
STATUTORY INSTRUMENTS

1991 No. 582

**NATIONAL HEALTH SERVICE,
ENGLAND AND WALES**

**The National Health Service (Fund-holding
Practices) (General) Regulations 1991**

<i>Made</i>	- - - -	<i>8th March 1991</i>
<i>Laid before Parliament</i>		<i>11th March 1991</i>
<i>Coming into force</i>	- -	<i>1st April 1991</i>

The Secretary of State for Health, as respects England, and the Secretary of State for Wales, as respects Wales, in exercise of powers conferred by sections 126(4) and (5) and 128(1) of the National Health Service Act 1977⁽¹⁾ and sections 14(6), 15(7), 16(1) to (4) and 17 of the National Health Service and Community Care Act 1990⁽²⁾ and of all other powers enabling them in that behalf, hereby make 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) 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 and Community Care Act 1990;

“the 1977 Act” means the National Health Service Act 1977⁽³⁾;

“allotted sum” has the same meaning as in section 15 of the Act;

(1) 1977 c. 49; section 126(4) was amended by, and section 126(5) was inserted by, section 65(2) of the National Health Service and Community Care Act 1990 (“the 1990 Act”); section 128(1) was amended by section 26(2) of the 1990 Act and is cited for the definition of “regulations”.

(2) 1990 c.19.

(3) 1977 c. 49.

“the Application Regulations” means the National Health Service (Fund-holding Practices) (Applications and Recognition) Regulations 1990(4);

“bank account” includes an account with a building society incorporated under the Building Societies Act 1986(5);

“former fund-holding practice” means one or more medical practitioners who were members of a fund-holding practice and either—

- (a) have renounced recognition as a fund-holding practice in accordance with regulations 7 and 8, or
- (b) from whom recognition has been removed in accordance with regulations 10 and 11 or 12 and 13

whichever is appropriate;

“fund-holding account” has the meaning assigned by regulation 3(2)(d);

“fund-holding practice” means a recognised fund-holding practice;

“health service body” has the same meaning as in section 4 of the Act;

“recognised fund-holding practice” shall be construed in accordance with section 14 of the Act;

“relevant Regional Health Authority” has the meaning assigned by section 14(3) of the Act.

(3) For the purposes of these Regulations, any reference to a fund-holding practice renouncing recognition is a reference to a fund-holding practice renouncing its 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 Regional Health Authority removing recognition is a reference to that Authority 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 an 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 in a prepaid letter addressed, in the case of a medical practitioner, to him at the address given in the medical list in which he is included and, in the case of the Secretary of State or a Regional Health Authority, to them at their principal office.

Application of Regulations in Wales

2.—(1) Subject to paragraph (2), in the application of these Regulations to any fund-holding practice whose recognition has been granted by the Secretary of State(6), for any reference to the relevant Regional Health Authority there shall be substituted at reference to the Secretary of State.

(2) Regulations 11(4)(c)(i) and (5)(c)(i), 13(c)(i) and 14 do not apply to any fund-holding practice whose recognition has been granted by the Secretary of State.

(4) S.I. 1990/1753.

(5) 1986 c. 53.

(6) See regulation 2 of the Application Regulations.

PART II

Continuing Recognition

Conditions for continuing recognition

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

(2) The conditions referred to in paragraph (1) are that—

- (a) the practice does not include—
 - (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 Regional Health Authority, to be a total of at least 9,000 on those lists by the 1st April following the date on which it came to the notice of the relevant Regional Health Authority 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 6(d) of the Application 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 15(3)(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;
- (g) the members of the practice send to the relevant Family Health Services Authority, before the end of each month, such information relating to the preceding month as the relevant Family Health Services Authority 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 20 (savings from the allotted sum), and
 - (iv) the arrangements made for the purchase of goods and services referred to in regulation 17(2);
- (h) the annual accounts of a fund-holding practice which are required to be kept under section 98(2B)(c) of the 1977 Act⁽⁷⁾ shall be submitted to the relevant Family Health Services Authority within six weeks of the end of the financial year to which the accounts relate;
- (i) the members of the practice shall not, except in the circumstances specified in subparagraphs (c), (d), (f) and (h) to (m) of paragraph 32 of Schedule 1 to the National Health

(7) Section 98(2B) was inserted by section 20(2)(b) of the Act.

