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STATUTORY INSTRUMENTS

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**1994 No. 640**

**NATIONAL HEALTH SERVICE,  
ENGLAND AND WALES**

**The National Health Service (Fund-holding  
Practices) Amendment Regulations 1994**

<i>Made</i>	- - - -	<i>9th March 1994</i>
<i>Laid before Parliament</i>		<i>9th March 1994</i>
<i>Coming into force</i>	- -	<i>1st April 1994</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 on them by section 126(4) and (5) of the National Health Service Act 1977(1) and sections 14(6), 15(7) and 16(2) 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:

**Citation, commencement and interpretation**

1.—(1) These Regulations may be cited as The National Health Service (Fund-holding Practices) Amendment Regulations 1994 and shall come into force on 1st April 1994.

(2) In these Regulations “the principal Regulations” means The National Health Service (Fund-holding Practices) Regulations 1993(3).

**Substitution of regulation 8 of the principal Regulations**

2. For regulation 8 of the principal Regulations (conditions for continuing recognition), there shall be substituted the following regulation—

“8. The members of a fund-holding practice shall continue to be entitled to recognition as a fund-holding practice—

(a) where recognition has been granted in accordance with regulation 5(1) but has not yet taken effect in accordance with regulation 5(2), so long as the conditions

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(1) 1977 c. 49; see section 128(1) as amended by the National Health Service and Community Care Act 1990 (c. 19) (“the 1990 Act”), section 26(2)(g) and  
(2) for the definitions of “prescribed” and “regulations”. Section 126(4) was amended, and section 126(5) added, by the 1990 Act, section 65(2).  
(3) 1990 c. 19.

specified in paragraphs 1, 2 and 5 of Schedule 2 are fulfilled in relation to that practice; and

- (b) where recognition has taken effect in accordance with regulation 5(2), so long as all the conditions specified in Schedule 2 are fulfilled in relation to that practice.”.

#### **Amendment of regulation 10 of the principal Regulations**

3. In regulation 10(1)(b) of the principal Regulations (withdrawal or death of a member of a fund-holding practice), after “Schedule 2” there shall be inserted “or, in a case where recognition has not yet taken effect in accordance with regulation 5(2), the conditions specified in paragraphs 1, 2 and 5 of Schedule 2,”.

#### **Amendment of regulation 13 of the principal Regulations**

4. In regulation 13 of the principal Regulations (grounds for removal of recognition), for paragraph (2) there shall be substituted the following paragraph—

“(2) The Regional Health Authority may remove recognition from the members of a fund-holding practice—

- (a) where recognition has been granted in accordance with regulation 5(1) but has not yet taken effect in accordance with regulation 5(2), if any one or more of the conditions specified in paragraphs 1, 2 and 5 of Schedule 2 is no longer fulfilled in relation to that practice; and
- (b) where recognition has taken effect in accordance with regulation 5(2), if any one or more of the conditions specified in Schedule 2 is no longer fulfilled in relation to that practice.”.

#### **Amendment of regulation 21 of the principal Regulations**

5. In regulation 21 of the principal Regulations (limit on provision of goods and services), for “£5,000” there shall be substituted “£6,000”.

#### **Amendment of Schedule 2 to the principal Regulations**

6. In Schedule 2 to the principal Regulations (conditions for continuing recognition as a fund-holding practice), for paragraph 5 there shall be substituted the following paragraph—

“5. Where recognition has taken effect in accordance with regulation 5(2), the members of the fund-holding practice are managing the allotted sum effectively and efficiently or, where recognition has been granted in accordance with regulation 5(1) but has not yet taken effect in accordance with regulation 5(2), it appears to the Regional Health Authority that they are capable of doing so.”.

Department of Health  
8th March 1994

*Brian Mawhinney*  
Minister of State

9th March 1994

*John Redwood*  
Secretary of State for Wales

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

These Regulations amend The National Health Service (Fund-holding Practices) Regulations 1993 (“the principal Regulations”), which regulate the recognition and operation of fund-holding practices.

Regulation 21 of the principal Regulations is amended to increase from £5,000 to £6,000 the amount which a fund-holding practice may spend on the provision of goods and services to any one individual in any financial year.

The provisions of the principal Regulations governing the removal of recognition as a fund-holding practice are amended to enable a Regional Health Authority to remove recognition if, after such recognition has been granted but before it has taken effect, it appears to the Regional Health Authority that the relevant conditions for continuing recognition are no longer fulfilled. In particular Schedule 2 is amended to provide for removal of recognition which has been granted but has not yet taken effect where the members of the practice appear not, after all, to be capable of managing their fund.