

NOTE TO AERA COMMITTEE

DAERA'S 2021-22 MAIN ESTIMATES AND 2021-22 JUNE MONITORING PROPOSALS

2021-22 MAIN ESTIMATES

1. The Budget (No. 2) Bill (Northern Ireland) 2021 is scheduled for introduction by the Finance Minister in the Assembly immediately following the Supply Resolutions' Debate on 7 June 2021. The Bill will provide formal legal authority for departments to incur expenditure and use resources as set out in the 2021-22 Main Estimates and a copy of DAERA's Main Estimates is attached at **Annex 1**.
2. The proposed timetable for the Bill will follow the Accelerated Passage procedure as the Bill must pass through the Assembly before the summer recess and receive Royal Assent by the end of July 2021. The draft timetable that the Finance Minister is working to is detailed in **Table 1** below.

Table 1 – Draft Timetable	
Stage	Date
Budget (No. 2) Bill introduced in Assembly	7 June 2021
Second Stage	8 June 2021
Consideration Stage	14 June 2021
Further Consideration Stage	21 June 2021
Final Stage	22 June 2021
Royal Assent	End of July 2021

3. The Committee is asked to note the Department's 2021-22 Main Estimates and process of passage through the Assembly.

2021-22 JUNE MONITORING PROPOSALS

4. Departments were asked to provide DoF with details of:
 - a. Reduced requirements;
 - b. Bids for both COVID-19 and non-COVID 19 pressures;
 - c. Transactions that require formal approval, i.e. Reclassifications and Proposed Reductions and Reallocations;
 - d. Details of any other technical issues to be addressed in the monitoring round, including those permitted within the additional flexibilities;
 - e. Details of AME changes; and
 - f. Detail and explanations of Non-Budget movements.

Reduced Requirements

5. The Department has no reduced requirements to declare in this Round.

Bids

6. The Department is proposing that no bids are submitted in this Round.

Reclassifications and Proposed Reductions and Reallocations

7. The Department is submitting one Reclassification in this Round to reclassify £1.6m of Resource DEL to Capital DEL. This reclassification is in respect of EU Replacement Funding for Common Market Organisation Funding which was initially allocated as Resource by HM Treasury.

Technical Issues

8. There are number of technical issues which involve transfers to and from other Departments. The most significant of these relates to the transfer of £7.5m Capital DEL to Department for Economy for Project Stratum – Rural Broadband. All other transfers are de minimis.

AME

9. DAERA has a £1.0m reduction in AME in this Monitoring Round in respect of AFBI Corporation Tax.

Non-Budget movements

10. DAERA has an £5.5m increase in Non-Budget being the cash funding required by the Department's NDPBs.
11. The Committee is asked to note the Department's June Monitoring proposals.

Main Estimate 2021-22

Department of
Agriculture, Environment
and Rural Affairs

DEPARTMENT OF AGRICULTURE, ENVIRONMENT AND RURAL AFFAIRS

Introduction

1. The purpose of the Department of Agriculture, Environment and Rural Affairs is for sustainability at the heart of a living, working, active landscape valued by everyone.
2. Symbols are explained in the guide at the front of the volume.

Part I

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RfR A: Promote sustainable development of the agri-food industry and the countryside; stimulate the economic and social revitalisation of rural areas; protect and enhance the natural environment; promote sustainable development of the sea fishing and aquaculture industries; and manage, protect, develop and expand forests in a sustainable way.

Net Resource Requirement	680,003,000
Net Cash Requirement	665,851,000

Amounts required in the year ending 31 March 2022 for use by the Department of Agriculture, Environment and Rural Affairs on:

RfR A: Promote sustainable development of the agri-food industry and the countryside; stimulate the economic and social revitalisation of rural areas; protect and enhance the natural environment; promote sustainable development of the sea fishing and aquaculture industries; and manage, protect, develop and expand forests in a sustainable way:

the provision of agricultural, educational and knowledge transfer services, research and development and payments and grants to societies, associations, institutions and clubs for agri-food purposes, horticulture and rural development; provision of veterinary services including animal health and welfare, veterinary public health and official controls, international veterinary certification of live animals and animal products and payments of compensation to farmers for animals culled in disease control programmes; provision of policy support, future policy development and legislation for the agri-food and equine industries and animal health and welfare; veterinary medicines, antimicrobial resistance, dog control, wildlife interventions and rural needs; protection for all aspects of animal, bee and plant health and welfare; protection and conservation of sea fisheries, inland fisheries and aquaculture; grants and grants-in-aid for the Agri-Food and Biosciences Institute, the Loughs Agency of the Foyle, Carlingford and Irish Lights Commission and the Northern Ireland Fishery Harbour Authority; the Livestock and Meat Commission for Northern Ireland, the Council for Nature Conservation and the Countryside and the Agricultural Wages Board for Northern Ireland; grants for scientific services by other bodies; providing hardship assistance; conservation; natural heritage; green growth, environmental legislation and protection; operation of the carrier bag levy; payments for Coastal Communities Fund projects; regulation, maintenance, protection, development and conservation of forests and preparation for wind-farm development; contingency planning and exercising; payments under European Union or Nationally Funded Programmes including the Common Agricultural Policy and disallowance; payments to district councils and other approved delivery bodies; other expenditure on activities that are required as a result of the United Kingdom's exit from the European Union; expenditure on enforcement activities; digital services; administration costs; compensation payments; Governmental response to the coronavirus COVID-19 pandemic; associated non-cash items.

