Department of Health & Social Care

ESTIMATES MEMORANDUM
DEPARTMENT OF HEALTH AND SOCIAL CARE
2019-20 SUPPLEMENTARY ESTIMATE

TABLE OF CONTENTS

1. OVERVIEW

1.1. Objective

The Department of Health and Social Care (DHSC) supports ministers in leading the nation's health and social care to help people live more independent, healthier lives for longer. The DHSC Single Departmental Plan (SDP) sets out the Department's objectives and how we will achieve them.

The 2019-20 SDP objectives are:

i) Keep people safe, leading global health and international relations including EU Exit.
ii) Keep people healthy and independent in their communities, supporting the transformation of NHS primary, community and mental health services, and local authority public health and adult social care.
iii) Support the NHS to deliver high quality, safe and sustainable hospital care and secure the right workforce.
iv) Support research and innovation to maximise health and economic productivity.
v) Ensure accountability of the health and care system to Parliament and the taxpayer; and create an efficient and effective DHSC.
vi) Create (reduce costs and grow income) by driving excellence in commercial practice across the health and social care system.
vii) Improve health and social care by giving people the technology they need, led by NHSX.

Further details on each of the objectives and how they will be achieved can be found in the SDP. Link to Single Departmental Plan

1.2. Spending Controls

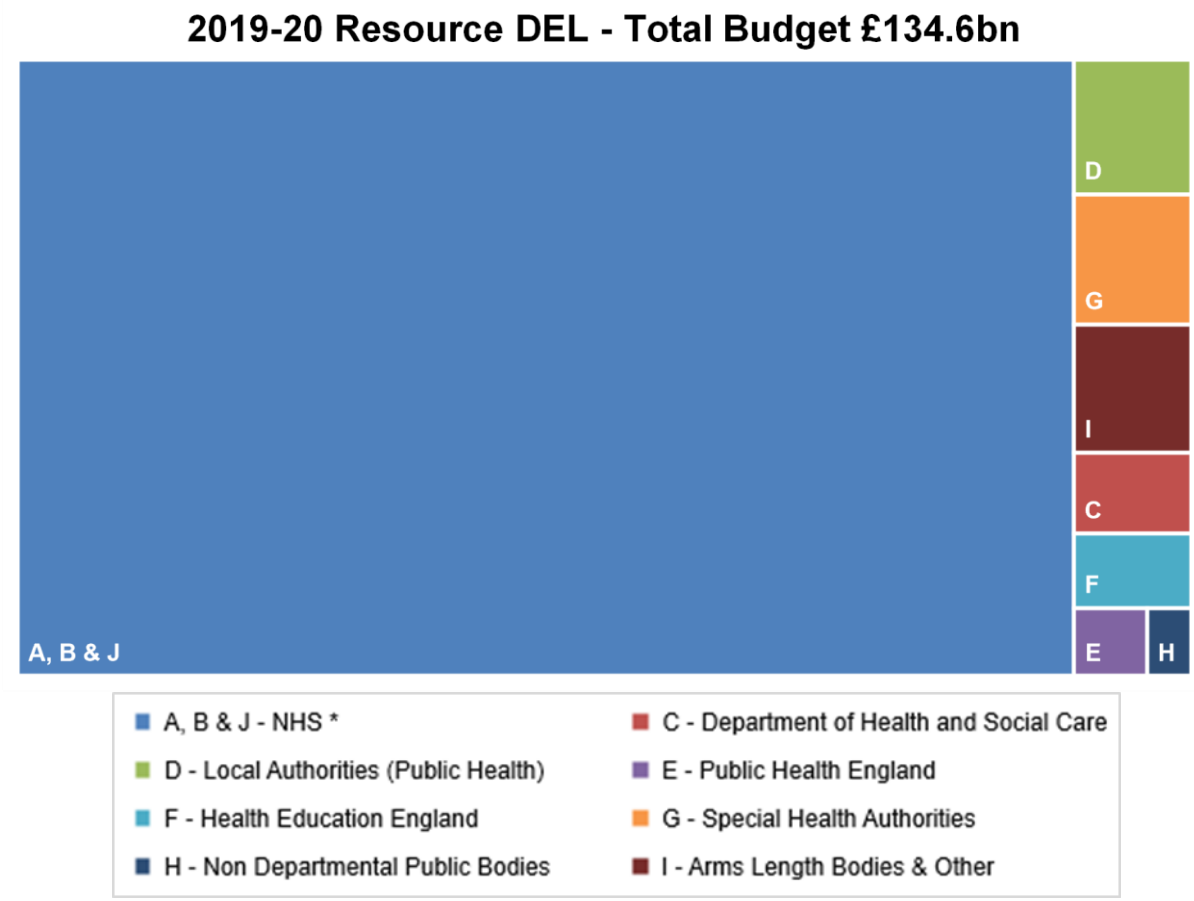
DHSC's spending is broken down into the different spending totals, for which Parliament's approval is sought. The spending totals which Parliament votes are:

- Resource Departmental Expenditure Limit (Resource DEL) – day to day running costs;
- Capital Departmental Expenditure Limit (Capital DEL) – investment in infrastructure;
- Resource Annually Managed Expenditure (Resource AME) – in DHSCs case this is mainly litigation provisions for clinical negligence cases managed by NHS Resolution (NHSR); and
- Capital Annually Managed Expenditure (Capital AME) – in DHSC's case this covers the specific budgeting treatment relating to Credit Guarantee Finance.

In addition, Parliament votes a net cash requirement, designed to cover the elements of the above budgets which require the DHSC Departmental group to pay out cash in year.

1.3. Main Areas of Spending

The graphics below show the main components of DHSC's proposed Resource DEL, Capital DEL and Resource AME spending plans, included in the latest Estimate, and the proportions spent by the different bodies within the group. The letters in the graphics below denote the letter attributed to each Estimate Subhead.

