
WELSH STATUTORY INSTRUMENTS

2000 No. 999

**The Health Act 1999 (Fund-holding Practices)
(Transfer of Assets, Savings, Rights and Liabilities
and Transitional Provisions) (Wales) Order 2000**

PART III

LIABILITIES AND COSTS TO BE MET BY HEALTH AUTHORITIES

Use of transferred assets

4.—(1) Subject to paragraph (2), where—

- (a) any assets have been transferred to the Health Authority in accordance with article 2; and
- (b) in accordance with articles 3, 5, or 6, any liability is enforceable against the Health Authority, or any cost is to be met by the Health Authority,

the Health Authority shall secure that the liability or cost shall first be met out of the transferred assets.

(2) Where liabilities and costs exceed the total value of the transferred assets they shall be met from the transferred assets in the following order—

- (a) costs incurred in preparation of the accounts as set out in article 5;
- (b) the cost of meeting rights and liabilities retained by the former members of the fund-holding practice as set out in article 6;
- (c) the cost of meeting rights and liabilities transferred to the Health Authority in accordance with article 3.

Costs incurred in preparing the accounts of residual fund-holding practices

5.—(1) Subject to article 9, the Health Authority shall meet the reasonable costs incurred by the former members of a fund-holding practice which was a residual fund-holding practice in preparing annual accounts of that practice for the financial year 1999-2000, which may include—

- (a) payments to employees or former employees of the residual fund-holding practice;
- (b) payments to either—
 - (i) a former member of the residual fund-holding practice, or
 - (ii) a registered medical practitioner to provide general medical services to the patients of the former residual fund-holding practice who is engaged in preparing those accounts;
- (c) auditor's fees;
- (d) payments relating to computers and information technology.

(2) The Health Authority may also second any of its officers or employees to assist the former members of a residual fund-holding practice with the preparation of the annual accounts of the

fund-holding practice for the financial year 1999-2000, in which case it shall meet the cost of such secondment.

(3) The Health Authority may discharge its liability to meet the costs incurred in accordance with paragraph (1), in whole or part, by discharging the liability of the former members of the residual fund-holding practice to any other person.

Rights and liabilities remaining with former members

6.—(1) Subject to paragraphs (2) and (3), any liability which did not become enforceable against the Health Authority in accordance with article 3, shall nevertheless be paid for by the Health Authority if the liability—

- (a) is one which falls within article 3(2); or
- (b) is incurred on or after 1st April 2000 pursuant to a written consent granted before that date.

(2) The Health Authority shall be liable to pay for a liability of the former members of the fund-holding practice under paragraph (1) up to the lower of any limitation on the sum to be applied set out in the written consent or in paragraphs (3B) and (3C) of regulation 25(1) of the 1996 Regulations as those paragraphs had effect on the date the Health Authority consent was granted.

(3) Where the former members of a fund-holding practice become aware of any claim relating to a liability falling within paragraph (1), they shall—

- (a) notify the Health Authority of the claim; and
- (b) take such action as the Health Authority shall reasonably require to avoid, dispute, resist, compromise, defend, or appeal against the claim.

(1) Paragraphs (3B) and (3C) of regulation 25 were inserted by [S.I. 1998/693](#), regulation 11(4). Paragraph (3B) was amended by [S.I. 1999/261](#), regulation 22(7), and paragraph (3C) was substituted by [S.I. 1999/261](#), regulation 22(8).