

SCHEDULES

SCHEDULE 4

Article 14(9).

FINANCIAL PROVISIONS RELATING TO HSS TRUSTS

Borrowing

1.—(1) Subject to the provisions of this paragraph and to any limit imposed under the following provisions of this Schedule, for the purpose of its functions an HSS trust may borrow (both temporarily, by way of overdraft, and longer term) from the Department or from any other person.

(2) An HSS trust may not mortgage or charge any of its assets or in any other way use any of its assets as security for a loan.

(3) Except with the consent of the Department, an HSS trust may not borrow in any currency other than sterling; and the Department shall not give its consent to any such borrowing except with the approval of the Department of Finance and Personnel.

(4) Interest on any sums borrowed from the Department by an HSS trust shall be paid at such variable or fixed rates and at such times as the Department may determine.

(5) The other terms on which any sums are borrowed from the Department by an HSS trust shall be such as the Department may determine; and, in the event of the early repayment of any sums so borrowed, such terms may require the payment of a premium or allow a discount.

(6) A determination under sub-paragraph (4) or (5) shall be made with the consent of the Department of Finance and Personnel.

Guarantees of borrowing

2.—(1) The Department may guarantee, in such manner and on such conditions as, with the approval of the Department of Finance and Personnel, it considers appropriate, the repayments of the principal of and the payment of interest on any sums which an HSS trust borrows from a person other than the Department.

(2) Immediately after a guarantee is given under this paragraph, the Department shall lay a statement of the guarantee before the Assembly.

(3) Where any sum is issued for fulfilling a guarantee so given, the Department shall lay before the Assembly a statement relating to that sum as soon as possible after the end of each financial year beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest on it is finally discharged.

(4) If any sums are issued in fulfilment of a guarantee given under this paragraph, the HSS trust concerned shall make to the Department, at such times and in such manner as the Department may from time to time direct,—

- (a) payments of such amounts as the Department with the consent of the Department of Finance and Personnel so directs in or towards repayment of the sums so issued; and
- (b) payments of interest, at such rates as the Department with the consent of the Department of Finance and Personnel so directs, on what is outstanding for the time being in respect of sums so issued.

Limits on indebtedness

3.—(1) The aggregate of all sums borrowed by HSS trusts established under this Order shall not exceed £150 million or such other sum not exceeding £300 million as may be specified by order made subject to negative resolution by the Department with the consent of the Department of Finance and Personnel.

(2) The reference in sub-paragraph (1) to sums borrowed does not include a reference to HSS trusts' initial loans.

Additional public dividend capital

4.—(1) If the Department, with the consent of the Department of Finance and Personnel, considers it appropriate to do so, it may, instead of making a loan to an HSS trust under paragraph 1, pay an amount to the trust as public dividend capital.

(2) Article 14 shall apply to public dividend capital paid to an HSS trust under this paragraph as it applies to public dividend capital forming part of the trust's originating capital debt.

Surplus funds

5. If it appears to the Department that any amount standing in the reserves of an HSS trust is surplus to its foreseeable requirements, the trust shall, if the Department with the approval of the Department of Finance and Personnel and after consultation with the trust so directs, pay that amount into the Consolidated Fund.

Investment

6. An HSS trust may not invest any money held by it except in securities of the Government of the United Kingdom or in such other manner as the Department may with the consent of the Department of Finance and Personnel approve.