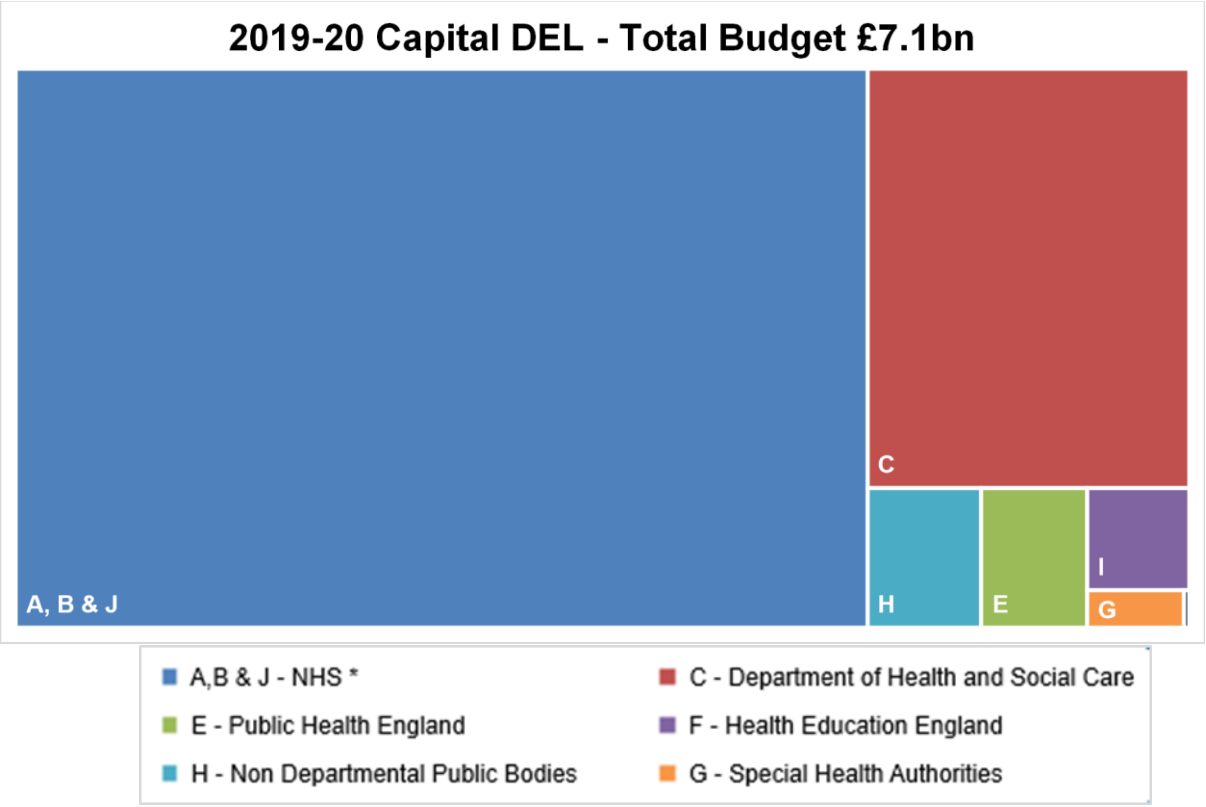


* NHS – this section represents the funding available for the NHS and consists of the following Estimate lines:

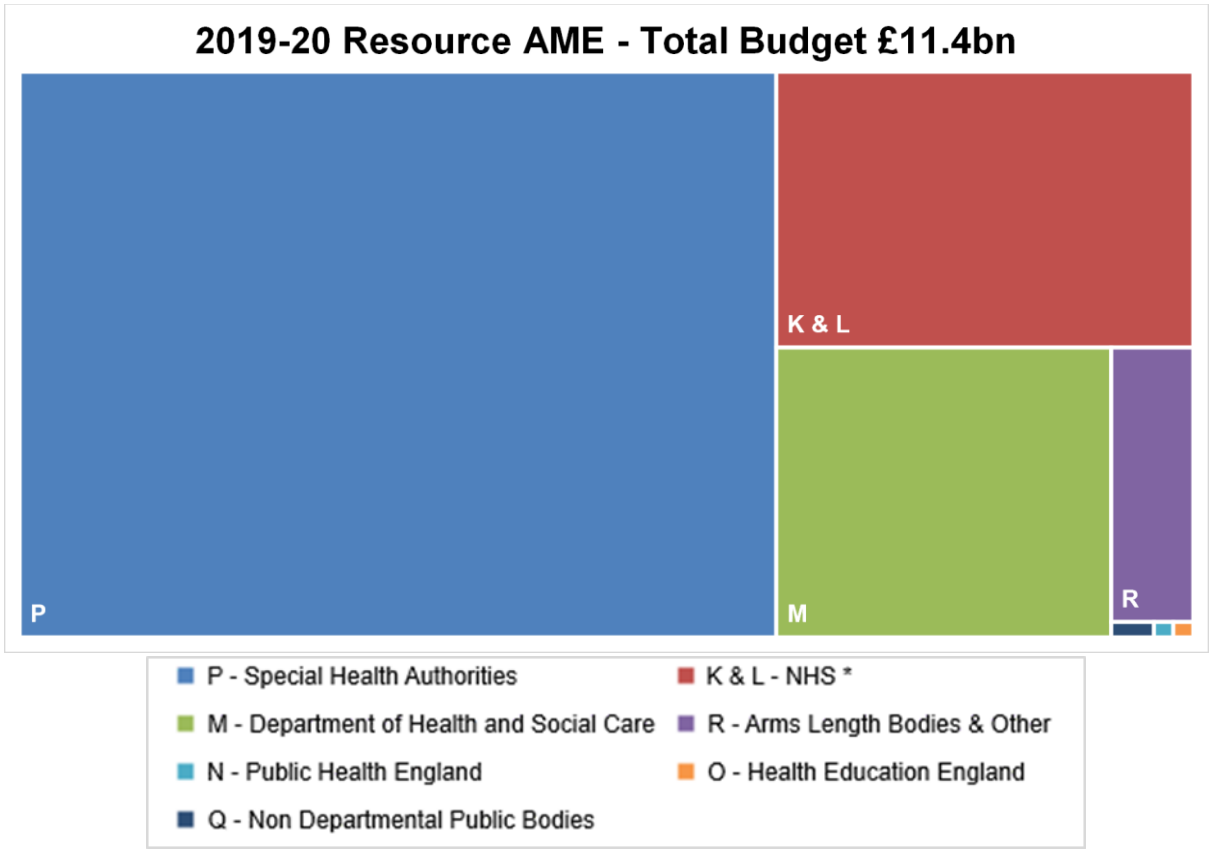
- A – NHS Commissioning Board (known as NHS England);
- B – NHS Providers; and
- J – NHS Commissioning Board (known as NHS England) net expenditure financed from National Insurance Contributions.

