



Health Services Act 1980

1980 CHAPTER 53

PART I

THE NATIONAL HEALTH SERVICE

Financial provisions relating to the health services in England, Wales and Scotland

6 Provision of public money for, and financial duties of, health authorities, Health Boards, etc.

- (1) For section 97 of the Act of 1977 (under which the Secretary of State and Regional Health Authorities are required to pay to other health authorities the sums needed to defray their approved expenditure or, in the case of special health authorities, sums equal to their expenses) there shall be substituted the following sections—

“97 Means of meeting expenditure of health authorities out of public funds.

- (1) It is the Secretary of State's duty to pay in respect of each financial year—
- (a) to each Regional Health Authority or, in Wales, to each Area Health Authority and each District Health Authority sums not exceeding the amount allotted or further allotted by him to the Authority for that year towards meeting the expenditure attributable to the performance by the Authority of their functions in that year;
 - (b) to each Family Practitioner Committee sums equal to the expenditure which he determines is attributable to the performance by the Committee in that year of their functions under this Act;
 - (c) to each special health authority sums not exceeding the amount allotted or further allotted by him to the authority for that year towards meeting the expenditure attributable to the performance by the authority in that year of their functions under this Act.

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- (2) Subject to subsection (3) below, it is the duty of every Regional Health Authority to pay in respect of each financial year to each Area Health Authority and each District Health Authority whose area or district is included in the region sums not exceeding the amount allotted or further allotted by the Regional Health Authority to the Area or District Health Authority for that year towards meeting the expenditure attributable to the performance by the Authority of their functions in that year.
- (3) The Secretary of State may give directions to a Regional Health Authority or an Area Health Authority or District Health Authority whose area or district is in Wales with respect to the application of the sums paid to them under subsection (1) above.
- (4) Where directions have been given under subsection (3) above to a Regional Health Authority with respect to the application of the sums paid to the Authority under subsection (1) above, the Regional Health Authority may give directions to an Area Health Authority or District Health Authority whose area or district is in the region with respect to the application of any sums paid out of those sums to the Area Health Authority or District Health Authority under subsection (2) above.
- (5) It shall be the duty of any health authority to whom directions have been given under subsection (3) or (4) above to comply with the directions.
- (6) Where an order establishing a special health authority provides for any expenditure of the authority to be met by a Regional, Area or District Health Authority or by two or more such Authorities in portions determined by or in accordance with the order, it is the duty of each Authority in question to pay to the special health authority sums equal to, or to the appropriate portion of, that expenditure.
- (7) Sums falling to be paid under this section shall be payable subject to compliance with such conditions as to records, certificates or otherwise as the Secretary of State may determine.

97A Financial duties of health authorities.

- (1) It is the duty of every Regional Health Authority, in respect of each financial year, so to perform their functions as to secure that the expenditure attributable to the performance by the Regional Health Authority and the Area Health Authorities and District Health Authorities whose areas or districts are in the region of their functions in that year does not exceed the aggregate of—
 - (a) the amounts allotted to the Regional Health Authority for that year under section 97(1) above;
 - (b) any other sums received under this Act in that year by the Regional Health Authority or the Area Health Authorities or District Health Authorities whose areas or districts are in the region; and
 - (c) any sums received otherwise than under this Act in that year by any of those Authorities for the purpose of enabling the Authority to defray any such expenditure.
- (2) It is the duty of every Area Health Authority and every District Health Authority, in respect of each financial year, so to perform their functions as to

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secure that the expenditure attributable to the performance of their functions in that year does not exceed the aggregate of—

- (a) the amounts allotted to the Authority for that year under section 97(1) or (2) above ;
- (b) any other sums received by the Authority under this Act in that year; and
- (c) any sums received otherwise than under this Act in that year by the Authority for the purpose of enabling the Authority to defray any such expenditure.

(3) It is the duty of every special health authority, in respect of each financial year, so to perform their functions under this Act as to secure that the expenditure attributable to the performance of their functions in that year does not exceed the aggregate of—

- (a) the amounts allotted to the authority for that year under section 97(1) above ;
- (b) any other sums received by the Authority under this Act in that year; and
- (c) any sums received otherwise than under this Act in that year by the authority for the purpose of enabling the authority to defray any such expenditure.

(4) The Secretary of State may give such directions to a health authority as appear to him to be requisite to secure that the authority comply with the duty imposed on them by subsection (1), (2) or (3) above and it shall be the duty of the authority to comply with the directions.

Directions under this subsection may be specific in character.