The **Department of Agriculture, Environment and Rural Affairs** will account for this Estimate.

	Net Total	Allocated in Vote on Account	Balance to Complete
RfR A:			
Net Resource Requirement	680,003,000	308,066,000	371,937,000
Net Cash Requirement	665,851,000	307,825,000	358,026,000

Part II: Subhead Detail and Resource to Cash Reconciliation

£'000

		2021-22								2020-21	2019-20
		Resources						Capital		Provision	Outturn
		1	2	3	4	5	6	7	8	9	10
		Admin	Other Current	Grants	Gross Total	Accruing Resources	Net Total	Capital	Non-operating Accruing Resources	Net Total Resources	Net Total Resources
RfR A:	Promote sustainable development of the agri-food industry and the countryside; stimulate the economic and social revitalisation of rural areas; protect and enhance the natural environment; promote sustainable development of the sea fishing and aquaculture industries; and manage, protect, develop and expand forests in a sustainable way.	83,748	501,641	193,716	779,105	99,102	680,003	32,900	-	684,591	279,166
Departmental Expenditure in DEL:											
A-1:	Food and Farming	33,974	342,213	56,250	432,437	10,489	421,948	9,814	-	407,943	90,863
A-2:	Veterinary Service and Animal Health	6,225	68,633	-	74,858	15,629	59,229	6,662	-	66,406	58,461
A-3:	Rural Affairs	5,505	9,556	5,800	20,861	267	20,594	9,246	-	20,039	16,652
A-4:	Environment, Marine and Fisheries	11,552	51,472	32,640	95,664	16,789	78,875	5,820	-	74,655	50,494
A-5:	Forestry ♥	1,391	3,347	900	5,638	20	5,618	1,358	-	13,764	4,912
A-6:	Common Agricultural Policy	-	12,000	33,943	45,943	45,943	-	-	-	-	-
A-7:	EU Community Initiatives	-	-	11,731	11,731	9,965	1,766	-	-	2,319	1,164
Annually Managed Expenditure (AME):											
A-8:	Forest Service Timber	-	-	-	-	-	-	-	-	-	-18,553
A-9:	Provisions	-	13,270	-	13,270	-	13,270	-	-	14,670	4,142
A-10:	Revaluations due to Change in Market Value	-	1,050	-	1,050	-	1,050	-	-	1,050	3,942
A-11:	Fisheries	-	100	-	100	-	100	-	-	100	93
Non-Budget:											
A-12:	The Agri-Food and Biosciences Institute ♥	-	-	49,965	49,965	-	49,965	-	-	55,518	46,556
A-13:	Foyle, Carlingford and Irish Lights Commission ♥	-	-	2,387	2,387	-	2,387	-	-	2,608	2,157
A-14:	Northern Ireland Fishery Harbour Authority ♣	-	-	100	100	-	100	-	-	375	-
A-15:	Notional Charges	25,101	-	-	25,101	-	25,101	-	-	25,144	18,283
Total:		83,748	501,641	193,716	779,105	99,102	680,003	32,900	-	684,591	279,166

Part II: Subhead Detail and Resource to Cash Reconciliation**£'000**

Resource to Cash Reconciliation	2021-22 Provision	2020-21 Provision	2019-20 Outturn
Net Resource Requirement	680,003	684,591	279,166
Capital Items			
Capital	32,900	43,787	28,482
Non-operating accruing resources	-	-251	-105
Net Capital	32,900	43,536	28,377
Accruals to Cash Adjustments			
Depreciation, impairments and revaluations	-21,181	-16,891	-5,969
New provisions and adjustments to previous provisions	-13,270	-14,670	-4,142
Notional charges	-25,101	-25,144	-18,283
Movement in working capital	12,500	12,500	1,764
Use of provisions	-	133	45
Total Accruals to Cash Adjustments	-47,052	-44,072	-26,585
Net Cash Requirement	665,851	684,055	280,958

Supporting Statements, Tables and Notes

Statement of Comprehensive Net Expenditure

£'000

	2021-22 Provision	2020-21 Provision	2019-20 Outturn
Net Administration Costs			
Request for Resources A	83,748	78,906	72,208
Total Net Administration Costs	83,748	78,906	72,208
Net Programme Costs			
Request for Resources A	596,751	605,685	206,958
Total Net Programme Costs	596,751	605,685	206,958
Net Operating Cost	680,003	684,591	279,166
Net Resource Requirement	680,003	684,591	279,166
Resource Budget	594,723	615,551	219,905

Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets

£'000

	2021-22 Provision	2020-21 Provision	2019-20 Outturn
Net Resource Requirement (Estimates)	680,003	684,591	279,166
Net Operating Cost (Accounts)	680,003	684,591	279,166
<i>Adjustments to remove:</i>			
Voted resource expenditure outside the budget	-77,553	-83,645	-66,996
Capital grants and community asset transfers	-44,426	-26,450	-30,379
<i>Adjustments to include:</i>			
Full resource consumption of NDPBs or other bodies	36,699	41,055	38,114
Resource Budget	594,723	615,551	219,905
<i>Of which:</i>			
Departmental Expenditure Limit (DEL)	578,603	599,534	229,773
Annually Managed Expenditure (AME)	16,120	16,017	-9,868

Reconciliation of Capital Expenditure between Estimates and Budgets

£'000

	2021-22 Provision	2020-21 Provision	2019-20 Outturn
Net Capital (Estimates)	32,900	43,536	28,377
<i>Adjustments to include:</i>			
Capital grants and community asset transfers	44,426	26,450	30,379
Capital expenditure of NDPBs or other bodies	18,150	21,061	22,126
Capital Budget	95,476	91,047	80,882
<i>Of which:</i>			
Departmental Expenditure Limit (DEL)	95,476	91,047	80,882
Annually Managed Expenditure (AME)	-	-	-

Analysis of Accruing Resources

£'000

	2021-22 Provision		2020-21 Provision		2019-20 Outturn	
	Operating Accruing Resources	Non- operating Accruing Resources	Operating Accruing Resources	Non- operating Accruing Resources	Operating Accruing Resources	Non- operating Accruing Resources
RfR A:						
Food and Farming	10,489	-	9,496	251	10,686	20
Veterinary Service and Animal Health	15,629	-	15,049	-	13,837	-
Rural Affairs	267	-	246	-	255	24
Environment, Marine and Fisheries	16,789	-	16,907	-	16,463	1
Forestry	20	-	13	-	12,681	60
Common Agricultural Policy	45,943	-	27,960	-	310,085	-
EU Community Initiatives	9,965	-	13,140	-	6,596	-
Total for RfR A:	*99,102	-	82,811	251	370,603	105

* Amount that may be applied as operating accruing resources arising from recoupment of salaries and associated costs for seconded staff; European Union (EU) income; receipts from public and private sector organisations in respect of various goods and services provided by the Department; receipts in respect of leases; miscellaneous licence fees; receipts in respect of Carrier Bag Levy; sale of timber; the forest estate; salvage of livestock slaughtered under the disease eradication programme and sundry income.

Analysis of Notional Charges in Non-Budget

£'000

2021-22						2020-21 Provision	2019-20 Outturn		
Resources								Capital	
1	2	3	4	5	6	7	8	9	10
Admin	Other Current	Grants	Gross Total	Accruing Resources	Net Total	Capital	Non- operating Accruing Resources	Net Total Resources	Net Total Resources
RfR A:									
Food and Farming									
7,782	-	-	7,782	-	7,782	-	-	7,795	5,668
Veterinary Service and Animal Health									
5,773	-	-	5,773	-	5,773	-	-	5,783	4,571
Rural Affairs									
2,259	-	-	2,259	-	2,259	-	-	2,263	2,011
Environment, Marine and Fisheries									
7,530	-	-	7,530	-	7,530	-	-	7,543	5,119
Forestry									
1,757	-	-	1,757	-	1,757	-	-	1,760	914
Total RfR A:	25,101	-	25,101	-	25,101	-	-	25,144	18,283
Total Notional Charges:	25,101	-	25,101	-	25,101	-	-	25,144	18,283

Detail

	2021-22 Provision	2020-21 Provision	2019-20 Outturn
RfR A:			
Minister	57	100	11
Accommodation	6,797	6,797	6,797
Shared Services	10,193	10,193	10,193
Audit	131	131	131
Other	7,923	7,923	1,151
Total RfR A:	25,101	25,144	18,283
Total Notional Charges:	25,101	25,144	18,283

Explanation of Accounting Officer Responsibilities

The Department of Finance has appointed the Permanent Head of the Department of Agriculture, Environment and Rural Affairs, Dr Denis McMahon, as Accounting Officer for the Department with responsibility for preparing this Estimate.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in Managing Public Money Northern Ireland.

Notes to the Estimate:

£'000

1. The provision sought for 2021-22 is 0.67% lower than the final net provision for 2020-21.
2. This Estimate includes grant-in-aid provision above £1million for the following:

The Agri-Food and Biosciences Institute	49,965
Foyle, Carlingford and Irish Lights Commission	2,387