
Department of Health

Introduction

RfR 1:

1. About 92 per cent of central government expenditure on Health and Personal Social Services (HPSS) in England is in RfR 1: the balance of voted expenditure including the Department's costs of administering expenditure is borne on RfR 2 and RfR 3. Corresponding expenditure in Scotland is shown in Scotland's Supply Estimates 2004-05; in Wales will be shown as part of the budget for the National Assembly for Wales and in Northern Ireland is published in separate Estimates.

2. Section A covers expenditure on the hospital, community health, personal medical and dental discretionary family health and related services and services provided to or on behalf of the Scottish Executive, the National Assembly for Wales and Northern Ireland. It is mainly made up of current and capital expenditure of strategic health authorities and primary care trusts from unified budgets which cover hospital and community health services, prescribing costs and all general medical services. Primary care trusts commission the health services needed for their populations from the unified budgets. Section A also covers central expenditure on certain national bodies (e.g. special health authorities including the Prescription Pricing Authority, the Dental Practice Board and NHS Pensions Agency), services (e.g. purchase of vaccines) and of service specific levies for education and training and research and development.

3. Sections B to E cover expenditure on the non discretionary family health services provided under Part II of the NHS Act 1977. These comprise expenditure on general dental services, general ophthalmic services and most fees and allowances for dispensing and other pharmaceutical services.

4. Section F covers Strategic Health Authority and Primary Care Trusts grants to local authorities.

5. Section G provides finance for hospital building under the Credit Guarantee Finance (CGF) Pilot project.

6. Sections H and I cover the part of the Primary Care Trust expenditure which relates to NHS Trusts' depreciation for capital expenditure, grant in aid funding of non departmental public bodies (NDPBs) (e.g. National Blood Authority and Commission for Healthcare Audit and Inspection), provision for issues of new Public Dividend Capital (PDC) to and repayments of PDC and payment of dividends on PDC by NHS Trusts and NHS Foundation Trusts, loans to and repayment of loan principal and payments of interest by NHS Foundation Trusts and an appropriate element of National Health Service contributions paid by employers and employees.

RfR 2:

7. Sections A to C covers the gross administration costs of the central department, expenditure on the NHS Purchasing and Supply Authority and associated capital expenditure on the acquisition of buildings, furniture, computer and telecommunications equipment and the acquisition or creation of other tangible and intangible fixed assets and repayment of loans and dividends on Public Dividend Capital.

8. Section D: Medicines and Healthcare Products Regulatory Agency, loans, repayment of loans, subsidies and dividends on PDC.

9. Sections E: covers central health and miscellaneous services (CHMS) including work on regulatory and protection services and health promotion; and certain other services such as grants to voluntary organisations, research and development, communication services and payments to international organisations.

Introduction (*continued*)

10. Section F: covers non-discretionary European Economic Area medical costs and welfare food.
11. Section G: covers other personal social services related payments (other than grants to local authorities and grant funding for certain NDPBs) for training organisations and certain voluntary organisations, expenditure by the Care Standards Tribunal, expenditure on social work training development projects and payments for joint Social Services Inspectorate and Audit Commission reviews of social services departments.
12. Sections H to U: certain grants to local authorities including social services workforce development and training, services for people with HIV infection and AIDS, services for people with a mental illness, support for carers, the placing of charges on homes, young people's substance misuse planning, rewarding performance, improving information management, expanding the capacity and range of community based social care and to enable authorities to meet the care cost of clients previously supported by the Department of Work and Pensions. Advances to local authorities for personal social services specific and special grants are charged to the account at the time of issue and as final grant expenditure is not known until local authorities' accounts are audited after the end of the financial year, any necessary adjustments may be made in subsequent advances.
13. Section V: covers payment of grant in aid funding of NDPB's; National Biological Standards Board, Human Fertilisation and Embryology Authority, the Commission for Social Care Inspection (CSCI), the Health Protection Agency and the Health Development Agency.