Service (General Medical and Pharmaceutical Services) Regulations 1974⁽⁸⁾ (acceptance of fees), demand or accept from any patient of a member of the practice for whom general medical services are provided 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, whether or not the treatment is to be provided under the Act or the 1977 Act;
- (j) no goods or services specified in a list approved under regulation 17(2) shall be purchased for a patient of a member of the practice from any person or body with which any member of the practice has a particular connection unless—
- (i) the relevant Regional Health Authority has consented in writing to the purchase of those goods or 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 members of a practice have obtained the consent of the relevant Regional Health Authority under sub-paragraph above, the members of the practice shall inform that Authority of any change either in the facilities available at, or the charges made by, the person or body in respect of which the consent is given;
- (l) the allotted sum shall be applied only for the purposes specified in regulations 16, 17, 19 and 20;
- (m) the members of the fund-holding practice shall manage the allotted sum effectively and efficiently.
- (3) In this regulation—
- (a) a member of a fund-holding practice shall be treated as having a particular connection with a body if—
 - (i) he is a director of, or is 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 particular interest in a person if he is a close relative of, or is a partner of, or is in the employment of, the person.
 - (c) “close relative” means a husband, wife, brother, sister, father, mother, son or daughter.

Additions to existing fund-holding practices

4.—(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 fund-holding practice shall apply to the relevant Regional Health Authority for recognition as a fund-holding practice in accordance with the Application Regulations.

⁽⁸⁾ S.I. 1974/160; paragraph 32 was amended by S.I. 1975/719, regulation 3(14)(c); S.I. 1982/1283, regulation 2(7)(d); and S.I. 1989/1897, regulation 11.

(2) Paragraph (1) shall not apply to a medical practitioner who becomes a partner of a member of a fund-holding practice as a result of the grant of an application made by the medical practitioner to a Family Health Services Authority under section 30(1) of the 1977 Act⁽⁹⁾ to be included in the list of names of medical practitioners undertaking to provide general medical services in the Authority's locality.

(3) A medical practitioner who becomes a partner of a member of a fund-holding practice in the circumstances described in paragraph (2) shall, on having his name included in the list referred to in that paragraph, be a member of that fund-holding practice notwithstanding that he did not join in the making of an application under regulation 3 of the Application Regulations.

Withdrawal of a member of a fund-holding practice

5.—(1) Subject to paragraph (2), a member of a fund-holding practice may withdraw from the practice and the recognition as a fund-holding practice of the remaining members of the practice shall not be affected by the withdrawal.

(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 to be a partner of that other member.

Death of a member of a fund-holding practice

6. Where a member of a fund-holding practice dies, the recognition as a fund-holding practice of the remaining members of the practice shall not be affected by the death.

PART III

Renunciation of Recognition

Renunciation of recognition

7. The circumstances in which the members of a fund-holding practice may renounce recognition are that a majority of the members of the practice have sent to the relevant Regional Health Authority notice of their intention to renounce recognition in accordance with regulation 8.

Procedure for renunciation of recognition

8. The notice referred to in regulation 7 shall—

- (a) be in writing;
- (b) be signed by a majority of the members of the fund-holding practice;
- (c) be sent at least one month before the 31st March following the sending of the notice;
- (d) be expressed to expire on 31st March; and
- (e) be accompanied by a statement including information relating to—
 - (i) the NHS contracts into which the members of the practice have entered;
 - (ii) the amount standing in the fund-holding account;
 - (iii) the amount standing in the fund-holding account which may be applied for the purposes specified in regulation 20 (savings from the allotted sum) and;

(9) 1977 c. 49; section 30 was amended by the Health Services Act 1980 (c. 53), Schedule 1, paragraph 43 and Schedule 7, S.I. 1981/432, article 3(1), the Health and Social Security Act 1984 (c. 48), Schedule 3, paragraph 4 and S.I. 1985/39, article 7(4).

