



Ministry of Agriculture, Fisheries and Food
Whitehall Place, London SW1A 2HH

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From the Minister

The Right Hon. John Major MP
Chief Secretary to the Treasury
HM Treasury
Parliament Street
London SW1P 3AG

June 1989

Dear John,

PES 1989: AGRICULTURE, FISHERIES AND FOOD

I am writing on behalf of the Agriculture Ministers to set out our proposals for expenditure over the three Survey years on the agriculture, fisheries and food programme. Details are set out in the attached commentary and figures are in tables I to III. Output and performance measures are included in the MAFF and IBAP Management Plans, which I shall be sending to you separately. Although the tables follow the traditional split between demand-determined and cash limited expenditure, I have drawn together the commentary on the main items by the key challenges which I have identified.

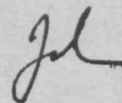
Most of the expenditure under this programme arises from implementation of the Common Agricultural Policy. At present the forecasts show further small net savings even after allowing for some optimism in later years, but we all know how great are the uncertainties in this area. On the domestic side there are strong pressures on food safety, the environment and flood defence with consequent effects on our manpower requirement: two-thirds of our additional manpower requirement is linked to food hygiene and safety issues.

The total changes are as follows:

	Emillion		
	1990-91	1991-92	1992-93
Common Agricultural Policy (including IBAP administration)	+3	-55	-35
Domestic agriculture, fisheries and food (including MAFF administration)	+83	+128	+164

I am copying this letter to the Prime Minister and the Secretaries of State for Wales, Northern Ireland and Scotland. Malcolm Rifkind has written to you separately about the bids on the DAFS programmes.

Yours ever,



John MacGregor

PES 1989: AGRICULTURE, FISHERIES AND FOOD

I. Press on with CAP reform and implement the CAP

1. **IBAP CAP MARKET SUPPORT:** I understand our officials have discussed the latest forecast of CAP market support expenditure over the Survey period that takes account of the price-fixing decisions. The overall picture is of the following savings against baseline:

	1990-91	1991-92	1992-93
	+4	-53	-34

£ million

This includes a safeguard against optimism of 0, £50m and £100m in the three years respectively. I believe that as before it is prudent to have a safeguard because of the uncertainty that surrounds the precise impact of stabilisers on cereals, oilseeds and sheep expenditure and the possibility that expenditure on both beef and cereals intervention in particular could be greater than the central forecast.

2. The Agriculture Department Schemes involve net bids of

	+60	+59	+18
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These arise mainly from the assumption that there will be some repayment of the cereals additional co-responsibility levy, offset in the third year by the cessation of temporary suspension of milk quota payments. There will also be an increase of expenditure on beef, but this is more than offset by the large savings from scrapping the Beef Variable Premium Scheme.

3. The IBAP schemes give rise to the following savings

	-56	-112	-52
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This includes provision for further devaluation of the green £ of

	21	77	112
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The major changes against baseline occur in the following commodities:-

beef	-45	-61	-65
cereals	+43	+ 2	+ 8
milk	+29	+33	+27
oilseeds	- 8	- 7	- 7
protein crops	-25	-25	-27
sheep	+44	+44	+42
sugar	-20	-23	-31

The commodity forecasts now include the savings expected from Alure and ESA's. The **beef** savings arise largely from the replacement of the BVPS with the BPS. The **cereals** picture is complicated and reflects an assumption of lower yield increases but also reduced exports and open market storage; these factors have had an effect particularly on the pattern of intervention intake. The **milk** bids are largely attributable to the reduction in the rate of co-

responsibility levy agreed at the 1989 price fixing; the Commission have just announced their intention to make further economies through cuts in export refunds and disposal aids which will permit savings. The **oilseeds** savings are based on a reduced aid rate and lower crush. The **protein** crops savings arise from projected reductions in planting. The increase in **sheep** variable premium expenditure arises from a 7.5% increase in animals receiving premium and an increased premium rate due to lower market prices. **Sugar** savings arise largely from revised MCA assumptions. These forecasts are of course likely to be subject to considerable amendment before the bilaterals, particularly in respect of cereals and oilseeds, when the EC and UK harvests picture becomes clearer, and milk where the management economies will save money.

