
STATUTORY INSTRUMENTS

1991 No. 573 (S.58)

NATIONAL HEALTH SERVICE, SCOTLAND

The National Health Service (Fund-Holding Practices) (General) (Scotland) Regulations 1991

<i>Made</i>	- - - -	<i>8th March 1991</i>
<i>Laid before Parliament</i>		<i>12th March 1991</i>
<i>Coming into force</i>	- -	<i>1st April 1991</i>

The Secretary of State in exercise of the powers conferred on him by sections 87A(4)(c), (e), (f) and (g), 87B(5), 87C(1) to (4), 105(7), 106(a) and 108(1) of the National Health Service (Scotland) Act 1978(1), and after consulting the Council on Tribunals and its Scottish Committee, insofar as such consultation is required in accordance with section 10 of the Tribunals and Inquiries Act 1971(2) and of all other powers enabling him in that behalf, hereby makes the following Regulations:

PART I
GENERAL

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the National Health Service (Fund-Holding Practices) (General) (Scotland) Regulations 1991 and shall come into force on 1st April 1991.

(2) In these Regulations, unless the context otherwise requires—

“the Act” means the National Health Service (Scotland) Act 1978;

“allotted sum” has the meaning indicated by section 87B of the Act;

“the Applications Regulations” means the National Health Service (Fund-Holding Practices) (Applications and Recognition) (Scotland) Regulations 1990(3);

(1) 1978 c. 29; sections 87A, 87B and 87C were inserted by the National Health Service and Community Care Act 1990 (c. 19) (“the 1990 Act”), section 34; section 105(7), which was amended by the Health Services Act 1980 (c. 53), Schedule 6, paragraph 5 and Schedule 7 and by the Health and Social Services and Social Security Adjudication Act 1983 (c. 41), Schedule 9, paragraph 24, contains provisions relevant to the exercise of the powers under which these Regulations are made; section 108(1) contains a definition of “regulations”.

(2) 1971 c. 62.

(3) S.I. 1990/1754.

“bank account” includes an account with a Building Society registered under the Building Societies Act 1986⁽⁴⁾,

“former fund-holding practice” means a medical practitioner or group of medical practitioners who were formerly members of a fund-holding practice and who have now ceased to be members of such a practice because either—

- (a) they have renounced recognition as a fund-holding practice in accordance with regulations 5 and 6; or
- (b) recognition as a fund-holding practice has been removed from them in accordance with regulations 7 and 8 or 9,

whichever is appropriate;

“fund-holding account” means the bank account referred to in regulation 2(2)(d);

“fund-holding practice” means a fund-holding practice recognised in accordance with the Applications Regulations;

“health service body” means any of the bodies specified in section 17A(2) of the Act⁽⁵⁾;

“recognised fund-holding practice” shall be construed in accordance with section 87A of the Act;

“relevant Health Board” has the same meaning as in section 19(8) of the Act⁽⁶⁾.

(3) For the purposes of these Regulations, any reference to a fund-holding practice renouncing recognition is a reference to the members of a fund-holding practice renouncing their status as a recognised fund-holding practice and “renunciation of recognition” shall be construed accordingly.

(4) For the purposes of these Regulations, any reference to a relevant Health Board removing recognition is a reference to that Board removing recognition from the members of a fund-holding practice and “removal of recognition” shall be construed accordingly.

(5) For the purposes of these Regulations, any reference to the rights and liabilities of members of a fund-holding practice is a reference to rights and liabilities incurred in connection with the application of the allotted sum and in particular to rights and liabilities under NHS contracts.

(6) Unless the context otherwise requires, any reference in these Regulations to a numbered regulation is a reference to the regulation bearing that number in these Regulations and any reference in a regulation to a numbered paragraph is a reference to the paragraph bearing that number in that regulation.

