



Capital Grants – how to apply for them and practical tips and traps



Direction 8 Qualifying Expenditure

- Works to improve disabled access
- Improvements to manage infection control
- Extension
- Improving heating, lighting, ventilation
- Provision of car parking
- Fabric improvements – e.g. double glazing, fire alarm
- Installation of a water meter



Non-Qualifying Expenditure

- Costs attracting Capital Allowances
- Repair and maintenance
- Purchase of land and buildings
- “Improvements solely designed to reduce the environmental impact of premises, such as the installation of solar energy systems, air conditioning or replacement windows or doors...”

Applying for Improvement Grants

Owner Occupiers:

Financial viability v equity v
rent abatement

Abatement of CMR and 10%
addition

Tenants:

15 years plus remaining on
the lease

Abatement of rent

Treatment as tenant's
improvement?

Landlord or Tenant to
undertake the works?



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How Abatements Work

Value of premises after improvement
Less Value of premises after improvement
Multiplied by % Contribution from GPs plus 10%
Added to Value of premises before improvement

Example Abatement Calculation

CMR Post Improvement: £200,000

CMR Pre-Improvement: £175,000

Percentage contribution towards total costs from GPs:
34%

$£200,000 - £175,000 = £25,000$ (value of the improvement)

GP capital contribution: $34\% + 10\% = 44\%$

Abated CMR: $£175,000 + (£25,000 \times 44\%) = £186,000$

Abatement Periods

2004 Premises Costs
Directions:

10 years

2013 Premises Costs
Directions:

Up to £100,000 plus VAT: 5
years;

£100,000 to £250,000 plus
VAT: 10 years;

> £250,000 plus VAT: 15
years

NHSE&I Funding Agreements



CCG Process

- ***All works require prior approval***
- Certainty on build costs
- Certainty on professional fees
- Certainty on bank funding
- Planning permission

General Practice Infrastructure Improvement Project Proposal



This template is designed to provide outline information and evidence requirements to support allocation of funding to improve premises, infrastructure and equipment.

The template also acts as a checklist to assist practices in understanding the requirements for any premises development/ improvement project **before making an application**. The CCG encourages informal discussions before submitting the template.

The CCG will work with organisations to ensure that these requirements are matched to the relevant funding stream. This includes NHSE Improvement Grants for General Practice Premises and Section 106 developer contributions.

Please contact the Primary Care Strategic Planning and Estates Team if you have any questions - kmccg.pcestates@nhs.net

Version Control

Version	Date	Notes (including people involved)

1. PROPOSAL TITLE

Unique reference: 91Q- Practice Name -Year e.g. 91Q- XXX-2021 Practice Details <i>Please include a named lead contact for this proposal who can answer any queries relating to this proposal</i> <i>Please indicate if the practice is accepting new patient registration.</i> <i>Please include changes to list size in the last 3 years.</i>	Reference No.	
	Practice Code:	
	Address:	
	GP Lead and Practice Manager/Business Manager Lead:	
	Assigned Practice Lead and contact details:	
List Size:		

2. BACKGROUND (building improvements only)

Is the premises owner occupied?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Name of landlord	Dispensing	Yes <input type="checkbox"/> No <input type="checkbox"/>
	Practice	
	Branch	

	Length of lease	
	Details of break clause(s)	
	Expiry of lease date	
	If there is no lease in place, how will this be addressed?	
Leased Properties	Has the landlord given permission to carry out the works?	
	Has the landlord agreed in writing that the works will be classed as tenant improvements which will be disregarded at rent review? (if applicable)	
	Where leasehold, provide written confirmation that the practice intends to occupy the premises (and has the right to do so) for as long as the period of guaranteed use (i.e. five, ten, fifteen years) as specified in the Premises Cost Directions 2013 (Part 2 Direction 10 (d) and 12 (4) (d) refer).	

