Setting up on your own
Puja Patel discusses Unincorporated Business Structures

S
etting up your own practice is an exciting career move for any practitioner. There
will be a myriad of decisions that will need to be made. The first and
most obvious is ‘Where do I start?’.

Before deciding to establish your own practice, make sure you understand what’s involved, the
most critical steps, the timetable and costs. It will take thought, planning, management skills and
appropriate advice.

First, you will need to decide if you are going alone or with a colleague and if the latter, in what
type of entity. Here, we look at unincorporated business structures.

A single-handed ownership where you are the only dentist in a new environment can be a daunting
position. Therefore, many dentists (who are not buying an established practice) opt to start
from scratch with a colleague.

There are various forms of joint venture and it is important to choose an at early stage the
most suitable arrangement. The two forms of unincorporated joint ventures which may be familiar to
dentists are expenses sharing arrangements and partnerships.

Expense sharing arrangements can be distinguished from partnerships by the degree of integration between the dentists. It is important that dental practitioners understand the differences between expense sharing and partnerships. They agree to share common expenses.

The expense sharing arrangement is most commonly used where dentists operate separate
dental practices but in close proximity. Whilst they continue to trade as distinct businesses, the parties agree to share common expenses such as common areas, staffing costs, utilities or marketing.

A partnership is an integrated joint venture and the dental business is the business of the partnership rather than of the individual parties. A partnership business is a closer relationship than that envisaged by an expense sharing arrangement.

Whilst many dental practitioners in partnership set out with the express intention of being a partner,
there are a number of problems with such a mix up as it has the potential of putting the NHS contract in jeopardy. GDS Contracts can be made with an individual dental practitioner, a partnership and a dental corporation.

Accordingly, where multiple dentists are signing up to a single GDS Contract, they are almost certainly doing so as a partnership. FDS Agreements differ in that they cannot be made with partnerships and are instead entered into by a group of individuals (although they are likely to be in partnership by virtue of this arrangement).

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