

This Scottish Statutory Instrument has been made in consequence of a defect in S.S.I. 2004/16 and is being issued free of charge to all known recipients of that instrument.

SCOTTISH STATUTORY INSTRUMENTS

2004 No. 284

NATIONAL HEALTH SERVICE

**The National Health Service (Borrowing and Loans
from Endowments) (Scotland) (No. 2) Regulations 2004**

<i>Made</i>	- - - -	<i>10th June 2004</i>
<i>Laid before the Scottish Parliament</i>	- - - -	<i>11th June 2004</i>
<i>Coming into force</i>	- -	<i>2nd July 2004</i>

The Scottish Ministers, in exercise of the powers conferred by section 7(8) of the Public Appointments and Public Bodies etc. (Scotland) Act 2003⁽¹⁾ and of all other powers enabling them in that behalf, hereby make the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the National Health Service (Borrowing and Loans from Endowments) (Scotland) (No. 2) Regulations 2004 and shall come into force on 2nd July 2004.

(2) In these Regulations “the Act” means the Public Appointments and Public Bodies etc. (Scotland) Act 2003.

Terms and conditions applying to borrowing under section 7(3) of the Act

2. The terms and conditions upon which a Health Board may, under section 7(3) of the Act, borrow from any endowment held by it are—

- (a) that the total amount or amounts borrowed under that section shall not, when aggregated together, exceed £100,000 in any period of 12 months;
- (b) that the Health Board can only use the amount borrowed for purposes consistent with the purposes of the endowment from which the borrowing is made;
- (c) that the Health Board pays interest on the amount borrowed, quarterly in arrears to the endowment from which the borrowing is made, at the Bank of England base lending rate plus 2% calculated at the date on which the borrowing is made;

- (d) that the Health Board repays to the endowment from which the borrowing is made the amount borrowed within a period not exceeding 18 months from the date on which it is made;
- (e) that the Health Board shall inform the Scottish Ministers, not later than 28 days after the date on which any amount borrowed is due to be repaid, whether or not the amount borrowed has been repaid on the due date.

Terms and conditions applying to loans under section 7(4) of the Act

3. The terms and conditions upon which a Health Board (“the lender”) may, under section 7(4) of the Act, make a loan to another Health Board (“the borrower”) from any endowment held by the Board are—

- (a) that the lender may only make the loan for purposes consistent with the purposes of the endowment from which the loan is made;
- (b) the lender may only make the loan on condition that the borrower pays interest on the loan quarterly in arrears to the endowment from which the loan is made at the Bank of England base lending rate plus 2% calculated at the date on which the loan is made;
- (c) the lender may only make a loan on condition that the borrower repays the amount of the loan within a period not exceeding 18 months from the date on which it is made; and
- (d) the lender shall inform the Scottish Ministers, not later than 28 days after the date on which the loan is due to be repaid, whether or not the loan has been repaid on the due date.

Revocation

4. The National Health Service (Borrowing and Loans from Endowments) (Scotland) Regulations 2004(2) are revoked.

St Andrew’s House, Edinburgh
10th June 2004

TOM McCABE
Authorised to sign by the Scottish Ministers

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision as to the terms and conditions which apply to any borrowing or loans made by a Health Board, under section 7(3) or (4) of the [Public Appointments and Public Bodies etc \(Scotland\) Act 2003 \(asp 4\)](#) (“the Act”), from any endowment held by it.

Regulation 2 specifies the terms and conditions, upon which a Health Board may, under section 7(3) of the Act, borrow from any endowment held by it. Regulation 2(a) provides that the total amount which a Health Board may borrow under that section cannot exceed £100,000 in any period of 12 months. Regulation 2(b) provides that the amount borrowed may only be for purposes consistent with the purposes of the endowment from which the borrowing is made. Regulation 2(c) makes provision for the payment of interest to the endowment. Regulation 2(d) makes provision for repayment within a maximum period of 18 months and regulation 2(e) provides that a Health Board must inform the Scottish Ministers whether or nor the borrowing was repaid by the due date.

Regulation 3 specifies the terms and conditions, upon which a Health Board (“the lender”) may, under section 7(4) of the Act, make loans to another Health Board (“the borrower”) from any endowment held by the lender. Regulation 3(a) provides that the loan may only be made for purposes consistent with the purposes of the endowment from which the loan is made. Regulation 3(b) makes provision for the payment of interest to the endowment. Regulation 3(c) makes provision for repayment within a maximum period of 18 months and regulation 3(d) provides that the lender must inform the Scottish Ministers whether or nor the loan was repaid by the due date.

Regulation 4 revokes the National Health Service (Borrowing and Loans from Endowments) (Scotland) Regulations 2004 [S.S.I. 2004/16](#).