

To: Regional General Managers
District General Managers
General Managers - Family Health Services Authorities
Chief Executives - NHS Trusts

Department of Health
Quarry House
Quarry Hill
Leeds LS2 7UE
Telephone 0532 545000 ext
GTN 513
Fax 0532

16 February 1994

**GUIDANCE ON THE NEW LEASE ARRANGEMENTS FOR
GP PRACTICES IN HEALTH CENTRES**

Dear Colleague.

I am writing to let you know of work in hand to introduce direct charges for rent and rates payable by all GPs for the area they occupy in Health Centres. This follows recommendations contained in a report commissioned by the Department. The new arrangements, to be introduced on 1 April 1995, will operate through existing licence agreements or through new leases, whichever is mutually advantageous in business terms.

It is the intention that from 1 April 1995, GPs will be eligible for reimbursement of rent and rates by FHSAs up to the limit of the current market rent set by the District Valuer. Where leases are brought into operation, GPs will also have access to FHSA premises development funds under the Improvement Grant Scheme.

In the meantime, health centre owners may wish to consider drawing up outline plans for any change from licences to leases and to discuss future arrangements with the GPs concerned. Until the new scheme comes into being, existing arrangements should not be disturbed.

In order to test out the new system, a limited piloting and preparatory exercise will be carried out in 1994/95. Any issues arising will be considered by a Working Group, comprising representatives from the Department, NHS Managers and the General Medical Services Committee of the British Medical Association, which will finalise details of the new arrangements and agree guidance to be issued.

I should be glad if FHSAs would identify GPs working in health centres and ensure that a copy of this letter reaches them.



for MAUREEN PURVIS
Performance Management Directorate
- Primary Care Division

Any queries arising from this letter should be addressed to:-

Mr Julian Garthwaite
NHS ME
PMD PC2(A)
Room 3N09
Quarry House
Quarry Hill
Leeds LS2 7UE

(General Enquiries)

Mr Jeff Peers
NHS ME
FCIA-FLIP1
Room 1N21
Quarry House
Quarry Hill
Leeds LS2 7UE

(Enquiries on financial matters)