



National Health Service Act 2006

2006 CHAPTER 41

PART 11

PROPERTY AND FINANCE

CHAPTER 6

FINANCE

Strategic Health Authorities and Special Health Authorities

224 Means of meeting expenditure of Strategic Health Authorities out of public funds

- (1) The Secretary of State must pay in respect of each financial year to each Strategic Health Authority sums not exceeding the amount allotted for that year by the Secretary of State to the Strategic Health Authority towards meeting the expenditure of the Strategic Health Authority which is attributable to the performance by it of its functions in that year.
- (2) Where the Secretary of State has made an initial determination of the amount (“the initial amount”) to be allotted for any year to a Strategic Health Authority under subsection (1), he may increase the initial amount by a further sum if it appears to him that over a period notified to the Strategic Health Authority—
 - (a) it satisfied any objectives notified to it as objectives to be met in performing its functions, or
 - (b) it performed well against any criteria notified to it as criteria relevant to the satisfactory performance of its functions (whether or not the method of measuring its performance against those criteria was also notified to it).
- (3) “Notified” means specified or referred to in a notice given to the Strategic Health Authority by the Secretary of State.

Status: Point in time view as at 01/03/2007.

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- (4) In making any increase under subsection (2), the Secretary of State may (whether by directions under subsection (9) or otherwise) impose any conditions he considers appropriate on the application or retention by the Strategic Health Authority of the sum in question.
- (5) Subsection (6) applies where—
- (a) the Secretary of State has, under subsection (2), increased by any sum the amount to be allotted for any year to a Strategic Health Authority,
 - (b) the Secretary of State has notified the Strategic Health Authority of the allotment, and
 - (c) it subsequently appears to the Secretary of State that the Strategic Health Authority has failed (wholly or in part) to satisfy any conditions imposed in making that increase.
- (6) Where this subsection applies, the Secretary of State may reduce—
- (a) the allotment made to that Strategic Health Authority for that year, or
 - (b) when he has made an initial determination of the amount (“the initial amount”) to be allotted for any subsequent year to the Strategic Health Authority under subsection (1), the initial amount,
- by an amount not exceeding the sum mentioned in subsection (5)(a).
- (7) An amount is allotted to a Strategic Health Authority for a year under this section when it is notified by the Secretary of State that the amount is allotted to it for that year.
- (8) The Secretary of State may, subject to subsection (6), make an allotment under this section increasing or reducing an allotment previously so made; and the reference to a determination in subsection (2) includes a determination made with a view to increasing or reducing an allotment previously so made.
- (9) The Secretary of State may give directions to a Strategic Health Authority with respect to—
- (a) the application of sums paid to it under this section, or
 - (b) the payment of sums by it to the Secretary of State in respect of charges or other sums referable to the valuation or disposal of assets.
- (10) Sums falling to be paid to Strategic Health Authorities under this section are payable subject to such conditions as to records, certificates or otherwise as the Secretary of State may determine.

225 Means of meeting expenditure of Special Health Authorities out of public funds

- (1) The Secretary of State must pay in respect of each financial year to each Special Health Authority sums not exceeding the amount allotted for that year by the Secretary of State to the Special Health Authority towards meeting the expenditure of the Special Health Authority which is attributable to the performance by it of its functions in that year.
- (2) An amount is allotted to a Special Health Authority for a year under this section when it is notified by the Secretary of State that the amount is allotted to it for that year.
- (3) The Secretary of State may make an allotment under this section increasing or reducing an allotment previously so made.

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- (4) The Secretary of State may give directions to a Special Health Authority with respect to—
 - (a) the application of sums paid to it under this section, or
 - (b) the payment of sums by it to the Secretary of State in respect of charges or other sums referable to the valuation or disposal of assets.
- (5) Sums falling to be paid to Special Health Authorities under this section are payable subject to such conditions as to records, certificates or otherwise as the Secretary of State may determine.

