

# Partnership Changes on a Page

Sheffield  
LMC



## GUIDANCE FOR SHEFFIELD GPs July 2023

We have received a number of queries regarding documentation to change and processes towards a successful change in partnership. This might be through a retirement, appointing a new partner or a practice merger.

### DOCUMENTATION THAT WILL NEED UPDATING:

**The Partnership Agreement:** This will need amending and agreeing by all the new partnership partners. If the practice has introduced a mutual assessment period this can be included in the agreement to ensure it does not determine the partnership. Clarify obligations between premises-owning and non-premises-owning partners. Be clear about ownership shares and liabilities. Include a clause on the period of notice for retirement and excluding others from giving notice in this timeframe. Always seek legal advice!

**Lease or Mortgage:** Within lease agreements the named tenants will need updating. This is a time to review the terms of the lease and management costs. Individual mortgages on practice owned properties will need amending with the mortgage lender such that all premises-owning parties are added and all leaving parties are removed. Specific legal advice is required. Ensure the mortgages continue otherwise significant penalties will arise. Are there separate mortgages for the premises and freehold? Ensure all are updated.

**Land Registry:** Ensure this is updated at the time of the lease / mortgage review. It is not done automatically and can cause problems with property disputes in future.

**NHS England (NHSE):** Ensure the change in partnership agreement allows for continuation of the contract and does not create a new entity that has no rights to the contract. Check that the contract holders have been updated centrally with NHSE.

**NHS South Yorkshire Integrated Care Board (ICB):** The ICB needs to be informed of any changes to the partnership, the name of the partnership and contact details, eg email addresses to ensure regular payments continue to the correct account.

**Primary Care Support England (PCSE):** Inform PCSE of change in roles of staff if they have moved from salaried to partner or are a new partner. It can take some time to organise pension contributions.

**Care Quality Commission (CQC):** The CQC must be informed of any changes to the partnership, particularly a change to the registered manager. This can take several months by CQC but is a criminal offence if there is no registered manager.

**New Partners:** It is important that new partners, particularly if they have never been partners before, are familiar with financial risks as a partner and access appropriate cover, eg Medical Defence Organisation cover over and above the Clinical Negligence Scheme for General Practice (CNSGP), locum cover for sickness cover, cover policy for any mortgage they are liable for and long-term illness cover. This list is not exhaustive and should include discussion around maternity / parental leave.

**Accountants:** They will need to know dates of change of partnerships and profit sharing ratios. This is particularly important if there is a period to parity where ratios may change until parity is reached.

**Bank:** They will need informing if there are any changes to the practice account, especially if there are new signatories to the account.