

12th October 2005

New Partnership Deed offer for the Norfolk LMC

This note sets out how we would be able to assist your practices with the preparation of a new Partnership Deed and also sets out the procedure and the charging structure.

Our aim would be to complete an initial Q & A procedure electronically and if a participating practice sends us the appropriate email address we will send a Partnership Questionnaire to be completed jointly by the partners.

The Questionnaire is designed both to elicit a great deal of the basic information that we need in order to prepare a draft and to enable the partners to identify matters which should be included in the Deed. We have been told on quite a number of occasions that partnerships have found it very helpful to have this sort of prompt for discussion. It may be that some difficult points arise during the completion of the Questionnaire and we are happy to discuss these with practices and to provide advice. Alternatively, practices may wish to return the Questionnaire with a covering email and we can deal with the points raised at that stage. When the Questionnaire has been returned we would hope to be able to let practices have the first draft within 10 - 20 working days.

As an alternative to the above, a number of practices prefer that we come to visit the partners at the surgery premises and talk through the matters raised in the questionnaire before preparing the first draft of the Partnership Deed. This also allows the partners to raise more general matters particularly at the present time relating to the introduction of new GMS and the transfer from PMS pilot schemes to permanent arrangements. Generally we would expect meetings of this sort to last between two and three hours depending on the partners' requirements. There is an additional charge for this work which can be provided on request however, we find that in the majority of cases most Partnership Deeds are completed without the necessity of a meeting.

Where we are working by post, email and fax our current charge for the first draft of a Deed based on the special offer put forward by Andrew Lockhart-

Mirams in Norwich for GP's in the area is £1,500 plus VAT, as opposed to the current standard charge of £1,700 plus VAT, which is payable on delivery of the first draft. The additional work, leading to the engrossment of the Partnership Deed, is carried out at the hourly rate of £240 plus VAT. The conditions on this offer are that the practice must have requested and returned the completed Partnership Questionnaire by 31 January 2006. The first draft of the Deed is an extremely comprehensive document and our intention is that practices are then in a position to move towards the engrossment of the Deed for signature with the minimum of further cost, usually around one hours work. We have decided that this is the fairest way of pricing as it is then the decision of each individual practice how much they spend after paying the fixed price. We should make it clear at this stage that whereas we are happy to email the Partnership Questionnaire to you and to correspond by email we do not email the Partnership Deeds save in accordance with a specific arrangement.

Generally

Practices should be aware that the provisions in any new Partnership Deed will be effective only as long as those named in the Deed, or at least two of them if there are currently more than two partners, remain partners in the practice and there is no new partner. If a new partner joins the practice after the Deed has been signed without having formally acknowledged that they together with all the other partners agree to be bound by the terms of the old Partnership Deed or having signed a legally binding document, even if they are on probation, the partnership will immediately become a Partnership at Will.

The partnership would then be governed not by the provisions of the old Deed but by the 1890 Partnership Act. This is a most undesirable situation for a number of reasons, not least that, as discussed at the talk on the 11th October 2005, the partnership can be dissolved at any stage, by any partner, without notice; that all partnership decisions save for the admission of a new partner and any change in nature of the partnership business of are taken by majority vote and that there is no restrictive covenant which would prevent a departing partner setting up "next door" and treating the patients of the practice.

Partnership Property

Whilst it is an issue which we would wish to discuss with practices, we are finding that on an increasing number of occasions, the interests of the property owning partners and younger or incoming partners tend to diverge insofar as partnership property is concerned and in a number of partnerships, the decision is taken to remove the partnership property from being regarded as an asset of the partnership and leave it in the hands of the property owing partners. In such cases it is desirable to have a separate Property Deed which is unaffected by the admission of a new partner to the partnership, rather than to include the provisions in the Partnership Deed.

It is then also necessary to agree the terms upon which the practice occupies the premises. For example if there is a dispute about repairs to the structure of the building both the landlords (the property owning partners) and the tenants (the practice) must know exactly who is responsible and who pays for what. We would be grateful therefore if practices would let us know whether they wish to instruct our property department to prepare a separate Deed dealing with the surgery premises or whether they wish the premises to be included in the Partnership Deed. Subject to confirmation when our property department have had an opportunity to assess the work involved the property Deed is likely to cost in the region of £1,000 plus VAT.

It is also the case that many practices decide that they must update their partnership arrangements when they are considering moving to new surgery premises. Our property department lead by Varsha Pattni and Heather Fraser has wide specialist experience in advising on new surgery developments, whether these are carried out by the practice itself or by a commercial developer and advising in respect of leases or licenses for surgery premises. It is better to have specialist medical property layers involved at the commencement of any proposed change in surgery premises and if practices wish our property department to contact them to discuss this, obviously without obligation, please let me know.

We hope that we have an opportunity to work together and if you would like to proceed in one of the ways outlined above please let us know and we will either arrange for the Questionnaire to be sent to you or fix up an appropriate meeting.

In the first instance please contact the following on 020 7383 7111:

Rosalind Parkin: rap@lockharts.co.uk
Mark Jarvis: mj@lockharts.co.uk
Sadia Syed: ss@lockharts.co.uk

Lockharts Solicitors
Tavistock House South
Tavistock Square
London
WC1H 9LS

Tel: 020 7383 7111
Fax: 020 7383 7117