(iv) the liabilities of the members of the fund-holding practice.

Consequences of renunciation of recognition

9.—(1) Subject to paragraphs (2) and (4), the consequences of renunciation are that the members of a fund-holding practice cease, as from the 31st March specified in the notice referred to in regulation 8, to be recognised as a fund-holding practice.

(2) Notwithstanding a renunciation of recognition and subject to paragraph (5), a former fund-holding practice shall continue to fulfil the conditions specified in regulation 4(2)(d), (e), (f), (g), (h) and (l) until the relevant Regional Health Authority is satisfied that all the liabilities of the former fund-holding practice have been discharged.

(3) When the relevant Regional Health Authority is satisfied that all liabilities of the fund-holding practice have been discharged it shall send a notice to that effect to each member of the former fund-holding practice.

(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 standing in that account;
- (b) apply that sum only for the purposes specified in regulation 20 (savings from the allotted sum); and
- (c) each month send to the relevant Regional Health Authority 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 Regional Health Authority 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 have not been discharged

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

PART IV

Removal of Recognition

Grounds for removal of recognition

10.—(1) Where, by 28th February in any year, the relevant Regional Health Authority 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 that notice is sent, notified the relevant Regional Health Authority that they are prepared to accept that amount as their allotted sum, the relevant Regional Health Authority may remove recognition from them with effect from that 1st April (whether or not the recognition is one which has taken effect in accordance with regulation 5(2) of the Application Regulations).

(2) The relevant Regional Health Authority may remove recognition from the members of a fund-holding practice if a condition specified in regulation 3(2) is no longer fulfilled in relation to the practice.

Procedure for removal of recognition

11.—(1) Except as provided by regulations 12 and 13, where a relevant Regional Health Authority proposes to remove recognition from the members of a fund-holding practice on the ground specified in regulation 10(2), the Authority 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 Authority concerning the matter either orally or in writing.

(2) Representations in writing shall be sent to the relevant Regional Health Authority 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, send notice to that effect to the relevant Regional Health Authority and the Authority shall, within six weeks of the date on which the members of the fund-holding practice send notice under this paragraph, give them an opportunity of appearing before and being heard by the Authority or a committee, sub-committee or officer of the Authority appointed for the purpose.

(4) If the relevant Regional Health Authority decide, having taken into account any representations made by the members of the fund-holding practice, to adopt the proposal, the Authority shall—

- (a) send to each member of the fund-holding practice a notice in writing of its decision;
- (b) include in the notice—
 - (i) a statement of the reasons for the decision, and
 - (ii) the date on which the removal of recognition takes effect; and
- (c) inform each member of the practice of—
 - (i) the right to appeal to the Secretary of State against the removal of recognition, and
 - (ii) the consequences of removal of recognition.

(5) In the circumstances specified in regulation 10(1), the relevant Regional Health Authority shall—

- (a) send to each member of the practice notice of removal of recognition;
- (b) include in the notice a statement of the reasons for the removal of recognition and that the removal has effect from the 1st April following the sending of the notice; and
- (c) inform each member of the practice of—
 - (i) the right to appeal to the Secretary of State against the removal of recognition, and
 - (ii) except where recognition has not taken effect in accordance with regulation 5(2) of the Application Regulations, the consequences of the removal of recognition.

Removal of recognition with immediate effect

12. Where it appears to a relevant Regional Health Authority that it is necessary either—

- (a) in the interests of patients of members of the practice; or
- (b) for the purpose of ensuring the proper management of the allotted sum

that recognition should be removed under regulation 10(2) with immediate effect, the relevant Regional Health Authority shall remove recognition with immediate effect.

Procedure for removal of recognition with immediate effect

13. In the circumstances specified in regulation 12, the relevant Regional Health Authority shall—

- (a) send to each member of the practice notice of removal of recognition;
- (b) include in the notice a statement of the reasons for the removal of recognition; and
- (c) inform each member of the practice of—
 - (i) the right to appeal to the Secretary of State against the removal of recognition, and
 - (ii) the consequences of the removal of recognition.