Details of the spending plans for each Estimate line can be found in section 2.1.

Please note the core funding for NHS Improvement (NHS TDA and Monitor) is not currently included in the *NHS funding block above. Instead it is included in block G (NHS TDA) and block H (Monitor)



Please note the capital for Health Education England (line F) is not shown in this illustration due to relatively small size of the budget (£2m). Details of the spending plans for each Estimate line can be found in section 2.1.



1.4. Comparison of Spending Totals Sought

The table below shows how the 2019-20 Supplementary Supply Estimate (SSE) spending plans compare with the 2019-20 Main Estimate and the 2018-19 Outturn.

DEL Type	2019-20 Supple-mentary Estimate	2019-20 Main Estimate	*Variance to 2019-20 Main Estimate*		2018-19 Outturn	*Variance to 2018-19 Outturn*	
	£m	£m	*£m*	*%*	£m	*£m*	*%*
Resource DEL	134,628	133,601	*1,026*	*0.8%*	125,278	*9,350*	*7.5%*
Capital DEL	7,125	5,920	*1,205*	*20.3%*	5,941	*1,184*	*19.9%*
Resource AME	11,420	11,420	*0*	*0.0%*	7,014	*4,406*	*62.8%*

1.5. Key Drivers of Spending Changes Since Original Budget

This section identifies the key drivers of change since the 2019-20 Main Estimate for Resource DEL, Capital DEL and Resource AME. Further analysis of changes between 2019-20 Main Estimate and 2019-20 Supplementary Supply Estimate can be found in section 2.

- Resource DEL
  The Resource DEL increase compared to the 2019-20 Main Estimate relates to additional 2019 funding of £868 million (further details can be found in paragraph 1.8) and budget transfer from other government departments of £159 million.

- Capital DEL
  The 2019-20 Capital DEL £1.2 billion additional capital announced during the year and circa £5 million transfers from other government departments (further details can be found in paragraph 1.8.

- Resource AME
  There are no changes to the 2019-20 AME figures, which are based on our best estimate of provisions and impairments expenditure for the DHSC group.

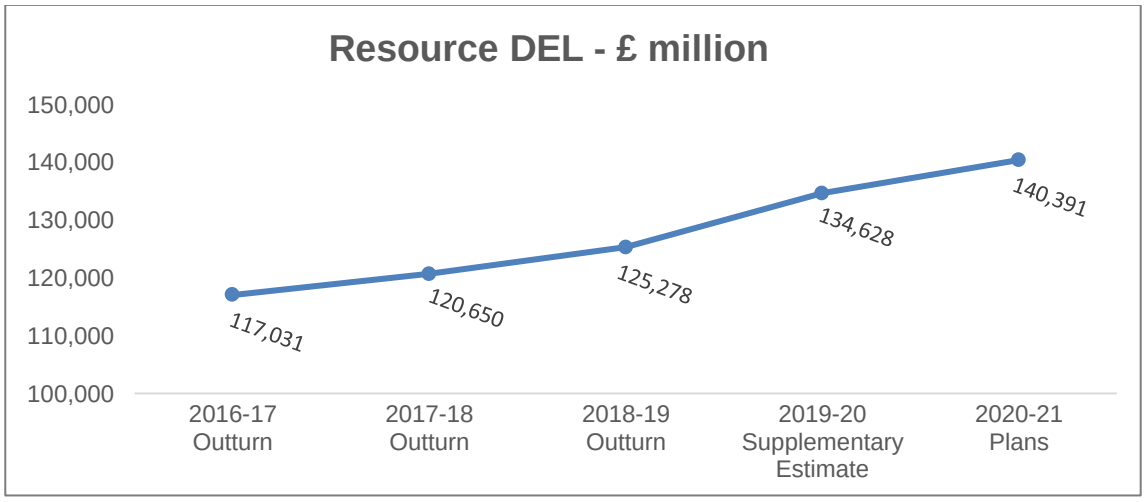
1.6. New Policies and Programmes

The DHSC makes all announcements on new policies and programmes during the year on the government website, details can be found at
https://www.gov.uk/government/organisations/department-of-health-and-social-care

1.7. Spending Trends

The graphs show the outturn for the last 3 years (2016-17 to 2018-19), plans presented in Estimates for 2019-20, and future spending plans for 2020-21 for Resource DEL, Capital DEL and Resource AME.