4. **IBAP ADMINISTRATION:** The overall net savings I am submitting are:-

	1990-91	1991-92	1992-93
	-1.6	-2.5	-0.6

This reflects running costs bids and a capital bid in the first year only, more than offset by savings on Agency expenditure. On **running costs** the latest forecasts of expenditure show that I must bid for the following:-

	+1.3	+1.0	+2.5
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These bids arise from an expected increase in wages and salaries costs in all three years. In the third year there is also an element for costs rising at a level above the 2½% increase in the conventional baseline and additional expenditure for the Board's new IT Strategy (on which Board officials have recently written to yours). The **wages and salaries** bids arise from increased pay realism (8%, 8%, 7½%, in line with MAFF) in the light of recent trends, and an increased man years requirement (+76, +47 and +10 man years). The latter results from the need to continue to maintain beyond 1988-89 many of the additional staff that proved necessary in that year for processing External Trade claims, although at a gradually reduced level as computerisation of the new Full System progresses. In total the Board is forecasting a need for 137 fewer staff by the end of the Survey period than it needs in 1989-90. Unless the Board secures these bids it will not be able to achieve its processing targets and there would be a likelihood of delayed claims and further compensation payments, and indeed the possibility of disallowance of Community funding. There can be no question but that this must be avoided. I have not included in these bids provision for an increased Local Pay Addition where the rules require the Board to absorb the costs; but this will prove very difficult in practice given the very high percentage of the Board's total staff based in Reading where we already have to pay many staff the previous maximum figure of £600 p.a.

5. The bids do not as yet include any estimate of the costs and savings expected from planned changes in the location of the Board's work. Once firm decisions have been taken then revised bids for the Survey period will be submitted. Whilst there will be initial costs from these relocation plans there should be net savings at least for the later PES years, although some will flow in years beyond the PES period.

6. I am sending you separately the Board's **Management Plan** which fully supports these bids and reports on the way in which the required efficiency savings will be achieved.

7. The **capital** bid included, as currently forecast, is:

+0.9 0 0

However expenditure will be very dependent on the adoption of the new IT strategy and might need to be revised before the bilaterals. The bid in the first year reflects the currently expected need, as identified in the strategy report, to move to a new computing environment through purchase of new processors, so giving the Department more hardware independence.

8. Savings have been identified on the Board's **agents** largely as a result of the change from the Beef Variable Premium Scheme to the Beef Special Premium. Savings on payments to **DANI** (-1.3, -1.5, -1.5) reflect the new beef arrangements and other volume changes. The **MLC** estimates are still being carefully appraised but the provisional forecast gives likely savings of:

-2.9 -2.4 -2.0

9. These savings will however be offset by on going redundancy costs (arising from the change in beef premium schemes) of

0.6 0.5 0.5

The majority of the redundancy cost will fall in 1989-90. I must emphasise however that at this stage the redundancy costs are highly speculative and will need to be adjusted as developments occur. Whilst savings have been identified from the change in beef premium schemes these do not continue unabated for the Survey period because the MLC baseline only increases by 2½% p.a. after the first year. (The 1987 baseline was carried forward in PES 1988 pending changes to the beef regime). Once more realistic factors for inflation and particularly pay realism (8%, 8%, 7½%) are included the savings are of course reduced. The MLC figures will be subject to a further reappraisal before the bilaterals, following the review of the administration of the beef special premium scheme.

10. On the agricultural departments EC funded expenditure there are estimating increases in England on **marketing and processing grants** (with a consequential increase in the national back-up grants) and in Scotland on EC grants for **harbour improvements**. These are partially offset by a saving on **aquaculture** grants in England, and in any events are matched by changes in FEOGA receipts.

11. The bid for **farm woodlands** is needed to cover annual payments on the area planted in 1991-92. We have assumed that planting will continue at the rates which we agreed for the first three years of the scheme. This is subject to the full review to be carried out by September 1991, but is the most realistic assumption.

