

Department for Environment, Food and Rural Affairs
Main Estimate 2021-22
Select Committee Memorandum

Table of Contents

Section	Section Header	Page
1	Overview	2
1.1	Priority Outcomes	2
1.2	Spending controls	2
1.3	Main areas of spending	4
1.4	Comparison of spending totals sought	5
1.5	Key drivers of spending changes since last year	5
1.6	New policies and programmes; ambit changes	6
1.7	Spending trends	7
1.8	Administration costs and efficiency plans	8
1.9	Net cash requirement	8
1.10	Funding: Spending Review and Budgets	8
2	Spending detail	9
2.1	Explanations of changes in spending	9
2.2	Restructuring	12
2.3	Ring-fenced budgets	13
2.4	Contingent liabilities	14
3	Priorities and performance	15
3.1	How spending relates to priority outcomes	15
3.2	Measures of performance against each priority	16
3.3	Commentary on steps being taken to address performance issues	17
3.4	Major projects	17
4.0	Other information - Summary of funding variations split by core Department and network bodies	18
5.0	Accounting Officer Approval	18
Annex A	DEL and AME budgets by programme	Excel table
Annex B	How DEL funding plans for 2021-22 have altered since Spending Review 2020	Excel table
Annex C	Other information: Summary of funding variations split by core Department and network bodies	Excel table

1. Overview

The purpose of this memorandum is to provide an overview and analysis of the Resource, Capital and cash sought in the 2021-22 Main Estimate and to demonstrate consistency with the plans approved in the 2020 Spending Review (SR20). It also sets out changes from the 2020-21 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 Priority Outcomes

The Department for Environment, Food and Rural Affairs' Priority and Departmental Outcomes, as set out in the Spending Review 2020, are as follows:

- Improve the environment through cleaner air and water, minimised waste, and thriving plants and terrestrial and marine wildlife*.
- Reduce greenhouse gas emissions and increase carbon storage in the agricultural, waste, peat and tree planting sectors to help deliver net zero**.
- Reduce the likelihood and impact of flooding and coastal erosion on people, businesses, communities and the environment.
- Increase the sustainability, productivity and resilience of the agriculture, fishing, food and drink sectors, enhance biosecurity at the border and raise animal welfare standards.

Defra's spending is designed to support its outcomes. Tables and graphs in this memorandum break Defra's spend down by Estimate subhead. These are aligned to the Part II table of the Main Estimate and represent Defra's main spending programmes. Details of which spending programmes relate to which outcomes are given in Section 3.1.

*This is a cross-cutting outcome. Contributing departments are the Department for Transport and the Ministry of Housing, Communities & Local Government

**This supports the wider net zero cross-cutting outcome led by the Department for Business, Energy & Industrial Strategy.

1.2 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 Provisional Priority Outcomes. They reflect the settlements agreed for Defra as part of SR20, plus further changes announced in subsequent Budgets.

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 Farm Support; 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.

Rural Development Programme for England (RDPE) payments are included within Programme DEL, net of any income received from the European Commission (EC). RDPE payments will continue to be partially funded by the EC and partially funded by the UK government until programme closure, with the end of December 2023 being the last point to make payments from available European Union (EU) funding. 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 funding to support Defra science and the development of the Animal Health Science Estate at Weybridge and 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 RDPE schemes administered by the Devolved Administrations. The RDPE 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. 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.

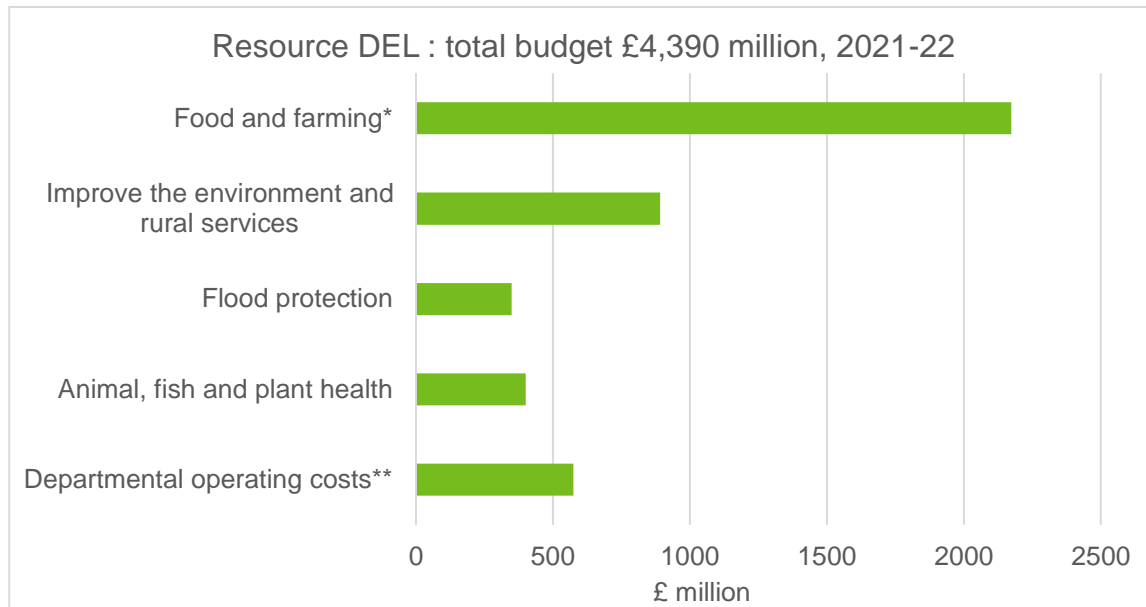
In addition, Parliament votes a net cash requirement, designed to cover the elements of the above budgets which require Defra to pay out cash in year.

