



Legal update

Oliver Pool, Partner

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Introduction

VWV – a full service law firm
Bristol, London, Birmingham, Watford
Key sector – healthcare. Team of around 40 lawyers
Ranked #1 in Chambers for Medical Partnerships
Merger with Lockharts 2017
Acted for 2000 GP practices, 100+ surgery developments, 150+ mergers
(Both sides of the border!)

Team includes experts in premises, regulation, employment, disputes
Oliver Pool: expert in partnerships law – partnership deeds.

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Agenda

1. Scheme for General Medical Practice Indemnity (GMPI)
2. “Handing back the contract”
3. When do you need a lease?

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The “state backed” indemnity scheme

Covers most things – but some insurance still needed.

Must still be a member of an MDO

Those who were with MDU prior to 1 April were covered on a “claims arising” not a “claims made” basis and therefore need run off cover.

Given liability is joint and several, this affects other partners too.

This all needs to be reflected in partnership deeds.

Handing back the contract

6 months notice must be given to LHB under GMS contract

Usually need all partners' agreement (see partnership deed)

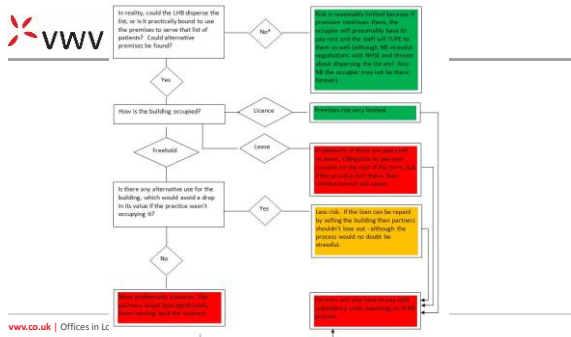
Can anyone retire in the meantime?

Last man standing? Continue as a single hander?

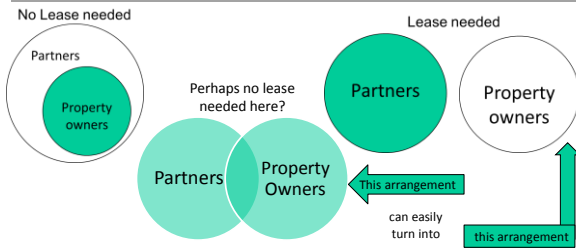
Winding up costs borne by partners. Mainly:

1. Staff redundancy
2. Premises costs

May not be as expensive as first feared.



When do you need a lease?



Non-property owners – the issues

Don't need a separate property owners deed just because some partners aren't owners

BUT Permanent NPOs can mean:

- Splits within partnership – conflicts
- Disagreement about how costs are borne
- Possible resentment about protection from risk?
- Sets a precedent – diminishing amount of owners. What happens when they all retire?
- What happens when the last property owner retires?

Not illegal but make sure partners understand implications!

Retired property owners - the issues

DO need a separate property ownership deed if retired partners own

Some problems can include:

- Resentment at "feathering retired partners next" (less common now)
- Disagreements about how costs are borne
- Less tax efficient when time comes to sell
- Retired partners may veto new developments (merger etc)
- Need to get partners signatures on things
- SDLT/LTT on transfer out of partnership asset outside the partnership
- Breach of bank's terms.



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