

South East London Primary Care Commissioning Committee – Part 1

DATE: 14th May 2020

Title	Knoll Medical - Premises Discretionary Funding	
This paper is for decision		
Borough	Bromley	
Practice Details	Practice Name	Knoll Medical Practice
	Contract Type	PMS
	Site Address(s) inc. branch sites	Orpington Health and Well Being Centre
	List Size	13,400
	No. of Partners	3
	Current CQC Rating	Good
	PCN Details	Orpington PCN
Recommended action for the Committee	Final approval is sought from the South East London Primary Care Commissioning Committee for discretionary funding in relation to 66% of non-recurring costs for legal fees and Stamp Duty Land Tax incurred in occupying the new Orpington Health and Well Being Centre (£17,711)	
Summary	<p>The Orpington Health and Well Being Centre opened in September 2019, with the Knoll Medical Practice moving into the new premises at the same time.</p> <p>The full business case was approved by NHS England in May 2016. As part of that approval, Bromley CCG and NHS England confirmed the commitments to the GP contract holders (the practice partners) as set out in the letter of 5th May 2016 (appendix 1).</p> <p>The letter confirmed the CCG and NHS England commitment to cover:</p> <p>The reimbursement of:</p> <ol style="list-style-type: none"> a. Recurring costs for the full term of the Under lease as follows: <ol style="list-style-type: none"> i. Current Market Rent (CMR) plus any Value Added Tax properly charged, (i.e. reimbursement of a 105% of the CMR on the basis that the additional annual sum I set aside as a sink fund for large costs associated with the health centre overheads, such as major refurbishments / decorating which NHS England has previously indicated would be allowed); ii. Business rates; iii. Water and sewerage charges; iv. Charges in relation to collection and disposal of clinical waste; and v. The cost of use and maintenance of 10 designated essential care user parking spaces. b. Non-recurring costs in the form of 66% of reasonable legal fees plus VAT properly charged and of Stamp Duty Land Tax 	

	<p>The Bromley Primary Care Committee on 23rd January 2020 confirmed the commitment to the recurring cost of the scheme and the agreement to the revised larger footprint in the health centre from 27.6% to 38.21%,</p> <p>The lease between the Knoll Medical Practice and NHS Property Services (the landlord) has now been signed.</p> <p>The GP contract holders have confirmed the costs for reimbursement as set out in the letter of commitment and also in accordance with the NHS (General Medical Services - Premises Costs) Directions 2013 in relation to the consideration of professional fees and related costs incurred in occupying new premises. 100% cost reimbursement was requested by the GP contract holders, however the confirmed commitment from Bromley CCG and NHS England was for 66%, which was in line with other capital schemes approved at the time.</p> <p>The confirmed costs are:</p> <table border="1" data-bbox="608 819 1264 974"> <tr> <td>Solicitor's Fees</td> <td>£3,926</td> </tr> <tr> <td>Stamp Duty Land Tax</td> <td>£22,909</td> </tr> <tr> <td>Total</td> <td>£26,835</td> </tr> <tr> <td>Reimbursed at 66%</td> <td>£17,711</td> </tr> </table> <p>Copies of invoices in relation to legal fees and details of the calculation of the SDLT have been provided in support of this reimbursement. The legal costs are considered reasonable, set against the costs of the overall scheme and compared to other projects.</p> <p>Funding for these costs come under discretionary payments and final approval from the South East London Primary Care Committee for the costs is required, which is in line with the previous Bromley CCG and NHS England commitment to the scheme.</p>		Solicitor's Fees	£3,926	Stamp Duty Land Tax	£22,909	Total	£26,835	Reimbursed at 66%	£17,711
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<p>Potential Conflicts of Interest and mitigations</p>	<p>Dr Ruchira Paranjape, a partner at the Knoll Medical Practice, is a clinical lead for South East London CCG and was a clinical director of Bromley CCG. This has been recorded in the declaration of interests. Dr Paranjape has not taken part in any CCG governance discussions in relation to this scheme.</p>									
<p>Impacts of this proposal</p>	<p>Key risks & mitigations (and/or BAF reference)</p> <p>Equalities legislation impact</p> <p>Financial impact</p> <p>Impact on patients / service users</p> <p>Impact on other practices, including PCNs</p> <p>Estates impact</p>	<p>None</p> <p>A full impact assessment was completed as part of the business case for the scheme</p> <p>Non-recurrent cost of £17,711 which has been accounted for as part of 19/20 expenditure in line with the opening of the centre and so when the cost was incurred.</p> <p>Patients and service users were members of the project team</p> <p>The centre provides a number of services locally supporting the Orpington PCN and the wider Borough of Bromley</p> <p>The centre is a key part of the Bromley Borough Estates Strategy</p>								

