

### Public Audit Committee

The Scottish Parliament  
Edinburgh  
EH99 1SP

**\*\*By email\*\***

## Audit Scotland Report: General Practice

**Dear Convenor,**

Thank you for the opportunity to give evidence to the Public Audit Committee on 18<sup>th</sup> June and for your letter requesting additional information on the condition of the general practice estate and the impact of the maintenance backlog on working conditions and the delivery of healthcare services, and how the offer of sustainability loans and lease transfer has been received by BMA Scotland members.

Unfortunately, the promises made in the 2018 contract regarding premises have done little to address the growing concerns.

Sustainability loans were meant to reduce the difficulties GPs have of releasing equity in their owned premises at time of retirement, while at the same time as allowing Boards to progressively purchase the GP owned estate. Interest free loans of 20% of the existing use value of the building were to be available every 5 years to willing GP Partnerships. Unfortunately, the process to deliver these loans was incredibly protracted and costly. Causes of the delays were a mix of concerns at GP partnership, Central Legal Office (CLO), Scottish Government and commercial lender level. GP partnerships found the process very costly from a legal perspective with many having to pay tens of thousands of pounds in legal fees to secure a loan. This more than offsets any of the financial reward of entering the scheme. It is more frustrating that despite this outlay for the participants, there is no money now available to honour the rest of the programme of loans (further to the initial 20%). This leave participant Practices in limbo and gives no confidence to others to participate.

The situation with lease assignments is perhaps even worse. Many Boards now have a number of leaseholds coming to an end of their term and this would be the ideal time for assignment to the Board. However, Boards are making concerted efforts to avoid accepting the risk. Initially they have claimed they would have to have the capital available for the total cost of the lease, making this impossible. When this was clarified as an incorrect accountancy position, we have seen them look to crystallise dilapidations (the costs required to return the building to "as new") when in normal commercial practice this would not occur as dilapidations are usually zeroed, and in some cases buildings significantly upgraded, by the landlord in order to attract a lease extension. We are aware of Boards liaising directly

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with landlords not to waive the dilapidations as part of any agreement for assignation, forcing GP Partnerships to suffer massive costs if they are wanting the board to be assigned the lease. For many this is not possible so are forced to extend the lease themselves, with the Board remaining risk free.

We also have the fundamental issue of a multimillion-pound repair bill within the GP estate identified in the GP Premises Survey, commissioned by Scottish Government, with no clear plan on how this is addressed or any plan for estates renewal to develop services fit for the future. Many GPs across Scotland continue to deliver medical services in premise ranging from Georgian townhouses to modern portacabins. Within the Lothians, where the population is booming, only Edinburgh Health and Social Care Partnership (HSCP) has secured developer contributions for the GP estate but has still woeful provision for the level of growth. Midlothian, which has the highest rate of population growth in Scotland, has secured nothing despite tens of thousands of new homes.

We need compulsory developer contributions for areas of new development in addition to a fundamental capital plan for estate renewal if we are to deliver upon the ideals of the Service Renewal Framework and the Twenty Minute Neighbourhood. Due to the huge demographic pressures we face, care for the population must be focussed on the home environment with General Practice being at the forefront of delivery.

Once again, I am grateful for opportunity to give evidence to the Public Audit Committee and can assure you we want to work collegiately on improving healthcare provision for the people of Scotland.

Yours sincerely

**Dr Iain Morrison**

Scottish general practice committee chair