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.

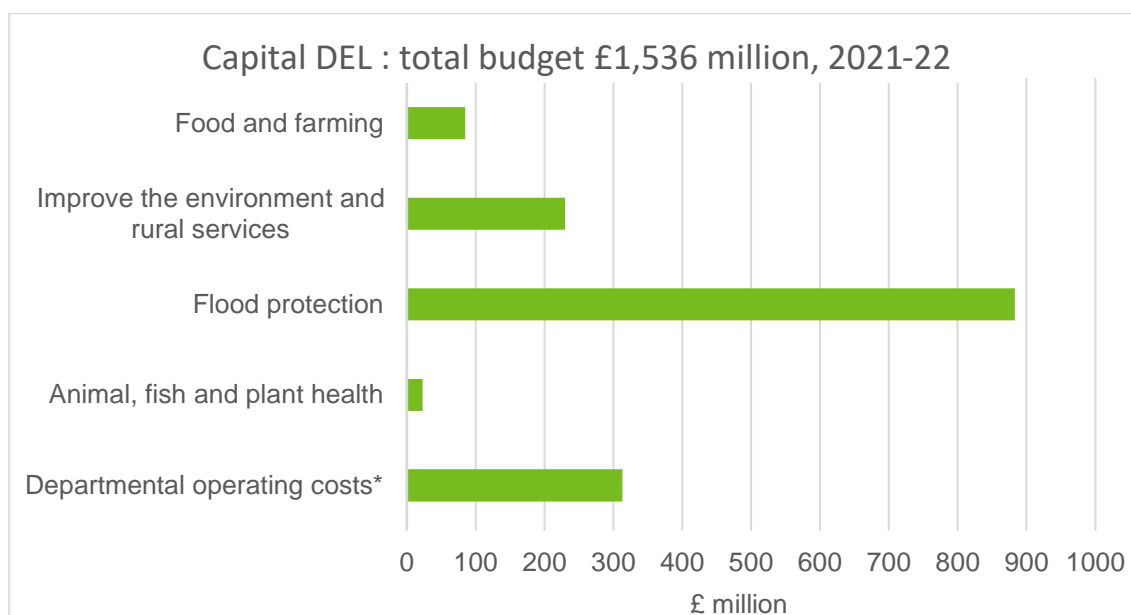
1.3 Main areas of spending

The graphic below shows the main components of Defra’s proposed budget for 2021-22, included in this latest Main Estimate, and the proportions of funds spent on its main activities.



*Food and farming includes £1.8 billion for farm support payments.

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

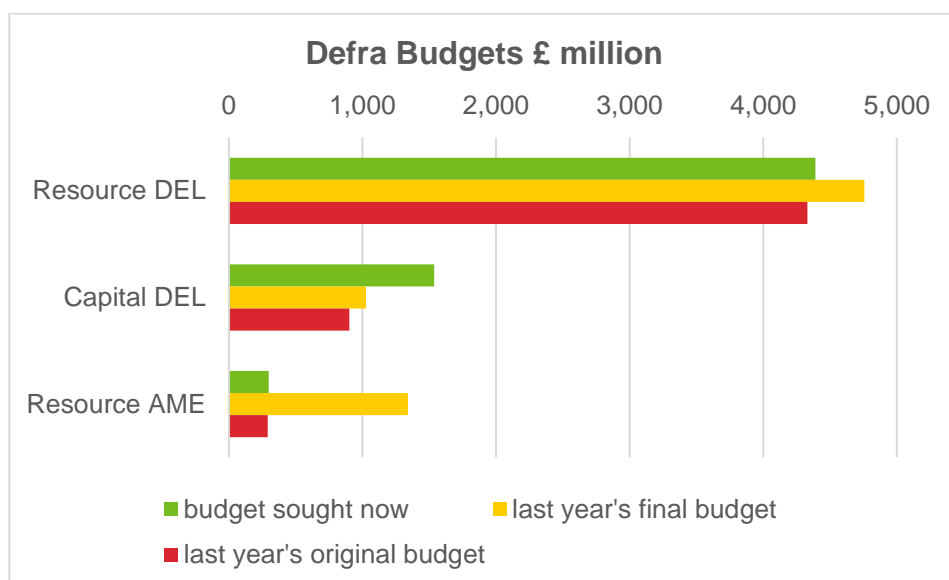


* Departmental operating costs includes funding to support Defra science and the development of the Animal Health Science Estate at Weybridge

1.4 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 2021-22)	Last year's final budget (Supplementary Estimate 2020-21)	Difference between the current year's proposed budget and last year's final budget		Last year's original budget (Main Estimate 2020-21)	Difference between the current year's proposed budget and last year's original budget	
		£m	%		£m	%
Resource DEL	4,390.2	4,757.0	-366.8 -7.7%	4,331.7	58.5 1.4%	
Capital DEL	1,535.6	1,025.2	510.4 49.8%	902.5	633.1 70.1%	
Resource AME	298.5	1,340.9	-1,042.4 -77.7%	291.6	6.9 2.4%	



1.5 Key drivers of spending changes since last year

The Resource DEL budget has decreased by £366.8 million since the 2020-21 Supplementary Estimate. This is mainly due to £341 million additional budget for the Covid-19 pandemic in 2020-21. Defra received £210 million in the Main Estimate 2020-21 to cover the scheme costs for providing food supply to vulnerable individuals and £131 million in the Supplementary Estimate mainly for Local Authority grants to provide support for economically vulnerable people in their communities; initial and extended scheme to support Zoos which had suffered income losses due to lockdown resulting in animal welfare risks; second Covid-19 Food Charity scheme to provide additional funding to nationwide charities providing Food Banks; and other services to the people in most need and to cover income

losses for some of Defra's Arms-Length Bodies whose operations are most dependent on commercial income.

