EXPLANATORY NOTE

(This Note is not part of the Regulations, but is intended to indicate their general purport.)

The regulations provide that, after the discharge out of the Hospital Endowment Fund of certain liabilities transferred to the Minister of Health by the National Health Service Act, 1946, the balance of the Fund shall be apportioned between Regional Hospital Boards and Hospital Management Committees by reference to the number of beds in the hospitals which they control. The income of the Fund is to be distributed to the Boards and Committees proportionately to their shares.

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(2) LOCAL HEALTH AUTHORITIES

The National Health Service (Local Health Authorities) Estimation of Expenditure Regulations, 1949

1949 No. 578

Made - - - -	28*th March*, 1949
Laid before Parliament	29*th March*, 1949
Coming into Operation	31*st March*, 1949

M.H. 109097.

The Minister of Health, in exercise of his powers under section 53 of the National Health Service Act, 1946(a), and of all other powers enabling him in that behalf, hereby makes the following regulations:—

1. These regulations may be cited as the National Health Service (Local Health Authorities) Estimation of Expenditure Regulations, 1949, and shall come into operation on the 31st day of March, 1949.

2.—(1) In these regulations, " the Act " means the National Health Service Act, 1946, and " the Minister " means the Minister of Health.

(2) The Interpretation Act, 1889(b), applies to the interpretation of these regulations as it applies to the interpretation of an Act of Parliament.

3. The expenditure incurred by each local health authority in carrying out their functions as a local health authority, whether under the Act or any other enactment, shall, for the purposes of section 53 of the Act (Grants to local health authorities) be estimated in accordance with and subject to the provisions of these regulations.

4. Such estimate shall be made by the Minister, on the submission to him by the local health authority after the end of each financial year of a claim, made on a form approved by him and certified by the chief financial officer of the authority to contain a true statement of the expenditure and income of the authority in their capacity of local health authority, calculated in accordance with these regulations.

(a) 9 & 10 Geo. 6. c. 81. (b) 52 & 53 Vict. c. 63.

5. The expenditure incurred by the authority solely in carrying out their functions as a local health authority shall first be calculated, and such expenditure shall include, inter alia, the following payments made by the authority under the National Health Service (Transfer of Local Authority Functions) Regulations, 1948(**a**):—

(*a*) any payment in pursuance of an adjustment of property or liabilities,

(*b*) any payment in discharge of a liability transferred to them under the said regulations, and

(*c*) any payment to a council by way of repayment to that council of sums required to meet loan charges.

6. To the expenditure calculated in accordance with regulation 5 shall be added the proportion which is attributable to the exercise by the authority of their functions as a local health authority of any expenditure incurred partly for the purpose of those functions and partly for other purposes.

7. In calculating the expenditure of a local health authority for the purposes of these regulations expenditure of the following descriptions shall not be taken into account:—

(*a*) expenditure incurred in the remuneration of staff in excess of that necessary for their remuneration at rates governed by local or national agreements or by regulations having statutory effect except as the Minister shall otherwise determine. For the purpose of this paragraph "remuneration" shall include all fees and emoluments together with the appropriate superannuation charges;

(*b*) except as the Minister shall otherwise determine, interest charges on loans raised after the 4th day of July 1948 so far as the rate of interest exceeds the appropriate rate fixed by the Treasury for loans raised through the Public Works Loan Commissioners at the date on which the loan was raised;

Provided that this regulation shall not operate to exclude interest on an advance from a consolidated loans fund, or other common fund of the authority, to which moneys borrowed for different purposes are carried, at the rate in force for such advances at the date on which it was made;

(*c*) any item of capital expenditure exceeding £2,000 in respect of the purchase of land or buildings or £10,000 in respect of other capital expenditure, or exceeding the product of a 1d. rate as ascertained for the purpose of section 9 (2) of the Rating and Valuation Act, 1925(**b**), unless the expenditure has been approved by the Minister;

(*d*) expenditure incurred in the remuneration of, or the payment of any superannuation or insurance contributions in respect of, the medical officer of health or his deputy or of the chief officer, or his deputy, of any department of the authority not concerned solely with their local health authority functions, except as the Minister shall otherwise determine;

(*e*) expenditure incurred in the acquisition on or after 5th July, 1948, of any land or buildings which are not the subject of a valuation by the District Valuer or which are acquired at a price in excess of the District Valuer's valuation, unless the Minister otherwise determines;

(a) S.I. 1948 (No. 567) I, p. 2281. (b) 15 & 16 Geo. 5. c. 90.

(*f*) expenditure in respect of overhead and administrative costs, except so far as the Minister shall be satisfied that such expenditure would not have been incurred had the authority not been invested with the powers and duties of a local health authority;

(*g*) expenditure incurred in respect of a liability certified in accordance with regulation 6 (1) (*a*) of the Local Government Superannuation (Actuarial Valuations) Regulations, 1939(**a**) to the extent that it relates to an employee of a voluntary organisation admitted under section 5 (5) of the Local Government Superannuation Act, 1937(**b**), or regulation 41 of the National Health Service (Superannuation) Regulations, 1947(**c**) to participation in the benefits of a superannuation fund.

8. From the sum of the expenditure calculated in accordance with the foregoing provisions of these regulations, there shall be deducted, for the purpose of determining the estimated expenditure of the authority, the following amounts:—

(*a*) the amount of any sums received by the authority pursuant to an agreement, or to an order of the Minister, under the National Health Service (Transfer of Local Authority Functions) Regulations, 1948;

(*b*) the amount of any income of the authority under subsection (2) of section 22 (Care of mothers and young children) subsection (2) of section 28 (Prevention of illness, care and after-care) subsection (2) of section 29 (Domestic help) section 63 (Use of premises and equipment of local health authority by other authorities) and section 65 (Provision of residential accommodation for staff) of the Act; and

(*c*) the amount of any other income of the authority in the exercise of their functions as a local health authority.

Given under the official seal of the Minister of Health this twenty-eighth day of March, nineteen hundred and forty-nine.

(L.S.)

Aneurin Bevan,
Minister of Health.

EXPLANATORY NOTE

(This Note is not part of the Regulations, but is intended to indicate their general purport.)

These Regulations prescribe the method of estimating the expenditure incurred by local health authorities on which Exchequer grant is payable.

(**a**) Provisional Regulations. (**b**) 1 Edw. 8. & 1 Geo. 6. c. 68.
(**c**) S.R. & O. 1947 (No. 1755) I, p. 1373.