

WELSH HEALTH CIRCULAR



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

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Title: Primary Care Estate – Improvement Grants

For Action by: LHBs, GPs

Action required See paragraphs:

For Information to: See attached list

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Enclosure(s): Guidance for LHBs and GPs on Improvement Grants.

Dear Colleague,

Summary

- 1 The purpose of this circular is to notify Local Health Boards and General Practitioners of the process to be used when applying for improvement grants for primary care premises developments.

Background

- 2 Earlier this financial year the Assembly advised that a new funding system was to be introduced following the new GMS contract. Funding for primary care premises is now cash limited.
- 3 Local Health Boards will decide whether to support applications for improvement grants from GPs. In the decision-making LHBs will take into account the number of competing priorities including how the proposal fits into the LHBs' primary care estate strategies.
- 4 All Stage 1 and 2 applications should be sent to the Primary Care Estate Approval Forum via Richard Barr of the Community, Primary Care and Health Services Division.

Action

- 5 Chief Executives of Local Health Boards should ensure that Local Medical committees are made aware of this circular and arrange for GP practices in their area to receive a copy of the guidance.

John Sweeney
Head, Community, Primary Care and Health Services Division
Health and Social Care Department

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WELSH HEALTH
ESTATES
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Llywodraeth Cynulliad Cymru
Welsh Assembly Government

PRIMARY CARE ESTATE IMPROVEMENT GRANTS

GUIDANCE FOR
LHBs AND GPs

September 2004

CONTENTS

- 1 Purpose of the guidance
- 2 Summary of the Grant Process
- 3 Eligibility
 - 3.1 Patient List size
 - 3.2 Cost of works
 - 3.3 Types of Eligible for Improvement Grants
 - 3.4 Types of works not eligible for Improvement Grants
 - 3.5 Apportionment of total costs
- 4 General considerations
- 5 Guarantee of continued use
- 6 Grant Application Process
- 7 Flow Chart

Appendix A – Improvement Grant Application Form

Appendix B – Improvement Grant Agreement

Appendix C – Improvement Grant Scheme – Claim for Payment

IMPROVEMENT GRANTS

1 PURPOSE OF THE GUIDANCE

General guidance in respect of the application of improvement grants to GP practice premises is described in Part 2 of the NHS (General Medical Services – Premises Costs) (Wales) Directions 2004 available on the GMS Implementation Project HOWIS link <http://howis.wales.nhs.uk/gmscontract>.

The purpose of this guidance note is to describe the improvement grant process in Wales and the method of funding.

2 SUMMARY OF THE GRANT PROCESS

These are grants to fund improvements to GP surgery premises. GPs must complete an application form and obtain the Local Health Board's approval to the works and level of funding. The Local Health Board will make a Stage 1 application to the Welsh Assembly Government to reserve funds for the proposal. Once the confirmation of the reservation of funds is received, the Local Health Board will advise the GPs that work may commence. Once the improvement work has commenced the Local Health Board will then make a Stage 2 application to the Welsh Assembly Government for the draw-down of monies to the LHB who will transfer monies to the GP practice in stage payments.

Local Health Boards will decide whether to support applications for improvement grants and will make this decision by taking into account the number of competing priorities within the implementation of its primary care estate strategy and how best to achieve their strategic planning vision for the reconfiguration of the primary care estate in their area.

Local Health Boards will use their discretion in deciding the level of grant to be made available which will be between one-third and two-thirds of the cost of improving their surgeries, including professional fees associated with the design and supervision of the work, plus statutory fees charged by a local authority for approving plans and inspecting the building.

3 ELIGIBILITY

3.1 Patient List Size

All GPs providing unrestricted general medical services are eligible if their NHS list or average list in a partnership includes at least 500 patients in urban areas or 350 in rural area, or is expected to reach these levels within a year.

3.2 Cost of Works

Improvement grants will cover works costing between £1,000 and £300,000 (excluding VAT). Large extensions or refurbishment schemes costing over £300,000 (excluding VAT) must follow the new primary care development funding bid process.

3.3 Types of Works Eligible for Improvement Grants

According to the NHS (General Medical Services – Premises Costs) (Wales) Directions 2004 the types of projects that may be the subject of a premises improvement grant include the following:

- a) improvements to practice premises in the form of building an extension to the premises, bringing into use rooms not previously used to support delivery of primary medical services or the enlargement of existing rooms;
- b) improving physical access to and within practice premises, and alterations or additions for Disability Discrimination Act 1995 compliance;
- c) improving lighting, ventilation and heating installations (including replacement of other forms of heating by central heating) of practice premises;
- d) the reasonable extension of telephone facilities within practice premises (but not the initial purchase or replacement of telephone systems);
- e) the provision of car parking;
- f) the provision of suitable accommodation at the practice premises to meet the needs of children and elderly or infirm people;
- g) fabric improvements to practice premises such as double glazing, security systems and work required for fire precautions and other statutory building requirements; and
- h) refurbishment of a building not previously used for the provision of primary medical services but which is to be used as practice premises on a temporary basis.

