

Department of Health

Introduction

This Supplementary Estimate is required for the following purposes:

Changes in budgets, non-budget voted provision and cash	Increases	Reductions	Total
(Section A) - reduction for Budget Exchange		-250,000,000	
(Section D) - transfer with the Ministry of Justice and Youth Justice Board for prison healthcare.	14,738,000	-125,000	
(Section D) - transfer with the Department for Work and Pensions for cost associated with administering European Economic Area medical costs.	615,000		
(Section A) - movement between voted DEL and non-voted DEL to reflect the latest forecast of National Insurance Contributions from HM Revenue and Customs	765,885,000		
Total change in Resource DEL (Voted)	781,238,000	-250,125,000	531,113,000
(Section I) - movement between voted DEL and non-voted DEL to reflect the latest forecast of National Insurance Contributions from HM Revenue and Customs		-765,885,000	
Total change in Resource DEL (Non-Voted)		-765,885,000	-765,885,000
(Section J) - an increase in the level of provisions for redundancy costs. This is based on an element of the redundancy and non redundancy costs set out in the revised impact assessment for Health and Social Care Bill	616,626,000		
(Section L) - an increase in the forecast for provisions, mainly clinical negligence	261,483,000		
(Section M) - an increase in the forecast for provisions, mainly for communicable diseases	100,000,000		
Total change in Resource AME (Voted)	978,109,000		978,109,000
(Section B) a transfer to the Department for Energy and Climate Change a contribution to the Warm Front initiative.		-10,000,000	
(Section B) - reduction for Budget Exchange		-66,435,000	
Total change in Capital DEL (Voted)		-76,435,000	-76,435,000

In addition to the changes to the DEL and AME controls listed above, there have been movements of existing funding between estimate sections. These are explained in the Estimates Memorandum to be published on the DH website.

Introduction

Revisions to the net cash requirement reflect the changes in resources and capital as set out above, an increase in grant in aid and a change in the level of debtors and creditors.

Total change in Net cash requirement

816,914,000

Part I

	Voted	Non-Voted	Total
Departmental Expenditure Limit			
Resource	531,113,000	-765,885,000	-234,772,000
Capital	-76,435,000	-	-76,435,000
Annually Managed Expenditure			
Resource	978,109,000	-	978,109,000
Capital	-	-	-
Total Net Budget			
Resource	1,509,222,000	-765,885,000	743,337,000
Capital	-76,435,000	-	-76,435,000
Non-Budget Expenditure	-		
Net cash requirement	816,914,000		

Supplementary amounts required in the year ending 31 March 2012 for expenditure by Department of Health on:

Departmental Expenditure Limit:Expenditure arising from:

Revenue and capital expenditure for National Health Services (NHS) bodies including strategic health authorities and primary care trusts under their unified budgets, services provided by NHS Trusts and NHS Foundation Trusts. Expenditure by bodies on research and development. Subsidies and grants to public corporations.

Other centrally managed health and social service expenditure to and on behalf of the NHS, local authorities and other national bodies.

Forming, investing in or providing loans or guarantees to companies that will provide facilities or services to the NHS.

Payment to local authorities for use in local area agreements.

Services provided to or on behalf of devolved governments and other government departments. Non departmental public bodies expenditure on health and social care protection, training and regulation functions.

Revenue and capital expenditure on administration of the Department, non departmental public bodies, primary care trusts, special health authorities, strategic health authorities, agencies and certain expenditure on behalf of the Department for Work and Pensions and the NHS.

Centrally managed expenditure on local government services, prison health services, medical, scientific and technical services, services for disabled persons, education and training, grants to voluntary organisations and other bodies, information services, healthy start programme, health promotion activities (including funding through the Department for Culture, Media and Sport).

Grants to local authorities.

Part I

Medical treatment given to people from the United Kingdom in the European Economic Area and other countries.

Home Office inspection of laboratories. Payments and subscriptions to international organisations.

Associated depreciation and any other non cash costs falling in DEL items.

Income arising from:

Charges for accommodation, sales of goods and services, income generation schemes; local authorities under joint financing arrangements; fines and penalty notices; medical and dental education levy. Licensing of software, use of NHS logo, settlement of legal claims, dividends and interest from loans and investments, intellectual property, research and development, prescription fraud charges, NHS prescriptions, dental and ophthalmic fraud 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 purchasing and supply agency arrangements.

