



National Health Service Act 1977

1977 CHAPTER 49

PART IV

PROPERTY AND FINANCE

Finance and Accounts

[^{F1}]^{F2}97CPublic funding of Primary Care Trusts.

- (1) It is the duty of the Secretary of State, in respect of each financial year, to pay to each Primary Care Trust—
 - (a) sums equal to their general Part 2 expenditure; and
 - (b) sums not exceeding the amount allotted by the Secretary of State to the Primary Care Trust for that year towards meeting the Trust's main expenditure in that year.
- (2) In determining the amount to be allotted for any year to a Primary Care Trust under subsection (1)(b) above (or in varying the amount under subsection (7) below), the Secretary of State may take into account, in whatever way he thinks appropriate—
 - (a) the Trust's general Part 2 expenditure; and
 - (b) expenditure which would have been the Trust's general Part 2 expenditure but for an order under section 103(1) below,during any period he thinks appropriate (or such elements of that expenditure as he thinks appropriate).
- (3) Where the Secretary of State has made an initial determination of the amount ("the initial amount") to be allotted for any year to a Primary Care Trust under subsection (1) (b) above, he may increase the initial amount by a further sum if it appears to him that over a period notified to the Trust—
 - (a) it satisfied any objectives notified to it as objectives to be met in performing its functions; or

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- (b) it performed well against any criteria notified to it as criteria relevant to the satisfactory performance of its functions (whether or not the method of measuring its performance against those criteria was also notified to it).
- (4) In subsection (3) above, “notified” means specified or referred to in a notice given to the Primary Care Trust by the Secretary of State.
- (5) In making any increase under subsection (3) above, the Secretary of State may (whether by directions under subsection (8) below or otherwise) impose any conditions he thinks fit on the application or retention by the Primary Care Trust of the sum in question.
- (6) Where the Secretary of State has, under subsection (3) above, increased by any sum the amount to be allotted for any year to a Primary Care Trust and notified the Trust of the allotment and it subsequently appears to him that the Trust has failed (wholly or in part) to satisfy any conditions imposed in making that increase, he may—
- (a) reduce the allotment made to the Trust for that year; or
 - (b) when he has made an initial determination of the amount (“the initial amount”) to be allotted for any subsequent year to the Trust under subsection (1)(b) above, reduce the initial amount,
- by any amount not exceeding that sum.
- (7) An amount is allotted to a Primary Care Trust for a year under this section when the Trust is notified by the Secretary of State that the amount is allotted to the Trust for that year; and the Secretary of State may make an allotment under this section increasing or reducing (subject to subsection (6) above) an allotment previously so made, and the reference to a determination in subsection (3) above includes a determination made with a view to increasing or reducing an allotment previously so made.
- (8) The Secretary of State may give directions to a Primary Care Trust with respect to—
- (a) the application of sums paid to it under this section, or
 - (b) the payment of sums by it to the Secretary of State in respect of charges or other sums referable to the valuation or disposal of assets.
- (9) Sums falling to be paid to Primary Care Trusts under this section shall be payable subject to compliance with such conditions as to records, certificates or otherwise as the Secretary of State may determine.]]

Textual Amendments

- F1** S. 97C inserted (1.4.2000 for E. for the purposes of the financial year 2000-2001 and subsequent financial years and otherwise *prosp.*) by 1999 c. 8, **ss. 3, 67**; S.I. 1999/2342, art. 2(4), **Sch. 3**
- F2** S. 97C substituted (1.10.2002) by [National Health Service Reform and Health Care Professions Act 2002 \(c. 17\)](#), **ss. 8, 42(3)**; S.I. 2002/2478, **art. 3(1)(a)** (with effect for E. as mentioned in art. 3(3) of the commencing S.I.)

Modifications etc. (not altering text)

- C1** S. 97C modified (E.) (with effect in relation to the period beginning with 1.4.2002 and ending with 30.9.2002) by [The National Health Service Reform and Health Care Professions Act 2002 \(Commencement No. 2\) Order 2002 \(S.I. 2002/2478\)](#), **art. 4**

