

Chris Acton

The Primary Care Partnership

Introduction

Former GP practice manager and partner

Author of the Primary and Social Care Planning and Design Guidance

Director of PCP (formerly Acton Shapiro)

Consultant to dozens of property schemes nationwide

Aim for this session

A briefing on current property issues

An opportunity to share our collective experience

Background

- Two thirds of current 8,300 GP practices are GP owned, 20% investor owned
- 40% of surgeries will need replacing within next 5 years (Savills)
- 80% of diagnostics & 50% of outpatients appointments could be moved to primary care
- NHS Property Services Ltd (a government owned company) will become landlord of practices owned by PCTs in 2013 – and significant numbers of these don't have leases or a licence

GPs are special

As they are a hybrid of employee and being self-employed

Prior to 2004 – “Intended Average Net Income”

Now – take as much profit as you can – innovate – QIPP & CQC

Also

Earnings above £100k are being taxed at 60% + NIC

Pension contributions could rise to 28.5% in 2014

Thus every £1 extra = 20.9 p in his or her pocket

Property ownership can help

- As funds can build up in a property capital account
- As new services can be brought in (see separate handout)
- With secondary care activities moving to primary care

And most importantly

- Property is a government backed long term rental stream
- Long term debt is available
- Overwhelming need to upgrade outdated facilities
- Large numbers of practices are substandard

The Options

- Move to leased premises (including LIFT facilities in England)
- Re-develop existing GP-owned buildings through sale and leaseback
- Increase (or take out) a mortgage to upgrade existing building
- Apply for an improvement grant
- Use spare capacity to generate new income e.g Concordia
- If renting, ask landlord to fund improvements e.g Matrix
- Move premises and possibly share with another practice

The essential requirement – a business case

- Evaluates how the practice is meeting its community needs
- Identifies shortcomings and how these impact on local needs
- Includes a detailed programme and designs
- Reports on consultation arrangements
- Gives costings