12. The additional bid for **set-aside** assumes a significant increase in uptake this autumn. It is of course difficult to forecast the exact level of new entrants at this stage of the year but all my contacts with arable farmers in England suggest that declining incomes from cereals is making setaside more attractive.

13. As required by EC legislation, we are devising pilot **extensification schemes** for introduction this year in the beef sector; we also aim to cover sheep extensification this year. Extensification for arable crops - which may also be on a pilot basis - will be introduced in 1990. Definitive schemes are required by EC legislation in all the relevant sectors by 1991. The details of the pilot schemes are still being worked out and my officials are in touch with yours about the rates of incentive and potential CAP savings. The bid reflects our current assessment of the likely cost of the pilot scheme for beef; but clearly we shall have to keep these under careful review in the light of the decisions taken.

14. If a draft regulation currently before the Agriculture Council is agreed, we shall be required to implement a **conversion scheme** under which farmers would be compensated for converting from surplus to non-surplus products. The scope for the operation of the scheme in the UK is in fact limited, with few candidate products, and it would probably affect only a few thousand hectares. Schemes could not now be implemented before the 1990/91 crop year, with first compensation payments falling in 1991/92. This will probably feature in the 1990 Survey.

15. Treasury Ministers are to decide before the bilaterals whether agriculture departments will have to pay **VAT** on schemes where we are deemed to be paying farmers for "services". Your officials have advised us that they do not consider it appropriate for HM Customs to make a PES transfer for the sums involved. I am therefore making contingency bids to cover both the demand determined and cash-limited schemes at risk. Hopefully however common sense will prevail.

II. Promote more market-oriented industries

16. Over the next few months we shall be considering farmers' response to our initiatives on the **advisory services and near-market R&D**. Although not affecting the overall PES provision, I shall implement as running cost reductions part of the R&D cuts scored in previous Surveys as additional revenue. This reflects the announcements already made about, inter alia, the closure of some experimental centres. As the Survey develops I shall similarly reassess the implications of the remaining R&D cuts and the target for chargeable advice.

17. As you know I propose to end the **wool and potato guarantees**, once legislative time can be provided. But I cannot offer the consequential savings until colleagues have agreed the necessary place in the Parliamentary programme. Following a review of our **co-operation** grants I am able to offer firm savings.

18. We are currently considering a review of **sea fisheries policy** and in particular recommendations concerning the introduction of a new capital grants scheme aimed at reducing fishing capacity. But it is too early to identify what bids or savings might result. The bids for **SFIA loans** are to meet a shortfall in loan receipts for the modernisation and construction of fishing vessels. Repayments of loan capital have been made at a faster rate than previously forecast which necessarily means lower repayments in PES years.

III. Maintain standards of animal and plant health

IV. Improve food safety

19. Bids of some £4.4 million in 1990/91 arise from action already agreed to deal with two serious animal health problems, namely bovine spongiform encephalopathy (BSE) and salmonella. For BSE, the objective is to eliminate cases of infection as they occur. The bid covers the cost of slaughtering and disposal of cattle suspected of having BSE, and compensating the owners. The policy was introduced on 8 August last year as recommended by the Southwood Working Party. We have also introduced parallel measures to eliminate the source of infection through controls on feed given to ruminants - the most likely cause - but because of the long incubation period there is unlikely to be any significant decline in the number of cases until 1993.

20. The bid for **Salmonella** is part of a package of measures designed to reduce the incidence of salmonella infection in the national poultry flock. It provides in particular compensation following the compulsory slaughter and destruction of poultry flocks infected with salmonella, and the cost of equipment and supplies used in the testing of samples of animal protein for the presence of salmonella.

21. I have partly offset these bids by phasing out the subsidy for meat inspection by local authorities.

22. There are a number of uncertainties in this area. There is a possible extra cost flowing from an increase in the fees paid to **Local Veterinary Inspectors** (LVIs) which are due to be renegotiated with effect from 1 April this year. The report of the consultants employed at the Treasury's suggestion is likely to provide the basis for a substantial increase in fees, which could be as high as £4 million.

