



National Health Service (Wales) Act 2006

2006 CHAPTER 42

PART 11

PROPERTY AND FINANCE

CHAPTER 6

FINANCE

Local Health Boards

174 Public funding of Local Health Boards

- (1) The Welsh Ministers must, in respect of each financial year, pay to each Local Health Board—
 - (a) sums equal to its general ophthalmic ^{F1} . . . services expenditure, and
 - (b) sums not exceeding the amount allotted by the Welsh Ministers to the Local Health Board for that year towards meeting the Local Health Board's main expenditure in that year.
- (2) In determining the amount to be allotted for any year to a Local Health Board under subsection (1)(b) (or in varying the amount under subsection (9)), the Welsh Ministers may take into account, in whatever way they consider appropriate—
 - (a) the Local Health Board's general ophthalmic ^{F1} . . . services expenditure, and
 - (b) expenditure which would have been the Local Health Board's general ophthalmic ^{F1} . . . services expenditure but for an order under section 180(2) (special arrangements as to payment of remuneration),during any period the Welsh Ministers consider appropriate (or such elements of that expenditure as they consider appropriate).
- (3) Where the Welsh Ministers have made an initial determination of the amount (“the initial amount”) to be allotted for any year to a Local Health Board under subsection (1)

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- (b), they may increase the initial amount by a further sum if it appears to them that over a period notified to the Local Health Board—
- (a) it satisfied any objectives notified to it as objectives to be met in performing its functions, or
 - (b) it performed well against any criteria notified to it as criteria relevant to the satisfactory performance of its functions (whether or not the method of measuring its performance against those criteria was also notified to it).
- (4) “Notified” means specified or referred to in a notice given to the Local Health Board by the Welsh Ministers.
- (5) In making any increase under subsection (3), the Welsh Ministers may (whether by directions under subsection (10) or otherwise) impose any conditions they consider appropriate on the application or retention by the Local Health Board of the sum in question.
- (6) Subsection (7) applies where—
- (a) the Welsh Ministers have, under subsection (3), increased by any sum the amount to be allotted for any year to a Local Health Board,
 - (b) the Welsh Ministers have notified the Local Health Board of the allotment, and
 - (c) it subsequently appears to the Welsh Ministers that the Local Health Board has failed (wholly or in part) to satisfy any conditions imposed in making that increase.
- (7) Where this subsection applies, the Welsh Ministers may reduce—
- (a) the allotment made to the Local Health Board for that year, or
 - (b) when the Welsh Ministers have made an initial determination of the amount (“the initial amount”) to be allotted for any subsequent year to the Local Health Board under subsection (1)(b), the initial amount,
- by an amount not exceeding the sum mentioned in subsection (6)(a).
- (8) An amount is allotted to a Local Health Board for a year under this section when the Local Health Board is notified by the Welsh Ministers that the amount is allotted to it for that year.
- (9) The Welsh Ministers may make an allotment under this section increasing or reducing (subject to subsection (7)) an allotment previously so made; and the reference to a determination in subsection (3) includes a determination made with a view to increasing or reducing an allotment previously so made.
- (10) The Welsh Ministers may give directions to a Local Health Board with respect to—
- (a) the application of sums paid to it under this section, or
 - (b) the payment of sums by it to the Welsh Ministers in respect of charges or other sums referable to the valuation or disposal of assets.
- (11) Sums falling to be paid to Local Health Boards under this section are payable subject to such conditions as to records, certificates or otherwise as the Welsh Ministers may determine.
- (12) “General ophthalmic^{F1} . . . services expenditure” and “main expenditure” are defined in Schedule 8.

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Textual Amendments

- F1** Words in s. 174(1)(a)(2)(a)(b)(12) repealed (21.5.2010) by [Health and Social Care Act 2008 \(c. 14\)](#), ss. 140, 166, 170, Sch. 12 para. 7, [Sch. 15 Pt. 4](#); S.I. 2010/1457, [art. 2](#)

175 Financial duties of Local Health Boards

[^{F2}(1) Each Local Health Board must, in respect of each three-year accounting period, perform its functions so as to secure that its expenditure which is attributable to the performance by it of its functions in that period (not including its general ophthalmic services expenditure) does not exceed the aggregate of—

- (a) the amount allotted to it for each financial year in that period under section 174(1)(b),
- (b) any sums received by it in each financial year in that period under any other provision of this Act, and
- (c) any sums received by it in each financial year in that period otherwise than under this Act for the purpose of enabling it to defray any such expenditure,

by an amount that is more than is determined in writing by the Welsh Ministers.]

