

Department of Health

Introduction

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

		Amount (£)	
		<u>Increases</u>	<u>Reductions</u>
<u>Changes in resources</u>			
RfR 1: Securing health care for those who need it.			
<u>Section</u>	<u>Reason for change</u>		
<u>Changes related to movements in budgets</u>			
<u>Transfers to/from Central Funds</u>			
A	Take up of Invest to Save round 8 and 9 budget awards.	624,000	
<u>Take up of Departmental Unallocated Provision</u>			
A	To meet additional clinical negligence provisions.	1,134,000,000	
<u>Changes in operating appropriations-in-aid (not offset by changes in spending)</u>			
F	Revised forecast of Credit Guarantee Finance interest income.		-1,054,000
H	Latest forecast of National Insurance contributions income from HM Revenue and Customs.		-117,356,000
<u>Changes in Annually Managed Expenditure (AME)</u>			
F	Revised forecast of NHS impairments.		-19,965,000
F	Revision of Credit Guarantee Finance cost of capital charges.		-336,000
F	Transfer of patients benefits from Department for Work and Pensions	109,000	
<u>Other changes</u>			
<u>Resource transfers to/from another Request for Resources</u>			
A	From Rfr2, Section A - Departmental administration.	1,237,000	
A	From Rfr2 Section B - NHS purchasing and supplies authority.	4,215,000	
A	To Rfr2 Section C- Other services.		-4,361,000
A	To Rfr2 Section D - European Economic Area medical costs and Welfare food scheme.		-69,800,000
A	From Rfr2 Section E other personal social services.	8,323,000	

A From RfR2 Section U - Grant in aid to NDPBs.	44,069,000	
B From RfR2 Section C - Other services. Reattribution of budgets within the overall DH central budget programme to reflect latest spending plans, particularly the transfer to RfR2 Section D to meet the additional costs of demand led EEA medical costs and welfare foods, and final budgets for grants to arms lengths bodies.	1,150,000	
A To Rfr3, Section A - Reattribution of budget to grant in aid funding to the Office of the Independent Regulator for NHS foundation trusts to meet the latest forecast.		-1,350,000

Other spending in Departmental expenditure limits(DEL)

A Increase in strategic health authorities and primary care trusts unified budgets and central allocations. Income recorded under RfR2 Section F medicines and healthcare products regulatory authority allows for this DEL increase.	741,000	
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Resource transfers within the Request for Resources

A Reduction in strategic health authorities and primary care trusts' unified budgets and central allocations. Reattribution of budgets to lines B and D to reflect the latest cost of demand led family health services.		-45,700,000
B Increase in budget for FHS - pharmaceutical services to reflect latest forecast of expenditure for these demand led services	14,700,000	
D Increase in budget for FHS - general ophthalmic services to reflect latest forecast of expenditure for these demand led services	31,000,000	
A Increase in strategic health authorities and primary care trusts unified budgets and central allocations.	26,853,000	
E Reduction in PCT's forecast expenditure on current grants to local authorities		-26,853,000
A Decrease in strategic health authorities and primary care trusts unified budgets and central allocations.		-5,461,000
G Increase to reflect latest forecast of grant funding required following finalisation of NDPB spending plans.	5,461,000	

Transfers to/from non-voted spending

A Transfer from non-voted budgets to take account of the reattribution of voted and non-voted resources to meet additional clinical negligence costs, amendments to the to the budgeting treatment for impairments for trusts (£598.931 million) and the finalisation of spending plans of NDPBs (£-37.506million).	1,261,425,000	
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Changes in non-budget spending

G Reduction to reflect latest forecast of grant funding following finalisation of NDPB budget spending plans.	-4,975,000
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Transfers to capital from capital grants

A Reduction to reflect latest forecast of capital grants by PCTs.	-42,028,000
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E Reduction to reflect latest forecast of capital grants by PCTs.	-53,601,000
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Transfers to resource spending from capital spending (not capital grants)

A Latest forecast of loss on disposal of assets.	11,715,000
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Changes in operating appropriations-in-aid (fully offset by changes in spending)

