

Hospital, community health, family health and related services, England

Introduction

1. About 96 per cent of central government expenditure on Health and Personal Social Services (HPSS) in England is in sections A to F: the balance of voted expenditure including the Department's costs of administering expenditure from this Vote is borne on Class II, Vote 2. Corresponding expenditure in Scotland is shown in Scotland's Supply Estimates 1999–2000 (HC 193) presented on 4 February 1999. Class XIV, Vote 1 provides for expenditure in Wales for the period 1 April to 30 June 1999. Thereafter, responsibility passes to the National Assembly for Wales. Corresponding expenditure in Northern Ireland is published in separate Estimates for the Government of Northern Ireland.
2. This Vote provides for expenditure which is managed by the NHS Executive and for which the NHS Chief Executive is the Accounting Officer.
3. Section A covers expenditure on the hospital, community health, discretionary family health and related services and on NHS Trusts. This is mainly made up of current and capital advances to health authorities to fund unified budgets which cover hospital and community health services, prescribing costs and discretionary general medical services. Health authorities commission the health services needed for their populations from the unified budgets. Section A also covers the central funding of certain national bodies (eg. the high security psychiatric services Special Health Authorities, the Prescription Pricing Authority and the Dental Practice Board) of services (eg. purchase of vaccines) and of service specific levies for education and training and research and development. Departmental Report (Cm 4203, Chapter 4 and Annex G).
4. Most NHS Trusts' expenditure on the provision of healthcare is financed through income from service agreements with health authorities and other purchasers. Where the NHS Trusts' income is insufficient to fund approved capital expenditure then this is met (within approved limits) by Public Dividend Capital (PDC) advances, a form of long term government finance on which trusts pay dividends to the government. Temporary cash flow financing needs are also met in this way. Section A therefore includes provision for issues of new PDC, repayments of PDC and principle repayments of existing loans by NHS Trusts. (Cm 4203, Annex D3). Provision is included within advances to health authorities to meet the cost of capital charged by NHS Trusts. An equivalent amount is paid back to the Department in the form of interest and PDC dividends, collectively called trusts debt remuneration, and from April 1999 will be treated as an Appropriation in Aid of the Vote and included in Section A. Both the provision and the receipts amount to £1,306.544 million.
5. Sections B to F cover the cost of the demand-led family health services provided under Part II of the NHS Act 1977. These comprise the remuneration of general medical practitioners (other than reimbursement of certain expenses which are covered by Section A), together with the cost of general dental services, general ophthalmic services and most fees and allowances for dispensing and other pharmaceutical services. The cost of drugs prescribed by family health service practitioners are to form part of Health Authority unified allocations in Section A. (Cm 4203, Paragraphs 4.56 to 4.72).
6. Section G covers an appropriate element of National Health Service contributions paid by employers and employees. Section H covers mainly provision for financing the difference in timing where a health authority transfers its banking from a commercial cheque based system to the Paymaster's payable order system.
7. The provision sought for 1999–2000 is 8.2 per cent higher than both the final net provision and the forecast outturn for 1998–99 of £30,685 million. A breakdown of the forecast outturn for 1998–99 by individual function is given in Figure B1 and Annex B of Cm 4203.
8. A detailed analysis of appropriations in aid and contingent liabilities on this Vote are shown in full in Annex D of Cm 4203.
9. Symbols are explained in the Introduction to this booklet.

Hospital, community health, family health and related services, England

Part I

£33,213,699,000

Amount required in the year ending 31 March 2000 for expenditure by the Department of Health on hospital, community health, family health and related services.

The **Department of Health** will account for this Vote

	£
Net total	33,213,699,000
Allocated in Vote on Account (HC 1134)	15,932,507,000
Balance to complete	17,281,192,000

