STATUTORY INSTRUMENTS

1974 No. 1915

NATIONAL HEALTH SERVICE, ENGLAND AND WALES

The National Health Service (Hospital Endowments Fund—Distribution of Assets) Order 1974

Made - - - -	18*th November* 1974
Laid before Parliament	26*th November* 1974
Coming into Operation	17*th December* 1974

The Secretary of State for Social Services, as respects England, and the Secretary of State for Wales, as respects Wales, in exercise of the powers conferred on them by section 23(2) of the National Health Service Reorganisation Act 1973**(a)** and of all other powers enabling them in that behalf hereby make the following order:—

Citation and Commencement

1. This order may be cited as the National Health Service (Hospital Endowments Fund—Distribution of Assets) Order 1974 and shall come into operation on 17th December 1974.

Interpretation

2.—(1) In this order unless the context otherwise requires—

"the Act" means the National Health Service Reorganisation Act 1973;

"assets" means the assets of the Hospital Endowments Fund;

"relevant number of beds" means the sum of—

(*a*) the average number of beds occupied nightly during the year ending, except where otherwise specified, on 31st December 1973; and

(*b*) the number of such occupied beds used for the treatment of geriatric, younger disabled, mentally ill or mentally handicapped patients.

(2) The Interpretation Act 1889**(b)** applies for the interpretation of this order as it applies for the interpretation of an Act of Parliament.

(3) Any estimate required to be made for the purposes of this order shall be made on the basis of such information as is available.

(a) 1973 c. 32. **(b)** 1889 c. 63.

Distribution of Assets

3. The assets shall be distributed among Regional Health Authorities, Area Health Authorities and Special Trustees in accordance with the following provisions of this order.

Allocation of assets for England and for Wales

4.—(1) The Secretary of State shall, subject to article 5 below, estimate—

(*a*) the relevant number of beds attributable to hospitals which were maintained by Regional Hospital Boards in England; and

(*b*) the relevant number of beds attributable to hospitals which were maintained by the Welsh Hospital Board.

(2) The Secretary of State shall, subject as aforesaid,—

(*a*) allocate for distribution to bodies in England such proportion of the assets as the relevant number mentioned in paragraph 1(*a*) above represents of the total of the relevant numbers mentioned in paragraph 1(*a*) and (*b*) above; and

(*b*) allocate the remainder of the assets for distribution to bodies in Wales.

Adjustment in respect of certain beds attributable to hospitals controlled and managed by University Hospital Management Committees

5.—(1) The Secretary of State shall estimate—

(*a*) the relevant number of beds during the year ending on 31st December 1970 attributable to hospitals controlled and managed by the Board of Governors of the United Newcastle upon Tyne Hospitals during that year;

(*b*) the relevant number of beds during that year attributable to hospitals controlled and managed by the Newcastle upon Tyne Hospital Management Committee and the St. Nicholas Hospital Management Committee during that year;

(*c*) the relevant number of beds attributable to hospitals controlled and managed by the Newcastle University Hospital Management Committee;

(*d*) the proportion which the relevant number of beds mentioned in paragraph(*a*) above represents of such total number as is mentioned in paragraphs (*a*) and (*b*) together;

and of the relevant number of beds mentioned in paragraph (*c*) above the proportion mentioned in paragraph (*d*) above shall be disregarded for the purposes of articles 4, (1)(*a*) and 6, of this order.

(2) The Secretary of State shall estimate—

(*a*) the relevant number of beds during the year ending on 31st December 1969 attributable to hospitals controlled and managed by the Board of Governors of the United Cardiff Hospitals during that year;

(*b*) the relevant number of beds during that year attributable to hospitals controlled and managed by the Cardiff and District Hospital Management Committee during that year;

(*c*) the relevant number of beds attributable to hospitals controlled and managed by the University Hospital of Wales (Cardiff) Hospital Management Committee;

(*d*) the proportion which the relevant number of beds mentioned in paragraph (*a*) above represents of such total number as is mentioned in paragraphs (*a*) and (*b*) together;

and of the relevant number of beds mentioned in paragraph (*c*) above the proportion mentioned in paragraph (*d*) above shall be disregarded for the purposes of estimating—

(i) the relevant number of beds referred to in article 4(1)(*b*) above; and

(ii) the relevant number of beds attributable under article 7(2)(*a*) below to the hospitals for which the South Glamorgan Area Health Authority was responsible on 1st April 1974.

Distribution of Assets in England

6.—(1) The assets allocated for distribution in England under article 4(2)(*a*) above shall be distributed in accordance with the following provisions of this article.