A Decrease in strategic health authorities and primary care trusts unified budgets and central allocations offset by decrease in prescription charge income	-30,845,000
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C Decrease in prescription charge income offsetting decrease in strategic health authorities and central allocations Change in the level of prescription charge income.	30,845,000
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A Increase in strategic health authorities and primary care trusts unified budgets and central allocations offset by increase in forecast of trusts dividends and loans.	33,636,000
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G Updated forecast of interest and dividends on loans to provided to Trusts.	-33,636,000
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Total change in resources for RfR1	<u>2,610,103,000</u>	<u>-457,321,000</u>
		2,152,782,000

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

<u>Section</u>	<u>Reason for change</u>	<u>Increases</u>	<u>Reductions</u>
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Changes related to movements in budgetsTake up of DEL End-Year Flexibility

A For additional non recurrent administration costs, including professional regulation, leadership and reviewing modernisation of medical careers.	6,000,000
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Transfers of budgetary cover to/from other government departments

A Line A departmental administration. From the Cabinet Office for services of the Parliamentary counsel.	370,000
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E Transfer with the Ministry of Justice correcting and initial transfer of capital grant (Capital DEL) and capital charge budgets for care standards tribunals.	60,000	-60,000
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Transfers from resource spending to capital spending (capital grants)

E New grants for older peoples services and care homes.	115,740,000	
C Finalisation of central budget spending programme.	300,000	

Other changes

Resource transfers to/from another Request for Resources

Transfers from RFR1.

A Departmental administration.		-1,237,000
B NHS Purchasing and Supplies Authority.		-4,215,000
C Other services.	3,211,000	
D European economic area medical cost and welfare food scheme.	69,800,000	
E Other PSS.		-8,323,000

Changes in operating appropriations-in-aid (not offset by changes in spending)

F Medicines and Health Care Products Regulatory Authority - interest and dividends from loans.		-741,000
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Resource transfers within the Request for Resources

C Reattribution of budgets within the overall DH central programme.	15,624,000	
E Reattribution of budgets within the overall DH central programme.		-15,624,000
E Increase in central DH spending on grants.	4,257,000	
O Reduction in direct grants to local authorities.		-1,250,000
R Reduction in direct grants to local authorities.		-278,000
T Reduction in direct grants to local authorities.		-2,729,000

Transfers to/from non-voted spending

A Finalisation of spending plans of NDPBs.		-26,000
E Finalisation of spending plans of NDPBs.	1,000,000	

Changes in non-budget spending

U Latest forecast of grants to NDPBs taking account of slippage on change programme and finalisation of individual NDPBs-budgets within overall programme. Also additional grant-in-aid to allow for a transfer of pensions scheme for the National Biological Standards Board.		-58,250,000
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Changes in operating appropriations-in-aid (fully offset by changes in spending)

A Updated forecasts of expenditure and income in year.	2,024,000	-2,024,000
C Updated forecasts of expenditure and income in year.	1,095,000	-1,095,000
D Updated forecasts of expenditure and income in year.	22,500,000	-22,500,000
	<u>Total</u>	<u>241,981,000</u>
Total change in resources for RfR2		-118,352,000
		123,629,000

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

<u>Section</u>	<u>Reason for change</u>	<u>Increases</u>	<u>Reductions</u>
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Other changesChanges in non-budget spending

A Transfer from RFR1 to meet latest forecast of grant to the Regulator.	1,350,000	
	<u>Total</u>	<u>1,350,000</u>
Total change in resources for RfR3		-
		1,350,000

Total change in resources for Estimate **2,277,761,000**

Changes in Capital**RfR 1: Securing health care for those who need it.**

<u>Section</u>	<u>Reason for change</u>	<u>Increases</u>	<u>Reductions</u>
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Changes related to movements in budgetsTransfers to/from Central Funds

A Take up of Invest to Save round 8 and 9 budget awards.	214,000	
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Changes in Annually Managed Expenditure(AME)

F To reflect latest forecast of loans issued under the Credit Guarantee Finance scheme.		-8,826,000
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Other changesTransfers to/from non-voted spending

A Transfer from Trusts capital allocation to reflect latest budgeting plans of NHS bodies.	63,044,000	
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Transfers from capital grants to capital

A To reflect PCT's and SHA's latest forecasts of attribution of capital budgets between direct capital spending and capital grants.	42,028,000	
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E To reflect PCT's and SHA's latest forecasts of attribution of capital budgets between direct capital spending and capital grants.	53,601,000	
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Changes in non-budget spending

G Reduction in PDC allocations and loans to reflect the latest plans for financing of trusts.		-108,229,000
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G To reflect latest spending plans of NDPBs.	2,757,000	
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Changes in non-operating appropriations-in-aid (fully offset by changes in spending)

A Increase in both gross spending and AinA to reflect the latest forecast of PCTs and SHAs land sales.	167,000,000	-167,000,000
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G Increase in the issue and repayment of PDC and loans to reflect latest plans for financing of trusts.	368,537,000	-368,537,000
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RfR 2: Securing social care and child protection for those who need it and, at national level, protecting, promoting and improving the nation's healthTransfers from capital grants to capital

Section C - Other services.

