



## Pennine GP Alliance members code of conduct



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# WAINHOUSE HEALTHCARE LIMITED

## Trading As: PENNINE GP ALLIANCE

### CODE OF CONDUCT FOR DEALING WITH POTENTIAL CONFLICTS OF INTEREST

Wainhouse Healthcare Limited ('the Alliance'), trading as Pennine GP Alliance, has been incorporated as a limited company to provide a vehicle by which GP practices in Calderdale can work together to provide medical services more effectively and obtain advantages of scale in procurement.

General Practices providing primary medical services in the area covered by the Calderdale CCG and having an NHS contract are eligible to apply to become shareholders in the Alliance. (Where a practice is run by a partnership normally one partner will hold the shares on trust for all the partners.)

Shareholders have a right to attend and to vote at shareholders' meetings. Shareholders do not have a right of access to the company's documents or information (apart from a right to receive annual accounts) or have a right to vote on operational matters, which are reserved to the board of directors, but do have a power to remove directors from the board and to appoint other directors. (Such decisions would be made by a simple majority of the shares voted).

The shareholders also have a reserve power to give directions to the board of directors, but this would require a special resolution, which would have to be passed by a majority of at least 75% of the shares voted.) If the Alliance makes profits, then all or part of those profits can be distributed to shareholders by way of dividends.

The running of the Alliance is the responsibility of the board of directors. Directors must be either Practice directors, who either are themselves a shareholder or are a partner, director or employee of a shareholder, or a non-executive director. The quorum for a board meeting requires the presence of at least 50% of the Practice Directors. The Alliance can also have non-executive directors, who do not meet the criteria for Practice Directors. Non-executive directors do not count towards a quorum.

General company law imposes a duty on directors to act in the best interests of the company. These general duties also oblige directors not to disclose company confidential information and not to make a personal profit from information or opportunities that they have obtained as a result of their position as a director.

General company law also prohibits a director from taking part in a Board meeting that is concerned with an actual or proposed transaction or arrangement with the company in which a director is interested and from being counted as participating in that meeting, or part of a meeting, for quorum or voting purposes unless the director has declared that interest. The Alliance has gone beyond those general requirements and Article 42 of its Articles of Association provides that no director with such an interest may participate in or vote at a meeting which is considering any such actual or proposed transaction or arrangement.

General Practices that are eligible to become shareholders in the Alliance but choose not to do so can instead become Associate Members of the Alliance. Associate Members are not shareholders in the Alliance, and accordingly cannot vote at shareholders meeting or receive dividends.

The Alliance has identified that potential conflicts of interest could arise and wishes to ensure that these are addressed. These rules are intended to supplement and not to displace existing obligations that may bind individuals, including rules of company law applicable to company directors and rules of medical ethics applicable to doctors and their employees.

The Alliance is conscious that individual doctors within GP practices in Calderdale may also have roles that involve them in making decisions that may affect transactions in which the Alliance may be involved.

To avoid conflicts of interest from roles mentioned in paragraph 9, directors of the Alliance should not hold such roles. Any director who had or took on such a role would be obliged to declare it and would not be allowed to participate in any meeting dealing with any actual or proposed transaction or arrangement where there would be a conflict of interest (see paragraph 6 above).

Trustees holding shares for the partners in an individual practice should not be doctors holding roles as mentioned in paragraph 9. Any trustee taking on such a role should be replaced by another partner not having such a role, to avoid any conflict of interest between such a role and the position of a shareholder.

A director of the Alliance would not be allowed to discuss any such actual or proposed transaction or arrangement with a partner who had a role as mentioned in paragraph 9, as that would involve a breach of confidential information (see paragraph 5 above). Shareholders in the Alliance who are not directors and Associate Members of the Alliance would not have access to information about any actual or proposed transaction or arrangement.

Any individual doctor having a role as mentioned in paragraph 9 who is a shareholder in, or a partner in a practice that beneficially owns shares in, the Alliance could potentially benefit indirectly from a transaction or arrangement to which the Alliance is a party, in that if the Alliance makes a profit from the transaction that could be reflected in dividends paid by the Alliance or the profit could be used towards repayment of the loan made by the practice to the Alliance. However, the position set out above should ensure that any such benefit is blind, in that the doctor with such a role would have no input into and would not receive information about the decision-making process of the Alliance.

Any individual doctor having a role as mentioned in paragraph 9 who is, or is a partner in a practice that is an Associate Member of the Alliance would not receive any benefit, as the Associate Member would not be entitled to receive any dividend from the Alliance (paragraph 7 above).

# Pennine GP



# Alliance

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