

# Department of Health

## Introduction

1. This Supplementary Estimate is required for the following purposes:

Amount £

### Changes in resources

#### **RfR 1: Securing health care for those who need it**

##### **Increases:**

##### **Transfer from Non Voted spending**

£116.392 million

Resource Revenue DEL.

Line A- Strategic health authority and primary care trusts unified budget and central allocations.

Take up of Department unallocated provision to meet commitments to NHS bodies and central budget holders. 116,392,000

##### **Transfers from Other Government departments**

£0.679 million

Resource Revenue DEL.

Line A- Strategic health authority and primary care trusts unified budget and central allocations.

From DHSS Northern Ireland for out of area treatments. 554,000

Transfer from the Department for Education and Skills in respect of the Bichard recommendations. 125,000

##### **Other increases**

£201.336 million

Resource Revenue DEL.

Line A- Strategic health authority and primary care trusts unified budget and central allocations.

Reattribution of planned revenue and capital expenditure for Connecting for Health (formerly the National Programme for Information Technology). 200,000,000

Funding awarded for Invest to Save projects. 1,336,000

Non Budget

£1,558.988 million.

Line H - NHS trusts' depreciation.

Additional resources to cover the increase in NHS trusts' depreciation. 35,208,000

Line I - NHS contributions.

Additional resources to cover the shortfall in expected NHS contributions from HM Revenue and Customs. 1,523,780,000

##### **Transfers from RfR 2**

£111.601 million.

Resource Revenue DEL.

Line A- Strategic health authority and primary care trusts unified budget and central allocations.

Transfer from RfR2 mainly to meet the cost of funding prison health care services to be undertaken by primary care trusts and to take account of the funding of NDPBs following the review of arm's length bodies. 106,601,000

Non Budget

Line H - NDPB funding

Additional capital grant funding for Commission for Social Care and Inspection 5,000,000

## Introduction (continued)

### Decreases:

#### Transfers to RfR 2

£109.492 million

Resource Revenue DEL.

Line A- Strategic health authority and primary care trusts unified budget and central allocations.

Transfer to RfR2 for revised funding of NDPBs and to meet existing priorities. -101,536,000

Non Budget

Transfer to RfR3 for increased funding of the Independent Regulator for NHS foundation trusts. -7,800,000

Line H - NDPB funding

Transfer to RfR2 for revised funding of NDPBs. -156,000

#### Transfers to Other Government departments

£77.821 million.

Resource Revenue DEL.

Line A- Strategic health authority and primary care trusts unified budget and central allocations.

£60 million to the Department for Agriculture and Rural Affairs for a contribution to the over -77,821,000

thirty months scheme, £4.140 million to Scotland for out of area treatments, £5.684 million to

Wales mainly for out of area treatments and cross border flows, £7.997 million to the

Department for Education and Skills for pension indexation.

#### Transfer of resources to off Vote capital

£-18.807 million

Transfer to finance off vote capital expenditure

-18,807,000

### Neutral Changes:

#### Increased spending offset by increased income.

£434.254 million

Line A - Strategic health authority and primary care trusts unified budget and central

Line D - General dental services.

Line H - Trust debt remuneration.

Line H - NDPB income

To reflect current forecasts of income £330.268 million from A5, £87 million from D5 and

£16.986million from H5. Mainly for additional dental income, joint ventures with local

authorities, prescription price regulation scheme and trust debt remuneration.

#### Reallocation within RfR1

£351.890 million.

Reduce Line A - Strategic health authority and primary care trusts unified budget and central

Increase Line D - General dental services.

Reduce Line E - General ophthalmic services

To reflect latest attribution of expenditure between personal dental services and general dental

services and to reflect latest forecasts for demand led general ophthalmic services.

£35.176 million

Reduce Line A - Strategic health authority and primary care trusts unified budget and central

Increase Line H - Grant in aid to NDPBs

Reallocation of funds to meet NDPB grants.

**Total change in resources for RfR 1 1,782,876,000**

## Introduction (*continued*)

### 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

#### Increases:

##### Transfers from Other Government departments

£0.484 million

Line A - central department

Transfer from Cabinet Office for funding Parliamentary Council. 484,000

##### Transfers from RfR 1

£101.692 million.