C Grants finalisation of central budget plans.		-300,000
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E Transfer from RfR1 line A to enable new capital grants for older peoples services and care homes.		-115,740,000
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<u>Total</u>	697,181,000	-768,632,000
Total change in capital for Estimate		-71,451,000

2. As a result of the above and non-cash adjustments, there is an increase in the net cash requirement of £325,188,000.

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

Department of Health

Part I

£

RfR 1: Securing health care for those who need it.	2,152,782,000
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	123,629,000
RfR 3: Office of the Independent Regulator for NHS Foundation Trusts	1,350,000
Total additional net resource requirement	2,277,761,000
Additional net cash requirement	325,188,000

SUPPLEMENTARY amounts required in the year ending 31 March 2008 for expenditure by the Department of Health on:

RfR 1: Securing health care for those who need it.

Revenue and capital expenditure for strategic health authorities and primary care trusts under their unified budgets, family health services (including general medical, general ophthalmic and pharmaceutical services); Public Dividend Capital (PDC) to NHS trusts and NHS foundation trusts, loans to NHS trusts and 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, provision of 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

Revenue and capital administration, including certain expenditure on behalf of the Department of 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 for health and personal social 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 the European Economic Area and other countries;

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; services provided to or on behalf of the Scottish Executive, National Assembly for Wales, Northern Ireland and the 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 of the Office of the Independent Regulator for NHS Foundation Trusts

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

Part II: Changes proposed

						£'000
Resources		Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 1: Securing health care for those who need it.						
Spending in Departmental Expenditure Limits (DEL)						
<i>Central Government spending</i>						
RfR 1 - A	Strategic health authorities and primary care trusts unified budgets and central allocations	84,621,799	2,327,293	-	2,327,293	86,949,092
RfR 1 - B	FHS- pharmaceutical services	1,059,345	15,850	-	15,850	1,075,195
RfR 1 - C	FHS- prescription charges income	-451,845	-	-30,845	30,845	-421,000
RfR 1 - D	FHS - general ophthalmic services	379,000	31,000	-	31,000	410,000
<i>Support for local authorities</i>						
RfR 1 - E	Strategic health authorities and primary care trusts grants to local authorities	348,788	-80,454	-	-80,454	268,334
Spending in Annually Managed Expenditure (AME)						
<i>Central Government spending</i>						
RfR 1 - F	Hospital financing for credit guarantee finance pilot projects, benefits for patients moving from prison to hospital and certain health authority and primary care trust impairments	93,111	-20,192	1,054	-21,246	71,865
Non-Budget						
RfR 1 - G	Grant in aid to non-departmental public bodies, NHS trusts and foundation trusts PDC issues and repayments, NHS trusts and foundation trusts loans and repayments and repayment of interest	-936,538	486	33,636	-33,150	-969,688
RfR 1 - H	NHS contributions	-17,098,862	-	117,356	-117,356	-17,216,218
Total RfR 1		2,273,983		121,201	2,152,782	

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

Spending in Departmental Expenditure Limits (DEL)						
<i>Central Government spending</i>						
RfR 2 - A	Central department	236,396	7,131	2,024	5,107	241,503
RfR 2 - B	NHS Purchasing and Supply Authority	28,987	-4,215	-	-4,215	24,772
RfR 2 - C	Other services including medical, scientific and technical services, grants to voluntary bodies, research and development and information services	305,880	20,680	1,095	19,585	325,465
RfR 2 - D	Welfare food and European Economic Area and other countries medical costs	749,992	92,300	22,500	69,800	819,792
RfR 2 - E	Other personal social services	179,581	96,600	-	96,600	276,181