3. SERVICE DESCRIPTION

<p>Please describe, and quantify where possible, the service you provide, including:</p> <ul style="list-style-type: none"> • Population profile, demographics, geographies, list sizes, annual contacts etc. • Current demand and capacity • Any anticipated changes to demand including population changes linked to new developments 	
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4. PROJECT DESCRIPTION

<p>Description of premises, sites, infrastructure, equipment relating to the project.</p> <p>Please give a brief description of current state, including, where relevant:</p> <ul style="list-style-type: none"> • Approximate age of building • Purpose-built / conversion of former residential dwelling • Floor space (including estimate of square m²) 	
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<ul style="list-style-type: none"> • Breakdown of clinical rooms • Breakdown of non-clinical rooms • Use of building for alternative purposes • Details of equipment and other infrastructure • Details of on-site and off-site parking 	
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5. PROJECT DETAILS

<p>Summary</p> <p>What are the aims and objectives of the project? Why is funding required? What additional facilities will be provided?</p> <p>Please include rationale based on any increase in population or specific pressures linked to specific developments if S106 is sought)</p>	
<p>Please quantify the additional capacity that the project will create – in terms of space (m²), hours saved etc.</p> <ul style="list-style-type: none"> • How will it enhance existing registration and consultation capacity? <i>(N.B. All projects seeking investment should enhance capacity)</i> • How will it enhance/increase patient access? • How will it improve physical access? 	
<p>Please list any other benefits to patients?</p>	
<p>How does it support provision of primary care services at scale and integrated working including PCNs, co- locations and mergers</p>	
<p>How will it improve compliance:</p> <ul style="list-style-type: none"> • CQC • Infection control • other areas of best practice/ national regulatory standards that the project supports 	
<p>Have you attached photographs of existing premises highlighting where the proposed changes will take place?</p>	

<p>If architectural plans are required for the project, please advise whether these have already been produced. Have these been attached?</p>	
<p>If planning consent is required, please state whether the planning application has been submitted. Has planning consent already been granted? When is permission expected?</p>	
<p>Please specify what measures have been taken to ensure that the post improvement works are fully compliant with Building Control, Fire and H&S requirements.</p> <p>Please provide a copy of all statutory consents, including but not limited to, building regulations and construction (Design and Management) consents.</p>	

6. GP IT

<p>Please note the following and where applicable ensure that any GP IT costs (data cabling and connections) are shown separately in the cost/financial information section:</p> <ul style="list-style-type: none"> • Any costs associated with data cabling and connections are not considered through S106 funding unless specifically set out in the practice proposal for use of S106 funding • Only data cabling and connections can be included in the S106 project costs and all works must meet required current standards to deliver GPIT services, please ask the CSU for advice <u>before</u> agreeing specification with suppliers. Software and computer hardware must be approved through a business case application to the CSU GPIT team in the normal way. • Regardless of funding route, the practice must contact the CSU to discuss requirements and specifications and ensure clarity regarding works being proposed (i.e. what's within the scope of the building/electrical contractor works and whether the CSU is required to provide a quote for any part of the works (through preferred providers) • The CSU will review proposals with the primary care team regarding scope of works and S106 funding as part of the business case process 	
<p>GPIT costs are applicable to this project proposal and are included in the cost/financial information section</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>

7. PROJECT PLAN

<p>Please confirm if the practice has engaged relevant professional support (with primary healthcare premises knowledge and experience) to be appointed by the practice and the extent of the engagement (e.g. project management start to finish including specification for works and sign off of the project in line with this).</p> <p>If yes, please confirm details – Name of individual/ company and the extent of the engagement.</p> <p>If no, please advise how the practice is ensuring all requirements set out are met.</p>	
<p>Please provide a copy of the specification for the works detailing compliance with all relevant NHS Standards (Health Building Notes (HBN) and Health Technical Memoranda (HTM))</p> <p><i>These can be accessed at www.gov.uk – search Health Building Notes or Health Technical Memoranda. Any contractors approached for quotes must be made aware of the requirements, and quote accordingly.</i></p> <p><i>The specification should be set out in a way that allows any non-eligible works to be costed but excluded from the request for NHS capital (e.g. flooring outside of clinical rooms).</i></p> <p><i>GP Contractors are responsible for meeting Statutory Standards and Contractual Standards as set out in Schedule 1, Parts 1 and Part 2 of the Premises Cost Directions 2013. Any works related to this cannot be included in bids for NHS capital.</i></p>	
<p>When will the works be completed?</p> <p>Please note for Improvement Grants, projects must be completed by the end of the relevant financial year.</p>	

<p>Please outline a timetable for the project, including the time required for producing architectural plans, gaining planning consent as well as the building programme itself, in order to demonstrate that the project can be successfully completed within the current financial year</p>	
<p>Please highlight any risks or critical success factors to the timely completion of this project and explain how any risks can be mitigated. Examples of this may be factors such as the requirement for site specific permissions (the case of "listed" buildings) or the outcome of investigations such as an asbestos survey.</p>	
<p>Please explain how your organisation will continue to operate with minimum disruption to service continuity whilst the project is undertaken?</p> <p>Will the contractor carry out the work out-of-hours/at weekends?</p>	
<p>Have the appropriate number of quotes (not estimates) been obtained? (£5,000 to £150,000 - three written quotes required). If not, please confirm how many written quotes have been received.</p> <p><i>Over £150,000 a full tender process will be required.</i></p>	
<p>Please indicate which contractor/supplier, in your opinion, represents the best value for money.</p>	
<p>Please explain how you have checked the competence of the preferred contractor.</p>	
<p>Please confirm that a contract for works has not been entered into or works commenced. (Direction 7 (2) Premises Cost Directions 2013)</p>	

<p>Please outline whether anyone involved with the organisation has any commercial or personal link with any company/individual involved in the project.</p> <p>Additional information may be requested of links are noted.</p>	
<p>Please confirm that the project meets the criteria for capital. <i>(Full details are given in the attached 'Eligible/Non Eligible items – Operational Guidance' and Appendix A of this form)</i> Please note that the practice will need to adhere to the requirements set out in the Premises Cost Directions and Principles of Best Practice for all improvement grant works.</p>	
<p>Please state whether there are any ongoing revenue costs to the commissioner i.e. in the form of additional rent and rates reimbursement.</p> <ul style="list-style-type: none"> • None • Increase in reimbursable rent • Increase in reimbursable rates • Other 	
<p>Has the practice identified how the elements of the project costs, not covered by the capital grant, will be financed? Please describe</p>	
<p>Please confirm that the practice understands that in most cases a formal Practical Completion certificate(s) will be required (practice professional adviser will advise/manage)</p>	
8. STAKEHOLDER ENGAGEMENT	
<p>Does the project have patient and public support? How are you assured of this? Has the PPG/ User group been engaged?</p>	

Does the project have wider stakeholder support? How are you assured of this? Have key partners/ councillors been engaged?	
Does the project have staff support? Have you considered changes to working conditions	
How will stakeholders be communicated with before, during and after works or changes to ensure minimal disruption and continued high levels of patient experience?	
9. COSTS AND FINANCIAL INFORMATION	
Have you been successful in receiving funding for infrastructure improvements in the last 15 years? Please provide dates and details	

10. FUNDING BREAKDOWN

Please state the funding source(s) from which you hope the infrastructure works could be funded				
Funding Source	Improvement Grant			
	Section 106			
	Combination of the above			
Please provide a breakdown of the different elements of the project together with the estimated cost. For GP premises projects these costs are subject to Premises Cost Directions. Please be aware that we will be unable to process the application without a breakdown of the costs. Note – Premises Cost Directions detail that the improvement grant is no less than 33% and no more than 66%				
Item/ Works	Estimated Cost	Funding Source	Premises Cost Directions Apply?	Approved/ Declined
Total estimated costs				
VAT				
Sub Total				
Less any recoverable VAT				
Total cost to be shared between the practice/organisation and S106 contribution/ NHS England				
Practice/organisation contribution	£			%
NHSE/ S106 contribution	£			%



11. DECLARATION

Practice/Organisation Lead I hereby declare that to the best of my knowledge, the particulars given in this form and any attachments are correct.	Signed	
	Name and Position	
	Date	

- Obligation to repay capital sum
- If the lease is surrendered, forfeited or break clause exercised, GPs must repay the capital grant

Green Issues



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Effect on the existing building stock

Raising minimum EPC rating to B – impact on value

Cost of remedial works

Who pays for improvements?