- Resource DEL

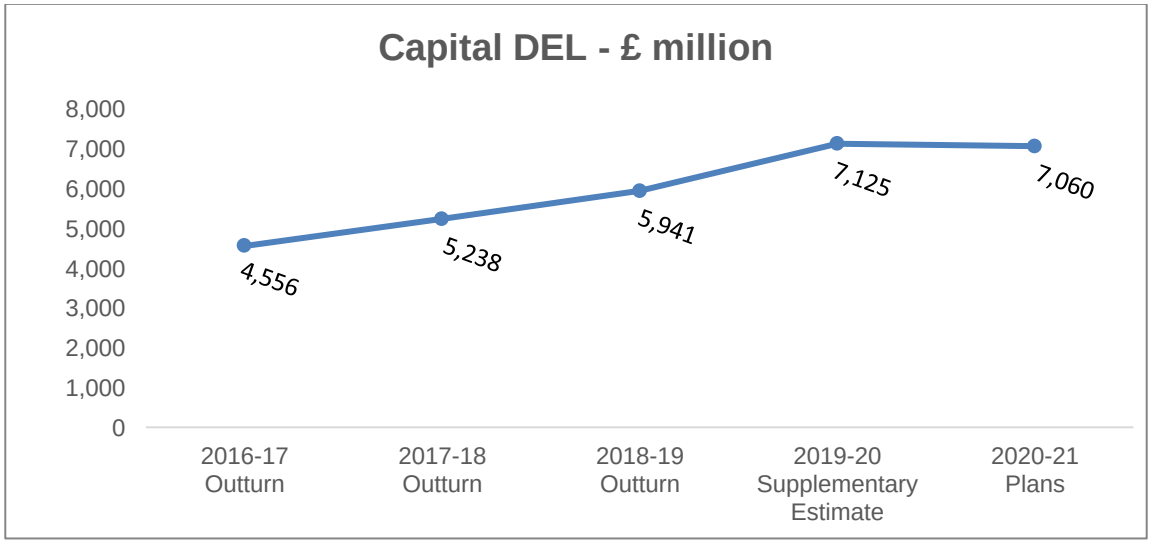


The increase in Resource DEL expenditure over the 2015 Spending Review period reflects the 2015 Spending Review settlement and additional funding provided in 2017-18 and 2018-19 in the Budget announcements and in-year budget additions. 2019-20 and 2020-21 follow the multi-year funding commitment announced by the Prime Minister in June 2018 and the NHS Long-Term plan, published in January 2019. This plan was published on the basis of it being affordable and deliverable within the final cash settlement that was provided to the NHS. This settlement is equivalent to an extra £33.9bn in cash terms by 2023/24, and is the basis of the funding by year set out in the NHS Funding Bill. More details on the NHS's Long Term Plan can be found at: https://www.gov.uk/government/news/nhs-long-term-plan-launched

Details on how the NHS's Long Term Plan will be implemented can be found at: https://www.longtermplan.nhs.uk/implementation-framework/

2019-20 and 2020-21 also include an additional £2.85 billion in each year for NHS pensions, and this is funding that is over and above the Long Term Plan Settlement. DHSC's consultation response of 4 March 2019 confirmed the employer contribution rate for the NHS England Pensions scheme would rise. Alongside the long-term funding settlement for the NHS announced in June 2018, the Government committed to provide additional recurrent funding until 2023-24 to meet the anticipated cost pressure to the NHS in England arising from this scheme valuation.

- Capital DEL



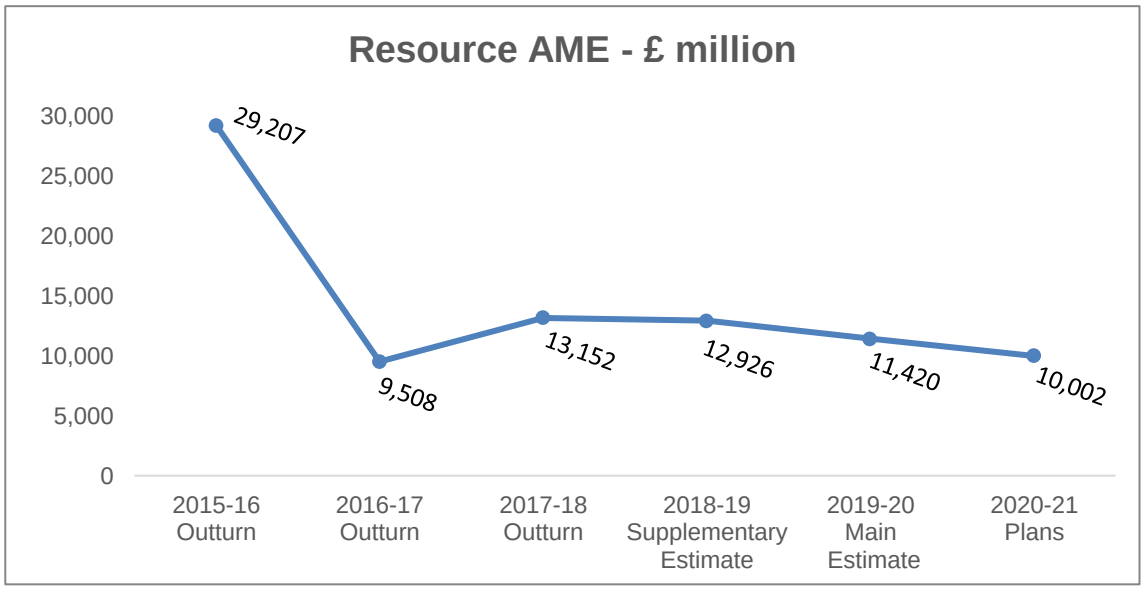
The Spring and Autumn Budgets in 2017 made available additional capital funding of £3.9 billion over a six-year period (2017-18 through 2022-23). This is detailed in previous Estimates Memoranda.

In Summer 2019 £1.2 billion additional capital for 2019-20 was announced as follows:

- 5 August 2019 - £1.1 billion for 2019-20, £1 billion boost to NHS capital spending and £100 million to upgrade outdated facilities and equipment.
- 27 September 2019 pledged funding for a cancer screening overhaul to improve diagnosis, £100 million has been received in 2019-20.