The Capital DEL budget has increased by £510.4 million since the 2020-21 Supplementary Estimate. The main causes of the changes in Capital DEL are explained in more detail below:

- £170 million increase announced in SR20 for flood and coastal defence programmes following a 6-year announcement to deliver increased protection for at least 336,000 homes and non-residential properties by 2026-27.
- £170 million of funding to support Defra science and the development of the Animal Health Science Estate at Weybridge, which is an increase of £99 million when compared to 2020-21.
- £102 million to support EU Exit transition, which is an increase of £62 million when compared to 2020-21.
- £98 million was provided as part of the SR20 settlement to fund capital payments to farmers in 2021-22, part of the government's manifesto commitment to guarantee the current annual budget to farmers in every year of the new Parliament.
- £92 million for Nature for Climate fund. 2021-22 is year 2 of the Nature for Climate fund (a 5-year project focusing on tree planting manifesto commitments and Peatland restoration), year 2 sees an increase in the budget of £63 million compared to 2020-21.

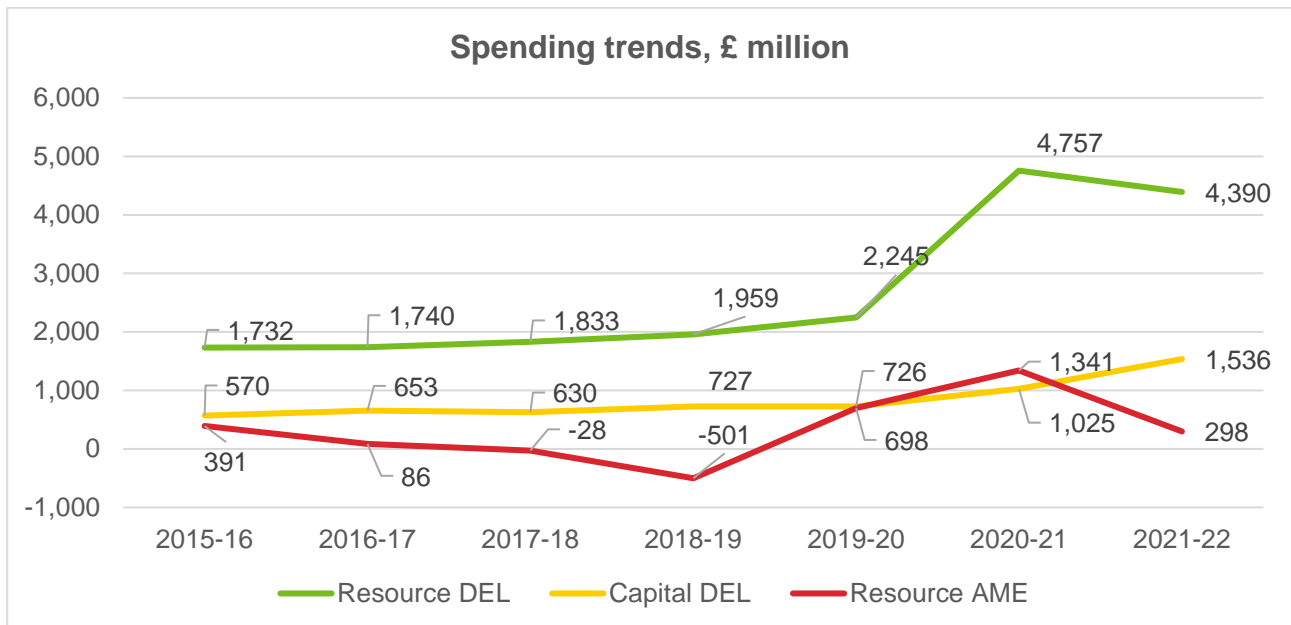
The Resource AME budget has decreased by £1,042.4 million since the Supplementary Estimate. This is primarily due to a £1,018 million increase in the 2020-21 Supplementary Estimate to recognise Defra's commitment to participate in and contribute towards the EU's 2021-2027 Copernicus Programme of Earth Observation Satellites, looking at our planet and its environment.

1.6 New policies and programmes; ambit changes

There have been some minor wording changes to the ambit including an addition for justifying authority for new nuclear power.

1.7 Spending trends

The chart below shows overall spending trends for the last five years and plans presented in Estimates for 2021-22.



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 following the UK's planned departure from the EU. This was previously funded by the EU. The reduction in 2021-22 reflects the additional budget given to the department in 2020-21 for the COVID-19 pandemic.

Capital budgets reflect the profile of the Department's SR15, SR19 and SR20 settlements. The Capital budget shows an overall increase across the years. This reflects increased investment in IT and property to enable a reduction in the corporate services resource budget, to improve the tools and facilities available to our people and to manage operational and security risks through a more efficient use of IT systems and the Defra estate; additional funding for EU exit to provide for additional infrastructure and systems, including IT development, to support new border controls; and additional funding for flood and coastal risk management. The large increase in 2021-22 reflects the additional budget provided in SR20 for the Defra science estate, flood and coastal defence programmes and EU exit transition, as explained in section 1.5.