Line B- NHS Pensions Agency

Line E- Other services

Line T- Grant in aid to NDPBs

Transfer from RfR1 for revised funding of NDPBs and other bodies and to meet existing commitments. 101,692,000

#### Decreases:

##### Transfers to other government departments

£0.482 million

-482,000

Line G- Personal social services

Transfer to Department for Education and Skills for funding training.

##### Transfers to RfR 1

£106.601 million

-106,601,000

Line A - central department (£2.889 million)

Line E- Other services (£100.712 million)

Line G - Personal social services (£3 million)

Transfer mainly for prison health care funding to be provided by primary care trusts.

#### Neutral Changes:

##### Increased spending offset by increased income.

£26.826 million

Line A- Central department (£4.423 million)

Line B- NHS Pensions Agency (£0.468 million)

Line C- NHS Estates (£-0.013 million)

Line E - Other services (£6.762 million)

Line F - Welfare Foods (£14.040 million)

Line G- Personal social services (£0.030 million)

Line T -Grant in aid funding of NDPBs (£1.116 million)

Mainly income from other departments and bodies for services provided, sales of publications and secondees income.

##### Reallocation within RfR2

£4.3million

Increase Line B- NHS Pensions Agency

Reduce Line E- Other services

Transfer of funding in respect of the device evaluation service.

£0.551 million

Increase Line B- NHS Pensions Agency

Reduce Line A- central department

Transfer of meet costs of the Pensions Agency's superannuation budget.

**Total change in resources for RfR 2 -4,907,000**

## Introduction (*continued*)

### RfR 3: Office of the Independent Regulator for NHS foundation trusts

#### Increases:

#### Transfers from another Request for resources

£7.8 million.	7,800,000
Transfer from RfR1 for increased funding.	

<b>Total change in resources for RfR 3</b>	<b>7,800,000</b>
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<b>Total change in resources for Estimate</b>	<b>1,785,769,000</b>
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#### Changes in capital

Increases in Credit Guarantee Finance to reflect revised timing of financing arrangements.	944,000
Transfers to the Department for Education and Skills for capital building of medical schools and to the Department for Constitutional Affairs for the mental health review tribunals.	-12,000,000
To reflect the latest forecasts of public dividend capital requirements of NHS trusts and foundation trusts.	342,455,000
Invest to save budget addition for social care projects.	125,000
Take up of end year flexibility.	200,000,000
Virement to Revenue DEL for Connecting for Health (formerly National programme for Information Technology).	-200,000,000
Transfer to off vote capital expenditure.	-4,840,000
Increase in NDPB capital for the commission for Social Care and Inspection.	-5,000,000

<b>Total change in capital for Estimate</b>	<b>321,684,000</b>
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- As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £2,364,998,000.
- The overall DEL increase of £112,322,000 includes £1k token supplementary estimates change included at winter supply but not previously reported.
- Symbols are explained in the Introduction to this booklet.

## Part I

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<b>RfR 1: Securing health care for those who need it</b>	†	<b>1,782,876,000</b>
<b>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</b>	†	<b>-4,907,000</b>
<b>RfR 3: Office of the Independent Regulator for NHS foundation trusts</b>		<b>7,800,000</b>
Total additional net resource requirement		1,785,769,000
<b>Additional net cash requirement</b>		<b>2,364,998,000</b>

SUPPLEMENTARY amounts required in the year ending 31 March 2006 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 (PDC) to NHS trusts and NHS foundation trusts, loans to NHS foundation trusts, education, training, research and development; centrally managed expenditure to and on behalf of the NHS including funding special health authorities and other national bodies; 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; payments to local authorities for use in local area agreements, 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); payments to local authorities for use in local area agreements; 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.

The Department of Health will account for this Estimate.

