

(H.M. (57) 96 was issued to Regional Hospital Boards and Hospital Management Committees only)

**NATIONAL HEALTH SERVICE
HOSPITAL BUILDING, 1958-60**

Summary. This memorandum announces capital allocations to Boards for 1958-59 and 1959-60.

I. General

- 1. No change is proposed in the allocation of the £20 million expected to be available for hospital capital development in 1958-59 which was announced to Regional Hospital Boards in H.M. (56) 80 and to Boards of Governors by letter.
- 2. It is expected that £22 million will be provided in 1959-60, but as the increase will be absorbed by greater expenditure in that year on the major schemes which are being centrally financed, the sum available for other purposes will be substantially as in 1958-59. A detailed allocation to Regional Hospital Boards is set out in Annex A to this memorandum. Boards of Governors will be informed separately of their allocations.
- 3. Capital allocations for 1958-59 and 1959-60 are necessarily subject to approval in due course by the Government and later by Parliament of the estimates for the National Health Service for these years.

II. Major Projects

4. It is proposed to continue the programme of centrally financed major projects, and the Minister is separately informing the Boards concerned of further projects on which detailed planning should be undertaken. As explained in paragraph 1 of H.M. (55) 64, the total value of the work selected for inclusion in each year's programme so far has been more than might be started in order to reduce the risk of less than a full programme being commenced. It is possible, therefore, that most of the work which can be started in 1959-60 will be the remainder of the 1956-9 programmes and second phases of schemes of which only first phases have so far been able to proceed, and that the start of some of the new schemes will have to be held over to subsequent years. Nevertheless the Minister invites the Boards concerned to proceed with the planning of all the schemes selected for inclusion in the programme in order that there shall be no delay when a start is possible.

III. "Plant Replacement"

- 5. The Minister has decided to continue this programme and to devote £3 million to it in 1959-60. The distribution to Regional Hospital Boards has again been made broadly proportionate to the number of beds under the control of each Board.
- 6. In submitting forecasts for 1959-60 Boards should indicate any projects in this programme which are works of maintenance. When the Minister approves a programme he will indicate how much of the total

*To: Regional Hospital Boards,
Hospital Management Committees,
Boards of Governors.*

expenditure is to be regarded as maintenance. Such expenditure will be added to the Board's maintenance allocation and Regional Hospital Boards will need to pass on the additions to Hospital Management Committees.

IV. Modernisation of Mental and Mental Deficiency Hospitals

7. £1 million will be set aside in 1959-60 specifically for the purpose of enabling Boards to undertake the modernisation of mental and mental deficiency hospitals. *This is intended to be additional to and not a substitute for the inclusion of such schemes in Boards' ordinary capital programmes.* The Minister has therefore given preference in his allocation to those Boards which, in his opinion, have the greatest need because of the condition of their mental and mental deficiency hospitals. In view, however, of the very large degree of preference given to certain Boards in 1957-58 and 1958-59 he has decided that for 1959-60 the allocation should be on a somewhat broader basis than hitherto. This has inevitably meant a reduction of the sums available for certain regions which were particularly favourably treated in the earlier allocations.

8. The attention of Boards is drawn to the suggestions about the use of this money which were set out in Annex C to H.M. (56) 80.

V. Normal capital programme

9. £10 million is expected to be available to hospital boards in 1959-60 as in 1958-59 for capital works other than referred to in Parts I, II and III above. To each Regional Hospital Board's share has been added a sum to cover the cost of equipment ordered centrally through the Minister's Supplies Division—chiefly X-ray equipment—and Boards are reminded that in future there will be no separate allocation for this purpose.

10. The Minister has considered various suggestions made to him by individual Regional Hospital Boards for modifying the method which has been used in recent years to divide the available money between them, but has come to the conclusion that none of these offers any material advantage, or would be more generally acceptable to all Boards, than that adopted in recent years. The distribution has therefore again been made mainly in proportion to population, with increases to certain Boards with particular needs.

11. The Minister has kept back a small proportion of the total capital investment allocated to the hospital service in order to meet unforeseen requirements, e.g., reinstatement of fire damage.

VI. Forecast Estimates

12. All Boards are asked to submit by 31st January, 1958, their forecast estimates for 1959-60 on the lines indicated in the proforma at Annex B.

MINISTRY OF HEALTH,
SAVILE ROW,
LONDON, W.1.

3rd December, 1957.