Department of Health

Spring Supplementary Estimate, 2007-08

RfR 2 - F	Medicines and Healthcare Products Regulatory Agency loans, repayment of loans and interest on loans	-1	-	741	-741	-742
<i>Support for local authorities</i>						
RfR 2 - O	Children and adolescents mental health grant	90,539	-1250	-	-1,250	89,289
RfR 2 -R	Prevention services pilots- older people	40,000	-278	-	-278	39,722
RfR 2 - T	Individual Budget Pilots	6,000	-2729	-	-2,729	3,271
Non-Budget						
RfR 2 - U	Grant in aid funding of non-departmental public bodies and special health authorities	352,960	-58250	-	-58,250	294,710
Total RfR 2				149,989	26,360	123,629

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

Non-Budget

RfR 3 - A	Grant in aid funding to the Office of the Independent Regulator for NHS foundation trusts	12,657	1,350	-	1,350	14,007
Total RfR 3				1,350	-	1,350
Total Changes to RfRs				2,425,322	147,561	2,277,761

	Present Provision	Change in Provision	£000 New Provision
Capital and Cash			
Total Capital Expenditure	3,465,451	464,086	3,929,537
Non-Operating A in A	1,273,001	535,537	1,808,538
Net cash requirement	70,754,822	325,188	71,080,010

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	
RfR 1: Securing health care for those who need it.								
-	90,442,849	705,820	91,148,669	20,981,089	70,167,580	3,905,054	1,808,537	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Strategic health authorities and primary care trusts unified budgets and central allocations								
-	88,858,134	242,858	89,100,992	2,151,900	86,949,092	1,750,212	340,000	
B FHS- pharmaceutical services								
-	1,075,195	-	1,075,195	-	1,075,195	-	-	
C FHS- prescription charges income								
-	2,500	-	2,500	423,500	-421,000	-	-	
D FHS - general ophthalmic services								
-	410,050	-	410,050	50	410,000	-	-	
<i>Support for local authorities</i>								
E Strategic health authorities and primary care trusts grants to local authorities								
-	-	268,334	268,334	-	268,334	-	-	
<i>FHS- general dental services</i>								
-	-	-	-	-	-	-	-	
Spending in Annually Managed Expenditure (AME)								
<i>Central Government spending</i>								
F Hospital financing for credit guarantee finance pilot projects, benefits for patients moving from prison to hospital and certain health authority and primary care trust impairments								
-	96,970	-	96,970	25,105	71,865	43,183	-	
Non-Budget								
Grant in aid to non-departmental public bodies, NHS trusts and foundation trusts PDC issues and repayments, NHS trusts and foundation trusts loans and repayments and repayment of interest								
-	-	194,628	194,628	1,164,316	-969,688	2,111,659	1,468,537	
H NHS contributions								
-	-	-	-	17,216,218	-17,216,218	-	-	
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								
236,942	1,178,673	2,303,382	3,718,997	59,052	3,659,945	24,483	1	
Spending in Departmental Expenditure Limits (DEL)								
<i>Central Government spending</i>								
A Central department								
236,942	10,500	-	247,442	5,939	241,503	22,361	1	
B NHS Purchasing and Supply Authority								
-	25,280	-	25,280	508	24,772	122	-	
C Other services including medical, scientific and technical services, grants to voluntary bodies, research and development and information services								
-	251,234	76,594	327,828	2,363	325,465	2,000	-	

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	
D	Welfare food and European Economic Area and other countries medical costs							
-	869,292	-	869,292	49,500	819,792	-	-	
E	Other personal social services							
-	22,367	253,814	276,181	-	276,181	-	-	
F	Medicines and Healthcare Products Regulatory Agency loans, repayment of loans and interest on loans							
-	-	-	-	742	-742	-	-	
Support for local authorities								
G	AIDS Support Grant							
-	-	19,600	19,600	-	19,600	-	-	
H	Services for people with a mental illness including services under the mental capacity act							
-	-	147,525	147,525	-	147,525	-	-	
I	Carers' grant							
-	-	185,000	185,000	-	185,000	-	-	
J	Preserved rights grants							
-	-	275,248	275,248	-	275,248	-	-	
K	Improving Information Management (Capital)							
-	-	25,000	25,000	-	25,000	-	-	
L	National Training Strategy							
-	-	107,859	107,859	-	107,859	-	-	
M	Access and systems capacity grant							
-	-	546,000	546,000	-	546,000	-	-	
N	Human resources development strategy							
-	-	49,750	49,750	-	49,750	-	-	
O	Children and adolescents mental health grant							
-	-	89,289	89,289	-	89,289	-	-	
P	Delayed discharge grant							
-	-	100,000	100,000	-	100,000	-	-	
Q	Assertive technology: older people							
-	-	50,000	50,000	-	50,000	-	-	
R	Prevention services pilots- older people							
-	-	39,722	39,722	-	39,722	-	-	
S	Extra care housing grant							
-	-	40,000	40,000	-	40,000	-	-	
T	Individual Budget Pilots							
-	-	3,271	3,271	-	3,271	-	-	
	<i>Residential allowance grant</i>							
-	-	-	-	-	-	-	-	
Non-Budget								
U	Grant in aid funding of non-departmental public bodies and special health authorities							
-	-	294,710	294,710	-	294,710	-	-	

