
Department of Health

Introduction

1 About 95 per cent of central government expenditure on health and personal social services (HPSS) in England is in RfR1: the balance of voted expenditure, including the Department's costs of administering expenditure is borne on RfR2 and RfR3. Corresponding expenditure in Scotland is shown in Scotland's Supply Estimates 2007-08 and in Wales will be shown as part of the budget for the National Assembly for Wales and in Northern Ireland it is published in separate Estimates.

2. RfR1 covers current and capital expenditure of strategic health authorities and primary care trusts from their unified budgets, central departmental expenditure to and on behalf of the NHS including funding special health authorities and other national bodies, on services such as purchase of vaccines, and on service specific levies for education and training, and research and development. It also covers expenditure on non-discretionary family health services, financing for hospital building under the credit guarantee finance pilot projects, and grant in aid funding of non departmental public bodies and NHS foundation trusts. Provision is also made for issues of new public dividend capital (PDC) to and repayments of PDC and payment of dividends on PDC by NHS trusts and NHS foundation trusts, loans to and repayment of loan principal and payment of interest by NHS trusts and NHS foundation trusts and an appropriate element of NHS contributions paid by employers and employees.

3. RfR2 covers the gross administration costs of the central department and expenditure on the NHS Purchasing and Supply Authority and associated capital expenditure. It also covers non-discretionary European Economic Area and other countries medical costs and welfare food expenditure, expenditure on central health and miscellaneous services, personal social services related payments, grants to local authorities and grant funding for certain NDPBs.

4. RfR3 covers grant in aid funding to the Office of the Independent Regulator for NHS foundation trusts.

5. There are two main changes to the layout since 2006-07:

- (i) all general dental and personal dental services are now in RfR1 Line A.
- (ii) some impairments have been reclassified as Annually Managed Expenditure (AME) and are now recorded in RfR1, Section F.

6. More details about the expenditure supporting the department's objectives are set out in the departmental report (Cm 7093).

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

Department of Health

Part I

	£
Request for Resources 1: Securing health care for those who need it.	68,014,798,000
Request for Resources 2: Securing social care and child protection for those who need it and, at national level, protecting, promoting and improving the nation's health	3,536,316,000
Request for Resources 3: Office of the Independent Regulator for NHS Foundation Trusts	12,657,000
Total net resource requirement	71,563,771,000
Net cash requirement	70,754,822,000

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 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 for the Office of the Independent Regulator for NHS Foundation Trusts.

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

	Net total	Allocated in Vote on Account	Balance to complete
RfR 1	68,014,798,000	27,751,595,000	40,263,203,000
RfR 2	3,536,316,000	1,498,791,000	2,037,525,000
RfR 3	12,657,000	5,546,000	7,111,000
Total net resource requirement	71,563,771,000	29,255,932,000	42,307,839,000
Net cash requirement	70,754,822,000	29,288,371,000	41,466,451,000

Part II: Subhead detail

£'000

2007-08 Provision						2006-07 Provision	2005-06 Outturn		
Resources						Capital	Non- operating	Net Total	Net Total
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A	Resources	Resources
1	2	3	4	5	6	7	8	9	10
RfR 1: Securing health care for those who need it.									
-	87,795,537	1,079,149	88,874,686	20,859,888	68,014,798	3,442,708	1,273,000	61,604,241	58,968,531
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A	Strategic health authorities and primary care trusts unified budgets and central allocations								
-	86,237,480	536,219	86,773,699	2,151,900	84,621,799	1,539,348	173,000	77,250,097	70,797,030
B	FHS - pharmaceutical services								
-	1,059,345	-	1,059,345	-	1,059,345	-	-	998,271	1,162,165
C	FHS - prescription charges income								
-	2,500	-	2,500	454,345	-451,845	-	-	-399,918	-426,856
D	FHS - general ophthalmic services								
-	379,050	-	379,050	50	379,000	-	-	381,000	357,768
<i>Support for Local Authorities</i>									
E	Strategic health authorities and primary care trusts grants to local authorities								
-	-	348,788	348,788	-	348,788	-	-	311,788	304,766
	<i>FHS - general dental services</i>								
-	-	-	-	-	-	-	-	23,000	1,037,886
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
F	Hospital financing for credit guarantee finance pilot projects, benefits for patients moved from prison to hospital and certain health authority and primary care trust impairments.								
-	117,162	-	117,162	24,051	93,111	52,009	-	81,943	54,274
Non-Budget									
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								
-	-	194,142	194,142	1,130,680	-936,538	1,851,351	1,100,000	-836,685	-62,903
H	NHS contributions								
-	-	-	-	17,098,862	-17,098,862	-	-	-16,205,255	-14,255,599

