



National Health Service Reform and Health Care Professions Act 2002

2002 CHAPTER 17

PART 1

NATIONAL HEALTH SERVICE, ETC

Financial arrangements: England and Wales

8 Funding of Primary Care Trusts

For section 97C of the 1977 Act (public funding of Primary Care Trusts) there is substituted—

“97C Public 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).

Status: This is the original version (as it was originally enacted).

- (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
 - (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.”