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## Guide to: Community Health Partnerships GP Leases

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This guide summarises important information about the standard GP lease that Community Health Partnerships is using across its estates which is endorsed by NHS England and the Department of Health. It tells you what is contained in the lease, the process for agreeing it and why it is important to have one.

It also tells you about the increased benefits of signing up to a lease by 30 November 2017. There is more detail further on, but it is confirmed that NHS England in support of the General Practice Forward View will:

Reimburse your  
Stamp Duty Land Tax  
for the initial term  
(up to 15 years)

Contribute up to  
£1000 plus VAT to  
your related legal  
fees

Reimburse your  
management fees  
payable to CHP for  
the financial year  
**2016-17 and 2017-18**

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### Why do I need a lease?

A lease is a legal agreement between your business and Community Health Partnerships (CHP) who is the head tenant of the Local Improvement Finance Trust (LIFT) NHS estate. CHP itself is owned by the Department of Health. CHP's head leases with the LIFT owners contain a legal requirement to properly document and obtain landlord approval for all occupancies. The leases granted by CHP are known as Underlease Plus Agreements or ULPAs. Its purpose is to provide clarity on:

#### Occupation

Having an ULPA means that you can be certain that you have what you need to provide services and manage your business, both now and in the future. This includes:

- What space can be used exclusively by you and what space you may share with others
- How long your right to occupy the space lasts and how you can end it
- What your own liabilities are in terms of your occupation of the premises
- What services CHP provide to the building.

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## Costs

Clarity about your occupation and associated building services allows us to provide:

- More accurate allocation of costs
- Clearer billing, as we will have full and accurate information
- Detail on how costs are calculated and the rules about how rent can be increased over the term
- Forecasting of future costs.



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## Capital investment

The shared aim of NHS England and CHP is to find the most effective ways of supporting the delivery of patient care through efficient use of NHS premises. With ULPA in place, we can be assured of the intentions of tenants and the longer term occupation of the property which will allow informed decisions about capital investment. In addition, you will not be able to draw down capital funding from the Estate and Technology Transformation Fund unless you have an ULPA in place for your premises.

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## The standard form ULPA

To encourage you to document your occupation using the standard form ULPA, NHS England has committed to offer certain additional benefits if you enter into an ULPA by 30 November 2017. The benefits, which are made available through the General Practice Forward View and are funded by NHS England, are as follows:

### Stamp Duty Land Tax

Stamp Duty Land Tax paid will be reimbursable, on proof of payment, for the initial term (up to 15 years) from the date of lease completion (any tax liability prior to the date of the lease will be the tenant's responsibility).

### Legal fees

Legal fees you incur for the lease conveyance work will be reimbursable, on proof of payment, up to a maximum of £1,000 (plus VAT).

### CHP management fee

*NHS England will reimburse the annual management fee for 2016-17 and 2017-18 financial year following completion of the ULPA.*

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## How to apply for these benefits

1. As soon as the lease is completed and the legal cost and SDLT costs are incurred by your practice
2. Make an application for reimbursement to your CCG/NHS England DCO by submitting the Claim Form to [england.gppremisesfund@nhs.net](mailto:england.gppremisesfund@nhs.net)
3. The CCG/NHS England DCO will review and endorse the claim before your practice is reimbursed by your Primary Care Commissioner.

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## After you've signed your ULPA, you will also benefit from:

### Proper Management of your premises

The ULPA will contain clear procedures to allow you to manage the provision of hard facilities management (i.e. repairs and maintenance) and soft facilities management (for example, security and cleaning) to your premises.

### Assignment and Underletting

The ULPA will also provide you with the ability to assign, underlet and share occupancy of the premises with third parties which means that you will have flexibility in relation to the way in which you can deal with your ULPA.

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## The standard terms of your ULPA include:

### Term

The term, or length, of your ULPA is subject to agreement, but the incentives outlined in this leaflet encourage a longer period. We would expect the term to complement the requirements and nature of your core contract.

### Repair

LIFT premises are essentially serviced premises as the maintenance and repair of your premises is carried out through CHP's superior landlord. Consequently, you as the tenant do not have any repair or dilapidations obligations. An ULPA is required to ensure that this allocation of responsibility is properly documented and enforceable.

### Tenant breaks

If you wish to end your core contract, or if it is terminated, you will be able to break your ULPA on giving suitable notice.

## Rent reviews

Your rent is indexed in line with the Retail Prices Index in April each year. This is in line with the requirements in the Premises Cost Directions.

## Service charges

CHP has carried out a major procurement exercise in relation to the provision of soft facilities management services (for example, cleaning and security) to its estate. This has led to cost savings in many cases and we will ensure that these savings are passed onto you where they apply to your premises.

## Security of tenure

The ULPA will be 'contracted out' of your statutory right to security of tenure. The practice of contracting out is very common in the property industry. If you require longer term occupational rights, we offer an option to renew the ULPA as a substitute.

## Template lease agreed with the BMA

The core terms of our pro-forma ULPA are in line with the template lease which NHS Property Services has agreed with the BMA, which applies to other parts of the NHS estates. You can therefore be assured that the terms of the ULPA are properly balanced between your and CHP's interests.

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## Signing an ULPA - How the process works

The process for signing an ULPA can vary depending on your specific circumstances, however, the main steps are:

### Step 1

We will inspect your premises to determine the extent of occupancy.

### Step 2

We will prepare a floor plan which will show your own exclusive space, any shared and common areas, and any car parking.

### Step 3

We will agree a document called 'Heads of Terms' with you which will set out the main terms of your ULPA based on CHP's standard template. We will also provide a schedule of costs associated with that accommodation and a schedule showing the planned and preventative maintenance for the property.

### Step 4

We will sign off the final Heads of Terms with you so that lawyers can then be instructed.

### Step 5

Finally, an ULPA that documents the terms agreed with you will be drawn up and completed.

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## Guide to leases

### Frequently asked questions

#### **When do I need to have an ULPA by?**

The sooner we have an agreed ULPA, the sooner we can be clear on the space you occupy and the facilities you use, and the sooner you have evidence of occupation for your CQC inspection

#### **Do I need legal/professional advice?**

We would always recommend you seek legal advice to make sure you understand both parties' responsibilities within the ULPA. Signing a ULPA isn't just a matter for lawyers; it's important that you understand how we will interact during the term of your ULPA. Remember, NHS England will reimburse £1,000 plus VAT of your legal costs and your SDLT liability from the date of completion (for a maximum term of 15 years) if you complete an ULPA by 30th November 2017.

#### **Do I have to use the template ULPA?**

Our template ULPA has been developed with the interests of GPs and their core contracts in mind. We expect the vast majority of the terms to be standard and to fit your needs without need for negotiation. The only matters that need specific agreement are the length of the term, the apportioned property charges and the extent of your premises.

#### **Who will help me in agreeing the ULPA?**

Each customer will be supported through this process by a CHP property manager or appointed negotiator.

#### **We are merging with another practice, should we wait until after we merge to sign an ULPA?**

The benefits outlined above only apply to ULPAs completed by 30 November 2017. So that you don't miss out on these benefits, we would recommend that you document your occupation as soon as possible and then assign your ULPA to the other/newly combined practice afterwards. This is a straightforward process and your future plans can be understood and incorporated accordingly.

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## Contact us



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