Part II: Subhead detail

£'000

2007-08 Provision						2006-07 Provision	2005-06 Outturn		
Resources						Capital Capital	Non- operating A in A	Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total				
1	2	3	4	5	6	7	8	9	10
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									
228,548	1,113,013	2,227,447	3,569,008	32,692	3,536,316	22,743	1	3,437,157	3,345,376
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A	Central department								
228,548	11,763	-	240,311	3,915	236,396	22,361	1	251,955	259,697
B	NHS Purchasing and Supplies Authority								
-	29,495	-	29,495	508	28,987	382	-	26,829	26,585
C	Other services including medical, scientific and technical services, grants to voluntary bodies, research and development and information services								
-	266,018	41,130	307,148	1,268	305,880	-	-	298,505	219,173
D	Welfare food and European Economic Area and other countries medical costs								
-	776,992	-	776,992	27,000	749,992	-	-	769,702	620,765
E	Other personal social services								
-	28,745	150,836	179,581	-	179,581	-	-	157,887	65,301
F	Medicines and Healthcare Products Regulatory Agency loans, repayment of loans and interest on loans.								
-	-	-	-	1	-1	-	-	-	-
<i>Support for Local Authorities</i>									
G	AIDS support grant								
-	-	19,600	19,600	-	19,600	-	-	19,600	16,690
H	Services for people with a mental illness including services under the mental capacity act.								
-	-	147,525	147,525	-	147,525	-	-	132,900	133,486
I	Carers' grant								
-	-	185,000	185,000	-	185,000	-	-	185,000	184,797
J	Preserved rights grant								
-	-	275,248	275,248	-	275,248	-	-	297,565	339,877
K	Improving Information management (Capital)								
-	-	25,000	25,000	-	25,000	-	-	25,000	25,037
L	National training strategy								
-	-	107,859	107,859	-	107,859	-	-	107,859	91,686
M	Access and systems capacity grant								

Part II: Subhead detail

£'000

										2006-07	2005-06	
										Provision	Outturn	
										2007-08		
										Provision		
Resources										Capital	Net Total	Net Total
Admin	Other	Grants	Gross Total	A in A	Net Total	Capital	Non-	operating	A in A	Net Total	Net Total	
1	2	3	4	5	6	7	8	9	10	9	10	
-	-	546,000	546,000	-	546,000	-	-	-	-	546,000	642,784	
N	Human resources development strategy	-	49,750	49,750	-	49,750	-	-	-	49,750	62,859	
O	Children and adolescents mental health grant	-	90,539	90,539	-	90,539	-	-	-	90,539	90,557	
P	Delayed discharge grant	-	100,000	100,000	-	100,000	-	-	-	100,000	100,000	
Q	Assistive technology: older people	-	50,000	50,000	-	50,000	-	-	-	30,000	-	
R	Prevention services pilots : older people	-	40,000	40,000	-	40,000	-	-	-	19,885	-	
S	Extra Care housing grant	-	40,000	40,000	-	40,000	-	-	-	20,000	-	
T	Individual Budget Pilots	-	6,000	6,000	-	6,000	-	-	-	5,280	-	
	<i>Residential allowance grant</i>	-	-	-	-	-	-	-	-	-	216,997	
Non-Budget												
U	Grant in Aid funding of non-departmental public bodies and special health authorities	-	352,960	352,960	-	352,960	-	-	-	302,901	249,085	
RfR 3: Office of the Independent Regulator for NHS Foundation Trusts												
		-	12,657	12,657	-	12,657	-	-	-	12,574	17,543	
Non-Budget												
A	Grant in aid funding to the Office of the Independent Regulator for NHS foundation trusts	-	12,657	12,657	-	12,657	-	-	-	12,574	17,543	
Total for Estimate:												
		228,548	88,908,550	3,319,253	92,456,351	20,892,580	71,563,771	3,465,451	1,273,001	65,053,972	62,331,450	

