# Succession Options for GP Practices


Contributors

| | |
|---|---|
| Dee Lynes (Editor) | Director, brightSOLUTIONS |
| Andy Scaife | Chief Executive Officer, SSP Health |
| Ross Clark | Partner, Hempsons |
| Karen Demetrious | Head of People and Practices, Our Health Partnership |
| Lesley Evans | Chief Operating Officer, Our Health Partnership |



Thanks to SSP Health for covering the cost of Dee Lynes' time in editing this guide.


brightSOLUTIONS
supporting GP Practices

HEMPSONS

SSPHealth

Our Health Partnership
OHP Creating a healthy future for practices and patients

## Contributors

### Dee Lynes (Editor)

After working as a Practice Manager, Dee set up brightSOLUTIONS in 2013 and now has over 11 years' experience providing management consultancy support to GP Practices, Federations and PCNs. She has successfully project managed various practice mergers and contributed three chapters to the popular Medeconomics' *Guide to GP Practice Mergers* providing advice on the practical issues that need to be addressed early on in a merger, how to support staff through the process and effective patient engagement. Dee's interests include corporate governance arrangements within Federations and PCNs and reviewing Board performance. Dee is an accredited interpersonal mediation practitioner, and a member of the Department of Health and Social Care's Advisory Committee on Clinical Impact Awards (Yorkshire and Humber sub-committee).

**www.brightsolutions.info | deelynes@icloud.com | 07703 345 783**

### Andy Scaife

Andy has been CEO of SSP since April 2022, leading the business through a phase of substantial growth during this time. SSP is a corporate that owns and operates over 45 GP surgeries, primarily across the North of England. Andy oversees all aspects of the business and is particularly focused on delivering growth via acquisitions. Since joining SSP he has overseen growth of around 40%, primarily through acquisitions, and SSP is continuing to expand. SSP offer a solution to GP Partners who wish to exit their practice, offering flexible solutions around employment post exit. These options include salaried employment, self-employed roles and fully flexible working. In addition, should the GP Partner wish to fully retire then SSP will support that too. Prior to joining SSP, Andy has been involved in running fast growing businesses across several industries and is utilising this skill set in the Primary Care market.

**www.ssphealth.com | andy.scaife@ssphealth.com | 07939 156 385**

### Ross Clark

Ross is a partner and leads the GP team at Hempsons, specialist health and social care lawyers. He is recognised nationally as one of the leading lawyers in GP work, having devised several of the evolving models for GPs to work together at scale within the Integrated Care Systems (ICS) and integrated neighbourhood teams. Most notably, Ross devised the structure and drafted the partnership deed for Our Health Partnership, then one of the largest single partnership in the UK, and is currently involved in establishing ICS wide federations to secure whole of ICS contracts for GP provider organisations.

**www.hempsons.co.uk | r.clark@hempsons.co.uk | 01423 724012**

## Karen Demetrious

Following a long career in bookselling and the voluntary sector, Karen entered Primary Care in 2013 and has been a Practice Manager in both a large and small practice. She joined the Our Health Partnership (OHP) Central Team in May 2019 as Partnership Services Manager supporting practices and helping to develop and improve services for patients and staff alike. Using her interest in Human Resources she helped to launch the internal OHP HR support package in 2021 along with the Employee Assistance Programme. At the end of 2021 she took up the post of Head of People and Practices for OHP, working alongside the Head of Compliance, Contracting and Clinical Services in supporting the Chief Operating Officer in managing the OHP Central Team in driving the Partnership forward whilst networking with external agencies and growing the OHP profile within Primary Care and the NHS.

**www.ourhealthpartnership.com | admin@ourhealthpartnership.com | 0121 4221366**

## Lesley Evans

Lesley is Chief Operating Officer at Our Heath Partnership (OHP) and has been in her role since the Partnership was set up in 2015. She is part of the OHP Board and over the years has led the creation of many services that are offered to OHP practices and more recently to non OHP Practices in PCNs. When Lesley started at OHP she was the only officer, the staff that have joined since, have grown into a skilled, knowledgeable and well respected team. She provides direct support and advice to Partners, Practice Managers and OHP teams. Lesley is a qualified accountant and worked her whole career in the NHS across all sectors. Building change and influencing is something that makes Lesley thrive.

**www.ourhealthpartnership.com | admin@ourhealthpartnership.com | 0121 4221366**

# SUCCESSION OPTIONS FOR GP PRACTICES

## SUCCESSION OPTIONS

1. **Recruiting new partners**
2. Merging with another practice
3. Joining a super partnership
4. Acquisition by a company
5. Handing back a contract

## FURTHER INFORMATION

Please contact Ross (details below) for an initial no obligation or cost discussion.

If further work is required and you would like to engage Hempsons, Ross will provide a written summary of work and costs for your approval before proceeding.