RfR 3:

14. Section A covers grant in aid funding to the Office of the Independent Regulator for NHS Foundation Trusts.
 15. Symbols are explained in the Introduction to this booklet.
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Part I

	£
Request for Resources 1: Securing health care for those who need it.	50,965,112,000
Request for Resources 2: Securing social care and child protection for those who need it and, at national level, protecting, promoting and improving the nation's health	3,398,271,000
Request for Resources 3: Office of the Independent Regulator for NHS Foundation Trusts†	5,000,000
Total net resource requirement	54,368,383,000
Net cash requirement	53,524,530,000

Amounts required in the year ending 31 March 2005 for expenditure by the Department of Health on:

RfR 1: Securing health care for those who need it

strategic health authorities and primary care trusts under their unified budgets, family health services (including general medical, general ophthalmic, general dental and pharmaceutical services); Public Dividend Capital to NHS Trusts and NHS Foundation Trusts, loans to NHS Foundation Trusts, education, training, research and development; centrally managed expenditure on behalf of the NHS; forming, investing in or providing loans or guarantees to companies that will provide facilities or services to the NHS, to provide hospital financing for credit guarantee finance pilot projects, services provided to or on behalf of the Scottish Executive, National Assembly for Wales and Northern Ireland, and associated non-cash items.

RfR 2: Securing social care and child protection for those who need it and, at national level, protecting, promoting and improving the nation's health

administration, including certain expenditure on behalf of the Department for Work and Pensions and the National Health Service in England; departmental agencies, centrally funded health and social services (including non-departmental public bodies and special health authorities some of which are administered on a United Kingdom basis); including other local government services, prison health services, medical, scientific and technical services, services for disabled persons, grants to voluntary organisations and other bodies, research and development, information services and health promotion activities; provision of personal social services (including grants to local authorities); medical treatment given to people from the United Kingdom in other countries of the European Economic Area; welfare food; Home Office inspection of laboratories; grants in aid; payments and subscriptions to international organisations; education and training for all health care professionals (excluding doctors); the Employment Opportunities Fund programme; payments made under Sector Challenge arrangements with the Department of Trade and Industry; services provided to or on behalf of the Scottish Executive, National Assembly for Wales and Northern Ireland; Medicines and Healthcare Products Regulatory Agency, and associated non-cash items.

RfR 3: Office of the Independent Regulator for NHS Foundation Trusts

grant in aid funding for the Office of the Independent Regulator for NHS Foundation Trusts.

Part I (continued)

The **Department of Health** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	50,965,112,000	20,828,683,000	30,136,429,000
RfR 2	3,398,271,000	1,482,817,000	1,915,454,000
RfR 3	5,000,000	—	5,000,000
Total net resource requirement	54,368,383,000	22,311,500,000	32,056,883,000
Net cash requirement	53,524,530,000	24,983,987,000	28,540,543,000

†This is a new RfR – in the Vote on Account there was no RfR 3.

Part II: Subhead detail

£'000

2004-05						2003-04 Provision	2002-03 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
RfR 1: Securing health care for those who need it									
-	66,868,774	1,067,627	67,936,401	16,971,289	50,965,112	3,101,540	1,183,000	50,004,164	47,852,864
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A	Strategic health authority and primary care trusts unified budgets and central allocations								
-	62,892,462	511,761	63,404,223	352,020	63,052,203	188,494	83,000	58,225,885	51,906,308
B	FHS - Pharmaceutical Services								
-	978,246	-	978,246	-	978,246	-	-	939,400	923,370
C	FHS - Prescription Charges income								
-	2,500	-	2,500	450,000	-447,500	-	-	-437,900	-426,065
D	FHS - General Dental services								
-	1,262,550	-	1,262,550	229,550	1,033,000	-	-	1,278,000	1,215,000
E	FHS - General Ophthalmic Services								
-	342,700	-	342,700	100	342,600	-	-	317,000	310,440
<i>Support for Local Authorities</i>									
F	Strategic health authority and primary care trusts grants to local authorities								
-	-	448,788	448,788	-	448,788	-	-	448,788	448,788
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
G	Hospital financing for Credit Guarantee Finance (CGF) pilot projects								
-	4,510	-	4,510	-	4,510	128,856	-	-	-
Non-budget									

Part II: Subhead detail (continued)