..... but costs between £5k & £8k

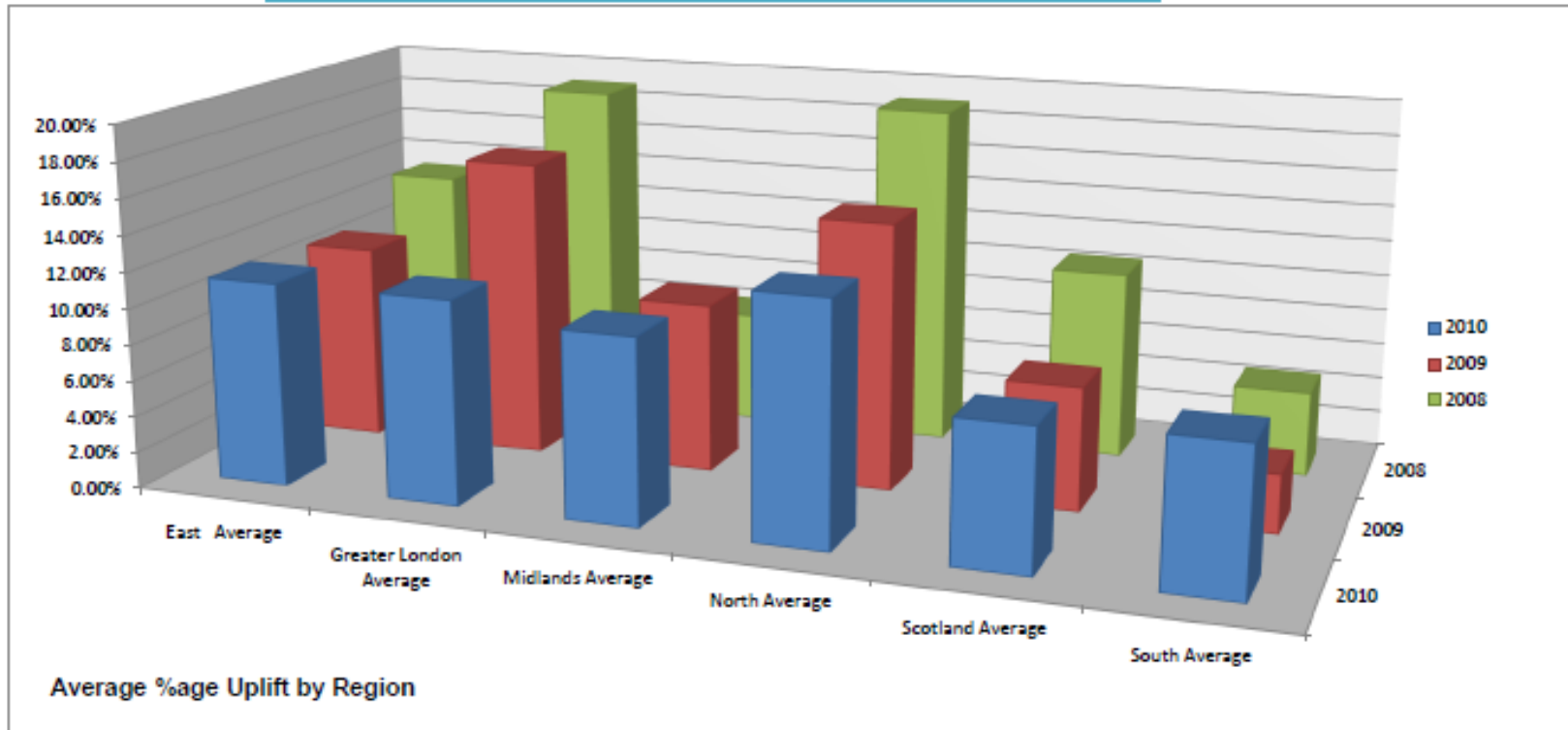
What GPs worry about

- Spending money
- Borrowing money
- Finding tenants e.g. Pharmacy/community outpatient providers/PAMs etc
- Finding time
- Negotiating with their PCT (CCG)
- Finding trustworthy advisers
- The future
- Choosing a vehicle for delivering a development

Merits of different vehicles for delivering a development (JWPCreers)

LIMITED COMPANY		PARTNERSHIP		
1.	Liability of members limited	10	1. Unlimited liability of partners	(10)
2.	Personal guarantees may be required for finance	(5)	2. All income likely to be taxed at a higher rate whether retained in business or not	(5)
3.	Ownership flexibility through shares	10	3. Capital allowances relief at marginal (higher) income tax rate	5
4.	Tax savings through taking income as dividends	10	4. Pension tax could result from breaching lifetime and annual limits of property income stays in partnership	(5)
5.	Tax savings if surpluses are retained in the limited company	10	5. Inheritance tax implications potentially advantageous	5
6.	Capital allowances relief at lower corporate tax rates	(5)	6. Capital gains tax potentially currently at a lower rate	5
7.	Takes income out of superannuation could be useful if partners near annual or lifetime limits for pension contributions	5	7. Less administrative burden	10
8.	Possible double tax charge if property sold by limited company	(5)		
9.	Additional admin burden	(5)		
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		25		5
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Rentals (PCPF 2011)



A quick word about CQC

- 28 core standards
- Registration required by end of 2012
- Requires practices to register their 'regulated activities' e.g.
 - Treatment of disease, disorder or injury
 - Diagnostic/screening procedures
 - Surgical procedures
 - Family Planning
 - Maternity/Midwifery
- Increases standards required for premises

CQC premises standards

- Premises promote privacy, dignity and choice
- Premises are child-friendly (e.g. play area, allow space for child to be accompanied, etc)
- Confidential space (e.g. interview room) available for meeting with patients when necessary
- Heating & lighting systems are adequate
- Toilet facilities are adequate for staff and patients/visitors
- Baby change/baby feeding facilities are available

CQC Assist Software (licensed by the Primary Care Partnership Ltd)

QUESTION				
Potential Risk Area 7: Cleanliness And Infection Control - (complete)				
Management arrangements for managing infection control are clear - (Complete)				
An Infection Control lead for the Practice is clearly identified	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Staff know the identity of the Infection Control lead	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Policies and Procedures concerning infection control are in place - (Complete)				
An Infection Control policy is in place for the practice	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Procedures for single-use of equipment (or cleaning and re-use) are clear	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Policies for cleaning and decontamination of equipment based on advice from relevant experts e.g. local infection control advisers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Uniform policies and their cleaning ensure that infection risks are minimised	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Autoclaving is carried out within guidance/regulations, or outsourced to appropriate organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Systems for assuring cleanliness of premises are in place - (Complete)				
Appropriate cleaning arrangements for the practice are in place.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Independent systems for inspection of the effectiveness of cleaning arrangements exist	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cleaning frequencies for specific areas are clearly specified	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arrangements for emergency cleaning (e.g. for spillages) are in place and equipment/spillage kits available	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Appropriate information about infection control is provided - (Complete)				
Information about infection control and hand cleaning is available to patients e.g. on website, via leaflets, practice intra-net, etc.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion

The Primary Care Partnership