

08 May 2017

Dear practice,

Service Charges: NHS Property Services

I write in connection with the ongoing issues being faced by many practices' as a result of the approach that has been adopted, and indeed actions taken, by NHS Property Services Ltd (NHSPS) towards premises charges.

This is an issue that we know is of utmost importance to those practices' occupying NHSPS owned premises and is therefore of utmost importance to the BMA.

As it stands we continue to face a situation where NHSPS has sought to make widespread unilateral changes to the way in which practices' are charged both in terms of their rent and service charges.

These changes, which have seen costs escalate exponentially without any reference to the varying arrangements that practices' have historically benefited from, are creating an ever increasing strain on those affected at a time where the financial pressures and indeed demands on practices' have reached unprecedented levels.

Having regard to the above we have been vigorously pushing for a resolution to be found to this destabilising and the well-publicised issue. This culminated in us issuing NHSPS with a deadline of 5pm of the 2nd May 2017.

This was a deadline issued in recognition of the fact that these problems cannot continue. It was a deadline by which we asked NHSPS to provide us with their best proposal to address our collective concerns in a manner that doesn't expose practices', as their tenants, to unreasonable and uncapped charges.

It is, however, with regret that I am having to write to inform you that despite our repeated efforts and the above mentioned deadline, NHSPS have failed to grasp the opportunity of reaching a negotiated resolution to this national issue. As it stands, we have not received a proposal from NHSPS to address our collective concerns. They are instead reiterating a belief that their arrangements can be changed unilaterally in order to satisfy decisions that have been taken internally.

With the above in mind, and whilst we will still push for a sensible negotiated position to be reached, we must now look at all other options available to us in order to bring this issue to a head.



In order for us to do this we must now ask for your assistance in helping us to fully understand the breadth of the issues being faced by all affected practices so we can take the most effective and appropriate steps in order to reach a speedy conclusion.

As a consequence, the BMA alongside GPDF are asking all affected practices' to complete the enclosed questionnaire and return it by e mail to gpcpremises@bma.org.uk or by post to Ciara Greene, Policy Directorate, British Medical Association, BMA House, Tavistock Square, London WC1H 9JP by the 23rd June 2017.

The questionnaire itself has been formulated and tweaked following the feedback received from a hand full of practices' who kindly volunteered to trial what we had originally prepared. As you will see the end result is a questionnaire that is focused on helping us extract very clear and specific details of the issues being faced against the backdrop of what practices' have historically paid and/or benefitted from.

We do appreciate that this is somewhat of an administrative burden but the importance of this exercise cannot be stressed highly enough. The level of response we receive will undoubtedly have a direct correlation on both the steps that we take and ultimately the outcome we can achieve.

The above aside, many of you may be querying what you should do in respect of lease negotiations and payment of charges. Our position has not changed.

Lease Negotiations. In respect of lease negotiations, 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.

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.

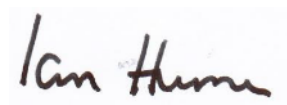
Such arrangements should only be entered into where you are entirely satisfied that when the transitional period ends that you are not inadvertently left having to meet increased costs without the benefit of increased funding. In the view of the BMA, transitional arrangements should be avoided. More permanent solutions 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.

In all cases we would strongly recommend taking legal advice.

I would like to end by thanking you for your support and to confirm our unwavering commitment towards addressing this issue.

Yours sincerely



Ian Hume
GPC premises lead