



National Health Service Act 2006

2006 CHAPTER 41

PART 11

PROPERTY AND FINANCE

CHAPTER 6

FINANCE

Primary Care Trusts

228 Public funding of Primary Care Trusts

- (1) The Secretary of State must, in respect of each financial year, pay to each Primary Care Trust—
 - (a) sums equal to its pharmaceutical services 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 Primary Care 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) (or in varying the amount under subsection (9)), the Secretary of State may take into account, in whatever way he considers appropriate—
 - (a) the Primary Care Trust's pharmaceutical services expenditure, and
 - (b) expenditure which would have been the Primary Care Trust's pharmaceutical services expenditure but for an order under section 234(2) (special arrangements as to payment of remuneration),during any period he considers appropriate (or such elements of that expenditure as he considers 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)

Status: Point in time view as at 01/03/2007.

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- (b), he may increase the initial amount by a further sum if it appears to him that over a period notified to the Primary Care 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) “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), the Secretary of State may (whether by directions under subsection (10) or otherwise) impose any conditions he considers appropriate on the application or retention by the Primary Care Trust of the sum in question.
- (6) Subsection (7) applies where—
- (a) the Secretary of State has, under subsection (3), increased by any sum the amount to be allotted for any year to a Primary Care Trust,
 - (b) the Secretary of State has notified the Primary Care Trust of the allotment, and
 - (c) it subsequently appears to the Secretary of State that the Primary Care Trust has failed (wholly or in part) to satisfy any conditions imposed in making that increase.
- (7) Where this subsection applies, the Secretary of State may reduce—
- (a) the allotment made to the Primary Care 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 Primary Care Trust under subsection (1)(b), the initial amount,
- by an amount not exceeding the sum mentioned in subsection (6)(a).
- (8) An amount is allotted to a Primary Care Trust for a year under this section when the Primary Care Trust is notified by the Secretary of State that the amount is allotted to it for that year.
- (9) The Secretary of State may make an allotment under this section increasing or reducing (subject to subsection (7)) an allotment previously so made; and the reference to a determination in subsection (3) includes a determination made with a view to increasing or reducing an allotment previously so made.
- (10) 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.
- (11) Sums falling to be paid to Primary Care Trusts under this section are payable subject to such conditions as to records, certificates or otherwise as the Secretary of State may determine.
- (12) “Pharmaceutical services expenditure” and “main expenditure” are defined in Schedule 14.

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229 Financial duties of Primary Care Trusts

- (1) Each Primary Care Trust must, in respect of each financial year, perform its functions so as to secure that its expenditure which is attributable to the performance by it of its functions in that year (not including its pharmaceutical services expenditure) does not exceed the aggregate of—
 - (a) the amount allotted to it for that year under section 228(1)(b),
 - (b) any sums received by it in that year under any provision of this Act (other than sums received by it under that section), and
 - (c) any sums received by it in that year otherwise than under this Act for the purpose of enabling it to defray any such expenditure.
- (2) The Secretary of State may give such directions to a Primary Care Trust as appear to be requisite to secure that it complies with the duty under subsection (1).
- (3) To the extent to which—
 - (a) any expenditure is defrayed by a Primary Care Trust as trustee or on behalf of a Primary Care Trust by special trustees, or
 - (b) any sums are received by a Primary Care Trust as trustee or under section 222, that expenditure and, subject to subsection (5) those sums, must be disregarded for the purposes of this section.
- (4) For the purposes of this section sums which, in the hands of a Primary Care Trust, cease to be trust funds and become applicable by the Primary Care Trust otherwise than as trustee must be treated, on their becoming so applicable, as having been received by the Primary Care Trust otherwise than as trustee.
- (5) Of the sums received by a Primary Care Trust under section 222 so much only as accrues to the Primary Care Trust after defraying any expenses incurred in obtaining them must be disregarded under subsection (3).
- (6) Subject to subsection (3), the Secretary of State may by directions determine—
 - (a) whether specified sums must, or must not, be treated for the purposes of this section as received under this Act by a specified Primary Care Trust,
 - (b) whether specified expenditure must, or must not, be treated for those purposes as expenditure within subsection (1) of a specified Primary Care Trust, or
 - (c) the extent to which, and the circumstances in which, sums received by a Primary Care Trust under section 228 but not yet spent must be treated for the purposes of this section as part of the expenditure of the Primary Care Trust and to which financial year's expenditure they must be attributed.
- (7) “Specified” means of a description specified in the directions.

230 Resource limits for Primary Care Trusts

- (1) Each Primary Care Trust must ensure that the use of its resources in a financial year does not exceed the amount specified for it in relation to that year by the Secretary of State.
- (2) For the purpose of subsection (1) no account may be taken of any use of resources for the purpose of a Primary Care Trust's pharmaceutical services expenditure.

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- (3) But in specifying an amount for a Primary Care Trust under subsection (1) (or in varying the amount under subsection (5)), the Secretary of State may take into account (in whatever way he considers appropriate)—
- (a) any such use of resources, and
 - (b) the use of any resources which would have been for the purpose of the Primary Care Trust's pharmaceutical services expenditure but for an order under section 234(2) (special arrangements as to payment of remuneration),
- during any period he considers appropriate (or such elements of such uses of resources as he considers appropriate).
- (4) For the purpose of subsection (1) the Secretary of State may give directions—
- (a) specifying uses of resources which must, or must not, be taken into account,
 - (b) making provision for determining to which Primary Care Trust certain uses of resources must be attributed,
 - (c) specifying descriptions of resources which must, or must not, be taken into account.
- (5) Where the Secretary of State has specified an amount under this section in respect of a financial year, he may vary the amount by a later specification.
- (6) Subsections (3) to (5) of section 229 apply in relation to the duty under subsection (1) of this section as they apply in relation to the duty under subsection (1) of that section; and for that purpose references to the defraying of expenditure and the receipt of sums are references to the incurring of liabilities and the acquisition of assets.
- (7) The Secretary of State may give such directions to a Primary Care Trust as appear to be requisite to secure that it complies with the duty under subsection (1).
- (8) In this section a reference to the use of resources is a reference to their expenditure, consumption or reduction in value.

231 Further provision about the expenditure of Primary Care Trusts

Schedule 14 makes further provision about the expenditure of Primary Care Trusts.

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