226 Financial duties of Strategic Health Authorities and Special Health Authorities

- (1) Each Strategic Health Authority must, in respect of each financial year, perform its functions so as to secure that its expenditure which is attributable to the performance by it of its functions in that year does not exceed the aggregate of—
 - (a) the amount allotted to it for that year under section 224(1),
 - (b) any sums received by it in that year under any provision of this Act (other than sums received by it under that subsection), and
 - (c) any sums received by it in that year otherwise than under this Act for the purpose of enabling it to defray any such expenditure.
- (2) Each Special Health Authority must, in respect of each financial year, perform its functions so as to secure that its expenditure which is attributable to the performance by it of its functions in that year does not exceed the aggregate of—
 - (a) the amount allotted to it for that year under section 225(1),
 - (b) any sums received by it in that year under any provision of this Act (other than sums received by it under that subsection), and
 - (c) any sums received by it in that year otherwise than under this Act for the purpose of enabling it to defray any such expenditure.
- (3) The Secretary of State may give such directions to a Strategic Health Authority or Special Health Authority as appear to be requisite to secure that the Authority complies with the duty under subsection (1) or (2).
- (4) To the extent to which—
 - (a) any expenditure is defrayed by a Strategic Health Authority or Special Health Authority as trustee or on behalf of a Strategic Health Authority or Special Health Authority by special trustees, or
 - (b) any sums are received by a Strategic Health Authority or Special Health Authority as trustee or under section 222,that expenditure and, subject to subsection (6), those sums, must be disregarded for the purposes of this section.
- (5) For the purposes of this section sums which, in the hands of a Strategic Health Authority or Special Health Authority, cease to be trust funds and become applicable by the Authority otherwise than as trustee must 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 Strategic Health Authority or Special Health Authority under section 222, so much only as accrues to the Authority after defraying any expenses incurred in obtaining them must be disregarded under subsection (4).

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- (7) Subject to subsection (4), the Secretary of State may by directions determine—
- (a) whether specified sums must, or must not, be treated for the purposes of this section as received under this Act by a specified Strategic Health Authority or specified Special Health Authority,
 - (b) whether specified expenditure must, or must not, be treated for those purposes as—
 - (i) expenditure within subsection (1) of a specified Strategic Health Authority, or
 - (ii) expenditure within subsection (2) of a specified Special Health Authority, or
 - (c) the extent to which, and the circumstances in which, sums received—
 - (i) by a Strategic Health Authority under section 224, or
 - (ii) by a Special Health Authority under section 225,
 but not yet spent must be treated for the purposes of this section as part of the expenditure of the Strategic Health Authority or Special Health Authority and to which financial year's expenditure they must be attributed.
- (8) “Specified” means of a description specified in the directions.

227 Resource limits for Strategic Health Authorities and Special Health Authorities

- (1) Each Strategic Health Authority and each Special Health Authority must ensure that the use of its resources in a financial year does not exceed the amount specified for it in relation to that year by the Secretary of State.
- (2) For the purpose of subsection (1) the Secretary of State may give directions—
 - (a) specifying uses of resources which must, or must not, be taken into account,
 - (b) making provision for determining to which Strategic Health Authority or Special Health Authority certain uses of resources must be attributed,
 - (c) specifying descriptions of resources which must, or must not, be taken into account.
- (3) The Secretary of State may give such directions to a Strategic Health Authority or Special Health Authority as appear to be requisite to secure that the Authority complies with the duty under subsection (1).
- (4) Subsections (4) to (6) of section 226 apply in relation to the duty under subsection (1) of this section as they apply in relation to the duties under subsections (1) and (2) of that section; and for that purpose references to the defraying of expenditure and the receipt of sums are references to the incurring of liabilities and the acquisition of assets.
- (5) Where the Secretary of State has specified an amount under this section in respect of a financial year, he may vary the amount by a later specification.
- (6) In this section a reference to the use of resources is a reference to their expenditure, consumption or reduction in value.

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Primary Care Trusts

228 Public funding of Primary Care Trusts

- (1) The Secretary of State must, in respect of each financial year, pay to each Primary Care Trust—
 - (a) sums equal to its pharmaceutical services expenditure, and
 - (b) sums not exceeding the amount allotted by the Secretary of State to the Primary Care Trust for that year towards meeting the Primary Care Trust's main expenditure in that year.
- (2) In determining the amount to be allotted for any year to a Primary Care Trust under subsection (1)(b) (or in varying the amount under subsection (9)), the Secretary of State may take into account, in whatever way he considers appropriate—
 - (a) the Primary Care Trust's pharmaceutical services expenditure, and
 - (b) expenditure which would have been the Primary Care Trust's pharmaceutical services expenditure but for an order under section 234(2) (special arrangements as to payment of remuneration),during any period he considers appropriate (or such elements of that expenditure as he considers appropriate).
- (3) Where the Secretary of State has made an initial determination of the amount (“the initial amount”) to be allotted for any year to a Primary Care Trust under subsection (1) (b), he may increase the initial amount by a further sum if it appears to him that over a period notified to the Primary Care Trust—
 - (a) it satisfied any objectives notified to it as objectives to be met in performing its functions, or
 - (b) it performed well against any criteria notified to it as criteria relevant to the satisfactory performance of its functions (whether or not the method of measuring its performance against those criteria was also notified to it).
- (4) “Notified” means specified or referred to in a notice given to the Primary Care Trust by the Secretary of State.
- (5) In making any increase under subsection (3), the Secretary of State may (whether by directions under subsection (10) or otherwise) impose any conditions he considers appropriate on the application or retention by the Primary Care Trust of the sum in question.
- (6) Subsection (7) applies where—
 - (a) the Secretary of State has, under subsection (3), increased by any sum the amount to be allotted for any year to a Primary Care Trust,
 - (b) the Secretary of State has notified the Primary Care Trust of the allotment, and
 - (c) it subsequently appears to the Secretary of State that the Primary Care Trust has failed (wholly or in part) to satisfy any conditions imposed in making that increase.
- (7) Where this subsection applies, the Secretary of State may reduce—
 - (a) the allotment made to the Primary Care Trust for that year, or
 - (b) when he has made an initial determination of the amount (“the initial amount”) to be allotted for any subsequent year to the Primary Care Trust under subsection (1)(b), the initial amount,