Please note the 2020-21 CDEL figure of £7.06 billion is as per the CDEL figure published in SR19, it does not yet include additional capital announced for diagnostics and the Health Infrastructure Plan (HIP) – this funding will be included in the 2020-21 Main Parliamentary Estimate publication.

- Resource AME



The Department's AME expenditure is mainly non-fiscal and relates to provisions and impairments. These are demand-led and volatile, being subject to many variables outside the Department's direct control, such as changes to the discount rates to measure the value of long-term provisions liabilities.

AME was significantly higher in 2015-16. This was entirely due to a change in the discount rate used to measure the value of long-term provision liabilities.

1.8. Funding: Spending Review, Fiscal Events and other Spending Announcements

The Department's 2019-20 original spending plans were announced in the 2015 Spending Review. Since then several significant changes have been announced as part of fiscal events, most notably, the additional funding secured for the NHS' Long Term Plan in 2018. The main changes to Resource and Capital DEL are shown below (further details can be found in Excel Table B):

Resource DEL

Resource DEL - main changes since 2015 Spending Review	£m
Spring Budget 2017 - Mental Health	3.5
Autumn Budget 2017 - government announcement of NHS funding	901.0
Autumn Budget 2018 - included funding for the NHS Long Term Plan and pensions (a)	5,439.0
Capital to Revenue Transfer (b)	471.0
2019-20 Main Estimate pensions funding (c)	1,645.7
2019-20 In-year funding (d)	868.3
2019-20 Routine transfers of funding from other Government Departments (e)	158.1

a) **NHS Long term Plan** – Following the new multi-year funding commitment announced by the Prime Minister in June 2018, the Government agreed the NHS Long Term plan, and this was published in January 2019. This plan was published on the basis of it being affordable and deliverable within the final cash settlement that was provided to the NHS. This settlement is equivalent to an extra £33.9bn in cash terms by 2023/24, and is the basis of the funding by year set out in the NHS Funding Bill.

More details on the NHS's Long Term Plan can be found at:
https://www.gov.uk/government/news/nhs-long-term-plan-launched

b) **£471 million Capital to Revenue transfers** - £250 million was agreed as part of the 2015 Spending Review and an additional £221 million was agreed to fund part of the first year of the NHS's long-term settlement.

c) **Pensions** – Employer contribution rates increased in 2019 across all public service pension schemes, creating cost pressures for Departments and participating employers to manage. The Treasury provided additional Revenue DEL in 2019-20 and 2020-21 to support Departments with higher employer pension contribution costs associated with the Budget 2018 change to the SCAPE discount rate. Funding for future years will be a matter for the Spending Review.

The NHS is an exception to this general position. In June 2018, alongside the funding settlement for NHS England, the Government committed to provide additional funding for NHS pension costs until 2023-24, adjusting the level of additional funding to reflect the final SCAPE rate change. In line with this DHSC received £1.25bn in the Autumn 18 Budget and has received a further £1.65 billion in the 2019-20 Main Estimates, taking the total funding for pensions (both the NHS and Principal Civil Service Pensions Scheme) in 2019-20 to £2.9 billion. Further information on the NHS Pensions Scheme arrangements for 19/20 can be found in the Government's consultation response.

d) 2019-20 in-year funding of £868 million:
   - £328 million for recurrent baseline addition in line with adjustments made as part of the 2019 Spending Round;
   - £92 million to cover in-year pressures not covered in initial budgets;
   - £365 million to cover the change in Personal Injury Discount Rate (PIDR). Following the Lord Chancellor's PIDR announcement in February 2017, the Government committed to ensure appropriate funding to cover the change at Spring Budget 2017;

- £42 million resource funding for EU Exit preparedness;
- £41 million routine transfers from Treasury. £39 million funding owed for 2018-19 Immigration Health Surcharge and £2 million for LIBOR grants; and

e) £158.1 million routine transfers from other Government Departments.

Capital DEL

Capital DEL - main changes since 2015 Spending Review	£m
Spring Budget 2017 - Sustainability and transformation partnerships	109.5
Autumn Budget 2017 - Sustainability and transformation partnerships and Carter Efficiency programmes	708.0
Capital to Revenue Transfer (b)	(471.0)
2019-20 additional Capital announcements (via reserve claim process) (e)	1,200.0
2019-20 Routine transfers of funding from other Government Departments	4.7

a) £1,200 million capital to formalise the various announcements made by the Government. Additional capital announced on the 5 August 2019, £1.1 billion for 2019-20, £1 billion boost to NHS capital spending and £100 million to upgrade outdated facilities and equipment. An announcement on the 27 September 2019 pledged funding for a cancer screening overhaul to improve diagnosis, £100 million has been received in 2019-20.

2. SPENDING DETAIL

The tables below detail the changes in the 2019-20 Supplementary Estimate compared to the 2019-20 Main Estimate. As per Estimates Memorandum convention, explanations for any changes, which are over both £10 million and 10% or over £200 million and 5% are provided in a referenced note under each table.

Further details of what is included in each of the Estimate lines can be found in the excel Tables A (i) and (ii).

2.1. Resource DEL

The table below shows how DHSC's 2019-20 Supplementary Estimate spending plans for Resource DEL compare with the 2019-20 Main Estimate.