† The reduction in the net resource requirement of RfR 2 of £4,907,000 is offset by a reallocation of those resources to RfR 1

## Part II: Changes proposed

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	£'000	
					New Net Provision	
<b>RfR 1: Securing health care for those who need it</b>						
<b>Spending in Departmental Expenditure Limits (DEL)</b>						
RfR 1 - A	Strategic health authorities and primary care trusts unified budgets and central allocations	69,958,577	197,959	330,268	-132,309	69,826,268
RfR 1 - D	FHS - general dental services	658,000	441,000	87,000	354,000	1,012,000
RfR 1 - E	FHS - general ophthalmic services	354,110	-2,110	-	-2,110	352,000
RfR 1 - F	Strategic health authorities and primary care trusts grants to local authorities	448,788	-28,807	-	-28,807	419,981
<b>Non-budget</b>						
RfR 1 - 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	1,482,267	85,308	16,986	68,322	1,550,589
RfR 1 - I	NHS contributions	-15,779,379	-	-1,523,780	1,523,780	-14,255,599
<b>Total RfR 1</b>			<b>693,350</b>	<b>-1,089,526</b>	<b>1,782,876</b>	
<b>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</b>						
<b>Spending in Departmental Expenditure Limits (DEL)</b>						
RfR 2 - A	Central department	263,965	4,132	7,042	-2,910	261,055
RfR 2 - B	NHS Purchasing and Supplies Authority	20,500	6,948	468	6,480	26,980
RfR 2 - C	NHS Estates Agency: dividend on public dividend capital and repayment of loans	-13	-	-13	13	-
RfR 2 - E	Other services including medical, scientific and technical services, grants to voluntary bodies, research and development and information services	355,241	-79,308	6,832	-86,140	269,101
RfR 2 - F	Welfare food and European Economic Area medical costs	634,547	66,040	16,040	50,000	684,547
RfR 2 - G	Other personal social services	114,497	-3,362	120	-3,482	111,015
<b>Non-budget</b>						
RfR 2 - T	Grant in aid funding of non-departmental public bodies and special health authorities	241,157	32,295	1,163	31,132	272,289
<b>Total RfR 2</b>			<b>26,745</b>	<b>31,652</b>	<b>-4,907</b>	

**Part II: Changes proposed (*continued*)**

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	£'000 New Net Provision
<b>RfR 3: Office of the Independent Regulator for NHS foundation trusts</b>					
<b>Non-budget</b>					
RfR 3 - A Grant in aid funding to the Office of the Independent Regulator for NHS foundation trusts	10,000	7,800	-	7,800	17,800
<b>Total RfR 3</b>		<b>7,800</b>	<b>-</b>	<b>7,800</b>	
<b>Total Changes to RfRs</b>		<b>727,895</b>	<b>-1,057,874</b>	<b>1,785,769</b>	

	Present Provision	Change in Provision	£000 New Provision
<b>Capital and Cash</b>			
Total Capital Expenditure	4,570,210	776,684	5,346,894
Non-Operating A in A	1,598,011	455,000	2,053,011
<b>Net cash requirement</b>	<b>60,019,627</b>	<b>2,364,998</b>	<b>62,384,625</b>

## Part II: Revised subhead detail including additional provision

Resources						Capital		£'000
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
<b>RfR 1: Securing health care for those who need it</b>								
-	76,009,195	1,142,221	77,151,416	17,596,922	59,554,494	5,327,486	2,053,000	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
A Strategic health authorities and primary care trusts unified budgets and central allocations								
-	70,769,487	547,761	71,317,248	1,490,980	69,826,268	1,303,366	553,000	
B FHS - pharmaceutical services								
-	1,099,300	-	1,099,300	-	1,099,300	-	-	
C FHS - prescription charges income								
-	2,500	-	2,500	454,345	-451,845	-	-	
D FHS - general dental services								
-	1,327,000	-	1,327,000	315,000	1,012,000	-	-	
E FHS - general ophthalmic services								
-	352,100	-	352,100	100	352,000	-	-	
<i>Support for Local Authorities</i>								
F Strategic health authorities and primary care trusts grants to local authorities								
-	-	419,981	419,981	-	419,981	-	-	
<b>Spending in Annually Managed Expenditure (AME)</b>								
<i>Central government spending</i>								
G Hospital financing for credit guarantee finance pilot projects								
-	7,100	-	7,100	5,300	1,800	376,944	-	
<b>Non-budget</b>								
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								
-	2,451,708	174,479	2,626,187	1,075,598	1,550,589	3,647,176	1,500,000	
I NHS contributions								
-	-	-	-	14,255,599	-14,255,599	-	-	
<i>MOG transfers to DfES</i>								
-	-	-	-	-	-	-	-	
<b>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</b>								
262,750	1,128,734	2,227,784	3,619,268	82,098	3,537,170	19,408	11	
<b>Spending in Departmental Expenditure Limits (DEL)</b>								
<i>Central Government spending</i>								
A Central department								
262,750	24,900	-	287,650	26,595	261,055	18,600	11	
B NHS Purchasing and Supplies Authority								
-	28,398	-	28,398	1,418	26,980	808	-	
C NHS Estates Agency: dividend on public dividend capital and repayment of loans								
-	-	-	-	-	-	-	-	

