

The logo consists of the word "Weightmans" in white, sans-serif font, centered within a dark teal rectangular box with slightly wavy top and bottom edges.

Weightmans

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New to partnership

Property and other matters

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A series of overlapping, flowing teal lines of varying thicknesses that sweep across the bottom of the slide from left to right, creating a sense of movement and modern design.

What is partnership ?

- The relationship which exists when 2 or more persons work together with the common view of profit
- Easy to create without thinking
- Partnership at will
- Partnership Act 1890
- Very old and unlikely to deal with the issues of a modern medical practice

Legislative provisions include:-

- S 10 – all partners liable for acts of their partners
- S19 – variation of agreement with the consent of all
- S20 – partnership property
- S24 – duties and liabilities
- All partners share equally in the capital and profit
- Every partner equally manages the business
- S25 – no ability to expel a partner without express authority
- S26 – no authority to retire – but may dissolve a partnership by notice (this is particularly unhelpful where your GMS or PMS contract are at risk!

How does this affect me?

- Fundamentally the position of partner is a positive role but brings with it liabilities as well as rights
- At what point do I become committed?

Partnership starts

- The day I join!!!
- The day the contract variation comes into effect!

Dialogue

- What should you do when going into any close relationship ?
- There is no substitute for discussion and dialogue as well as investigation – you may hear this referred to as due diligence

Agreement

- Commit what you agree to writing in a partnership agreement!

What does a good agreement look like

- Clear reference to the parties
- Clear reference to hours / obligations/ roles
- Clear reference to pay / extra pay and in what situations
- How much time off
- Retirement – compulsory or voluntary / 24 hour
- Decision making
- And.....

Everything related to the property

- What do I own / do I own / and what if I don't own at all?
- Freehold
- Leasehold
- License
- Consider a declaration of trust

Freehold

- Are you buying in ?
- Size of share?
- How is share valued?
- At what point are you committed?

Due diligence

- Buying with mortgage – bank will insist.
- No substitute for due diligence!
- Bank want to know what they will get in the event of a default and that you are getting an asset that is worth at least what they are lending

Title problems

- Is the land registered?
- Additional investigation if unregistered – time and cost impact
- Can ownership be proved – can the seller sell ?
- Are there any 3rd party occupiers?
- Rights ?
- Are any consents needed (consider FH and LH)

Leasehold

- How much will it cost me?
- How can I get out of it?
- Consider obvious costs
- Consider less obvious costs
- Overhead of the business
- Last man standing
- Due diligence

Disputes relating to property

- Basis of valuation. (FH)
- Enforcing buy in obligations.(FH but can be LH)
- Responsibility for repair. (both)
- Service charge. (LH)