£'000

2004-05						2003-04 Provision	2002-03 Outturn			
Resources						Capital		Net Total Resources	Net Total Resources	
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A			
1	2	3	4	5	6	7	8	9	10	
H	Grant in aid to Non-departmental Public Bodies, NHS Trusts and Foundation Trusts PDC issues and repayments, Foundation Trusts loans and repayments and repayment of interest									
	-	1,385,806	107,078	1,492,884	919,696	573,188	2,784,190	1,100,000	2,009,662	-128,053
I	NHS Contributions									
	-	-	-	-	15,019,923	-15,019,923	-	-	-12,777,271	-6,396,924
	<i>MOG transfers to DjES</i>									
	-	-	-	-	-	-	-	-	600	-
	RfR 2: Securing social care and child protection for those who need it and, at national level, protecting, promoting and improving the nation's health									
	261,238	724,098	2,455,168	3,440,504	42,233	3,398,271	18,106	40	3,682,272	2,585,426
	Spending in Departmental Expenditure Limits (DEL)									
	<i>Central Government spending</i>									
A	Central department									
	261,238	10,037	-	271,275	14,869	256,406	17,600	11	301,661	297,834
B	NHS Purchasing and Supplies Authority									
	-	20,844	-	20,844	508	20,336	200	-	21,290	19,065
C	NHS Estates Agency: dividend on public dividend capital and repayment of loans									
	-	-	-	-	13	-13	-	60	-23	-23
D	Medical and Healthcare Products Regulatory Agency loans, repayment of loans and interest on loans.									
	-	-	-	-	15	-15	256	-	2,977	-
E	Other services including medical, scientific and technical services, grants to voluntary bodies, research and development and information services									
	-	492,423	39,227	531,650	828	530,822	-	-31	349,350	198,266
F	Welfare Food and European Economic Area medical costs									
	-	116,896	354,000	470,896	26,000	444,896	-	-	495,681	348,726
G	Other Personal Social Services									
	-	83,898	162	84,060	-	84,060	50	-	48,339	37,318

Part II: Subhead detail (continued)

£'000

2004-05						2003-04 Provision	2002-03 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin 1	Other Current 2	Grants 3	Gross Total 4	A in A 5	Net Total 6	Capital 7	Non- operating A in A 8		
<i>Medical Control Agency</i>									
-	-	-	-	-	-	-	-	-	3,168
<i>Payment to Home Office for funding of the Criminal records Bureau</i>									
-	-	-	-	-	-	-	-	7,400	6,000
Support for Local Authorities									
H	Training for social support staff								
-	-	53,300	53,300	-	53,300	-	-	56,500	57,500
I	AIDS support grant								
-	-	16,500	16,500	-	16,500	-	-	16,500	16,550
J	Services for people with a mental illness								
-	-	133,500	133,500	-	133,500	-	-	133,100	133,403
K	Children's services grant								
-	-	1,000	1,000	-	1,000	-	-	2,878	-
L	Carers' grant								
-	-	125,000	125,000	-	125,000	-	-	99,762	85,001
M	Young persons substance misuse planning grant								
-	-	4,500	4,500	-	4,500	-	-	6,744	4,448
N	Preserved rights grant								
-	-	458,279	458,279	-	458,279	-	-	508,523	614,000
O	Residential allowance grant								
-	-	409,480	409,480	-	409,480	-	-	182,996	93,000
P	Improving Information management (Capital)								
-	-	25,000	25,000	-	25,000	-	-	25,000	25,034
Q	National training strategy								
-	-	30,979	30,979	-	30,979	-	-	24,884	-

Part II: Subhead detail (*continued*)

£'000

2004-05						2003-04 Provision	2002-03 Outturn			
Resources						Capital		Net Total Resources	Net Total Resources	
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A			
1	2	3	4	5	6	7	8	9	10	
R	Access and systems capacity grant									
-	-	386,000	386,000	-	386,000	-	-	170,000	-	
S	Human resources development strategy									
-	-	23,900	23,900	-	23,900	-	-	9,525	-	
T	Children and adolescents mental health grant									
-	-	64,000	64,000	-	64,000	-	-	51,000	-	
U	Delayed discharge grant									
-	-	100,000	100,000	-	100,000	-	-	50,800	-	
	<i>Performance fund</i>									
-	-	-	-	-	-	-	-	95,000	48,000	
	<i>Care direct</i>									
-	-	-	-	-	-	-	-	2,300	3,348	
	<i>Deferred Payments Grant</i>									
-	-	-	-	-	-	-	-	27,500	18,189	
	<i>Building care capacity</i>									
-	-	-	-	-	-	-	-	-	190,001	
	<i>Grants Funded from the Invest to save budget</i>									
-	-	-	-	-	-	-	-	-	2,227	
	<i>Promoting independence Grant</i>									
-	-	-	-	-	-	-	-	-	166,325	
	<i>Services for seeking asylum</i>									
-	-	-	-	-	-	-	-	-	-1,145	
Non-budget										
V	Grant in Aid funding of Non-Departmental Public Bodies and special health authorities									
-	-	230,341	230,341	-	230,341	-	-	341,066	219,118	