Resource AME balances vary greatly over the years due to the volatility of provisions valuations. The large values 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. The large increase in 2020-21 relates to Defra's contribution to the Copernicus programme, as explained in section 1.5.

1.8 Administration costs and efficiency plans

	Spending total Amounts sought this year (Main Estimate 2021-22)		Last year's final budget (Supplementary Estimate 2020-21)		<i>Difference between the current year's proposed budget and last year's final budget</i>		Last year's original budget (Main Estimate 2020-21)		<i>Difference between the current year's proposed budget and last year's original budget</i>	
	£m	£m	£m	%	£m	£m	%			
Administration costs	908.1	912.7	-4.6	-0.5	858.5	49.6	5.8			

Administration spend shows a small decrease since the 2020-21 Supplementary Estimate, primarily due to additional budget allocated in the 2020-21 Supplementary Estimate following the Covid-19 pandemic for IT response funding, partially offset by small increases.

1.9 Net cash requirement

	Spending total Amounts sought this year (Main Estimate 2021-22)		Last year's final budget (Supplementary Estimate 2020-21)		<i>Difference between the current year's proposed budget and last year's final budget</i>		Last year's original budget (Main Estimate 2020-21)		<i>Difference between the current year's proposed budget and last year's original budget</i>	
	£m	£m	£m	%	£m	£m	%			
Net cash requirement	6,230.4	5,395.1	835.3	15.5	5,611.5	618.9	11.0			

The increase in net cash requirement since the 2020-21 Supplementary Estimate is primarily due to the increase in the Capital DEL budgets for 2021-22 and the changing profile of cashflows following the UK's departure from the EU.

1.10 Funding: Spending Review and Budgets

The underlying levels of DEL funding for Defra for 2021-22 are based on plans published in SR20. Since that time, the Government has made a small number of changes to 2021-22 Spending Plans in the 2021 Budget. Details of funding changes are set out in Annex B.

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	2021-22 Main	2020-21 Supplementary	Change from		see note number
		Estimates budget sought	Estimates budget approved	Supplementary Estimate		
		£m	£m	£m	%	
A	Food and farming	2,173.2	2,473.3	-300.1	-12.1	1
B, G, J	Improve the environment and rural services	892.3	846.2	46.1	5.4	
C, H	Flood protection	348.0	428.7	-80.7	-18.8	2
D, E, I	Animal, fish and plant health	401.8	350.7	51.1	14.6	3
F	Departmental operating costs	574.9	658.1	-83.2	-12.6	4
	Total	4,390.2	4,757.0	-366.8	-7.7	

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 decrease by £300.1 million, or 12.1% since the Supplementary Estimate. This is mainly driven by additional budget allocated in the 2020-21 Supplementary Estimate following the Covid-19 pandemic for Local Authority welfare grants and food charities.

2. Flood protection

Resource DEL spending under these subheads is forecast to decrease by £80.7 million, or 18.8% since the Supplementary Estimate. This is mainly driven by an increase in the 2020-21 Main Estimate following the 2020 Budget to support work for flood defence asset repairs.

3. Animal, fish and plant health

Resource DEL spending under these subheads is forecast to increase by £51.1 million, or 14.6% since the Supplementary Estimate. This is mainly driven by a £40 million increase in

SR20 to deliver a UK-wide scheme to facilitate the structural transformation for the fisheries sectors.

4. Departmental operating costs

Resource DEL spending under this subhead is forecast to decrease by £83.2 million, or 12.6% since the Supplementary Estimate. This is mainly driven by additional budget allocated in the 2020-21 Supplementary Estimate following the Covid-19 pandemic that was allocated to this area and centrally held pressures in 2021-22 including a negative value to reflect a budget transfer for Defra's contribution to the cabinet office for the COP26 (the 26th UN climate change conference).

Capital DEL

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

Capital DEL						
Subheads	Description	2021-22 Main	2020-21 Supplementary	Change from		see note number
		Estimates budget sought	Estimates budget approved	Supplementary Estimate		
		£m	£m	£m	%	
A	Food and farming	85.4	27.3	58.1	212.8	5
B, G, J	Improve the environment and rural services	230.6	152.2	78.4	51.5	6
C, H	Flood protection	883.5	713.3	170.2	23.9	7
D, E, I	Animal, fish and plant health	23.1	17.6	5.5	31.3	
F	Departmental operating costs	313.0	114.8	198.2	172.6	8
	Total	1,535.6	1,025.2	510.4	49.8	

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.

5. Food and Farming

Capital spending under these subheads is forecast to increase by £58.1 million, or 212.8% since the Supplementary Estimate. This is mainly driven by an increase to the SR20 budget for capital scheme costs for future farming following the UK's departure from the EU.

6. Improve the environment and rural services

Capital spending under these subheads is forecast to increase by £78.4 million, or 51.5% since the Supplementary Estimate. This is mainly driven by an increase in the capital budget

in SR20 for Nature for Climate fund (a 5-year project focusing on tree planting manifesto commitments and Peatland restoration), National Nature Reserves and waste programmes.

7. Flood Protection

Capital spending under these subheads is forecast to increase by £170.2 million, or 23.9% since the Supplementary Estimate. This is mainly driven by an increase in the capital budget in SR20 for the flood and coastal defence programme following a 6-year announcement to deliver increased protection for at least 336,000 homes and non-residential properties by 2026-27.