3.4 Types of Work Not Eligible for Improvement Grants

LHBs must not, however, agree to fund the following expenditure with a premises improvement grant:

- a) any project where a contract has been entered into, or work commenced, that has not been subject to prior agreement with the LHB;

- b) any cost elements in respect of which a tax allowance is being claimed;
- c) the cost of acquiring land, existing buildings or new buildings;
- d) the repair or maintenance of premises, furniture, furnishings, floor covering and equipment;
- e) restoration work in respect of structural damage or deterioration;
- f) any work in connection with the domestic quarters or the residential accommodation of practitioners, caretakers or practice staff, whether or not it is a direct consequence of work on surgery accommodation; and
- g) any extension not attached to the main building by at least a covered passage way.

3.5 Apportionment of total costs

Where a project includes expenditure not attributable to GMS practice, cost must be apportioned accordingly. Apportionment would also be necessary where premises are used for a substantial amount of private practice.

4 GENERAL CONSIDERATIONS

The work must significantly improve existing arrangements. When making the assessment the Local Health Board must take into account the standards for surgery accommodation as provided within the GMS contract.

The work must improve what already exists, rather than create new premises. Accordingly, the premises to be improved must be in current use for GMS practice and already be covered by the rent and rates reimbursement arrangements. In extenuating circumstances a Local Health Board may consider it necessary to approve of improvement grants for premises not previously used for GMS purposes.

GPs must have security of tenure in respect of the premises. This means that the premises should either be owned by the practice or held on a lease, the unexpired term of which is as long as the minimum period of use specified by the Local Health Board. GPs must provide the Local Health Board with evidence of the landlord's written approval to the alteration.

Where work is undertaken on premises not used solely for GMS practices, the grant will only be applicable to the GMS practice part of the accommodation.

5 GUARANTEE OF CONTINUED USE

Before a grant is paid, Local Health Boards will require GPs to sign an undertaking that the improved practice premises will continue to be used for GMS purposes for the relevant period specified in the Premises Directions. Practitioners who own their premises will be required to repay a proportion of grant should they fail to comply with the undertaking. Practitioners who rent their premises will be required to produce evidence that they will enjoy protection under the Landlord and Tenant Act 1954 Part 2 and that they intend to occupy the premises for the specified period. Again the penalty for non-compliance by GP premises leaseholders is repayment of a proportion of the grant.

