
SCOTTISH STATUTORY INSTRUMENTS

2004 No. 16

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

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;
- (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.