8. Departmental operating costs

Capital spending under this subhead is forecast to increase by £198.2 million, or 172.6% since the Supplementary Estimate. This is mainly driven by an increase in the capital budget in SR20 for the Defra science and the Weybridge estate and funding to support EU exit transition which will be allocated out during the year.

Resource AME

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

Resource AME						
Subheads	Description	2021-22 Main Estimates budget sought	2020-21 Supplementary Estimates budget approved	Change from Supplementary Estimate		see note number
		£m	£m	£m	%	
K, P	Food and farming	56.0	53.4	2.6	4.9	
L, Q	Improve the environment and rural services	36.1	28.6	7.5	26.2	
R	Flood protection	156.0	156.0	0.0	0.0	
M, N, S	Animal, fish and plant health	0.1	0.1	0.0	0.0	
O	Departmental operating costs	50.3	1,102.8	-1,052.5	-95.4	9
	Total	298.5	1,340.9	-1,042.4	-77.7	

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.

9. Departmental operating costs

Resource AME spending under this subhead is forecast to decrease by £1,052.5 million or 95.4% since the Supplementary Estimate. This is mainly driven by a provision for Defra's contribution to the Copernicus project in 2020-21 Supplementary Estimate.

2.2 Restructuring

There have been no restructures as part of this Main Estimate.

2.3 Ring-fenced budgets

Within the budgetary totals, the following elements are ring-fenced, i.e. savings in these budgets may not be used to fund pressures on other budgets.

Resource DEL

Spending total Amounts sought this year (Main Estimate 2021-22)	Last Year's Final budget (Supplementary Estimate 2020-21)		Difference between the current year's proposed budget and last year's final budget		Last Year's Original Budget (Main Estimate 2020-21)	Difference between the current year's proposed budget and last year's original budget)	
	£m	£m	£m	%		£m	£m
CAP Disallowance	25.0	25.0	0.0	0.0	25.0	0.0	0.0
Official Development Assistance	89.4	73.4	16.0	21.8	46.8	42.6	91.0
Farm Support Payments	1,836.7	1,832.1	4.6	0.3	1,751.1	85.6	4.9
Fisheries (replaces EMFF)	13.5	0.0*	13.5	100.0	0.0	13.5	100.0
Marine and Fisheries	40.0	0.0*	40.0	100.0	0.0	40.0	100.0
Project Speed	8.0	0.0*	8.0	100.0	0.0	8.0	100.0
Zoo support Covid-19	5.8	12.0	-6.2	-51.7	0.0	5.8	100.0
Depreciation	239.1	239.1	0.0	0.0	239.1	0.0	0.0

*These budgets were not classified as ringfenced in 2020-21

Capital DEL

Spending total Amounts sought this year (Main Estimate 2021-22)		Last Year's Final budget (Supplementary Estimate 2020-21)	Difference between the current year's proposed budget and last year's final budget		Last Year's Original Budget (Main Estimate 2020-21)	Difference between the current year's proposed budget and last year's original budget)	
			£m	£m		%	£m
Official Development Assistance	3.1**	18.9	-15.8	-83.6	45.5	-42.4	-93.2
Financial Transactions (Nature for Climate Fund)	6.0	0.0*	6.0	100.0	0.0	6.0	100.0
Farm Support Payments	83.9	0.0*	83.9	100.0	0.0	83.9	100.0
R&D - Defra Science	72.1	0.0*	72.1	100.0	0.0	72.1	100.0
R&D - Weybridge Science Estate	97.9	53.6	44.3	82.6	67.0	30.9	46.1

*These budgets were not classified as ringfenced in 2020-21

**The reduction in the ODA ringfence is as a result of a lower SR20 settlement for ODA following the Foreign secretary's review of International Climate Finance (ICF) budgets resulting in a change between Resource DEL and Capital DEL.

2.4 Contingent liabilities

The Main Estimate includes details of all the contingent liabilities included in the Department's 2019-20 Annual Report and Accounts. A link to the ARA is [here](#).

3 Priorities and performance

3.1 How spending relates to priority outcomes

The table below shows how budget against each subhead has been allocated to Departmental Priority Outcomes under the 2021-22 priority outcomes and metrics (as published in the Spending Review 2020).

Estimate subheads	Description	Priority Outcome			
		1: Improve the environment through cleaner air and water, minimised waste, and thriving plants and terrestrial and marine wildlife	2: Reduce greenhouse gas emissions and increase carbon storage in the agricultural, waste, peat and tree planting sectors to help deliver net zero	3: Reduce the likelihood and impact of flooding and coastal erosion on people, businesses, communities and the environment	4: Increase the sustainability, productivity and resilience of the agriculture, fishing, food and drink sectors, enhance biosecurity at the border and raise animal welfare standards
A, J, O	Food and farming		X		X
B, G, K, P	Improve the environment and rural services	X	X		
C, H, Q	Flood protection			X	
D, E, I, L, M, R	Animal, fish and plant health				X
F, N	Departmental operating costs	X	X	X	X

3.2 Measures of performance against each priority

Defra group's priority outcomes and metrics (as published in the Spending Review 2020 see [here](#)) sets out the following high-level priority outcomes, and performance metrics, for the Department for the current financial year.