HEMPSONS

r.clark@hempsons.co.uk

01423 724012

www.hempsons.co.uk

# 1. RECRUITING NEW PARTNERS

## WHAT'S INVOLVED?

Considering the reasons for and risks of appointing a new partner, the recruitment and admission process and ensuring a partnership deed is in place from the outset.

## TELL ME MORE

Recruitment is typically to replace a retiring partner (succession) or to strengthen the partnership (possibly as an alternative to a merger). This is an easy option to implement as the GMS Contract can be varied by simple notice and transfers of premises between partners are usually exempt from Stamp Duty Land Tax.

As partnership is a relationship of the utmost good faith it is crucial that the incoming partner will fit well within the partnership and its ethos. However, it is difficult to find GPs willing to become partners and the succession crisis, with a significant proportion of GPs close to retirement, is a real challenge here.

Concerns can be addressed by admitting a candidate as an "Associate Partner", where they are employed (so not a partner) but involved in some partner meetings and tasks, giving both an opportunity to assess the other. This is popular where an existing employed GP is being considered but external GPs are usually admitted as partners but on a probationary basis.

The key to success is to start the search for a new partner early, as this will give you time to ensure the new partner fits with the culture and ethos of the partnership.

## KEY POINTS

- Make sure the candidate will fit in well with the partners, staff and ethos of the partnership (if not this can be very disruptive)
- Look ahead and map out the age profile and intentions of the partners, so that you can identify need and start the recruitment process early
- Ensure you have a partnership deed in place from day one, especially for probationary partners (you must avoid the risk of a partnership at will

# SUCCESSION OPTIONS FOR GP PRACTICES

## SUCCESSION OPTIONS

1. Recruiting new partners
2. **Merging with another practice**
3. Joining a super partnership
4. Acquisition by a company
5. Handing back a contract

## FURTHER INFORMATION

Please contact Ross (details below) for an initial no obligation or cost discussion.

If further work is required and you would like to engage Hempsons, Ross will provide a written summary of work and costs for your approval before proceeding.

HEMPSONS

r.clark@hempsons.co.uk

01423 724012

www.hempsons.co.uk

# 2. MERGING WITH ANOTHER PRACTICE

## WHAT'S INVOLVED?

The merger of practices to form a single, new, enlarged partnership. It is vital that there is a good match in the culture and ethos of the merging partnerships.

## TELL ME MORE

Structurally, one practice is usually selected to "acquire" the other, but in reality it should be a merger of equals. There are two structural options:

- **Full merger:** the GMS contracts are merged into a single contract on completion of the merger
- **Partial merger:** the merged partnership holds separate GMS contracts until merged at a later date. This makes the merger quicker and easier but requires ongoing administration of the separate contracts, which is time consuming.

Other legal and commercial issues include:

- **Premises:** freehold premises can cause issues, (differences in valuation, whether to be brought into the merged partnership, remortgaging, etc.)
- **Staff:** identifying and utilising the experience and skills of the merging staff rather than simply duplicating roles
- **Profitability:** the financial health of the merging practices, accounting policies, profitability and how profits are to be divided.

However, the most important issue is whether there is a close cultural fit between the merging partnerships and, allowing for differences between partners, whether the merged partnership can operate efficiently, effectively and respectfully.

The benefits of a successful merger are significant and include:

- a stronger, resilient and more profitable partnership
- career and progression opportunities from within
- less stress and more time.

## KEY POINTS

- The partners must be certain that the merged partnership can operate efficiently and effectively, with a shared ethos and culture. If not, the merger is likely to fail.
- Detailed financial, legal and commercial due diligence should be carried out early, to ensure compatibility and/or to identify and give time to address any significant issues.
- A larger partnership can address the challenges of primary care, solve the succession crisis, attract new recruits, free up time and reduce stress.

# SUCCESSION OPTIONS FOR GP PRACTICES

## SUCCESSION OPTIONS

1. Recruiting new partners
2. Merging with another practice
3. **Joining a super partnership**
4. Acquisition by a company
5. Handing back a contract

## FURTHER INFORMATION

To find out more please email us.

One of our team will then contact you to talk through your particular situation to understand more about what you are looking for, and how OHP can help you.

Our Health Partnership
OHP Creating a healthy future for practices and patients

admin@ourhealthpartnership.com

0121 422 1366

www.ourhealthpartnership.com

## 3. JOINING A SUPER PARTNERSHIP

### WHAT'S INVOLVED?

The practice joins a single legal partnership consisting of multiple contract-holding practices. Partners retain their own contract and autonomy to run their own practice whilst having access to centralised services tailored to their individual needs.

### TELL ME MORE

On joining a super partnership, Partners become a constituent practice of a larger single legal partnership. This means they retain their own contract and are responsible for any losses or profits it generates. As a partner they are able to vote on the future direction and development of the wider partnership and being part of an at-scale organisation, they can also benefit from having a much stronger voice.

Partners are permanently based at the practice and have full autonomy to run their practice as they wish. However, being a member of a super partnership means that they also have access to core services (i.e. payroll and practice accounting) as well as other optional services (such as support with CQC compliance, HR and business planning) so that they can receive high quality support when they need it.

