

**From:** Clare Sully [Forrest Burlinson] c.sully@forrestburlinson.co.uk

**Subject:** FW: NHS PS template lease launched

**Date:** 25 May 2016 14:18

**To:** Dr A Mehrotra (ajit.meh@me.com) ajit.meh@me.com, A. P. Mehrotra (Ajit.Mehrotra@GP-B85620.nhs.uk) Ajit.Mehrotra@GP-B85620.nhs.uk, Jabbar Adnan (NHS NORTH KIRKLEES CCG) (adnanjabbar@nhs.net) adnanjabbar@nhs.net, Amarjeet Singh (amarjeetsinghuk@yahoo.co.uk) amarjeetsinghuk@yahoo.co.uk, B. D. Lynch (drbdlynch@gmail.com) drbdlynch@gmail.com, elaine.oldroyd@gp-b85009.nhs.uk, Lynne Bolton (Lynne.Bolton@GP-B85009.nhs.uk) Lynne.Bolton@GP-B85009.nhs.uk, Muhammad Dadibhai (mdadibhai@gmail.com) mdadibhai@gmail.com, (natarajan.chandra@ntlworld.com) natarajan.chandra@ntlworld.com, Paul Jones (geraldpauljones@mac.com) geraldpauljones@mac.com, Sharmala Ramalingam (drkumar\_sharmala@hotmail.com) drkumar\_sharmala@hotmail.com, Surajit Ghosh (surajitrintu@hotmail.com) surajitrintu@hotmail.com, Y. Patel (YVP@doctors.org.uk) YVP@doctors.org.uk, gp.asharma@gmail.com, (annalunn@hotmail.com) annalunn@hotmail.com, Anna Lunn Kirklees NHS (anna.lunn@kirklees.gov.uk) anna.lunn@kirklees.gov.uk, (Anuj.Handa@GP-B85611.nhs.uk) Anuj.Handa@GP-B85611.nhs.uk, (Bert.Jindal@gp-B85042.nhs.uk) Bert.Jindal@gp-B85042.nhs.uk, Bert Jindal (bertjindal@gmail.com) bertjindal@gmail.com, Jackie Grunsell jackie.grunsell@hotmail.co.uk, Jonathan Ring (jonathan.ring@gp-b85054.nhs.uk) jonathan.ring@gp-b85054.nhs.uk, Mirza Ahmed (mirza.ahmed@btinternet.com) mirza.ahmed@btinternet.com, Omar Akhtar (omaruk786@hotmail.com) omaruk786@hotmail.com, (rd.jenkinson@btinternet.com) rd.jenkinson@btinternet.com, Robin.Sharman@GP-B85641.nhs.uk, robin.sharman@btinternet.com, Yusuf Shamsee (yusuf.shamsee@nhs.net) yusuf.shamsee@nhs.net

**Cc:** Ebrahim Suleman e.suleman@forrestburlinson.co.uk

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**From:** GPC Local Medical Committees discussion list [mailto:LMC-L@LISTSERV.BMA.ORG.UK] **On Behalf Of** Daniel Hodgson

**Sent:** 25 May 2016 12:35

**To:** LMC-L@LISTSERV.BMA.ORG.UK

**Subject:** NHS PS template lease launched

Dear all,

Please share with practices in your area.

You will know that for over a year we have been negotiating with NHS Property Services to improve conditions for GPs occupying NHSPS-owned premises. These negotiations have come to an end and we are pleased to let you know that we have agreed a template lease. The full template lease, the guidance and other resources are available on the BMA webpage (<http://www.bma.org.uk/support-at-work/gp-practices/premises/gp-premises-leases>).

This template will, following local agreement between each practice and NHS Property Services on any specific premises or personal issues and/or requirements that are unique to them, form the basis upon which a formal and final lease agreement can be agreed.

We have secured a number of agreements within and outwith the lease that should benefit practices, for example:

- a clause allowing the tenant to break the lease if notice has been served on their core contract (by the NHS or by the tenant)
- a mechanism built into the lease which ensures that reviewed/revised rents match what a practice was entitled to in terms of reimbursement
- service charges must be reasonably and properly incurred and a dispute resolution provision (which involves independent surveyors) is included if the charges are deemed unreasonable
- agreement with NHS England to provide transitional funding (for up to two years) for practices who have historically been supported in connection with their service charge payments
- very favourable assignment clauses which enable a practice to freely assign the lease to different partners or NHS allowed entities
- NHS England will cover SDLT (stamp duty land tax) and legal costs (up to a set level) where practices enter into a lease within 18 months of this announcement

A few things to watch out for/remember:

- NHS PS have indicated that they will seek to start discussions with any practice who is in occupation of one of their premises on an unwritten basis or uncertain basis. This will start with written communication and the provision of a set of heads of terms which reflect the points agreed in the template.
- certain concessions, such as the payment of SDLT and legal costs, are open for an 18 month grace period which will end mid-October 2017
- All rents (including shared area rents) need the prior approval of NHS England before the lease is entered into
- NHS PS are seeking to move to a position of full recovery service charges and although certain comfort provisions have, as mentioned above, been agreed there is the possibility for service charges to increase notwithstanding the efficiencies which NHS PS are seeking to drive through. Practices need to have visibility of what their exposure could be and agree limits and/or additional funding if these are deemed unreasonable
- NHS PS is keen to make efficiencies through economies of scale, therefore they will be appointing a facilities management provider who they hope practices will use. The use of such providers is not compulsory albeit there is a reasonable endeavours requirement to enter into negotiations over a separate FM contract that will facilitate the same
- as part of the negotiations over the ability to break the lease where core contracts end (to mitigate the impact of a 'last man standing' situation occurring) the lease has been negotiated outside of statutory protection which would ordinarily give a practice a statutory right to renew at the end of a lease term. Whether this is appropriate for each practice is dependent on their circumstances but we have sought to mitigate this issue by agreeing that the lease term can be up to 30 years and that it is capable of being contractually renewed.
- you should still negotiate the specifics of the template lease and should ensure you seek legal advice before signing

For any queries related to the new template lease, please email [info.gpc@bma.org.uk](mailto:info.gpc@bma.org.uk)

If you are being contacted by NHS PS in connection with the creation of a new lease and are looking for sector-specific legal support, BMA Law's commercial property specialist lawyers can help. They can be contacted by email to [property@bmalaw.co.uk](mailto:property@bmalaw.co.uk) or by telephone on 020 7383 6119 for more information.

Best wishes

Brian Balmer (GPC negotiating team) and Ian Hume (GPC Practice Finance lead)

**Daniel Hodgson**

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