

NHS North Cumbria CCG Primary Care Commissioning Committee	Agenda Item
11 May 2017	6

Sale & Leaseback of GP Premises: Carlisle Health Care

Purpose of the Report							
The purpose of the report is approve the sale and lease back of the Brunswick House and Harraby Surgeries currently owned by the Carlisle Health Care practice.							
Outcome Required:	Approve	X	Ratify		For Discussion		For Information
Assurance Framework Reference:							

Recommendation(s):
The Primary Care Commissioning Committee is asked to:
Approve the sale and lease back of the Brunswick House and Harraby Surgeries currently owned by the Carlisle Health Care practice.

Executive Summary:
<p>Key Issues:</p> <p>As required under the current GMS Premises Cost directions the transfer in ownership and transferral of rent reimbursement from notional to actual rent require the approval of the commissioner. The (then) Brunswick House GP practice commenced this process around 18 months ago and applied to NHSE (Cumbria & North East) for such approval. NHSE engaged the District Valuer in order to assess the matter on the commissioners’ behalf and in order to protect their financial interests. Owing to one outstanding matter the issue was unable to be resolved by the 31 March and hence NHSE were unable to formally issue approval. The District Valuer concluded that following the resolution of an outstanding matter within the initial proposed lease agreement – namely that rent reviews can be reviewed upwards and downwards including the possibility of falling below the commencing rent –that he was satisfied that the lease provisions are good value for money and do not pose a significant risk to the taxpayer.</p>

Key Risks:

There are no immediate risks as a consequence of this transaction but the CCG has sought formal assurance from the practice that in approving these arrangements then the transaction does not provide any impediment to any potential future development of GP premises in Carlisle. The practice has confirmed the following position so these risks are mitigated:

- Acceptance that should any redevelopment occur then the NHS as a commissioner will not pay any termination costs associated with terminating this lease agreement (i.e. the risk resides with the practice).
- The any potential new development will be subject to NHS rules on procurement and achieving value for money for the tax payer, and therefore support of the sale/lease back proposal does not imply any obligation whatsoever to use the company in any future transaction.

Implications/Actions for Public and Patient Engagement:

There are no implications from this transaction.

Financial Impact on the CCG:

The rent reimbursement from the date of the agreed sale, until the first review date, will be no more than the current notional rent i.e. £71,750 per annum for the main surgery premises at Brunswick House and £29,000 for the branch surgery at Harraby Surgery. Hence, the transaction is revenue neutral to the CCG.

Strategic Objective(s) supported by this paper:	Please select (X)
Support quality improvement within existing services including General Practice	X
Commission a range of health services appropriate to Cumbria's Needs	
Develop our system leadership role and our effectiveness as a partner	
Improve our organisation and support our staff to excel	

Impact assessment: (Including Health, Equality, Diversity and Human Rights)	
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Conflicts of Interest Describe any possible Conflicts of interest associated with this paper, and how they will be managed	Any potential conflicts of interest has been managed through the CCG obtaining independent advice from the District Valuer
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