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**Checklist for Merging Practices**

**Consider the following points when merging:**

1. If any party holds a PMS contract, then NHSE must give consent for partners to be added to the contract. For GMS, NHSE need only be informed of the intention to vary the contract. Either way, NHSE may ask that you submit a business case for the merger.
2. Consider TUPE implications – ensure that employees are fully informed of what is happening.
3. Undertake due diligence with each merging practice, in particular, in respect of the liabilities of all parties concerned.

This should include –

* 1. Contractual issues – identify all contracts held;
  2. Performance issues;
  3. Breach of contract issues;
  4. Premises/lease issues: disclosure of contracts and details of freehold/leasehold or other including length of term, rent, how property is held and utilised by the practice;
  5. Details of all current employees (together with any who have left the practice in the preceding 3 months), including:
     1. Names
     2. Length of continuous service
     3. Copies of employment contracts/letters of appointment/terms and conditions of employment
     4. Grievances (either threatened or raised)
     5. Disciplinary action (threatened or taken)
     6. Legal action (threatened or taken)
     7. Any complaints made against an employee (including by patients or any regulatory body) in the preceding 12 months
     8. Any other potential or actual liability;
  6. Any patient complaint of a significant nature in the last 12-18 months;
  7. Any issues with regards to a partner in respect of any claim or matter arising by way of a complaint;
  8. Compliance with CQC;
  9. Any investment in a federation;
  10. Any other liability, actual or potential, known by the other party that the parties concerned should to be aware of;
  11. Check all insurances held by each party;
  12. Check all relevant registrations for staff and principles are up to date.

1. Clinical service delivery. Check relevant clinical systems with a view to deciding which system will be used going forward and whether lists are to remain separate or merged. Contact clinical systems provider for more guidance on options and information they will require.
2. Make sure an accountant checks the finances of each party (please refer to your accountant for relevant financial due diligence).
3. Ensure you have a robust partnership agreement in place once the merger has taken place.
4. Inform CQC of the change in entity and ensure that registration is valid.

**Some practical tips:**

1. Consider appointing an individual within one of the merging practices to project manage the merger process.
2. Create clear roles and responsibilities for the process and ensure everyone understands these.
3. Ensure that goals/deadlines are realistic.
4. Decide on who will be in charge of the decision making process.
5. Agree on the aim/ethos of the merged practice.
6. Identify all new income opportunities and how these can be realised.
7. Determine how property/premises issues will be addressed and who will manage these issues (you may need to think about instructing a property lawyer to advise).
8. Consider IT issues – review current systems checking for duplication and use the opportunity to streamline systems to ensure efficiency.
9. Ensure that website has been amended to reflect changes.
10. Inform and keep your patients regularly updated as to what is happening.

**NOTE 1:** This list is not exhaustive and is guidance only. Please ensure that all relevant and significant disclosures are made by each party that would in the reasonable opinion of the party concerned, affect the business and should reasonably be disclosed to the other party.

**NOTE 2:** If the intention is to create a true merger rather than a takeover, the debts and liabilities will require disclosure under the financial due diligence as conducted by accountants, but the partners will need to decide on the partnership shares of each partner going forward and these will need adjusting and added as a schedule to the merger terms, or, if not determined by that time, should be added to the final partnership agreement.

**NOTE 3:** The date on which the merger will be effected should be a date 6 – 9 months in the future. This is the date which parties should aim to complete and the date on which any variation notices as issued by NHSE should be signed, as well as the new partnership agreement.

**NOTE 4:** Parties are strongly advised NOT to complete and sign any variation notice until such time as all parties are satisfied that all significant issues, legal and/or financial have been resolved. If there are matters still outstanding at that date then parties should move to extend the time to complete until the longstop date which is a date approximately one month after the actual date of intended completion.