DEVELOPMENT OF NEW PREMISES – A GLIMMER OF LIGHT

Primary Care Surveyors

In recent years there has been precious little development of new medical centres, largely due to a lack of NHS commitment resulting from the re-organisation of the NHS following the abolition of Primary Care Trusts. Decision-making was left with NHS England, the Area Teams often having to deal with matters on a large geographical scale and being unfamiliar with local dynamics and issues. Under co-commissioning and delegation, the mandate for supporting and approving premises is now with Clinical Commissioning Groups (CCGs), who are also supposed to have Estate Strategies, however many of these Strategies have yet to be published.

The funding issue is very much of concern for CCGs. The traditional way for funding new premises has been for the revenue cost (i.e. rent) to be met by the NHS. This has been the case no matter whether the doctors' practice is the developer (in which case the surgery is owner-occupied) or whether the surgery is built by a third party developer and leased to the practice. It is this exposure to revenue cost that has often been the issue given the pressure on NHS budgets.

In 2015 we saw the launch of the Primary Care Infrastructure Fund which pledged £1billion over four years in the investment of primary care infrastructure. For 2016 this scheme has been renamed the Primary Care Transformation Fund, although it has recently been further re-named the Estates & Technology Transformation Fund (Primary Care). Whilst the funding sums remain essentially unchanged, we now have a more prescribed timetable to follow:

1. Practices are to submit, via their CCG, applications to NHS England between 2 – 30 June 2016.

2. Initial review to be undertaken by NHS England Regional Team who will provide moderation and recommendations. Feedback of the initial submissions to be provided by 31 August 2016.

3. For recommended applications there will then follow a period of due diligence (timetable unspecified).

4. Decision/approval (timetable unspecified).

Importantly, the clear criterion is that approved developments are to be deliverable within the financial timeframe April 2016 – March 2019.

The objectives are:

1. Premises developments are to be designed and operated in the manner that provides extended access to patients.

2. Transition of services from a hospital to a primary care setting.

3. Increased training capacity for doctors, community nurses and other community staff.

4. Premises extensions, developments and improvements allowing co-location of a wider range of services to contribute to the Prevention Agenda and wider community wellbeing.

The funding is now given as capital funding, which was previously capped at a 66% contribution by the NHS towards the capital cost of the works. Within the General Practice Forward View (April 2016) one major change is that the capital contribution can now be up to 100% of the cost of premises development. Under the NHS Premises Directions 2013, where capital sums are provided, the rent is to then be abated (discounted) for a period of up to 15 years. It follows that if a scheme is 100% funded by the NHS, there is no revenue cost to the NHS for a period of up to 15 years, although it is important that this is stated and agreed between the parties at the outset.

The Estate & Technology Transformation Fund (Primary Care) now states that the funding available to primary care is £900 million over the next five years.

Worth noting is that the NHS Premises Cost Directions, last updated in April 2013, are currently undergoing review with the intention that revised Directions will be issued in September 2016. Whilst it is hoped there will be changes to dealing with rent reviews, there may be changes to Directions as to the application of capital contributions made under the Estate & Technology Transformation Fund.

It is encouraging that there is now definite guidance and procedure in place for an application for funding of new premises. Certainly it is quite a change from historic funding in that the emphasis is now on capital funding as opposed to revenue funding. This possibly places the emphasis also on practices being the developer of their own surgeries, however third party developers are willing to work with practices to ascertain how to use capital funding for leasehold premises. After many years of waiting for funding, developers are flexible in their approach to these schemes.

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