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act modified by [2003 c. 43 Sch. 7 para. 3\(7\)](#)
- Act repealed by [2006 c. 43 Sch. 4](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 3(4) inserted by [2003 c. 43 Sch. 11 para. 8](#)
- s. 3(4)(a) words substituted by [2006 c. 28 Sch. 8 para. 7\(4\)\(a\)](#)
- s. 3(4)(b) modified by [S.I. 2004/865 art. 109\(2\)\(a\)](#)
- s. 3(4)(b) words substituted by [2006 c. 28 Sch. 8 para. 7\(4\)\(b\)](#)
- s. 8(9)(10) added by [2006 c. 28 s. 74\(1\)](#)
- s. 11(4A)(4B) inserted by [2006 c. 28 s. 74\(2\)\(a\)](#)
- s. 16B(4) inserted by [2003 c. 43 s. 182\(1\)](#)
- s. 16BC(4) inserted by [2003 c. 43 s. 182\(2\)](#)
- s. 16CA and heading inserted by [2003 c. 43 s. 170](#)
- s. 16CB inserted by [2003 c. 43 s. 171\(1\)](#)
- s. 16CC inserted by [2003 c. 43 s. 174](#)
- s. 16CD16CE inserted by [2006 c. 28 s. 37](#)
- s. 19A(2)(aa) inserted by [2003 c. 43 Sch. 9 para. 9](#)
- s. 20A inserted by [2003 c. 4 s. 1\(1\)](#)
- s. 21(4) inserted by [S.I. 2006/1407 Sch. 1 Pt. 1 para. 9](#)
- s. 22(1A)(e) inserted by [2003 c. 43 Sch. 4 para. 25](#)
- s. 28D(1)(b)-(bc) substituted for s. 28D(1)(b)(c) by [2003 c. 43 s. 177\(2\)](#)
- s. 28D(1)(bc)(i) modified by [S.I. 2004/865 art. 109\(2\)\(a\)](#)
- s. 28D(1)(bc)(iii) words substituted by [S.I. 2004/957 Sch. para. 3](#)
- s. 28D(1A) inserted by [2003 c. 43 s. 177\(3\)](#)
- s. 28E(3)(ca) inserted by [2003 c. 43 s. 177\(7\)](#)
- s. 28E(3A)(3B) inserted by [2003 c. 43 s. 177\(8\)](#)
- s. 28E(3C) inserted by [2003 c. 43 s. 177\(9\)](#)
- s. 28E(3D) inserted by [2003 c. 43 s. 177\(10\)](#)
- s. 28E(3E)(3F) inserted by [2003 c. 43 s. 177\(11\)](#)
- s. 28K-28P and heading inserted by [2003 c. 43 s. 172\(1\)](#)
- s. 28M(4) words substituted by [S.I. 2006/1407 Sch. 1 Pt. 1 para. 16](#)
- s. 28Q-28W and heading(s) inserted by [2003 c. 43 s. 175\(1\)](#)
- s. 28W(5) applied by [S.I. 2004/478 reg. 100\(3\)](#)
- s. 28W(5) applied by [S.I. 2004/478 Sch. 6 para. 100\(3\)](#)
- s. 28X applied (with modifications) by [S.I. 2006/552 Sch. 1 para. 4](#)
- s. 28X inserted by [2003 c. 43 s. 179\(1\)](#)
- s. 28X heading words substituted by [2006 c. 28 s. 39\(5\)](#)
- s. 28X(1A) inserted by [S.I. 2006/1407 Sch. 1 Pt. 1 para. 17\(a\)](#)
- s. 28X(2A) inserted by [2006 c. 28 s. 39\(2\)](#)
- s. 28X(3)(b) words substituted by [2006 c. 28 s. 39\(3\)](#)
- s. 28X(3)(c) added by [S.I. 2006/1407 Sch. 1 Pt. 1 para. 17\(b\)](#)
- s. 28X(6A) inserted by [2006 c. 28 s. 39\(4\)](#)
- s. 28Y inserted by [2003 c. 43 s. 180](#)
- s. 28Y(1) applied (with modifications) by [S.I. 2006/552 Sch. 1 para. 5](#)
- s. 28Y(1)(a) substituted by [2006 c. 28 s. 40\(2\)](#)
- s. 28Y(1)(b) words substituted by [2006 c. 28 s. 40\(3\)](#)
- s. 28Y(1)(c) added by [S.I. 2006/1407 Sch. 1 Pt. 1 para. 18](#)
- s. 28WA-28WF and cross-heading inserted by [2006 c. 28 s. 38](#)
- s. 29-34A repealed by [2003 c. 43 s. 175\(2\)Sch. 14 Pt. 4](#)