(7) In these Regulations any reference to the sending of a document is a reference to the sending of the document by post addressed, in the case of a medical practitioner, to him at the address of his practice premises which is included in the medical list of the relevant Health Board, and, in the case of the Secretary of State or a Health Board, to them at their principal office.

PART II

Continuing Recognition

Conditions for continuing recognition

2.—(1) The members of a fund-holding practice shall continue to be entitled to recognition as a fund-holding practice if and for so long as the conditions specified in paragraph (2) are fulfilled in relation to the practice.

(4) 1986 c. 53.

(5) Section 17A was inserted by the 1990 Act, section 30.

(6) Section 19(8) was inserted by the 1990 Act, section 37.

- (2) The conditions referred to in paragraph (1) are that—
- (a) the practice does not include both—
 - (i) a member who practises in a partnership where the total number of patients on the lists of patients of the medical practitioners in the partnership exceeds 9,000; and
 - (ii) a member who practises in another such partnership;
 - (b) there is a total of at least 9,000 patients on the lists of patients of the members of the practice or, though there is a total of less than 9,000 patients on those lists, there is likely, in the opinion of the relevant Health Board, to be a total of at least 9,000 on those lists within the period of twelve months following the date on which it came to the notice of the relevant Health Board that the total number of patients on the lists of members of the practice was less than 9,000;
 - (c) where the members of the practice are not partners in a single partnership, there is in force an agreement such as is mentioned in regulation 4(2)(e) of the Applications Regulations;
 - (d) the members of the practice maintain a bank account (“the fund-holding account”) for the purpose of receiving an allotted sum or any part of it;
 - (e) except where liability to pay an allotted sum to the members of the fund-holding practice is discharged pursuant to section 87B(2)(b) of the Act, the members of the practice deal with the allotted sum or any part of it only through the fund-holding account;
 - (f) no sums are paid into the fund-holding account other than the allotted sum or any part of it, and no sums are paid out of the account except for purposes authorised by regulations 13, 15 and 16;
 - (g) the members of the practice send to the relevant Health Board, before the end of each month, such information relating to the preceding month as the relevant Health Board may reasonably require in relation to the management of the allotted sum and in particular to—
 - (i) transactions effected through the fund-holding account;
 - (ii) the amount standing in the fund-holding account at the end of the preceding month;
 - (iii) whether any such amount includes an amount which may be applied for the purposes specified in regulation 16 (savings from the allotted sum); and
 - (iv) the referrals of patients of members of the practice for treatment to be provided other than by members of the practice and in particular the arrangements made for the purchase of goods and services specified in the list referred to in regulation 13(2);
 - (h) the members of the practice submit to the relevant Health Board not later than six weeks after the end of the financial year to which they relate, the accounts which the practice is required to keep under sub-section 86(1A)(a) of the Act⁽⁷⁾;
 - (i) except in the circumstances specified in sub-paragraph (1)(a), (d), (e), (i), (j), (k), (l), (m) and (o) of paragraph 20 (acceptance of fees) of Part I of Schedule 1 (terms of service for doctors) to the National Health Service (General Medical and Pharmaceutical Services) (Scotland) Regulations 1974⁽⁸⁾, the members of the practice do not demand or accept from any patient of a member of the practice a payment (including a payment in kind) in respect of any treatment—
 - (i) provided by a member of the practice; or
 - (ii) which a member of the practice has arranged to be provided for the patient, under the Act;

⁽⁷⁾ Section 86(1A) was inserted by the 1990 Act, section 36(4).

⁽⁸⁾ S.I. 1974/506; relevant amending instruments are S.I. 1981/56, 1982/1279 and 1989/1990.

