

Directorate for Population Health  
Primary Care Division



Dear Colleague

**GP PREMISES SUSTAINABILITY LOAN SCHEME 2018-19  
NOTES OF INTEREST, AMOUNT OF LOAN AND  
PRIORITY CATEGORIES**

**Introduction**

1. This letter and the attached Annex provide further advice to NHS Boards, Integration Authorities and GP Contractors on the introduction of the GP Premises Sustainability Loan Scheme (as set out in the National Code of Practice for GP Premises<sup>1</sup>). This scheme will open to applicants in 2018. The scheme will run for three years initially, although we anticipate that this is likely to extend to five years (2018-2023) subject to Ministerial decision.
2. All GP contractors who own their premises will be eligible to receive an interest-free secured loan from their Health Board of up-to 20% of the existing-use value of their premises by 31 March 2023 (the latter two years are subject to Ministerial decision).
3. It is anticipated that there will be three rounds of funding in 2018/19. The Scottish Government intends to publish further information on the loan scheme during May 2018.
4. The NHS Technical Accounting Group will develop and circulate separate guidance on how to account for these loan transactions.

30 April 2018

**Addresses**

For Action

Chief Executives NHS Boards  
Integration Authority Chief  
Officers  
NHS National Services  
Scotland Chief Executive

For information

NHS Board premises  
sustainability loan  
coordinators  
NHS Board PC Leads  
Tracey Crickett, Practice  
Manager, Lead Coordinator  
Chair, BMA SGPC

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<sup>1</sup> National Code of Practice for GP Premises, published 13 November 2017, available at <http://www.gov.scot/Publications/2017/11/7592>

5. On receipt of this letter and guidance, Health Boards and Integration Authorities should circulate it immediately to their respective GP contractors for information.

## **Background**

6. The National Code of Practice for GP Premises sets out plans for Health Boards to provide GP contractors with interest-free secure loans (“GP Sustainability Loans”) to reduce the risk of premises ownership and to support the transition to a model where GP contractors are no longer required to own their premises.

7. In support of this shift the Scottish Government has committed to providing an additional £30 million by 2021 (£10 million per year) through the establishment of a GP Premises Sustainability Fund. Funding details for 2021-2023 have still to be announced, but Health Boards should assume that the scheme will continue.

8. Loans will be repaid when the premises cease to be used by the GP contractor for providing primary medical services under a contract with a Health Board or when they are sold, whichever comes first.

## **Priority Categories**

9. As the funding will be available to all practices, priority categories have been identified. These are set out in the attached Annex. The process is intended to ensure that financial assistance is given first to those practices which need it the most.

## **Notes of interest**

10. Health Boards should invite their GP contractors who own their premises to provide a brief note of interest by 25 May 2018. The purpose of the note of interest is to better gauge the level of interest from GPs in the loan scheme. It also allows those GP contractors who think they are in a priority category to identify themselves. A GP contractor who submits a note of interest is not required to apply for a loan when the scheme opens. Further information will be published about the loan scheme and the loan agreement before GP contractors can apply for loans.

11. The note of interest should indicate whether the GP contractor thinks its application will be a priority application and if it does, the note should identify the relevant category and the reasons for its view. A pro-forma will be sent to NHS Board GP premises sustainability loan coordinators to provide to their GP contractors.

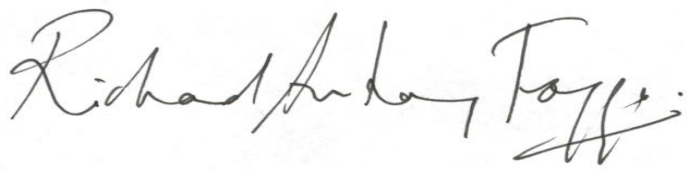
12. GP contractors who believe they are faced with an urgent sustainability challenge which a GP Sustainability Loan would help address should take this opportunity to inform their Health Board and Integration Authority of their view.

## **Amount of loan**

13. The District Valuer Services’ estimate of the value(as at April 2018) of the premises as a GP surgery will be used for determining the amount of any loan. The Scottish Government will provide the District Valuer Services’ estimate of the existing-use value of all GP owned premises before the scheme opens to applications.

14. We intend to publish further information in May 2018.

Yours sincerely

A handwritten signature in black ink, reading "Richard Foggo". The signature is written in a cursive style with a prominent initial 'R' and a long, sweeping tail on the 'o'.

**RICHARD FOGGO**  
Deputy Director and Head of Primary Care Division

## **ANNEX: PRIORITY CATEGORIES AND SUPPORTING DOCUMENTS**

1. Applications will either fall into one of five priority categories or will be treated as routine applications. Priority applications will be funded before routine applications.
2. A GP contractor can choose to re-submit its application in a subsequent funding round if it believes that its circumstances have changed in a way which would change the prioritisation of its application.
3. An application can fall into more than one priority category.
4. The following sets out the priority categories and the documents which must be provided to support a priority application.

### ***Category 1: Borrowing costs greater than premises financial assistance***

5. The GP contractor's borrowing costs exceed the amount of premises financial assistance (notional rent or borrowing costs payments) it receives from its Health Board.
6. An application from a GP contractor which owns more than one GP premises will only fall into this category if its total borrowing costs exceed the total financial assistance it receives from the Board in respect of its premises.

### ***Category 2: Former partners on title deeds***

7. At least one former partner is on the title deeds of the GP contractor's premises and has been since before the date of the issue of this guidance.
8. The GP contractor has to raise the funds to buy the former partner's share of the premises but is unwilling to do so for reasons that the Health Board is satisfied are reasonable.

### ***Category 3: Resigning partners***

9. The GP contractor is a partnership or an LLP.
10. One of the partnership's partners or a member of the LLP intends to resign permanently from the partnership or LLP. In the case of a partnership, the resigning partner must be an owner of the premises. In the case of an LLP, the LLP or the resigning member must also be an owner of the premises.
11. The partnership or LLP needs to raise funds to buy the resigning partner or member's share in the partnership or LLP but is unwilling to do so for reasons that the Health Board is satisfied are reasonable.

### ***Category 4: Potential new partner***

12. The GP contractor is recruiting a new partner. The funds will assist with the new partner joining the practice.

### ***Category 5: Other urgent sustainability challenges***

13. The Integration Authority with responsibility for primary care services is of the view that the GP contractor requires assistance as a matter of urgency and that a GP Sustainability Loan will assist the GP contractor to manage a significant sustainability challenge. The Integration Authority must consult the local area medical GP sub-committee before forming its view.
14. GP contractors who believe they require assistance as a matter of urgency should contact and that a GP Sustainability Loan will assist should inform their Integration Authority as soon as possible.