

<b>Meeting:</b>	NHS Grampian Board
<b>Meeting date:</b>	12 June 2025
<b>Item Number:</b>	12
<b>Title:</b>	Primary Care Property Transfers
<b>Responsible Executives:</b>	Alan Wilson, Director of Infrastructure and Sustainability Alex Stephen, Director of Finance
<b>Report Author:</b>	Gareth Evans, Property Transaction Manager

## 1 Purpose and recommendations

### **This is presented to the Board for:**

- Decision

The Board is asked to:

- **Assurance** –review and scrutinise the information provided in this paper and confirm that it provides assurance that appropriate policies and procedures will be followed to ensure due diligence and oversight on Primary Care Property Transfers.

**Decision** –delegate authority through Asset Management Group to (i) oversee all Primary Care Property Transfers and (ii) to direct the Director of Finance, subject to funding being in place, to complete the legal formalities for such transactions approved by AMG on behalf of the Board, with an annual report on all such transactions approved by AMG to be presented to the Performance Assurance, Finance and Infrastructure Committee within the first quarter after the end of the financial year in which the transaction(s) take place.

### **This report relates to:**

- Service Operational Plan
- Government policy/directive
- Legal requirement

### **This aligns to the following NHS Scotland quality ambition(s):**

- Safe
- Effective
- Person Centred

**This subject matter of this report is relevant to the mitigation of the following strategic risks :**

- Inability to meet population demand for Planned Care
- Significant delays in the delivery of Unscheduled Care
- Inability to achieve the aspirations set out in Plan for the Future due to financial resource constraints and inefficiencies
- Insufficient change and innovation to create a system which can meet demand and deliver on our strategic intent
- Worsening health in particularly in those who experience multiple disadvantages

## **2 Report summary**

### **2.1 Situation**

The Scottish Government Code of Practice for GP Premises facilitates the shift to a model which does not require GPs to provide their practice premises. This gives rise to the requirement for NHS Grampian to enter into lease transfers or potentially even ownership of practice premises.

Further to consideration by the Board on 8 May 2025 for Great Western Medical Practice lease assignation, a further arrangement in relation to Skene Healthcare Centre now requires approval with a further pipeline in place.

The Schedule of Reserved Decisions (SORD), reserves approval of the acquisition of property, whether by purchase, lease or excambion (exchange of land) above £1,000,000 to the Board. A mechanism is set out to allow for the efficient execution of the pipeline of leases for 2025/26.

### **2.2 Background**

The Scottish Government Code of Practice for GP Premises facilitates the shift to a model which does not require GPs to provide their practice premises. The Code sets out how the Scottish Government and Health Boards will enable the transition over a 25 year period to a model where GP contractors no longer own their premises; how the Scottish Government and Health Boards will support GPs who own their premises during the transition to the new model through the provision of interest-free secured loans; and the actions that GP contractors who no longer wish to lease their premises from private landlords must take to allow Health Boards to take on that responsibility.

Whilst it is not guaranteed that a transfer will be possible, the property transfer process satisfies Scottish Government National Code of Practice for GP Premises 2017 and locally supports sustainability of primary care services.

## **2.3 Assessment**

### **2.3.1 Governance and oversight of lease assignments**

In order to support this strategy NHS Grampian have a number of Standard Operating Procedures (SOPs) for lease assignments in place, and these are already in the process of being refreshed to take account of learning from recent transactions.

These SOPs were previously all shared and agreed with each Health and Social Care Partnership (HSCP), AMG and the GP Sub-Committee. Further interaction, update and communication will take place with any updates.

In addition to complying with the agreed SOPs there will be compliance with and adherence to our Scheme of Reserved Decisions. This will include formal direction from each HSCP in relation to transfer of premises within their areas and a rationale for the need to do so.

One of the SOPs provides that within the last 5 years of a lease the operating General Practice is contacted about their intentions at the end of their lease. This allows suitable timing to be factored into our service and financial planning.

The NHS Scotland Property Transaction Handbook will be a key element of assurance with these reviews and transactions are supported by the Valuation Office Agency (District Valuer) and Central Legal Office. NHS Grampian consistently secures A ratings in this regard.

Whilst the expectation with the Scottish Government is that such requests are to be considered and approved, they are subject to a set of conditions such as condition of the building. Therefore, any future applications will have to be determined with these in mind which may result in initial rejection of a request to assign a leave.

### **2.3.2 Delegated authority for 2025/26 planned assignments and in future financial years**

To March 2026, there will be at least 2 planned lease transfers, for the Skene Practice and the Calsayseat Practice. There are 5 other proposed assignments requiring investigation and due diligence within the 5 year infrastructure planning cycle and 1 current application under review. Not every transaction will meet the SORD threshold of £1 million value to require Board approval.

A separate paper about the Skene Practice assignment is on the agenda for the Closed Board meeting on 12 June 2026, due to commercial confidentiality of the issue. For future primary care property transactions, it is proposed that the Board notes the governance

processes described in 2.3.1 above that will be used to assess each transaction, and delegates authority for the planned remaining transaction due to take place in 2025/26 (the Calsayseat Practice lease) to AMG to approve the assignment and delegates authority to the Director of Finance to complete the legal formalities for that transaction.

In future years, planned lease assignments will be included in the Board's Annual Infrastructure Plan which comes to the Board in April each year for approval, and which contains delegated authority to AMG and appropriate Directors to conclude all the processes and legal agreements required to complete the capital works described.

From the end of financial year 2025/26 an annual review paper will be provided to the Performance Assurance, Finance and Infrastructure Committee in the quarter following the end of the financial year to give assurance that best value and adherence to process has been followed for all GP lease assignments.

#### **2.3.4 Quality / Patient Care**

The GP lease assignment already completed has been pivotal in securing continuity of service provision by facilitating mergers or takeovers from other practices. This has allowed patient care to continue in such areas with little disruption to patient services.

#### **2.3.2 Workforce**

Being able to complete these processes and applications timeously will help to stabilise any practice which will benefit the staff. Including future proposed lease assignments in the annual Infrastructure Plans will ensure most efficient use of Property and Asset Management Team resources and provide a simplified process to obtain approval of the transactions, in line with other capital transactions.

#### **2.3.4 Financial**

The proposed annual process will allow planned lease ends or transfers to be included into NHS Grampian financial planning.

Further financial checks will include;

- Direction and financial cover from HSCPs,
- Commercial costs are reviewed and provide Best Value,
- Capital funding is planned for and available,
- Any GMS implications are considered,
- Savings will be considered as part of any transfer

#### **2.3.5 Risk Assessment / Management**

GP property transfers seek to manage the risks associated with unstable General Practice provision. They support the provision of local care in the area through provision of physical presence from which to provide the service.

We foresee that delegating authority to the Director of Finance to conclude the legal arrangements will expedite these processes.

### **2.3.6 Equality and Diversity, including health inequalities**

Each future application will be reviewed to determine if an impact assessment is required and assurance on this will be given to AMG and reported in the annual report.

### **2.3.7 Communication, involvement, engagement and consultation**

Compliance with our GP Property Transfer SOP provides the framework for effective communication, involvement, engagement and consultation.

### **2.3.8 Route to the Meeting**

This has been considered by AMG, which has supported and approved the content

- Asset Management Group 28/5/25 – Approved
- Support from Primary care Premises Group 22/05/25

## **2.4 Recommendations**

The Board is asked to:

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