

*These notes refer to the Health and Social Care Act 2012
(c.7) which received Royal Assent on 27 March 2012*

HEALTH AND SOCIAL CARE ACT 2012

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 4 – NHS foundation trusts and NHS trusts

Functions

Section 167 – Significant transactions

1045. This section inserts a new section 51A into the NHS Act which provides that a foundation trust may designate in its constitution certain transactions as “significant transactions” which cannot proceed unless a majority of governors agree to them. Foundation trusts will be able to decide which transactions they want to designate as significant, for example, they could provide that this included any contract valued over a certain amount or over a particular percentage of the trust’s turnover. As the definition of a “significant transaction” needs to be specified in the constitution of the trust, it would have to be agreed by a majority of the council of governors and of the board of directors. Trusts could choose not to specify any transactions as “significant transactions”, but this will need to be stated in the constitution, ensuring the agreement of the governors.