- s. 34A inserted by [1997 c. 46 s. 25\(1\)](#) (This amendment not applied to [legislation.gov.uk](#). S. 25(1) repealed (1.4.2004) without ever being in force by Health and Social Care (Community Health and Standards) Act 2003 (c. 43), s. 199(1) (4), Sch. 14 Pt. 4 Note; S.I. 2004/288, art. 6(2)(p) (with art. 8) (as amended by S.I. 2004/866 and S.I. 2005/2925); S.I. 2004/480, art. 5(2)(p) (with arts. 6, 7) (as amended by S.I. 2004/1019 and S.I. 2006/345))
- s. 35(3)-(3B) substituted for s. 35(3) by [S.I. 2005/2011 Sch. 6 para. 1\(2\)\(a\)](#) (This amendment comes into force on a day to be specified in the London, Edinburgh and Belfast Gazettes (see, for example, the London Gazette, issue nos. 57734, 57975, 58050 and 58769, dated respectively 19.8.2005, 5.6.2006, 21.7.2006 and 18.7.2008))
- s. 42(2A) inserted by [2001 c. 15 s. 40\(3\)](#)
- s. 42(2B)(2C) inserted by [2006 c. 28 s. 35](#)
- s. 42A42B inserted by [2006 c. 28 s. 34\(1\)](#)
- s. 43(4)(5) added by [1997 c. 19 Sch. para. 6](#) (This amendment not applied to [legislation.gov.uk](#). 1997 c. 19 repealed (30.3.2007) by S.I. 2007/289, art. 1(2)(3), Sch. 1 para. 6; commencing date as notified in The Gazette, published 23.3.2007)
- s. 43A inserted by [1984 c. 48 s. 7\(1\)](#) (This amendment not applied to [legislation.gov.uk](#). S. 7(1) repealed (1.3.2007 immediately before the National Health Service Act 2006 comes into force) without ever being in force by National Health Service (Pre - consolidation Amendments) Order 2006 (S.I. 2006/1407), art. 1(1), Sch. 2 (with art. 4))
- s. 43A43B substituted by [1999 c. 8 s. 10\(1\)\(2\)](#) (This amendment not applied to [legislation.gov.uk](#). S. 10 repealed (1.3.2007) without ever being in force by National Health Service (Consequential Provisions) Act 2006 (c. 43), ss. 6, 8(2), Sch. 4 (with Sch. 2 Pt. 1))
- s. 43A43B substituted by [S.I. 2006/1407 Sch. 1 Pt. 1 para. 19](#)
- s. 43A(3) repealed by [1997 c. 46 Sch. 2 para. 77](#)[Sch. 3 Pt. 2](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 2 para. 77 repealed (E.W.) (1.3.2007 immediately before the National Health Service Act 2006 comes into force) without ever being in force by The National Health Service (Pre-consolidation Amendments) Order 2006 (S.I. 2006/1407), art. 1(1), Sch. 2 (with art. 4))
- s. 43B added by [1984 c. 48 s. 7\(3\)](#) (This amendment not applied to [legislation.gov.uk](#). S. 7(3) repealed to the extent that it inserts section 43B of the National Health Service Act 1977 (1.3.2007 immediately before the National Health Service Act 2006 comes into force) without that amendment ever being in force by National Health Service (Pre - consolidation Amendments) Order 2006 (S.I. 2006/1407), art. 1(1), Sch. 2 (with art. 4))
- s. 44(3A) inserted by [S.I. 2006/1407 Sch. 1 Pt. 1 para. 20\(c\)](#)
- s. 45A45B inserted by [2003 c. 43 Sch. 11 para. 23](#)
- s. 45A(3) modified by [S.I. 2004/865 art. 109\(2\)\(a\)](#)
- s. 45A(3)(a) word repealed by [2006 c. 28 Sch. 8 para. 17\(2\)](#)[Sch. 9](#)
- s. 45A(3)(aa) inserted by [2006 c. 28 Sch. 8 para. 17\(2\)](#)
- s. 45A(4) modified by [S.I. 2004/865 art. 109\(2\)\(a\)](#)
- s. 45A(4)(a) substituted by [2006 c. 28 Sch. 8 para. 17\(3\)](#)
- s. 45A(11) modified by [S.I. 2004/865 art. 109\(2\)\(a\)](#)
- s. 45C inserted by [2006 c. 28 s. 41](#)
- s. 46-46C substituted for s. 46 by [1999 c. 8 s. 40\(1\)](#) (This amendment not applied to [legislation.gov.uk](#). S. 40 repealed by 2001 c. 15, ss. 67, 70(2), Sch. 6 Pt. 1 (with ss. 64(a), 65(4)), the repeal coming into force immediately before the coming into force of the National Health Service Act 2006 (c. 41) (as to which see s. 227 of that 2006 Act) by virtue of The National Health Service (Pre-consolidation Amendments) Order 2006 (S.I. 2006/1407), arts. 1(1), 2, Sch. 1 Pt. 2 para. 8(c))
- s. 54(1)(c) and word(s) inserted by [2003 c. 43 Sch. 11 para. 26\(2\)\(c\)](#)
- s. 54(1)(c) modified by [S.I. 2004/865 art. 109\(2\)\(a\)](#)
- s. 72(5)(d) and word(s) inserted by [2003 c. 43 Sch. 11 para. 27\(2\)](#)
- s. 72(5)(d) modified by [S.I. 2004/865 art. 109\(2\)\(a\)](#)
- s. 72(5)(d) words substituted by [2006 c. 28 Sch. 8 para. 21\(b\)\(i\)](#)
- s. 72(5)(d) words substituted by [2006 c. 28 Sch. 8 para. 21\(b\)\(ii\)](#)

