

27 July 2017

Dear practice

We are writing to provide an update on the ongoing issues faced by practices in NHS Property Services' premises. We would like to thank the practices who took the time to complete and submit the BMA questionnaire. We have received almost 200 responses and albeit we are continuing to collate the information it is already clear that the data will prove vital in both highlighting the extent of the issues and helping us seek to achieve a positive long term resolution for the profession.

We are aware of the stress that these issues have been causing practices but wish to reiterate that we are of the strong opinion that in the absence of agreement by the practice (whether in a written lease or otherwise), unilateral changes to service charges cannot be made nor enforced. To this regard we are not aware of any examples where disputed charges have been enforced.

Despite this we are mindful that landlords, particularly NHS Property Services, have been communicating in a threatening manner to some practices and we are concerned that this may undermine your resolve.

With the above in mind we would like to reassure you that GPC will stand shoulder to shoulder with you in circumstances where, despite there being no legal basis to do so, NHS Property Services seek to enforce these charges. To this regard, if NHS Property Services take action to enforce charges against you please let us know immediately.

Ultimately we are still pushing to reach a negotiated agreement nationally but we are prepared to consider all and any other possibilities to realise a situation whereby a fair and reasonable process for calculating service charges is agreed which has due regard to historic arrangements and does not result in practices having to fund the historic neglect of buildings.

Until an appropriate resolution is achieved the obvious question, is what should you do in the interim? On this point our position has not changed.

Lease Negotiations. In respect of lease negotiations, albeit we support the view that practices should engage in the process it is vital that you do not sign any lease or Heads of Terms (including those purporting to be based on the national template GP lease negotiated between the BMA and NHSPS) unless and until you fully understand and are comfortable with your potential liabilities. To this regard appropriate due diligence as to your potential liabilities should be carried out.

Particular care should be taken on the issue of service charges so as to avoid a situation where there is an exposure to uncapped and unreasonable costs that bear no resemblance to what arrangements previously existed.

On the point of lease negotiations, we wanted to confirm that we are aware of recent communication that has been issued by NHS Property Services within which they threaten to refer practices to NHS England and/or the Department of Health if they do not engage with their agents in respect of their lease regularisation programme. Albeit the tone is unsettling, this communication should only be viewed as an attempt to encourage practices to engage in discussions over the terms of a new lease.

Transitional funding. We are aware that some transitional arrangements are being offered to either:

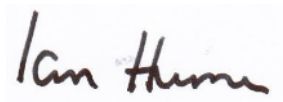
- i) Cover increased costs that NHSPS wish to charge; or
- ii) Act as an incentive for practices' to sign a new lease.

Such arrangements should only be entered into where you are entirely satisfied that when the transitional period ends that you are not inadvertently left having to meet increased costs without the benefit of increased funding. In the view of the BMA, transitional arrangements are not the solution. More permanent arrangements which align a practices' funding to their costs are needed.

Current charges. In respect of current charges, practices should only make payments to both the extent that they are both satisfied as to the legal basis upon which they are payable and their accuracy.

Practices individually and the profession as a whole must stand together against attempts to have practices to sign up to unfavourable and destabilising leases and service charge provisions. We will, as mentioned above, continue to push for a reasonable and fair solution and keep you updated at appropriate intervals of the progress that is made. In the meantime, if attempts are made to enforce these charges, please contact us immediately.

Yours sincerely



Ian Hume
GPC premises lead