**Part II: Revised subhead detail including additional provision (cont.)**

Resources						Capital	£'000	
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
D	Medicines and Healthcare Products Regulatory Agency loans, repayment of loans and interest on loans.							
-	-	-	-	-	-	-	-	
E	Other services including medical, scientific and technical services, grants to voluntary bodies, research and development and information services							
-	236,864	41,225	278,089	8,988	269,101	-	-	
F	Welfare food and European Economic Area medical costs							
-	727,587	-	727,587	43,040	684,547	-	-	
G	Other personal social services							
-	110,985	150	111,135	120	111,015	-	-	
<i>Support for Local Authorities</i>								
H	AIDS support grant							
-	-	16,500	16,500	-	16,500	-	-	
I	Services for people with a mental illness							
-	-	132,950	132,950	-	132,950	-	-	
J	Carers' grant							
-	-	185,000	185,000	-	185,000	-	-	
K	Preserved rights grant							
-	-	348,130	348,130	-	348,130	-	-	
L	Residential allowance grant							
-	-	214,455	214,455	-	214,455	-	-	
M	Improving information management (capital)							
-	-	25,000	25,000	-	25,000	-	-	
N	National training strategy							
-	-	94,859	94,859	-	94,859	-	-	
O	Access and systems capacity grant							
-	-	642,000	642,000	-	642,000	-	-	
P	Human resources development strategy							
-	-	62,750	62,750	-	62,750	-	-	
Q	Children and adolescents mental health grant							
-	-	90,539	90,539	-	90,539	-	-	
R	Delayed discharge grant							
-	-	100,000	100,000	-	100,000	-	-	
S	Young persons substance misuse planning grant							
-	-	-	-	-	-	-	-	
<i>Training for social support staff</i>								
-	-	-	-	-	-	-	-	
<i>Performance fund</i>								
-	-	-	-	-	-	-	-	
<i>Care direct</i>								
-	-	-	-	-	-	-	-	

**Part II: Revised subhead detail including additional provision (cont.)**

Resources						Capital		£'000
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
<i>Deferred Payments Grant</i>								
-	-	-	-	-	-	-	-	-
<i>Children's services grant</i>								
-	-	-	-	-	-	-	-	-
<b>Non-budget</b>								
T Grant in aid funding of non-departmental public bodies and special health authorities								
-	-	274,226	274,226	1,937	272,289	-	-	-
<i>Other</i>								
-	-	-	-	-	-	-	-	-
<i>MOG transfers to DfES</i>								
-	-	-	-	-	-	-	-	-
<b>RfR 3: Office of the Independent Regulator for NHS foundation trusts</b>								
-	-	17,800	17,800	-	17,800	-	-	-
<b>Non-budget</b>								
A Grant in aid funding to the Office of the Independent Regulator for NHS foundation trusts								
-	-	17,800	17,800	-	17,800	-	-	-
<b>Total for Estimate:</b>								
262,750	77,137,929	3,387,805	80,788,484	17,679,020	63,109,464	5,346,894	2,053,011	

## Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	£'000 <u>Revised</u>
<b>Net total Resources</b>	<b>61,323,695</b>	<b>1,785,769</b>	<b>63,109,464</b>
<b>Voted capital items</b>			
Capital expenditure	4,570,210	776,684	5,346,894
<i>Less:</i> non-operating A in A	<u>1,598,011</u>	<u>455,000</u>	<u>2,053,011</u>
<b>Total net voted capital</b>	<b>2,972,199</b>	<b>321,684</b>	<b>3,293,883</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of capital charges	-1,850,550	-	-1,850,550
Depreciation	-610,510	-	-610,510
New provisions and adjustments to previous provisions	-2,487,755	600,000	-1,887,755
Profit/loss on sale of assets	10	-	10
Prior period adjustments	-	-	-
Other non-cash items	-722	-	-722
Increase(+)/decrease (-) in stock	-	150,000	150,000
Increase(+)/decrease (-) in debtors	139,783	-332,455	-192,672
Increase(-)/decrease (+) in creditors	-276,198	-160,000	-436,198
Use of provisions	<u>809,675</u>	<u>-</u>	<u>809,675</u>
<b>Total accruals to cash adjustments</b>	<b>-4,276,267</b>	<b>257,545</b>	<b>-4,018,722</b>
<b>Excess cash to be CFERd</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash requirement</b>	<b>60,019,627</b>	<b>2,364,998</b>	<b>62,384,625</b>

## Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

## Forecast Operating Cost Statement

	£'000
	2005-06 provision
<b>Net Administration Costs</b>	
RfR 1	-
RfR 2	248,113
RfR 3	-
<b>Total Net Administration Costs</b>	<b>248,113</b>
<b>Net Programme Costs</b>	
RfR 1	59,554,494
RfR 2	3,289,057
RfR 3	17,800
<b>Total Net Programme costs</b>	<b>62,861,351</b>
<b>Total Net Operating Cost</b>	<b>63,109,464</b>
<i>of which:</i>	
<b>Net Resource Outturn</b>	<b>63,109,464</b>
CFERs	-
Non-voted expenditure	-
<b>Resource Budget Outturn</b>	<b>74,898,779</b>

## Notes to the Estimate

### Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2005-06 Provision
<b>Net Resource Outturn (Estimates)</b>	<b>63,109,464</b>
<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 (CFERS) in the OCS	-
Other adjustments	-
<b>Net Operating Costs (Accounts)</b>	<b>63,109,464</b>
<i>Adjustments to remove:</i>	
capital grants to local authorities	-106,193
capital grants financed from the Capital Modernisation Fund	-
European Union income and related adjustments	-
voted expenditure outside the budget	12,879,409
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
resource consumption of non departmental public bodies	-3,903
unallocated resource provision	-
Other adjustments	-979,998
<b>Resource Budget Outturn (Budget)</b>	<b>74,898,779</b>
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	74,896,979
Annually Managed Expenditure (AME)	1,800

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2005-06 Provision
<b>Net Voted Capital Outturn (Estimates)</b>	<b>3,293,883</b>
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	10
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
capital spending by non departmental public bodies	55,778
capital grants to local authorities	96,193
capital grants financed by the Capital Modernisation Fund	-
local authority credit approvals	53,420
capital spending by levy funded bodies	-
unallocated capital provision	-
Other adjustments	1,184,192
<b>Capital Budget Outturn (Budget)</b>	<b>4,683,476</b>
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	3,806,532
Annually Managed Expenditure (AME)	876,944

## Notes to the Estimate (*continued*)

### Explanation of Accounting Officer responsibilities

In accordance with the Government Resources and Accounts Act 2000 the Treasury has made the following Accounting Officer appointments for the Requests for Resources within this Estimate.

<b>Request for Resources 1</b>	Sir Nigel Crisp, Permanent Head/NHS Chief Executive
<b>Request for Resources 2</b>	Sir Nigel Crisp, Permanent Head/NHS Chief Executive
<b>Request for Resources 3</b>	Sir Nigel Crisp, Permanent Head/NHS Chief Executive

Sir Nigel Crisp as the Principal Accounting Officer (PAO) of the Department of Health has personal responsibility for the proper presentation of the Department's Resource Accounts as prescribed in legislation or by the Treasury and their transmission to the Comptroller and Auditor General. The PAO as the permanent head, remains in general overall charge of the Department of Health.

The responsibilities of an Accounting Officer are set out in Annex 4.1 of Government Accounting. In essence these responsibilities include a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all the available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the Department of Health's policies, aims, and objectives; and should regularly review the effectiveness of that system.

