

**BSW CCG MINOR CAPITAL GRANTS FOR GP PREMISES IMPROVEMENTS**

FINANCIAL YEAR APRIL 2022 – MARCH 2023

**Commissioner Business As Usual (BAU) Capital - 2022/23 (and indicative 2023/24)**

In order to facilitate the continued improvement of primary care, the Region has invited expressions of interest for 2022/23 and 2023/2 Minor Improvement Grants, GPIT, Digital Technology and Equipping Capital. This letter is to request practice Expressions of Interest (EOI) by **12.00 noon on Wednesday 1 December to** bswccg.primarycareestates@nhs.net.

As noted in the attached process document, the CCG will then undertake an assessment of the EOI to determine if the EOI is eligible. In considering the proposal the CCG will consider the following factors:

* Primary care commissioning strategies;
* Strategic estates planning;
* Affordability of any revenue consequences;
* If the proposal is eligible for an improvement grant;
* If the proposal for 2022/23 can be completed and invoiced for by 31 March 2023 (2023/24 proposals by 31 March 2024)

The NHS (General Medical Services) Premises Costs Directions 2013 permit Grant awards of between 33% and 66% of the total value of the scheme; practices are expected to meet the remaining % of the costs. Practices must also be aware that if the improvement grant is approved, any increase in rent caused by this work can be subject to an abatement.

In order to support practices, this document outlines the eligibility criteria and the CCG strategic priorities. The key objective for using these capital funds is to make improvements to primary care premises which deliver a direct benefit to patients such as increasing capacity and improving access to services; changes required due to the impact of Covid 19 changes to practice; or to enable practices to comply with national standards such as CQC.

Please note this is for **minor** capital works and is designed to only meet **capital** schemes with a value of between £5,000 and £500,000 including any non-recoverable VAT. Schemes above this level are dealt with via a separate business planning process. Allocations are expected to be 20% less than 2021/22, the CCG is anticipating a total fund of £400k. **Practices that submitted bids last year which were supported but could not be undertaken should re-submit them if they wish them to be considered. Any bids last year for 2022/23 expenditure should also be re-submitted.**

All GMS, PMS and APMS practices throughout the BSW CCG Area are eligible to bid for a capital grant and practices can bid regardless of whether the premises are owned by the practice, leased from a private landlord or leased from NHS Property Services or another NHS body.

Please do not apply for GP IT or Digital schemes unless it is directly part of an estates programme (e.g. a small extension).  The reason for this is BAU GP IT capital is mainly used to undertake the yearly equipment refresh and increase laptop allocations for everyone. In the past practices individual bidding for standard IT equipment has created inequality between practices that causes issues further down the line, e.g. laptop allocations. If the premises work will require additional GPIT please ensure you note this in the bid and include the cost separately.

There are national guidance and governance arrangements for these grants i.e. the maximum award (in terms of % of the overall project costs) that may be awarded to a practice, the way the grants can be used and the time frames for using these funds, which means that BSW CCG has little flexibility in the application of the rules. One of the key points to note is that if a practice is awarded a capital grant, the building works need to be completed and all funds spent in the same financial year that the grant is awarded,which means schemes **must be completed and invoiced for by 31 March 2023.** Please only place bids if you are **totally confident** you will go ahead with the scheme and can complete it in the timescale required.

This document outlines the application process for practices and should be read prior to submission of the application to avoid wasted effort and ensure that applications are aligned with the commissioning priorities set nationally and locally for these funds. The applications will be assessed by the Primary Care Team initially, reviewed and prioritised by Finance, Primary Care and IT colleagues and ultimately approved by the Executive Team.

The NHS GP Premises Costs Directions (2013) provides a list of the type of premises improvement projects that can be carried out using a capital grant and for completeness the entire list is shown. However, please note that the CCG will be giving priority to particular kinds of projects and this is explained more fully below.

**Projects that will be given high priority locally**

BSW CCG’s key objective when using the capital grants is to make improvements to primary care premises which deliver a direct and tangible benefit to patients such as increasing capacity and improving access to services, making changes required due to Covid impact or to enable practices to adhere to national standards such as CQC.