Subhead	Description	Resource				
		2019-20 Supple-mentary Estimate	2019-20 Main Estimate	Change from Main Estimate		See Note 2.1
		£m	£m	£m	%	
A	NHS Commissioning Board (known as NHS England) net expenditure	19,234.4	20,842.1			
B	NHS Providers	79,023.8	77,306.1			
J	NHS Commissioning Board (known as NHS England) net expenditure financed from National Insurance Contributions	22,961.6	22,694.4			
Sub Total - NHS		**121,219.8**	**120,842.6**	377.3	0%	
C	DHSC programme and admin expenditure	1,754.3	1,797.2	(42.9)	-2%	a)
D	Local Authorities (Public Health)	2,931.6	2,932.0	(0.4)	0%	
E	Public Health England (Executive Agency)	926.2	956.7	(30.6)	-3%	
F	Health Education England	1,622.3	1,762.6	(140.4)	-8%	
G, H & I	Special Health Authorities, NDPB's and ALB's and Other Bodies	6,173.7	5,310.3	863.3	16%	b)
TOTAL (Voted and Non Voted)		**134,627.8**	**133,601.4**	**1,026.3**	**1%**	

Estimate lines A, B and J represents the funding available to the NHS as detailed in section 1.3.

For estimate line A, NHS England, an explanation of how the estimate spending plans reconcile to the NHS England Mandate can be found in section 4.1.

a) <u>DHSC Programme and Admin Expenditure</u>

The increase in 2019-20 compared to 2018-19 mainly relates to additional funding to cover in-year pressures not covered in initial budgets. The remaining changes relate to an inter-group redistribution of resources and transactions.

b) <u>Special Health Authorities, NDPBs and ALB's and Other Bodies</u>

The changes in funding relate to a redistribution of resources, changes to the inter-group eliminations and additional funding of £350 million allocated to NHS Resolution to cover the Personal Injury Discount Rate changes for 2019-20.

2.2. Capital DEL

The table below shows how DHSC's 2019-20 Supplementary Estimate spending plans for Capital DEL compare with the 2019-20 Main Estimate.

Subhead	Description	Capital				
		2019-20 SSE	2019-20 Main Estimate	Change from Main Estimate		See Note 2.2
		£m	£m	£m	%	
A	NHS Commissioning Board (known as NHS England) net expenditure	253.9	305.0			
B	NHS Providers	4,918.6	3,671.2			
J	NHS Commissioning Board (known as NHS England) net expenditure financed from National Insurance Contributions	0.0	0.0			
Sub Total – NHS		**5,172.5**	**3,976.2**	1,196.3	30%	c)
C	DHSC programme and admin expenditure	1,465.2	1,559.9	(94.7)	-6%	d)
D	Local Authorities (Public Health)	0.0	0.0	0.0	0%	
E	Public Health England (Executive Agency)	160.5	120.9	39.6	33%	d)
F	Health Education England	2.0	2.0	0.0	0%	
G, H & I	Special Health Authorities, NDPB's and ALB's and Other Bodies	324.9	261.4	63.5	24%	d)
TOTAL (Voted and Non Voted)		**7,125.1**	**5,920.4**	**1,204.7**	**20%**	

c) NHS

Following Government announcements during the year Providers have been allocated £1.2 billion additional funding for capital (further details can be found in paragraph 1.8 (e).

d) DHSC Programme and Admin, Public Health England (PHE) and Special Health Authorities, NDPB's & Arm's Length and Other Bodies

The changes in funding are a redistribution of resources to cover specific capital expenditure programmes.

2.3. Resource AME

The table below shows how DHSC's 2019-20 Supplementary Estimate spending plans for Resource AME compare with the 2019-20 Main Estimate. It should be noted that DHSC's AME spend relates to provisions and impairments, which have no immediate impact on the fiscal framework or need for taxes to be raised to cover spending.

Subhead	Description	Resource				
		2019-20 Supplementary Estimate	2019-20 Main Estimate	Change from Main Estimate		See Note 2.3
		£m	£m	£m	%	
K	NHS Commissioning Board (known as NHS England) net expenditure	325.0	100.0			
L	NHS Providers	1,650.2	1,875.2			
Sub Total - NHS		**1,975.2**	**1,975.2**	**0.0**	**0%**	
M	DHSC programme and admin expenditure	1,685.4	691.4	994.0	144%	f)
N	Public Health England (Executive Agency)	5.0	5.0	0.0	0%	
O	Health Education England	5.0	5.0	0.0	0%	
P, Q & R	Special Health Authorities, NDPB's and ALB's and Other Bodies	7,764.3	8,758.3	(994.0)	-11%	f)
TOTAL (Voted and Non Voted)		**11,434.9**	**11,434.9**	**0.0**	**0%**	

e) The changes in AME figures are a redistribution of resources to reflect ongoing forecasts following discount rate changes and a review of provision requirements within the Group.

2.4. Ring Fenced Budgets

Within the totals, the Official Development Assistance (ODA) and following elements are ring fenced i.e. savings in these budgets may not be used to fund pressures on other budgets.

DEL Type	2019-20 Supplementary Estimate	2019-20 Main Estimate	*Variance to 2018-19 Main Estimate*		*2018-19 Outturn*	*Variance to 2018-19 Outturn*	
	£m	£m	*£m*	*%*	*£m*	*£m*	*%*
ODA Total [(1)]	243.1	243.1	*0.0*	*0%*	*159.0*	*84.1*	*53%*
EU Exit	92.2	50.0	*42.2*	*84%*	*52.0*	*40.2*	*77.3%*

(1) The ODA funding figure at the 2019-20 Main Estimate has been revised to include £0.9m change of funding.

- **Official Development Assistance** (ODA) - The DHSC ODA budgets increase year on year. This budget profile reflects the DHSC ODA programmes life cycle with projects being set up in the first few years, becoming fully operational in the later years and is the reason for the increase between the 2018-19 Final Outturn and the 2019-20 Supplementary Estimate.

  For international comparability and consistency, the Organisation for Economic Co-operation and Development (OECD) and the Development Assistance Committee (DAC) requires ODA reporting to be on a cash and calendar year basis Further information on 2018-19 can be found in Annex E of the 2018-19 DHSC Annual Report but please note that figures may differ to the above due to the different reporting basis.