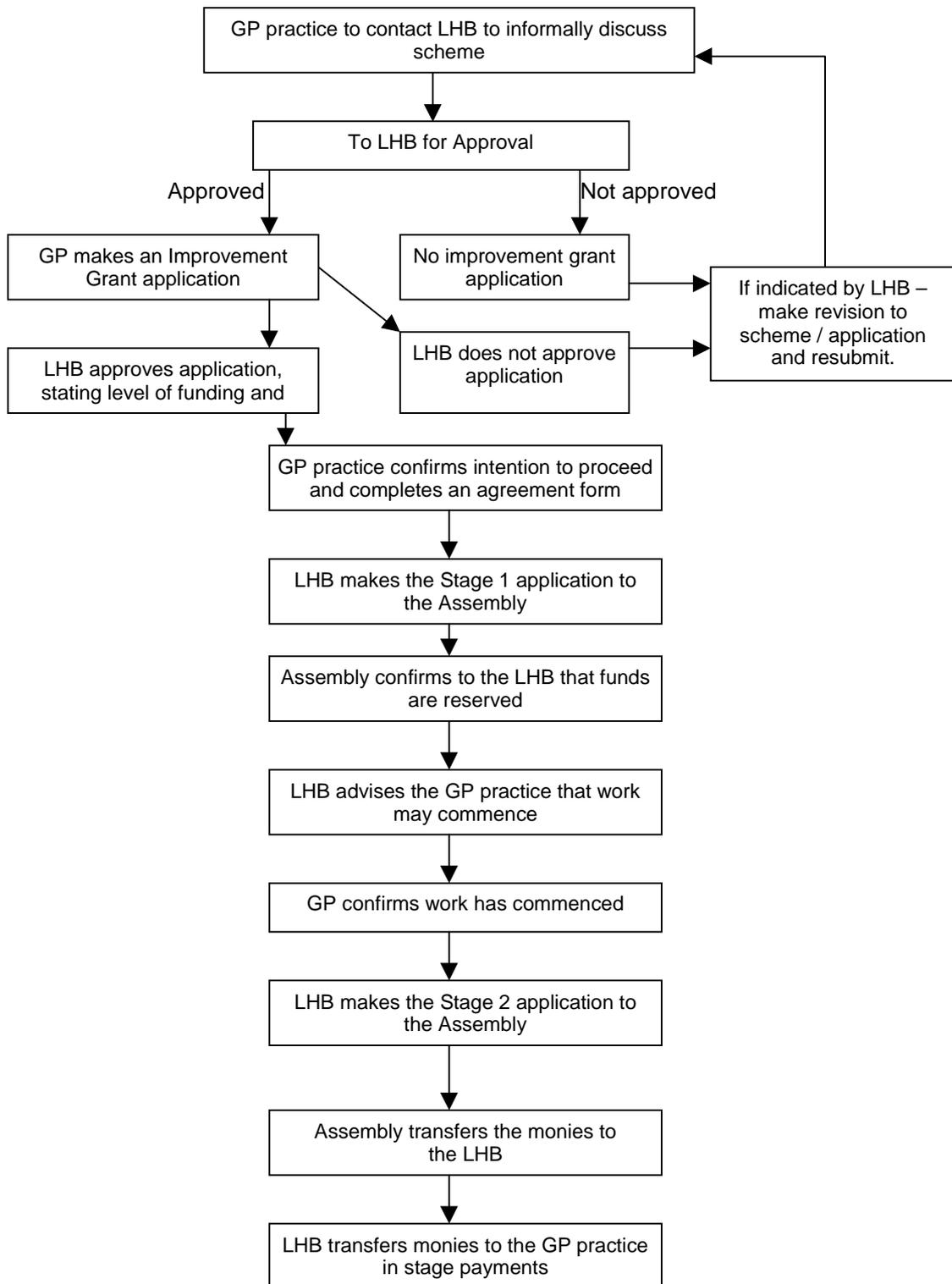
6 GRANT APPLICATIONS PROCESS

- 6.1 No applications for improvement grants should be made in isolation from the implementation of the Local Health Board's integrated estate strategy. GPs must consult with the LHB to agree that the work is necessary and forms part of the strategic vision for the reconfiguration and modernisation of the primary care estate. GPs should therefore ensure that they discuss proposals with the LHB at an early stage to avoid misunderstandings, unnecessary design work and expense.
- 6.2 Once the proposal has been agreed in principle between the GPs and the LHB, the application form (Appendix A) should be sent to the Local Health Board with the following documentation:
- 3 quotations of the total costs, including fees. The lowest tender would normally be chosen unless there is evidence that the quotations have not been provided on an equal basis e.g. use of lower quality material, in which case the GPs should discuss with the LHB how best to proceed.
 - sketch plan of the existing premises showing the measured size and present use of rooms;
 - sketch plan of the proposed work showing the measured size and proposed use of rooms;
 - a specification of the work to be done;
 - all the above documentation must be prepared by an architect, surveyor or other suitably qualified person;
 - either a statement from the local authority confirming that the project is not contrary to its development plans, building regulations or by-laws or copies of documents giving relevant approvals;
 - where the property is leased, the landlord's written consent to the alteration
- 6.3 The Local Health Board will formally assess the application and they will then advise the applicant of their decision. If the application is agreed the Local Health Board will indicate to the GP practice the percentage reimbursement and any conditions.
- 6.4 The GP should confirm in writing whether they intend to proceed with the scheme. At such time the Local Health Board will require the GP to complete an agreement form (Appendix B). The form states that the GP

contracts to organise for the works specified in the improvement grant application form to be undertaken.

- 6.5 The Local Health Board will make a Stage 1 application (by way of a letter) to the Welsh Assembly Government providing details of the improvement grant proposal including the total monies to be drawn-down and the timescale.
- 6.6 Welsh Assembly Government will provide confirmation (by way of a letter) to the Local Health Board that funds are available.
- 6.7 Once the confirmation from the Assembly has been received the Local Health Board will advise the GPs that work may commence.
- 6.8 Once the improvement work has commenced the Local Health Board will than make a Stage 2 application (by way of a letter) to the Welsh Assembly Government for the draw-down of monies to the Local Health Board.
- 6.9 The GP practice will make claims for the improvement grant monies using the claim form (Appendix C). The Local Health Board will make arrangements to transfer the monies to the GP practice in stage payments.