(2) The Secretary of State shall, subject to article 5(1) above, estimate for each Regional Health Authority—

(*a*) the relevant number of beds attributable to the hospitals for which that Regional Health Authority was responsible on 1st April 1974 by virtue of a direction under section 7 of the Act (whether or not such hospitals were within the region of such Authority), and

(*b*) the relevant number of beds attributable to any hospital which ceased to be maintained by a Regional Hospital Board during the relevant period and which, or the site of which, is in the region of that Regional Health Authority,

and the amount of the assets to be allocated in respect of that Regional Health Authority shall be such proportion of the assets allocated for distribution in England under article 4(2)(*a*) above as the sum of the relevant numbers of beds as estimated for that Regional Health Authority represents of the relevant number of beds for England as estimated in accordance with article 4(1)(*a*) above.

(3) Of the assets to be allocated in respect of each Regional Health Authority under paragraph (2) above, 10 per cent. shall be distributed to that Regional Health Authority.

(4) The Secretary of State shall, subject to article 5(1) above, estimate for each Area Health Authority—

(*a*) the relevant number of beds attributable to the hospitals for which that Area Health Authority was responsible on 1st April 1974 by virtue of a direction under section 7 of the Act (whether or not such hospitals were within the area of such Authority), and

(*b*) the relevant number of beds attributable to any hospital which ceased to be maintained by a Regional Hospital Board during the relevant period and which, or the site of which, is in the area of that Area Health Authority,

and the amount of the assets to be distributed to each Area Health Authority in England shall be such proportion of 90 per cent. of the assets to be allocated in respect of the Regional Health Authority for the region in which the area of the Area Health Authority is situated as the sum of the relevant numbers of beds as estimated for that Area Health Authority represents of the relevant number of beds in respect of that Regional Health Authority as estimated under paragraph (2) above, but, where Special Trustees have been appointed for any hospital or hospitals, the assets apportioned in respect of the relevant number of beds attributable to any such hospital or hospitals shall be distributed to those Special Trustees and not to the Area Health Authority.

(5) In this article references to hospitals are references to hospitals which were maintained by a Regional Hospital Board at any time during the period beginning on 1st January 1973 and ending on 31st March 1974 and references to the relevant period are references to that period.

Distribution of assets in Wales

7.—(1) The assets allocated for distribution in Wales under article 4(2)(*b*) above shall be distributed in accordance with the following provisions of this article.

(2) The Secretary of State shall, subject to article 5(2) above, estimate for each Area Health Authority—

(*a*) the relevant number of beds attributable to the hospitals for which that Area Health Authority was responsible on 1st April 1974 by virtue of a direction under section 7 of the Act, and

(*b*) the relevant number of beds attributable to any hospital which ceased to be maintained by the Welsh Hospital Board during the relevant period and which, or the site of which, is in the area of that Area Health Authority,

and the amount of the assets to be distributed to each Area Health Authority in Wales shall be such proportion of the assets to be allocated for distribution in Wales under article 4(2)(*b*) above as the sum of the relevant number of beds as estimated for that Area Health Authority represents of the relevant number of beds for Wales as estimated in accordance with article 4(1)(*b*) above.

(3) In this article references to hospitals are references to hospitals which were maintained by the Welsh Hospital Board at any time during the period beginning on 1st January 1973 and ending on 31st March 1974 and references to the relevant period are references to that period.

Barbara Castle,
Secretary of State for Social Services

15th November 1974.

John Morris,
Secretary of State for Wales.

18th November 1974.

EXPLANATORY NOTE

(This Note is not part of the Order.)

The Hospital Endowments Fund was established under section 7(4) of the National Health Service Act 1946 (1946 c. 81) and to it were transferred the endowments of all hospitals transferred to the Minister of Health except those which were designated as teaching hospitals. Provision was made for the distribution of the income of the Fund by regulations under the Act of 1946 and later by the National Health Service (Hospital Endowments Fund–Distribution of Income) Regulations 1969 (S.I. 1969 No. 1425) under section 7 of the Health Services and Public Health Act 1968 (1968 c. 46).

Section 23 of the National Health Service Reorganisation Act 1973 requires the Secretary of State to wind up the Hospitals Endowments Fund and to provide by order for the distribution of its assets to Regional and Area Health Authorities and Special Trustees. This Order provides for the distribution of these assets in accordance with responsibility for hospitals as at 1st April 1974. The distribution is based upon the average number of occupied beds during the year 1973 in non-teaching hospitals (beds used for the treatment of certain patients (mainly long-stay) are counted twice). A similar basis of distribution was adopted in S.I. 1969 No. 1425.

Special provision has however been made for excluding beds which were formerly in teaching hospitals which were transferred to University Hospitals and in respect of which, when designation as a teaching hospital was revoked on such transfer, no capital assets were transferred to the Fund (Article 5). Special provision has also been made to deal with the few cases where hospitals which provided beds during 1973 ceased to exist before 1st April 1974 (articles 6(2)(*b*), 6(4)(*b*) and 7(2)(*b*)).

Subject to this, in England 10 per cent. of the apportioned assets are distributed to Regional Health Authorities and 90 per cent. to Area Health Authorities or Special Trustees (article 6) and in Wales, where there are no Regional Health Authorities or Special Trustees, all the apportioned assets are distributed to Area Health Authorities (article 7).

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