Sales of medicines, vaccines, antivenoms, antitoxins and equipment, premiums applied to the sale of stock.

Social exclusion programmes and agenda for change programme.

Income from the Scottish Government, the Welsh Assembly Government, Northern Ireland, Channel Islands and Isle of Man for services provided for devolved or reserved work.

Provision of policy and advice to other countries and care trusts. Maintenance of the National Joint Registry, conference and meeting events, prison health services, contributions to substance misuse funding, use of radio communication bandwidth.

Income secured by counter fraud services from all sources.

Compensation income including the National Programme for IT.

Administration income from seconded officers, cost of legal proceedings, staff telephone calls, European fast stream Programme. Recoveries from other government departments (including capital grants), special health authorities and NHS bodies. Selling services into wider markets and open government, payment by commercial tenants in DH buildings.

Licence fees and royalties, sales of publications, contributions by members of the public, insurance claims.

Other European Economic Area countries for NHS treatment of their residents. Sales of subsidised dried milk. Income from the European Union.

Contributions from the mobile phone industry, charitable contributions, refunds from voluntary organisations.

Contributions to local authority grant schemes. Contributions and refunds towards communication campaigns contracts. Penalty charges, interest and dividends on trading fund loans.

Sales of land, buildings, surplus vehicles and equipment .

Income collected on behalf of health innovation and education clusters.

Part I

Annually Managed Expenditure:

Expenditure arising from:

Revenue and capital expenditure for hospital financing under credit guarantee finance. Non cash expenditure by NHS bodies including strategic health authorities and primary care trusts under their unified budgets, services provided by NHS Trusts and NHS Foundation Trusts, central department administration, non departmental public bodies and centrally managed budgets.

Provisions and other non-cash costs falling in AME.

Income arising from:

Repayment of loans, interest and dividends.

Department of Health will account for this Estimate.

Part II: Changes Proposed

						£'000			
Present		Net Resources Changes		Revised		Present	Net Capital Changes	Revised	
Admin	Prog	Admin	Prog	Admin	Prog	7	8	9	
1	2	3	4	5	6				
Spending in Departmental Expenditure Limits (DEL)									
Voted expenditure									
	4,869,478	80,188,256	-437,000	968,113	4,432,478	81,156,369	4,429,000	-76,435	4,352,565
<i>Of which:</i>									
A	PCT & SHA expenditure								
	3,660,000	12,247,420	-624,651	3,965,512	3,035,349	16,212,932	630,568	-186,568	444,000
B	DH Programme expenditure (NHS)								
	-	3,002,443	-	-1,116,721	-	1,885,722	825,002	-175,372	649,630
C	Special Health Authorities expenditure								
	343,594	990,324	-24,448	320,533	319,146	1,310,857	19,473	10,905	30,378
D	DH Programme and Administration expenditure								
	648,593	1,685,648	183,908	-356,293	832,501	1,329,355	29,888	46,920	76,808
E	Social Care expenditure								
	-	1,326,000	-	-	-	1,326,000	123,785	5	123,790
F	NHS Trusts net expenditure								
	-	29,535,065	-	-1,293,814	-	28,241,251	1,268,683	78,734	1,347,417
G	NHS Foundations Trusts net expenditure								
	-	31,341,356	-	-526,564	-	30,814,792	1,479,965	161,617	1,641,582
H	Non Departmental Public Bodies net expenditure								
	217,291	60,000	28,191	-24,540	245,482	35,460	51,636	-12,676	38,960
Non-voted expenditure									
	-	17,595,022	-	-765,885	-	16,829,137	-	-	-
<i>Of which:</i>									
I	PCT and SHA expenditure financed by N I Contributions								
	-	17,595,022	-	-765,885	-	16,829,137	-	-	-
Total Spending in DEL			-437,000	202,228			-76,435		
Spending in Annually Managed Expenditure (AME)									
Voted expenditure									
	-	2,964,845	-	978,109	-	3,942,954	-	-	-
<i>Of which:</i>									
J	PCT & SHA expenditure								
	-	526,000	-	439,632	-	965,632	-	-	-
K	DH Programme expenditure (NHS)								
	-	5,840	-	-5,340	-	500	-	-	-
L	Special Health Authorities expenditure								
	-	1,786,743	-	297,642	-	2,084,385	-	-	-
M	DH Programme and Administration expenditure								
	-	46,383	-	119,131	-	165,514	-	-	-
N	NHS Trusts net expenditure								
	-	300,000	-	128,554	-	428,554	-	-	-
O	NHS Foundations Trusts net expenditure								
	-	300,000	-	1,732	-	301,732	-	-	-
P	Non Departmental Public Bodies net expenditure								
	-	-121	-	-3,242	-	-3,363	-	-	-
Total Spending in AME			-	978,109			-		