Risk of ‘stranded’ assets

The Green Agenda

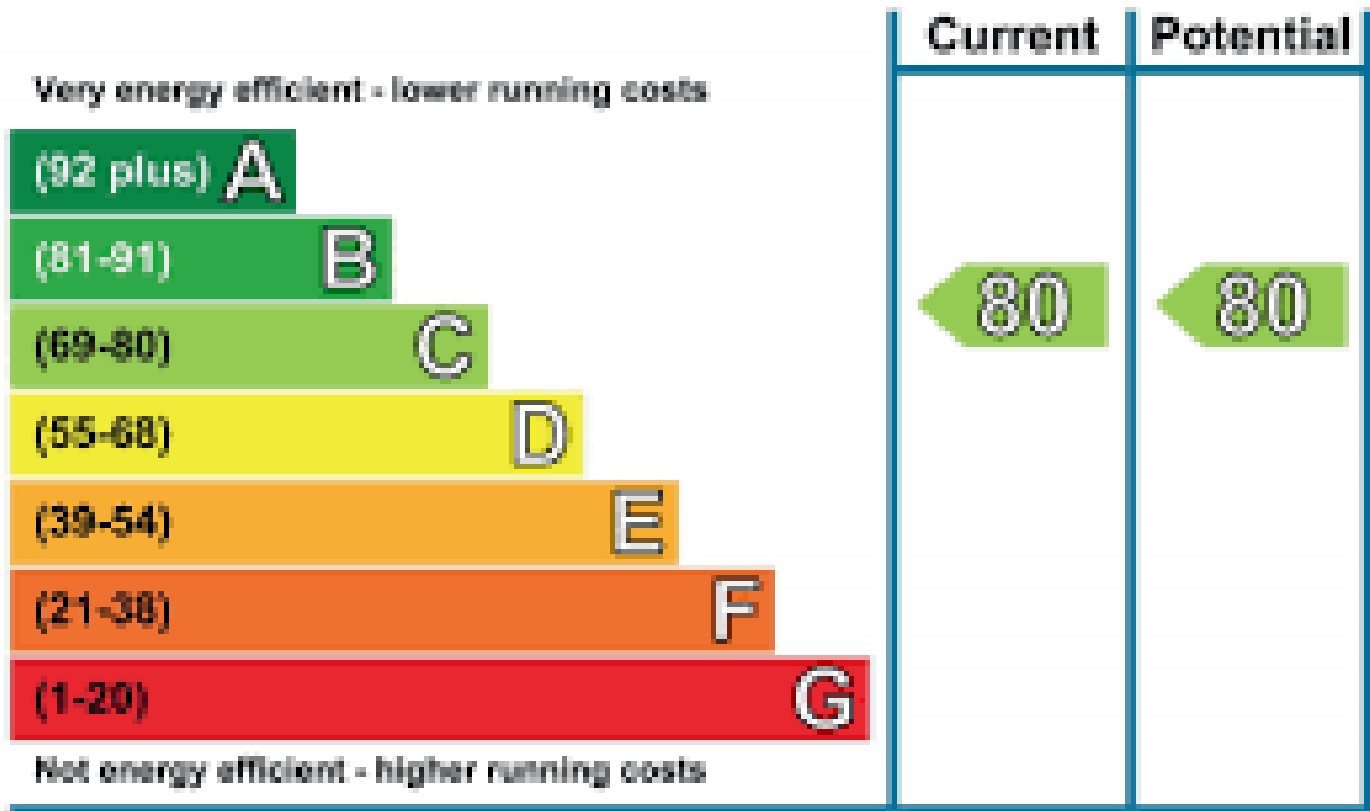
- Energy Performance Certificates
- Display Energy Certificates
- Carbon Zero by 2040
- 63% O/O Surgeries have no EPC
- 80% with an EPC are C or below



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Energy Efficiency Rating



Raising your EPC Rating

- Cavity wall insulation
- Loft insulation
- Solar energy
- Double glazing
- LED lighting
- Air source heat pump
- Efficient hot water heater
- Timer controls to heating systems
- Weather compensation controls to heating systems



First Steps - CCG Checklist

Paul Mayhew

What to do next.....

- Specialist healthcare surveyor/architect
- Identify your needs and aspirations
- Preliminary designs
- Importance of Specification/Employer's requirements
- Planning permission required?
- Identify budget costs



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Your choice of building contractor

- Competent contractor with Healthcare experience – do they know the HBNs and HTMs?
- Recommendation from other practices
- Due diligence – financial checks
- Indication of time scales
- Contractors' resources - work capacity

The Tender Process

- Minimum of 3 building contractors identified
 - depends on estimated cost of project
- Tender documents produced and issued to contractors

Contract with the Builder – JCT 2016

- Essential for both your and the builder's protection
- Eg – build period, warranties, responsibilities, snagging, defects period, contract termination, payment schedules, retentions

Project Risks

- Shortfall in project funding
- Rising costs
- Contractor goes bust
- Impact of the pandemic
- Brexit

Project close

- Snagging works
- Compliance and satisfaction of the end user
- Defects period
- Contractor retention
- Practical Completion certificate and sign off
(Building Regulations approval, CCG/DV approval)



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