Appeals to the Secretary of State

14.—(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 Regional Health Authority.

(2) Regulation 8(2) to (8) of the Application 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 to a decision to remove recognition as a fund-holding practice; and
- (c) for paragraph (8)(b) there were substituted the following paragraph—
 - “(b) determine the appeal in accordance with regulation 10 of the National Health Service (Fund-holding Practices) (General) Regulations 1991.”.

Consequences of removal

15.—(1) On the day on which removal of recognition takes effect, all the rights and liabilities of a fund-holding practice shall transfer to the relevant Regional Health Authority.

(2) Subject to paragraph (3), on the day on which the removal of recognition takes effect, the fund-holding account shall be treated as having been opened by the relevant Regional Health Authority and that Authority may deal with the allotted sum or any part of it remaining in that account as though it were the fund-holding practice.

(3) Where, on the day on which removal of recognition takes effect, there remains in the fund-holding account any part of the allotted sum which may be applied for the purposes specified in regulation 20 (savings from the allotted sum) the relevant Regional Health Authority shall apply that part of the allotted sum for 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

16.—(1) The members of a fund-holding practice shall pay to the relevant Regional Health Authority 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 or drugs and medicines supplied in bulk, 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 specifies 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—
- (a) 9.67 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 Regional Health Authority; and
 - (b) 9.10 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 the Secretary of State.
- (6) The amount referred to in paragraph (2)(c) shall be 3.80 pence 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, any amount of fifty pence or more shall be rounded up to, and any amount less than fifty pence shall be rounded down to, the nearest whole pound.
- (8) In this regulation—
- “the Drug Tariff” means the statement published under regulation 28 of the National Health Service (General Medical and Pharmaceutical Services) 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 41 of the 1977 Act.
 - “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 41 of the 1977 Act.
- (9) In this regulation, a drug or medicine is supplied in bulk when—
- (a) it is ordered by a member of a fund-holding practice for two or more patients of his;
 - (b) those patients reside in a school or institution in which at least twenty persons reside;
 - (c) the name of that school or institution is written on the order;
 - (d) at least ten of the persons residing in the school or institution are patients of the member of the fund-holding practice ordering the drug or medicine.

⁽¹⁰⁾ S.I. 1974/160; regulation 28 was amended by S.I. 1985/955, article 2(6).

Payment for goods and services

17.—(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

18. There shall be a limit of £5000 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 District Health Authority whose primary functions include the provision of goods and services (not necessarily the goods and services in question) to the individual concerned.

Payment of salaries

19.—(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 a member of the practice began after the date on which the members of the practice were granted recognition as a fund-holding practice.

(2) Where a Family Health Services Authority has, before the date on which the members of a fund-holding practice were granted recognition as a fund-holding practice, 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.

Savings from the allotted sum

20. Where the accounts for a financial year of members of a fund-holding practice have been audited in accordance with Part III of the Local Government Finance Act 1982⁽¹¹⁾ the members of a fund-holding practice may continue to apply any part of the allotted sum paid to them in respect of that financial year for the purposes specified in regulations 17 and 19 and, in addition, for a period of four years after the end of that financial year, for any one or more of the following purposes—

- (a) the purchase of material or equipment which—
 - (i) can be used for the treatment of patients of the practice,
 - (ii) enhances the comfort or convenience of patients of the practice,
 - (iii) enables the practice to be managed more effectively and efficiently; or
- (b) the purchase of material or equipment relating 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.

(11) 1982 c. 32.

PART VI

Transfer of Functions

Transfer of functions in England

21.—(1) With effect from 1st April 1991, the function of a Regional Health Authority under section 15(1) of the Act of being liable to pay a sum to the members of a fund-holding practice shall become the function of a Family Health Services Authority.