Priority outcome	Performance metrics
Improve the environment through cleaner air and water, minimised waste, and thriving plants and terrestrial and marine wildlife ^{1,2}	Annual ammonia (NH3) emissions
	Annual fine particulate matter (PM2.5) emissions
	Annual sulphur dioxide (SO2) emissions
	Annual nitrogen oxides (NOx) emissions
	Annual non-methane volatile organic compounds (NMVOC) emissions
	Number of kilometres of enhanced and protected water environment
	Percentage of bathing waters reaching minimum standard
	Percentage of waters close to their natural state
	Municipal waste recycling rate (per cent)
	Number of high-risk illegal waste sites
	Number of hectares of water habitat created
	Number of hectares of priority habitat created or restored
	Reduce greenhouse gas emissions and increase carbon storage in the agricultural, waste, peat and tree planting sectors to help deliver net zero
Total projected greenhouse gas savings through Defra policies included in the Energy and Emissions Projections (tonnes of CO2 equivalent)	
Change in fluorinated greenhouse gases	
Area of England's peatlands in favourable condition or more sustainable forms of management (hectares)	
Hectares of trees planted	

Reduce the likelihood and impact of flooding and coastal erosion on people, businesses, communities and the environment	Number of properties better protected from flooding in England
	Percentage of flood defence assets at required condition
	Climate change adaptation progress score by sector
Increase the sustainability, productivity and resilience of the agriculture, fishing, food and drink sectors, enhance biosecurity at the border and raise animal welfare standards	Productivity of the UK agricultural industry
	Productivity of the UK food industry
	Value of UK food and drink exported (£) ³
	Percentage of scientifically assessed fish stocks of interest to the UK exploited in line with maximum sustainable yield
	Percentage of cattle herds that are bovine tuberculosis free
	Percentage of export health certificates and licences issued within agreed timescales
	Number of high priority forest pests in the UK Plant Health Risk Register

¹ Defra is currently developing a metric for measuring the steps the department is taking on offshore marine protected areas. This metric will be added to this outcome once developed

² Further metrics on biodiversity will be added to this outcome over the coming months

³ The Department for International Trade has agreed the related metric "Total value of UK exports (£)" for the outcome "Support UK business to take full advantage of trade opportunities, including those arising from delivering FTAs, facilitating UK exports".

3.3 Commentary on steps being taken to address performance issues

Actions designed specifically to address performance issues are included in the published Annual Report and Accounts (ARA) in chapter 2 performance analysis. The link to the 2019-20 ARA is included [here](#).

3.4 Major projects

Defra is establishing a portfolio and project delivery function to support the delivery of our major projects and deliver a sustainable uplift to the department's project delivery capability. This builds on our experience delivering a major portfolio of projects for EU-Exit and will apply the Infrastructure and Projects Authority (IPA) functional standards for project delivery and the project delivery framework.

Within the wider Defra portfolio, we have eight projects on the Government Major Projects Portfolio (GMPP) – Future Farming and Countryside Programme, Science Capability for Animal Health, Nature for Climate Fund, our NO2 programme and our four largest flood defence projects. We are also tracking a pipeline of programmes on the horizon for inclusion on GMPP during 2021-22.

All of our projects are formally constituted with a business case, Senior Responsible Officer and project board, and supported by the Department's Integrated Assurance and Approvals Strategy. This includes our Investment Committee which oversees investment decisions on behalf of the Executive Committee.

The level of assurance is based on the Risk Potential Assessment and captured in an Integrated Assurance and Approvals Plan for each project. IPAs provide third line assurance for our GMPP projects and Internal Audit review our delivery activity at a project and portfolio level. We provide second line assurance in the department through an internal independent review team review process and, with the establishment of the departmental portfolio, we are introducing monthly reporting to the Executive Committee to ensure we have good oversight of delivery at the departmental level.

4.0 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.

5.0 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.

