# Leading the way in Third Party Healthcare Developments (3PD)



### Experts in Primary and Community Care Premises Development



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## gbpartnerships develop are one of the UK's leading specialist primary and community GP surgery developers.

With over 20 years' experience as property investor, developer and asset manager, we understand the long-term requirements of clients from across sectors and work to remove barriers to deliver best-in-class premises.

Working with GPs, CCGs, PCNs, NHS partners and the wider public sector including Local Authorities, we help to solve estates issues. Developing new premises, optimising estate and increasing the value of assets through the redevelopment of surplus land and property.

Our Services		
Site Finding / ID / Purchase	Design	Planning
Funding & Project Finance	Construction	Managed Services



#### How are we different?

gbpartnerships group is a multi-faceted group of companies with a proven track record in consultancy, property development and asset management.

We work nationally and unlike some developers in the sector, we have staff based across the country. This enables us to have local knowledge and be able to react quickly.

We are a long term partner with experience managing a portfolio of over 80 primary care properties. gbpartnerships is also the management services provider in 14 NHS LIFT (Local Improvement Finance Trust) Companies.

This relationship puts us at the forefront of primary care development, and means we have close interaction with NHS bodies at the highest level.

#### **Case Study**

Project: Stourport Medical Centre, Worcestershire
Client: Wyre Forest Health Partnership
Size (m2): 1950m2 GIA
Capex: £7m
Project status: On Site
Timescales: Due to be completed in Summer 2022



#### What is Third Party Development (3PD)?

3PD is simply the delivery and development of new primary care premises on behalf of GPs, CCGs and other associated healthcare partners by a specialist 'Third Party Developer'. The developer will then grant a lease to GPs/CCGs for the space they occupy.

#### Why work with a 3PD Development Partner:

- Experience
- Finance
- Time
- Risk
- Succession Planning
- Innovation

"This was a complex project to bring together and it has taken a great degree of commitment and determination on all sides to turn the building from an ambition to a reality. We look forward to sharing it with our patients."

Clare Nock, Chief Executive at Wyre Forest Health Partnership. Stourport Medical Centre.

#### Why work with a 3PD Development Partner?

#### Experience

Having developed and managed over 80 new build primary care centres of varying sizes, scale and complexity, we fully understand both development and the primary care sector.

Primary care development is a specialist sector, necessitating an in-depth knowledge of NHS design guidance. Guidance can change regularly, but our experienced supply chain stay constantly abreast of all relevant legislation. By working with gbpartnerships you can be assured of a modern, fully compliant facility.

#### Risk

Property development is an inherently risky process. Planning, financial and legal approvals can be difficult to achieve and take a long time. The costs associated with these lengthy processes are considerable.

Up-front expenditure, on-site investigations, due diligence, consultant design fees, planning and the like can also prove costly.

gbpartnerships will carry all of these risks and costs, removing them entirely from the practice.

#### Finance

Traditional GP practices tend to be converted residential properties. These could be owned and developed by GPs as they were at a relatively affordable level.

The move towards delivery of more modern and complex services within a primary care setting, coupled with ever more onerous guidance and regulation, has led to the requirement for larger, more complex buildings. This size and complexity requires considerable investment, often making owner occupation unviable.

#### Time

gbpartnerships recognise that development is not your 'day job'. Development is a timeconsuming and complex process. We have the resource and expertise at hand to ensure matters are progressed. We will fully involve you in the decision-making process but allow you to dedicate your time to running your practice.

#### **Succession Planning**

The current difficulties of attracting and retaining GP partners is well documented. A number of practices are finding the requirement to buy into expensive premises equity is putting off potential GP partners.

A leased building takes away this burden and allows more freedom of movement to new and existing GP partners.

#### Innovation

Finding an appropriate site is often the hardest part of property development. Being both a Primary Care developer and a commercial developer gives us the flexibility to look at innovative solutions to develop excess land, should larger sites become available.

#### **Frequently Asked Questions**

#### What is the cost to the Practice?

We will cover all of the costs associated with business case approval, site acquisition and the development process. This includes all site due diligence costs, professional design fees, planning and the like.

The Practice are required to pay for their own Stamp Duty Land Tax (SDLT), legal, Tenants Representative, IT and removal costs along with any new loose furniture.

These will only be payable late in the development process when all risks have been removed and progress is certain. Practices may be able to apply for reimbursement of some of these costs.

**How involved in the design will we be?** The building will be entirely bespoke to the Practice(s). Our architect will liaise with and involve the practice at all stages of the design development to ensure the final building meets the Practice's expectations.

#### How long will it take?

Construction works usually take around 12 months, dependent on the size of the building. The design, site acquisition, NHS approvals and planning process is a less certain period due to the risks involved. We usually expect 12-18 months to complete all of these. Our development management team and professional consultants will work hard to ensure that the development progresses as quickly and efficiently as possible.

#### What are the key lease terms?

The lease follows a standard NHS lease term, typically 21 years. The Heads of Terms are scrutinised by the District Valuer on behalf of the NHS and additionally rent is appraised against a Value for Money assessment. Frequently the lease is let on an 'Internal Repairing' basis with the Landlord retaining responsibility for the external envelope of the building. The Practice would appoint their own solicitor to assist them with lease negotiations and offer appropriate independent advice and protection.



#### Frequently Asked Questions (cont.)

#### Are the Partners tied into the lease?

We recognise that GPs will move and change throughout the lease period. Partners will be free to add and remove GPs from the lease, subject to there being a minimum of two at any one time. Changes simply need to be notified to us.

### What happens once the building is complete?

We can help you manage the relocation process and provide a supportive aftercare service. gbpartnerships will ensure that the building contractor is retained for the first twelve months to rectify any minor defects that may arise. Dependent upon the terms of the lease and the tenant's preference, we can assist with arranging ongoing maintenance contracts as necessary to ensure you settle in as smoothly as possible.

#### What commitment do you need from us?

An initial exchange of letters is all we require to start things moving. No further formal commitment will be put in place until the terms of the lease are agreed, the rent is approved by the District Valuer/NHS and building work is ready to commence. Only then does the practice enter into a contract in the form of an Agreement for Lease before works commence on site.

#### Would you buy our current premises?

We are happy to look at the options for the Practice. This could include us buying the premises from the Practice. Alternatively, our professional team could provide advice on the marketing of the premises to enable you to gain best value, should you sell or lease the property directly.

## For more information and a no-obligation discussion, please contact

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