BPF submission to the General Practice Premises Policy Review consultation – NHS England

Written Evidence Submitted by the British Property Federation

British Property Federation

1. The BPF represents the commercial real estate sector – an industry with a market value of £1,662bn and which contributed more than £94bn to the economy in 2014. We promote the interests of those with a stake in the UK's built environment to government, and our membership comprises a broad range of real estate owners, managers, developers and supporters. Their investments help drive the UK's economic success; provide essential infrastructure and improve society by creating great places where people can live and work.

2. The BPF has a committee dedicated to Healthcare Real Estate, reflecting the priorities that it's leading members place upon issues relating to primary care premises, care homes and extra care facilities, retirement living models, NHS estate transformation, and public/private collaboration. The committee's membership includes organisations leading the way in the delivery of high-quality and fit for purpose primary care premises. The delivery of such facilities through private sector development serves to provide the healthcare infrastructure necessary to support the NHS and to improve patient care across the UK.

3. We welcome the opportunity to respond to NHS England's review of General Practice Premises Policy as we note the importance of good quality, fit for purpose general practice facilities, and the respective value this can provide for the health of the country's population. We note that whilst 90% of all patient contact in the NHS occurs in general practice, the BMA have previously (2014) highlighted through their research that 'GP practice buildings in large parts of England are in such a poor state that they are beginning to seriously undermine patient care (BMA, 2014, https://bit.ly/2BEzc4H).' We therefore welcome the chance to work collaboratively with government and the NHS to explore the ways in which primary care infrastructure can be futureproofed.

4. Our submission addresses the stated questions raised as part of the call for solutions and the comments provided are from the perspective of property owners, investors, developers, consultants, and advisors.

5. We would be delighted to provide further information on any aspect of this submission. Please contact Alex Green (Assistant Director), on either agreen@bpf.org.uk, or 020 7802 0107.

BPF Response to the General Practice Premises Policy Review: Call for Solutions

What is the outline of your proposal: what is the change from the current system, how long would it take for this change to be implemented?

6. We welcome this opportunity to provide feedback with regard to the current operation and sustainability of general practice premises, against the backdrop of increased uncertainty with regard to future provision of primary care services. It has been demonstrated that numerous barriers exist, and that pressures on general practice and the NHS are increasing over time. This call for solutions is therefore timely and we welcome the opportunity to provide perspectives from our membership, which comprises organisations that deliver successful, fit for purpose primary care premises amidst a backdrop of greater operational difficulty for GPs, set amongst a challenging real estate market with associated affordability issues.

7. Whilst the size of the challenges facing general practice premises should not be understated, our response seeks to offer some suggested alterations to current approaches rather than wholesale changes or fundamentally new solutions. To this end we express our support for a general practice estate based on multiplicity of ownership. Third-party ownership can play a significant role in delivering fit for purpose general practice premises, and further, integrated care solutions, when working in collaboration with GPs.

8. NHS Digital figures show that GP numbers have fallen in recent years, whilst surveys by the Royal College of General Practitioners (RCGP) highlight future trends to this effect. Whilst we acknowledge that there are myriad reasons for these trends - not least due to increasing workloads and significant demographic shifts (by way of an ageing population) – we would emphasise the role that appropriate, good-quality, and sustainable premises play in enabling GPs to operate successfully. In lieu of any additional capital funding or investment being apportioned by government, third-party models of premises delivery and ownership can play a part in offering current and future GPs an alternative option by way of investment in facilities and infrastructure, if supported by the appropriate NHS revenues for rent reimbursement. This in turn will enable more care to be moved out of hospitals and into local environments, one of the key aims of the NHS Five Year Forward View.

9. We note that in Scotland the government is taking action to ensure the sustainability of general practice by mitigating the effects of premise issues through the offer of a new premises code, in which the government has committed to a future where no GP is required to own its own premises, or to be leaseholder on third-party premises. The Scottish government will, instead, offer practices the option to sell their building to government or for the local health board to become the leaseholder if the building is owned by a third-party. It is a notable way in which the Scottish government is offering comfort on premises to GPs in a part of the country where recruitment is particularly acute (alleviating premises risk as a barrier to entry). Such models hold the potential to eliminate GPs concerns about holding long-term lease/ownership risk, an issue of particular importance in a climate where challenges exist around the affordability of real estate.

10. There are however solutions to perceived lease risks that require less fundamental change. As perceived concerns over the future of the NHS and general practice have grown among GPs, subsequent concerns about signing leases for 15-25 years have also grown for GPs who perceive they may be the final name left on a lease. Attempts to mitigate the issues around the principle of 'last partner standing' have been made by the BMA in recent years, by inserting a 'last partner standing' clause in its template lease for properties owned by NHS Property Services, which allows a GP to break their lease if they hand back their GP contract. Concerns around being last partner standing can act as a barrier to GPs wanting to progress a scheme for a new-build primary care centre, or a sale and leaseback arrangement for an existing surgery building. However, third-party owners are already considering and mitigating this issue and are working hard to offer GPs flexibility and comfort. Amongst our membership it has been suggested that in order to address last partner standing issues that a form of 'step-in' provision could be implemented by the NHS, which would apply in unforeseen events such as last partner standing or practice failure, and only if the premises were deemed essential for ongoing healthcare services in that community, and were assessed as fit for purpose. In such circumstances, an NHS body would take an assignment of the lease and the existing tenants would cease to be liable for the lease obligations save for any pre-existing breaches of tenant's covenants. Such an arrangement could singularly remove the perceived risk of GP partners signing long leases for modern high-quality premises.

