

Draft Order in Council laid before the House of Commons under section 6(2) of the Government Trading Funds Act 1973, for approval by that House.

DRAFT STATUTORY INSTRUMENTS

1999 No.

GOVERNMENT TRADING FUNDS

**The National Health Service Estate Management and
Health Building Agency Trading Fund Order 1999**

Made - - - -

Coming into force - - *1st April 1999*

Whereas—

- (1) It appears to the Secretary of State for Health (“the Secretary of State”) that:—
 - (a) such of the operations of that part of the Department of Health known as the National Health Service Estate Management and Health Building Agency as are described in Schedule 1 to this Order (being operations for which he is responsible) are suitable to be financed by means of a fund established under the Government Trading Funds Act 1973(1) (“the 1973 Act”) and, in particular, to be so managed that the revenue of the fund would consist principally of receipts in respect of goods or services provided in the course of the operations in question, and
 - (b) the financing of the operations in question by means of such a fund would be in the interests of the improved efficiency and effectiveness of the management of those operations.
- (2) The Secretary of State having considered that the operations in question consist substantially in the provision of goods or services in the United Kingdom otherwise than to departments of Her Majesty’s Government and that an opportunity to make representations to him should be given, has, in accordance with section 1(3) of the 1973 Act, taken such steps as appear to him appropriate to give an opportunity to such persons as appear to him appropriate to make representations to him and has, in accordance with section 6(4) of that Act, laid before Parliament a report about the representations received and his conclusions.
- (3) In accordance with section 2 of the 1973 Act, the Secretary of State has determined with the concurrence of the Treasury what Crown assets and liabilities are properly attributable to the operations for which a fund is to be established and are suitable to be appropriated to that fund.
- (4) In accordance with section 6(2) of the 1973 Act a draft of this Order has been laid before the House of Commons and has been approved by a resolution of that House: now, therefore, the Secretary of State, in exercise of the powers conferred upon him by sections 1, 2(1)(b) and (7),

(1) 1973 c. 63, as amended by the Government Trading Act 1990 (c. 30) (“the 1990 Act”). The 1973 Act, as so amended, is set out in Schedule 1 to the 1990 Act. Section 2 of the 1973 Act, as so amended, was further amended by section 119 of the Finance Act 1991 (c. 31).

2A(1) and 2B(6)(2) of the 1973 Act and all other powers enabling him in that behalf, with the concurrence of the Treasury, hereby makes the following Order:—

Citation and commencement

1. This Order may be cited as the National Health Service Estate Management and Health Building Agency Trading Fund Order 1999 and shall come into force on the 1st April 1999.

Establishment of the fund

2. As from 1st April 1999 for such of the operations of that part of the Department of Health known as the National Health Service Estate Management and Health Building Agency as are described in Schedule 1 to this Order, there shall be established a trading fund to be known as the NHS Estates Trading Fund.

Source of loans

3. The Secretary of State for Health is hereby designated as the source of issues to the fund by way of loan.

Assets, liabilities and public dividend capital

4.—(1) The Crown assets and liabilities set out in Parts I and II respectively of Schedule 2 to this Order shall be appropriated as assets and liabilities respectively of the fund, at values or amounts determined by the Secretary of State for Health in accordance with Treasury directions.

(2) 50% of the amount by which the values of those assets exceed the amounts of those liabilities shall be treated as public dividend capital.

Limitation of indebtedness

5. The maximum amount that may be issued to the fund by way of loan under section 2B of the 1973 Act shall be £3,000,000.

Signed on behalf of the Secretary of State for Health.

1999

Minister of State,
Department of Health

We concur

1999

Two of the Lords Commissioners of Her
Majesty's Treasury

SCHEDULE I

Article 2

FUNDED OPERATIONS

(1) All the operations of the National Health Service Estate Management and Health Building Agency carried out in connection with the performance of the following functions:–

- (i) advice and support to Ministers the development and implementation of policies, strategies and systems for the cost effective management, maintenance and use of the estate in the NHS;
- (ii) assistance to any health service body as defined in section 4(1) of the National Health Service and Community Care Act 1990 to secure maximum value for money from both capital investment and revenue expenditure by helping them to rationalise, maintain and renew the estate. Provisions of these and related services to wider markets;
- (iii) any operations of the National Health Service Estate Management and Health Building Agency which are incidental, conducive or ancillary to the operations described in paragraphs (i) and (ii) above.

SCHEDULE II

ASSETS AND LIABILITIES APPROPRIATED AS THOSE OF THE FUND

PART I

ASSETS

1. Plant and equipment (including computers, and fixtures and fittings) as at 1st April 1999 used or allocated for use in the funded operations.
2. Computer software as at 1st April 1999 used or allocated for use in the funded operations.
3. Intangible assets, if any, including intellectual property, arising from the funded operations as carried on up to 1st April 1999.
4. Work in progress arising from the funded operations as carried on up to 1st April 1999.
5. Sundry debtors and cash as at 1st April 1999 arising from the funded operations.

PART II

LIABILITIES

1. Sundry creditors and accruals as at 1st April 1999 arising from the funded operations.
2. Payments received in advance in respect of services to be rendered on or after 1st April 1999.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order provides for the setting up as from the 1st April 1999 of a fund with public money under the Government Trading Funds Act 1973 for the operations of the National Health Services Estate Management and Health Building Agency. The fund is to be known as the NHS Estates Trading Fund.

The Order designates the Secretary of State for Health as the authorised lender to the fund and imposes a limit of £3,000,000 on the amount which may be lent to it. It provides for the assets and liabilities set out in Schedule II to the Order to be appropriated to the fund and for 50% of the amount by which the values of the assets exceed the amounts of the liabilities to be treated as public dividend capital. (The estimated value of the assets is £1,700,000 and the estimated amount of the liabilities is £1,300,000.)