

Considerations for GP Practices when renting space/rooms to a third party

WHAT HAS CHANGED?

Paragraph 49, which included the table regarding private income percentages, was removed from the National Health Services (General Medical Services Premises Costs) Directions 2013 and this means that there is now no prescribed amount of private income to the practice (e.g. Cremation forms, PMA reports, medico-legal reports and occupational health medicals) that could trigger an abatement of premises costs by the Area Team (AT). We understand, however, that if the AT were to become aware that a practice was using its reimbursed premises to make 'significant' private income they would wish to discuss the matter. The LMC would, of course, be pleased to support a practice under such circumstances.

“Abatements in respect of contributions towards recurring premises costs from third parties

48. Where a contractor's practice premises, or any part thereof, are or form part of the premises that are owned or rented by any person other than the contractor, and that person -

(a) is required by any agreement (which includes a licence or a lease) to make or makes any contribution towards any recurring premises costs in respect of which the Board is providing financial assistance to the contractor in accordance with this Part; or

(b) is by any agreement (which includes a licence or a lease) to pay or pays the contractor any amount-

(i) by way of rent in respect of the practice premises or any part thereof, or

(ii) in respect of the running costs of the practice premises,

the Board must set off that contribution or that amount, equitably, against the payments made to the contractor pursuant to this Part. “

The GPC's view is that this means that practices who receive rent from commercial contracts will have their rent reimbursement from the Area Team abated. The calculation will be based on the space used by the third party provider, which will determine the amount of rent and service charges they pay. ***This has been introduced to stop practices receiving double payments from the NHS and third parties for premises space. NHS England will only pay for space used for NHS purposes.***

However, in the case of space being ***exclusively used by the NHS extended primary care team, e.g. community nurses, we would not expect the practice to receive a rent abatement.*** In this instance, it is the ***GPCs view that it would not be unreasonable to*** expect the commissioners of the community nurse service, i.e. the CCG, to pass premises costs onto the Area Team, who can then use this funding as part of practices reimbursement payment. ***Alternatively, the community services provider could pay the Area Team or the practice.***

The LMC will discuss this with the Area Team. If a community service provider paid a practice directly for space used there would be an abatement by the AT. The LMC views this as simply adding an extra complication to the process.

Dr John Grenville, Secretary Derbyshire LMC
5th August 2013