Tamara Finkelstein

Accounting Officer

Permanent Secretary, Department for Environment, Food and Rural Affairs

7 May 2021

Annex A
Departmental Expenditure Limits (DEL) by programme

Estimate Subheads	Description	Programme	Resource					Capital				
			2021-22 Main Estimates budget sought	2020-21 Supplementary Estimates budget approved	Change from Supplementary Estimate			2021-22 Main Estimates budget sought	2020-21 Supplementary Estimates budget approved	Change from Supplementary Estimate		
			£m	£m	£m	%	Note number (section 2.1)	£m	£m	£m	%	Note number (section 2.1)
A	Food and farming	<i>CAP disallowance</i>	45.0	45.0				0.0	0.0			
		<i>Food, sustainable and competitive farming</i>	351.4	381.1				85.4	27.3			
		<i>Rural Payments Agency including UK Coordinating Body</i>	1,776.8	1,982.7				0.0	0.0			
		<i>Food and Farming EU Exit (Core)</i>	0.0	64.5				0.0	0.0			
	sub total		2,173.2	2,473.3	-300.1	-12.1	1	85.4	27.3	58.1	212.8	5
B, G, J	Improve the environment and rural services	<i>Better regulation</i>	0.0	0.0				0.0	0.0			
		<i>EU and International Trade</i>	18.7	0.0				0.0	0.0			
		<i>Natural environment and atmosphere improvement programmes</i>	401.4	316.8				20.5	10.4			
		<i>Waste</i>	22.6	14.0				11.4	1.5			
		<i>Water</i>	42.3	41.0				4.0	4.0			
		<i>EA - Environment protection, water and fisheries (NDPB)</i>	86.8	86.3				51.7	58.5			
		<i>NE and JNCC (NDPB)</i>	104.5	101.7				25.1	5.5			
		<i>RBG KEW (NDPB)</i>	25.0	33.9				7.5	9.4			
		<i>Consumer Council for Water (CCW) (NDPB)</i>	6.0	5.9				0.0	0.0			
		<i>Wildlife, international, climate and forestry programme</i>	163.2	157.3				101.0	56.7			
		<i>Improve the Environment EU Exit (Core)</i>	0.0	80.3				0.0	3.9			
		<i>Rural development programme policy and outdoor recreation</i>	19.3	6.1				9.4	0.0			
		<i>Countryside and Rural Services EU Exit (Core)</i>	0.0	0.2								
		<i>National Forest Company (NFC) (NDPB)</i>	2.5	2.7				0.0	2.3			
	sub total		892.3	846.2	46.1	5.4		230.6	152.2	78.4	51.5	6
C, H	Flood protection	<i>Flood risk management</i>	2.5	12.7				0.0	3.0			
		<i>EA - Flood risk management (NDPB)</i>	345.5	416.0				883.5	710.3			
	sub total		348.0	428.7	-80.7	-18.8	2	883.5	713.3	170.2	23.9	7
D, E, I	Animal, fish and plant health	<i>Animal and Plant Health Agency</i>	137.6	116.9				13.7	0.1			
		<i>Animal health and welfare including disease control and trade policy</i>	57.7	42.1				2.9	1.0			
		<i>Bio security and food projects</i>	0.0	-4.9				0.0	0.0			
		<i>Endemic diseases</i>	37.1	33.6				0.0	0.0			
		<i>Plant Health</i>	13.4	3.9				5.2	0.2			
		<i>Veterinary Medicines Directorate</i>	9.8	17.3				0.0	2.4			
		<i>Marine Programme</i>	118.6	68.5				1.3	7.8			
		<i>MMO (NDPB)</i>	27.0	28.7				0.0	0.0			
		<i>Science, Evidence and Analysis</i>	0.6	0.0								
		<i>Animal and Plant Health EU Exit (Core)</i>	0.0	27.8				0.0	3.3			
		<i>Marine and Fisheries EU Exit (Core)</i>	0.0	16.8				0.0	2.8			
	sub total		401.8	350.7	51.1	14.6	3	23.1	17.6	5.5	31.3	
F	Departmental operating costs	<i>Corporate services and centrally held budgets</i>	79.6	140.7				64.7	-6.9			
		<i>Estates and commercial</i>	220.6	118.9				117.6	65.7			

	<i>Information services</i>	274.7	197.2					131.2	26.6		
	<i>EU Exit budget held centrally</i>	0.0	59.1					-0.5	21.0		
	<i>Departmental Operating Costs EU Exit (Core)</i>	0.0	142.2					0.0	8.4		
	sub total	574.9	658.1	-83.2	-12.6	4		313.0	114.8	198.2	172.6
	Total	4,390.2	4,757.0	-366.8	-7.7			1,535.6	1,025.2	510.4	49.8

Annex A
Anually Managed Expenditure (AME) by programme

Estimate Subheads	Description	Programme	Resource				Capital	Capital				Note number (section 2.1)
			2021-22 Main Estimates budget sought	2020-21 Supplementary Estimates budget approved	Change from Supplementary Estimate			2021-22 Main Estimates budget sought	2020-21 Supplementary Estimates budget approved	Change from Supplementary Estimate		
			£m	£m	£m	%		£m	£m	£m	%	Note number (section 2.1)
K, P	Food and farming	<i>CAP disallowance</i>	41.1	41.1				0.0	0.0			
		<i>Rural Payments Agency including UK Coordinating Body</i>	9.8	9.7				0.0	0.0			
		<i>AHDB (NDPB)</i>	5.1	2.6				14.5	14.5			
		sub total	56.0	53.4	2.6	4.9		14.5	14.5	0.0	0.0	
L, Q	Improve the environment and rural services	<i>Natural environment and atmosphere improvement programmes</i>	-0.5	-0.5				0.0	0.0			
		<i>Water</i>	-1.8	-1.8				0.0	0.0			
		<i>EA - Environment protection, water and fisheries (NDPB)</i>	36.2	31.7				0.0	0.0			
		<i>Rural development programme policy and outdoor recreation</i>	-0.2	-0.2								
		<i>Wildlife, international, climate and forestry programme</i>	2.4	-0.6				0.0	0.0			
sub total	36.1	28.6	7.5	26.2		0.0	0.0	0.0	0.0			
R	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	2.0			
		sub total	156.0	156.0	0.0	0.0		0.0	2.0	-2.0	0.0	
M, N, S	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	
O	Departmental operating costs	<i>Corporate services and centrally held budgets</i>	49.3	1,102.8				0.0	0.0			
		<i>Estates and commercial</i>	1.0	0.0				0.0	0.0			
		sub total	50.3	1,102.8	-1,052.5	-95.4	9	0.0	0.0	0.0	0.0	
Total			298.5	1,340.9	-1,042.4	-77.7		14.5	16.5	-2.0	-12.1	

