

Application for funding support for renewal of GP Practice Lease Agreements

1. Context

As set out within the National Health Service Premises (General Medical Services – Premises Costs) Directions 2013 GP practices are able to apply for assistance with costs associated with lease agreements. See extract below from Premises Directions ('contractor' relates to the GP practice and the 'Board' in this instance is represented by NHS Hull CCG).

Stamp Duty Land Tax Payable on agreeing a new lease

30. Where-

(a) contractor agrees with the Board to relocated to or additionally occupy leasehold practice premises approved by the Board in the Board's estates strategy for investment prioritisation;

(b) the relocation or additional premises will, in the opinion of the Board, result in an improvement in the range and quality of services to be provided to patients by the contractor; and

(c) the contractor makes an application to the Board for financial assistance to cover the cost of any Stamp Duty Land Tax incurred by the contractor as a consequence of signing a lease to occupy premises,

The Board must consider that application for financial assistance and, in appropriate circumstances (having regard, amongst other matters, to the budgetary targets it has set for itself), grant that application.

PART 5 RECURRING PREMISES COSTS

Leasehold premises rental costs

31. Subject to the following provisions of this Part, where-

(a) a contractor which rents its practice premises makes an application to the Board for financial assistance towards its rental costs; and

(b) the Board is satisfied (before the lease is agreed or varied), where appropriate in consultation with the District Valuer Service, that the terms on which the new or varied lease is to take effect represent value for money,

*The Board must consider that application and, in appropriate cases (having regard, amongst other matters, to the budgetary targets it has set for itself), grant that application.
Amount of leasehold premises rental costs payable*

32. –(1) Subject to the following provisions of this Part, where the Board grants the application, the amount that it must pay in respect of a contractor's rental costs for its practice premises is-

(a) the current market rent for the premises, plus any Value Added Tax payable by the contractor if this is properly charged to the contractor by the landlord (but excluding any Value Added Tax for which the contractor can claim a refund); or

(b) the actual lease rent for the premises, plus any Value Added Tax payable by the contractor if this is properly charged to the contractor by the landlord (but excluding any Value Added Tax for which the contractor can claim a refund), whichever is the lower amount.

Current market rents

33. –(1) *The Board must determine the amount of the current market rent of leasehold premises in accordance with Parts 1 and 2 of Schedule 2.*

(2) having regard to the fact that current market rent levels in some areas of deprivation may be too low to provide-

(a) sufficient returns to support new capital investment in practice premises; or

(b) be sufficient support for existing premises that meet the minimum standards set out in Schedule 1,

The Board may in such circumstances, having taken advice from the District Valuer Service, add an appropriate supplement to the amount it would otherwise pay as the current market rent of practice premises, in order to provide sufficient returns or support.

(3) The Board must reduce payments of the supplement in paragraph (2) in line with any increases in the current market rent until such a time as the supplement is extinguished.

NHS Hull CCG became “delegated” on 1st April 2017 and therefore, the decision to approve applications for funding support sits with the CCG.

2. Process

Below sets out the process for practices wishing to submit an application to the CCG for support with lease agreement costs.

Step 1 – The GP Practice should inform the CCG that their lease is up for renewal and indicate whether they wish to renegotiate a further lease. The Practice should inform the CCG of any proposed changes to the lease including the length of the new lease. The GP Practice must obtain agreement from the CCG prior to formalising their lease.

Step 2 - The GP practice should formalise their lease with Community Health Partnerships/NHS Property Services Ltd.

Step 3 - The GP practice will incur costs and should apply for reimbursements by submitting the Lease Agreements Claim Form to Hull CCG.

Step 4 - The claim form will be submitted to the next scheduled Primary Care Commissioning Committee for consideration and subject to approval, Hull CCG will reimburse the GP practice.

3. Criteria

In order to gain approval from the Primary Care Joint Commissioning Committee, applications are required to meet the following criteria:

Strategic fit – does the application support the strategic direction for primary care within Hull outlined within the General Practice Forward View Transformational Plan?

Estates strategy – does the application support the recommendations made within the CCG Estates Strategy which includes primary care estate, community estate and local authority estate?

Length of Lease – does the length of the lease support the move to working more collaboratively?

4. Lease Agreements Claim Form

As per Step 3 outlined above, practices will need to submit a completed lease agreement claim form to be considered by the Primary Care Commissioning Committee – **Appendix 1**. The form should be submitted to the New Models of Care Team Hull CCG at least 2 weeks in advance of the Primary Care Commissioning Committee meetings. Practices will be informed of the result, in writing, within 10 days of the committee meeting.