Part II: Resource to cash reconciliation

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
Net Resource Requirement	71,563,771	65,053,972	62,331,450
Voted capital items			
Capital	3,465,451	5,673,798	3,263,155
Less Non-operating A-in-A	1,273,001	2,489,397	951,356
Total net voted capital	2,192,450	3,184,401	2,311,799
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-891,344	-934,555	-1,661,369
Depreciation	-999,925	-741,809	-423,159
New provisions and adjustments to previous provisions	-2,210,290	-2,043,010	-1,659,077
Profit/loss on sale of assets	-	-	-18,316
Prior period adjustments	-	-	-
Other non-cash items	-625	-600	-542
Increase (+) / Decrease (-) in stock	-	118,000	150,000
Increase (+) / Decrease (-) in debtors	-	-351,062	-192,666
Increase (-) / Decrease (+) in creditors	-	614,552	-436,198
Use of provisions	1,100,785	909,675	805,823
Total accruals to cash adjustments	-3,001,399	-2,428,809	-3,435,504
Excess cash to be CFERd	-	167,090	-
Net Cash Requirement	70,754,822	65,976,654	61,207,745

Part III: Extra receipts payable to the Consolidated Fund

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

	£'000					
	2007-08		2006-07		2005-06	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	-	-	876,854	<i>876,854</i>	-	-
Non-operating income not classified as A in A	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	<i>167,090</i>	-	-
Total	-	-	876,854	<i>1,043,944</i>	-	-

Forecast Operating Cost Statement

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
Net Administration Costs			
RfR 1	-	-	-
RfR 2	224,633	239,578	245,589
RfR 3	-	-	-
Total Net Administration costs	224,633	239,578	245,589
Net Programme Costs			
RfR 1	68,014,798	60,727,387	58,968,531
RfR 2	3,311,683	3,197,579	3,099,787
RfR 3	12,657	12,574	17,543
Total Net Programme costs	71,339,138	63,937,540	62,085,861
Total Net Operating Cost	71,563,771	64,177,118	62,331,450
<i>of which:</i>			
Net Resource Requirement	71,563,771	65,053,972	62,331,450
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-876,854	-
Resource Budget	90,521,445	82,577,240	76,690,501

Notes to the Main Estimate (*continued*)

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2007-08	2006-07	2005-06
	Provision	Provision	Outturn
Net Resource Requirement (Estimates)	71,563,771	65,053,972	62,331,450
<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	-	-876,854	-
Other adjustments	-	-	-
Net Operating Cost (Accounts)	71,563,771	64,177,118	62,331,450
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-	-18,316
Capital grants	-348,100	-296,740	-134,598
European Union income related to capital grants	-	-	-
Voted expenditure outside the budget	18,229,542	18,176,684	14,553,909
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	876,854	-
Resource consumption of non departmental public bodies	-74,880	-84,672	-276,460
Unallocated resource provision	1,137,012	590,750	-
Other adjustments	-885,580	-2,659,166	-163,868
Resource Budget (Budget)	89,621,765	80,780,828	76,292,117
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	89,528,654	80,698,885	76,237,843
Annually Managed Expenditure (AME)	93,111	81,943	54,274

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2007-08	2006-07	2005-06
	Provision	Provision	Outturn
Net Voted Capital (Estimates)	2,192,450	3,184,401	2,311,799
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Capital spending by non-departmental public bodies	112,195	140,421	78,438
Capital grants	348,100	296,740	134,598
European Union income related to capital grants	-	-	-
Supported capital expenditure (revenue)	50,327	50,320	53,420
Capital spending by levy funded bodies	-	-	-
Unallocated capital provision	-	502,409	-
Other adjustments	1,668,835	1,237,155	314,489
Capital Budget (Budget)	4,371,907	5,411,446	2,892,744
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	4,319,898	5,315,255	2,243,728
Annually Managed Expenditure (AME)	52,009	96,191	649,016

Notes to the Main 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 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 AO 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 organisation's policies, aims and objectives and should regularly review the effectiveness of that system.