Part II: Subhead detail (continued)

£'000

2004-05						2003-04 Provision	2002-03 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
<i>Other</i>						-	-	27	73
<i>MOG transfers to DfES</i>						-	-	651,492	-
RfR 3: Office of the Independent Regulator for NHS Foundation Trusts						-	-	-	-
-	-	5,000	5,000	-	5,000	-	-	-	-
Non-budget									
A	Grant in aid funding to the Office of the Independent Regulator for NHS Foundation Trusts								
-	-	5,000	5,000	-	5,000	-	-	-	-
Total for Estimate:						3,119,646	1,183,040	53,686,436	50,438,290
261,238	67,592,872	3,527,795	71,381,905	17,013,522	54,368,383				

Part II: Resource to cash reconciliation

	2004-05		2003-04		2002-03	
	Provision		Provision		Outturn	
	£'000					
Net Total Resources	54,368,383		53,686,436		50,438,290	
Voted capital items						
Capital	3,119,646		2,763,739		2,356,670	
Less Non-operating A-in-A	1,183,040		1,275,076		1,816,891	
Total net voted capital	1,936,606		1,488,663		539,779	
Accruals to cash adjustment						
Adjustments to remove non-cash items:						
Cost of Capital charges	-829,255		-2,187,760		-623,065	
Depreciation	-510,426		-352,468		-394,129	
New provisions and adjustments to previous provisions	-2,042,492		-1,768,405		-1,608,628	
Profit/loss on sale of assets	-21		-430		-384	
Prior period adjustments	-		-		-	
Other non-cash items	-725		-750		-782	
Increase (+) / Decrease (-) in stock	-		19		19	
Increase (+) / Decrease (-) in debtors	139,783		339,783		138,113	
Increase (-) / Decrease (+) in creditors	-276,198		-276,198		-114,704	
Use of provisions	738,875		648,109		555,251	
Total accruals to cash adjustments	-2,780,459		-3,598,100		-2,048,309	
Excess cash to be CFERd	-		-		-	
Net Cash Requirement	53,524,530		51,576,999		48,929,760	

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):-

	2004-05		2003-04		2002-03	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	2	2	85	85	89	89
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	2	2	85	85	89	89

Forecast Operating Cost Statement

	2004-05 Provision	2003-04 Provision	2002-03 Outturn	£'000
Net Administration Costs				
RfR 1	-	-	-	
RfR 2	249,276	291,813	295,477	
RfR 3	-	-	-	
Total Net Administration costs	249,276	291,813	295,477	
Net Programme Costs				
RfR 1	50,965,112	50,004,164	47,852,864	
RfR 2	3,148,993	3,390,374	2,289,860	
RfR 3	5,000	-	-	
Total Net Programme costs	54,119,105	53,394,538	50,142,724	
Total Net Operating Cost	54,368,381	53,686,351	50,438,201	
<i>of which:</i>				
Net Resource Outturn	54,368,383	53,686,436	50,438,290	
CFERs	-2	-85	-89	
Non-voted expenditure	-	-	-	
Resource Budget Outturn	68,519,621	63,023,752	55,825,477	