- s. 77(4) inserted by [2003 c. 43 Sch. 11 para. 28](#)
- s. 78A inserted by [1997 c. 46 s. 26\(1\)](#) (This amendment not applied to [legislation.gov.uk](#). S. 26(1) repealed (1.3.2007) without ever being in force by National Health Service (Consequential Provisions) Act 2006 (c. 43), s. 8(2), Sch. 4 (with Sch. 2 Pt. 1 Sch. 3 Pt. 1))
- s. 79(5)(b) modified by [2003 c. 43 s. 183\(4\)](#)
- s. 96(4) added by [S.I. 2006/1407 Sch. 1 Pt. 1 para. 27](#)
- s. 96A(12) inserted by [2003 c. 43 Sch. 4 para. 37](#)
- s. 98(1A)-(1C) inserted by [S.I. 2003/1324 Sch. 2 para. 1\(2\)](#)
- s. 98(1A) substituted by [S.I. 2004/1714 Sch. 2 para. 1\(2\)](#)
- s. 98(1A)(e) inserted by [S.I. 2006/960 Sch. 2 para. 1\(2\)](#)
- s. 98(1C) words inserted by [S.I. 2004/1714 Sch. 2 para. 1\(4\)](#)
- s. 98(1C) words substituted by [S.I. 2006/960 Sch. 2 para. 1\(4\)](#)
- s. 98(1D) inserted by [2004 c. 23 Sch. 2 para. 2](#)
- s. 98(1BA)(1BB) inserted by [S.I. 2004/1714 Sch. 2 para. 1\(3\)](#)
- s. 98(1BC) inserted by [S.I. 2006/960 Sch. 2 para. 1\(3\)](#)
- s. 98(4A) inserted by [S.I. 2003/1324 Sch. 2 para. 1\(4\)](#)
- s. 98(7)-(10) inserted by [S.I. 2005/1074 art. 2\(2\)](#)
- s. 103(4)(5) inserted by [2001 c. 15 Sch. 5 para. 5\(12\)\(c\)](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 5 para. 5(12)(c) repealed (1.3.2007) without ever being in force by 2006 c. 43, s. 8(2), Sch. 4 (with Sch. 2 Pt. 1, Sch. 3 Pt. 1))
- s. 124A(3)(aa) inserted by [2002 c. 38 Sch. 3 para. 20](#)
- s. 126(1A) inserted by [2003 c. 43 s. 183\(3\)\(b\)](#)
- s. 126(4A) inserted by [2001 c. 15 Sch. 5 para. 5\(13\)\(c\)](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 5 para. 5(13)(c) repealed (1.3.2007) without ever being in force by 2006 c. 43, s. 8(2), Sch. 4 (with Sch. 2 Pt. 1, Sch. 3 Pt. 1))
- s. 126(4A) inserted by [2003 c. 4 s. 1\(2\)](#)
- Sch. 5 para. 12B inserted by [S.I. 2006/1407 Sch. 1 Pt. 1 para. 39\(c\)](#)
- Sch. 5 para. 10(2A)-(2C) substituted for Sch. 5 para. 10(2A) by [S.I. 2005/2011 Sch. 6 para. 1\(4\)](#) (This amendment comes into force on a day to be specified in the London, Edinburgh and Belfast Gazettes (see, for example, the London Gazette, issue nos. 57734, 57975, 58050 and 58769, dated respectively 19.8.2005, 5.6.2006, 21.7.2006 and 18.7.2008))
- Sch. 5A para. 20(1A) inserted by [2006 c. 28 s. 74\(3\)](#)
- Sch. 5B para. 19(1A) inserted by [2006 c. 28 s. 74\(4\)](#)
- Sch. 7A inserted by [2003 c. 4 s. 1\(3\)Sch. 1](#)
- Sch. 7A para. 3(1)(fa) inserted by [2003 c. 43 Sch. 11 para. 40\(2\)\(a\)](#)
- Sch. 7A para. 3(1)(g) words repealed by [2003 c. 43 Sch. 11 para. 40\(2\)\(b\)Sch. 14 Pt. 4](#)
- Sch. 7A para. 3(2) words substituted by [2003 c. 43 Sch. 11 para. 40\(3\)](#)
- Sch. 9A para. 10(a)(aa) substituted for s. Sch. 9A para. 10(a) by [2003 c. 43 Sch. 11 para. 42\(4\)\(b\)](#)
- Sch. 9A para. 6(d)(i)(ii) substituted for words in para. 6(d) by [S.I. 2006/1407 Sch. 1 Pt. 1 para. 40\(b\)](#)
- Sch. 11 para. 5A inserted by [S.I. 2004/3363 art. 7](#)
- Sch. 12 para. 2A(6) added by [S.I. 2006/1407 Sch. 1 Pt. 1 para. 42\(g\)](#)
- Sch. 12 para. 2B amendment to earlier affecting provision 2006 c. 28, s. 41(3) by [S.I. 2006/1407 Sch. 1 Pt. 2 para. 15](#) (The earlier affecting provision cited is incorrect. The correct provision should be s. 42(3).)
- Sch. 12 para. 2B inserted by [2006 c. 28 s. 42\(3\)](#)
- Sch. 12 para. 2A(1)(b)(ba) substituted for Sch. 12 para. 2A(1)(b) by [2006 c. 28 s. 42\(2\)\(a\)](#)
- Sch. 12A para. 7(4) inserted by [2001 c. 15 Sch. 5 para. 5\(17\)\(c\)](#)
- Sch. 12B inserted by [2006 c. 28 s. 56\(2\)Sch. 3](#)
- Sch. 12ZA inserted by [2003 c. 43 s. 183\(2\)](#)

