
Department of Health

Introduction

1 About 96 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 2008-09 and in Wales will be shown as part of the budget for the National Assembly for Wales and in Northern Ireland 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 three main changes to the layout since 2007-08.

(i) The departments research and development budget is now shown in RfR1 Line E.

(ii) Some RfR2 grants to local authorities have been brought together as area based grants which will provide personal social services to local authorities via the Department for Communities and Local Government.

(iii) Some new capital grants to local authorities were agreed as part of the spending review and are shown in RfR2.

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

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.	72,426,666,000
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	3,092,591,000
Request for Resources 3: Office of the Independent Regulator for NHS Foundation Trusts	15,674,000
Total net resource requirement	75,534,931,000
Net cash requirement	74,387,705,000

Amounts required in the year ending 31 March 2009 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 area based grants; 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	72,426,666,000	30,606,659,000	41,820,007,000
RfR 2	3,092,591,000	1,591,342,000	1,501,249,000
RfR 3	15,674,000	5,695,000	9,979,000
Total net resource requirement	75,534,931,000	32,203,696,000	43,331,235,000
Net cash requirement	74,387,705,000	31,839,669,000	42,548,036,000

Part II: Subhead detail

										£'000	
2008-09 Provision						2007-08 Provision	2006-07 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.											
-	94,349,897	676,287	95,026,184	22,599,518	72,426,666	4,138,484	1,852,736	70,167,580	61,003,368		
Spending in Departmental Expenditure Limits (DEL)											
<i>Central Government spending</i>											
A	Strategic health authorities and primary care trusts unified budgets and central allocations										
-	91,872,212	294,086	92,166,298	2,327,069	89,839,229	1,702,870	127,000	86,949,092	76,733,025		
B	FHS - pharmaceutical services										
-	1,110,155	-	1,110,155	-	1,110,155	-	-	1,075,195	1,033,473		
C	FHS - prescription charges income										
-	-	-	-	444,000	-444,000	-	-	-421,000	-411,715		
D	FHS - general ophthalmic services										
-	426,653	-	426,653	53	426,600	-	-	410,000	380,588		
E	Research and Development										
-	825,884	-	825,884	1,000	824,884	-	-	-	-		
<i>Support for Local Authorities</i>											
F	Strategic health authorities and primary care trusts grants to local authorities										
-	-	194,000	194,000	-	194,000	-	-	268,334	277,672		
	<i>FHS - general dental services</i>										
-	-	-	-	-	-	-	-	-	19,086		
Spending in Annually Managed Expenditure (AME)											
<i>Central Government spending</i>											
G	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.										
-	114,993	-	114,993	22,098	92,895	10,000	-	71,865	84,178		
Non-Budget											
H	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										
-	-	188,201	188,201	1,203,000	-1,014,799	2,425,614	1,725,736	-969,688	-907,668		
I	NHS contributions										
-	-	-	-	18,602,298	-18,602,298	-	-	-17,216,218	-16,205,271		

