
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations consolidate, with amendments, the National Health Services (Fund-holding Practices) Regulations 1993 (S.I. 1993/567), the National Health Service (Fund-holding Practices) Amendment Regulations 1994 (S.I. 1994/640), the National Health Service (Fund-holding Practices) Amendment Regulations 1995 (S.I. 1995/693) and the National Health Service (Funding-holding Practices) (Functions of Family Health Services Authorities) Regulations 1995 (S.I. 1995/3280).

The Regulations contain provision relating to the recognition and operation of fund-holding practices. A fund-holding practice means a practice of one or more medical practitioners who are providing general medical services in accordance with arrangements under section 29 of the National Health Service Act 1977 and which has been recognised as a fund-holding practice in accordance with section 14 of the National Health Service and Community Care Act 1990. A fund-holding practice is entitled to be paid an allotted sum in accordance with section 15(1) of the 1990 Act and may use that sum for purposes specified in these Regulations.

The Regulations include provision about:

- the interpretation of the Regulations and their application in Wales (Part I),
- recognition as a fund-holding practice, including applications for recognition, the conditions for obtaining and continuing recognition and determination of applications (Part II),
- renunciation of recognition including the procedure for renunciation and its consequences (Part III),
- removal of recognition as a fund-holding practice, including the grounds for removal, the procedure for removal and the consequences of removal (Part IV),
- the determination of the allotted sum (Part V), and
- the purposes for which allotted sums may be applied (Part VI).

The Regulations also incorporate consequential amendments required by the Health Authorities Act 1995. Responsibilities of the former Regional Health Authorities in relation to fund-holding practices have become functions either of the Secretary of State or of Health Authorities. Responsibilities of former Family Health Services Authorities have become the functions of Health Authorities. The other principal differences between these Regulations and those they replace are the following:

- Regulation 9 (withdrawal or death of a member of a fund-holding practice) has been amended to provide that where a member of a fund-holding practice withdraws from the practice, a part of any savings accumulated by the fund-holding practice may be applied by the Health Authority for the benefit of his patients.
- Regulation 12 (consequences of renunciation of recognition as a fund-holding practice) has been amended to require a former fund-holding practice to apply any accumulated savings to discharge its outstanding liabilities. Regulation 12 has also been amended to provide that where such liabilities have been discharged and any money remains in the fund-holding account, the Health Authority shall apply that money as if it were savings. Further, if recognition is renounced before it has taken effect, the former fund-holding practice is required to repay to the Health Authority any part of the management allowance that it received in preparation for fund-holding.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

- Regulation 18 (determination of the allotted sum) is amended to make it clear that the allotted sum initially proposed to a fund-holding practice will not necessarily be the same as the actual allotted sum.
- Regulation 20 (purchase of goods and services) is amended to provide that where a patient of a fund-holding practice either refers herself or is referred by another doctor, who is not a member of the fund-holding practice, for services in connection with the termination of pregnancy, the Health Authority shall meet the cost of those services.
- Regulation 22 (payments to staff) makes it clear that the allotted sum can be used for employment costs other than salaries. It can be used for the same costs which Health Authorities can pay to doctors in connection with their provision of general medical services. These are set out in the Statement referred to in regulation 22(2) which is published by the Department of Health and can be obtained from “Two-ten Communications”, P.O. Box 410, Wetherby LS23 7LN.
- Regulation 23 (payment for management expenses) extends the purposes on which the management allowance may be spent to include the purchase of computers, certain office expenses and rent payable on accommodation used to accommodate staff employed for fund-holding purposes. The written consent of the Health Authority is required before the management allowance can be spent either on purchase of computers or on rent.
- Regulation 25 (savings from the allotted sum) makes it clear that savings can be used to build extensions to fund-holders' premises.

The Regulations also make a number of amendments which are minor or consequential drafting amendments or procedural in nature.