

## SCHEDULES

### SCHEDULE 5

#### HEALTH EDUCATION ENGLAND

#### PART 3

##### FINANCE AND REPORTS

##### *Funding*

- 19 (1) The Secretary of State must pay HEE for each financial year sums not exceeding the amount the Secretary of State has allotted for that year towards meeting the expenditure that is attributable to HEE's exercise of its functions in that year.
- (2) An amount is to be regarded as allotted when the Secretary of State notifies HEE accordingly.
- (3) The Secretary of State may make a new allotment under this paragraph increasing or decreasing the allotment previously made, but only if—
- (a) HEE agrees,
  - (b) a parliamentary general election takes place, or
  - (c) the Secretary of State considers that exceptional circumstances make a new allotment necessary.
- (4) The Secretary of State may give directions to HEE about the payment by it to the Secretary of State of sums in respect of charges or other amounts relating to the valuation or disposal of assets.
- (5) Sums payable to HEE under this paragraph are payable subject to such conditions as to records, certificates or otherwise as the Secretary of State may decide.
- (6) In this Part of this Schedule, "financial year" includes the period—
- (a) beginning with the day on which HEE is established, and
  - (b) ending with the following 31 March or, if the period ending with that date is 3 months or less, ending with the 31 March following that date.

##### *Financial duties: expenditure*

- 20 (1) HEE must ensure that total expenditure attributable to its exercise of its functions in each financial year (its "total spending") does not exceed the aggregate of—
- (a) the amount allotted to it for that year under paragraph 19,
  - (b) the income generated in that year from carrying out activities for the purposes of or in connection with the exercise of its functions, and
  - (c) any other sums received by it in that year for the purpose of enabling it to meet such expenditure.

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- (2) The Secretary of State may direct that spending of a specified description is, or is not, to be treated for the purposes of sub-paragraph (1) as part of HEE's total spending.
- (3) The Secretary of State may by directions determine—
  - (a) the extent to which, and circumstances in which, sums received by HEE under paragraph 19 but not yet spent are to be treated for the purposes of sub-paragraph (1) as part of HEE's total spending, and
  - (b) to which financial year those sums are to be attributed.
- (4) The Secretary of State may direct HEE to use specified banking facilities for specified purposes.

*Financial duties: use of generated income*

- 21        Where HEE generates income from carrying out activities for the purposes of or in connection with the exercise of its functions, it must ensure that the income is used for exercising its functions.

*Financial duties: controls on total resource use*

- 22        (1) HEE must ensure that—
  - (a) its use of capital resources in a financial year does not exceed the amount specified by the Secretary of State, and
  - (b) its use of revenue resources in a financial year does not exceed the amount specified by the Secretary of State.
- (2) The Secretary of State may, in relation to a financial year, direct that for the purposes of this paragraph—
  - (a) resources of a specified description are, or are not, to be treated as capital resources or revenue resources;
  - (b) a specified use of capital resources or revenue resources is, or is not, to be taken into account.
- (3) An amount specified for the purposes of sub-paragraph (1)(a) or (b) may be varied only if—
  - (a) HEE agrees,
  - (b) a parliamentary general election takes place, or
  - (c) the Secretary of State considers that exceptional circumstances make the variation necessary.
- (4) A reference to the use of capital resources or revenue resources is a reference to their expenditure, consumption or reduction in value.

*Financial duties: additional controls on resource use*

- 23        (1) The Secretary of State may direct HEE to ensure that—
  - (a) total capital resource use in a financial year which is attributable to specified matters does not exceed a specified amount,
  - (b) total revenue resource use in a financial year which is attributable to specified matters does not exceed a specified amount, and

- (c) total revenue resource use in a financial year which is attributable to specified matters relating to administration does not exceed a specified amount.
- (2) The Secretary of State may give directions, in relation to a financial year, specifying uses of capital resources or revenue resources which are, or are not, to be taken into account for the purposes of sub-paragraph (1)(a), (b) or (c) (as the case may be).
- (3) The Secretary of State may not give a direction under sub-paragraph (1)(a) or (b) unless the direction is for the purpose of complying with a limit imposed by the Treasury.

#### *Losses and liabilities etc*

- 24
- (1) Section 265 of the Public Health Act 1875 (which relates to the protection of members and officers of certain authorities from personal liability) has effect as if there were included in the authorities referred to in that section a reference to HEE.
  - (2) In its application to HEE as a result of sub-paragraph (1), section 265 of that Act has effect as if any reference in that section to that Act were a reference to this Act.
  - (3) In section 71(2) of the National Health Service Act 2006 (schemes for meeting losses and liabilities etc of certain health service bodies: bodies eligible to participate), after paragraph (db) insert—
    - “(dc) Health Education England,”.

#### *Accounts*

- 25
- (1) HEE must keep—
    - (a) proper accounts, and
    - (b) proper records relating to the accounts.
  - (2) The Secretary of State may, with the approval of the Treasury, give directions to HEE about—
    - (a) the content and form of its accounts, and
    - (b) the methods and principles to be applied in the preparation of its accounts.
  - (3) The reference in sub-paragraph (2) to accounts includes a reference to—
    - (a) the accounts prepared under paragraph 26, and
    - (b) such accounts as are prepared under paragraph 27.
  - (4) The chief executive of HEE is to be its accounting officer.

#### *Annual accounts*

- 26
- (1) HEE must prepare consolidated annual accounts for each financial year.
  - (2) The consolidated annual accounts must include—
    - (a) the annual accounts of each LETB,
    - (b) the annual accounts of each other committee of HEE, and
    - (c) the annual accounts relating to the rest of HEE’s activities.
  - (3) HEE must send copies of the consolidated annual accounts to—
    - (a) the Secretary of State, and

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(b) the Comptroller and Auditor General,  
 within such period after the end of the financial year to which the accounts relate as the Secretary of State directs.

- (4) The Comptroller and Auditor General must—
- (a) examine, certify and report on the consolidated annual accounts, and
  - (b) lay copies of them and the report on them before Parliament.

#### *Interim accounts*

- 27 (1) The Secretary of State may, with the approval of the Treasury, direct HEE to prepare accounts in respect of such period or periods as are specified in the direction (“interim accounts”).
- (2) The interim accounts in respect of any period must include—
- (a) the accounts of each LETB in respect of that period, and
  - (b) the accounts of each other committee of HEE in respect of that period.
- (3) HEE must send copies of any interim accounts to—
- (a) the Secretary of State, and
  - (b) if the Secretary of State directs, the Comptroller and Auditor General, within such period as the Secretary of State may direct.
- (4) The Comptroller and Auditor General must—
- (a) examine, certify and report on any interim accounts sent under subparagraph (3)(b),
  - (b) if the Secretary of State directs, send a copy of the report on the accounts to the Secretary of State, and
  - (c) if the Secretary of State directs, lay copies of the accounts and the report on them before Parliament.

#### *Annual report*

- 28 (1) As soon as is feasible after the end of each financial year, HEE must prepare an annual report on how it has exercised its functions during the year.
- (2) The report must include, in particular, HEE’s assessment of—
- (a) the extent to which it has during the year—
    - (i) achieved the objectives and reflected the priorities set by the Secretary of State for the purposes of section 100(1); and
    - (ii) achieved the outcomes set by the Secretary of State for the purposes of section 100(2); and
  - (b) how effectively it discharged its duties under this Act or under regulations under this Act.
- (3) HEE must—
- (a) lay a copy of the report before Parliament, and
  - (b) send a copy of it to the Secretary of State.
- (4) HEE must provide the Secretary of State with such other reports and information relating to the exercise of its functions as the Secretary of State may request.