



# National Health Service Finance (Wales) Act 2014

2014 anaw 2

An Act of the National Assembly for Wales to make provision in relation to the financial duties of Local Health Boards. [27 January 2014]

**Having been passed by the National Assembly for Wales and having received the assent of Her Majesty, it is enacted as follows:**

## *Introduction*

### **1 Overview**

The main provision of this Act amends the National Health Service (Wales) Act 2006 so that the existing duty on each Local Health Board in Wales to secure that its expenditure does not exceed its funding in a financial year instead becomes a duty to secure that its expenditure does not exceed its funding over a period of three financial years; and may be subject to a margin of tolerance permitted by the Welsh Ministers.

### *Amendments to the National Health Service (Wales) Act 2006*

### **2 Financial duties of Local Health Boards**

(1) Chapter 6 of Part 11 of National Health Service (Wales) Act 2006 is amended as follows.

(2) For subsection (1) of section 175 (financial duties of Local Health Boards) substitute—

“(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—

---

*Status: This is the original version (as it was originally enacted).*

---

- (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.”

(3) For subsection (2) of section 175 substitute—

“(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.”

(4) After subsection (2) of section 175 insert—

“(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.”

(5) After subsection (6) of section 175 insert—

“(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).”

(6) At the end of section 175 insert a new subsection—

“(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).”

(7) Section 176 (resource limits for Local Health Boards) is repealed.

(8) In paragraph 1(1) of Schedule 8 (further provision about the expenditure of Local Health Boards) for “to 176” substitute “and 175”.

(9) In paragraph 2 of Schedule 8 the existing text becomes sub-paragraph (1) and insert—

“(2) In section 175 “expenditure” includes the use of resources through their consumption or reduction in value.”

## *General*

### **3 Short title and commencement**

- (1) The short title of this Act is the National Health Service Finance (Wales) Act 2014.
- (2) This Act comes into force on 1 April 2014.