



## Department of Health

*From the Lord Prior of Brampton  
Parliamentary Under Secretary of State for NHS Productivity (Lords)*

Baroness Barker  
Chair, Delegated Powers and Regulatory Reform Committee  
House of Lords  
London  
SW1A 0PW

*Richmond House  
79 Whitehall  
London  
SW1A 2NS*

*Tel: 020 7210 4850*

**07 MAR 2016**

I thank you for your invaluable contribution to the debate on the NHS (Charities Etc) Bill in the House on Friday the 26 February. In response to your question as to whether this Bill will in any way affect the reporting, and particularly the accounting, burden on charities, I offered a short response in the house and now supply a more detailed response for your information below.

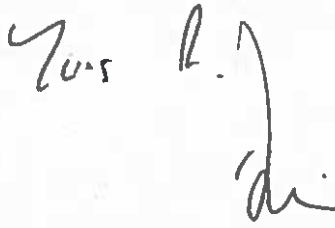
At present all NHS charities are required to be consolidated into the Department of Health's Annual Accounts because they are classified to Central Government by the Office for National Statistics due to the way they are governed. The Office for National Statistics is completely independent of the government and the HM Treasury designation orders, which set the accounting boundary of all government departments, bring these classifications into effect. Failure to comply with this would undoubtedly lead to the National Audit Office qualifying the Department of Health accounts.

You are right to have said that NHS charities have the additional burden of reporting both to the Department of Health and the Charity Commission. I don't wish to overstate this burden as the figures that the Department of Health is required to consolidate are unaudited, but the collection of this data is outside of the reporting timetable required by Charity Commission and therefore requires otherwise unnecessary work. This Bill will not be able to change the requirements of those charities that remain NHS charities because, as I explained above, NHS charities information will still be required for consolidation by DH.

The new freedom to allow NHS Charities to move to independence, will put those charities that opt for independence outside of the NHS Charity legislation and therefore also outside of the Office for National Statistics central government classification boundary.

The effect of the provisions in this Bill will mean that the Department of Health will no longer require any accounting data or other information from those charities that move to independence, nor will the Department of Health or the Treasury have the powers to ask for it thus reducing the significant accounting burden on NHS charities that opt for independence. These charities are still bound by charity law and as such will still be required to submit their audited accounts to the Charity Commission, as is only proper.

I am pleased that a number of high profile NHS charities have already taken advantage of the new freedom to move to independence with many more intending to do so in the near future.

A handwritten signature in black ink, appearing to read 'David Prior', written in a cursive style.

**DAVID PRIOR**

*As I will place this in the library.*