

## DIVISION OF HOSPITALS

## HOSPITAL BOARD FINANCE

The provisions made in section 15 of the Finance Act (No. 2), 1946, limiting the rate of Hospital Board levies on local authorities are regarded as involving increased responsibility on the part of the Department for the supervision of Hospital Board expenditure.

Under the old provisions, which had operated since 1923, levies for maintenance purposes had been subsidized at rates ranging from a minimum of 14s. per £1 to a maximum of 26s. per £1, but averaging £1 for £1 over all districts. Levies for capital purposes were subsidized at a uniform rate of £1 for £1.

Under the new provisions, which became effective from 1st April, 1947, the amount to be levied by any Board in each financial year is "an amount equal to one half-penny for every one pound of the capital value of the rateable property in the district of the Board or an amount equal to one-half the net estimated expenditure of the Board, whichever is the less." The "net estimated expenditure" is the amount that, according to a Board's annual estimates, is required to be found by levy and subsidy together.

The new provision means an assured minimum rate of subsidy on levies of £1 for £1, with no fixed maximum. It is expected, however, that the highest rate of subsidy payable for 1947-48 will be that payable to the Whangaroa Hospital Board—namely, about £17 per £1. The actual total of levies on local authorities will not be available until all Boards' estimates have been approved. Details will be published in a later Appendix to this report.

In the meantime a provisional estimate of net expenditure for both maintenance and capital purposes is £4,950,000. Of that sum, approximately £1,340,000 will be found by levies on local authorities and £3,610,000 by subsidy.

Under the old subsidy scheme now superseded the local authorities would have been called on to find £2,475,000, so that the new provision limiting the rate of levy means relief to the local authorities to the extent of approximately £1,135,000.

## BUILDING PROPOSALS

The following table gives the Ministerial consents to capital expenditure on hospital buildings extensions over the past twelve years:—

	£
1935-36 .. .. .	140,368
1936-37 .. .. .	189,996
1937-38 .. .. .	209,738
1938-39 .. .. .	164,739
1939-40 .. .. .	236,516
1940-41 .. .. .	457,357
1941-42 .. .. .	542,963
1942-43 .. .. .	912,002
1943-44 .. .. .	809,295
1944-45 .. .. .	1,017,012
1945-46 .. .. .	1,066,463
1946-47 .. .. .	1,004,941
Average per year for last ten years .. .. .	<u>£642,103</u>