23. I hope that it will be possible to reflect in this year's survey the outcome of the review of the financing of compensation for compulsory slaughter and of the possibility of charging for tuberculosis and brucellosis testing. At this stage, however, it is not possible to say whether any savings will accrue.

24. There are a number of proposals currently under consideration within the department which could have implications for **local authorities'** own expenditure. These are the various initiatives on eggs resulting from the recent salmonella problems and aspects of the new Food Bill. My officials are currently attempting to assess the financial implications of these new burdens and will be consulting the local authority associations in due course. They will of course keep your officials posted of developments.

25. There is an increasing need for **Research and Development** in these areas. I will be writing to you separately about proposed long term programmes of research into BSE and salmonella, costing £4m over the PES period, which must start this year. In addition the enhanced programme of strategic R&D which we agreed in last year's Survey needs to be carried further in order to help us anticipate issues relating to biotechnology, animal and plant health and also the rural and marine environment. We are seeking an extra £3m in 1991-92 and £5m in 1992-93 for this purpose.

26. Where we commission R&D and special surveys externally our programmes will be affected by increased costs in universities and research institutions. I have had to bid to cover these.

V. Enhance the rural and marine environment

27. I have already, in consultation with you and other Ministers, announced the Government's intention of introducing a **Nitrate Sensitive Areas Scheme** under which farmers will be encouraged to adopt practices designed to reduce nitrate leaching into water sources. Where the restrictions are substantial and go beyond good agricultural practice farmers will be compensated. In the first instance we shall introduce measures in pilot areas in which the first payments are likely to be made during 1991 (following launch of the scheme in summer 1990).

28. The changes in **capital grants** reflect three things: the reprofiling of Agricultural Improvement Scheme (EC) expenditure, savings in the Agriculture and Horticulture Development Scheme agreed with your officials subsequent to last year's Bilateral settlement and the build-up in expenditure on the new Farm and Conservation Grant Scheme. The AIS(EC) reprofiling last year had the effect of pushing back expenditure. This produced savings in the current year of £2.297m and £2.137m in 1990-91 and corresponding increases in the second and third PES years. By a little more reprofiling I have been able to reduce the size of the bid in the second and third years (with the closure of the Scheme it has now been possible to base estimates of expenditure on known commitments arising from approved plans and to that extent the bid can be regarded as inescapable). AHDS claims continue to come in more slowly than the volume of commitments would imply resulting in savings in all three years. Interest in the Farm and Conservation Grant Scheme is high. The England bid of £2.850m in 1992-93 reflects the planned build-up towards the full-year cost for the Scheme as a whole by 1993-4 of £55m.

29. DANI have a minor bid in 1992-93 in respect of the designation of further **environmentally sensitive areas**.

30. Scotland have revised downwards and Northern Ireland upwards their estimates of **HLCA** uptake.

VI Optimise fish catch

31. The bid for expenditure in 1990/91 on an **exploratory voyage** grant is for a voyage undertaken by the South Atlantic Fishing Company to investigate new fishing opportunities around the Falklands. We have a Community obligation to make these grants available to our industry.

VII. Improve flood defences

32. Last year we agreed that this was an area of very high priority. Following an assessment by my officials of the most pressing needs of **Water Authorities** in respect of flood and sea defence works over a ten year period, provision was increased in the 1988 PES over the three year period 1989/90-1991/92. The bid made assumptions about the Water Authorities' ability to take forward