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2004-05	2003-04	2002-03
	Provision	Provision	Outturn
Net Resource Outturn (Estimates)	54,368,383	53,686,436	50,438,290
<i>Adjustments to remove:</i>			
provision voted for earlier years	-	-	-
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	-	-	-
Consolidated Fund Extra Receipts in the OCS	-2	-85	-89
Other adjustments	-	-	-
Net Operating Cost (Accounts)	54,368,381	53,686,351	50,438,201
<i>Adjustments to remove:</i>			
capital grants to local authorities	-25,000	-126,701	-25,708
capital grants financed from the Capital Modernisation Fund	-	-	-
European Union income and related adjustments	-	-	-
voted expenditure outside the budget	14,553,813	10,238,195	6,587,464
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	2	85	89
resource consumption of non departmental public bodies	17,998	-36,614	-35,539
unallocated resource provision	403,023	196	-
Other adjustments	-798,596	-737,760	-1,139,030
Resource Budget Outturn (Budget)	68,519,621	63,023,752	55,825,477
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	68,516,611	63,024,032	55,825,477
Annually Managed Expenditure (AME)	3,010	-280	-

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2004-05	2003-04	2002-03
	Provision	Provision	Outturn
Net Voted Capital Outturn (Estimates)	1,936,606	1,488,663	539,779
<i>Adjustments to remove:</i>			
gains / losses from sale of capital assets	-21	-430	-384
<i>Adjustments to additionally include:</i>			
other Consolidated Fund Extra Receipts	-	-	-
capital spending by non-departmental public bodies	45,297	59,782	45,370
capital grants to local authorities	25,000	126,701	25,708
capital grants financed by the Capital Modernisation Fund	-	-	-
local authority credit approvals	52,920	50,220	46,698
capital spending by levy funded bodies	-	-	-
unallocated capital provision	102,409	2,035	-
Other adjustments	1,341,755	1,094,571	1,317,930
Capital Budget Outturn (Budget)	3,503,966	2,821,542	1,975,101
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	3,025,110	2,821,542	1,975,101
Annually Managed Expenditure (AME)	478,856	-	-

Notes to the Main Estimate *(continued)*

Explanation of Accounting Officer responsibilities

The Permanent Head/NHS Chief Executive of the Department of Health, Sir Nigel Crisp, has been appointed by Treasury as Accounting Officer for the Department with responsibility for preparing the Department's Estimate.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officer's Memorandum issued by the Treasury and published in *Government Accounting*.

Notes to the Main Estimate (continued)

Analysis of Department of Health appropriations in aid (A in A)

Detail	£'000					
	2004-05		2003-04		2002-03	
	Operating	Non-	Operating	Non-	Operating	Non-
A in A	operating	A in A	operating	A in A	operating	A in A
	provision	provision	provision	provision	outturn	outturn
RfR 1: Securing health care for those who need it.						
Charges for accommodation, goods and services to private and NHS patients, local authorities, Ministry of Defence and others; income generation schemes; income from local authorities under joint finance arrangements; medical and dental education levy; income from the licensing of software; income from Ashworth Special Hospital, the Mental Health Act Commission, the Centre for Pharmacy Post-Graduate Education, the Prescription Pricing Authority, the Dental Practice Board; settlement of legal claims; dividends and interest from investments; income from the Scottish Executive, the National Assembly for Wales and Northern Ireland for services provided for devolved or reserved work; rebates and discounts from manufacturers under the Pharmaceutical Price Regulation Scheme and Purchasing and Supply Agency arrangements; maintenance of the National Joint Registry; income of the Commission for Patient and Public Involvement in Health	352,020	—	776,000	—	331,226	—
NHS prescription charges	450,000	—	441,200	—	489,500	—
Dental charges	229,550	—	491,000	—	428,620	—
Recoveries from patients in respect of incorrect claims for eligibility for general ophthalmic services	100	—	50	—	60	—
Contributions by employers and employees towards the cost of the NHS	15,019,923	—	12,777,271	—	6,396,924	—
Repayments of PDC and payments of dividends on PDC by NHS Trusts and NHS Foundation Trusts, and repayments of loan principal and payments of interest by NHS Foundation Trusts	919,696	1,100,000	833,000	1,100,000	1,277,397	1,548,844
Capital income from sale of land, buildings, surplus vehicles and equipment	—	83,000	—	175,000	—	262,598
Total RfR 1	16,971,289*	1,183,000**	15,318,521	1,275,000	8,923,727	1,811,442

