



Nottinghamshire   
Local Medical Committee

Representing and supporting GPs

# FOCUS ON...

ISSUE 8: MARCH 2024

**PREMISES CONSOLIDATED CHARGES**

OUR EASY TO READ  
SUMMARY OF CURRENT  
ISSUES FOR GENERAL  
PRACTICE

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# Premises consolidated charges

**We are currently supporting practices with their difficult discussions with NHS Property Services and Community Health Partnership (CHP).**

**This comes at a time of increased patient demand, contractual and financial uncertainty for our practices but as your LMC we are always here to support you.**

## Background

Since the introduction of the NHS Property Services Charging Policy in 2016, practices reported an increase in premises costs as NHSPS levy charges for rent, maintenance and service charges which were much higher than previous property companies.

These increases of non-reimbursable charges were outside any prior agreement and placed practices in the difficult position of diverting resources away from patient care.

With practices facing increasing premises debt due to these charges, this had potential to discourage doctors from becoming GP partners and impacting on succession planning for these practices.



**For any further support on this or anything else please email us at [liaison@nottslmc.co.uk](mailto:liaison@nottslmc.co.uk) or call on 0115 977 1341.**

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The surmountable concerns of practices were raised with the BMA and in 2020, they supported five GP practices in taking legal proceedings against NHSPS in relation to the calculation of service charges and the basis of recovering all costs.

***“The purpose of the litigation was to deter NHSPS from its bullish strategy of demanding increases from practices (sometimes under threat of legal action against the practice) without adequately establishing or explaining the legal basis for those increases.”  
(British Medical Association, 2024).***

The court case concluded in 2022 with the need for two separate hearings to focus on:

1. The principles for which NHSPS can charge a practice for
2. The amounts considered as debt due to NHSPS by these practices.

In one for the claims, NHSPS reduced the amount it claimed by a practice by £178,000, or 34% of the alleged total premise debt due.



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Three of those practices involved in the legal dispute with NHSPS had seen their owed debt incorrectly overvalued by £235,000. NHSPS were unable to provide evidence to support their charging claims against these three practices.

Details of the *Valley View Health Centre and others v NHS Property Services Ltd* legal case can be found [here](#).

In late 2022, NHSPS began sending settlement letter to practices to consider in resolving those outstanding debt matters.

## What is the LMC advice?

Our professional advice, echoed by colleagues at the BMA, has always been to pay all reimbursable costs (rent, business rates, water and clinical waste) and to only pay any historical/undisputed non-reimbursable payments as SOME payments must be made when the practice is in receipt of services.

Practices should only make payments if they agree with the legal basis upon which NHSPS/CHP have claimed the charges are due and agree they are accurate.



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The lack of clarity over what has been provided and agreed to be paid for means that much of the billing above and beyond historically agreed amounts is disputed. This therefore cannot be paid, and as a business should not be paid, until this lack of clarity is rectified. NHSPS appears to have acknowledged this as seen by the sizable write-offs they are now engaging in with many tenants.

We have always advised practices to engage constructively with NHSPS/CHP and as your LMC we are happy to facilitate discussions with NHSPS/CHP in an attempt to find mutually agreeable terms of occupancy going forward.

As in every case, we encourage you to seek independent legal advice before agreeing to anything.

- Insist that NHSPS/CHP provide evidence item by item for what is being charged to the practice
- Request NHSPS/CHP provide evidence that these services have been provided and ensure at a reasonable cost and to the required standard
- Consider independent legal advice before agreeing to any offers/terms from NHSPS/CHP



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- Make payments if practices are in agreement with the legal basis upon which NHSPS/CHP have claimed the charges are due and are accurate
- Seek legal advice when approached with Heads of Terms (including those based on the GP national template)
- Ensure practices fully understand their liabilities within proposed lease, such as service charges
- Undertake appropriate due diligence and seek legal advice where necessary
- Review any costings provided for management fees as these should be reimbursed by the commissioner. NHS England and NHS Improvement set out in their guidance

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