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by an amount not exceeding the sum mentioned in subsection (6)(a).

- (8) An amount is allotted to a Primary Care Trust for a year under this section when the Primary Care Trust is notified by the Secretary of State that the amount is allotted to it for that year.
- (9) The Secretary of State may make an allotment under this section increasing or reducing (subject to subsection (7)) an allotment previously so made; and the reference to a determination in subsection (3) includes a determination made with a view to increasing or reducing an allotment previously so made.
- (10) The Secretary of State may give directions to a Primary Care Trust with respect to—
 - (a) the application of sums paid to it under this section, or
 - (b) the payment of sums by it to the Secretary of State in respect of charges or other sums referable to the valuation or disposal of assets.
- (11) Sums falling to be paid to Primary Care Trusts under this section are payable subject to such conditions as to records, certificates or otherwise as the Secretary of State may determine.
- (12) “Pharmaceutical services expenditure” and “main expenditure” are defined in Schedule 14.

229 Financial duties of Primary Care Trusts

- (1) Each Primary Care Trust must, in respect of each financial year, perform its functions so as to secure that its expenditure which is attributable to the performance by it of its functions in that year (not including its pharmaceutical services expenditure) does not exceed the aggregate of—
 - (a) the amount allotted to it for that year under section 228(1)(b),
 - (b) any sums received by it in that year under any provision of this Act (other than sums received by it under that section), and
 - (c) any sums received by it in that year otherwise than under this Act for the purpose of enabling it to defray any such expenditure.
- (2) The Secretary of State may give such directions to a Primary Care Trust as appear to be requisite to secure that it complies with the duty under subsection (1).
- (3) To the extent to which—
 - (a) any expenditure is defrayed by a Primary Care Trust as trustee or on behalf of a Primary Care Trust by special trustees, or
 - (b) any sums are received by a Primary Care Trust as trustee or under section 222, that expenditure and, subject to subsection (5) those sums, must be disregarded for the purposes of this section.
- (4) For the purposes of this section sums which, in the hands of a Primary Care Trust, cease to be trust funds and become applicable by the Primary Care Trust otherwise than as trustee must be treated, on their becoming so applicable, as having been received by the Primary Care Trust otherwise than as trustee.
- (5) Of the sums received by a Primary Care Trust under section 222 so much only as accrues to the Primary Care Trust after defraying any expenses incurred in obtaining them must be disregarded under subsection (3).

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- (6) Subject to subsection (3), the Secretary of State may by directions determine—
- (a) whether specified sums must, or must not, be treated for the purposes of this section as received under this Act by a specified Primary Care Trust,
 - (b) whether specified expenditure must, or must not, be treated for those purposes as expenditure within subsection (1) of a specified Primary Care Trust, or
 - (c) the extent to which, and the circumstances in which, sums received by a Primary Care Trust under section 228 but not yet spent must be treated for the purposes of this section as part of the expenditure of the Primary Care Trust and to which financial year's expenditure they must be attributed.
- (7) “Specified” means of a description specified in the directions.

230 Resource limits for Primary Care Trusts

- (1) Each Primary Care Trust must ensure that the use of its resources in a financial year does not exceed the amount specified for it in relation to that year by the Secretary of State.
- (2) For the purpose of subsection (1) no account may be taken of any use of resources for the purpose of a Primary Care Trust's pharmaceutical services expenditure.
- (3) But in specifying an amount for a Primary Care Trust under subsection (1) (or in varying the amount under subsection (5)), the Secretary of State may take into account (in whatever way he considers appropriate)—
 - (a) any such use of resources, and
 - (b) the use of any resources which would have been for the purpose of the Primary Care Trust's pharmaceutical services expenditure but for an order under section 234(2) (special arrangements as to payment of remuneration), during any period he considers appropriate (or such elements of such uses of resources as he considers appropriate).
- (4) For the purpose of subsection (1) the Secretary of State may give directions—
 - (a) specifying uses of resources which must, or must not, be taken into account,
 - (b) making provision for determining to which Primary Care Trust certain uses of resources must be attributed,
 - (c) specifying descriptions of resources which must, or must not, be taken into account.
- (5) Where the Secretary of State has specified an amount under this section in respect of a financial year, he may vary the amount by a later specification.
- (6) Subsections (3) to (5) of section 229 apply in relation to the duty under subsection (1) of this section as they apply in relation to the duty under subsection (1) of that section; and for that purpose references to the defraying of expenditure and the receipt of sums are references to the incurring of liabilities and the acquisition of assets.
- (7) The Secretary of State may give such directions to a Primary Care Trust as appear to be requisite to secure that it complies with the duty under subsection (1).
- (8) In this section a reference to the use of resources is a reference to their expenditure, consumption or reduction in value.