*RfR 1: Amount that may be applied as appropriations in aid in addition to the net total arising from: charges for accommodation, goods and services to private and NHS patients, local authorities, Ministry of Defence and others; income from income generation schemes; income from local authorities under joint finance arrangements; income in respect of medical and dental education levy; income in respect of high security psychiatric services at Ashworth Special Hospital; income in respect of the Mental Health Act Commission; income in respect of the Centre of Pharmacy Postgraduate Education; income from the licensing of software; income in respect of settlement of legal claims; dividends and interest from investments; income from intellectual property; income of the Prescription Pricing Authority and the Dental Practice Board; prescription fraud charges; income from NHS prescription and dental charges; recoveries from patients in respect of incorrect claims for eligibility for general ophthalmic services; receipts from penalty charges for incorrect claims for relief from NHS charges or eligibility for general ophthalmic services; rebates and discounts from manufacturers under the Pharmaceutical Price Regulation Scheme and the Purchasing and Supply Agency arrangements; contributions from employers and employees towards the cost of the NHS; income from the Scottish Executive, the National Assembly for Wales, Northern Ireland, Channel Islands and Isle of Man for services provided for devolved or reserved work; income from provision of policy and advice to other countries and care trusts; income in connection with the maintenance of the National Joint Registry; income of the Commission for Patient and Public Involvement in Health; income secured by counter fraud services from all sources including compensatory elements and refunds.

**Amounts that may be applied as non operating appropriations in aid arising from capital income from the sale of land, buildings, surplus vehicles and equipment, repayments of PDC and payments of dividends on PDC by NHS Trusts and Foundation Trusts, and repayment of loan principal and payments of interest by NHS Foundation Trusts.

Notes to the Main Estimate *(continued)*Analysis of appropriations in aid (A in A) *(continued)*

£'000

Detail	2004-05 provision		2003-04 provision		2002-03 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
Administration receipts for: seconded officers; welfare to work/ New Deal programmes; staff telephone calls; costs of legal proceedings; staff lease cars scheme; European Fast Stream programme; recoveries from other departments, non departmental public bodies and the NHS, local authorities, NHS Estates and Medicines and Healthcare Products Regulatory Agency for goods and services, staff accommodation, reimbursement of meeting expenses and selling services into wider markets, library income and open government. Income from the European Union for the reimbursement of staff travel expenses and goods and services.	14,869	—	25,318	—	19,935	—
NHS Purchasing and Supplies Authority: receipts for seconded officers, staff telephone calls, reimbursement of meeting expenses, staff lease car scheme and health protection work.	508	—	526	—	565	—
Licence fees, royalties and sales of publications, evaluation reports, contributions by members of the public, insurance claims, sale of cars, Sector Challenge receipts from Department of Trade and Industry, mobile phone research contributions. Substance misuse planning grant.	828	-31	4,198	—	3,520	—
Income from Human Fertilisation and Embryology Authority, National Biological Standards Board, Health Protection Agency, Health Development Agency, Commission for Social Care Inspection	—	—	1,040	—	18,610	—
European Economic Area countries for NHS treatment of their residents.	24,000	—	23,000	—	35,713	—
Income from sale of subsidised dried milk.	2,000	—	2,168	—	23,481	—
Dividends on public dividend capital and repayment of loans. by NHS Estates Agency and the Medicines and Healthcare. Products Regulatory Agency.	28	60	38	64	184	64
Sales of land, buildings and equipment.	—	11	—	12	—	5,769
Total RfR 2	42,233*	40**	56,288	76	102,008	5,833

*Amount that may be applied as appropriations in aid in addition to the net total arising from: administration receipts from seconded officers; cost of legal proceedings; Employment Opportunities Fund programme; staff telephone calls; staff lease car scheme; European Fast Stream programme; recoveries from other government departments; non departmental public bodies; receipts from the NHS, local authorities, NHS Estates and Medicines and Healthcare Products Regulatory Agency for goods and services; staff accommodation; reimbursement of meetings expenses and selling services into wider markets, library income and open government; receipts from commercial tenants in DH buildings; NHS Purchasing and Supplies Authority: receipts for seconded officers, staff telephone calls, reimbursement of meeting expenses, staff lease car scheme and health protection work; licence fees and royalties; sales of publications on equipment for the disabled; sale of community homes, equipment, cars, buildings, furniture and surplus items; sale of publications; contributions by members of the public; insurance claims. Receipts by Human Fertilisation and Embryology Authority, National Biological Standards Board, Health Protection Agency, Health Development Agency, Commission for Social Care Inspection; from other European Economic Area countries for NHS treatment of their residents; sale of subsidised dried milk; receipts made under Sector Challenge arrangements with the Department of Trade and Industry, from the European Community and contributions from the mobile phone industry. Charitable contributions for developing pilot projects with voluntary organisations; contributions to local authority grant schemes; refunds from communication campaigns contracts and contributions towards the cost of communication campaigns. Income from publications. Contribution towards young people's substance misuse planning grant. Income from penalty charges. Interest repayment on Trading Fund loans. Income from the Scottish Executive, the National Assembly for Wales, Northern Ireland, Channel Islands and Isle of Man for services provided for devolved or reserved work. Income from the European Union for the reimbursement of staff travel expenses and for goods and services.