their programmes, which led to our proposing a substantially lower bid than was evident from their estimates and our assessment of need. A review of water authority programmes recently completed has demonstrated that the Authorities in fact have the capability to take their programme forward, and that in consequence a higher provision is now well justified, particularly for 1992/93. In addition, I consider that the burden of increased capital costs of **coastal defence work** needs to be shared more equitably between Government and the authorities, and that this can be achieved by increasing the supplement for sea and tidal works by 10 per cent and by removing the overall ceiling of 65 per cent. This will ensure that such additional support goes towards priority schemes, particularly on the East Coast, and will also testify to our determination to ensure that forward planning takes due regard of the longer term consequences of the Greenhouse Effect. The increase in supplement for **sea and tidal works** also feeds through, for similar reasons, to the grant provision for **local authorities**. In addition, the required specific credit approval for local authority flood defence schemes should equal the difference between the grant and national capital figures. This parallels the position for coast protection and sea defence where the principle, that the equivalent difference should give the amount of specific credit approval necessary for work to be carried out, has been accepted.

33. Similarly I am seeking the necessary specific credit approvals to match the grants paid to local authorities for **harbour improvements**. It was accepted in establishing the New Planning Total that without these credit approvals local authorities would not be able to finance such projects but that because of difficulties in dividing credit approvals between spending departments I should seek the necessary supplementary approvals in the context of this Survey.

VII. Improve public presentation of policies

34. For many years, my department's publicity expenditure has been very small indeed in comparison with that of most other comparable departments. As you know, in the current financial year the spend has had to be increased substantially because of the need to fund an effective Food Safety Campaign. This will be a continuing commitment. All experience shows that it is impossible to bring about significant changes in public attitudes and practices without a sustained effort. A long term educational campaign is required. All food issues (eg irradiation) are certain to be high profile from now on and the Government will be criticised by press and public alike if it fails to provide clear advice and information. Increased publicity funds are therefore vital.

STRATEGIC FOOD STOCKPILE

35. I am bidding for increased expenditure of £4m per year on the **Stockpile** to enable us to meet UK planning objectives and achieve the agreed policy of conversion to ready-to-eat foods which, because of other immediate priorities, I had to defer last year.

SURPLUS PROPERTY

36. I am considering a programme of sales of land, such as those of the experimental centres which are to be closed, and will let you have details of the planned savings in due course.

MAFF ADMINISTRATION

37. I will be sending you separately the Departmental Management Plan for MAFF, which will report on the way in which efficiency savings will be achieved.
38. On **running costs** the settlement reached in last year's Survey has been overtaken by a number of new developments. My Department is facing an increased workload on many issues, most noticeably on salmonella, BSE and food safety. MAFF has taken a larger than average cut in manpower in recent years and so is not well placed to absorb new work. As explained above, although not affecting my overall PES provision, I have eased the pressure on running costs by converting planned ADAS revenue into running cost cuts. Nevertheless there is a net requirement for more manpower, even after allowing for some absorption of work and efficiency gains. This in turn removes the ability to absorb further pay increases. The general level of pay increases continues to run well above the levels we have previously assumed and we must now try to provide for a realistic level of awards in future years, particularly given the foreseeable results of undertakings on comparability.
39. We shall as I have indicated keep under review the staffing on advice and R&D. Thus although I have already announced a number of post cuts as a consequence of the PES decisions, this may not be all that are needed. I am therefore entering a bid for redundancy costs both for MAFF and the National Institute of Agricultural Botany, although this may well need amendment when the full picture is clear.
40. In reorganising the **Civil Estate** we have inherited both inadequate provision and a run-down estate. Continued underfunding can only result in further dilapidation ultimately necessitating major capital expenditure. I am submitting a bid which may have to be refined in the course of the Survey as we obtain more information from the Property Services Agency. More information is required from PSA before any attempt can be made to quantify bids on a) the manpower requirements for the re-organisation of the Civil Estate and b) the full effect on rents of the introduction of VAT on non-domestic construction.
41. I am also not yet ready to bid substantively for **relocation** costs, but my officials are keeping yours in touch with progress.
42. A bid affecting both running costs and administration **capital** is that on Information Technology. Over the last two or three years we have been trying to increase our investment in information technology (IT) particularly since it offers much assistance towards the achievement of necessary improvements in efficiency. A comprehensive IT Strategy was put in place in 1988. Some additional bids are necessary particularly to allow the incorporation of the ADAS sub-strategy about which I put up a marker with you last year. However, benefits are beginning to flow from implementation of the Strategy and substantial further benefits are in prospect if we can maintain sufficient momentum.
43. The other major element of the capital bid is on Part I building works. Following the taking over of Vote accounting and Project Sponsorship for the Part I building programme, an initial