Part II: Subhead detail

										£'000	
2008-09 Provision							2007-08 Provision	2006-07 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 2: Securing social care and child protection for those who need it and, at national level, protecting, promoting and improving the nation's health											
223,078	1,228,639	1,707,438	3,159,155	66,564	3,092,591	20,521	-	3,659,945	3,300,548		
Spending in Departmental Expenditure Limits (DEL)											
<i>Central Government spending</i>											
A	Central department										
223,078	10,468	-	233,546	3,915	229,631	19,970	-	241,503	239,058		
B	NHS Purchasing and Supplies Authority										
-	31,009	-	31,009	1,836	29,173	551	-	24,772	25,048		
C	Other services including medical, scientific and technical services, grants to voluntary bodies, research and development and information services										
-	248,962	33,353	282,315	891	281,424	-	-	325,465	275,437		
D	Welfare food and European Economic Area and other countries medical costs										
-	926,513	-	926,513	59,921	866,592	-	-	819,792	708,411		
E	Other personal social services										
-	11,687	230,973	242,660	-	242,660	-	-	276,181	131,456		
F	Medicines and Healthcare Products Regulatory Agency loans, repayment of loans and interest on loans.										
-	-	-	-	1	-1	-	-	-742	-		
<i>Support for Local Authorities</i>											
G	AIDS support grant										
-	-	22,900	22,900	-	22,900	-	-	19,600	18,573		
H	Extra Care housing grant										
-	-	40,000	40,000	-	40,000	-	-	40,000	19,882		
I	Area Based Grant										
-	-	942,218	942,218	-	942,218	-	-	-	-		
J	Learning Disabilities										
-	-	14,000	14,000	-	14,000	-	-	-	-		
K	Transforming Personalisation, Prevention & Well-being (TPPW)										
-	-	85,000	85,000	-	85,000	-	-	-	-		
L	Common Assessment Framework										
-	-	11,000	11,000	-	11,000	-	-	-	-		
M	Social Care Infrastructure										
-	-	15,000	15,000	-	15,000	-	-	-	-		
N	Social Care Capital										
-	-	27,727	27,727	-	27,727	-	-	-	-		

Part II: Subhead detail

										£'000	
2008-09 Provision							2007-08 Provision	2006-07 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		
O	Mental Health Capital	-	-	22,593	22,593	-	-	-	-	-	-
	<i>Services for people with a mental illness including services under the mental capacity act.</i>	-	-	-	-	-	-	147,525	132,239		
	<i>Carers' grant</i>	-	-	-	-	-	-	185,000	185,000		
	<i>Preserved rights grant</i>	-	-	-	-	-	-	275,248	297,530		
	<i>Improving Information management (Capital)</i>	-	-	-	-	-	-	25,000	24,802		
	<i>National training strategy</i>	-	-	-	-	-	-	107,859	107,859		
	<i>Access and systems capacity grant</i>	-	-	-	-	-	-	546,000	546,000		
	<i>Human resources development strategy</i>	-	-	-	-	-	-	49,750	49,750		
	<i>Children and adolescents mental health grant</i>	-	-	-	-	-	-	89,289	90,169		
	<i>Delayed discharge grant</i>	-	-	-	-	-	-	100,000	100,000		
	<i>Assistive technology: older people</i>	-	-	-	-	-	-	50,000	30,000		
	<i>Prevention services pilots : older people</i>	-	-	-	-	-	-	39,722	19,887		
	<i>Individual Budget Pilots</i>	-	-	-	-	-	-	3,271	3,136		
Non-Budget											
P	Grant in Aid funding of non-departmental public bodies and special health authorities	-	-	262,674	262,674	-	-	294,710	296,311		

Part II: Subhead detail

										£'000	
2008-09 Provision								2007-08 Provision	2006-07 Outturn		
Resources						Capital Non- operating					
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A	Net Total Resources	Net Total Resources		
1	2	3	4	5	6	7	8	9	10		
RfR 3: Office of the Independent Regulator for NHS Foundation Trusts											
-	-	15,674	15,674	-	15,674	-	-	14,007	12,324		
Non-Budget											
A	Grant in aid funding to the Office of the Independent Regulator for NHS foundation trusts										
-	-	15,674	15,674	-	15,674	-	-	14,007	12,324		
Total for Estimate:											
223,078	95,578,536	2,399,399	98,201,013	22,666,082	75,534,931	4,159,005	1,852,736	73,841,532	64,316,240		

Part II: Resource to cash reconciliation

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Resource Requirement	75,534,931	73,841,532	64,316,240
Voted capital items			
Capital	4,159,005	3,929,537	3,875,782
Less Non-operating A-in-A	1,852,736	1,808,538	1,601,202
Total net voted capital	2,306,269	2,120,999	2,274,580
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-974,882	-874,700	-903,772
Depreciation	-883,594	-865,288	-605,677
New provisions and adjustments to previous provisions	-2,669,385	-3,197,081	-2,196,204
Profit/loss on sale of assets	-	-11,715	-193,624
Prior period adjustments	-	-	-
Other non-cash items	-625	-522	-594
Increase (+) / Decrease (-) in stock	-	-	117,996
Increase (+) / Decrease (-) in debtors	-	-	-351,060
Increase (-) / Decrease (+) in creditors	-	-1,034,000	614,556
Use of provisions	1,074,991	1,100,785	1,129,172
Total accruals to cash adjustments	-3,453,495	-4,882,521	-2,389,207
Excess cash to be CFERd	-	-	167,090
Net Cash Requirement	74,387,705	71,080,010	64,368,703

