



**To:** Lead PCT Directors of Finance  
Lead PCT Chief Executives

**Cc:** PCT Directors of Finance  
PCT Allocation Contacts  
SHA Directors of Finance  
SHA Allocation Contacts  
SHA GMS Contract Leads  
Local Medical Committees

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29 July 2004

Dear Colleague,

### **2004/05 AND 2005/06 PRIMARY CARE PREMISES FUNDING**

I am writing to confirm allocations of an additional £108m for primary care premises over the next two years following today's announcement by John Hutton, Minister of State for Health. Growth allocations for 2005/06 are also confirmed here.

You will be aware that under the new General Medical Services contract funding arrangements premises costs are made up of:

- existing spend - covering a guaranteed baseline of expenditure.
- agreed new premises developments under construction and others contractually agreed between the practice and the provider of the building works by 30<sup>th</sup> September 2003.
- new premises growth (including NHS LIFT).

In 2004/05 the first two elements of this funding were notified and allocated to PCTs as part of the February 2004 allocation announcement for Primary Medical Services. The growth element was notified to designated Lead PCTs in March 2004 and is now being allocated.

The additional £108m is funding over and above these allocations and comprises an additional £42m in 2004/05 and £66m in 2005/06. This is available on the basis of an agreement with HM Treasury that it is spent on third party capital. As such this revenue is earmarked specifically for use as **Private Sector Capital Grants** which may be used in a number of ways, including:

- improvement grants for GP surgeries
- extensions to the successful MADEL project
- refurbishment of GP premises owned by PCTs
- buying up old GP leases or buying land to enable future developments
- GP development/improvement schemes that would otherwise have been delayed until next year.

The related expenditure will need to be appropriately reflected in PCT monitoring and accounting forms to avoid central revenue pressures. Resources will be recouped from PCTs where the expenditure is not correctly recorded. Details on recording will be included in individual allocation letters.

Individual allocations to designated lead PCTs on behalf of all organisations in their Strategic Health Authority area are confirmed in the attached annex. They are reminded of their responsibility in the allocation process for managing prioritisation of primary care premises investment across and between PCTs in their SHA area in line with local Strategic Service

Development Plans. As local arrangements for the prioritisation and funding of local schemes is now in place this additional funding will enable designated lead PCTs to make immediate decisions on approving expenditure that will contribute to premises improvements being made far more quickly and therefore achievement of NHS premises commitments.

For formal notification purposes the additional revenue is being linked with the £15m growth revenue notified for 2004/05 and formal confirmation of the distributions of the £83m available for growth in 2005/06 (which subsumes 2004/05 growth).

I can also confirm that PCTs are not expected to fund the full year costs of the pre-30<sup>th</sup> September 2003 commitments from these growth allocations. The full year costs of pre-30<sup>th</sup> September 2003 commitments will be separately funded as part of their 2005/06 Primary Medical Service allocations. PCTs can also plan growth funds on the basis that these will be incorporated into baseline allocations after 05/06 so that they can meet the recurrent commitments that arise from such investments.

PCTs are strongly advised to ensure that discussions take place with Local Medical Committees with the aims of identifying and securing visible improvements in general practice premises using any available uncommitted funds. In doing so PCTs and LMCs may wish to nominate practices that have yet to benefit from the following:

- an improvement grant in this, or the previous 2 financial years (i.e. after 1 April 2002)
- moved into newly built premises in this, or the previous 2 financial years (i.e. after 1 April 2002)
- a refurbishment of their premises in this, or the previous 2 financial years (i.e. after 1 April 2002)
- received a grant to extend its premises as part of the MADEL initiative in this, or previous 2 financial years (i.e. after 1 April 02)
- received a one-off capital allocation as part of the NHSE August 2002 £22m programme to establish 100 One Stop Primary Care Centres
- received part of the NHSE £14m contingency allocation (year 1 SR2002 Capital envelope) in 2003-2004 for premises development
- being covered by NHS LIFT and scheduled to receive investment in the first phase of local programmes.
- in the last two financial years (since 1 April 2002), or is due in this or the next financial year, to receive any other public funds to enable them to improve their premises.

PCTs should address any queries to their designated lead PCT, who in turn may address queries to SHA allocation/GMS contract contacts. Further queries should be addressed to the nGMS/PMS Helpline on 0845 9000008.

