

15 September 2017

Dear practice,

We have become aware that NHS Property Services (NHSPS) have issued emailed invoices to practices who occupy their premises, with a box at the end of the email seeking practices to 'accept' the invoice. We urge all practices to be extremely careful when receiving such e mails (which are seemingly being sent on behalf of NHSPS by a company called "tradeshift.com"). Please do not inadvertently click to accept any invoice unless and until; you are entirely satisfied that the charges are properly due and payable.

NHS PS are aware that there are significant issues with charges of service charges to practices, and we believe this is an underhanded move which could lead to practices accepting invoices which they potentially may dispute. We are writing to NHS PS urgently to change their method. Service charges are a significant issue at the moment which needs a reasonable and fair resolution. Our guidance to practices remains the same:

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.

The current deadline to access incentives for signing up to a lease for practices is the end of November 2017. These incentives include stamp duty land tax, contribution towards legal fees and VAT for signing up to a lease with NHS PS (and CHP). GPC has written to the Department of Health to seek an extension of this deadline and are currently awaiting a response.

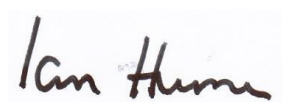
In the view of the BMA, transitional arrangements are not the solution. More permanent arrangements which align a practices' funding to their costs are needed. We would advise practices to be comfortable with the long term liabilities that you are taking on (beyond this funding), before accessing this funding and signing up to a lease.

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.

We would like to once again thank practices for completing the NHSPS/CHP questionnaire. The response has provided us with really useful information on the situation currently, this will enable us to push the issue with a solid information base. The results show that between 2014 – 2016, practices reported an average 157% increase in their service charges and a 130% increase in their rent.

GPC continue to push for a resolution of this issue. In the meantime, please be wary not to inadvertently agree to invoices you do not agree with the legal basis for. We would like to reassure practices 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. If NHSPS seek to enforce the charges against you, please let us know immediately and we will stand in support of practices. For further guidance and information, please follow this link: <https://www.bma.org.uk/advice/employment/gp-practices/premises/support-with-chp-and-nhsp-s-issues>.

Yours sincerely



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