Commencement Orders yet to be applied to the National Health Service Act 1977

Commencement Orders bringing legislation that affects this Act into force:

- S.I. 2003/53 art. 2-4 commences (2001 c. 15)
- S.I. 2003/713 art. 2 commences (2001 c. 15)
- S.I. 2003/833 art. 23 commences (2002 c. 17)
- S.I. 2003/2245 art. 2 commences (2001 c. 15)
- S.I. 2003/2246 art. 2 commences (2002 c. 17)
- S.I. 2003/2660 art. 2-4 commences (2003 c. 4)
- S.I. 2003/3064 art. 2 commences (2003 c. 4)
- S.I. 2003/3083 art. 2 commences (2002 c. 17)
- S.I. 2003/3346 art. 2-5 commences (2003 c. 43)
- S.I. 2004/103 art. 2-4 commences (2001 c. 15)
- S.I. 2004/287 art. 23 commences (1997 c. 46)
- S.I. 2004/288 art. 2-6 commences (2003 c. 43)
- S.I. 2004/289 art. 2 commences (1998 c. 8)
- S.I. 2004/480 art. 2-5 commences (2003 c. 43)
- S.I. 2004/759 art. 2-13 commences (2003 c. 43)
- S.I. 2004/874 art. 2 commences (2003 c. 42)
- S.I. 2004/1009 art. 2 commences (2003 c. 43)
- S.I. 2004/1019 art. 2 commences (2003 c. 43)
- S.I. 2004/1859 art. 2-6 commences (1999 c. 8)
- S.I. 2004/2626 art. 2 commences (2003 c. 43)
- S.I. 2005/457 art. 2 commences (2003 c. 43)
- S.I. 2005/558 art. 2Sch. 1 commences (2004 c. 23)
- S.I. 2005/1432 art. 2 commences (2005 c. 12)
- S.I. 2005/2213 art. 23 commences (2002 c. 38)
- S.I. 2005/2800 art. 3-5 commences (2005 c. 10)
- S.I. 2005/2897 art. 2 commences (2002 c. 38)
- S.I. 2005/2925 art. 24-11 commences (2003 c. 43)
- S.I. 2005/2926 art. 23 commences (1997 c. 46)
- S.I. 2006/345 art. 2-7 commences (2003 c. 43)
- S.I. 2006/481 art. 23 commences (2001 c. 15)
- S.I. 2006/1014 art. 2Sch. 12 commences (2005 c. 4)
- S.I. 2006/1407 Sch. 1 Pt. 2 para. 3681213 commences (1997 c. 46)
- S.I. 2006/2603 art. 2-5 commences (2006 c. 28)
- S.I. 2006/3125 art. 2-4 commences (2006 c. 28)
- S.I. 2007/204 art. 2-4 commences (2006 c. 28)
- S.I. 2008/1972 art. 2 commences (2006 c. 28)