Yours sincerely



Richard Armstrong  
Head of Primary Medical Care Contracting

## PREMISES GROWTH 2004/05

SHA SHA name  
code

	Revenue growth (£15m announced 31 March 2004) Rounded £'000	Additional £42m <u>revenue (earmarked for Private Sector Capital Grants)</u> Rounded £'000	
Q01	NORFOLK, SUFFOLK AND CAMBRIDGESHIRE HA	539	1,613
Q02	BEDFORDSHIRE AND HERTFORDSHIRE	1,033	1,181
Q03	ESSEX HA	601	1,127
Q04	NORTH WEST LONDON HA	99	2,891
Q05	NORTH CENTRAL LONDON HA	115	1,865
Q06	NORTH EAST LONDON HA	373	1,987
Q07	LONDON SOUTH EAST	639	1,622
Q08	SOUTH WEST LONDON HA	701	1,153
Q09	NORTHUMBERLAND, TYNE & WEAR HA	420	1,045
Q10	COUNTY DURHAM AND TEES VALLEY HA	908	811
Q11	NORTH & EAST YORKSHIRE & NORTH Lincs HA	472	1,101
Q12	WEST YORKSHIRE HA	915	1,430
Q13	CUMBRIA AND LANCASHIRE HA	613	1,344
Q14	GREATER MANCHESTER	174	2,540
Q15	CHESHIRE & MERSEYSIDE HA	596	1,855
Q16	THAMES VALLEY HA	548	1,705
Q17	HAMPSHIRE AND ISLE OF WIGHT HA	669	1,232
Q18	KENT AND MEDWAY HA	180	1,549
Q19	SURREY AND SUSSEX HA	675	2,162
Q20	AVON, GLOUCESTERSHIRE AND WILTSHIRE HA	353	1,824
Q21	SOUTH WEST PENINSULA HA	347	1,280
Q22	DORSET AND SOMERSET HA	74	1,148
Q23	SOUTH YORKSHIRE HA	752	888
Q24	TRENT HA	719	1,933
Q25	LEICS, NORTHANTS AND RUTLAND HA	466	966
Q26	WEST MIDLANDS NORTH	469	962
Q27	BIRMINGHAM AND THE BLACK COUNTRY HA	1,139	1,681
Q28	WEST MIDLANDS SOUTH	411	1,104
	<b>ENGLAND</b>	<b>15,000</b>	<b>42,000</b>

Continued/.

**PREMISES GROWTH 2005/06 - CONFIRMATION**SHA SHA name  
code

		Revenue growth £83m Rounded £'000	<u>Additional £66m revenue (earmarked for Private Sector Capital Grants)</u> Rounded £'000
Q01	NORFOLK, SUFFOLK AND CAMBRIDGESHIRE HA	3,138	2,588
Q02	BEDFORDSHIRE AND HERTFORDSHIRE	1,911	2,107
Q03	ESSEX HA	1,908	2,010
Q04	NORTH WEST LONDON HA	709	3,595
Q05	NORTH CENTRAL LONDON HA	3,540	2,382
Q06	NORTH EAST LONDON HA	4,144	2,839
Q07	LONDON SOUTH EAST	2,235	2,720
Q08	SOUTH WEST LONDON HA	2,000	2,056
Q09	NORTHUMBERLAND, TYNE & WEAR HA	2,222	1,763
Q10	COUNTY DURHAM AND TEES VALLEY HA	1,686	1,446
Q11	NORTH & EAST YORKSHIRE & NORTH Lincs HA	2,285	1,893
Q12	WEST YORKSHIRE HA	4,838	2,551
Q13	CUMBRIA AND LANCASHIRE HA	4,954	2,355
Q14	GREATER MANCHESTER	4,715	3,264
Q15	CHESHIRE & MERSEYSIDE HA	5,827	2,948
Q16	THAMES VALLEY HA	1,933	2,710
Q17	HAMPSHIRE AND ISLE OF WIGHT HA	1,659	2,198
Q18	KENT AND MEDWAY HA	1,781	2,080
Q19	SURREY AND SUSSEX HA	2,257	3,412
Q20	AVON, GLOUCESTERSHIRE AND WILTSHIRE HA	1,599	2,619
Q21	SOUTH WEST PENINSULA HA	2,667	1,957
Q22	DORSET AND SOMERSET HA	507	1,472
Q23	SOUTH YORKSHIRE HA	4,142	1,584
Q24	TRENT HA	4,351	3,190
Q25	LEICS, NORTHANTS AND RUTLAND HA	1,370	1,720
Q26	WEST MIDLANDS NORTH	3,042	1,717
Q27	BIRMINGHAM AND THE BLACK COUNTRY HA	8,644	2,999
Q28	WEST MIDLANDS SOUTH	2,969	1,824
	<b>ENGLAND</b>	<b>83,000</b>	<b>66,000</b>

END.