

HEALTH ACT 1999

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part II - the National Health Service: Scotland

Sections 53 to 55: NHS trust financial provisions

309. These sections together with paragraph 63 of Schedule 4 effect changes in the current NHS trust financial regime. The provisions reflect the same changes being made to the equivalent English and Welsh provisions, which are explained fully in the commentary on sections 15 to 17. In summary they provide for the following:
- NHS trusts' originating capital debt will be comprised wholly of public dividend capital – this removes interest bearing debt and the administrative arrangements for its ongoing recovery;
 - additional borrowing by NHS trusts other than from the Secretary of State will be at his direction and subject to conditions he may determine – the aim is to ensure that, in the main, NHS trusts borrow only from the Government, although there will be exceptions to this notably in the area of PFI schemes;
 - investment of temporary surpluses by NHS trusts will be at the direction of the Secretary of State – in practice this will largely be restricted to Paymaster Accounts with the effect of reducing overall Exchequer borrowing.