Notes to the Main Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

£'000

	2007-08 Provision	2006-07 Provision	2005-06 Outturn
RfR 1: Securing health care for those who need it.			
Programme	20,859,888	19,781,564	17,586,150
<i>of which:</i>			
Sale of goods and services	2,606,295	2,459,018	2,253,006
Regulatory licences, fines, penalties and taxes	17,098,862	17,082,109	14,255,599
Interest and dividends	1,154,731	1,117,291	1,077,545
CFERs	-	-876,854	-
Total RfR 1	20,859,888†	19,781,564	17,586,150

† Amount that may be applied as operating 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 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 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; and payments of interest and dividends on 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	3,915	5,655	8,952
<i>of which:</i>			
Sale of goods and services	3,915	5,655	8,952
Programme	28,777	56,455	64,500
<i>of which:</i>			
Sale of goods and services	3,776	22,958	30,830
EU Income	25,000	32,557	30,571
Other grant income (including repayments of grants/subsidies)	-	940	3,099
Interest and dividends	1	-	-
Total RfR 2	32,692†	62,110	73,452

† 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 cars 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 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 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; 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 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 communication campaigns contracts and contributions towards the cost of communication 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	20,892,580	19,843,674	17,659,602
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Analysis of non-operating appropriations in aid (A in A)

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
RfR 1: Securing health care for those who need it.			
Programme	1,273,000	2,489,396	951,424
<i>of which:</i>			
Sale of assets	173,000	401,396	539,911
Loan, etc, repayments	1,100,000	2,088,000	411,513
Total RfR 1	1,273,000†	2,489,396	951,424
<i>† 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, and repayments of principal by NHS trusts and NHS foundation trusts.</i>			
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	-	-	-68
<i>of which:</i>			
Sale of assets	-	-	-68
Programme	1	1	-
<i>of which:</i>			
Sale of assets	1	1	-
Total RfR 2	1†	1	-68
<i>† 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.</i>			
Total Non-Operating A in A	1,273,001	2,489,397	951,356

Notes to the Main Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

	£'000					
	2007-08		2006-07		2005-06	
	Provision		Provision		Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Excess cash related to NHS contributions. ●	-	-	-	167,090	-	-
NHS Contributions. ●	-	-	876,854	876,854	-	-
Total	-	-	876,854	1,043,944	-	-

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	88,792,343	736,311	89,528,654
<i>of which: †</i>			
Administration budget	224,633	-	224,633
Near-cash in RDEL	84,806,859	846,050	85,652,909
Capital DEL ††	1,737,190	2,582,708	4,319,898
Less Depreciation †††	-899,925	-185,882	-1,085,807
Total DEL	89,629,608	3,133,137	92,762,745

† The total of the '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.

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

The total net resource sought for 2007-08 of £71,563,771,000 is 10.0 per cent higher than the final net provision for 2006-07 of £65,053,972,000 and 11.5 per cent higher than the forecast outturn for 2006-07 of £64,209,829,000.

Cash which may be retained to offset expenditure

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
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.	22,165,581	22,333,071	18,610,958

Notes to the Main Estimate (*continued*)**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:

RfR/Section	Service	£'000
RfR2 /C	Grants to voluntary organisations to expand opportunities for unemployed people to participate in voluntary work.	6,900

Notes to the Main Estimate (*continued*)

Expenditure in the form of adjustable advances

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

Notes to the Main Estimate (*continued*)

Grants in aid

RfR/Section	Body	£'000
RfR1 /G	NHS Blood and Transplant.♥	102,623
RfR1 /G	Commission for Healthcare Audit and Inspection. ♥	62,064
RfR1 /G	Council for Healthcare Regulatory Excellence. ♥	1,950
RfR1 /G	Post Graduate Medical Education Training Board.♥	2,505
RfR1 /G	Commission for Patient and Public Involvement in Health. ♥	15,500
RfR1 /G	NHS Professionals ♥	9,500
RfR2/U	Health Protection Agency.♥	186,740
RfR2/U	Human Fertilisation and Embryology Authority and Human Tissue Authority♥	3,840
RfR2/U	General Social Care Council.♥	12,116
RfR2/U	Commission for Social Care Inspection ♥	134,130
RfR2/U	National Biological Standards Board. ♥	16,134
RfR3/A	Office of the Independent Regulator for NHS foundation trusts.♥	12,657

