



## MAKING YOUR PRACTICE HEALTHY FOR THE FUTURE

by Andrew Rowe,  
Head of Medical Services

As GP's you are responsible for the health and well being of your patients, but are you taking the time to consider the health of your practice?

In the near future practices will be facing reduced funding, closer performance monitoring alongside increased public scrutiny and possibly competition from the private sector. Some of the most important areas to consider are as follows:

### Premises

If the partners do not own the premises, you, like many practices, may not have a formal lease agreement for them. Whilst you may think this means you have greater flexibility and are not tied into a long term commitment, what it could actually mean is that you have no legal protection should there be a dispute over something like unfair service charges or rent increases.

Given the fast moving changes in disability legislation, does your practice meet its statutory requirements? Are you doing enough to ensure that disabled patients have access to a doctor or nurse – are there treatment and consulting rooms on the ground floor? If not is there lift access and ramps?

### Partnership agreements

As an accountant it never ceases to amaze me how many partnership businesses do not have a proper partnership agreement. GP practices are some of the worst offenders. When you consider the different working styles of GP's, workloads, age and gender profiles it is of the utmost importance to have an up to date partnership agreement otherwise the practice is particularly vulnerable when there are joiners, leavers or even personality clashes between the existing partners.

Taking proper legal advice is a must and even if this has been done, the agreement should still be reviewed annually or bi-annually to ensure it is still valid.

### Strategic planning

What are the future plans of the partners? When do they expect to retire? What do you need to do to continue as a stable practice and be able to meet your contractual obligations? If there is going to be a future vacancy, should it be a salaried doctor or a new partner? Whilst there are financial advantages and disadvantages to this decision, it may be more important to have a partner who will be more committed to the practice and will share the burden of leadership and driving the practice forward.

Given the radical changes in the profession can your practice survive as it is? Have you considered merging with another practice, if so which one is most suitable? Have you paid attention to the local, younger talent that may currently be working as a salaried doctor or locum who could bring new skills and potentially new income streams to the business?

Perhaps an away day from the practice to try to formulate a strategic plan is the answer. This takes you away from the everyday pressures and decision making in the business and allows you to think about the future of the business and the part you want to play in it. It is something that your accountant or other trusted advisor would be very happy to help facilitate.

If you would like to discuss anything mentioned above, please contact me at [andrew.rowe@evolutionllp.com](mailto:andrew.rowe@evolutionllp.com) or call me on 01642 221 331.

### Contact Us

[info@evolutionllp.com](mailto:info@evolutionllp.com)

Wynyard: 01642 221 331

Hartlepool: 01429 272 109

## Capital allowances

Are you claiming all of the capital allowances available to your business?

Did you know that you could make a claim for tax relief for decontamination units, electric systems, water systems, lifts, sanitary units and many other assets incorporated into your building?

At Evolution, we have a dedicated team of individuals who concentrate solely on the affairs of the medical profession and also have access to a team of experts who specialise in reviewing capital allowance claims.

The government are expected to look at the rules regarding these capital allowance claims and changes could come in by April 2012. Therefore, this window of opportunity may be closing in the not too distant future.

Should you wish to discuss your capital allowances claims and arrange an appointment to discuss the options available, please contact either Lee Watson, Senior Tax Manager on 01642 221 331 or [lee.watson@evolutionllp.com](mailto:lee.watson@evolutionllp.com) or Andrew Rowe, Head of Medical Services on the same number or at [andrew.rowe@evolutionllp.com](mailto:andrew.rowe@evolutionllp.com).

## Financial Review Service for Medical Professionals

The Government's 'Pension Simplification' programme came into effect in April 2006, however unfortunately in most cases simplification has meant complication! As it stands at the minute anyone building up pension funds exceeding the Lifetime Allowance (LTA) of £1.8 million will incur an additional tax on the excess at the rates of 55% on lump sums and 25% on pension income.

However the Government recently announced this allowance will be reduced back to the 2006 level of £1.5 million with effect from April 2012. Whilst the LTA reduction doesn't take effect until next April it is important to review your pension provision now and develop an appropriate strategy for the future, especially as there are other significant changes to pension contributions that will soon come into force.

### How we can help

It is against this background of uncertainty that we have decided to offer a free, no obligation financial review service for you as a Medical Professional, which will cover the following areas together with any other financial matters you may wish to discuss:

- A re-assessment of the current NHS Scheme and any other pension benefits in relation to the LTA
- Consideration of the options available, where necessary, to reduce the benefit level against the LTA
- A review of the investment strategy of any other pension arrangements held outside the NHS Scheme, which may or may not be currently receiving contributions

We will make recommendations to you to consider and discuss alternative tax efficient savings and investment strategies with you including Pensions for spouses, children and grandchildren; Individual Savings Accounts (ISAs); Qualifying Savings Plans (including Maximum Investment Plans); Offshore Savings and Investments; Trusts and General Tax Planning. All of which we will discuss in detail to ensure the most appropriate strategy is chosen for your individual circumstances.

## HMRC TO TARGET DOCTORS AND DENTISTS.....AGAIN

In 2008 HMRC brought in the Tax Health Plan (THP) which gave doctors and dentists three months to come forward and disclose any irregular tax affairs.

When the THP ended in March 2010 HMRC said that over 1,500 people had come forward resulting in an additional tax yield of £10m, including one doctor who owed £1m!

HMRC have now moved to the next stage under the THP. From December 2011, doctors and dentists can expect to receive letters from HMRC.

The recipient is expected to respond to the letter within 21 days. HMRC have stated that non response will be treated as 'an active choice' and the letters go on to add that the case 'may be referred to Criminal Investigations with a view to prosecution'.

The Chartered Institute of Taxation has stated "people should not underestimate the amount of data that HMRC is holding. It has been talking to insurance companies, pharmaceutical companies and locum agencies".

It would appear that the success of the THP is essential to HMRC to ensure that other voluntary disclosure schemes are taken seriously and not just seen as a toothless attempt to increase yield.

### Payroll Bureau

Payroll processing has always been an onerous and time consuming exercise for all employers; and, if an outsource company is used, this is often a large cost in order to save the stress and time which payroll takes up.

Evolution has a dedicated Payroll Team with considerable experience who provides a fully comprehensive payroll service with fixed fees and no hidden extras; making budgeting and cost management easier for our clients.

We also offer a BACS Bureau service which means we are able to:

- Pay wages direct to our clients' employees
- Make PAYE/NIC payments direct to HMRC
- Pay Union and other subscriptions
- Pay pension deductions direct to pension providers; and
- Process attachment of earnings orders

For more information, please contact Andrew Rowe on 01642 221331 or [andrew.rowe@evolutionllp.com](mailto:andrew.rowe@evolutionllp.com).