Securing the future of General Practice in London

Issue 2 – October 2008

Succession Planning

Guidance from Londonwide LMCs

In the current climate where PCTs are actively seeking to develop the use of Alternative Provider Medical Services (APMS) contracts and reduce the number of traditional GP practices, it is essential that everyone spends time to take stock and ensure that their future is as secure as it can be. This document sets out in simple terms, steps that you should consider.

All practices

A strong partnership is currently the most effective protection you can have in maintaining the security of your contract. It is General Practitioners Committee (GPC) policy to encourage practices actively to consider filling vacancies left by a departing GP with a partner (fixed share or equity) rather than a salaried doctor. While it may not seem financially advantageous to go down this route, in the long term there are many advantages to this option:

- the maximum possible security for long term practice survival
- increased stability of the practice team
- greater commitment to the practice
- greater ownership of achieving targets
- sharing of management responsibilities

All of these may result in an increase in income on a sustainable basis.

Partnerships

Regardless of whether you are a GMS or PMS practice, you should check your partnership agreement (if you have one) against current GPC guidance:


If you do not have a partnership agreement, you should certainly very seriously consider putting one in place.

If done correctly, this will protect your contract/agreement if there happens to be a dispute or partnership dissolution.
Contracts

You should check your GMS Contract or PMS Agreement to confirm that everyone who is a “contractor” (usually all the partners) are named on the contract and that everyone has signed the contract/agreement with the PCT.

Where there have been any changes in “contractors” or “providers” since 1 April 2004, you should ensure these are reflected in a formal variation and that this has been acknowledged by the PCT. Any changes in “performers”, ie salaried doctors, will also need to be reflected in the same variation. PMS practices may find that the PCT requires submission of a revised business case.

Succession planning

This section is most relevant to single handed practices where the GP may be considering retirement. If this is the case, you do need to think ahead about what the future might look like for your practice and patients. There are a number of options which you might like to think about in order to protect the future:

- doing nothing apart from giving the PCT notice of retirement and termination of your contract/agreement
- taking a partner
- merging with a neighbouring practice
- negotiating an exit strategy with a private specialist company

Implications

Doing nothing

This will allow the PCT to take over your practice and either:

- disperse your list of patients to neighbouring practices
- undertake a tendering process which may result in a commercial organisation taking it over as an APMS contract

You will have no control over either of these options. There will be no guarantee that you could continue working at a reduced commitment and seeing some of your patients. However, there would be nothing to prevent you from remaining on the Performers List and taking on locum sessions elsewhere.

Taking a partner

You may wish to consider taking a partner. If so you will need to:

- find someone suitable
- agree a mutually acceptable handover period (there is now no minimum period that a partnership needs to be in force for logical succession to occur)
- draw up a partnership agreement which will protect both your interests and those of your prospective successor
- formally notify the PCT of your intention to vary your contract/agreement from being a sole contractor to that of a partnership (you will need to give at least 28 days notice of this)
• ensure that you receive a formal written acknowledgement from the PCT with a variation signed by all parties

This option would give you the opportunity to continue working with your patients if you so wished provided that you negotiated a mutually acceptable strategy with your successor and it was written in to your practice agreement.

**Important note**

A single handed GP with a GMS contract has the **automatic right** to take an additional person to join the contract. If this is done properly, the PCT cannot refuse your application. However, if you have a PMS agreement, you do not have an automatic right to share the agreement with another party/parties and the PCT is not obliged to agree.

**Merging with another local practice**

You might wish to consider merging with another practice, preferably within the same PCT. If you do so, this is rather like establishing another partnership and much of the information in the ‘**Taking a partner**’ section will apply but you would be well advised to seek further detailed advice before going down this route.

**Negotiating an exit strategy with a private specialist company**

There are now a number of companies who will enter into an arrangement with you to take over your contract and allow you to manage your retirement. This route is beneficial if you intend to continue to work a reduced commitment after you have resigned from your contract. However, this option plays directly into the privatisation agenda, which we currently believe is not in the best interests of the Profession, in particular young doctors seeking a decent long term livelihood with decent pay and conditions.

**Contact details**

If you need further specific or individual advice on any of the issues covered in this guidance, please contact Nora Breen, Manager GP Support Services on 020 7387 2034 ext 241 or email nbreen@lmc.org.uk.