- **EU Exit** – DHSC received £50 million for 2019-20, announced in a Ministerial Statement on the 18 December 2018 and £21.1 million for 2018-19 to cover the costs of preparing to exit the European

Economic Union. Additional in-year funding of £42.2m has been agreed as part of the 2019-20 Supplementary Supply Estimate giving a total of £92.2 million for EU Exit preparedness in 2019-20.

In 2018-19, total spend on EU Exit programmes was £52 million. This included £35.3 million of expenditure on the continuity of supply programme and £0.8 million for other no deal programmes. Preparations for the UK's departure from the EU will continue through 2019-20.

2.5. Changes to Contingent Liabilities

There are two new contingent liabilities in 2019-20 in the Estimate. These are:

i) A contingent liability disclosed in the Care Quality Commission 2018-19 Annual Report (note 19 on page 127) in connection with a compliance check in relation to employees who may have more than one permanent workplace

ii) NHS Digital for the estimated termination benefits relating to Wave 3 of the Org2 change programme. Further details can be found in NHS Digital's 2018-19 Annual Report in note 15 on page 159.

Three contingent liabilities have been removed, these are:

i) NHS England relating to PCT liabilities and a pension scheme audit which has been reassessed and are no longer required.

ii) Two contingent liabilities for Public Health England have been removed:

- UK licensing of BCG Vaccine – the contingent liability related to delays with deliveries and a shortage of stock in the UK. The liability is no longer included as the issue has been resolved.
- Regarding distribution of stable iodine tables. This has been removed as PHE now stockpile a licensed product.

3. PRIORITIES AND PERFORMANCE

3.1. How Spending Relates to Objectives

Details were set out in the 2019-20 Estimates Memorandum

3.2. Measures of Performance against each Priority

The Department's priorities are set out in the SDP as detailed in paragraph 1.1. Each of the DHSC priorities has a DHSC Lead official responsible for the priority. The Lead official will work with Ministers and bodies within the Departmental group to achieve the objective.

For example, the priority to *'keep people healthy and support economic productivity and sustainable public services'* involves a number of bodies within the group, such as NHS England, NHS Improvement, Public Health England, NHS Blood and Transplant, the Human Fertilisation and Embryology Authority and the Human Tissue Authority.

The bodies mentioned above are a combination of NHS Bodies, Executive Agencies and Public Corporations and therefore are detailed on numerous DHSC Estimate lines. The DHSC has certain performance indicators it uses to ensure the objectives are being met. One such indicator is the NHS Outcomes Framework.

The NHS Outcomes Framework (NHSOF) is a set of indicators developed by the DHSC to monitor the health outcomes of adults and children in England. The Framework provides an overview of how the NHS is performing. The NHSOF comprises five domains: preventing people from dying prematurely, enhancing quality of life for people with long-term conditions; helping people to recover from episodes of ill-health or following injury; ensuring people have a positive experience of care; treating and caring for people in a safe environment and protecting them from avoidable harm.

More information can be found on the NHS Digital website at Link to NHS Outcomes Framework.

More information on the SDP and performance against the 2018-19 DHSC objectives can be found in the DHSC 2018-19 Annual Report.

- Performance Summary – paragraphs 10 to 12 (page 6); and
- Performance Analysis against the 2018-19 DHSC SDP objectives can be found in paragraph 27 (page 10) to paragraph 163 (page 37),

Details of performance against the DHSC 2019-20 SDP priorities will be included in the 2019-20 DHSC Annual Report which will be published in July 2020.

3.3. Major Projects

The DHSC has several major projects which are financed from Resource and Capital DEL. Details of the project aims, Departmental commentary on actions planned or taken and timescales for implementation can be found at DHSC Government Major Projects Portfolio data 2019.

4. OTHER INFORMATION

4.1. NHS England

The resources made available to NHSE in the revised 2019-20 are to be set out in the Financial Directions to the Mandate to be published towards the end of March 2020. The figures in the 2019-20 Parliamentary Estimate will not reconcile to those in the Financial Directions for the following reasons:

a) In line with HM Treasury (HMT) Estimates conventions, figures are presented on a consolidated basis i.e. adjusted for intra-group trading transactions;

b) NHSE expenditure is part-financed by non-voted National Insurance Contributions; and

c) Differences between the figures in the Estimate and those in the Mandate caused by timing differences.

Link to 2019-20 NHSE Mandate

The table below reconciles the NHSE Estimate provision to the current published 2019-20 NHSE Mandate.

Reconciliation between the Estimate and the Mandate	Resource	Capital
	£m	£m
NHSE net expenditure - estimate line A	19,234	305
Plus:		
a) Transactions with other bodies within the group	80,914	
b) NHSE net expenditure financed from National Insurance Contributions (non-voted) - Estimate line J	22,962	
c) Other - timing differences between Estimate and Mandate publication	618	
Total Mandate (sum of the above)	**123,728**	**305**

4.2. DHSC Inter-Group Transactions

HM Treasury designates that Estimates are prepared on a consolidated basis, meaning that all intra-group transactions are removed.

Across Government, the DHSC 'Internal Market' of circa £80 billion is unique to the DHSC and adds an additional layer of complexity, as all inter-group trading needs to be eliminated on consolidation when preparing the DHSC Estimate. These mainly relate to transactions between NHS Commissioners and NHS Providers.

NHS Providers are not directly funded, instead they generate income to cover their spending via trading activity with Commissioners. Commissioners pay Providers for each patient seen or treated, considering the complexity of the patient's healthcare needs, under a national tariff system.

The DHSC takes a pragmatic approach and eliminates only the material transactions between Departmental group bodies. The table below illustrates how the funds flow between the different bodies within the DHSC Group.

