

East Lancashire Clinical Commissioning Group

Agenda Item No: 6.3.1

REPORT TO:	Primary Care Committee	
MEETING DATE:	15 February 2015	
REPORT TITLE:	NHS England Primary Care Infrastructure Fund (PCIF), Revenue Consequences	
SUMMARY OF REPORT:	<p>In December 2014 NHS England announced a £1bn investment programme over 4 years to improve access and the range of services available in primary care, through investment in premises, technology, the workforce and support for working at scale across practices. The first tranche of this fund was to be deployed in 2015/16 to support a range of initiatives including schemes received from individual practices to improve their estate.</p> <p>Practices submitted bids in March 2015 which were categorised into:</p> <p>1 and 2 Schemes which met the criteria and could be delivered in 2015/16</p> <p>3 Schemes which met the criteria but required additional information or could not be delivered in 2015/16</p> <p>4 Did not meet the criteria</p> <p>For those schemes that were categorised as 1 or 2, NHS England has worked through a robust due diligence process including:</p> <ul style="list-style-type: none"> • Premises Directions eligibility • Value for money assessment – this will be via 3 quotes on • Review of revenue consequences due to the proposed wo • Gaining the practices agreement to fund their 34% • Assessment of whether a legal charge needs to be applied <p>In order to assess the revenue consequences, the District Valuer was instructed to undertake an assessment of any potential impact on notional rent due to the proposed capital works, which has been completed. This paper details any notional rent increases for each of the schemes.</p>	
REPORT RECOMMENDATIONS:	The Committee is requested to consider the request to approve notional rent increases for each of the PCIF schemes	
FINANCIAL IMPLICATIONS:		
REPORT CATEGORY:	Formally Receipt	Tick
	Action the recommendations outlined in the report.	✓

	Debate the content of the report	
	Receive the report for information	
AUTHOR:	Donna Roberts, Senior Contracts Manager NHS England	
	Report supported & approved by your Senior Lead	Y
PRESENTED BY:	NHS England	
OTHER COMMITTEES/ GROUPS CONSULTED:	Senior Management Team Executive Management Team	
EQUALITY ANALYSIS (EA) :	Has an EA been completed in respect of this report? Assume this will form part of due diligence.	N
RISKS:	Have any risks been identified / assessed? State Reference No. if currently on the Risk Register.	N
CONFLICT OF INTEREST:	Is there a conflict of interest associated with this report?	Y
PUBLIC ENGAGEMENT:	Has there been any public engagement associated with this report?	N
PRIVACY STATUS OF THE REPORT:	Can the document be shared?	N
Which Strategic Objective does the report relate to		Tick
1	Commission the right services for patients to be seen at the right time, in the right place, by the right professional.	✓
2	Optimise appropriate use of resources and remove inefficiencies.	✓
3	Improve access, quality and choice of service provision within Primary Care	✓
4	Work with colleagues from Secondary Care and Local Authorities to develop seamless care pathways	

NHS EL CCG – Primary Care Committee
15 February 2016

NHS England Primary Care Infrastructure Fund (PCIF), Revenue Consequences

1.0 Background

- 1.1 In December 2014 NHS England announced a £1bn investment programme over 4 years to improve access and the range of services available in primary care, through investment in premises, technology, the workforce and support for working at scale across practices. The first tranche of this fund was to be deployed in 2015/16 to support a range of initiatives including schemes received from individual practices to improve their estate.
- 1.2 Alongside programmes such as the Prime Ministers Challenge Fund, it is part of the new infrastructure and ways of working that are needed to enable:
- Improved access to general practice and its associated community services
 - Enhancing services to support patients manage their conditions in a community setting, with a measurable reduction in emergency attendances or admissions to hospital for those over 75

2.0 Assessment process

- 2.1 In January 2015 practices were invited to submit bids against the fund for consideration. On receipt NHS England undertook an assessment of all bids against the above two criteria and those that were supported were then prioritised based on the:
- Clear identified need
 - Value for money
 - Extent to which the scheme supports the longer term strategic direction for the local health and care system
 - Ability to work with wider public services
 - Deliverability in 2015/16
 - Longer term sustainability

Following assessment all bids were given a category 1, 2, 3 or 4:

- 1 and 2 Schemes which met the criteria and could be delivered in 2015/16

- 3 Schemes which met the criteria but required additional information or could not be delivered in 2015/16
- 4 Did not meet the criteria

2.2 Practices were notified of this category and for those in category 1 and 2 were informed that a due diligence process would be undertaken by NHS England Lancashire.