Part II Subhead detail

£'000

	Direct Expenditure		Grants and transfers					Z: Appropriations in aid	Net total	Total net provision 1998-99	Net outturn 1997-98
	1: Running costs	2: Other current	3: Capital	4: Current	5: Capital	Gross total					
Departmental expenditure in Departmental Expenditure Limits											
Central government expenditure											
★A: <i>Hospital, community health, family health (discretionary), related services and NHS Trusts</i>											
	—	34,962,536	360,691	650,672	1,072,138	37,046,037	2,533,844	34,512,193	32,124,340	30,034,810	
B: <i>FHS - general medical services</i>											
	—	2,425,435	—	—	—	2,425,435	—	2,425,435	2,233,880	2,198,028	
C: <i>FHS - Pharmaceutical Services</i>											
	—	823,536	—	—	—	823,536	—	823,536	789,869	767,844	
D: <i>FHS - prescription charges income</i>											
	—	1,600	—	—	—	1,600	378,878	-377,278	-342,738	-320,853	
E: <i>FHS - general dental services</i>											
	—	1,455,000	—	—	—	1,455,000	430,219	1,024,781	1,025,000	959,140	
F: <i>FHS - general ophthalmic services</i>											
	—	318,542	—	—	—	318,542	25	318,517	246,833	241,365	
Other expenditure outside Departmental Expenditure Limits											
G: <i>NHS contributions</i>											
	—	—	—	—	—	—	5,514,490	-5,514,490	-5,392,689	-4,789,722	
H: <i>Other</i>											
	—	—	—	5	1,000	1,005	—	1,005	1,005	1	
Total	—	39,986,649	360,691	650,677	1,073,138	42,071,155	8,857,456†	33,213,699	30,685,500	29,090,613	

† 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 and others; receipts from income generation schemes; receipts in respect of medical and dental education levy; receipts in respect of high security psychiatric services Special Health Authorities; receipts in respect of the Mental Health

Act Commission; receipts in respect of the Centre of Pharmacy Postgraduate Education; receipts from the licensing of software; capital receipts from the sale of land, buildings, surplus vehicles and equipment; principal and interest payments on loans and repayments of, and dividends on, Public Dividend Capital advances by NHS Trusts; receipts by the Prescription Pricing Authority and the Dental Practice Board;

receipts from NHS prescription and dental charges; recoveries from patients in respect of incorrect claims for eligibility for general ophthalmic services; rebates from manufacturers under the Pharmaceutical Price Regulation Scheme; contributions by employers and employees towards the cost of the NHS; receipts by Regional Offices; recoveries of VAT on contracted out services.

Part III Extra receipts payable to the Consolidated Fund

	£'000		
In addition to appropriations in aid there are the following estimated receipts:	1999-00	1998-99	1997-98
Other ●	1	2	6
★ Hospital, community health, family health (discretionary), related services and NHS Trusts Φ	—	—	617
Total	1	2	623

Department of Health administration, miscellaneous health and personal social services, England

Introduction

1. Most central government expenditure on health and personal social services (HPSS) is on Class II, Vote 1; while this Vote covers a wide range of miscellaneous HPSS for which the Permanent Secretary of the Department of Health is the Accounting Officer, as follows:

Sections A to F: the gross running costs of the Department and its Agencies and the associated capital expenditure on buildings, furniture, computer and telecommunications equipment etc.

Sections G and H: central health and miscellaneous services (CHMS) consists of advances to non-departmental public bodies (including the National Biological Standards Board, the National Radiological Protection Board, the Public Health Laboratory Service, the Human Fertilisation and Embryology Authority, but not advances to the Central Council for Education and Training in Social Work which are included in Section J) and special health authorities (including the Microbiological Research Authority and the Health Education Authority) for their work on regulatory and protection services and health promotion; and certain other services such as grants to voluntary organisations, research and development, information services and payments to international organisations. Section H also includes grant-in-aid provision for the Family Fund Trust (£18,818,000). (Cm 4203, Figure 3.1 and Annex G).

Section I: (CHMS non discretionary) consists of European Economic Area medical costs and welfare food. (Cm 4203, Figure 3.1).

Section J: social services training.

Sections K to T: certain grants to local authorities including social services training, provision of secure accommodation, services for people with HIV infection and AIDS, for those with a mental illness, for alcohol and drug misusers, support for carers, initiatives to improve partnerships with Health Authorities for the prevention of unnecessary stays in hospitals, for the improvement of children's services and care for unaccompanied asylum seeking children. Advances to local authorities for personal social services specific and special grants are charged to the Vote 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. (Cm 4203, Figure 5.1).

Section U: employment subsidy from the Department for Education and Employment in respect of people employed under the Welfare to Work programme.