Part II: Changes Proposed

Total for Estimate	-437,000	1,180,337	-76,435
<i>Of which:</i>			
Voted expenditure	-437,000	1,946,222	-76,435
Non-voted expenditure	-	-765,885	-

£'000

	Present Plans	Changes	Revised Plans
Net cash requirement	86,869,688	816,914	87,686,602

Part II: Revised subhead detail including additional provision**£'000**

Revised Plans								
Resources						Capital		
Gross	Administration	Net	Gross	Programme	Net	Gross	Income	Net
1	Income	3	4	Income	6	7	8	9
Spending in Departmental Expenditure Limits (DEL)								
Voted expenditure								
4,598,031	-165,553	4,432,478	82,966,136	-1,809,767	81,156,369	4,497,962	-145,397	4,352,565
<i>Of which:</i>								
A	PCT & SHA expenditure							
3,163,283	-127,934	3,035,349	17,792,379	-1,579,447	16,212,932	512,672	-68,672	444,000
B	DH Programme expenditure (NHS)							
-	-	-	2,012,252	-126,530	1,885,722	726,355	-76,725	649,630
C	Special Health Authorities expenditure							
345,549	-26,403	319,146	1,358,850	-47,993	1,310,857	30,378	-	30,378
D	DH Programme and Administration expenditure							
843,717	-11,216	832,501	1,385,152	-55,797	1,329,355	76,808	-	76,808
E	Social Care expenditure							
-	-	-	1,326,000	-	1,326,000	123,790	-	123,790
F	NHS Trusts net expenditure							
-	-	-	28,241,251	-	28,241,251	1,347,417	-	1,347,417
G	NHS Foundations Trusts net expenditure							
-	-	-	30,814,792	-	30,814,792	1,641,582	-	1,641,582
H	Non Departmental Public Bodies net expenditure							
245,482	-	245,482	35,460	-	35,460	38,960	-	38,960
Non-voted expenditure								
-	-	-	16,829,137	-	16,829,137	-	-	-
<i>Of which:</i>								
I	PCT and SHA expenditure financed by N I Contributions							
-	-	-	16,829,137	-	16,829,137	-	-	-
Total Spending in DEL								
4,598,031	-165,553	4,432,478	99,795,273	-1,809,767	97,985,506	4,497,962	-145,397	4,352,565
Spending in Annually Managed Expenditure (AME)								
Voted expenditure								
-	-	-	3,966,180	-23,226	3,942,954	-	-	-
<i>Of which:</i>								
J	PCT & SHA expenditure							
-	-	-	965,632	-	965,632	-	-	-
K	DH Programme expenditure (NHS)							
-	-	-	500	-	500	-	-	-
L	Special Health Authorities expenditure							
-	-	-	2,084,385	-	2,084,385	-	-	-
M	DH Programme and Administration expenditure							
-	-	-	188,740	-23,226	165,514	-	-	-
N	NHS Trusts net expenditure							
-	-	-	428,554	-	428,554	-	-	-
O	NHS Foundations Trusts net expenditure							
-	-	-	301,732	-	301,732	-	-	-