Notes to the Main Estimate (*continued*)

Contingent liabilities

Nature of Liability	£'000
RfR1	
Statutory contingent liabilities exists to meet:	
i) an indemnity to water undertakers in respect of costs, damages, and expenses not otherwise covered by insurance arising from claims or proceedings on the grounds of alleged harm to health arising solely from fluoridation; and	Unquantifiable
Non-statutory contingent liabilities	
i) a letter which the Department sent to the Association of British Health Care Industries on 9 June 1992 may be construed as a letter of comfort in respect of contracts entered into by NHS trusts and hence result in a non-statutory liability. The letter was withdrawn on 17 August 1993, but a residual contingent liability may remain in respect of contracts entered into between the issue of the letter and its withdrawal.	Unquantifiable
ii) the Department has undertaken to meet the legal and other costs of medical and nursing staff engaged on clinical trials approved by the National Blood Authority (NBA) of new blood products manufactured by the Bio-Products Laboratory, a part of the NBA, and the costs of any claims for damages from patients arising from clinical trials of the new products;	Unquantifiable
iii) an indemnity to water undertakers in respect of costs, damages and expenses not otherwise covered by insurance arising from claims or proceedings on the grounds of alleged harm to health arising solely from supplying water which has been fluoridated by another water undertaker and which therefore is not covered by the statutory guarantee;	Unquantifiable
iv) an indemnity to higher education providers to cover a proportion of any redundancy costs, which may arise in respect of pre-registration nurse education which has now moved to the higher education sector, should a contract of education not be renewed.	£60 million
v) in the event of a nuclear emergency it would be necessary to distribute stable iodine tablets to the general public to prevent take up of radioactive iodine. The Department has undertaken to indemnify those other than qualified medical personnel distributing the tablets against any action resulting from adverse reactions; and	Unquantifiable
vi) the Department has given an undertaking to pay legal or other costs of any damage claims arising from infections contracted by foreign nationals through contaminated blood products. These claims, should they arise, would result from a contract between the Bio-Products Laboratory (part of the National Blood Authority) and the Canadian company Haemacure for the manufacture of a plasma-based fibrin sealant product. The product would be sold exclusively in the USA.	Unquantifiable
viii) indemnity into the side effects arising from the use of smallpox vaccine.	£90 million

RfR2

Statutory contingent liabilities:

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

Non-statutory contingent liabilities:

- | | |
|--|----------------|
| i) the Department has undertaken to meet the cost of compensation payments arising from claims for injury arising from the immunisation of voluntary donors with specialised immunoglobulin subsequently harvested and used in the treatment of new-born babies; | Unquantifiable |
| ii) an indemnity for members of the independent inquiry into the backlog of histopathology samples at the Royal National Orthopaedic Hospital NHS Trust. The Department has given an undertaking to grant an indemnity in relation to any legal action against the chairman and members of the inquiry team; | Unquantifiable |
| iii) indemnity against possible legal action against members of the team reviewing renal services at Portsmouth Hospital Trust; | Unquantifiable |
| iv) Indemnity for the members of the independent review into Wyre Forest Birthing Centre. The Department has given an undertaking to grant an indemnity in relation to any legal action against the Chairman and members of the review team ; | Unquantifiable |
| v) indemnity for the Royal College of Physicians (RCP) review of Breakspear Hospital. The Department has given an undertaking to grant an indemnity to any legal action against the members of the review team, and | Unquantifiable |
| vi) indemnity for the members of the review into levels of safety at New Cross hospital maternity unit. | Unquantifiable |

Notes to the Main Estimate (*continued*)**International Subscriptions**

RfR/Section	Body	£'000
RfR2 /C	The UK subscription to the World Health Organisation.	17,000