Estimate Line		Before Consolidation	ELIMINATIONS					Consolidated
			NHSE to Providers	Providers to SpHAs	HEE to Providers	Providers to ALB's and Other Bodies	Providers to DHSC	
		£m	£m	£m	£m	£m		£m
A	NHS England	100,148	(80,914)					19,234
B	NHS Providers	480	80,914	(2,000)	2,476	(2,668)	(178)	79,024
C	DHSC	1,811					178	1,989
D	Local Authorities (Public Health)	2,932						2,932
E	Public Health England (Executive Agency)	926						926
F	Health Education England	4,098			(2,476)			1,622
G	Special Health Authorities expenditure	833		2,000				2,833
H	Non Departmental Public Bodies	550						550
I	Arm's Length and Other Bodies	123				2,668		2,790
J	National Insurance Contributions	22,962						22,962
TOTAL		**134,863**	**0**	**0**	**0**	**0**	**0**	**134,863**

Please note – this table does not include the funding that flows to NHS Providers from the Public Health Grant, as that funding is allocated to Local Authorities (outside the DHSC Group)

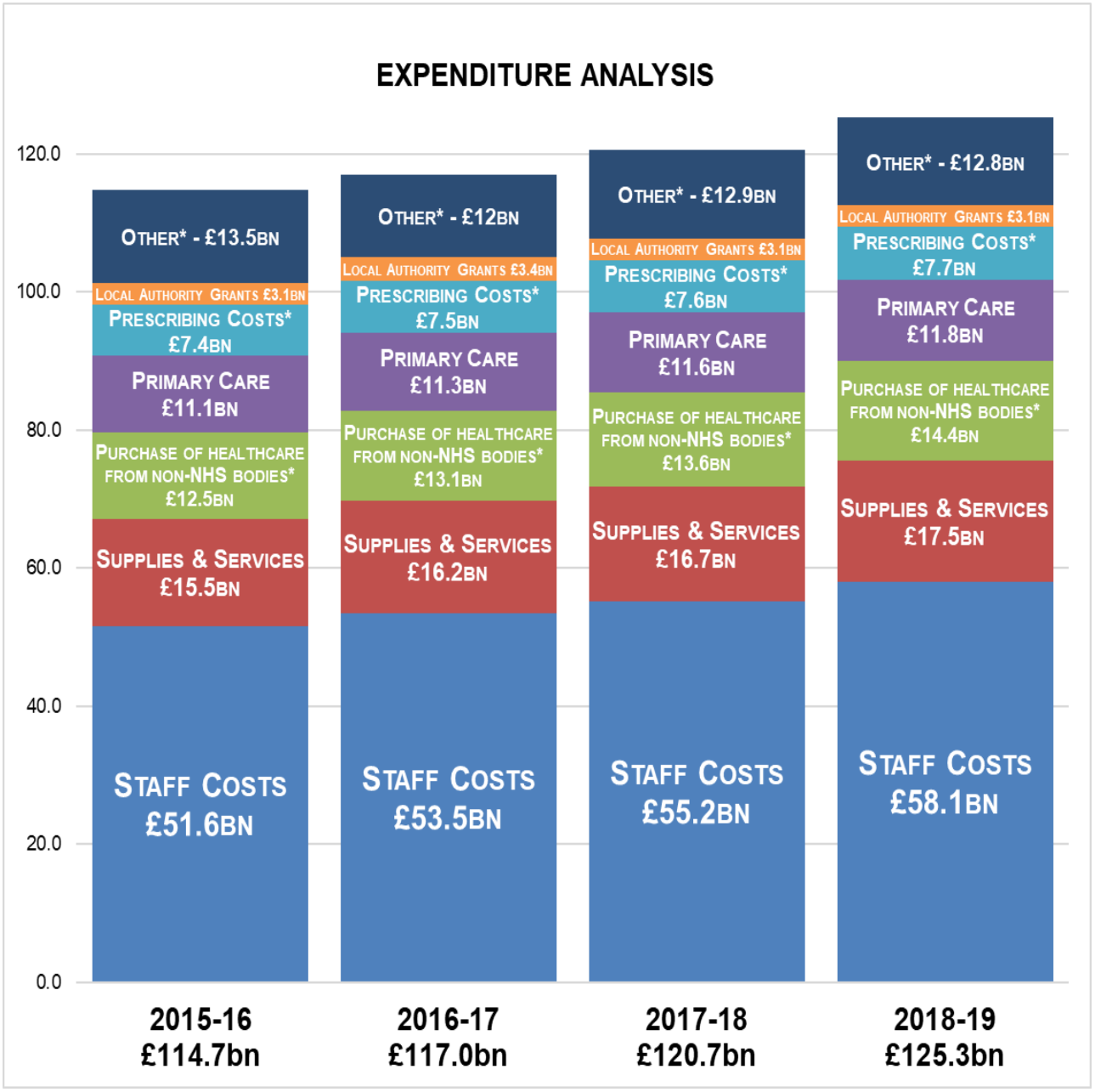
4.3. DHSC Revenue Expenditure Analysis

The majority of the DHSC's budget is allocated to fund the NHS. Circa £75 billion of revenue expenditure in the Departmental group sits in the NHS Provider sector, spent on staff costs, drugs and procurement of supplies and services to deliver healthcare. Other significant expenditure includes primary care (including general practice, dentistry, ophthalmology, pharmaceutical) and prescribing costs.

Further information on the NHS Provider sector can be found:

- in the 2018-19 Provider consolidated accounts at: https://www.england.nhs.uk/publication/consolidated-nhs-provider-accounts-2018-19/; and
- NHSE/NHSI now issue combined Board reports. The latest report can be found at https://www.england.nhs.uk/about/board/meetings/previous/

The chart below shows the 2015-16 to 2018-19 revenue expenditure broken down to show the material categories as per the DHSC Annual Report in the Departmental Group Summary tables (2.2 Expenditure and 2.3 Income) for the relevant financial year.



*These figures are net of income.