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ANNEX A

CAPITAL ALLOCATION TO REGIONAL HOSPITAL BOARDS

1959-60

| Regional Hospital Boards | Basic allocation including the cost of centrally supplied equipment | Addition for modernisation of mental and mental deficiency hospitals | Plant replacement | Total |
|-----------------------------|---------------------------------------------------------------------|----------------------------------------------------------------------|-------------------|-------------|
| Newcastle | £000 646 | £000 90 | £000 159 | £000 895 |
| Leeds | 596 | 75 | 206 | 877 |
| Sheffield | 898 | 60 | 212 | 1,170 |
| East Anglian... .. | 312 | 25 | 84 | 421 |
| North West Metropolitan ... | 751 | 50 | 216 | 1,017 |
| North East Metropolitan ... | 597 | 25 | 195 | 817 |
| South East Metropolitan ... | 620 | 70 | 232 | 922 |
| South West Metropolitan ... | 990 | 150 | 388 | 1,528 |
| Oxford | 298 | 35 | 84 | 417 |
| South Western | 540 | 115 | 204 | 859 |
| Birmingham | 895 | 115 | 260 | 1,270 |
| Manchester | 842 | 100 | 263 | 1,205 |
| Liverpool | 408 | 45 | 138 | 591 |
| Wales | 587 | 45 | 159 | 791 |

ANNEX B

**BOARD OF GOVERNORS
REGIONAL HOSPITAL BOARD**

Summary of Estimates and Forecasts of Capital Expenditure for the financial years 1958-59 and 1959-60

| Description of each Scheme (1) | Cost of Schemes | | | Total (5) | Contributions from Non-Exchequer Funds (6) | Exchequer Funds | | | |
|------------------------------------------------------------------|--------------------------------------------|--------------------|-----------------------------------------|--------------|-----------------------------------------------|----------------------------------------|-------------------------|-------------------------|-------------------------------------------------------|
| | Building and Engineering Works (inc. Fees) | | Moveable Furniture and Equipment (4) | | | Probable Expenditure to 31.3.58 (7) | Estimate 1958-59 (8) | Forecast 1959-60 (9) | Balance of cost to be met in subsequent years (10) |
| | Building (2) | Engineering (3) | | | | | | | |
| I. Normal Capital Works | | | | | | | | | |
| (a) Works in progress at 31.3.58 | | | | | | | | | |
| (i) | | | | | | | | | |
| (ii) | | | | | | | | | |
| (b) Works starting between 1.4.58 and 31.3.59 | | | | | | | | | |
| (i) | | | | | | | | | |
| (ii) | | | | | | | | | |
| II. Plant Replacement Schemes | | | | | | | | | |
| (a) Works in progress at 31.3.58 | | | | | | | | | |
| (i) | | | | | | | | | |
| (ii) | | | | | | | | | |
| (b) Works starting between 1.4.58 and 31.3.59 | | | | | | | | | |
| (i) | | | | | | | | | |
| (ii) | | | | | | | | | |
| (c) Works starting between 1.4.59 and 31.3.60 | | | | | | | | | |
| (i) | | | | | | | | | |
| (ii) | | | | | | | | | |
| III. Mental and Mental Deficiency Hospitals Modernisation | | | | | | | | | |
| (a) Works in progress at 31.3.58 | | | | | | | | | |
| (i) | | | | | | | | | |
| (ii) | | | | | | | | | |

| Description of each Scheme (1) | Cost of Schemes | | | Total (5) | Contributions from Non-Exchequer Funds (6) | Exchequer Funds | | | |
|--------------------------------------------------------------------------|--------------------------------------------|-------------------------|-----------------------------------------|--------------|-----------------------------------------------|----------------------------------------|-------------------------|-------------------------|-------------------------------------------------------|
| | Building and Engineering Works (inc. Fees) | | Moveable Furniture and Equipment (4) | | | Probable Expenditure to 31.3.58 (7) | Estimate 1958-59 (8) | Forecast 1959-60 (9) | Balance of cost to be met in subsequent years (10) |
| | Building (2) | Engineer- ing (3) | | | | | | | |
| | | | | | | | | | |
| III. Mental and Mental Deficiency Hospitals Modernisation (Cont.) | | | | | | | | | |
| (b) Works starting between 1.4.58 and 31.3.59 | | | | | | | | | |
| (i) | | | | | | | | | |
| (ii) | | | | | | | | | |
| (c) Works starting between 1.4.59 and 31.3.60 | | | | | | | | | |
| (i) | | | | | | | | | |
| (ii) | | | | | | | | | |
| IV. Centrally Financed Schemes | | | | | | | | | |
| (a) Works in progress at 31.3.58 | | | | | | | | | |
| (i) | | | | | | | | | |
| (ii) | | | | | | | | | |
| V. Unforeseen Expenditure (Approved items only) | | | | | | | | | |
| (i) | | | | | | | | | |
| (ii) | | | | | | | | | |
| TOTALS | | | | | | | | | |