Section V: other services outside Departmental Expenditure Limits, mainly payments under the Animal (Scientific Procedures) Act 1986.

2. The UK subscription to the World Health Organisation (£14,000,000) is included in Section H.

3. The provision sought for 1999–2000 is 0.4 per cent lower than both the final net provision and forecast outturn for 1998–99 of £1,458 million.

4. A detailed analysis of the appropriations in aid and contingent liabilities on this Vote are shown in full in (Cm 4203, Annex D).

5. Corresponding expenditure in Scotland is shown in Scotland's Supply Estimates 1999–2000 (HC193) presented on 4 February 1999. Class XIV, Vote 1 provides for expenditure in Wales for the period 1 April to 30 June 1999. Thereafter, responsibility passes to the National Assembly for Wales. Corresponding expenditure in Northern Ireland is published in Separate Estimates for the Government of Northern Ireland.

6. Symbols are explained in the Introduction to this booklet.

Department of Health administration, miscellaneous health and personal social services, England

Part I

£1,451,600,000

Amount required in the year ending 31 March 2000 for expenditure by the Department of Health on administration, including certain expenditure on behalf of the Department of Social Security and the National Health Service in England, on miscellaneous health, personal social and other services (some of which are administered on a United Kingdom basis), including medical, scientific and technical services, services for disabled persons, grants to voluntary organisations, medical treatment given to people from the United Kingdom in other countries of the European Economic Area and on welfare food, payments in respect of Home Office inspection of laboratories services, grants in aid, payments and subscriptions to international organisations, the Welfare to Work programme and payments made under Sector Challenge arrangements with the Department of Trade and Industry.

The **Department of Health** will account for this vote

	£
Net total	1,451,600,000
Allocated in the Vote on Account (HC 1134)	622,110,000
Balance to complete	829,490,000

Part II

Subhead detail

£'000

Direct Expenditure		Grants and transfers					Gross total	Z: Appropriations in aid	Net total	Total net provision 1998-99	Net outturn 1997-98
1: Running costs	2: Other current	3: Capital	4: Current	5: Capital							
Departmental expenditure in Departmental Expenditure Limits											
Central government expenditure											
★A: Central department Ω											
253,179	-2,311	17,837	—	—	268,705	12,802	255,903	233,659	234,143		
★B: NHS Estates Agency - interest on long term loans											
—	—	—	—	—	—	8	-8	—	—		
★C: NHS Pensions Agency											
18,124	—	200	—	—	18,324	958	17,366	11,013	12,646		
★D: Medical Devices Agency Ω											
7,465	412	256	—	—	8,133	400	7,733	7,351	6,584		
★E: Youth Treatment Service Ω											
4,396	-413	271	—	—	4,254	4,650	-396	-396	772		
★F: Medicines Control Agency - interest on long term loans											
—	—	—	—	—	—	136	-136	-136	-131		
★G: Non-departmental public bodies and special health authorities											
—	165,225	7,412	—	—	172,637	89,850	82,787	78,108	78,028		

Part II		Subhead detail <i>continued</i>								£'000		
Direct Expenditure				Grants and transfers								
1: Running costs	2: Other current	3: Capital	4: Current	5: Capital	Gross total	Z: Approp- riations in aid	Net total	Total net provision 1998-99	Net outturn 1997-98			
★H: Other services including medical, scientific and technical services, grants to voluntary bodies, research and development and information services												
—	183,719	50	65,796	—	249,565	4,069	245,496	163,788	160,357			
★I: Welfare food and European Economic Area medical costs												
—	120,986	—	155,594	—	276,580	20,490	256,090	236,090	276,355			
★J: Personal social services												
—	19,822	179	15,022	—	35,023	1,303	33,720	31,515	32,299			
★ NHS Estates Agency												
—	—	—	—	—	—	—	—	-492	-45			
Central government support for local authorities												
★K: Training support programme for social services staff												
—	—	—	39,000	—	39,000	—	39,000	35,450	35,370			
★L: Services for people with HIV and AIDS												
—	—	—	15,500	—	15,500	—	15,500	13,700	13,313			
★M: Services for alcohol and drug misusers												
—	—	—	4,780	—	4,780	—	4,780	2,500	2,349			
★N: Services for people with mental illness												
—	—	—	116,507	—	116,507	—	116,507	73,262	67,093			
★O: Provision for secure accommodation												
—	—	—	13	6,228	6,241	—	6,241	8,241	13,242			
★P: Unaccompanied asylum seeking children												
—	—	—	3,000	—	3,000	—	3,000	28,900	1,587			
★Q: Promoting independence: partnership grant												
—	—	—	253,000	—	253,000	—	253,000	—	—			
★R: Promoting independence: prevention grant												
—	—	—	20,000	—	20,000	—	20,000	—	—			
★S: Promoting independence: carers grant												
—	—	—	20,000	—	20,000	—	20,000	—	—			
★T: Children's services grant												
—	—	—	75,000	—	75,000	—	75,000	5,000	—			
★ Community care grant												
—	—	—	—	—	—	—	—	350,000	325,000			
★ Services for people seeking asylum												
—	—	—	—	—	—	—	—	179,300	68,014			
★ Guardians ad litem and reporting officer service												
—	—	—	—	—	—	—	—	—	6,300			
Welfare to Work expenditure in Departmental Expenditure Limits												
Central government's own expenditure												
★U: Welfare to Work												
—	—	—	—	—	—	10	-10	—	—			