review of existing accommodation and operational needs was undertaken. The review identified that many of the buildings occupied were unsuitable for current requirements, were old and in poor condition and either failed to meet or came close to non compliance with Statutory provisions. The requirements of HSE and Home Office together with the need to rationalise our accommodation make it essential that a major programme of capital investment be undertaken and commenced urgently if MAFF is to continue to meet its obligations.

44. On **revenue** I am able to offer increases in receipts on both pesticides and veterinary medicines, as in both areas there is considerable progress towards full cost recovery (other than for policy work).

PRIORITIES

45. I assume that the relatively minor bids for EC funded and demand determined schemes will cause you no difficulty. For MAFF's cash limited programmes I attach most importance to flood defence, research into salmonella and BSE, Nitrate Protection Zones and Publicity. It is not easy to apply priorities to my bids for administration since they cover a wide area but my Principal Finance Officer will be sending to your officials a full explanation of our requirements.

Ministry of Agriculture, Fisheries and Food

5/23/1989

TABLE I

1989 PUBLIC EXPENDITURE SURVEY-IBAP AND OTHER EC

		#million		
		1990-91	1991-92	1992-93
1. MARKET SUPPORT	IBAP	-50.6	-105.7	-45.0
LOCAL AUTHORITY	IBAP	-4.9	-5.8	-6.8
2. SCHEMES ADMINISTERED BY				
OTHER GOVERNMENT DEPARTMENTS		59.8	58.6	17.5
of which:	MAFF	34.3	32.6	-.2
	DAFS	12.0	11.1	6.6
	WOAD	2.8	3.9	3.0
	DANI	10.8	11.0	8.1
3. ADMINISTRATION	IBAP	-1.6	-2.5	-.6
4. TOTAL NET SAVINGS		2.7	-55.4	-34.9
of which:	IBAP	-57.2	-114.1	-52.4
	MAFF	34.3	32.6	-.2
	DAFS	12.0	11.1	6.6
	WOAD	2.8	3.9	3.0
	DANI	10.8	11.0	8.1
PES BASELINE		1,449.6	1,624.6	1,665.2

