

HEALTH AND SOCIAL CARE ACT 2012

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 3 - Regulation of Health and Adult Social Care Services

Chapter 6 – Financial assistance in special administration cases

Supplementary

Section 144 – Investment principles and reviews

981. *Subsections (1) and (2)* relate to any investments Monitor wants to make for the purposes of providing financial assistance in special administration. A reason for Monitor making investments might be to manage the flows of money into and out of any fund it established to provide such assistance. It is likely that the flows out of a fund would be “lumpy”: in that instances where a provider was placed in special administration would be rare, but each would probably result in the drawing-down of significant proportions of the monies held in the fund. The Government anticipates that Monitor may want to take steps to smooth the impact of this “lumpiness” upon providers and commissioners.
982. Subsection (1) requires Monitor to prepare and publish a statement on the principles governing its decisions about investments for the purposes of providing financial assistance in special administration.
983. *Subsection (2)* provides that Monitor must review the statement annually, revising it if necessary. If Monitor revises the statement, it must re-publish it.
984. *Subsection (3)* requires Monitor to undertake and publish an annual review of the procedure for the operation of the trust special administration regime for foundation trusts and health special administration regime for companies and the financial mechanisms supporting them.
985. *Subsection (4)* specifies the purposes of such a review. Where the fund has been in operation in the year concerned, the review must specify the income and expenditure of the fund during the year. The published review must exclude commercially sensitive information and information about an individual’s private affairs, where disclosure would or might harm their interests (*subsection (6)*).