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	
RfR 3: Office of the Independent Regulator for NHS Foundation Trusts								
-	-	14,007	14,007	-	14,007	-	-	
Non-Budget								
A Grant in aid funding to the Office of the Independent Regulator for NHS foundation trusts								
-	-	14,007	14,007	-	14,007	-	-	
Total for Estimate:								
236,942	91,621,522	3,023,209	94,881,673	21,040,141	73,841,532	3,929,537	1,808,538	

Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+) Decrease (-)</u>	£'000 <u>Revised</u>
Net Resource Requirement	71,563,771	2,277,761	73,841,532
Voted capital items			
Capital	3,465,451	464,086	3,929,537
<i>Less:</i> Non-operating A in A	<u>1,273,001</u>	<u>535,537</u>	<u>1,808,538</u>
Total net voted capital	2,192,450	-71,451	2,120,999
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-891,344	16,644	-874,700
Depreciation	-999,925	134,637	-865,288
New provisions and adjustments to previous provisions	-2,210,290	-986,791	-3,197,081
Profit/loss on sale of assets	-	-11,715	-11,715
Prior period adjustments	-	-	-
Other non-cash items	-625	103	-522
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-	-	-
Increase(-)/decrease (+) in creditors	-	-1,034,000	-1,034,000
Use of provisions	<u>1,100,785</u>	<u>-</u>	<u>1,100,785</u>
Total accruals to cash adjustments	-3,001,399	-1,881,122	-4,882,521
Excess cash to be CFERd	-	-	-
Net Cash Requirement	70,754,822	325,188	71,080,010

Part III: Extra receipts payable to the Consolidated Fund

As in existing provision

Forecast Operating Cost Statement

	£'000
	2007-08 provision
Net Administration Costs	
RfR1	-
RfR2	231,003
RfR3	-
Total Net Administration Costs	231,003
Net Programme Costs	
RfR1	70,167,580
RfR2	3,428,942
RfR3	14,007
Total Net Programme costs	73,610,529
Total Net Operating Cost	73,841,532
<i>of which:</i>	
Net Resource Requirement	73,841,532
Non-voted expenditure	-
Consolidated Fund Extra Receipts	-
Resource Budget	90,065,461

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2007-08 Provision
Net Resource Requirement (Estimates)	73,841,532
<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	-
Other adjustments	-
Net Operating Costs (Accounts)	73,841,532
<i>Adjustments to remove:</i>	
Gains/losses from sale of capital assets	-11,715
Capital grants	-368,571
European Union income related to capital grants	-
voted expenditure outside the budget	18,380,534
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
resource consumption of non departmental public bodies	-10,115
unallocated resource provision	3,012
Other adjustments	-1,769,216
Resource Budget (Budget)	90,065,461
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	89,535,588
Annually Managed Expenditure (AME)	529,873

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2007-08 Provision
Net Voted Capital (Estimates)	2,120,999
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
capital spending by non departmental public bodies	96,278
capital grants	368,571
European Union income related to capital grants	-
supported capital expenditure (revenue)	50,327
capital spending by levy funded bodies	-
unallocated capital provision	-
Other adjustments	1,727,180
Capital Budget (Budget)	4,363,355
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	4,320,172
Annually Managed Expenditure (AME)	43,183

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.

Request for Resources 1	Mr David Nicholson , NHS Chief Executive
Request for Resources 2	Mr Hugh Taylor , Permanent Head
Request for Resources 3	Mr Hugh Taylor , Permanent Head

Mr Hugh Taylor as the Principal Accounting Officer 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 chapter 3 of Managing Public Money. 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 organisation's policies, aims, and objectives and should regularly review the effectiveness of that system.

