

SCHEDULE 3

OTHER CONTRACTUAL TERMS

PART 9

VARIATION AND TERMINATION OF AGREEMENTS

Agreement sanctions

73.—(1) In this paragraph and paragraph 74, “agreement sanction” means—

- (a) termination of specified reciprocal obligations under the agreement;
- (b) suspension of specified reciprocal obligations under the agreement for a period of up to six months; or
- (c) withholding or deducting monies otherwise payable under the agreement.

(2) Where the Relevant Body is entitled to terminate the agreement pursuant to paragraph 68, 69, 70, 71(4), 71(6) or 72, it may instead impose any of the agreement sanctions if the Relevant Body is reasonably satisfied that the agreement sanction to be imposed is appropriate and proportionate to the circumstances which provide grounds for the Relevant Body to terminate the agreement.

(3) If the Relevant Body decides to impose a agreement sanction, it must notify the contractor of the agreement sanction that it proposes to impose, the date upon which that sanction will be imposed and provide in that notice an explanation of the effect of the imposition of that sanction.

(4) Subject to paragraph 74, the Relevant Body will not impose the agreement sanction until at least twenty eight days after it has served notice on the contractor pursuant to sub-paragraph (3) unless it is satisfied that it is necessary to do so in order to—

- (a) protect the safety of the contractor’s patients; or
- (b) protect itself from material financial loss.

(5) Where the Relevant Body imposes an agreement sanction, it will be entitled to charge the contractor the reasonable costs of additional administration that the Relevant Body has incurred in order to impose, or as a result of imposing, the agreement sanction.