## Notes to the Estimate (*continued*)

### Analysis of appropriations in aid (A in A)

	£'000	
	2005-06 Provision	Non operating
	Operating A in A	A in A
<b>RfR 1: Securing health care for those who need it</b>		
Charges for accommodation, goods and services to private and NHS patients, local authorities, Ministry of Defence, Home Office and others; income from income generation schemes; income from local authorities under joint finance and pooled budget arrangements; income from medical and dental education levy; income from the licensing of software; income from the Mental Health Act Commission, the Centre for Pharmacy Postgraduate 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, Northern Ireland, Channel Islands and Isle of Man 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; income from 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; compensation income for the National Programme for IT	1,490,980	-
NHS prescription charges	454,345	-
Dental charges	315,000	-
Recoveries from patients in respect of incorrect claims for eligibility for general ophthalmic services	100	-
Contribution by employers and employees towards the cost of the NHS	14,255,599	-
NDPB income and 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.	1,075,598	1,500,000
Capital income from sale of land, buildings, surplus vehicles and equipment.	-	553,000
Interest received from credit guarantee pilot projects	5,300	-
<b>Total RfR 1</b>	<b>17,596,922 *</b>	<b>2,053,000 **</b>

\*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, Home Office and others; income from income generation schemes; income from local authorities under joint finance and pooled budget arrangements; income in respect of medical and dental education levy; 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 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; 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; compensation income from connecting for health (formerly National Programme for IT); repayment of investments or loans either principle or interest made on behalf of the Department of National Health Service; payments of interest and dividends on PDC by NHS trusts and NHS foundation trusts, interest received on credit guarantee finance loans and income earned by NDPBs.

\*\*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 by NHS trusts and NHS foundation trusts, and repayments of principal by NHS trusts and NHS foundation trusts.

## Analysis of appropriations in aid (A in A)

	£'000	
	2005-06 Provision	
	Operating	Non
	A in A	operating
	<u>A in A</u>	<u>A in A</u>
<b>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</b>		
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 government 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, goods and services.	26,595	-
NHS Purchasing and Supplies Authority: receipts for seconded officers, staff telephone calls, reimbursement of meeting expenses, staff lease cars scheme and health protection work.	1,418	-
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.	9,108	-
European Economic Area countries for NHS treatment of their residents.	27,000	-
Income from sale of subsidised dried milk.	16,040	-
Dividends on public dividend capital and repayment of loans by NHS Estates Agency and the Medicines and Healthcare Products Regulatory Agency	-	-
Sales of land, buildings and equipment.	-	11
Non departmental public body income	1,937	-
<b>Total RfR 2</b>	<b>82,098 *</b>	<b>11 **</b>

\*Amount that may be applied as appropriations in aid in addition to the net total arising from: administration income from seconded officers; cost of legal proceedings; Employment Opportunities Fund programme; staff telephone calls; staff lease cars scheme; European Fast Stream programme; recoveries from other government departments and non-departmental public bodies; income 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; income from commercial tenants in DH buildings; NHS Purchasing and Supplies Authority income 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 publications; contributions by members of the public; insurance claims; income by the Human Fertilisation and Embryology Authority, National Biological Standards Board, Health Protection Agency, Health Development Agency, Commission for Social Care Inspection; income from other european economic area countries for NHS treatment of their residents; sale of subsidised dried milk; income made under sector challenge arrangements with the Department of Trade and Industry, income 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; 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 of trading fund loans, repayments of Public Dividend Capital advances to the NHS Estates Agency.

<b>Total A in A</b>	<b>17,679,020</b>	<b>2,053,011</b>
<i>of which: Administration budgets</i>	<i>12,031</i>	

## Notes to the Estimate (*continued*)

### Departmental Expenditure Limits and Administration Budgets

As announced to the House of Commons, the Department of Health Departmental Expenditure Limit will change as follows:

	Change	New DEL		£'000
		Voted	Non-voted	Total
Resource	124,197	75,426,393	-529,414	74,896,979
<i>of which : Administration Budget</i>	484	248,113	-	248,113
Capital	-11,875	865,966	2,940,566	3,806,532
Depreciation*	-	-610,510	-51,669	-662,179
Total	112,322	75,681,849	2,359,483	78,041,332

\*Depreciation, which forms part of resource DEL, is excluded from total DEL since capital DEL includes capital spending and to include depreciation of those assets would lead to double counting.

### 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. 19,693,172

### Expenditure resting on the sole authority of the Appropriation Act

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

Subhead	Service		£'000
RfR 2 A	United Kingdom Xenotransplantation Interim Regulatory Authority	■	112
RfR 2 E	Payment to local authorities for public health services at airports	■	2,430
RfR 2 E	Grants to voluntary organisations to expand opportunities for unemployed people to participate in voluntary work	■	6,900