



# National Health Service Act 1966

## CHAPTER 8

### ARRANGEMENT OF SECTIONS

#### *Establishment and functions of General Practice Finance Corporation*

Section

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SCHEDULE: Constitution, etc., of General Practice Finance Corporation.

## ELIZABETH II



## 1966 CHAPTER 8

An Act to facilitate the financing of premises and equipment used by practitioners providing general medical services; to modify the prohibition of full-time salaries for practitioners providing general medical services; and for purposes connected therewith. [10th March 1966]

**B**E IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

*Establishment and functions of General Practice  
Finance Corporation*

1.—(1) There shall be a body corporate, to be called the The General Practice Finance Corporation. General Practice Finance Corporation (in this Act referred to as the Corporation) which shall perform the functions conferred upon it by or under this Act.

(2) The Corporation shall not be taken to be the servant or agent of the Crown or to enjoy any status or immunity of the Crown, or to be exempt from any tax, duty, rate, levy or other charge whatsoever, whether general or local, and its property shall not be taken to be property of, or property held on behalf of, the Crown.

(3) The provisions of the Schedule to this Act shall have effect with respect to the constitution and proceedings of the Corporation and other matters relating to the Corporation and its members.

Financing of premises used for general practice.  
1946 c. 81.  
1947 c. 27.

**2.**—(1) The Corporation may make loans to persons included in a list prepared under the National Health Service Act 1946 or the National Health Service (Scotland) Act 1947 of medical practitioners undertaking to provide general medical services, for the purpose of enabling them—

- (a) to provide, or acquire a share in, premises used or to be used, in whole or in part, for the provision of such services ;
- (b) to alter, enlarge, improve or repair such premises ;
- (c) to acquire any land required for the erection of or in connection with the use of such premises ;
- (d) to repay any loan raised by them for any such purpose.

(2) The Corporation may lease to such persons any such land as is mentioned in paragraph (c) of the preceding subsection.

(3) In the application of the preceding subsection to land in Scotland “ lease ” includes feu.

Equipment for general practice.

**3.**—(1) If the Minister and the Secretary of State by order made by statutory instrument provide that the Corporation shall have the powers mentioned in this section, the Corporation may—

- (a) make loans to such persons as are mentioned in section 2 of this Act for the purpose of enabling them to purchase any equipment or furniture needed by them in the provision of general medical services ; and
- (b) let any such equipment or furniture to such persons under hire-purchase agreements.

(2) A statutory instrument made under this section shall be subject to annulment in pursuance of a resolution of either House of Parliament.

Schemes and directions.

**4.**—(1) The Corporation shall perform its functions in accordance with a scheme made by the Corporation and approved, with or without modifications, by the Minister and the Secretary of State ; and shall in the performance of its functions comply with any directions given from time to time under this section.

(2) A scheme under this section may provide for the approval by the Minister or the Secretary of State of any premises or other land or works as a condition of the exercise of the Corporation's powers in respect thereof.

(3) A scheme under this section may be varied or revoked by a subsequent scheme made and approved thereunder.

(4) Directions under this section may be given—

- (a) by the Minister and the Secretary of State acting jointly, if the directions concern the performance of functions throughout Great Britain ; and
- (b) by the Minister or, as the case may be, the Secretary of State, if the directions concern the performance of functions in England and Wales or in Scotland only, and whether the directions are of a general or of a particular character.

(5) A transaction between a person and the Corporation shall not be invalid by reason of any non-compliance with a scheme or direction under this section unless that person had actual notice of the scheme or direction.

#### *Financial provisions and reports*

5.—(1) It shall be the duty of the Corporation in discharging its functions under this Act to secure that its revenue is sufficient, taking one year with another, to make provision for meeting all charges properly chargeable to revenue account, including allocations to reserve. Financial  
duty of  
Corporation.

(2) The Minister and the Secretary of State may, with the approval of the Treasury, give to the Corporation directions as to any matter relating to the establishment of a reserve and the carrying of sums to the credit thereof or the application thereof for the purposes of the Corporation, and the Corporation shall comply with any such directions.

6.—(1) Subject to the limits specified in the following provisions of this section, the Corporation may borrow— Borrowing  
powers.

(a) by the issue of stock ; and

(b) temporarily, whether by overdraft or otherwise ;

such sums as it may require for meeting its obligations or performing its functions.

(2) The aggregate of the amounts outstanding in respect of any temporary loans raised by the Corporation shall not exceed such limit as the Minister and the Secretary of State may from time to time impose by a direction given by them to the Corporation with the approval of the Treasury.

(3) The aggregate of the amounts outstanding in respect of the principal of any money borrowed by the Corporation, whether by the issue of stock or temporarily, shall not exceed ten million pounds or such greater sum not exceeding twenty-five million pounds as may from time to time be specified by order made by the Minister and the Secretary of State by statutory

instrument; but no such order shall be made unless a draft thereof has been laid before and approved by a resolution of the Commons House of Parliament.

