



health

AND SOCIAL CARE

NEWS AND ADVICE FOR HEALTHCARE PROFESSIONALS
FROM BIRKETT LONG

Birkett Long's specialist health and social care team understands that the legislative and regulatory environment is complex, with a continued shift towards greater public scrutiny.

Our comprehensive understanding of these key issues means that we can provide you with prompt, concise and relevant advice, whatever your area of practice or business.

We act for a range of clients, including a number of established high profile healthcare companies, as well as newer entrants to the sector. We specialise in working with GP partnerships, dental practices, pharmacists and veterinary surgeons, while offering the full range of legal services relating to business.

Partnerships... ...the gold standard?

Tracey Dickens explores the unique benefits of partnership working

The Apprenticeship Levy

Apprentices can be valuable business assets but a new levy threatens to increase costs

The Residence Nil Rate Band

Inheritance tax affects many estates nowadays - not just those of the wealthy. Joanna Millican explains how the new rules could affect your residents

GP Partnerships

the gold standard

A House of Lords committee has caused quite a stir in claiming that the GP Partnership Model is 'unfit for purpose', recommending instead that a review should "assess the merits of engaging more GPs through direct employment" to reflect arrangements elsewhere within the NHS. Tracey Dickens argues the case for keeping partnerships intact.

Bearing in mind the difficulties being faced by the NHS hospital model, which involves salaried employment for the consultants, you have to question how engaging GPs through direct employment can be seen as a better alternative than the existing partnership model.

GPs have been quick to point out the many successful and thriving GP partnerships that prove the effectiveness of this model. They explained that those that struggled were undervalued and lacked funding, which often led to them no longer being financially viable, making it more difficult to bring in new GP partners to take the place of those retiring.

There are many advantages to the GP partnership model; the two most prominent

being greater commitment to a practice's area and having input into the way the practice works and how it develops. Operating a GP practice at partnership level introduces doctors to its business aspects, making GPs better placed to improve and share best practice in meeting the needs of their patients than an overarching employer led approach. As one GP commented, 'if you are not offering a partnership, you are losing out on that potential for developing your practice'.

In weighing the pros and cons of salaried GPs versus GP partners, the British Medical Journal spoke to a number of doctors who expounded on the benefits of GP partnerships by noting how they have 'seen in hospital posts, the frustration that consultants can have on a daily basis about the systems they work in and their inability to implement new systems. That is certainly a big motivation for wanting to be a partner'.

"Partnerships are the gold standard for the delivery of general practice."

Others logically concluded how 'people who invested in the business and organisation to

The apprenticeship levy

The Apprenticeship Levy came into force on 6 April 2017. It will facilitate the funding of new apprenticeships across the UK and aid the Government in meeting its 2020 target of three million new apprenticeships.

This will have an impact on the educational and health & social care sectors, and should not be overlooked.

The headline is that a rate of 0.5% of an employer's total pay bill will be charged by way of the levy. As a result of the calculations

Law Update

Rent review provisions in NHS funded leases

NHS practitioners should bear in mind that when they lease a GP surgery any rent review has to be subject to the approval of the District Valuer. There is little point, therefore, in seeking approval of the terms of your lease with the NHS unless it includes for the agreed rent figure to be approved by the District Valuer, as the NHS will require you to include these provisions.

Similarly, it is not worth expending significant time and funds arguing over the level of rent increase with the landlord when ultimately any figure that is agreed can be altered by the District Valuer.

Some landlords require you to appeal the decision as to the level of rent increase of the District Valuer so as to enhance the level of rent payable. Any such requests, if agreed to, should be stated to be at the expense of the landlord as it will be for their benefit.

If you are considering taking a lease of publicly funded premises, please don't hesitate to contact Mel Bache on 01206 217332 or email mel.bache@birkettlong.co.uk.

deliver health care to patients are the best people to take general practice forward; partnerships are the gold standard for the delivery of general practice'. As one GP partner noted in response to the RCGP and the House of Lords views, 'we are the glue that currently holds the whole system together'.

Solid medical partnerships have clear and comprehensive partnership agreements. At Birkett Long we specialise in producing medical partnership agreements covering all aspects of a medical practice's requirements. Give me a call to find out if your partnership agreement is as comprehensive and up to date as it could be and to make sure you are maximising its effectiveness.

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and allowances in play, the pay bill of an employer must exceed £3m for the levy to take effect.

'Connected' employers such as a group of companies will be entitled to one annual allowance, to be allocated by them between the group at the start of the tax year. This is likely to be a difficult judgment to make. However, it will mean that group companies with annual pay bills of less than £3m may have to pay the Apprenticeship Levy. Early advice is recommended.

The levy is payable monthly through the employer's PAYE scheme. The first payment will be due in May 2017, based on the April payroll. These regulations could have cash flow implications, particularly with

employers who may have more fluid and mobile staff requirements.

For more information on this topic please contact Reggie.



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If you have questions about any issue covered in this newsletter, give us a call on 01206 217326. We'll be pleased to help.



No one needs reminding of the fact that house prices have shot up over recent times and, in light of this, we often see recently bereaved clients facing an unexpected inheritance tax bill. In this article, Joanna Millican explains how the introduction of the new Residence Nil Rate Band may change the amount of inheritance tax a family has to pay.

inheritance tax and the Residence Nil Rate Band

Until now there has been one tax free amount below which inheritance tax is not payable. This is known as the Nil Rate Band and has been frozen at £325,000.

From April 2017 an additional allowance, called the Residence Nil Rate Band (RNRB), will be introduced. This will provide an additional amount that your residents can pass to their loved ones when they die without them having to pay inheritance tax.

The RNRB allowance starts at £100,000 per individual and will increase annually by £25,000 until 2020/21, by which time it will have reached £175,000. After that time it will increase in line with inflation. This means that an individual could potentially receive a combined Residence and Nil Rate Band Allowance of £500,000.

A husband or wife can transfer their unused RNRB allowance to their surviving spouse

on their death. This is where the headline that you may have seen in the media comes from, as it provides a potential £1 million relief, made up of the total combined allowance of a married couple.

As you might expect, there are some 'buts'! An individual is only entitled to claim relief on one property – buy-to-let properties may only qualify provided the individual has lived in the property at some stage – and those inheriting must be closely related, for example children, grandchildren, adopted/fostered children, or step-children. It will be the job of the executors of the will to claim these reliefs.

All this has implications on existing wills, especially if your residents' wills contain a trust or they have specified that gifts are dependent upon grandchildren reaching a certain age. However, with careful planning, a will can be made in such a way that everyone is looked after appropriately, while their loved ones still benefit from maximum tax reliefs. Our advice would always be to take advice!

For more advice, please contact Joanna Millican on 01206 217360 or email joanna.millican@birkettlong.co.uk

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Reference: NEWS/HEALTHCARE17/2017



probate fees proposed changes could affect us all

Proposed changes from the Government, which are currently on hold until after the general election, potentially impose a huge fee increase in the Grant of Probate fee – currently £155. The changes introduce a banded fee structure. At the top end, an estate in excess of £2M will pay a £20,000 fee instead of the existing £155 – a whopping 12,900% increase! Of course,

most will not leave estates of £2M, but given rising house prices, an estate valued at £300,000 is not uncommon; under the new fee structure such estates would pay £1,000.

The fee threshold would rise from £5,000 to £50,000, but it isn't difficult to see how many estates – and almost all that include property – will be valued above that.