- (j) no goods and services specified in a list approved under regulation 13(2) shall be purchased for a patient of a member of the practice from any person or body in relation to which any member of the practice has a conflict of interest unless—
 - (i) the relevant Health Board has consented in writing to the purchase of those goods and services from that person or body; or
 - (ii) it is impracticable, having regard to the condition of the patient, to obtain the consent and no alternative is available; or
 - (iii) the body is a health service body other than a fund-holding practice;
 - (k) where the relevant Health Board has consented under sub-paragraph (j)(i) above, the members of the practice shall inform that Board in writing forthwith of any change in either—
 - (i) the facilities made available; or
 - (ii) the charges made for the services provided,
 by the person or body in respect of which any such consent has been given;
 - (l) the allotted sum is applied only for the purposes specified in regulations 12, 13, 15 and 16;
 - (m) the members of a fund-holding practice have in place administrative and financial systems conducive to the effective and efficient management of the allotted sum.
- (3) In this regulation—
- (a) a member of a fund-holding practice shall be treated as having a conflict of interest in relation to a body if—
 - (i) he is a director of, or in the employment of, the body; or
 - (ii) he is a partner of, or is in the employment of, or is a close relative of, a person who is a director of the body; or
 - (iii) where the body is a fund-holding practice, he is a close relative of a member of the practice; or
 - (iv) he is a close relative of a person in the employment of the body; or
 - (v) he has a beneficial interest in the securities of the body;
 - (b) a member of a fund-holding practice shall be treated as having a conflict of interest in relation to a person if he is a close relative of, or a partner of, or is in the employment of that person;
 - (c) “close relative” means a husband, wife, brother, sister, father, mother, son or daughter.

Additions to existing fund-holding practices

3.—(1) Where a medical practitioner (whether or not he is a member of another fund-holding practice) wishes to become a member of an existing fund-holding practice then, except in the circumstances specified in paragraph (2), he and the members of the existing fundholding practice shall apply to the relevant Health Board for recognition as a fund-holding practice in accordance with the Applications Regulations.

(2) Paragraph (1) shall not apply to a medical practitioner who becomes a partner of a member of a fund-holding practice whether in succession to another medical practitioner who has died or has left the practice, or otherwise as a result of the grant of an application made by the medical practitioner to a Health Board under section 20(1) of the Act⁽⁹⁾ to be included in the list of names

(9) 1978 c. 29; section 20 was amended by the Health Services Act 1980 (c. 53), Schedule 6, paragraph 3 and Schedule 7 and by S.I. 1981/432, article 4(1).

of medical practitioners undertaking to provide general medical services in the area of such a Board and that application has been granted.

(3) A medical practitioner who becomes a partner of a member of a fund-holding practice in the circumstances described in paragraph (2) shall, as from the date on which he becomes such a partner be a member of that fund-holding practice notwithstanding that he did not participate in the making of an application under regulation 3 of the Applications Regulations.

(4) Where a person becomes a member of a fund-holding practice and paragraph (2) applies, the practice shall forthwith give written notice to the relevant Health Board of the fact, the date on which he became a partner, the name of the new member and shall send to that Board a copy of any Agreement entered into with the new member for the purposes of regulation 4(2)(e) of the Applications Regulations.

Withdrawal or death of a member of a fund-holding practice

4.—(1) Subject to paragraph (2), a member of a fund-holding practice may withdraw from the practice and if he does so the remaining members of the practice shall continue to be recognised as a fund-holding practice unless and until the members of the practice renounce recognition or the relevant Health Board removes recognition from the practice in accordance with these Regulations.

(2) A member of a fund-holding practice who is a partner of another member of the practice may not withdraw from the fund-holding practice unless he also ceases at the same time to be a partner of that other member.

(3) Where a member of a fund-holding practice dies, the remaining members of the practice shall continue to be recognised as a fund-holding practice unless and until the members of the practice renounce recognition or the relevant Health Board removes recognition from the practice in accordance with these Regulations.

PART III

Renunciation of Recognition

Renunciation of recognition

5.—(1) The members of a fund-holding practice may renounce recognition by giving to the relevant Health Board notice of their intention to renounce recognition in accordance with paragraph (2).