There is a base per patient subscription fee allowing access to all of the core services. Support is flexible and can change as practice needs change.

A Central OHP Team works hard to understand your practice and build a strong relationship with your Partners so that it can provide support on a daily basis by phone or email whenever you need it.

Partners are also supported by an elected Board who will keep you up to date with developments within the partnership and across the wider world of Primary Care.

Partners have the opportunity to meet up with other Partners at regularly held events which will also showcase innovative work.

### KEY POINTS

- Keeping the autonomy and identity of your practice
- Being part of a model that is flexible and resilient, responsive and influential

# SUCCESSION OPTIONS FOR GP PRACTICES

## SUCCESSION OPTIONS

1. Recruiting new partners
2. Merging with another practice
3. Joining a super partnership
4. **Acquisition by a company**
5. Handing back a contract

## FURTHER INFORMATION

If you would like to understand this option in more detail then please contact Andy Scaife (CEO, SSP Health) direct.


andy.scaife@ssphealth.com

07939 156 385

www.ssphealth.com


## 4. ACQUISITION BY A COMPANY

### WHAT'S INVOLVED?

Partners end their NHS contractual and partnership responsibilities by transferring their contract to a 3rd party company. Partners then have the flexibility to choose whether to work full or part-time on a salaried or sessional basis, or not at all.

### TELL ME MORE

This option involves a company taking over your contract and acquiring your partnership and its assets. This can also include the sale of the surgery premises to the company (if owned by the GP or Partnership).

The contract holder is transferred from the existing GP Partner(s) to the company via the contract variation process with the ICB/NHS. This usually takes around a month but can be quicker. All employees transfer with the contract under TUPE regulations, and the company can provide practical advice for partners if they need help with this process.

Following the transfer of the contract, the original GP Partner(s) have the flexibility to work full or part-time or not at all. Most importantly they are guaranteed income (via salary or sessional rates) and no longer rely on variable drawings. In addition, they benefit from no longer having the responsibility, liability and stress of being the contract holder.

Most practices that take this option benefit from receiving cutting-edge centralised support services which significantly reduce the burden of day-to-day practice management, removing much of this from the practice and allowing clinicians and practice staff to focus on patient care. By being part of a larger organisation there are also greater career development opportunities for both clinical and non-clinical staff to develop specialist skills and interests, be a member of our clinical council or become a regional manager of multiple practices.

### KEY POINTS

- Full exit from the contract for the GP Partner(s) - all associated assets (including staff), liabilities and stress pass to the new contract holder.
- Property solutions, if appropriate, can be arranged for both owned and rented properties.
- GP Partner(s) can choose whether to continue to work and on what basis. This provides the GP(s) with guaranteed income as opposed to relying on uncertain drawings levels.

# SUCCESSION OPTIONS FOR GP PRACTICES

## SUCCESSION OPTIONS

1. Recruiting new partners
2. Merging with another practice
3. Joining a super partnership
4. Acquisition by a company
5. **Handing back a contract**

## FURTHER INFORMATION

Please contact Ross (details below) for an initial no obligation or cost discussion.

If further work is required and you would like to engage Hempsons, Ross will provide a written summary of work and costs for your approval before proceeding.


HEMPSONS

r.clark@hempsons.co.uk

01423 724012

www.hempsons.co.uk


## 5. HANDING BACK A CONTRACT

### WHAT'S INVOLVED?

The sole practitioner / partners decide they cannot continue and "hand the contract back" to the ICB (i.e. give notice to terminate the contract with immediate effect).

### TELL ME MORE

For one or more reasons the stress and exhaustion of operating the practice reaches a critical point and the sole practitioner / partners inform the ICB that they wish to relinquish the GMS Contract with immediate effect or little notice

This is not a "planned practice closedown", it is an "unplanned / unscheduled and unavoidable practice closure". In those circumstances, the ICB will focus on the patients, records and data transfer – not on the sole practitioner / partners.

The ICB will take "appropriate interim measures" and will usually seek to appoint a caretaker to run the practice for up to 12 months. If they can't do this, they will disperse the patient list.

The employees may transfer to the caretaker under TUPE and the caretaker may seek a short term right to occupy the practice premises. However, this does not relieve the sole practitioner / partners of their liabilities, including:

- obligations under a continuing lease
- punitive payments for early termination of contracts
- claims from staff for failure to comply with TUPE
- repayment of borrowings

Also, payment of notional rent / rent reimbursement will cease and a valuable GMS Contract will be lost.

Accordingly, there are no benefits to this option.

### KEY POINTS

- Even as a last resort, this does not provide any benefits and indeed is likely to significantly increase liabilities.
- The ICB will focus on the patients and will have no duty or inclination to consider the interests of the sole practitioner / partners.
- Accordingly, do not let it come to this and seek another option before reaching crisis point.