

HEALTH ACT 1999

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part II - the National Health Service: Scotland

Section 45: Repeal of law about fund-holding practices

292. Sections 87A to 87C of the 1978 Act (inserted by the 1990 Act) provided for the establishment of fund-holding practices in Scotland (see the commentary on section 1 for fuller background on fund-holding). As set out in the White Paper *Designed to Care*, GP fund-holding in Scotland will be abolished and Local Healthcare Co-operatives will be set up. These will be voluntary networks of GPs and other primary care professionals working together to plan and provide primary and community health services and provide support for general practice. Local Health Care Co-operatives will be established from April 1999 as part of the management structure of primary care NHS trusts (see sections 46 to 49) and will draw their powers and functions from these trusts. They do not therefore require separate legislative provision. (For the purposes of these Explanatory Notes only, in order to avoid confusion with the Primary Care Trusts being introduced in England and Wales, these bodies are referred to as “primary care NHS trusts”. In everyday usage they will be called “Primary Care Trusts”, in accordance with the terminology employed in *Designed to Care*.)
293. The repeal of sections 87A to 87C by section 45 will abolish the fund-holding system. The transitional arrangements for winding up the fund-holding scheme will be made under the powers conferred by section 63. The transitional provisions will cover arrangements for closing the fund-holding accounts of residual fund-holders; the transfer of those assets, rights and liabilities that need to be transferred to Health Boards or primary care NHS trusts; and any provision for those that are to remain with the former fund-holders.