Annex B

How DEL funding plans for 2021-22 have altered since Spending Review 2020

	Defra			£m
	Admin	Programme	Resource DEL total	Capital DEL
DEL baseline for SR2020 (2020-21)	917.37	3,584.60	4,501.96	1,407.86
ESA10 Capital R&D	0.00	0.00	0.00	156.60
Ringfenced Financial Transactions	0.00	0.00	0.00	6.00
Spending Review outcome	917.37	3,584.60	4,501.96	1,570.46
SR20 control total - non ring fenced	808.50	3,454.32	4,262.82	1,570.46
SR20 control total - ring fenced depreciation	108.87	130.27	239.14	0.00
Spending Review total on Estimates basis	917.37	3,584.60	4,501.96	1,570.46
Additional, new, money awarded since SR2020:-				
<u>Budget 2021</u>				
Budget 2021 - Solent Loan	0.00	0.00	0.00	5.70
Budget 2021 - Shared Outcome Fund Projects	3.31	1.69	5.01	2.37
Budget 2021 - Covid 19 Zoo's	0.00	5.84	5.84	0.00
Estimating, forecasting and reprofiling changes:-				
<u>Budget Exchange and Budget Reductions 2020 Supplementary Estimate</u>				
Budget Exchange - Science Capability Animal Health (SCAH) programme, Weybridge	0.00	0.00	0.00	13.40
Budget Exchange - Urban Trees	0.00	1.60	1.60	1.82
Budget Exchange - Future Farming IT	0.00	-14.30	-14.30	-14.10
Budget Exchange - Dairy industry	0.00	-1.02	-1.02	0.00
<u>Budget Adjustments 2021 Main Estimate</u>				
Green Recovery challenge fund control total adjustment	2.00	0.00	2.00	-2.00
Neutral funding changes between departments:-				
<u>Other funding transfers (Budget Cover Transfers) :-</u>				
Net transfers to/from Cabinet Office for special advisors (SPADS), Public Sector GeoSpatial Agreement, Civil Service Live and Conference of the Parties (COP) 26	-3.90	-27.60	-31.50	0.00
Net transfers to/from Ministry of Justice for Consultation on microbeads ban; Control of Trade in Endangered Species, Rogue Waste Management Companies and Domestic Combustion	0.00	-0.04	-0.04	0.00
Net transfers to/from Foreign, Commonwealth and Development Office for Cefas use of Embassy Platform in Oman, Conflict, Stability and Security Fund (CSSF) and Official Development Assistance	-8.70	-68.68	-77.38	-4.04
Net transfers to/from Department for Digital, Culture, Media and Sport for Green recovery challenge fund.	-2.00	0.00	-2.00	-38.00
2021-22 Main Estimates DEL totals as at May 2021	908.08	3,482.09	4,390.17	1,535.61

Annex C

Summary of funding variations split by core Department and network bodies

Description	Resource DEL			
	2021-22 Main Estimates budget sought	2020-21 Supplementary Estimates budget approved	Change from Supplementary Estimate	
	£m		£m	%
Animal and Plant Health Agency (APHA)	137.6	116.9	20.7	17.7
Centre for Environment, Fisheries and Aquaculture Science (CEFAS)	13.3	19.2	-5.9	-30.7
Core Defra	1,811.0	1,901.2	-90.2	-4.7
Environment Agency (EA)	432.3	502.3	-70.0	-13.9
Forestry Commission (FC)	44.4	51.6	-7.2	-14.0
Marine Management Organisation (MMO)	27.0	28.8	-1.8	-6.3
Natural England (NE)	96.3	91.7	4.6	5.0
Royal Botanic Gardens, Kew (RBG, Kew)	25.0	33.9	-8.9	-26.3
Rural Payments Agency (RPA) including UK Coordinating Body	1,774.5	1,982.6	-208.1	-10.5
Veterinary Medicines Directorate (VMD)	9.8	10.1	-0.3	-3.0
Other Network Bodies	19.0	18.6	0.4	2.2
Total	4,390.2	4,756.9	-366.7	-7.7

Description	Capital DEL			
	2021-22 Main Estimates budget sought	2020-21 Supplementary Estimates budget approved	Change from Supplementary Estimate	
	£m	£m	£m	%
Animal and Plant Health Agency (APHA)	13.7	0.1	13.6	13,600.0
Centre for Environment, Fisheries and Aquaculture Science (CEFAS)	0.0	7.7	-7.7	-100.0
Core Defra	550.6	211.2	339.4	160.7
Environment Agency (EA)	935.1	768.8	166.3	21.6
Forestry Commission (FC)	3.7	19.3	-15.6	-80.8
Natural England (NE)	25.1	4.0	21.1	527.5
Royal Botanic Gardens, Kew (RBG, Kew)	7.5	9.4	-1.9	-20.2
Veterinary Medicines Directorate (VMD)	0.0	0.9	-0.9	-100.0
Other Network Bodies	0.0	3.7	-3.7	-100.0
Total	1,535.7	1,025.1	510.6	49.8

Description	Resource AME			
	2021-22 Main Estimates budget sought	2020-21 Supplementary Estimates budget approved	Change from Supplementary Estimate	
	£m	£m	£m	%
Core Defra	88.5	1,140.9	-1,052.4	-92.2
Environment Agency (EA)	92.2	87.8	4.4	5.0
Flood Re	100.0	100.0	0.0	0.0
Forestry Commission (FC)	2.9	-0.1	3.0	-3,000.0
Rural Payments Agency (RPA) including UK Coordinating Body	9.8	9.8	0.0	0.0
Other Network Bodies	5.2	2.6	2.6	100.0
Total	298.6	1,341.0	-1,042.4	-77.7

Description	Capital AME			
	2021-22 Main Estimates budget sought	2020-21 Supplementary Estimates budget approved	Change from Supplementary Estimate	
	£m	£m	£m	%
AHDB (NDPB)	14.5	14.5	0.0	0.0
Flood Re	0.0	2.0	-2.0	-100.0
Total	14.5	16.5	-2.0	-12.1