Therefore, particular types of projects will be given higher priority and these are listed below:

1. Improvements that increase capacity and improve patient access to services

Reconfiguring internal space, so that capacity is increased or to enable space to be used more productively. Examples of such projects include; converting an office or under-utilised area into additional clinical space; reconfiguring / remodelling internal space to gain extra rooms. As projects of this nature do not change the overall footprint of the building and so result in no recurring revenue consequences to the CCG in terms of additional rent reimbursement to the practice, these projects will be given priority. **Changes required to allow better flow or social distancing requirements due to the impact of Covid 19 will be viewed under this heading**

The Premises Directions make provision for capital grants to be used to build an extension, but as this will increase the overall footprint of a building, it will result in additional on-going revenue costs i.e. additional rent reimbursement. Higher priority may be given to projects that

do not result in additional rent reimbursement, such as internal remodelling. It should also be noted that where practices use a capital grant to build an extension, the rent reimbursement for the new extension will be adjusted accordingly to take account of the capital monies that the NHS has contributed. Please refer to the final page for an example of an adjusted payment calculation.

1. Co-locations, mergers

Projects which facilitate practice mergers, co-locations and the rationalisation of existing buildings / facilities. Hosted PCN services will also be considered under this category.

1. Improving physical access

Projects that improve physical access to and within the building in order to comply with the Equality Act (formerly the Disability and Discrimination Act).

1. Improvements to Infection control

Projects that improve infection control standards and enable a practice to comply with CQC standards.

1. General CQC compliance

Other appropriate projects that enable a practice to comply with CQC standards for example remodelling a reception / waiting area to create a separate area to improve privacy and confidentiality

BSW CCG will follow the guidance set out in the Premises Costs Directions (2013) in terms of the sum that can be awarded to a practice (in % terms) as a grant and will only consider projects that meet the definition of capital expenditure.

CCG funding will be at a minimum of 33% and a maximum of 66% dependent on the number of bids prioritised.

**Practices that will be given priority**

As there is only a finite sum available, if the total number of “high priority” category projects exceeds the resources available, the bids will be prioritised, using the banding system shown below considering both the buildings and their current physical capacity (internal floor area) compared to national guidelines. The highest priority will be given to premises that are below acceptable standards and have the lowest physical capacity.

Premises Physical Capacity

BAND A - New purpose built premises Band A At or above national guideline

BAND B - Older purpose built premises Band B Up to 25% below guidelines

BAND C - Converted premises Band C From 26% to 50% below guidelines

BAND D – Below acceptable standards Band D Below 50% of national guidelines

The CCG will also take into consideration the number and value of previous bids and whether they have progressed.

**Full List of projects that MAY be funded with a capital grant (as set out in the Premises Directions 2013).**

1. 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 care medical services or the enlargement of existing rooms.
2. Improving physical access to and within the practice premises, and alterations or additions to ensure compliancy with the Equality Act (2010) formerly known as the Disability and Discrimination Act (1995). Examples of such projects include; automatic opening doors; access ramps; grab rails and installing a lift.
3. Improving lighting, ventilation and heating installations (including the replacement of other forms of heating by central heating) within the premises.
4. The reasonable extension of telephone facilities within practice premises (but not the initial purchase or replacement of an existing telephone system). An example of an eligible item would be an extension to the telephony infrastructure such as additional cables & floor boxes (but not handsets), in order to provide telephony services to newly created rooms.
5. The provision of car parking required for patient and staff use, subject to the number of parking spaces being agreed by the Board.
6. The provision of suitable accommodation / facilities at the premises to meet the needs of children, elderly or infirm patients. Examples of such projects include; baby changing facilities, disabled toilets, and improved waiting areas and patient toilet facilities.
7. Fabric improvements to practice premises such as double glazing, security systems and work required for fire precautions and other statutory building requirements.
8. 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.
9. Improvements which are necessary in connection with emergency planning, such as the provision of electronic storage facilities at a location remote from the practice premises or the installation of a connection for an emergency generator.
10. Improvements which are necessary to meet infection control or decontamination requirements at practice premises including the installation of specialist floor covering, fittings and surfaces in areas used for the treatment of patients.
11. The installation of a water meter.

**Projects that CANNOT be funded with a capital grant (as set out in the Premises Directions 2013)**

1. The cost of acquiring land or new buildings or the cost of constructing new premises.
2. The repair or maintenance of premises, or the purchase, repair or maintenance of furniture, furnishings, floor covering (with the exception of specialist floor covering to meet infection control standards).
3. Restoration work in respect of structural damage or deterioration.
4. Any work in connection with the domestic quarters or the residential accommodation of practitioners within the premises.
5. Any extension not attached to the main building by at least a covered passage way.
6. Improvements designed solely to reduce the environmental impact of premises, such as the installation of solar energy systems.
7. Any cost elements in respect of which a tax allowance is being claimed.
8. Any work made necessary as a result of fair wear and tear.

**Please also note that the scheme has to be capital in nature (see below) and that BSW CCG is unable to support any scheme which commences without its prior approval.**

**General guidelines for the award of minor capital grants**

1. All works must be completed and all funding spent by 31 March 2023.
2. In order for a project to be eligible for a minor capital grant, it must meet the definition of ***capital*** expenditure. When proposing projects, practices should consider the following definition of capital expenditure:
	1. Expenditure must be on **assets that individually cost more than £5,000**.
	2. The only exception to this £5,000 limit is when assets can be regarded as “grouped” assets. The latter are assets which individually may be valued at less than £5,000, but when grouped together form a single collective asset which meets the criteria for capitalisation. In order for assets to qualify as “grouped” they should fulfil the following criteria.
		1. All the items are functionally interdependent.
		2. All the items are acquired at approximately the same date and are planned for disposal at approximately the same date.
		3. The items are under single managerial control.
		4. Each individual asset thus grouped has a value of over £250 and the group as a package has a value in excess of £5,000.
	3. Some examples of works that qualify as “grouped” for capitalisation purposes; assets acquired in the course of the initial setting up of a new area within the premises or as part of a refurbishment project; a package of works such as making DDA improvements.
3. The CCG’s contribution (in the form of a grant to practices) can range from 33% to 66% of the overall project costs.
4. Please note that for schemes in the range of £100,000 to £500,000, it will be necessary for a business case to be provided to ensure that value for money and due diligence has been carried out by the CCG. If this is required, the CCG will then contact you separately after submission of the application form.
5. Practices can submit more than one application and are encouraged to do so where the projects are distinct and cover different criteria – e.g. increasing patient capacity might be one bid and improvements for DDA compliance might be a separate bid where the two issues are not combined. Bids for multiple premises must also be separated.
6. It is a requirement that the benefits of any grants under this scheme will have a minimum life of 5 years to ensure value for money for the tax payer element of the grant.
7. If supported:
	1. Practices will need to obtain **quotes as listed below** for the works being undertaken and agree with the CCG which quote represents best value for money. At this EOI stage, and given the short timescale, no quotes are required.
	2. Practices will need to supply the CCG copies of any necessary architectural plans.
	3. If the improvements are to premises that are held on a lease or licence to occupy, the practice will need to supply a copy of the written consent to the improvement from the landlord or licensor.

**Application and payment process**

1. Practices wishing to apply will need to:
	1. Submit an Expression of Interest for consideration by BSW CCG using the form provided.
	2. All proposals must be for between £5,000 and £500,000 **including any non-recoverable VAT**.
2. Bids will be assessed and prioritised. Given the timescale, additional supporting documentation will not be required prior to approval being given, however to ensure payment the practice must obtain supporting documents as follows:
	1. For schemes under £10,000 - Two written quotes
	2. For schemes from £10,000 to under £50,000 – Three written quotes
	3. For schemes from £50,000 to £500,000 – Three quotes obtained under a formal tender process
3. BSW CCG cannot make direct payments to third parties such as building contractors. Therefore, practices will need to pay building contractors / suppliers directly and then claim reimbursement from the CCG (to the level of the grant awarded, based on the lowest written quote). Any claims submitted must be **accompanied by proof of expenditure** e.g. invoices / receipts.
4. **Practices will need to submit applications by midday on Wednesday 1st December 2021**

Assessment and prioritisation will take place on 2nd December as The CCG must submit to NHSE by 3rd December.

**EXAMPLE OF ADJUSTED RENT REIMBURSEMENT FOR EXTENSIONS BUILT USING A CAPITAL GRANT**

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| **Current Market Rental Value of original surgery premises.**  | £58,000 .00 |
| **Current Market Rental Value of surgery plus new extension.** | £61,225.00 |
| **Current Market Rental value of extension**   | £3,225.00 |
| **Amount of capital provided by the practice towards the cost of the extension.** (50% practice contribution and 50% capital grant contribution)  | 50% |
| Practice Percentage enhanced by 10% (50% + 10%) | 60% |
| Adjusted notional rent for extension (£3225 x 60%) \*This adjustment will apply for a set period of time as shown below.  | £1,935.00 |
| Post Improvement Notional Rent for whole premises - (£58,000 + £1,935 | £59,935.00 |

Please note:

* This adjustment will apply for a set period of time (as per the GP Premises Directions 2013), after which full notional rent reimbursement will be applied.
* This adjusted figure will be subject to increases at the triennial rent reviews.
* The adjustment periods are as follows:
1. A capital grant of up to £100,000 – a period of 5 years
2. A capital grant of between £100,000 and £250,000 – a period of 10 years
3. A capital grant of more than £250,000 – a period of 15 years