

Draft V0.6

Title of Meeting:	NY CCG Primary Care Commissioning Committee	Agenda Item: VIRTUAL										
Date of Meeting:	VIRTUAL DECISION	<table border="1"> <tr> <th colspan="2">Session (Tick)</th> </tr> <tr> <td>Public</td> <td>X</td> </tr> <tr> <td>Private</td> <td></td> </tr> <tr> <td>Development Session</td> <td></td> </tr> </table>			Session (Tick)		Public	X	Private		Development Session	
Session (Tick)												
Public	X											
Private												
Development Session												
Paper Title:	Brook Square Surgery GMS Contract Change											
Responsible PCCC Member Lead Wendy Balmain, Director of Strategy and Integration		Report Author and Job Title Andrew Dangerfield Head of Primary Care Transformation										
Purpose – this paper is for:	<table border="1"> <tr> <th>Decision</th> <th>Discussion</th> <th>Assurance</th> <th>Information</th> </tr> <tr> <td>X</td> <td></td> <td></td> <td></td> </tr> </table>				Decision	Discussion	Assurance	Information	X			
	Decision	Discussion	Assurance	Information								
X												
<p>Has the report (or variation of it) been presented to another Committee / Meeting? If yes, state the Committee / Meeting: Yes. A version of this paper has been to the Executive Director Group on (TBC)</p>												
<p>Executive Summary The paper details the application from Brook Square Surgery and Intrahealth, to renew the premises lease with Assura for a further 25 year period with an increase in cost of £3,150 per annum (excluding VAT). The District Valuer has approved the rental value but with reservations on the length of the lease. NHSE and the CCG have negotiated the terms of the lease but have not been able to change the length of the lease. There is no undue financial risk to the CCG from the length of the lease as the GMS contract is expected to remain in place for the duration of the lease.</p>												
<p>Recommendations The Primary Care Commissioning Committee is being asking to: Approve the application to renew the lease and the increased reimbursement.</p>												
<p>Monitoring Any updates in respect of this application will be brought to the PCCC.</p>												

CCGs Strategic Objectives supported by this paper

	CCG Strategic Objective	X
1	Strategic Commissioning: <ul style="list-style-type: none"> To take the lead in planning and commissioning care for the population of North Yorkshire by providing a whole system approach and to support the development of general practice. To make the best use of resources by bringing together other NHS organisations, local authorities and the third sector to work in partnership on improving health and care. To develop alliances of NHS providers that work together to deliver care through collaboration rather than competition. 	X
2	Acute Commissioning: We will ensure access to high quality hospital-based care when needed.	
3	Engagement with Patients and Stakeholders: We will build strong and effective relationships with all our communities and partners.	X
4	Financial Sustainability: We will work with partners to transform models of care to deliver affordable, quality and sustainable services.	X
5	Integrated / Community Care: With our partners and people living in North Yorkshire we will enable healthy communities through integrated models of care.	X
6	Vulnerable People: <ul style="list-style-type: none"> We will support everyone to thrive [in the community]. We will promote the safety and welfare of vulnerable individuals. 	
7	Well-Governed and Adaptable Organisation: In supporting our objectives we will be a well-governed and transparent organisation that promotes a supportive learning environment.	X

CCG Values underpinned in this paper

	CCG Values	X
1	Collaboration	X
2	Compassion	
3	Empowerment	X
4	Inclusivity	
5	Quality	
6	Respect	

Does this paper provide evidence of assurance against the Governing Body Assurance Framework?

YES		NO	X
-----	--	----	---

Any statutory / regulatory / legal / NHS Constitution implications	The PCCC has delegated authority to approve
Management of Conflicts of Interest	No conflicts of interest have been identified prior to the meeting.
Communication / Public & Patient Engagement	PCCC papers are published on the CCG website. See EIA for further detail.
Financial / resource implications	Financial and resource implications are detailed within the paper.
Significant Risks to Consider	All risks have been considered with the Executive Director Group and no risks are considered to be of significance.
Outcome of Impact Assessments completed	There is no requirement to complete an EIA as no changes to services are being undertaken.

Wendy Balmain
 Director of Strategy and Integration

Primary Care Commissioning Committee

Rent Reimbursement and Lease Review for Brook Square

1.0 Introduction and Background

Practice Premises

- Trafalgar House is a purpose-built GP practice on Trafalgar Street West built in 2005, to accommodate a practice with a list of up to 4000 patients.
- The previous PCT was located in the offices on the top floor of Trafalgar House with the ground and first floor accommodated the Practice
- In 2012, when the PCT announced they were leaving the building, the Practice had grown to 5,500 patients with the original 5 GP partners. The PCT had funded one third of the lease costs and the Partnership now needed to meet this extra cost.

The Partnership was responsible for the lease of the whole building and looked for different options to ensure the premises were utilised fully including funding for the whole lease.

Norwood House Surgery was located in a Victorian house and not fit for CQC standards, needed a purpose-built surgery. A merger of Trafalgar Medical Practice and Norwood Hse was completed on 29 May 2014 to create Brook Square Surgery with 8 GP partners.

The premises were renovated by Assura to create an additional 8 clinical rooms, a waiting room, staff room facilities for the 50% increase in staff. A 25 year lease was signed, with no break clause in the lease. At that time this was reasonable as it provided longevity for the Practice – the situation has changed significantly for general practice in recent years.

2.0 Proposal

The Partners at Brook Square have agreed to novate their GMS contract to IntraHealth Ltd subject to final approval by PCCC. The Brook Square premises is owned by Assura and a lease is in place with the existing Partners. Assura have proposed surrendering the existing lease and agreeing a new lease with IntraHealth from 01 April 2022. Assura have advised this is due to the valuation on the property being affected by the higher risk or agreeing a lease with a Ltd company and are not therefore prepared to re-assign the existing lease.

Assura have submitted a proposed new lease for approval (attached). The lease was sent to the District Valuer (DV) who was appointed by NHSE to undertake a market valuation of the property. The DV negotiated around some of the terms of the lease with Assura to ensure it delivered value for money.

The DVs findings after the negotiation were as follows:

- *The lease term being discussed by the landlord and GP practice is 25 years. It is my opinion that the lease proposed is overly long for the property in its existing condition. Many of the fittings are relatively dated and are now over 16 years old. If a 25-year lease was agreed then by the end of the term, these fittings would be over 41 years old. The landlord has stated that they are unable to do any improvement works in return for a longer lease. Looking at the building as it stands, it is my view that the maximum lease I could support would be a 15-year lease, ending in 2037. Given that the reversionary*

lease is due to end 18 months later in September 2038, I would be prepared to recommend a lease that would also end in September 2038.

- *I am of the opinion that the Market Rent for Brook Square Surgery as of 1st March 2022 is £156,300. This has been agreed with Assura. The existing rental value per annum is £153,150 which would see an increase of £3,150 per annum (excluding VAT)*
- *Supportive of all other lease terms.*

The CCG is asked to consider approving the new lease between Intrahealth and Assura noting the 25 year lease terms is not supported by the DV

The risk of not approving the lease at this time would be Assura reconsidering their decision to enter into a lease with Intrahealth which could result in the novation not being finalised. There are no financial risks to the CCG from this approval. It is expected that the landlord will carry out normal maintenance and repairs over the life of the lease.

3.0 Recommendation

The Primary Care Commissioning Committee is asked to:

Approve the application for the renewal of the lease for the term proposed.

Wendy Balmain, Director of Strategy & Integration