(4) The Corporation shall not have power to borrow money otherwise than in accordance with this section, but a person lending money to the Corporation shall not be bound to inquire whether the borrowing of the money is within the power of the Corporation.

(5) The limits specified in the preceding provisions of this section shall not prevent the borrowing of any money required by the Corporation for the repayment of any temporary loan or the redemption of stock.

(6) Stock created under this section shall be issued, transferred, dealt with and redeemed upon such terms and in accordance with such provisions as may be determined with the approval of the Treasury by the Minister and the Secretary of State.

(7) Nothing in this section shall be taken as exempting the Corporation from the provisions of any order under section 1 of the Borrowing (Control and Guarantees) Act 1946.

1946 c. 58.

Treasury  
guarantees.

7.—(1) The Treasury may guarantee, in such manner and on such conditions as they think fit, the redemption or repayment of any stock issued or temporary loan raised by the Corporation and the payment of interest on any such stock or loan.

(2) Immediately after any guarantee is given under this section the Treasury shall lay a statement of the guarantee before each House of Parliament, and where any sum is issued for fulfilling such a guarantee the Treasury shall, as soon as possible after the end of each financial year, beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest thereon is finally discharged, lay before each House of Parliament a statement relating to that sum.

(3) Any sums required by the Treasury for fulfilling any guarantee under this section shall be charged on and issued out of the Consolidated Fund.

(4) If any sums are issued in fulfilment of any guarantee given under this section, the Corporation shall make to the Treasury, at such times and in such manner as the Treasury may from time to time direct, payments of such amounts as the Treasury may direct in or towards repayment of the sums so issued and payments of interest on what is outstanding for the time being in respect of sums so issued, at such rates as the Treasury may direct.

(5) Any sums received by the Treasury under this section shall be paid into the Exchequer.

**8.**—(1) The Corporation shall keep proper accounts and proper records in relation to the accounts and shall prepare in respect of each year ending with 31st March a statement of accounts in such form as the Minister and Secretary of State acting jointly may, with the approval of the Treasury, direct. Accounts, audit and annual reports.

(2) The accounts of the Corporation shall be audited by auditors appointed for the purpose by the Minister and the Secretary of State acting jointly, and a person shall not be qualified to be so appointed unless he is a member of one or more of the following bodies:—

- (a) the Institute of Chartered Accountants in England and Wales ;
- (b) the Institute of Chartered Accountants of Scotland ;
- (c) the Association of Certified and Corporate Accountants ;
- (d) the Institute of Chartered Accountants in Ireland ;
- (e) any other body of accountants established in the United Kingdom and for the time being recognised for the purposes of section 161(1)(a) of the Companies Act 1948 by the Board of Trade ; 1948 c. 38.

but a Scottish firm may be so appointed if each of the partners is qualified to be so appointed.

(3) The Corporation shall in respect of each such year make to the Minister and to the Secretary of State a report on the discharge of its functions during that year and that report shall include a copy of its audited accounts for that year ; and the Minister and the Secretary of State shall lay a copy of every such report before each House of Parliament.

*Superannuation, etc.*

**9.**—(1) The Minister may direct that regulations made under section 67(1) of the National Health Service Act 1946 shall, subject to such modifications as may be provided in the direction, apply to any member or officer of the Corporation or any class of such persons as if he, or any person of the class, were a person who, within the meaning of the regulations, is an officer in the employment of an employing authority ; and if the Minister so directs the regulations shall apply accordingly. Superannuation, etc., of members and employees of the Corporation. 1946 c. 81.

(2) A direction under this section shall not be varied or revoked by a subsequent direction so as to exclude from

the benefits provided under the said section 67(1) any person previously entitled thereto, unless—

(a) the Minister is satisfied that other suitable pension arrangements are available for that person ; and

(b) that person consents to his being so excluded ;

and where the subsequent direction results in the exclusion of any person from those benefits it may contain provision for the payment of a transfer value in respect of him.

(3) In the application of the preceding subsections to Scotland for the references to the Minister and to section 67(1) of the National Health Service Act 1946 there shall be substituted respectively references to the Secretary of State and to section 66(1) of the National Health Service (Scotland) Act 1947.

1946 c. 81.

1947 c. 27.

(4) In the case of any such person as the Minister and the Secretary of State may with the consent of the Treasury determine (not being a person to whom or a member of a class to which a direction under subsection (1) of this section applies) the Minister may in respect of that person's office as chairman, deputy chairman or other member of the Corporation pay out of moneys provided by Parliament such pension, allowance or gratuity to or in respect of him on his retirement or death, or such contributions or other payments towards provision for such a pension, allowance or gratuity, as may be so determined.

(5) Where a person ceases to be a member of the Corporation and it appears to the Minister and the Secretary of State that there are special circumstances which make it right that that person should receive compensation the Minister may, with the approval of the Treasury, pay to him out of moneys provided by Parliament a sum of such amount as the Minister may with the approval of the Treasury determine.