(5) To the extent to which—

- (a) any expenditure is defrayed by a health authority as trustee or on a health authority's behalf by special trustees; or
- (b) any sums are received by a health authority as trustee or under section 96A above,

that expenditure and, subject to subsection (6) below, those sums shall be disregarded for the purposes of this section and, for those purposes, sums which, in the hands of an authority, cease to be trust funds and become applicable by the authority otherwise than as trustee shall be treated, on their becoming so applicable, as having been received by the authority otherwise than as trustee.

(6) Of the sums received by a health authority under section 96A above so much only as accrues to the authority after defraying any expenses incurred in obtaining them shall be disregarded under subsection (5) above.

(7) Subject to subsection (5) above, the Secretary of State may, by directions, determine—

- (a) whether sums of a description specified in the directions are or are not to be treated for the purposes of this section as being receivable under this Act by an authority of a description so specified ;
- (b) whether expenditure of a description specified in the directions is or is not to be treated for the purposes of this section as being attributable

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- to the performance of functions by an authority of a description so specified; or
- (c) the extent to which and the circumstances in which sums received but not yet spent by an authority under section 97(1) or (2) above are to be treated for the purposes of this section as part of the expenditure of the authority and to which financial year's expenditure they are to be attributed.”.
- (2) For the purposes of section 15(3) of the National Health Service Reorganisation Act 1973 (which relates to a preserved Board of Governors) the sections 97 and 97A substituted for section 97 of the Act of 1977 by subsection (1) above shall be treated as if they were enactments repealed by that Act which applied to preserved Boards and may be modified accordingly in their application to such Boards by an order under the said section 15(3).
- (3) For subsections (1) and (2) of section 85 of the Scottish Act of 1978 there shall be substituted the following subsections—
- “(1) Subject to subsection (2), there shall, in respect of each financial year, be paid by the Secretary of State sums not exceeding the amount allotted or further allotted by him for that year to each of the following bodies towards meeting the expenditure attributable to the performance by that body of their functions in that year—
- (a) the Planning Council;
- (b) every Health Board ;
- (c) the Agency;
- (d) the Medical Practices Committee ;
- (e) the Dental Estimates Board ;
- (f) the Tribunal;
- (g) every local health council.
- (2) Subsection (1) does not apply in respect of the expenditure of a Health Board which is attributable to the performance of their functions under Part II, but in that respect there shall, in respect of each financial year, be paid by the Secretary of State sums equal to the expenditure which he determines is attributable to the performance of those functions in that year.
- (2A) The Secretary of State may give directions to a body referred to in subsection (1) with respect to the application of the sums paid to them under that subsection and it shall be the duty of any body to whom directions have been given under this subsection to comply with the directions.”.
- (4) After the said section 85 there shall be inserted the following section—

“85A Financial duties of bodies referred to in section 85.

- (1) It is the duty of each such body as is referred to in section 85(1), in respect of each financial year, so to perform their functions as to secure that the expenditure attributable to the performance of their functions in that year does not exceed the aggregate of—
- (a) the amounts allotted to that body for that year under section 85(1);
- (b) any other sums received under this Act in that year by that body ; and

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(c) any sums received otherwise than under this Act in that year by that body for the purposes of enabling them to defray any such expenditure.

(2) Subsection (3) of section 85 shall apply for the purposes of this section as it applies for the purposes of that section.

(3) The Secretary of State may give such directions to a body referred to in section 85(1) as appear to him to be requisite to secure that the body comply with the duty imposed on them by subsection (1) and it shall be the duty of the body to comply with the directions.

Directions under this subsection may be specific in character.

(4) To the extent to which—

(a) any expenditure of a Health Board or a local health council is defrayed by that body as trustee; or

(b) any sums are received by such a body as trustee or under section 84A, that expenditure and, subject to subsection (5), those sums shall be disregarded for the purposes of this section, and, for those purposes, sums which, in the hands of such a body, cease to be trust funds and become applicable by the body otherwise than as trustee shall be treated, on their becoming so applicable, as having been received by the body otherwise than as trustee.

(5) Of the sums received by a body under section 84A so much only as accrues to the body after defraying any expenses incurred in obtaining them shall be disregarded under subsection (4).

(6) Subject to subsection (4), the Secretary of State may, by directions, determine—

(a) whether sums of a description specified in the directions are or are not to be treated for the purposes of this section as being receivable under this Act by a body of a description so specified;

(b) whether expenditure of a description specified in the directions is or is not to be treated for the purposes of this section as being attributable to the performance of functions by a body of a description so specified; or

(c) the extent to which and the circumstances in which sums received but not yet spent by a body under section 85(1) are to be treated for the purposes of this section as part of the expenditure of the body and to which financial year's expenditure they are to be attributed.”

(5) The foregoing provisions of this section shall have effect in relation to the financial year 1980 to 1981 and subsequent years.