



Fact Sheet No. 37

GP Premises | Top Ten Tips



**Quick update for GPs
& Practice Managers**

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10

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Adam Thompson from Primary Care Surveyors shares his top ten tips on GP premises. Adam has over 20 years' experience as a chartered surveyor in the primary care sector. He acts for GP practices as well as property developers, investors, banks and pharmacy operators developing new medical centres. He also undertakes valuations, rent reviews and investment transactions. His career started at the District Valuers so he understands primary care property issues from all angles.



For all premises

1. **Partnership Agreement.** Is there a Partnership Agreement in place and how is the property treated within that? Is the basis of valuation still relevant? e.g. If the property is likely to cease to be used as a surgery in the foreseeable future, should the value then reflect its potential use rather than restricting the value to that as a surgery?

For premises which are owned

2. **Make sure your notional rent is reviewed.** NHS England is now responsible for commencing any triennial reviews of notional rents. Don't let your rent review be overlooked. There are instances where the process has not been started with rent reviews potentially being overlooked.
3. **Negotiate your notional rent.** It is often worthwhile appointing a surveyor to act on your behalf to review the Current Market Rent Assessment. Remember that from time to time the basis of how doctors' surgeries are to be measured does change e.g. the amount of floor area included within the notional rent. Guidance has changed recently; in some instances entrance lobbies can sometimes be included.
4. **Invest in your premises.** It is important that premises are kept in reasonable condition. Practices should use some of their notional rent to pay towards upkeep of the property. Keep your premises in reasonable condition as this can enhance the rent negotiated within the District Valuer. Some of the notional rent may also be used to undertake periodic refurbishment of the property to ensure that it doesn't become too dated. This in turn can also assist with CQC compliance.
5. **Utilisation.** How well utilised is the property and are there rooms that are under-utilised? Could these rooms be used by other healthcare providers?
6. **Ownership.** Is the property treated as a partnership asset i.e. partners within the Practice have to own the property or can external people (e.g. former partners) be owners? There are cases now where the partners have retired but retain ownership with new partners not owning the property.
7. **Sale and Leaseback.** Is property ownership proving to be cumbersome for the Partnership? Sometimes a significantly valuable surgery can be a barrier to new partners joining. Is it worthwhile considering separating ownership of the property from the operation of the surgery?
8. **Pharmacy Opportunities.** Is there the opportunity to create a pharmacy on the premises? Pharmacists often pay a premium (lump sum) as well as rent. This can improve the performance of the property significantly.

For premises which are rented

9. **Leased Premises.** If a Practice occupies a property by way of a lease, the new Premises Directions from April 2013 dictate that the landlord and tenant are to agree the rent first before the tenant can seek reimbursement of rent from the NHS.
10. **Health Centres.** Practices that are based in health centres rarely have a lease agreement. With the change of ownership of the health centre to NHS Property Services, leases will shortly be required to be completed. It is imperative that Practices seek professional advice from both surveyors and solicitors before agreeing the terms of the lease

Useful websites | Department of Health (www.gov.uk) Primary Care Premises Forum (www.pccpf.co.uk)
NHS Property Services (www.property.nhs.uk) NHS England (www.england.nhs.uk)
Primary Care Surveyors (www.primarycaresurveyors.com)

The Family Doctor Association | www.family-doctor.org.uk | Membership enquiries 01706 620 920