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STATUTORY INSTRUMENTS

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**1991 No. 582**

**The National Health Service (Fund-holding Practices) (General) Regulations 1991**

**PART IV**

**Removal of Recognition**

**Grounds for removal of recognition**

**10.**—(1) Where, by 28th February in any year, the relevant Regional Health Authority has notified the members of a fund-holding practice of the amount of the allotted sum for the financial year beginning on the next 1st April and the members of the practice have not, within one month from the date on which that notice is sent, notified the relevant Regional Health Authority that they are prepared to accept that amount as their allotted sum, the relevant Regional Health Authority may remove recognition from them with effect from that 1st April (whether or not the recognition is one which has taken effect in accordance with regulation 5(2) of the Application Regulations).

(2) The relevant Regional Health Authority may remove recognition from the members of a fund-holding practice if a condition specified in regulation 3(2) is no longer fulfilled in relation to the practice.

**Procedure for removal of recognition**

**11.**—(1) Except as provided by regulations 12 and 13, where a relevant Regional Health Authority proposes to remove recognition from the members of a fund-holding practice on the ground specified in regulation 10(2), the Authority shall—

- (a) send to each member of the practice a notice in writing specifying—
  - (i) the reason for the proposal, and
  - (ii) the date, which shall be at least 3 months from the date on which the notice is sent, on which the removal of recognition is proposed to have effect; and
- (b) inform the members of the practice that they may, subject to paragraphs (2) and (3), make representations to the Authority concerning the matter either orally or in writing.

(2) Representations in writing shall be sent to the relevant Regional Health Authority within two months of the date on which the notice referred to in paragraph (1) is sent.

(3) Where the members of the practice wish to make representations orally they shall, within two weeks of the date on which the notice referred to in paragraph (1) is sent, send notice to that effect to the relevant Regional Health Authority and the Authority shall, within six weeks of the date on which the members of the fund-holding practice send notice under this paragraph, give them an opportunity of appearing before and being heard by the Authority or a committee, sub-committee or officer of the Authority appointed for the purpose.

(4) If the relevant Regional Health Authority decide, having taken into account any representations made by the members of the fund-holding practice, to adopt the proposal, the Authority shall—

- (a) send to each member of the fund-holding practice a notice in writing of its decision;
- (b) include in the notice—
  - (i) a statement of the reasons for the decision, and
  - (ii) the date on which the removal of recognition takes effect; and
- (c) inform each member of the practice of—
  - (i) the right to appeal to the Secretary of State against the removal of recognition, and
  - (ii) the consequences of removal of recognition.

(5) In the circumstances specified in regulation 10(1), the relevant Regional Health Authority shall—

- (a) send to each member of the practice notice of removal of recognition;
- (b) include in the notice a statement of the reasons for the removal of recognition and that the removal has effect from the 1st April following the sending of the notice; and
- (c) inform each member of the practice of—
  - (i) the right to appeal to the Secretary of State against the removal of recognition, and
  - (ii) except where recognition has not taken effect in accordance with regulation 5(2) of the Application Regulations, the consequences of the removal of recognition.

#### **Removal of recognition with immediate effect**

**12.** Where it appears to a relevant Regional Health Authority that it is necessary either—

- (a) in the interests of patients of members of the practice; or
- (b) for the purpose of ensuring the proper management of the allotted sum

that recognition should be removed under regulation 10(2) with immediate effect, the relevant Regional Health Authority shall remove recognition with immediate effect.

#### **Procedure for removal of recognition with immediate effect**

**13.** In the circumstances specified in regulation 12, the relevant Regional Health Authority shall—

- (a) send to each member of the practice notice of removal of recognition;
- (b) include in the notice a statement of the reasons for the removal of recognition; and
- (c) inform each member of the practice of—
  - (i) the right to appeal to the Secretary of State against the removal of recognition, and
  - (ii) the consequences of the removal of recognition.

#### **Appeals to the Secretary of State**

**14.—(1)** The members of a fund-holding practice or, where removal of recognition has taken effect, a former fund-holding practice, may appeal to the Secretary of State against the removal of recognition by the relevant Regional Health Authority.

(2) Regulation 8(2) to (8) of the Application Regulations shall apply in relation to an appeal against removal of recognition as if—

- (a) a reference to the members of the practice were a reference to the members of a fund-holding practice or, where removal of recognition has taken effect, a former fund-holding practice;
- (b) a reference to a decision to refuse to grant a practice recognition as a fund-holding practice were to a decision to remove recognition as a fund-holding practice; and
- (c) for paragraph (8)(b) there were substituted the following paragraph—
  - “(b) determine the appeal in accordance with regulation 10 of the National Health Service (Fund-holding Practices) (General) Regulations 1991.”.

### **Consequences of removal**

**15.**—(1) On the day on which removal of recognition takes effect, all the rights and liabilities of a fund-holding practice shall transfer to the relevant Regional Health Authority.

(2) Subject to paragraph (3), on the day on which the removal of recognition takes effect, the fund-holding account shall be treated as having been opened by the relevant Regional Health Authority and that Authority may deal with the allotted sum or any part of it remaining in that account as though it were the fund-holding practice.

(3) Where, on the day on which removal of recognition takes effect, there remains in the fund-holding account any part of the allotted sum which may be applied for the purposes specified in regulation 20 (savings from the allotted sum) the relevant Regional Health Authority shall apply that part of the allotted sum for such of those purposes as the former fund-holding practice may require.