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					
	2008-09		2007-08		2006-07	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	-	-	-	-	876,852	<i>876,852</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	-	-	-	-	876,852	<i>1,043,942</i>

Forecast Operating Cost Statement

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Administration Costs			
RfR 1	-	-	-
RfR 2	219,163	231,003	228,525
RfR 3	-	-	-
Total Net Administration costs	219,163	231,003	228,525
Net Programme Costs			
RfR 1	72,426,666	70,167,580	61,003,368
RfR 2	2,873,428	3,428,942	3,072,023
RfR 3	15,674	14,007	12,324
Non-voted	-	-	-876,852
Total Net Programme costs	75,315,768	73,610,529	63,210,863
Total Net Operating Cost	75,534,931	73,841,532	63,439,388
<i>of which:</i>			
Net Resource Requirement	75,534,931	73,841,532	64,316,240
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-	-876,852
Resource Budget	94,385,324	90,065,461	80,507,954

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Resource Requirement (Estimates)	75,534,931	73,841,532	64,316,240
<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	-	-	-876,852
Other adjustments	-	-	-
Net Operating Cost (Accounts)	75,534,931	73,841,532	63,439,388
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-11,715	-193,624
Capital grants	-336,420	-368,571	-222,619
European Union income related to capital grants	-	-	-
Voted expenditure outside the budget	19,805,298	18,380,534	17,299,532
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	876,852
Resource consumption of non departmental public bodies	-1,135,597	-1,793,431	-705,733
Unallocated resource provision	503,012	3,012	-
Other adjustments	14,100	14,100	14,158
Resource Budget (Budget)	94,385,324	90,065,461	80,507,954
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	93,859,429	89,535,588	80,284,567
Annually Managed Expenditure (AME)	525,895	529,873	223,387

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
Net Voted Capital (Estimates)	2,306,269	2,120,999	2,274,580
<i>Adjustments to additionally include:</i>			
Other Consolidated Fund Extra Receipts	-	-	-
Capital spending by non-departmental public bodies	2,516,821	2,466,580	2,071,633
Capital grants	336,420	368,571	222,619
European Union income related to capital grants	-	-	-
Supported capital expenditure (revenue)	-	50,327	50,320
Capital spending by levy funded bodies	-	-	-
Unallocated capital provision	261,000	-	-
Other adjustments	-699,878	-643,122	-1,337,363
Capital Budget (Budget)	4,720,632	4,363,355	3,281,789
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	4,710,632	4,320,172	3,193,052
Annually Managed Expenditure (AME)	10,000	43,183	88,737

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 Resource 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 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.

Notes to the Main Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

£'000

	2008-09 Provision	2007-08 Provision	2006-07 Outturn
RfR 1: Securing health care for those who need it.			
Programme	22,599,518	20,981,089	19,529,651
<i>of which:</i>			
Sale of goods and services	2,772,122	2,575,450	2,206,940
Regulatory licences, fines, penalties and taxes	18,602,298	17,216,218	16,205,271
Other grant income (including repayments of grants/subsidies)	-	-	500
Interest and dividends	1,225,098	1,189,421	1,116,940
Total RfR 1	22,599,518†	20,981,089	19,529,651

† 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; income for Research and Development; 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	5,939	5,095
<i>of which:</i>			
Sale of goods and services	3,915	5,939	5,095
Programme	62,649	53,113	57,015
<i>of which:</i>			
Sale of goods and services	62,648	52,371	54,208
Other grant income (including repayments of grants/subsidies)	-	-	2,807
Interest and dividends	1	742	-
Total RfR 2	66,564†	59,052	62,110

