

HEALTH AND SOCIAL CARE ACT 2008

EXPLANATORY NOTES

TERRITORIAL EXTENT

Financial assistance related to provision of health or social care services

Sections 149 and 150: Power of Secretary of State to give financial assistance; Qualifying bodies

513. **Section 149(1)** allows the Secretary of State to provide financial support to qualifying bodies who are delivering health and social care services. It also allows the Secretary of State to fund qualifying bodies delivering related services to providers of health and social care services. **Section 149(2)** allows the Secretary of State to give financial support to people to set up such bodies.
514. **Section 150** sets out the conditions for being a qualifying body. The first of these is that the body must pass the community benefit test. This is satisfied if a reasonable person might consider that the activities of a body are carried on for the benefit of a section of the community in England. The regulation-making power in **section 150(2)** will allow provision to be made about the sort of activities that can be treated as meeting this condition and the activities that can be treated as not meeting it, in cases where there may be some doubt. For example, it is intended to make regulations setting out that political activities are not to be treated as activities that are carried on for the benefit of the community.
515. The second condition is that the body satisfies any conditions relating to the distribution of profits as are set out in regulations. The Department proposes to make regulations which ensure that the profits of a qualifying body are principally invested for social objectives; either in the body itself or in the community. **Section 150(1)(b)** allows for prescribed bodies to be excepted from the requirement to meet such conditions.
516. The third condition under **section 150(1)(c)** is that the body must be carrying on a business. The intention is to distinguish these bodies from purely public sector organisations and those carrying on activities on a purely voluntary basis. Voluntary bodies who are “carrying on a business” and meet the other conditions would qualify.
517. **Section 150(1)(d)** allows regulations to be made setting out other conditions that a body must meet in order to be a qualifying body. If a person is given financial support to set up a qualifying body, additional conditions that such a qualifying body must satisfy may be prescribed in regulations under **section 149(2)**. Under **section 150(2)**, regulations may provide that only certain kinds of body can be a qualifying body.