(2) For the purposes of these regulations, a memorandum prefixed to a draft scheme or scheme in pursuance of regulation 9 (1) shall be deemed to be part of such draft scheme or scheme.

Arthur Woodburn,
One of His Majesty's Principal Secretaries of State.

St. Andrew's House,
Edinburgh, 1.
20th April, 1949.

EXPLANATORY NOTE

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

The Regulations prescribe the procedure to be carried out by the Hospital Endowments Commission in framing and publishing schemes for the future management of endowments transferred at 5th July, 1948, under the National Health Service (Scotland) Act, 1947, from the former hospital authorities to Boards of Management.

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6. LOCAL HEALTH AUTHORITIES (EXPENDITURE)

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

1949 No. 893 (S. 52)

Made - - - -	*9th May*, 1949
Laid before Parliament	*11th May*, 1949
Coming into Operation	*12th May*, 1949

In exercise of the powers conferred on me by section 53 of the National Health Service (Scotland) Act, 1947(a), and of all other powers enabling me in that behalf, I hereby make the following regulations:—

1. These regulations may be cited as the National Health Service (Local Health Authorities) Estimation of Expenditure (Scotland) Regulations, 1949, and shall come into operation on the 12th day of May, 1949.

2.—(1) In these regulations,

" the Act " means the National Health Service (Scotland) Act, 1947.

" appointed auditor " means an auditor appointed by the Secretary of State in accordance with the provisions of section 197 of the Local Government (Scotland) Act, 1947(b).

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

(a) 10 & 11 Geo. 6. c. 27. (b) 10 & 11 Geo. 6. c. 43. (c) 52 & 53 Vict. c. 63.

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 as amended(a) (which provides for grants to local health authorities) be estimated in accordance with, and subject to, the provisions of these regulations.

4. Such estimate shall be submitted after the end of each financial year by the local health authority to the Secretary of State on a form of claim for grant approved by him and certified by the chief financial officer of the authority and by the appointed auditor 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, and shall be subject to the approval of the Secretary of State.

5. The expenditure incurred by the authority solely in carrying out their functions as a local health authority shall be calculated, and to that expenditure there 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 purposes of those functions and partly for other purposes.

6. In the calculation of 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 Secretary of State 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 Secretary of State 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 or the product of a 1d. rate as ascertained in accordance with the provisions of sub-section (5) of section 145 of the Local Government Act, 1948, whichever is the less;

(*d*) loan charges on any item of capital expenditure in excess of £2,000 unless the expenditure has been approved by the Secretary of State, and on 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 Secretary of State otherwise determines;

(*e*) 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,

(a) *See* section 23 of the Local Government Act, 1948 (11 & 12 Geo. 6. c. 26).

of any department of the authority not concerned solely with its local health authority functions, except as the Secretary of State shall otherwise determine;

(*f*) expenditure in respect of overhead and administrative costs except so far as the Secretary of State 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 Valuation) (Scotland) 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 (Scotland) Act, 1937(**b**), or regulation 42 of the National Health Service (Scotland) (Superannuation) Regulations, 1948(**c**), to participation in the benefits of a superannuation fund.

7. 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 income of the authority under subsection (2) of section 22 (Care of mothers and young children), subsection (2) of section 27 (Prevention of illness, care and after-care), subsection (2) of section 28 (Domestic help), section 63 (Use of premises and equipment by other authorities) and section 64 (Provision of residential accommodation for staff) of the Act, and

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

Dated this 9th day of May, 1949.

Arthur Woodburn,
One of His Majesty's Principal Secretaries of State.

St. Andrew's House,
Edinburgh, 1.

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) S.R. & O. 1939 (No. 575) II, p. 2589. (b) 1 Edw. 8. & 1 Geo. 6. c. 69.
(c) S.I. 1948 (No. 412) I, p. 2478.