Part II: Revised subhead detail including additional provision

£'000

		Revised Plans								
		Resources						Capital		
		Administration	Resources		Programme			Gross	Income	Net
Gross	Income	Net	Gross	Income	Net	Gross	Income	Net		
1	2	3	4	5	6	7	8	9		
P	Non Departmental Public Bodies net expenditure									
	-	-	-	-3,363	-	-3,363	-	-	-	-
Total Spending in AME										
	-	-	-	3,966,180	-23,226	3,942,954	-	-	-	-
Total for Estimate										
	4,598,031	-165,553	4,432,478	103,761,453	-1,832,993	101,928,460	4,497,962	-145,397	4,352,565	
<i>Of which:</i>										
Voted expenditure										
	4,598,031	-165,553	4,432,478	86,932,316	-1,832,993	85,099,323	4,497,962	-145,397	4,352,565	
Non-voted expenditure										
	-	-	-	16,829,137	-	16,829,137	-	-	-	-

Part II: Resource to cash reconciliation

£'000

	Present Plans	Changes	Revised Plans
Net Resource Requirement	105,617,601	743,337	106,360,938
Net Capital Requirement	4,429,000	-76,435	4,352,565
Accruals to cash adjustments	-5,581,891	-615,873	-6,197,764
<i>Of which:</i>			
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-1,391,115	46,710	-1,344,405
New provisions and adjustments to previous provisions	-3,506,270	-1,217,213	-4,723,483
Departmental Unallocated Provision	-	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-1,730	-318	-2,048
<i>Adjustment for NDPBs:</i>			
Remove voted resource and capital	-64,553,875	1,462,008	-63,091,867
Add cash grant-in-aid	62,129,795	-1,435,132	60,694,663
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	3,000	-2,185	815
Increase (-) / Decrease (+) in creditors	300,000	184,335	484,335
Use of provisions	1,438,304	345,922	1,784,226
Removal of non-voted budget items	-17,595,022	765,885	-16,829,137
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-17,595,022	765,885	-16,829,137
Net Cash Requirement	86,869,688	816,914	87,686,602

Part III: Note A - Forecast Operating Cost Statement & Reconciliation Table

	£'000
	Revised Plans
Gross Administration Costs	4,478,411
<i>Less:</i>	
Administration DEL Income	-165,553
Net Administration Costs	4,312,858
Gross Programme Costs	104,210,756
<i>Less:</i>	
Programme DEL Income	-1,809,767
Programme AME Income	-23,226
Non-budget income	-
Net Programme Costs	102,377,763
Total Net Operating Costs	106,690,621
<i>Of which:</i>	
Resource DEL	100,303,012
Capital DEL	329,683
Resource AME	6,057,926
Capital AME	-
Non-budget	-
<i>Adjustments to include:</i>	
Departmental Unallocated Provision (resource)	-
Consolidated Fund Extra Receipts in the budget but not in the OCS	-
<i>Adjustments to remove:</i>	
Capital in the OCS	-329,683
Non-Budget Consolidated Fund Extra Receipts in the OCS	-
Other adjustments	-
Total Resource Budget	106,360,938
<i>Of which:</i>	
Resource DEL	102,417,984
Resource AME	3,942,954
<i>Adjustments to remove:</i>	
Consolidated Fund Extra Receipts in the resource budget	-
Other adjustments	-
Total Resource (Estimate)	106,360,938

Part III: Note B - Analysis of Departmental Income

£'000

	Revised Plans
Voted Resource DEL	-1,975,320
<i>Of which:</i>	
Administration	
Sale of goods and services	-165,553
<i>Of which:</i>	
Section A: PCT & SHA expenditure	-127,934
Section C: Special Health Authorities expenditure	-26,403
Section D: DH Programme and Administration expenditure	-11,216
Total Administration	-165,553
Programme	
Sale of goods and services	-1,800,004
<i>Of which:</i>	
Section A: PCT & SHA expenditure	-1,579,447
Section B: DH Programme expenditure (NHS)	-119,038
Section C: Special Health Authorities expenditure	-47,993
Section D: DH Programme and Administration expenditure	-53,526
Interest and dividends	-9,763
<i>Of which:</i>	
Section B: DH Programme expenditure (NHS)	-7,492
Section D: DH Programme and Administration expenditure	-2,271
Total Programme	-1,809,767
Voted Resource AME	-23,226
<i>Of which:</i>	
Programme	
Interest and dividends	-23,226
<i>Of which:</i>	
Section M: DH Programme and Administration expenditure	-23,226
Total Voted Resource Income	-1,998,546
Voted Capital DEL	-145,397
<i>Of which:</i>	
Programme	
Sale of assets	-144,849
<i>Of which:</i>	
Section A: PCT & SHA expenditure	-68,672
Section B: DH Programme expenditure (NHS)	-76,177
loan , etc, repayments	-548
<i>Of which:</i>	
Section B: DH Programme expenditure (NHS)	-548
Total Voted Capital Income	-145,397

Part III: Note C - Analysis of Consolidated Fund Extra Receipts

No CFER income or receipts are expected in 2011-12.