**Amounts that may be applied as non operating appropriations in aid arising from capital income from the sale of land, buildings, surplus vehicles and equipment, principal repayment on Trading Fund loans, repayment of Public Dividend Capital advances to the NHS Estates Agency.

Total A in A	17,013,522	1,183,040	15,374,809	1,275,076	9,025,735	1,817,275
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Notes to the Main Estimate *(continued)*

Analysis of Consolidated Fund Extra Receipts

Detail	£'000					
	2004-05 provision		2003-04 provision		2002-03 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Operating income not classified as A-in-A						
NHS Estates Agency – interest on loans ●	—	—	4	4	8	8
Medicines and Healthcare Products Regulatory Authority – interest on loans ●	—	—	81	81	81	81
Medicines and Healthcare Products Regulatory Authority – return on capital ●	2	2	—	—	—	—
Total	2	2	85	85	89	89

Notes to the Main Estimate *(continued)*

Administration costs limits and Departmental Expenditure Limits

Administration costs limits £'000

	Gross provision	Income	Total administration costs limit
Gross Administration cost limit	262,738	-11,962	250,776
Net Administration cost limit	—	—	—

Departmental Expenditure Limits (DEL) £'000

	Voted*	Non-voted	Total
Resource DEL	68,550,267	-33,656	68,516,611
Capital DEL	148,539	2,876,571	3,025,110
Less depreciation	-510,426	-44,477	-554,903
Total DEL	68,188,380	2,798,438	70,986,818

- * i. Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review
- ii. Excludes EU receipts included in Estimates, but excluded in Budgets

Comparisons of provision sought with final provision and forecast outturn for the previous year

The provision sought for 2004-2005 of £54,368,383,000 is 1.3 per cent higher than the final net provision and forecast outturn for 2003-04 of £53,686,436,000.

Cash which may be retained to offset expenditure

£'000

Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) that has been or will be appropriated in aid.

	2004-05 provision	2003-04 provision	2002-03 outturn
	18,196,562	16,649,885	10,843,010

Notes to the Main Estimate *(continued)*

Expenditure resting on the sole authority of the Appropriation Act

		£'000
RfR 2A: United Kingdom Xenotransplantation Interim Regularity Authority	■	112
RfR 2E: Payments to local authorities for public health services at airports	■	2,348
RfR 2E: Grants to voluntary organisations to expand opportunities for unemployed people to participate in voluntary work	■	6,900
RfR 2G: Payments in respect of lay and user involvement in social services inspections	■	200
RfR 2E: Grant to the Learning Disability Support Fund	■	2,000
RfR 2G: Grant to Voluntary Organisations for administration of the Multiple Sclerosis drug risk-sharing scheme	■	100

Contingent Liabilities

RfR 1:

Statutory contingent liabilities exist to meet:

- i. an indemnity to water undertakers in respect of costs, damages and expenses not otherwise covered by insurance arising from claims or proceedings on the grounds of alleged harm to health arising solely from fluoridation; and
- ii. Overdraft guarantees for NHS trusts.