In accordance with the Managing Public Money requirement the relationship between the Principal Accounting Officer and the Additional Accounting Officer(s) and with their Ministers, together with their respective responsibilities is set out in writing.

Notes to the Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

£'000

2007-08

RfR 1: Securing health care for those who need it.

Programme	20,981,089
<i>of which</i>	
Sale of goods and services	2,570,950
Regulatory licences, fines, penalties and taxes	17,220,718
Interest and dividends	1,189,421
Total RfR1	20,981,089 †

† 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 from the licensing of software and NHS logo; income in respect of the settlement of legal claims; dividends and interest from loans and investments; income from intellectual property; income of the NHS Business Services Authority; prescription fraud charges; income from NHS prescription, dental and ophthalmic fraud charges; recoveries from patients in respect of incorrect claims for eligibility for general ophthalmic services; rebates or 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; and payments of interest and dividends on loans and PDC by NHS trusts and NHS foundation trusts.

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	5939
<i>of which</i>	
Sale of goods and services	5939
	-
	-
Programme	53,113
<i>of which</i>	
Sale of goods and services	52,371
Interest and dividends	742
Total RfR2	59,052 †

† Amount that may be applied as operating 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 car scheme; European Fast Stream programme; recoveries from other government departments and non-departmental public bodies; income from the NHS, local authorities, 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 commercial tenants in DH buildings; NHS Purchasing and Supply income for energy rebates, 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; 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 the European Economic Area and other countries for NHS treatment of their residents; sale of subsidised dried milk; income from the European Economic Area and other countries medical costs; contributions from the mobile phone industry; charitable contributions for developing pilot projects with voluntary organisations; contributions to local authority grant schemes; refunds from communications campaigns contracts and contributions towards the cost of communications campaigns; income from penalty charges; interest and dividend income 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.

Total Operating A in A	21,040,141
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Analysis of non - operating appropriations in aid (A in A)

RfR 1: Securing health care for those who need it.

Programme	1,808,537
<i>of which:</i>	
Sale of assets	340,000
Loan, etc repayments	1,468,537

Total RfR1	1,808,537 †
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† Amount 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.

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

Programme	1
<i>of which:</i>	
Sale of assets	1

Total RfR2	1 †
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† Amount 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.

Total Non-Operating A in A	1,808,538
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Departmental Expenditure Limits and Administration Budgets

	Change		New DEL		£'000
	Voted	Non-voted	Voted	Non-voted	Total
Resource DEL	2,474,227	-2,467,293	91,266,570	-1,730,982	89,535,588
<i>of which:</i>					
Administration budget †	6,370	-	231,003	-	231,003
Near-cash in RDEL	1,617,979	-1,430,783	86,424,838	-584,733	85,840,105
Capital DEL ††	66,075	-65,801	1,803,265	2,516,907	4,320,172
Less Depreciation †††	114,672	76,313	-785,253	-109,569	-894,822
Total DEL	2,654,974	-2,456,781	92,284,582	676,356	92,960,938

† The total of 'Administration budget' and 'Near-cash in Resource DEL' figures may well be greater than total resource DEL, due to the definitions overlapping.

†† Capital DEL includes items treated as resource in Estimates and accounts but which are treated as Capital DEL in budgets.

††† 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	22,848,679

Notes to the Estimate (*continued*)

Grants in Aid

RfR/Section	Body	£ '000
RfR1/G	NHS Blood and Transplant♥	72,820
RfR1/G	Commission for Healthcare Audit and Inspection♥	70,488
RfR1/G	Council for Healthcare Regulatory Excellence♥	574
RfR1/G	Post Graduate Medical Education Training Board♥	2,205
RfR1/G	Commission for Patient and Public Involvement in Health♥	28,894
RfR1/G	NHS Professionals ♥	15,852
RfR1/G	NHS Appointments Commission ♥	3,795
RfR2/U	Health Protection Agency ♥	163,785
RfR2/U	Human Fertilisation and Embryology Authority and Human Tissue Authority ♥	4,193
RfR2/U	General Social Care Council ♥	11,198
RfR2/U	Commission for Social Care Inspection ♥	89,362
RfR2/U	National Biological Standards Board ♥	26,172
RfR3/A	Office of the Independent Regulator for NHS foundation trusts♥	14,007