† 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 other European economic area countries for NHS treatment of their residents; sale of subsidised dried milk; income from the European Community; contributions from the mobile phone industry; charitable contributions for developing pilot projects with voluntary organisations; refunds from 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	22,666,082	21,040,141	19,591,761
-------------------------------	-------------------	-------------------	-------------------

Analysis of non-operating appropriations in aid (A in A)

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 Outturn
RfR 1: Securing health care for those who need it.			
Programme	1,852,736	1,808,537	1,601,202
<i>of which:</i>			
Sale of assets	127,000	340,000	419,813
Loan, etc, repayments	1,725,736	1,468,537	1,181,389
Total RfR 1	1,852,736†	1,808,537	1,601,202
<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			
Programme	-	1	-
<i>of which:</i>			
Sale of assets	-	1	-
Total RfR 2	-	1	-
Total Non-Operating A in A	1,852,736	1,808,538	1,601,202

Notes to the Main Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

	£'000					
	2008-09		2007-08		2006-07	
	Provision		Provision		Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Excess cash related to NHS contributions •	-	-	-	-	-	167,090
NHS Contributions •	-	-	-	-	876,852	876,852
Total	-	-	-	-	876,852	1,043,942

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

	£'000		
	Voted	Non-voted	Total
Resource DEL	94,444,365	-584,936	93,859,429
<i>of which: †</i>			
Administration budget	219,163	-	219,163
Near-cash in RDEL	90,030,872	649,188	90,680,060
Capital DEL ††	1,932,811	2,777,821	4,710,632
Less Depreciation †††	-785,594	-59,400	-844,994
Total DEL	95,591,582	2,133,485	97,725,067

† 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 2008-09 of £75,534,931,000 is 2.3 per cent higher than the final net provision for 2007-08 of £73,841,532,000 and 3.1 per cent higher than the forecast outturn for 2007-08 of £73,238,800,000.

Cash which may be retained to offset expenditure

	£'000		
	2008-09 Provision	2007-08 Provision	2006-07 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.	24,518,818	22,848,679	21,192,963

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.	7,086

Notes to the Main Estimate (*continued*)

Expenditure in the form of adjustable advances

Sections G to O of RfR2 contain certain grants to local authorities including services for people with HIV infection and AIDS, area based grants and capital grants supporting for social care activities and mental health. 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 /H	NHS Blood and Transplant.♥	95,929
RfR1 /H	Commission for Healthcare Audit and Inspection. ♥	60,896
RfR1 /H	Council for Healthcare Regulatory Excellence. ♥	1,889
RfR1 /H	Post Graduate Medical Education Training Board.♥	2,391
RfR1 /H	NHS Professionals ♥	15,418
RfR1 /H	NHS Direct ♥	8,381
RfR1 /H	NHS Appointments Commission ♥	3,297
RfR2/P	Health Protection Agency.♥	154,083
RfR2/P	Human Fertilisation and Embryology Authority.♥	3,469
RfR2/P	General Social Care Council.♥	10,915
RfR2/P	Commission for Social Care Inspection ♥	76,411
RfR2/P	National Biological Standards Board. ♥	17,796
RfR3/A	Office of the Independent Regulator for NHS foundation trusts.♥	15,674

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
ii) overdraft guarantees for NHS trusts	£2 million
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 (NBA is now part of NHS Blood and Transplant);	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 (NRPB is now part of Health Protection Agency); 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 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.	Unquantifiable
iv) To cover any damages arising from NBA research activity. NBA is now NHS Blood and Transplant.	Unquantifiable
v) Indemnity for the QC conducting the alternative disputes resolution procedure into complaints raised against the NHS. The department has given an undertaking to grant an indemnity in relation to any legal action against the QC conducting the procedure.	Unquantifiable
vi) Associated health costs with the Olympics in 2012	£5 million

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

RfR/Section	Body	£'000
RfR2 /C	The UK subscription to the World Health Organisation.	17,459
