Can the NHS infrastructure fund and new models of care revive primary care premises?

By Nick Bostock

Government investment in primary care premises has been in short supply for more than a decade. During the last parliament, Andrew Lansley's health reforms - dubbed 'so big you can see them from space' by former NHS chief executive David Nicholson - created a tidal wave of organisational upheaval. Any premises investment that now-defunct primary care trusts were considering was largely frozen until the dust had settled.

The need for investment is clear – a BMA poll of more than 4,700 GP practices last year found that half had seen no investment in premises in over a decade. Four out of 10 said their premises were not good enough to provide primary care services to patients.

However, ahead of the May 2015 general election, GPs in need of new premises might well have been looking hopefully towards the Conservatives, following pre-election budget pledges to invest £1bn through an NHS investment fund, as well as promises of overall NHS investment that matched or bettered anything the other parties put on the table.
A few months on from the surprise Tory overall majority, how is that investment shaping up, and what impact will plans for new models of care have on primary care?

It's clear that despite calls from the BMA's GP committee for the entire £1bn infrastructure fund to be spent on premises, at least some of this cash will leak out to pay for other priorities.

The fund is due to be spent over four years, with £250m available each year from 2015/16 to 2018/19. Of the first tranche, £10m has been allocated to initiatives drawn up with the Royal College of GPs and Health Education England to develop the GP workforce.
A further £7.5m will be spent on training community pharmacists to work in primary care, while £25m will support GP access pilots being rolled out under the prime minister's Challenge Fund scheme, which seeks to widen availability of routine GP services between 8am and 8pm, seven days a week.

However, announcing the so-called 'new deal for general practice' in June, health secretary Jeremy Hunt revealed that £190m of the infrastructure fund had been allocated provisionally to help improve more than 1,000 GP practices across England.
The funding would 'help to improve their premises to benefit both patients and professionals working in primary care – either through making improvements to existing buildings or through the creation of new ones. It will also help practices to harness technology and give practices the space to offer more appointments and improved care for the frail elderly in the community – essential in supporting the reduction of hospital admissions', according to an NHS England statement.

The scale of the investment suggests that not many practices will be developing entirely new premises. More than 300 provisional cash allocations made under the scheme have been for less than £100,000. Most of these are to individual practices, but some are shared - in two cases across more than 30 practices. Just two allocations of more than £5m have been made - one to a group of three practices, and another to a group of five.

A total of 424 practices will benefit from cash injections worth £100,000 to £500,000, 74 from allocations worth £501,000 to £1m, and 155 from allocations of £1.1m to £5m. Many

of these allocations are to individual practices, but many are shared – sometimes between two or three practices, sometimes across scores of practices.

GPs and premises experts are concerned that the funding – despite being the first major investment for some time - will fail to bring any real transformation to primary care premises infrastructure.

Former negotiator and premises lead for the BMA GP committee Dr Peter Holden has called for a £250m-a-year injection of funding into GP premises for some years. But he says the limited four-year investment plan – to date paid out largely in the form of capital grants – was a 'drop in the ocean' and an ineffective way to spend public money.

'I was calling for £250m recurrent funding – the idea was the government should operate something like a cost rent scheme,' he says. 'The old cost rent scheme was extremely effective – it delivered investment, gave GPs security and gave the public a good return on their money. Essentially the system has not been used for 20 years now.'

Dr Holden argues that £250m a year for 25 years is more like the sum that is needed to regenerate primary care premises.

John Hearle, chairman and head of healthcare at Aitchison Raffety, says this level of investment could deliver properties worth around £4.3bn. '£250m a year would create property worth 17 times that amount if you use it to pay rent to third party developers, Lift Co's or doctors paying mortgages on their own projects,' he says.

A spokeswoman for NHS England confirmed that investment fund payments will initially be paid largely as capital grants, but suggested this could change over time. 'The fund was launched to accelerate investment in GP premises and technology over four years. This year we will fund some of the backlog of GPs' projects, some of which are smaller schemes. We expect that most of these projects will be funded as improvement grants under the rules of the GMS premises costs directions. For the next three years we expect to use the full £250m for larger projects, including the supply of third party investments where appropriate.'

Mr Hearle says investment of funding from the first tranche of £250m has been 'a bit disorganised'. Bids for funding were expected to fit with wider NHS priorities such as improving access to GP services, or building new models of care set out in the Five Year Forward View – an NHS England document that sets out a vision for the health service's immediate future.

However, it was only in June 2015 – after year-one bids had been accepted – that NHS Property Services and Community Health Partnerships were publicly made responsible for co-ordinating NHS estates strategy.

This strategy may well create a more coherent approach to investment of the three remaining years of NHS investment fund cash, and could see a more radical approach to investing in not just refurbishment and extension of existing buildings, but in new buildings that enable the health service to adopt new models of care.

NHS England chief executive Simon Stevens set out two main models of care the NHS was expected to adopt in his Five Year Forward View plans. These could see practices integrating with hospitals to create 'primary and acute care systems' in some areas and

GPs working with nurses, hospital specialists and other community health services to form out-of-hospital multispecialty community providers (MCPs) in others.

In many parts of England, the vision for new models of care is likely to require significant overhauls of premises infrastructure. One example of the new models being explored is in Kent, where '20 GPs and almost 150 staff operate from three modern sites providing many of the tests, investigations, minor injuries and minor surgery usually provided in hospital', according to NHS England. 'It shows what can be done when general practice operates at scale. Better results, better care, a better experience for patients and significant savings.'

NHS Property Services and Community Health Partnerships will have a significant role to play in defining how these developments progress. A document setting out their vision says: 'The NHS estate must respond to the financial challenges to support greater integration of services and changing models of care that are closer to home. Improved access to primary care is needed for a growing, ageing population, managing more chronic illnesses, and taking the strain off expensive hospital provision.'

Premises investment in the coming years will be heavily influenced by strategic estates advisers appointed to each local health economy by these two organisations. These advisers will 'help optimise the use of local buildings, reduce running costs and identify estate requirements that spring from commissioning plans'. They will also offer advice on sources of funding available to health service providers looking to develop or remodel premises.

Dr Holden says that although funding announced to date is not enough, 'it is a start'. Spending could be more carefully targeted in the next three financial years, but development beyond that may depend on CCGs' ability to shift funding from hospitals or to take control of premises spending under co-commissioning arrangements. Primary care premises are not out of the woods yet, but perhaps there's room for hope.