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231 Further provision about the expenditure of Primary Care Trusts

Schedule 14 makes further provision about the expenditure of Primary Care Trusts.

Accounts and audit

232 Accounts and audit

Schedule 15 makes provision about the accounts of certain health service bodies and the auditing of such accounts.

Allowances and remuneration

233 Allowances for members of certain bodies

- (1) The Secretary of State may pay to members of any body specified by him in an order as a body formed for the purpose of performing a function connected with the provision of services under this Act, such travelling and other allowances, including compensation for loss of remunerative time, as he may determine.
- (2) Payments under this section are subject to such conditions as to records, certificates, or otherwise as the Secretary of State may determine.

234 Special arrangement as to payment of remuneration

- (1) Subsection (2) applies where the Secretary of State considers it appropriate for remuneration in respect of—
 - (a) primary medical services, primary dental services, primary ophthalmic services or pharmaceutical services, or
 - (b) services provided under a pilot scheme or an LPS scheme,
 to be paid by a particular body.
- (2) Where this subsection applies, and the functions of the body do not include the function of paying the remuneration, the Secretary of State may by order confer that function on that body.
- (3) Any sums required to enable a body to pay the remuneration must, if apart from this section there is no provision authorising the payment of the sums by the Secretary of State or out of money provided by Parliament, be paid by him.
- (4) If the Secretary of State by order so provides with respect to remuneration in respect of such pharmaceutical services or such local pharmaceutical services as may be specified in the order—
 - (a) an NHS trust or an NHS foundation trust determined in accordance with the order has the function of paying sums so determined to a Primary Care Trust so determined in respect of the whole or any part of that remuneration, and
 - (b) subsection (3) does not apply with respect to the whole or that part of the remuneration.

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235 Superannuation of officers of certain hospitals

- (1) The Secretary of State may enter into an agreement with the governing body of any hospital to which this section applies—
 - (a) for admitting officers of the hospital of such classes as may be provided in the agreement to participate, on such terms and conditions as may be so provided, in the superannuation benefits provided under regulations made under section 10 of the Superannuation Act 1972 (c. 11) in like manner as officers of NHS trusts, and
 - (b) those regulations apply accordingly in relation to the officers so admitted subject to such modifications as may be provided in the agreement.
- (2) The governing body of any hospital to which this section applies has such powers as may be necessary for the purpose of giving effect to any terms and conditions on which their officers are admitted to participate in those superannuation benefits.
- (3) This section applies to any hospital (not vested in the Secretary of State) which is used, in pursuance of arrangements made by the governing body of the hospital with the Secretary of State, for the provision of services under this Act or the National Health Service (Wales) Act 2006 (c. 42).
- (4) “Superannuation benefits” means annual superannuation allowances, gratuities and periodical payments payable on retirement, death or incapacity, and similar benefits.

236 Payments for certain medical examinations

- (1) Where a medical practitioner carries out a medical examination of any person with a view to an application for his admission to hospital for assessment or treatment being made under Part 2 of the Mental Health Act 1983 (c. 20) the Secretary of State must pay to that medical practitioner—
 - (a) reasonable remuneration in respect of that examination and in respect of any recommendation or report made by him with regard to the person examined, and
 - (b) the amount of any expenses reasonably incurred by him in connection with the examination or the making of any such recommendation or report.
- (2) No payment may be made under this section to a medical practitioner—
 - (a) in respect of an examination carried out in the provision of primary medical services for that person, or
 - (b) in respect of an examination carried out or any recommendation or report made as part of his duty as an officer of a Primary Care Trust, NHS trust, Special Health Authority, NHS foundation trust or Local Health Board.
- (3) This section applies only in a case where it is intended, when the medical examination of the person in question is carried out, that if he is admitted to hospital in pursuance of an application mentioned in subsection (1), the whole cost of his maintenance and treatment will be defrayed out of moneys provided by Parliament.

Status:

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