Part III: Note D - Explanation of Accounting Officer responsibilities

The Accounting Officer prepares resource accounts for each financial year.

The following individuals are responsible for the expenditure within this Estimate:

Accounting Officer Miss Una O'Brien

Additional Accounting Officers David Nicholson for sections A, B, C, F, I, J, K, L and N

In accordance with Chapter 3 of *Managing Public Money* (issued by the Treasury), the following individuals are NDPB Accounting Officer appointments:

NDPB Accounting Officers

Harry Cayton	Council for Healthcare Regulatory Excellence.
Andrea Sutcliffe	NHS Appointments Commission.
Penny Thompson	General Social Care Council.
Cynthia Bower	Care Quality Commission.
Justin McCracken	Health Protection Agency.
Alan Doran	Human Fertilisation and Embryology Authority.
Craig Muir	Human Tissue Authority.
David Bennett	Office of the Independent Regulator for NHS foundation trusts.

Special Health Authority Accounting Officers

Paul Hayes	National Treatment Agency
Tim Straughan	NHS Information Centre
Nick Scholte	NHS Business Services Authority
Andrew Dillon	National Institute for Clinical Excellence
Steve Walker	NHS Litigation Authority
Bernard Crump	NHS Institute for Innovation and Improvement
Sarndrah Horsfall	National Patient Safety Agency
Janet Wisely	Health Research Authority
David Nicholson	NHS Commissioning Board Authority

NHS Foundation Trusts Accounting Officers

The NHS Act 2006 designates Chief Executives of NHS Foundation Trusts as Accounting Officers.

Primary Care Trusts and Strategic Health Authority Accountable Officers

David Nicholson appoints the Chief Executives in Primary Care Trusts, Strategic Health Authorities and NHS Trusts as Accountable Officers.

Miss Una O'Brien has personal responsibility for the proper presentation of the department's resource accounts and their transmission to the Comptroller & Auditor General, and is also responsible for the use of public money and stewardship of assets.

In discharging these responsibilities, particular regard is given to:

- observing any accounting and disclosure requirements (including any Accounts Direction) and applying suitable accounting policies on a consistent basis;
- making judgements and estimates on a reasonable basis;
- stating whether applicable accounting standards, as set out in the Financial Reporting Manual (FRoM), or an organisation's version of it, have been followed, and explain any material departures in the accounts; and
- preparing the accounts on a going concern basis.

Part III: Note D - Explanation of Accounting Officer responsibilities

The responsibilities of an Accounting Officer, including responsibility for regularity and propriety of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding assets, are also set out in Chapter 3 of *Managing Public Money*.

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

Part III: Note E - Non-Departmental Public Bodies

£'000

Section in Part II: Subhead Detail		Body	Resources	Capital	Grant-in-aid
H/P	Council for Healthcare Regulatory Excellence		2,362	185	2,501
H/P	NHS Appointments Commission		2,547	-	2,267
H/P	General Social Care Council		9,452	-	7,743
H/P	Care Quality Commission		54,130	11,100	54,710
H/P	Health Protection Agency		177,259	27,500	169,759
H/P	Human Fertilisation and Embryology Authority		1,571	60	1,496
H/P	Human Tissue Authority		1,492	115	1,029
H	Office of the Independent Regulator for NHS foundation trusts		28,766	-	28,766
Total			277,579	38,960	268,271

† The total amount recorded above differs from the amounts shown in Part II: Resource to cash reconciliation as this includes an adjustment for NHS Trusts and NHS Foundation Trusts, which follow similar budgeting rules as NDPBs, but earn their income from trading activities - mainly the provision of healthcare.

Part III: Notes G, K and L

There are no changes to Notes G - Expenditure resting on the sole authority of the Appropriation Act, K - Contingent Liabilities, L - International Subscriptions.