ENCLOSURE: 5 a

AGENDA ITEM: 8



South East London
Clinical Commissioning Group

	Workforce impact	N/A
	Improve quality / safety	There is a significant improvement in quality and safety with the transfer of services from the practice's previous temporary accommodation to the new purpose-built facility. The site was signed off by the CQC prior to the practice moving in.
	Support integration	The Orpington Heath and Well Being Centre is a key hub for integration in the area and services in the centre are provided by multiple providers in Borough.
	How does the recommendation align with the Boroughs primary care strategy?	The recommendation was part of the wider business case commitment to the Orpington Heath and Well Being Centre. The centre is a key part of the wider Bromley Borough primary care strategy, providing a major hub for services in the South of the Borough.
Wider support for this proposal	Patient Engagement	Patients and service users were members of the project team, including Health Watch.
	Other Committee Discussion/ Borough Engagement	Bromley CCG Primary Care Commissioning Committee Bromley CCG Governing Body
	Stakeholder engagement, including LMC, Health Watch, Scrutiny committee, MP's, Councillors,	All stakeholders have been engaged through various fora, including specific engagement event. Updates for the scheme have been provided to the Local Scrutiny Committee, Health and Well Being Board, as well as to local resident groups. Health Watch are part of the project group.
	Public Engagement	Full public engagement was undertaken as part of the development of the scheme and the review of wider services in Orpington, Public engagement will continue in any further developments of the scheme
Author:	Mark Cheung	
Job Title:	One Bromley Programme Director	
Directorate:	One Bromley	
Clinical Lead:	N/A	
Responsible Director:	Angela Bhan	
Please append any relevant documents including detailed reports; options appraisals; background documents; national guidance etc.		
List of appendices/ Supporting information	Name of document	
Appendix 1	Approval Letter from Bromley CCG and NHS England – 5 th May 2016	



1st Floor
Beckenham Beacon
379-397 Croydon Road
Beckenham
Kent
BR3 3QL



Southside
105 Victoria St
London
SW1E 6QT

The Practice Partners
Knoll Medical Practice
64 Sevenoaks Road
Kent
BR6 9JL

5th May 2016

Re: Orpington Health and Wellbeing Centre Full Business Case (FBC)

Bromley Clinical Commissioning Group (the "CCG") and NHS England are delighted to affirm their commitments in respect of the FBC for the Orpington Health & Wellbeing Centre development (the "Facility") and its proposed delivery by NHS Property Services Limited.

In consideration of Knoll Medical Practice entering into an Agreement for lease/Under lease with NHS PS for a demised area (26.78%) in the Facility this letter sets out the binding agreement between the CCG and Knoll Medical Practice and between NHS England and Knoll Medical Practice.

The CCG and NHS England acknowledge:

1. That the Knoll Medical Practice is relying on the terms of this agreement in entering into the Agreement for Under lease with NHS property Services for a term of 25 years in respect of their agreed demised area on the date NHS Property Services enter into a legally binding commitment with Berkeley Homes to take a 125 year lease of the shell of the Facility;
2. That this agreement sets out the terms for financial assistance for the duration of the Under lease; and
3. The payments by the CCG and NHS England set out in this agreement will be made under the terms of the Knoll Medical Practice's PMS Contract for the duration of that Contract.

The CCG and NHS England confirm their agreement to:-

1. The reimbursement of:-
 - a. Recurring costs for the full term of the Under lease as follows:
 - i. Current Market Rent (CMR) plus any Value Added Tax properly charged, (i.e. reimbursement of a 105% of the CMR on the basis that the additional annual sum is set aside as a sink fund for large costs associated with the health centre overheads, such as major refurbishments / decorating which NHS England has previously indicated would be allowed);
 - ii. Business rates;
 - iii. Water and sewerage charges;
 - iv. Charges in relation to collection and disposal of clinical waste; and
 - v. The cost of use and maintenance of 10 designated essential user car parking spaces.
 - b. Non recurring costs in the form of 66% of reasonable legal fees plus VAT properly charged and of Stamp Duty Land Tax.
2. Financial assistance towards service charges in accordance with the funding policy set out in the "*FIPA paper transitional service charge support for practices LMC v9 2016-04-27*" approved by the London Capital Committee.
3. The provision of Core GP IT services as provided for under the GP IT Operating Framework.
4. Capital funding for the cost of all Group 2/3/4 equipment (inc. of VAT) including the installation of a telephony system and patient call/check-in system for the Facility for use by your Practice and other tenants.

The CCG confirms its agreement to:-

1. Reimbursement of the cost of:
 - a. Digitisation of 100 linear meters of paper patient records prior to transferring to the new Centre; and
 - b. A programme of patient communication and engagement over the project period to services commencement.
2. Procure the provision of and make available to the Practice the exclusive use of 10 designated essential user car parking spaces for the term of the Under lease as set out in the Car Parking Agreement.
3. Provide the Practice with the opportunity to participate in the procurement of any soft FM and non-clinical support services undertaken by the CCG and that the appointment of the soft FM and non-clinical support services providers will be made with the Practice's prior written approval.

The CCG and NHS England further confirm:

1. That the terms of this agreement are irrevocable;
2. That the obligations on the CCG and NHS England set out in this agreement are binding on all of their respective successors; and
3. The commitments in this letter are given for the benefit of all future assignees of the Under lease in so far as they are also parties to the Knoll Medical Practice's PMS Contract.

Yours sincerely,



David Slegg
Director of Finance, NHS England (London)

Dr. Angela Bhan
Chief Officer, NHS Bromley CCG

Signed on behalf of Knoll Medical Practice to record agreement to the terms of the letter

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Date:

