
STATUTORY INSTRUMENTS

1996 No. 706

**The National Health Service (Fund-
holding Practices) Regulations 1996**

PART II

RECOGNITION

Application for recognition as a fund-holding practice

- 3.—(1) An application shall be made in writing, and shall be sent to the Health Authority.
- (2) The application shall state whether it is an application for recognition as a community fund-holding practice or as a standard fund-holding practice.
- (3) The application shall be signed by each member of the practice making it.
- (4) Where an application has been made but before it has been determined in accordance with regulation 6, the members of the practice may, by notice to the Health Authority signed by each member of the practice, change their application to an application for recognition as a standard, or as the case may be, a community fund-holding practice; and where the Health Authority receives such a notice after it has forwarded the application to the Secretary of State pursuant to paragraph (6), it shall forward the notice to the Secretary of State.
- (5) The practice shall provide, in connection with the application, such information and documents as the Secretary of State may reasonably require for the purposes of determining the application.
- (6) The Health Authority shall consider the application and forward it to the Secretary of State together with a notice stating whether the practice—
- (a) complies with the relevant condition set out in paragraph 1(a) or (b) of Schedule 1 or, in the opinion of the Health Authority, is likely to do so by the date on which any recognition would take effect;
 - (b) will, in the opinion of the Health Authority, be capable of managing an allotted sum effectively and efficiently; and
 - (c) complies with the conditions set out in paragraphs 2, 4 and 5 of Schedule 1.
- (7) Where the notice mentioned in paragraph (6) states that, in the opinion of the Health Authority, the practice will not be capable of managing an allotted sum effectively and efficiently, the Health Authority shall include with the notice a statement of the reasons for its opinion.
- (8) The Health Authority shall send a copy of the notice mentioned in paragraph (6), together with any statement of reasons as mentioned in paragraph (7), to the members of the practice.
- (9) Where the notice mentioned in paragraph (6) states either—
- (a) that the practice does not comply with the relevant condition specified in paragraph 1(a) or (b) of Schedule 1 and that, in the opinion of the Health Authority, it is not likely to do so by the date on which any recognition would take effect; or

- (b) that the practice will not, in the opinion of the Health Authority, be capable of managing an allotted sum effectively and efficiently,

the Secretary of State shall invite the practice to comment upon the Health Authority's observations before deciding whether or not to grant recognition as a fund-holding practice in accordance with regulation 5.

(10) Where at least one of the members of a practice wishing to make an application is included in the medical list of a Health Board, section 14 of the 1990 Act⁽¹⁾ 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⁽²⁾, where more patients on the lists of members of the practice reside in Scotland than in England".

Time of application

4. An application for recognition which is to take effect from 1st April in any year shall be made by 31st July in the preceding year.

Grant of recognition as a fund-holding practice

5.—(1) Subject to regulation 9(3), the Secretary of State shall grant recognition as a standard fund-holding practice or as a community fund-holding practice (as the case may be) if he is satisfied that the conditions specified in Schedule 1 in relation to such a practice are fulfilled.

(2) Subject to paragraph (3), recognition as a fund-holding practice shall take effect from 1st April following the grant of recognition.

(3) For the purposes only of the payment and application of the management allowance referred to in regulation 23, recognition shall take effect from the date on which it was granted.

Determination of applications

6.—(1) The Secretary of State shall determine an application and shall—

- (a) send the Health Authority notice of his decision; and
- (b) include in the notice a statement of the reasons for his decision.

(2) The Health Authority shall send to each member of the practice a copy of the notice of the Secretary of State's decision and a copy of the statement of the reasons for his decision.

Conditions for continuing recognition

7. The members of a standard fund-holding practice or community fund-holding practice (as the case may be) shall continue to be entitled to recognition as such so long as the conditions specified in Schedule 2 are fulfilled in relation to that practice.

Additions to existing fund-holding practices

8.—(1) Subject to paragraph (2), 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—

- (a) he and the members of the existing fund-holding practice shall apply for recognition as a fund-holding practice in accordance with regulation 3; but
- (b) regulations 4 and 5(2) shall not apply in the case of that application.