Other expenditure outside Departmental Expenditure Limits										
V: Other										
	—	—	—	17	10	27	—	27	27	7
Total	283,164	487,440	26,205	783,229	6,238	1,586,276	134,676†	1,451,600	1,456,880	1,333,283
† Amount that may be applied as appropriations in aid in addition to the net total arising from receipts for or from seconded officers; New Deal/Welfare to Work programme; Manufacturers Registration Scheme and Product Approval Scheme; staff telephone calls; staff lease car scheme; refunds of VAT; European Fast Stream programme; recoveries from other government departments, the Meat Hygiene Service; receipts from the NHS, local authorities, youth treatment service and Medicines Control Agency for goods and services; staff accommodation; capital receipts; reimbursement of meetings expenses; receipts by the NHS Pensions Agency				for dealing with missold pensions, assessing pensions on divorce and from contractors; receipts from commercial tenants in DH buildings; licence fees and royalties; sales of publications on equipment for the disabled; sales of British Pharmacopoeia Chemical Reference substances; sale of community homes, evaluation reports, equipment, cars, buildings, furniture, waste paper and surplus items; from Competent Authority Activities and contractors; sale of publications; contributions by members of the public; insurance claims. Receipts by the Human Fertilisation and Embryology Authority, National Biological Standards Board, Public				Health Laboratory Service, Microbiological Research Authority, Health Education Authority, and the Central Council for Education and Training in Social Work; 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, and receipts from the European Community. Repayment of interest on long term loans by the Medicines Control Agency and the NHS Estates Agency.		

Part III Extra receipts payable to the Consolidated Fund

	£'000		
In addition to appropriations in aid there are the following estimated receipts:	1999-00	1998-99	1997-98
1. Dividends on public dividend capital by the Medicines Control Agency ●	123	115	123
2. Dividends on public dividend capital by the NHS Estates Agency ●	12	—	—
★ Other services including medical, scientific and technical services, grants to voluntary bodies, research and development and information services ☉	—	—	2,130
Total	135	115	2,253

Notes:

The following subheads contain provision sought under the sole authority of Part I of the Estimate and of the confirming Appropriation Act:

	£'000
A1 Central department running costs, remuneration for Regional Office chairmen ■	252
A1 United Kingdom Xenotransplantation Interim Regulatory Authority ■	190
H2 Payment to local authorities for public health services at airports. ■	249
H4 Grants to voluntary organisations to expand opportunities for unemployed people to participate in voluntary work ■	6,900
H4 Grant to the Family Fund Trust ■	18,818
H4 Grant to the Royal Association for Disability and Rehabilitation ■	24
H4 Grant to the British Council of Disabled People ■	8
H4 Child Migrants' Support Fund ■	250
H4 Contribution to the European Centre for Social Welfare Training and Research ■	12
J2 Remuneration for chairmen of the Central Council for Education and Training in Social Work's Council and its Committees ■	7,038
J2 Payments in respect of lay and user involvement in social services inspections ■	250