3.0 Due diligence

3.1 For all bids given a category 1 or 2 a due diligence process has been undertaken in order to assess the following:

- Is the bid from a GP Practice which hold a contract with the NHS;
- Does the bid comply with The National Health Service (General Medical Services Premises Costs) Directions 2013, in particular Part 2 paragraphs 7-12;
- The practices ability to pay their 34% contribution – written confirmation required on notification to the practice that bid has been approved
- Whether or not a legal charge needs to be applied to the premises
- Value for money - this will be done by the practices gaining three quotes for the works
- A review of the revenue consequences

3.2 All of the above has now been completed and been submitted via the capital governance structures at NHS England Lancashire for final approval and sign off.

4.0 Policies/Regulations

4.1 The framework which applies in relation to premises costs is The National Health Services (General Medical Services – Premises Costs) Directions 2013

5.0 Current Situation

5.1 East Lancashire has 5 schemes in Category 2 which have been supported in principle by NHS England and the CCG. As part of the due diligence an assessment of any revenue consequences has been undertaken and the Committee is required to approve or not approve any notional rent increases as a result of the proposed works.

6.0 Benefits to patients

6.1. To enable future planning and increasing demands on GP practices, the infrastructure fund will support patients by:

- Improving access to general practice and its associated community services

- Improving services for the frail and elderly, and hence a reduction in unnecessary demands on urgent care services
- Building of the foundations for more integrated care to be delivered in community settings

7.0 Patient Consultation

7.1. Practices are required to engage and inform patients of any changes to service provision in accordance with section 13Q of the NHS Act 2006. This states that “*NHS England must make arrangements to secure that individuals to whom the services are being or may be provided are involved (whether by being consulted or provided with information or in other ways.*” The duty applies to all levels of decision making by the Board of NHS England including where decision making has been formally delegated in both policy and commissioning, including, but not limited to:

- The strategic planning of commissioning arrangements
- The development/consideration of proposals that will impact on how and on what care is delivered (even if no decision to proceed has been taken)
- The final decision on whether a service should be changed/introduced/terminated
Practices have been notified this will be required to include a minimum of:
 - Posters in the Practice
 - Information on the Practice website
 - Discussion at the Patient Participation Group

8.0 Other Stakeholder Consultation

8.1. The Local Medical Committee (LMC) has been advised of the PCIF bids and support the applications which have been approved in principle.

9.0 Financial Implications

9.1. The information below describes the expected increase in revenue costs for each bid:

Scheme Ref: 001: Barrowford Surgery

Total cost of scheme	£70,850
Existing notional rent	£23,250
Notional rent on completion of proposed works	£27,000
Notional rent on application of abatement	£25,000
Revenue implications for CCG during the abatement period	£1,750
Revenue implications for CCG after the abatement period	£3,750
Abatement- number of years	5

Scheme Ref: 002: Blackburn Road Medical Practice

Total cost of scheme	£54,000
Existing notional rent	£32,250
Notional rent on completion of proposed works	£33,700
Notional rent on application of abatement	£32,900
Revenue implications for CCG during the abatement period	£650
Revenue implications for CCG after the abatement period	£1,450
Abatement- number of years	5

Scheme Ref: 003: Padiham Group Practice

Total cost of scheme	£109,000
Existing notional rent	£70,200
Notional rent on completion of proposed works	£72,900
Notional rent on application of abatement	£71,400
Revenue implications for CCG during the abatement period	£1,200
Revenue implications for CCG after the abatement period	£2,700
Abatement- number of years	5

Scheme Ref: 004: Colne Road Medical Practice

Total cost of scheme	£109,000
Existing notional rent	£37,800
Notional rent on completion of proposed works	£39,400
Notional rent on application of abatement	£38,500
Revenue implications for CCG during the abatement period	£700
Revenue implications for CCG after the abatement period	£1,600
Abatement- number of years	5

Scheme Ref: 005: Ightenhill Medical Practice

Total cost of scheme	£163,500
Existing notional rent	£2,700
Notional rent on completion of proposed works	£31,100
Notional rent on application of abatement	£28,800
Revenue implications for CCG during the abatement period	£1,800
Revenue implications for CCG after the abatement period	£4,000
Abatement- number of years	5

10.0 Risks and Mitigations

10.1. If the notional rent is not approved and schemes do not go ahead this may have the following consequences :

- Lack of expansion may impact on access
- Practices may not be able to increase their capacity and meet demand
- Any improvements proposed as part of the schemes will not go ahead.

10.2. These risks may be mitigated by approving the request. Alternatively practices could still go ahead with the proposed scheme but accept that no additional notional rent will be paid.

11.0 Decision Required

11.1. The Committee is requested to consider whether or not it will approve the increases in notional rent as outlined above.

Donna Roberts
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NHS ENGLAND