	100.0	100.0	0.0	0.0
Forestry Commission (FC)	-0.1	-0.1	0.0	0.0
Rural Payments Agency (RPA) including UK Coordinating Body	9.8	9.8	0.0	0.0
Other Network Bodies	5.2	1.2	4.0	333.3
Total	291.6	862.3	-570.7	-66.2

Description	Capital AME			
	2020-21 Main Estimates budget sought	2019-20 Supplementary Estimates budget approved	Change from Supplementary Estimate	
	£m	£m	£m	%
AHDB (NDPB)	14.5	16.0	-1.5	-9.4
Total	14.5	16.0	-1.5	-9.4