Dear Mr Dalton,

As you may be aware, my Committee held an evidence session on the Department for Health and Social Care's Annual Report and Accounts on 17 October. We asked our witnesses from the Department a number of questions following your letter which they advised you would be best placed to answer, which I have outlined below.

**Wholly owned subsidiary companies**

Thank you for your letter of 9 October regarding wholly owned subsidiary companies in the NHS. I note from your letter that you are currently running a consultation on a revised regulatory approach for overseeing proposals with regards to NHS subsidiaries, and have paused your consideration of any existing proposals and asked NHS Trusts to also pause their plans to set up any new subsidiary companies until the consultation is complete. I would be grateful if you would write to confirm the timetable for the consultation, notably the deadline for submissions and when we can expect to see the outcome and your response.

**NHS Trusts’ control total**

As part of our discussion about how NHS Trusts are incentivised to reduce their deficits in our evidence session on 17 October, we asked the Department whether there are any restrictions on how NHS Trusts can receive, and account for, funds raised through the disposal of an asset. In particular, we asked whether the profits from the sale of an asset would flow to the Trust’s revenue or capital budget, and how this would affect, or is considered as part of, the Trust’s overall control total spend. The Department advised that you would be best placed to answer, and so I would be grateful if you would write to us to clarify these issues.

I would be grateful for your response by 10 December. I am copying this letter to the Comptroller and Auditor General and the Treasury Officer of Accounts.

MEG HILLIER MP
CHAIR OF THE COMMITTEE OF PUBLIC ACCOUNTS