#### *Remuneration of general practitioners*

**10.**—(1) The remuneration to be paid under arrangements made under Part IV of the National Health Service Act 1946 or Part IV of the National Health Service (Scotland) Act 1947 to a practitioner who provides general medical services shall not consist wholly or mainly of a fixed salary which has no reference to the number of patients for whom the practitioner has undertaken to provide such services, except where—

(a) the arrangements are made by virtue of section 43 of the said Act of 1946 or section 44 of the said Act of 1947 ; or

(b) the services are provided in such circumstances as may be prescribed and the practitioner consents.

Modification  
of prohibition  
of full-time  
salaried  
practitioner  
service.

(2) Before making regulations prescribing any circumstances for the purposes of this section the Minister or, as the case may be, the Secretary of State shall consult with such organisations as appear to him to be representative of the medical profession.

(3) Section 10 of the National Health Service (Amendment) 1949 c. 93. Act 1949 (prohibition of full-time salaried practitioner service) is hereby repealed.

### *Supplemental*

**11.** In this Act "the Minister" means the Minister of Health, and any expression used in this Act and in the National Health Service Act 1946 and the National Health Service (Scotland) Act 1947 shall, in the application of this Act to England and Wales, have the same meaning as in the said Act of 1946 and, in the application of this Act to Scotland, have the same meaning as in the said Act of 1947. Interpretation. 1946 c. 81. 1947 c. 27.

**12.—(1)** This Act may be cited as the National Health Service Act 1966. Citation, commencement and extent.

(2) This Act, so far as it applies to England and Wales, and the National Health Service Acts 1946 to 1964 may be cited together as the National Health Service Acts 1946 to 1966; and this Act, so far as it applies to Scotland, and the National Health Service (Scotland) Acts 1947 to 1961 may be cited together as the National Health Service (Scotland) Acts 1947 to 1966.

(3) This Act shall come into operation on such day as the Minister and the Secretary of State may by order made by statutory instrument appoint and different days may be so appointed for different provisions.

(4) This Act does not extend to Northern Ireland.



## Section 1.

## SCHEDULE

## CONSTITUTION, ETC. OF GENERAL PRACTICE FINANCE CORPORATION

*Members*

1. The Corporation shall consist of a chairman, a deputy chairman and not more than six other members appointed by the Minister and the Secretary of State acting jointly.

2. Before appointing any person to be chairman, deputy chairman or other member of the Corporation the Minister and the Secretary of State shall jointly consult with such organisations as appear to them to be representative of the medical profession.

3. Subject to the following provisions of this Schedule, a member of the Corporation shall hold and vacate office in accordance with the terms of his appointment.

4. A member of the Corporation may, by notice in writing addressed to the Minister or the Secretary of State, resign his membership and the chairman or deputy chairman may by such a notice resign his office as such without resigning his membership.

5.—(1) If the Minister and the Secretary of State are satisfied that a member of the Corporation—

- (a) has become bankrupt or made an arrangement with his creditors ; or
- (b) is incapacitated by physical or mental illness ; or
- (c) is otherwise unable or unfit to discharge the functions of a member or is unsuitable to continue as a member ;

they may terminate his membership of the Corporation.

(2) In the application of this paragraph to Scotland, for the references to a member having become bankrupt and to a member having made an arrangement with his creditors there shall be substituted respectively references to sequestration of a member's estate having been awarded and to a member having made a trust deed for behoof of his creditors or a composition contract.

6. A member of the Corporation who ceases to be a member or ceases to be chairman or deputy chairman shall be eligible for re-appointment.

7. The Minister or the Secretary of State may, out of moneys provided by Parliament, pay to members of the Corporation such remuneration and such reasonable allowances in respect of expenses incurred by them in the performance of their duties, as he may determine with the consent of the Treasury.

1957 c. 20.

8. In Part II of Schedule 1 to the House of Commons Disqualification Act 1957 (which specifies the bodies of which the members are disqualified under that Act) in its application to the House of Commons of the Parliament of the United Kingdom, after the entry relating to the Gas Council there shall be inserted the words "The General Practice Finance Corporation".

*Proceedings*

9. The quorum of the Corporation and the arrangements relating to its meetings shall, subject to any directions given by the Minister and the Secretary of State acting jointly, be such as the Corporation may determine.

10. The validity of any proceedings of the Corporation shall not be affected by any vacancy among its members or by any defect in the appointment of any of its members.

11. The fixing of the seal of the Corporation shall be authenticated by the signature of the chairman or of some other member authorised generally or specially by the Corporation.

12. Any document purporting to be a document duly executed under the seal of the Corporation shall be received in evidence and shall, unless the contrary is proved, be deemed to be so executed.

*Incidental powers*

13. It shall be within the capacity of the Corporation as a statutory corporation to do such things and enter into such transactions as are incidental or conducive to the performance of its functions under this Act.

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