(1) Section 14 was amended by paragraph 73(a) of Schedule 1 to the Health Authorities Act 1995 (c. 17).

(2) 1978 c. 29.

(2) Where a medical practitioner 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 Health Authority under regulation 5 of the National Health Service (General Medical Services) Regulations 1992(3) (application for inclusion in the medical list or to succeed to a vacancy), he shall, on giving notice in writing to that effect to the Health Authority, be a member of that fund-holding practice notwithstanding that he did not join in the making of an application under regulation 3.

(3) The Health Authority shall give notice to the Secretary of State of any addition to fund-holding practices made under paragraph (2).

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

9.—(1) Where a member of a fund-holding practice retires or dies, the recognition of the remaining members of the fund-holding practice shall not be affected if the conditions specified in Schedule 2 in relation to the kind of practice in question continue to be fulfilled in relation to the practice.

(2) Where a member of a fund-holding practice withdraws from the fund-holding practice in circumstances other than death or retirement—

- (a) the remaining members of the practice shall give notice to the Health Authority stating the date on which the withdrawal is to take or took effect; and
- (b) the Health Authority shall forward the notice to the Secretary of State,

and paragraphs (3) to (6) shall apply.

(3) Where the remaining members of the fund-holding practice or one or more members who withdrew from the fund-holding practice wish to continue as a recognised fund-holding practice, they shall apply to the Secretary of State for recognition as a fund-holding practice in accordance with regulation 3; and in those circumstances—

- (a) regulations 4 and 5(2) shall not apply in the case of such an application;
- (b) where all the medical practitioners making the application have been members of a recognised fund-holding practice for at least one year, paragraph 1 of Schedule 1 shall not apply;
- (c) subject to regulation 15, they shall continue to be recognised or, as the case may be, shall be treated as recognised until the application is determined;
- (d) if, as a result, there is more than one fund-holding practice treated as though it were recognised by virtue of sub-paragraph (c), the allotted sum payable in respect of the current financial year and, subject to paragraph (5)1 any accumulated savings of the original practice shall be divided between them in proportions calculated by reference to the respective list sizes of the members of the practices; and
- (e) where any application under this paragraph is refused, regulation 17 shall apply as if the refusal to grant recognition had been a removal of recognition.

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

(5) Where a member of a fund-holding practice (in this paragraph and in paragraph (6) referred to as “the former member”) withdraws from the practice and—

- (a) he continues to be included in the medical list of the Health Authority, and
- (b) on the date on which the withdrawal takes effect, there are savings in the fund-holding account,

(3) S.I.1992/635; the relevant amending instrument is S.I. 1994/633.

such proportion of those savings as the remaining members of the fund-holding practice and the former member may agree (or where they do not agree, the proportion which his list size bears to the sum of all their list sizes) shall be transferred to the Health Authority.

(6) The Health Authority shall apply that part of the savings transferred to it as mentioned in paragraph (5) in accordance with regulation 25 for such purposes as the former member of the fund-holding practice may require, until such time as he ceases to retain responsibility for at least half the patients who were on his list at the time of his withdrawal from the fund-holding practice.

Application for change in status of recognised fund-holding practice

10.—(1) A community fund-holding practice may apply to become a standard fund-holding practice and a standard fund-holding practice may apply to become a community fund-holding practice.

(2) In this regulation, an application under paragraph (1) is referred to as an “application for change in fund-holding status”.

(3) An application for change in fund-holding status to take effect from 1st April in any year shall be made by 1st July in the preceding year or, in the case of an application from a standard fund-holding practice to become a community fund-holding practice, such later date as the Health Authority may agree.

(4) Regulation 3 (except for paragraph (4)) and regulations 5 and 6 shall apply to an application for change in fund-holding status as they apply to an application for recognition as a fund-holding practice but as if the references in those regulations—

- (a) to an application were references to an application for change in fund-holding status; and
- (b) to the grant or refusal of recognition were references to the grant or refusal of an application for change in fund-holding status.