Non-statutory contingent liabilities exist to meet:

- i. a letter which the Department sent to the Association of British Health Care Industries on 9 June 1992 may be construed as a letter of comfort in respect of contracts entered into by NHS trusts and hence result in a non-statutory liability. The letter was withdrawn on 17 August 1993, but a residual contingent liability may remain in respect of contracts entered into between the issue of the letter and its withdrawal;
- ii. the Department has undertaken to meet the legal and other costs of medical and nursing staff engaged on clinical trials approved by the National Blood Authority (NBA) of new blood products manufactured by the Bio-Products Laboratory, a part of the NBA, and the costs of any claims for damages from patients arising from clinical trials of the new products;
- iii. an indemnity to water undertakers in respect of costs, damages and expenses not otherwise covered by insurance arising from claims or proceedings on the grounds of alleged harm to health arising solely from supplying water which has been fluoridated by another water undertaker and which therefore is not covered by the statutory guarantee;
- iv. an indemnity to higher education providers to cover a proportion of any redundancy costs, which may arise in respect of pre-registration nurse education which has now moved to the higher education sector, should a contract of education not be renewed;
- v. in the event of a nuclear emergency it would be necessary to distribute stable iodine tablets to the general public to prevent take up of radioactive iodine. The Department has undertaken to indemnify those other than qualified medical personnel distributing the tablets against any action resulting from adverse reactions; and

Notes to the Main Estimate *(continued)*

Contingent Liabilities *(continued)*

vi. the Department has given an undertaking to pay legal or other costs of any damage claims arising from infections contracted by foreign nationals through contaminated blood products. These claims, should they arise would result from a contract between the Bio Products Laboratory, BPL, (part of the National Blood Authority) and the Canadian company Haemacure for the manufacture of a plasma based fibrin sealant product. The product would be sold exclusively in the USA.

RfR 2:

Statutory contingent liabilities exists to meet:

i. the Department has issued an exemption certificate to the National Radiological Protection Board in respect of any liability to its employees of the kind mentioned in Section (1) of the Employer's Liability (Compulsory Insurance) Act 1969; and

ii. the Department has issued an exemption certificate to the National Biological Standards Board in respect of any liability to its employees of the kind mentioned in section (1) of the Employers' Liability (Compulsory Insurance) Act 1969.

Non-statutory contingent liabilities exist to meet:

i. the Department has undertaken to meet the cost of compensation payments arising from claims for injury arising from trials of a whooping cough vaccine developed by the Microbiological Research Authority;

ii. the Department has undertaken to meet the cost of compensation payments arising from claims for injury arising from the immunisation of voluntary donors with specialised immunoglobulin subsequently harvested and used in the treatment of new-born babies;

iii. the Government has paid £42 million to a trust from which payments to haemophiliacs infected with HIV virus following treatment by the NHS with infected blood products. The Department has agreed to pay the NHS trust any sums required to make payments if the funds already provided prove insufficient;

iv. an indemnity for members of the independent inquiry into the backlog of histopathology samples at the Royal National Orthopaedic Hospital NHS Trust. The Department has given an undertaking to grant an indemnity in relation to any legal action against the chairman and members of the inquiry team;

v. indemnity for members of the independent inquiry into matters raised by Mr Al-Fallouji;

vi. indemnity against possible legal action against members of the team reviewing renal services at Portsmouth Hospital Trust;

vii. indemnity against civil action against members in the course of the review into the handling of retained organs at Birmingham Children's Hospital;

viii. indemnity for members of the review team examining Paediatric Neurology Services at Leicester;

ix. inquiry into issues arising from the management of homes for adults with severe learning difficulties – Newcastle-upon-Tyne;

x. indemnity for members of the independent review into issues arising from paediatric services at Medway Maritime Hospital.

Notes to the Main Estimate *(continued)*

Contingent Liabilities *(continued)*

Grants in aid

Section RfR 1 line G and RfR 2 line V and RfR 3 line A includes grant-in-aid provision to non-departmental public bodies (£342.419m).♥

International subscriptions

The UK subscription to the World Health Organisation (£14m) is included in line RfR 2 E.

Expenditure in the form of adjustable advances

Sections H to U contain certain grants to local authorities including social services training, services for people with HIV infection and AIDS, services for people with a mental illness, services for alcohol and drug misusers, support for carers, initiatives to promote the independence of people living in the community, the placing of charges on homes and improving information management. Advances to local authorities for personal social services specific and special grants are charged to the Estimate at the time of issue and as final grant expenditure is not known until local authorities' accounts are audited after the end of the financial year, any necessary adjustments may be made in subsequent advances.