(2) A notice of renunciation referred to in paragraph (1) shall—

- (a) be in writing;
- (b) be signed by a majority of the members of the fund-holding practice;
- (c) be given at least three months before the *31st March next occurring after the sending of the notice;
- (d) be expressed to expire on 31st March; and
- (e) be accompanied by a statement including the following information:—
 - (i) details of any NHS contracts into which the members of the practice have entered;
 - (ii) the amount of the current balance in the fund-holding account;
 - (iii) the amount standing at the credit of the practice in the fund-holding account which is available to be applied for the purposes specified in regulation 16 (savings from the allotted sum);

(iv) the liabilities of the members of the practice in relation to the allotted sum.

Consequences of renunciation of recognition

6.—(1) The consequences of renunciation are that subject to paragraphs (2), (3) and (4), the members of a fund-holding practice cease, as from the *31st March specified in the notice referred to in regulation 5(2), to be recognised as a fund-holding practice.

(2) Notwithstanding renunciation of recognition and subject to paragraph (5), a former fund-holding practice shall continue to fulfil the conditions specified in sub-paragraphs (d), (e), (f), (g), (h) and (1) of regulation 2(2) until the relevant Health Board is satisfied that all the liabilities of the former fund-holding practice in relation to the allotted sum have been discharged.

(3) When the relevant Health Board is satisfied that all liabilities of the fund-holding practice, other than any liabilities in relation to the application of the allotted sum for the purposes specified in regulation 16 (savings from the allotted sum), have been discharged it shall send a notice to that effect to each member of the former fund-holding practice and as from receipt of that notice the practice shall no longer be required to fulfil any of the conditions set out in regulation 2.

(4) If, after a notice under the preceding paragraph has been sent, part of the allotted sum remains in the fund-holding account, the former fund-holding practice shall—

- (a) continue to maintain the fund-holding account until no amount remains in that account;
- (b) apply that sum only for the purposes specified in regulation 16 (savings from the allotted sum); and
- (c) each month send to the relevant Health Board a statement specifying any withdrawal from the fund-holding account.

(5) If, at any time after the renunciation of recognition has taken effect, the relevant Health Board is satisfied that—

- (a) no part of the allotted sum remains in the fund-holding account; and
- (b) the liabilities of the former fund-holding practice in relation to the allotted sum have not been discharged,

all rights and any such liabilities of the former fund-holding practice shall, upon notice being sent to such effect to each member of the former fund-holding practice, transfer to the relevant Health Board.

PART IV

Removal of Recognition

Grounds for removal of recognition

7.—(1) Where, by 28th February in any year, the relevant Health Board has notified the members of a fund-holding practice of the amount of the allotted sum for the financial year beginning on the next 1st April and the members of the practice have not, within one month from the date on which the notice is sent, notified the relevant Health Board that they are prepared to accept that amount as their allotted sum, the relevant Health Board may remove recognition from them with effect from that 1st April (whether or not the recognition is one which has taken effect originally on 1st April).

(2) The relevant Health Board may remove recognition from the members of a fund-holding practice if a condition specified in regulation 2(2) is no longer fulfilled in relation to the practice.

Procedure for removal of recognition

8.—(1) Except as provided by regulation 9 where a relevant Health Board propose to remove recognition from the members of a fund-holding practice on the ground specified in regulation 7(2) the relevant Health Board shall—

- (a) send to each member of the practice a notice in writing specifying
 - (i) the reason for the proposal; and
 - (ii) the date, which shall be at least 3 months from the date on which the notice is sent, on which the removal of recognition is proposed to have effect; and
- (b) inform the members of the practice that they may, subject to paragraphs (2) and (3), make representations to the Board concerning the matter either orally or in writing.

(2) Representations in writing shall be sent to the relevant Health Board within two months of the date on which the notice referred to in paragraph (1) is sent.