7 FLOW CHART OF IMPROVEMENT GRANT PROCESS



WELSH ASSEMBLY GOVERNMENT

IMPROVEMENT GRANT APPLICATION FORM

All details and particulars requested by this form MUST be provided

WORK STARTED WITHOUT PRIOR APPROVAL OF THE LOCAL HEALTH BOARD WILL NOT BE ELIGIBLE FOR A GRANT

1. PRACTICE DETAILS

Dr(s)

Main Surgery Address _____

Total practice list size _____

No. of partners consulting _____

No. of trainees based at premises _____

2. DETAILS OF PRACTICE PREMISES FOR WHICH GRANT IS CLAIMED

(a) address of premises _____

(b) Is this the main surgery or branch surgery main/branch

(c) (i) Has a previous application been made for an improvement grant for these premises? yes/no

(ii) Date of previous application _____

(iii) Was the application approved? yes/no

(d) State the number of doctors currently using the premises _____

(e) State approximate number of patients served by these premises _____

(f) Are any rooms used by anyone outside the practice yes/no

if yes, by whom and for what purpose _____

(g) Is the freehold of the premises owned by the practice (or partner) yes/no

- (h) If the answer to (g) is no, please give details of tenure, indicating the term of the lease including the expiry date and confirm that the landlord has given written permission for the alterations

3. **DETAILS OF PROPOSED IMPROVEMENTS**

- (a) Full details of proposed works

- (b) State the total estimated cost of improvements £ _____

- (c) State any amount included in the cost which does not relate to the NHS medical services part of the practice accommodation together with an indication of the method of calculation

- (d) List of documents submitted with this form:

- (i) Estimate of total cost, including fees, prepared by a builder, architect, surveyor or other suitably qualified person. If a local builder is employed at this stage, note that competitive tenders will be required.
- (ii) Sketch plan of the premises as they are at present (including room measurements) and showing the use to which rooms are put e.g. consulting, waiting.
- (iii) Sketch plans of proposed work.

- (iv) A schedule or specification of the work to be done produced by an architect, surveyor or other suitably qualified person
- (v) Either:
 - (a) A statement from the local authority that there is no obstacle to the project in the LA development plans, building regulations or bye-laws, or
 - (b) Copies of relevant approvals
- (vi) If the property is held on lease, the landlord's written consent to the alterations

NOTE: AN APPLICATION WITHOUT THESE DOCUMENTS WILL NOT BE CONSIDERED.

FOR LOCAL HEALTH BOARD USE:

Approval in principle	Approved/Denied	Date:
Level of grant approved	Reasons:	
Grant paid	Amount	Date

WELSH ASSEMBLY GOVERNMENT
IMPROVEMENT GRANT AGREEMENT

This Agreement is made between Doctor(s)

.....
.....

of the First part hereinafter (collectively) called "the doctor(s)" and

.....LOCAL HEALTH BOARD

of the Second part hereinafter called "the LHB"

WHEREAS

(i) The Welsh Assembly Government has agreed subject to the undertakings by the doctors herein contained that a grant of monies shall be made by the LHB to the doctors to enable them to effect improvements as approved by the said LHB in their premises at

.....
.....

- (ii) The amount of the said moneys shall be £ or such other sum as shall be % of the cost as finally ascertained of the said improvements.
- (iii) The LHB will pay the grant by instalments unless it is agreed that a lump sum payment is more appropriate.

NOW THEREFORE the doctor(s) in consideration of the payment by the LHB of *(the said moneys) jointly and severally covenant with the LHB as follows:

1. The LHB shall provide improvement grant funding to the GPs according to the following payment schedule:

.....
.....
.....
.....

2. The LHB shall make the payments subject to the requirement that the specifications for the project are adhered to by the GP practice and its

WELSH ASSEMBLY GOVERNMENT

IMPROVEMENT GRANT SCHEME
CLAIM FOR PAYMENT

Applicant (s)

Address

Premises covered by this claim

.....

Date of completion of work	Description of work and of fees etc	Total cost		Cost on which grant is claimed	
(Separate details to be given for each main item of the work)					
		£	p	£	p
1.					
2.					
3.					
4.					
Total grant claimed at			%		

1. We certify that:-

- a. the work as approved on has been completed.
- b. All builders' charges, professional fees etc., have been paid and receipted bills are attached.
- c. No part of the cost on which the grant is claimed has been or will be included in tax claims.

(Signed) *

* (To be signed by all members of the GP partnership)

Date: