



# **Update Report: GP Services at Finchley Memorial Hospital**

# **Document Title Briefing for London Borough of Barnet**

## **Subtitle Update Report: GP Services at Finchley Memorial Hospital**

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## **London Borough of Barnet Briefing Update Report: GP Services at Finchley Memorial Hospital**

### **Issue**

1. This briefing provides an update on the proposed relocation of two GP practices, Squires Land and Cornwall House, to the Finchley Memorial Hospital (FMH) Site.
2. The relocation was proposed and supported by the PCT and Shadow CCG to utilise the site and release savings for the CCG against current void costs.
3. Following a meeting between Barnet CCG and the practices on 24 September to discuss alternative options, the practices have advised that they are not minded to accept the CCGs proposals.
4. Barnet CCG's Board decision about the support to be offered to practices, which preceded the September meeting, is included below.

### **Next Steps**

5. NHS England takes the view that the original proposal is the only option currently identified that is acceptable to the practices and which provides savings for the CCG.
6. NHS England has entered into discussions with landlords Community Health Partnerships (CHP) at a London level about their building costs and apportionment models, contending that it is unfair to apportion costs on square footage alone as services consume resources at different levels.
7. CHP have also been asked to reduce building and service costs through renegotiation of contracts and other options.

### **Background**

8. Barnet PCT developed a business case to relocate existing local GP services and move them onto the FMH site. As part of financial planning, the PCT would be expected to set aside or plan for the required capital and revenue funding required under the business case.
9. The proposal identified savings against the void costs of up to £140K, based on the reduction on rent costs from the 2 practices and their contribution to services costs within the FMH site.
10. In March 2013, the PCT Cluster and Shadow CCG asked NHS England to implement their plans for the relocation of two practices. This involved an offer of financial support for a period of 15 years, which the CCG Chief Officer subsequently renegotiated to offer 30 years support. Funding for the proposal

was not transferred to NHS England and remained within the CCG's baseline to fund their void costs obligations.

11. NHS England agreed to implement the plans developed by the Shadow CCG and PCT Cluster, subject to transfer of CCG funds, and wrote to Barnet CCG in November 2013 setting out the recurrent revenue transfer needed to support the project, circa £205K pa.
12. NHS England established a task and finish group with the practices, CCG and representatives from the CCG's Commissioning Support Unit's GP IT team. This group was remitted with:
  - Agreement of leases between the practices and landlord (CHP);
  - Agreement of the contract to provide financial support (linked to the lease);
  - Ensuring that IT and telephony systems are functional and in place for the move;
  - Agreeing a date for the move that would have minimal impact on patients and the practices.
13. Lease negotiations were prolonged as a consequence of organisational change. In July 2014, NHS England organised a meeting with the practices and CHP to resolve the final outstanding issues with the lease.
14. The CCG became concerned about increases in services costs for the GP suite in the building, following a decision by CHP to apportion costs based on the percentage of floor space occupied, and referred the proposal to their Board meeting on 28 August 2014 along with other options for the use of the FMH void space. The outcome of the meeting was as follows;

*"The Barnet CCG Board decided a meeting should be arranged with the GP practices to discuss possible options to vary lease terms and other previously planned arrangements for the inclusion of the GP practices at FMH, in ways that might fit better with the Board's view on the best utilisation strategy for FMH itself and on Barnet CCG's financial position. The Board also decided a process should be initiated immediately to explore other strategic options for inclusion of GP's at FMH, in case agreement cannot be reached with the Cornwall House / Squires Lane GP practices.*

*A meeting with the GP practices is accordingly being arranged, most probably on 24 September."*