(3) Where the members of the practice wish to make representations orally they shall, within two weeks of the date on which the notice referred to in paragraph (1) is sent, give notice to that effect to the relevant Health Board who shall, within six weeks of the date on which the members of the fund-holding practice give notice under this paragraph, give them an opportunity of appearing before and being heard by that Board.

(4) If the relevant Health Board decide, having taken into account any representations made by the members of the fund-holding practice, to adopt the proposal, that Board shall within the period of four weeks from the expiry of the period of two months or, as the case may be, six weeks referred to in paragraphs (2) and (3) respectively send to each member of the fund-holding practice a notice in writing of its decision which shall include—

- (a) a statement of the reasons for the decision;
- (b) the date on which the removal of recognition takes effect;
- (c) details of the right to appeal to the Secretary of State against the removal of recognition; and
- (d) the consequences of removal of recognition,

(5) Where the relevant Health Board removes recognition from the members of a fundholding practice in the circumstances specified in regulation 7(1), that Board shall send to each member of the practice a written notice of removal of recognition which shall include

- (a) a statement of the reasons for the removal of recognition;
- (b) the date on which the removal of recognition has effect;
- (c) details of the right of appeal to the Secretary of State against the removal of recognition; and
- (d) unless recognition has not taken effect in accordance with regulation 5(1)(a) of the Applications Regulations, the consequences of the removal of recognition.

Removal of recognition with immediate effect

9. —

(1) Where it appears to a relevant Health Board—

- (a) that either—
 - (i) it is necessary in the interests of patients of members of the practice; or
 - (ii) the members of the practice have failed to maintain administrative and financial systems conducive to the effective and efficient management of the allotted sum; and

(b) that recognition should be removed with immediate effect, the relevant Health Board shall remove recognition under this regulation.

(2) In the circumstances specified in paragraph (1), the relevant Health Board shall send to each member of the practice notice of removal of recognition which shall include—

- (a) a statement of the reasons for the removal of recognition;
- (b) intimation that the removal has immediate effect;
- (c) details of the right to appeal to the Secretary of State against the removal of recognition; and
- (d) the consequences of the removal of recognition.

Appeals to the Secretary of State

10.—(1) The members of a fund-holding practice or, where removal of recognition has taken effect, a former fund-holding practice, may appeal to the Secretary of State against the removal of recognition by the relevant Health Board.

(2) Regulation 6(2) to (11) of the Applications Regulations shall apply in relation to an appeal against removal of recognition as if—

- (a) a reference to the members of the practice were a reference to the members of a fund-holding practice or, where removal of recognition has taken effect, a former fund-holding practice;
- (b) a reference to a decision to refuse to grant a practice recognition as a fund-holding practice were a reference to a decision to remove recognition as a fund-holding practice; and
- (c) for the reference in paragraph (10) to “these Regulations” there was substituted a reference to “regulation 3 of the National Health Service (Fund-Holding Practices) (General) (Scotland) Regulations 1991”.

Consequences of removal

11. —

(1) On the day on which the removal of recognition takes effect

- (a) any liability of the relevant Health Board to pay to members of the former fundholding practice an allotted sum shall cease;
- (b) all the rights and liabilities of members of the fund-holding practice in relation to the allotted sum shall transfer to the relevant Health Board; and
- (c) subject to paragraph (2), the fund-holding account shall be treated as having been opened by the relevant Health Board and that Board may deal with the allotted sum or any part of it standing at credit in that account as though it were the fund-holding practice.

(2) Where, on the day on which the removal of recognition takes effect, there remains in the fund-holding account any part of the allotted sum which may apply for the purposes specified in regulation 16 (savings from the allotted sum) the relevant Health Board shall apply that part of the allotted sum to such of those purposes as the former fund-holding practice may require.