[^{F3}(2) The Welsh Ministers must give directions to a Local Health Board requiring it—

- (a) to prepare a plan which sets out its strategy for securing that it complies with the duty under subsection (1) while improving—
 - (i) the health of the people for whom it is responsible, and
 - (ii) the provision of health care to such people;
- (b) to do such other things as appear to be requisite to secure that it complies with that duty.]

[^{F4}(2A) A Local Health Board does not comply with a direction given to it under subsection (2) (a) unless the plan prepared in accordance with that direction has been submitted to and approved by the Welsh Ministers.]

(3) To the extent to which—

- (a) any expenditure is defrayed by a Local Health Board as trustee or on behalf of a Local Health Board by special trustees, or
- (b) any sums are received by a Local Health Board as trustee or under section 169, that expenditure and, subject to subsection (5) those sums, must be disregarded for the purposes of this section.

(4) For the purposes of this section sums which, in the hands of a Local Health Board, cease to be trust funds and become applicable by the Local Health Board otherwise than as trustee must be treated, on their becoming so applicable, as having been received by the Local Health Board otherwise than as trustee.

(5) Of the sums received by a Local Health Board under section 169 so much only as accrues to the Local Health Board after defraying any expenses incurred in obtaining them must be disregarded under subsection (3).

(6) Subject to subsection (3), the Welsh Ministers may by directions determine—

- (a) whether specified sums must, or must not, be treated for the purposes of this section as received under this Act by a specified Local Health Board,

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- (b) whether specified expenditure must, or must not, be treated for those purposes as expenditure within subsection (1) of a specified Local Health Board, or
- (c) the extent to which, and the circumstances in which, sums received by a Local Health Board under section 174 but not yet spent must be treated for the purposes of this section as part of the expenditure of the Local Health Board and to which financial year's expenditure they must be attributed.

[^{F5}(6A) The Welsh Ministers must, in relation to each three-year accounting period, report to the National Assembly for Wales before the end of the financial year following that period on whether each Local Health Board has complied with the duty under subsection (1).]

(7) “Specified” means of a description specified in the directions.

[^{F6}(8) Three-year accounting period” means a period of three years which begins with the first day of a financial year, so that the first begins with 1 April 2014 and ends with 31 March 2017 and the second begins with 1 April 2015 and ends with 31 March 2018 (and so on).]

Textual Amendments

- F2** S. 175(1) substituted (1.4.2014) by [National Health Service Finance \(Wales\) Act 2014 \(anaw 2\)](#), **ss. 2(2)**, 3(2)
- F3** S. 175(2) substituted (1.4.2014) by [National Health Service Finance \(Wales\) Act 2014 \(anaw 2\)](#), **ss. 2(3)**, 3(2)
- F4** S. 175(2A) inserted (1.4.2014) by [National Health Service Finance \(Wales\) Act 2014 \(anaw 2\)](#), **ss. 2(4)**, 3(2)
- F5** S. 175(6A) inserted (1.4.2014) by [National Health Service Finance \(Wales\) Act 2014 \(anaw 2\)](#), **ss. 2(5)**, 3(2)
- F6** S. 175(8) inserted (1.4.2014) by [National Health Service Finance \(Wales\) Act 2014 \(anaw 2\)](#), **ss. 2(6)**, 3(2)

^{F7}**176 Resource limits for Local Health Boards**

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Textual Amendments

- F7** S. 176 repealed (1.4.2014) by [National Health Service Finance \(Wales\) Act 2014 \(anaw 2\)](#), **ss. 2(7)**, 3(2)

177 Further provision about the expenditure of Local Health Boards

Schedule 8 makes further provision about the expenditure of Local Health Boards.

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 201A-201C inserted by [2017 c. 23 s. 9](#)
- s. 201C(2) words substituted by [2018 c. 12 Sch. 19 para. 118\(2\)](#)
- s. 201C(4) inserted by [2018 c. 12 Sch. 19 para. 118\(3\)](#)
- Sch. 7 para. 1(2A) inserted by [2009 c. 21 s. 32\(3\)](#)