National Health Service (Superannuation, etc), England & Wales

Introduction

1. This Vote covers expenditure managed by the NHS Pensions Agency. The Agency Chief Executive is the Accounting Officer and is responsible for the payment of pensions and lump sum benefits to persons covered by the National Health Service Pension Scheme. The rules of the scheme are set out in the National Health Service Pension Scheme Regulations 1995. Membership of the scheme is open to most employees in the NHS and for doctors and dentists in general practice, and the benefits include payments to widows or widowers and dependants of participants who die in service or after retirement. Provision is made for refunds of contributions to early leavers, and for the payment and receipt of transfer payments in respect of persons moving out of and into employments covered by the scheme. The Vote includes the increase payable in accordance with the Annual Review Orders made under Section 59 of the Social Security Pension Act 1975. Further details of the expenditure contained in Section A can be found in Annex C Table 2 of the Department of Health Report Cm 4203.
2. The provision sought for 1999–2000 is 40 per cent higher than the final net provision and forecast outturn for 1998–99 of £729.523 million. A breakdown of the forecast outturn for 1998–99 is given in Annex C Table 2 of Cm 4203.
3. The scheme is notionally funded for basic benefits but not for pensions increase. Part of its income consists of actual receipts eg contributions from employees and employers, capitalised payments for early retirements, transfers from other superannuation schemes etc. These are appropriated in aid of the Vote to meet expenditure on benefits. Further details of appropriations in aid can be found in Table 2 of Cm 4203.
4. Gross expenditure in 1998–99 is expected to amount to £2,559 million and the provision for 1999–2000 shows an increase of 9 per cent on that sum. This increase arises from a combination of higher new awards of pensions and lump sums as a result of pay increases, the increase in pensions under the 1997 and 1998 Review Orders, and an expected increase in the number of pensioners. The increase also provides for the expected effects of voluntary membership of the scheme.
5. The increased provision reflects the pension increase of 3.2 per cent applicable from 12 April 1999. This is consistent with similar assumptions made elsewhere in the Estimates. The provision also reflects the 1998 pay increases averaging about 3.5 per cent for which the major effective date was 1 April. Expenditure is also increasing due to the rise in the number of beneficiaries from an average of 437,749 during 1998–99 to 453,236 during 1999–2000 (including about 54,887 compensation cases by the year end).
6. It has been assumed that pensions in non-compensation cases averaging about £5,368.00 a year will be in payment to about 342,899 retiring participants, and that about 55,450 dependants will be receiving pensions averaging about £2,888.00 a year. This compares with an average pension of £5,010.33 a year expected to be in payment to 332,912 retired participants and an average pension of £2,877.79 a year expected to be in payment to 53,950 dependants in 1998–99. The superannuation element of recurring payments in compensation cases is expected to average about £4,057.00.
7. The NHS Pensions Agency is responsible for administering the scheme: the related running costs are borne on Class II, Vote 2.
8. Symbols are explained in the Introduction to this booklet.

National Health Service (Superannuation, etc), England & Wales

Part I

£1,021,399,000

Amount required in the year ending 31 March 2000 for expenditure by the NHS Pensions Agency on pensions, allowances, gratuities, etc, to or in respect of persons engaged in health services or in other approved employment.

The NHS Pensions Agency will account for this Vote

	£
Net total	1,021,399,000
Allocated in the Vote on Account (HC 1134)	328,285,000
Balance to complete	693,114,000

Part II Subhead detail

£'000

Direct Expenditure			Grants and transfers			Gross total	Z: Appropriations in aid	Net total	Total net provision 1998-99	Net outturn 1997-98
1: Running costs	2: Other current	3: Capital	4: Current	5: Capital						
Main departmental programmes in Annually Managed Expenditure										
Central government's own expenditure										
<i>A: Pensions</i>										
—	—	—	2,812,694	—	2,812,694	1,791,295†	1,021,399	729,523	792,518	

† Amount that may be applied as appropriations in aid in addition to the net total, arising from superannuation contributions; transfer values; deductions from superannuation contributions and lump sum payments in lieu of graduated contributions; contributions equivalent premiums.

Part III Extra receipts payable to the Consolidated Fund

£'000

In addition to appropriations in aid there are the following estimated receipts:

	1999-00	1998-99	1997-98
Pensions ●	150	187	124