PART V

Allotted Sum — Authorised Purposes

Payment for drugs, medicines and listed appliances

12. —

(1) The members of a fund-holding practice shall pay to the relevant Health Board out of the allotted sum an amount determined in accordance with the following paragraphs of this regulation as the basic cost of the drugs, medicines and listed appliances supplied pursuant to orders given by or on behalf of members of the practice.

(2) The amount referred to in paragraph (1) shall, subject to paragraph (7), be

- (a) the price of the drugs, medicines or listed appliances calculated in accordance with paragraphs (3) and (4); minus
- (b) an amount representing a percentage of the price of the drug, medicine or listed appliance, calculated in accordance with paragraph (5); plus
- (c) except in the case of listed appliances supplied with, or in connection with, the supply of oxygen, an amount representing the cost of the container or packaging in which the drug, medicine or listed appliance is supplied calculated in accordance with paragraph (6).

(3) The price referred to in paragraph (2)(a) of a drug or medicine shall be

- (a) where the name of the drug or medicine is listed in a list in the Drug Tariff which specified a price for a specified quantity of that drug or medicine, the price so specified;
- (b) where the name of the drug or medicine is not so listed, the manufacturer's list price.

(4) The price referred to in paragraph (2)(a) of a listed appliance shall be the price of the appliance specified in the Drug Tariff.

(5) The percentage referred to in paragraph (2)(b) shall be 7.06 per cent of the price of the drug, medicine or listed appliance where that drug, medicine or listed appliance has been supplied pursuant to an order given by or on behalf of a member of a fund-holding practice whose recognition has been granted by a Health Board.

(6) The amount referred to in paragraph (2)(c) shall be *3.80p for each listed appliance and each quantity of a drug or medicine.

(7) Where an amount calculated under paragraph (2)(a), (b) or (c) is in any month not an exact number of pounds sterling, any amount of fifty pence or more shall be rounded up, and any amount less than fifty pence shall be rounded down, to the nearest whole pound sterling.

(8) In this regulation—

“the Drug Tariff” means the statement published under regulation 32 of the National Health Service (General Medical and Pharmaceutical Services) (Scotland) Regulations 1974⁽¹⁰⁾;

“listed appliance” means an appliance which is included in a list for the time being approved by the Secretary of State for the purposes of section 27(1) of the Act⁽¹¹⁾;

“manufacturer's list price” means the price which the manufacturer of a drug or medicine or his agent publishes as being the price of that drug or medicine;

“medicine” includes such chemical re-agents as are included in a list for the time being approved by the Secretary of State for the purposes of section 27(1) of the Act.

⁽¹⁰⁾ S.I. 1974/506; regulation 32 was amended by S.I. 1987/385 and 1989/1883.

⁽¹¹⁾ 1978 c. 29; section 27(1) was amended by the 1980 Act, section 20(2) and by the 1990 Act, Schedule 9, paragraph 19(7).

Payment for goods and services

13.—(1) The members of a fund-holding practice may apply the allotted sum to the purchase of the goods and services, other than general medical services, referred to in paragraph (2) and shall apply the allotted sum to the purchase of such of those goods and services as are necessary for the proper treatment of patients of members of the practice.

(2) The goods and services referred to in paragraph (1) shall be the goods and services specified in a list approved from time to time by the Secretary of State for the purposes of this regulation.

Limit on provision of goods and services

14. There shall be a limit of £5,000 on the amount which may be spent out of an allotted sum on the provision of goods and services for any one individual, being a limit above which the cost of any goods and services for that individual in the financial year in question will fall to be met by the Health Board amongst whose functions is the responsibility for the provision of health care, including the provision of goods and services (not necessarily the goods and services in question) for the benefit of the individual concerned.

Payment of salaries

15. mdash;

(1) The members of a fund-holding practice may apply the allotted sum for the purpose of paying the salaries of those employees of members of the practice whose employment by the members of the practice began after the relevant date.