(2) The Family Health Services Authority which is to exercise the function referred to in paragraph (1) in relation to the members of any existing fund-holding practice is the relevant Family Health Services Authority.

(3) Section 15 of the Act shall have effect subject to the following modifications—

- (a) in subsection (1), for the words “Regional Health Authority” in both places where they occur, there shall be substituted the words “Family Health Services Authority”, and after the word “determined” there shall be inserted the words “by the relevant Regional Health Authority”; and
- (b) in subsection (4)—
 - (i) in paragraph (a), for the words “Regional Health Authority” there shall be substituted the words “Family Health Services Authority which has a locality in England”,
 - (ii) in paragraph (b), for the words “another Regional Health Authority” there shall be substituted the words “a Regional Health Authority which is not the relevant Regional Health Authority in respect of the members of the practice”, and
 - (iii) for the words “other Authority” there shall be substituted the words “Regional Health Authority”.

Transfer of functions in Wales

22.—(1) With effect from 1st April 1991, the function of the Secretary of State under section 15(2) of being liable to pay a sum to the members of each fund-holding practice whose relevant Family Health Services Authority has a locality in Wales shall become the function of a Family Health Services Authority.

(2) The Family Health Services Authority which is to exercise the function referred to in paragraph (1) in relation to the members of any existing fund-holding practice is the relevant Family Health Services Authority.

(3) Section 15 of the Act shall have effect subject to the following modifications—

- (a) in subsection (2)—
 - (i) for the words “the Secretary of State” in the first place where they occur there shall be substituted the words “every Family Health Services Authority which has a locality in Wales”,
 - (ii) for the words “whose relevant Family Health Services Authority has a locality in Wales” there shall be substituted the words “in respect of whom it is the relevant Family Health Services Authority”, and
 - (iii) after the word “determined” there shall be inserted the words “by the Secretary of State”, and
 - (iv) for the words “the Secretary of State” in the second place where they occur there shall be substituted the word “he”; and
- (b) in subsection (5)—

- (i) for the words “the Secretary of State” in the first place where they occur there shall be substituted the words “a Family Health Services Authority which has a locality in Wales”,
- (ii) for the words “the Secretary of State” in the second place where they occur there shall be substituted the words “the Authority making the payment”, and
- (iii) for the words “that Authority” there shall be substituted the words “that Regional Health Authority”.

PART VII

Amendment of Regulations

Amendment of regulations

23. In regulation 3 of the Application Regulations (applications for recognition as a fund-holding practice), for paragraph (5) there is substituted the following paragraph—

“(5) Where at least one of the members of a practice wishing to make an application is on the medical list of a Health Board, section 14 of the Act shall operate subject to the modification that 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 19 of the National Health Service (Scotland) Act 1978(12), where more patients on the lists of members of the practice reside in Scotland than in England”.”

8th March 1991

William Waldegrave
Secretary of State for Health

8th March 1991

David Hunt
Secretary of State for Wales

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations contain provisions relating to the operation of recognised fund-holding practices.

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 29 of the National Health Service Act 1977 which has been recognised by a Regional Health Authority under section 14 of the National Health Service and Community Care Act 1990 is a recognised fund-holding practice and which in consequence of recognition is entitled to be paid an allotted sum in accordance with section 15(1) of the 1990 Act. An allotted sum may only be applied for purposes specified in these Regulations.

The Regulations include provision about—

- (1) the interpretation of the Regulations and their application in Wales (Part I),
- (2) the conditions for continuing to be entitled to recognition as a recognised fund-holding practice and additions to and withdrawals from a recognised fund-holding practice (Part II),
- (3) renunciation of recognition including the procedure for renunciation and its consequences (Part III),
- (4) 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),
- (5) the purposes for which allotted sums may be applied (Part V),
- (6) the transfer of some of the functions of Regional Health Authorities in England and similar functions of the Secretary of State in Wales to Family Health Services Authorities (Part VI).

They also amend the National Health Service (Fund-holding Practices) (Applications and Recognition) Regulations 1990 in relation to applications from medical practitioners who have patients in England and Scotland.