



HEMPSONS

# Partnership Disputes

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“Hempsons is noted for its incredible depth of quality and experience in the field.  
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# Disputes

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## **“It will never happen to us...will it?”**

Unfortunately, partnership disputes can and do arise. And when they do, they can be time-consuming, costly, stressful, emotional and destabilising for a practice and the individual partners.

## Why do disputes arise?

Partnership disputes can arise for any number of reasons, but we commonly come across five main causes of dispute in GP partnerships:

### **Financial pressure**

The downward pressure on income, the increase in the value of premises, historic pay out provisions for retiring partners and the additional cost burden arising from increased regulatory and administrative requirements all conspire to place pressure on the profitability of a practice. That pressure can often be the source of a dispute or can be a key factor when mixed with some of the other causes.

### **Illness**

Long term illness is a perhaps surprising basis for a dispute. This often causes real distress and difficulty as partners often want to do right by an ill colleague. However, the stress (personal, emotional and financial) associated with running a practice with a partner on long-term absence and the sensitivity around matters such as the entitlement to profit of a sick partner and whether they should retire from the practice can give rise to disputes.

### **Partners “not pulling their weight”**

If only a partner committed a clear and substantial breach of his or her duties, it might be easier to address the problem. However, this is rarely the case and, instead, it is more often just a feeling that a partner is difficult to work with. We frequently hear opaque phrases such as “their heart is not in the practice” or “they’re not pulling their weight”. In the absence of mechanisms for partners to address these more subtle issues or a binding “green socks” clause, which enables expulsion without grounds, it can be difficult to find a solution and disputes arise.

### **Strategic change within the partnership**

The only constant is change and general practice is under unprecedented pressure to change substantially (integration, collaboration, the increase in the average size of a GP partnership, the pressures to merge and the requirement to be a part of a primary care network). As partnerships change, disputes follow as partners find they no longer fit or want to remain in the practice.

### **No partnership agreement**

The absence of a partnership agreement can lead to lack of clarity about the rights and obligations of partners which can in turn result in disputes about entitlements and duties. The absence of a partnership agreement can also mean that there are no clear mechanisms for dealing with those issues when they arise.

## Why are partnership disputes so difficult to resolve?

Because they involve people. Not just anyone, but colleagues with whom you have been in a close professional relationship of trust, often for many years.

Despite best efforts to deal with disputes in a professional manner, it can be hard for partners not to take a dispute personally. The issues are often sensitive and important to the individuals and positions can easily become entrenched.

# Prevention is better than cure – the importance of a partnership agreement

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The best way to avoid a dispute arising or escalating out of control is to have in place a comprehensive written agreement which sets out the rights and obligations of partners, addresses the main causes of partnership disputes and includes mechanisms for resolving problems.

You should review your agreement regularly in light of changes in your practice and its activities – for example, you should ensure that your agreement deals adequately with primary care network membership.

The admission of a new partner will create a new partnership which could invalidate your partnership agreement. You will either need to enter a new agreement with a new partner or ensure that the new partner signs a deed of adherence to your existing agreement.

If you do not have a valid partnership agreement, any partner is entitled to dissolve the partnership at any time without prior notice. This is particularly dangerous when a dispute arises as a disgruntled or troublesome partner could dissolve the partnership and potentially bring the whole practice to an end.

## How can we help?

We are experts in partnership law and dispute resolution. We prepare partnership agreements which, in the majority of cases, will prevent disputes arising and will provide a mechanism for addressing the majority of issues that commonly arise in a GP partnership.

Where disputes do arise, we can assist you to identify the key issues and the best approach to resolve the dispute as quickly and painlessly as possible in the circumstances.

Our aim is to help you to resolve the matter without legal proceedings. The earlier you talk to us the better: taking advice early on can nip a dispute in the bud. Ignoring problems or taking ill-informed steps can make matters much worse and more costly to resolve.

## Testimonials

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**“Hempsons showed the highest standard of professionalism when we required their advice on a partnership dispute. Hempsons were prompt in their approach, they provided legal advice which was practical and easy to understand. We would recommend Hempsons to any practice which requires legal advice of the highest calibre.”**

**Client, 2019**

**“Faced with a hostile attempt at expulsion whilst on sick leave... , the betrayal can trigger feelings of uncertainty, vulnerability and helplessness. The support of the extremely experienced, responsive Hempsons team kept me sane despite the aggression of the legal attack during my illness. I cannot thank them enough for the preservation of my professional dignity that resulted from their successful defence of my position. I was lucky enough to know who to turn to in a time of partner hostility - keep a note of their number handy.”**

**Client, 2019**

# Legal helpline

We provide a legal helpline offering an initial confidential telephone conversation to discuss any of these issues. Dial **020 7839 0278** and ask for the GP advice line for 10 minutes' free preliminary advice from a solicitor, or please contact:

## Key contacts



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***“The firm’s strength is in its depth of knowledge of medical practice and the size of the team behind its individual lawyers. The advice given to us was well thought through, understandable and adjusted for our needs.”***

Chambers UK

## About Hempsons

Hempsons is a leading national law firm specialising in health and social care, healthtech, charities and social enterprise across the UK. Our highly experienced specialist lawyers provide cost-effective solutions for healthcare organisations, social care providers and charities nationwide. We provide our clients with support down to the last detail, whether the issue is big or small, complex or simple. With offices in Harrogate, London, Manchester and Newcastle, Hempsons is your ideal legal partner. You can find details of our services, our lawyers and their specialisms on our website: [www.hempsons.co.uk](http://www.hempsons.co.uk)



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