11. With regard to timescales for change, this would largely be dependent on the respective timescales for policy reform and cultural change. In an operational sense the third-party development and ownership model for primary care premises is currently in place.

Which of the issues currently impacting on general practice estate will be addressed by your proposal and how?

12. As noted in our previous answer, the Scotland model – which, in effect, aims to 'relieve' GPs of property responsibilities if they no longer want to own or be a leaseholder of premises themselves, as long as their premises meet 'fit for purpose' tests and requirements for the delivery of primary care in that community - would help to alleviate existing lease/ownership risks on GPs where the historic model of premises ownership is impacting upon recruitment and long-term practice planning. A potential solution in England, requiring a less fundamental shift however, would be a 'step-in' provision to be implemented by the NHS, which would apply in unforeseen events such as last partner standing or practice failure, and only then if the premises were deemed essential for ongoing healthcare services in that community, and were assessed as fit for purpose. This would remove the perceived risk of GP partners signing long leases for modern high-quality premises.

How will this change support innovation and flexibility for the future, including accounting for the increased use of technology and digital opportunities, which may impact on the type and amount of estate required.

13. Innovation, flexibility, and sustainability are at the centre of many premises delivered through third-party ownership models. Theses criteria also play a significant role in ensuring that general practice premises and the associated space is appropriately utilised. Whilst we acknowledge that the private real estate sector is to some extent constrained in what it can build and deliver – in line with the project requirements of the NHS – there are many examples of third-party developed premises which bring together numerous services under one roof to optimise the use of space, deliver sustainable facilities, and in some instances make use of previously developed land/heritage assets. Such examples include:

    - Assura's Frome Medical Centre, Freshney Green Primary Care Centre, and
    - Primary Health Properties' Lion Medical Centre.

    It should be noted that these facilities in the round, also integrate modern technological and digital processes that provide further efficiencies by way of patient care and day to day operational activity for GPs.

14. A review of general practice premises policy, against the backdrop of significant NHS estate and operational transformation, offers a great opportunity to consider the broader role of healthcare in the planning and delivery of sustainable places for communities. This is particularly important with regard to the 'type and amount of estate required' to provide the required health equality across the UK. Whilst the private healthcare real estate sector is willing and able to significantly contribute to delivering more fit for purpose general practice premises (as well as wider health and care infrastructure), this opportunity must be taken to align the wider societal goals of developing great places that marry healthcare, housing, employment, transport infrastructure, and public open space.

What are the intended benefits and added value of this proposal?

15. We have outlined the intended benefits and added value of our proposals through the other individual answers to the consultation questions.

16. Broadly however, the benefits and added value of these proposals can be summarised as: facilitating the delivery of fit for purpose, modern, integrated, and sustainable primary care premises through third-party delivery and ownership models that are grounded in the experience, expertise, and resources of the respective organisations. An increased role for third-party ownership models can result in better outcomes for patients, both through providing the necessary care infrastructure, and through offering GPs more

sustainable, lower risk, operational models. Such models can also manifest savings for the NHS and HM Treasury both in terms of direct capital expenditure and operational efficiencies.

What are the cost and efficiency implications of this proposal, and over what timescale? If additional funding is required, how will this provide value for money for the tax payer?

17. In the summer of 2017 a consortium of BPF members including Assura, Primary Health Properties, and Octopus Healthcare made a Primary Care Premises Pledge. This outlined the potential to invest £3.3bn in primary care premises over five years to deliver 750 state of the art primary care buildings. The BPF has previously estimated (BPF, 2015, https://bit.ly/2Ps4XAL) that significant efficiencies could be delivered to the effect of £270m through the provision of modern, multifunctional and sustainable premises, which would accrue from reducing the non-urgent use of A&E departments, reducing pressure on walk-in centres, and increasing GP care for the elderly. This commitment has no up-front capital cost implication for the government purse, however strong commitments to respective rents from central government/the NHS would enable and facilitate such investment.

18. We have however given consideration to further comments regarding cost implications and the broader funding models for premises upgrade and delivery. The changes to Premises Cost Directions (PCD) made in spring 2018 are welcomed, particularly with regard to the prescribed use of improvement grants to fund up to 100% of the cost of premises improvement/upgrade/expansion. We do however believe that the directions could have gone further to facilitate the use of grant funding for the delivery of new schemes. The demand for such grant funding is indicative of the value of such mechanisms. Amendments to the PCDs could support GPs in improving premises and delivering new projects more swiftly. Notwithstanding this avenue for the improvement of the general practice premises estate, we would emphasise the role that third-party development can play in successful outcomes. As exhibited above the full potential and capacity of the healthcare real estate sector is waiting to be utilised by way of capital and expertise.

Who will be most affected by the change? Including all stakeholders who could be positively or negatively affected by the proposed change and with consideration given to the potential impact on health inequalities.

19. The delivery of third-party developed general practice premises has seen numerous positive outcomes for patients, outcomes that can be built upon with further investment in such facilities. By providing state of the art buildings with the collocation of services such as physiotherapy, audiology, dentistry, minor surgery, and mental health support, to name but a few, the respective staff are able to reduce local hospital and emergency admissions. This demonstrates a positive impact on the population and on NHS services.

20. Third-party development and ownership models will also have an impact on general practitioners. As stated already in our submission, the proposed delivery and ownership models can help to mitigate diminishing numbers of GPs. Although not the only existing barrier, fit for purpose premises without lease/ownership risk may encourage entrants and minimise the numbers of those leaving the profession.

Is there evidence available to support your proposal? Please summarise and include links/references as appropriate.

21. We have provided appropriate links and references throughout other paragraphs and within our broader submission.

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