

To GP Practice

Dear Practice Manager

Re Direct Payment of Financial Assistance to a Third Party

As you are aware [NAME] CCG currently reimburse practices for the reimbursable element of the [CHP / NHSPS] costs for the building that is leased by your practice. This payment covers the rent, rates, clinical waste and water charges in line with the National Premises Costs Directions [NHS General Medical Services - Premises Costs Directions 2013.pdf](#). The practice is then billed directly for this element from [CHP / NHSPS].

The CCG have been working closely with NHS England and [NHSPS/CHP] to review the process in light of recent issues relating to the flow of funds from practices to [NHSPS/CHP]. It has now been agreed, in line with the Premises Directions, that the CCG can make this payment directly to [CHP / NHSPS] on your behalf. **However, this is on the basis that practices ensure that they treat this payment from the CCG/NHSE as income, and the corresponding expenditure as an expense for accounting purposes in the practices' accounts. [NHSPS/ CHP] will still be reflecting the invoices as being issued to you and on the [NHAIS] statement you will see a payment from the CCG and a deduction for the payment made directly to [NHSPS/CHP] on your behalf.**

Whilst direct payments remain an option of payment method to be agreed between a GP practice and the Commissioner, any payments for financial assistance made on behalf of a GP practice by the Commissioner to a third party will be made in accordance with Direction 52 of the National Health Service (General Medical Service – Premises Costs) Directions 2013.

Directions 52 of the National Health Service (General Medical Services – Premises Costs) Directions 2013 states that:

- (1) *'where the Board (Commissioner) and the Contractor (GP practice) agree, the Board must pay any amount that is due to the Contractor as financial assistance under the directions to a third party instead of the Contractor, subject to a condition that the Contractor ensures that it treats the payment for accounting purposes as a payment to it*
- (2) *if –*
 - (a) *the payment from the Board to the third party is less than the amount that is due from the Contractor to the third party; and*
 - (b) *the Contractor is due other payments from the Board as financial assistance under these Directions which are greater than or equal to the amount of the shortfall,*

where the Contractor and the Board agree, the Board must pay all or part of those other payments to the third party instead of to the Contractor, subject to a condition that the Contractor ensures that it treats the payment for accounting purposes as a payment to it'

This letter is a form of agreement between the Commissioner and the Contractor to make ongoing direct payments of financial assistance to third parties by the Commissioner on behalf of the Contractor, in line with the conditions stated under Direction 52 of the National Health Service (General Medical Services – Premises Costs) Directions 2013. This can be revoked by a GP practice by providing 6 months' notice for this change, in writing to both the CCG and [NHSPS/CHP].

Both CHP and NHSPS charge a management fee for certain reimbursable costs; where these are being charged on reimbursable costs, these should also be included in the reimbursable amount paid by the Commissioner in line with the system communication issued [xx/xx/2021].

Direct Payment of Financial Assistance to a Third Party

Formal Agreement to make Direct Payment of Financial Assistance to a Third Party under Direction 52 of the National Health Service (General Medical Service – Premises Costs) Directions 2013.

By signing this agreement, you give [NHSPS/CHP] permission to share your Annual Charging Schedule (ACS) with the Commissioner. The ACS contains both Reimbursable and Non-Reimbursable financial information.

Signed on behalf of the Contractor

Practice Name:

Practice Code:

Name:

Signature:

Position:

Date:

Signed on behalf of the Board

CCG/NHSE Primary Care Commissioning Locality:

Name:

Signature:

Position:

Date: