

2004 No. 16

NATIONAL HEALTH SERVICE

**The National Health Service (Borrowing and Loans from
Endowments) (Scotland) Regulations 2004**

Made - - - - - *22nd January 2004*

Laid before the Scottish Parliament *23rd January 2004*

Coming into force - - - *13th February 2004*

The Scottish Ministers, in exercise of the powers conferred by section 7(8) of the Public Appointments and Public Bodies etc. (Scotland) Act 2003(a) 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) Regulations 2004 and shall come into force on 13th February 2004.

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

Condition applying to borrowing

2. The terms and conditions which apply to any borrowing by a Health Board under section 7(3) of the Act is that any such borrowing shall not, when aggregated together, exceed £100,000 in any 12 months.

Terms and conditions applying to loan

3. The terms and conditions which apply to any loan by a Health Board under section 7(4) of the Act are—

- (a) a loan may only be used for purposes consistent with the purposes of the endowment from which it is made;
- (b) either—
 - (i) interest shall be payable quarterly in arrears to the endowment fund from which the loan is made at the Bank of England base lending rate plus 2% calculated at the date the loan is taken; or
 - (ii) the Health Board which takes the loan can elect that an amount equal to that which would have been due under sub-paragraph (i) shall be deducted from the income distributed by the endowment fund, save that, if the income to be distributed is insufficient to meet the amount payable, the balance shall be paid by the Health Board which takes the loan to the endowment fund;

(a) 2003 asp 4.

- (c) the maximum period on which a loan can be taken shall be 18 months; and
- (d) within 28 days of the date when a loan is due to be repaid, a Health Board—
 - (i) which made a loan; or
 - (ii) which borrowed from an endowment held by it,shall inform the Scottish Ministers either that the loan has or has not been repaid.

MALCOLM CHISHOLM
A member of the Scottish Executive

St Andrew's House,
Edinburgh
22nd January 2004

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision for the terms and conditions which are to apply to any loans or borrowing by Health Boards from endowments which they hold.

Regulation 2 provides that the maximum amount which a Health Board may borrow from an endowment under section 7(3) of the Act in any 12 month period shall not exceed £100,000.

Regulation 3(a) provides that loans shall only be made for purposes consistent with those of the endowment from which the loan is made.

Regulation 3(b) provides for either the payment of interest to the endowment from which the loan is taken or, at the instance of the Health Board taking the loan, for an amount equivalent to interest to be retained in the endowment from income, which would otherwise have been distributed, in lieu of interest.

Regulation 3(c) provides for the maximum period of loan.

Regulation 4(d) provides that a Health Board which either made a loan or borrowed from an endowment held by it must tell the Scottish Ministers if the loan was, or was not, repaid on time.

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