



National Health Service (Wales) Act 2006

2006 CHAPTER 42

PART 11

PROPERTY AND FINANCE

CHAPTER 6

FINANCE

Special Health Authorities

171 Means of meeting expenditure of Special Health Authorities out of public funds

- (1) The Welsh Ministers must pay in respect of each financial year to each Special Health Authority sums not exceeding the amount allotted for that year by the Welsh Ministers to the Special Health Authority towards meeting the expenditure of the Special Health Authority which is attributable to the performance by it of its functions in that year.
- (2) An amount is allotted to a Special Health Authority for a year under this section when it is notified by the Welsh Ministers that the amount is allotted to it for that year.
- (3) The Welsh Ministers may make an allotment under this section increasing or reducing an allotment previously so made.
- (4) The Welsh Ministers may give directions to a Special Health Authority 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.
- (5) Sums falling to be paid to Special Health Authorities under this section are payable subject to such conditions as to records, certificates or otherwise as the Welsh Ministers may determine.

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172 Financial duties of Special Health Authorities

- (1) Each Special Health Authority must, in respect of each financial year, perform its functions so as to secure that its expenditure which is attributable to the performance by it of its functions in that year does not exceed the aggregate of—
 - (a) the amount allotted to it for that year under section 171(1),
 - (b) any sums received by it in that year under any provision of this Act (other than sums received by it under that subsection), and
 - (c) any sums received by it in that year otherwise than under this Act for the purpose of enabling it to defray any such expenditure.
- (2) The Welsh Ministers may give such directions to a Special Health Authority as appear to be requisite to secure that the Special Health Authority complies with the duty under subsection (1).
- (3) To the extent to which—
 - (a) any expenditure is defrayed by a Special Health Authority as trustee or on behalf of a Special Health Authority by special trustees, or
 - (b) any sums are received by a Special Health Authority 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 Special Health Authority cease to be trust funds and become applicable by the Special Health Authority otherwise than as trustee must be treated, on their becoming so applicable, as having been received by the Special Health Authority otherwise than as trustee.
- (5) Of the sums received by a Special Health Authority under section 169 so much only as accrues to the Special Health Authority 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 Special Health Authority,
 - (b) whether specified expenditure must, or must not, be treated for those purposes as expenditure within subsection (1) of a specified Special Health Authority, or
 - (c) the extent to which, and the circumstances in which, sums received by a Special Health Authority under section 171 but not yet spent must be treated for the purposes of this section as part of the expenditure of the Special Health Authority and to which financial year's expenditure they must be attributed.
- (7) “Specified” means of a description specified in the directions.

173 Resource limits for Special Health Authorities

- (1) Each Special Health Authority must ensure that the use of its resources in a financial year does not exceed the amount specified for it in relation to that year by the Welsh Ministers.
- (2) For the purpose of subsection (1) the Welsh Ministers may give directions—
 - (a) specifying uses of resources which must, or must not, be taken into account,

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- (b) making provision for determining to which Special Health Authority certain uses of resources must be attributed,
 - (c) specifying descriptions of resources which must, or must not, be taken into account.
- (3) The Welsh Ministers may give such directions to a Special Health Authority as appear to be requisite to secure that it complies with the duty under subsection (1).
- (4) Subsections (3) to (5) of section 172 apply in relation to the duty under subsection (1) of this section as they apply in relation to the duties under subsections (1) and (2) of that section; and for that purpose references to the defraying of expenditure and the receipt of sums are references to the incurring of liabilities and the acquisition of assets.
- (5) Where the Welsh Ministers have specified an amount under this section in respect of a financial year, they may vary the amount by a later specification.
- (6) In this section a reference to the use of resources is a reference to their expenditure, consumption or reduction in value.

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) (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.

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- (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.

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—

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- (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,
- (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.

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[^{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.

Accounts and audit

178 Accounts and audit

Schedule 9 makes provision about the accounts of certain health service bodies and the auditing of such accounts.

Allowances and remuneration

179 Allowances for members of certain bodies

- (1) The Welsh Ministers may pay to members of any body specified by them in an order as a body formed for the purpose of performing a function connected with the provision of services under this Act, such travelling and other allowances, including compensation for loss of remunerative time, as they may determine.
- (2) Payments under this section are subject to such conditions as to records, certificates, or otherwise as the Welsh Ministers may determine.

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180 Special arrangement as to payment of remuneration

- (1) Subsection (2) applies where the Welsh Ministers consider it appropriate for remuneration in respect of—
 - (a) primary medical services or primary dental services,
 - (b) general ophthalmic services, or
 - (c) pharmaceutical services,to be paid by a particular body.
- (2) Where this subsection applies, and the functions of the body do not include the function of paying the remuneration, the Welsh Ministers may by order confer that function on that body.
- (3) Any sums required to enable a body to pay the remuneration must, if apart from this section there is no provision authorising the payment of the sums by the Welsh Ministers or out of money provided by Parliament, be paid by them.
- (4) If the Welsh Ministers by order so provide with respect to remuneration in respect of such pharmaceutical services or such local pharmaceutical services as may be specified in the order—
 - (a) an NHS trust determined in accordance with the order has the function of paying sums so determined to a Local Health Board so determined in respect of the whole or any part of that remuneration, and
 - (b) subsection (3) does not apply with respect to the whole or that part of the remuneration.

181 Payments for certain medical examinations

- (1) Where a medical practitioner carries out a medical examination of any person with a view to an application for his admission to hospital for assessment or treatment being made under Part 2 of the Mental Health Act 1983 (c. 20) the Welsh Ministers must pay to that medical practitioner—
 - (a) reasonable remuneration in respect of that examination and in respect of any recommendation or report made by him with regard to the person examined, and
 - (b) the amount of any expenses reasonably incurred by him in connection with the examination or the making of any such recommendation or report.
- (2) No payment may be made under this section to a medical practitioner—
 - (a) in respect of an examination carried out in the provision of primary medical services for that person, or
 - (b) in respect of an examination carried out or any recommendation or report made as part of his duty as an officer of ^{F8}... [^{F9}an] NHS trust, Special Health Authority, NHS foundation trust or Local Health Board.
- (3) This section applies only in a case where it is intended, when the medical examination of the person in question is carried out, that if he is admitted to hospital in pursuance of an application mentioned in subsection (1), the whole cost of his maintenance and treatment will be defrayed out of moneys provided by Parliament.

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Textual Amendments

- F8** Words in s. 181(2)(b) omitted (1.4.2013) by virtue of [Health and Social Care Act 2012 \(c. 7\)](#), s. 306(4), [Sch. 21 para. 36\(a\)](#); S.I. 2013/160, art. 2(2) (with arts. 7-9)
- F9** Word in s. 181(2)(b) inserted (1.4.2013) by [Health and Social Care Act 2012 \(c. 7\)](#), s. 306(4), [Sch. 21 para. 36\(b\)](#); S.I. 2013/160, art. 2(2) (with arts. 7-9)

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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\(3\)](#)