
Changes to legislation: There are currently no known outstanding effects for the National Health Service (Primary Care) Act 1997, Paragraph 59. (See end of Document for details)

SCHEDULES

SCHEDULE 2

AMENDMENTS

PART I

MINOR AND CONSEQUENTIAL AMENDMENTS

The National Health Service (Scotland) Act 1978 (c. 29)

- 59 (1) Schedule 9 is amended as follows.
- (2) In paragraph 1(1) and (3), omit “, or any part of the goodwill,”.
- (3) In paragraph 1, for sub-paragraph (2) substitute—
- “(2) Any person proposing to be a party to a transaction or series of transactions which he thinks might amount to a sale of the goodwill of a medical practice in contravention of section 35(1) may ask the Medical Practices Committee for a certificate under this paragraph.”
- (4) In paragraph 1, omit sub-paragraph (8).
- (5) In paragraph 2, for sub-paragraph (1) substitute—
- “(1) For the purposes of section 35(1) and paragraph 1, a disposal of premises previously used for the purposes of a medical practice shall be deemed to be a sale of the goodwill of a medical practice if—
- (a) the person disposing of the premises did so knowing that another person (“A”) intended to use them for the purposes of A’s medical practice; and
- (b) the consideration for the disposal substantially exceeded the consideration that might reasonably have been expected if the premises had not previously been used for the purposes of a medical practice.
- (1A) If a person disposes of any premises together with any other property, the court shall, for the purposes of sub-paragraph (1), make such apportionment of the consideration as it thinks just.
- (1B) For the purposes of sub-paragraphs (1) and (1A)—
- (a) “disposal” means any sale, letting or other form of disposal (whether by a single transaction or a series of transactions) and “disposes” and “disposing” are to be read accordingly; and
- (b) a person who procures the disposal of any premises is to be treated as having disposed of them.”

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(6) In paragraph 2(2)—

- (a) omit “between medical practitioners”; and
- (b) omit “, or part of the goodwill,”.

(7) In paragraph 2, for sub-paragraph (3) substitute—

“(3) Sub-paragraph (3A) applies if a person (“the assistant”)—

- (a) performs services on behalf of a person who carries on a medical practice (or as an employee of a person employing a practitioner who carries on a medical practice);
- (b) receives substantially less remuneration for performing those services than might reasonably have been expected, having regard to the circumstances at the time when the remuneration was fixed; and
- (c) subsequently succeeds, whether as a result of a partnership agreement or otherwise, to that practice.

(3A) For the purposes of section 35 and paragraph 1, a sale of the goodwill of the practice is to be deemed to have taken place (at the time when the remuneration was fixed), unless it is proved that the remuneration was not fixed in contemplation of the assistant’s succeeding to the practice.”

(8) In paragraph 2, for sub-paragraphs (4) and (5) substitute—

“(4) For the purposes of section 35(1) and paragraph 1, the goodwill of a medical practice shall be deemed to have been sold if—

- (a) a person carrying on the practice (or employing a practitioner who carries on a medical practice) agrees, for valuable consideration—
 - (i) to do or refrain from doing any act, for the purpose of facilitating the succession of another person to the practice; or
 - (ii) to allow any act to be done, for that purpose; or
- (b) a person—
 - (i) gives valuable consideration to a person carrying on the practice (or employing a practitioner who carries on a medical practice); and
 - (ii) succeeds, or has previously succeeded, to the practice.

(5) Sub-paragraph (4) does not apply—

- (a) if it is proved that no part of the consideration was given in respect of the goodwill; or
- (b) to anything done—
 - (i) in relation to the acquisition of premises for the purposes of a medical practice;
 - (ii) in pursuance of a partnership agreement; or
 - (iii) in the performance of medical services by one person as an assistant to another.”

(9) In paragraph 2, for sub-paragraph (7) substitute—

“(7) For the purposes of section 35 and this Schedule—

- (a) consideration is deemed to be given to a person (“B”) if—

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- (i) it is given to another person but with B's knowledge and consent; and
 - (ii) it appears to the court that B has derived, or will derive, a substantial benefit from the giving of the consideration; and
- (b) unless the context otherwise requires, references to a person include, in the case of an individual who has died, references to his personal representative.”
- (10) At the end insert—

“ Carried-over goodwill

- 3 The fact that a person's medical practice was previously carried on by another person who at any time provided general medical services or personal medical services does not, by itself, make it unlawful under section 35(1) for the goodwill of his practice to be sold.”

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