(2) Where a Health Board has, before the relevant date reimbursed a member of the practice in respect of a proportion of the salary of an employee of his, then the members of the fund-holding practice may apply the allotted sum for the purpose of paying, in respect of periods after that date, that proportion of the salary of that employee.

(3) In this regulation “the relevant date” means the date on which recognition of the members of the practice as a fund-holding practice has effect in accordance with the Applications Regulations.

Savings from the allotted sum

16. Where the accounts relating to the allotted sum paid to members of a fund-holding practice in respect of a financial year have been audited in accordance with section 86(1A) of the Act⁽¹²⁾, the members of the fund-holding practice may continue to apply any part of the allotted sum paid to them in respect of that financial year, for a period of four years after the end thereof, for one or more of the following:—

- (a) the purposes specified in regulations 13 and 15;
- (b) the purchase of material or equipment which—
 - (i) can be used for the treatment of patients of the practice; or
 - (ii) enhances the comfort or convenience of patients of the practice; or
 - (iii) enables the practice to be managed more effectively and efficiently; or
 - (iv) relates to health education; or
- (c) the improvement of any premises from which the members of the practice carry on their practice whether by improving the structure of the premises or the purchase of furniture and furnishings for the premises.

(12) Section 86(1A) was inserted by the 1990 Act, section 36(4).

PART VI

Amendment of the Applications Regulations

Amendment of the Applications Regulations

17. In regulation 3 of the Applications Regulations 1990⁽¹³⁾ (applications for recognition as a fund-holding practice) for paragraph (3) there is substituted the following paragraph:—

“(3) Where at least one of the members of a practice wishing to make an application is on the medical list of a Family Health Services Authority, section 87B of the Act shall operate subject to the following modification, namely, at the end of subsection (1) there shall be added the words “except, if at least one of those practitioners is also providing general medical services in accordance with arrangements under section 29 of the National Health Service Act 1977⁽¹⁴⁾, where more patients on the lists of members of the practice reside in England than in Scotland”.”

St. Andrew’s House,
Edinburgh
8th March 1991

Michael B. Forsyth
Minister of State, Scottish Office

⁽¹³⁾ S.I. 1990/1754.

⁽¹⁴⁾ 1977 c. 49; section 29 was amended by the 1980 Act, Schedule 1, paragraphs 42 and 93, by S.I. 1985/39, article 7(3), and by the 1983 Act, Schedule 6, paragraph 2.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations include provisions specifying the conditions which the members of a recognised fund-holding practice must fulfil if they are to continue to be entitled to recognition as a fund-holding practice, contain provisions relating to the renunciation or removal of recognition as such a practice and specify the purposes for which the members of a recognised fund-holding practice may use the sum allotted to them for the purchase of health care for their patients.

A recognised fund-holding practice is a practice comprising one or more medical practitioners, who are providing general medical services in accordance with arrangements under section 19 of the National Health Service (Scotland) Act 1978 (c. 29), which has been recognised as a recognised fund-holding practice by a Health Board under section 87A of that Act (as inserted by the National Health Service and Community Care Act 1990 (c. 19)) and which, in consequence of recognition, is entitled to be paid an allotted sum in accordance with section 87B of the Act.

The Regulations, which come into force on 1st April 1990 include provision about—

- (a) the interpretation of the Regulations (Part 1),
- (b) the conditions for continuing to be entitled to recognition as a recognised fundholding practice and additions to and withdrawals from a recognised fund-holding practice (Part 11),
- (c) renunciation of recognition including the procedure for renunciation and its consequences (Part III),
- (d) removal of recognition as a recognised fund-holding practice, including specifying the grounds for removal, the procedure for removal, appeals against removal and the consequences of removal (Part IV), and
- (e) the purposes for which allotted sums may be applied (Part V).

The Regulations also effect an amendment of the National Health Service (Fund-Holding Practices) (Applications and Recognition) (Scotland) Regulations 1990 in relation to applications from medical practitioners who have patients in England and Scotland (Part VI).