	MAFF ONLY		1992-93
	1990-91	1991-92	
1. EC FUNDED & DEMAND DETERMINED CHANGES (VOTE 3)			
i) Estimating			
a) EC funded	623	700	550
b) Capital grants (major & minor schemes)	-3,346	2,330	2,336
c) Storm damage	1,046		
d) Farm woodlands		-87	1,346
e) Land drainage	92	89	6
f) BSE	2,377	2,435	2,496
g) Salmonella	2,050	2,101	2,154
h) Other animal health	-304	-739	-1,514
2. EC FUNDED & DEMAND DETERMINED TOTAL	2,538	6,829	7,374
3. CASH LIMITED (VOTE 4)			
i) PUBLICITY	1,415	1,451	1,488
ii) SET ASIDE	8,800	11,437	14,310
iii) EXTENSIFICATION *	300	300	300
iv) MARKETING GRANTS	160	130	85
v) EXPLORATORY VOYAGE	307		
vi) SFIA LOANS	200	300	461
vii) FOOD STOCKPILE	4,000	4,000	4,000
viii) NATO CSA	200	200	205
ix) CGMA	-5	510	523
x) PAY REALISM-SPECIAL INVESTIGATIONS AND R&D	4,167	4,272	4,408
xi) NITRATES		4,500	6,000
xii) CO-OP GRANTS	-418	-530	-499
xiii) SALMONELLA/BSE EXTERNAL R&D	430	345	188
xiv) NIAB REDUNDANCY	880	728	
xv) STRATEGIC R&D		1,400	2,340
4. CASH LIMITED (VOTE 4) TOTAL	20,436	29,043	33,809
5. LOCAL AUTHORITY/NRA			
i) SEA/FLUVIAL DEFENCES	243	297	304
ii) NRA GRANTS	5,667	5,287	10,414
iii) SEA/FLUVIAL DEFENCES CAS	2,909	4,259	6,928
iv) HARBOURS CAS	821	840	861
v) THAMES TIDAL DEFENCES	500		
6. LOCAL AUTHORITY/NRA TOTAL	10,140	10,683	18,507
7. CASH LIMITED (VOTE 5)			
i) RUNNING COSTS	20,592	32,687	53,318
ii) REDUNDANCY	1,600	500	
iii) CAPITAL	12,400	18,100	18,300
iv) RECEIPTS	-2,200	-2,600	-2,600
8. CASH LIMITED (VOTE 5) TOTAL	32,392	48,687	69,018
9. VAT			
i) MILK OUTGOERS(EC)	80	80	82
ii) FARM WOODLAND	310	520	748
iii) ESAs	1,334	1,367	1,401
iv) MILK OUTGOERS(NATIONAL)	10		
v) SET ASIDE	3,570	3,275	4,785
vi) EXTENSIFICATION *	45	45	45
vii) NITRATES		675	900
viii) EXPLORATORY VOYAGE	46		
10. VAT TOTAL	5,395	5,962	7,961
11. GRAND TOTAL	70,901	101,204	136,669
of which:			
MAFF	70,556	100,859	136,324
UK	345	345	345
EFFECT ON RUNNING COSTS OF SWITCHES WITHIN THE BASELINE	-4,700	-5,200	-5,600
NET CHANGE TO RUNNING COST	15,892	27,487	47,718

6/ 6/89

1989 PES-ADDITIONAL BIDS(NET)-DOMESTIC EXPENDITURE-UK

TABLE III

		1990-91	1991-92	1992-93	#'000
1. EC FUNDED & DEMAND DETERMINED CHANGES					
i) Estimating					
a) EC funded	MAFF	623	700	550	
	DAFS	849	849	849	
	WOAD			10	
	DANI				
b) Capital grants	MAFF	-3,346	2,330	2,336	
	DAFS	-38	-185	-1,138	
	WOAD		229	-707	
	DANI	997	5,197	3,343	
(major & minor schemes)					
c) Storm damage	MAFF	1,046			
d) Farm woodlands	MAFF		-87	1,346	
	DAFS			376	
	WOAD	-4	-52	-53	
	DANI		-10	-20	
e) Guidance premiums	DAFS	3			
	DANI	7	5	2	
f) Farm Accounts	DAFS			-11	
	DANI		4	3	
g) ESAs	DANI			340	
h) HLCAs	DAFS	-305	-300	-403	
	DANI	816	925	1,081	
i) Sheep compensation	WOAD	-50	-50	-51	
j) Land drainage	MAFF	92	89	6	
k) BSE	MAFF	2,377	2,435	2,496	
l) Salmonella	MAFF	2,050	2,101	2,154	
m) Other animal health	MAFF	-304	-739	-1,514	
	DAFS	23	25	25	
2. EC FUNDED & DEMAND DETERMINED TOTAL		4,836	13,466	11,020	
3. CASH LIMITED PROGRAMMES					
ii) PUBLICITY	MAFF	1,415	1,451	1,488	
iii) SET ASIDE	MAFF	8,800	11,437	14,310	
	DAFS	3,047	4,537	7,116	
	DANI	-204	-330	-326	
iv) EXTENSIFICATION	UK	300	300	300	
v) DIVERSIFICATION	DANI	-538	-431	-2	
vi) FORAGE GRANTS	DANI	48	36	23	
vii) PRODUCER ORGANISATIONS	DANI	5	5		
viii) MARKETING GRANTS	MAFF	160	130	85	
ix) EXPLORATORY VOYAGE	MAFF	307			
x) SFIA LOANS	MAFF	200	300	461	
xi) SAC/SARI	a) pensions		325	404	
	b) redundancy	2,511	4,569	5,873	
	c) capital	3,200	2,300	500	
xii) INSHORE AIRCRAFT	DAFS		2,000		
xiii) RBG VAT	DAFS	-50	-50	-50	
xiv) FISH PROTECTION	DAFS	-625	-275	-354	
xv) REPs	DAFS	500	3,000	5,000	
xvi) MARINE LAB EQUIPMENT	DAFS	175			
xvii) FOOD STOCKPILE	MAFF	4,000	4,000	4,000	
xviii) NATO CSA	MAFF	200	200	205	
xix) CGMA	MAFF	-5	510	523	

		1990-91	1991-92	1992-93	
		# '000			
xx)	COMMISSIONED R&D/SPECIAL INVESTIGATIONS	MAFF	4,167	4,272	4,408
xxi)	NITRATES	MAFF		4,500	6,000
xxii)	CO-OPERATION GRANTS	MAFF	-418	-530	-499
xxiii)	SALMONELLA/BSE EXTERNAL R&D	MAFF	430	345	188
xxiv)	STRATEGIC R&D	MAFF DAFS		1,400 600	2,340 1,000
xxv)	REDUCED AGENCY RECEIPTS	DANI	803	849	870
xxvi)	NIAB REDUNDANCY	MAFF	880	728	
xxvii)	MISCELLANEOUS	WOAD	-5	-5	-4
4. CASH LIMITED PROGRAMMES TOTAL			29,303	46,173	53,859
5. LOCAL AUTHORITY/NRA					
i)	SEA/FLUVIAL DEFENCES	MAFF	243	297	304
ii)	NRA GRANTS	MAFF	5,667	5,287	10,414
iii)	SEA/FLUVIAL DEFENCES CAs	MAFF	2,909	4,259	6,928
iv)	HARBOURS CAs	MAFF DAFS WOAD	821 -558 34	840 16 11	861 -156 11
v)	THAMES TIDAL DEFENCES	MAFF	500		
v)	HARBOUR GRANTS	WOAD	24		
vi)	HARBOUR GRANTS	DAFS	-129	472	423
6. LOCAL AUTHORITY/NRA TOTAL			9,511	11,182	18,785
7. CASH LIMITED VOTE 5					
i)	RUNNING COSTS	MAFF	20,592	32,687	53,318
ii)	CAPITAL	MAFF	12,400	18,100	18,300
iii)	REDUNDANCY	MAFF	1,600	500	
iii)	RECEIPTS	MAFF	-2,200	-2,600	-2,600
8. CASH LIMITED VOTE 5			32,392	48,687	69,018
9. VAT					
i)	MILK OUTGOERS(EC)	MAFF DAFS WOAD DANI	80 74 10 51	80 74 10 51	82 74 10 51
ii)	FARM WOODLAND	MAFF DAFS WOAD DANI	310 78 38 99	520 138 57 126	748 198 58 128
iii)	ESAs	MAFF DAFS WOAD DANI	1,334 272 255 94	1,367 279 255 97	1,401 286 261 150
iv)	MILK OUTGOERS (NATIONAL)	MAFF WOAD	10 3		
v)	SET ASIDE	MAFF DAFS WOAD DANI	3,570 613 68 15	3,275 1,363 102 19	4,785 1,767 125 21
vi)	NITRATES	MAFF		675	900
vii)	EXPLORATORY VOYAGE	MAFF	46		
viii)	EXTENSIFICATION	UK	45	45	45
10. VAT TOTAL			7,065	8,533	11,090
11. GRAND TOTAL					
			83,107	128,041	163,772

6/ 6/89

1989 PES-ADDITIONAL BIDS(NET)-DOMESTIC EXPENDITURE-UK

TABLE III

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of which:

	1990-91	1991-92	1992-93
MAFF	70,556	100,859	136,324
DAFS	9,640	19,737	21,779
WOAD	373	557	-340
DANI	2,193	6,543	5,664
UK	345	345	345
	83,107	128,041	163,772