

LIFT Briefing

This briefing describes the main features of the Government proposals for modernising primary care premises, including pharmacies.

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The NHS Plan announced the Government's intention to enter into new forms of partnership to finance the improvement of primary care premises. The form of partnership is described as a NHS Local Improvement Finance Trust, subsequently known as LIFT.

The LIFT prospectus, issued in July 2000, states that investments in primary care premises tend to be made on a piecemeal basis and are not designed to achieve integrated service delivery, are not concentrated in areas of greatest need and are inflexible. GPs face significant disincentives to practising in inner city areas - too restrictive leases and the risk of negative equity. The standard of existing premises is often poor: access for those with disabilities is often difficult.

In part these justifications echo those for using private finance for the development of hospitals - the need to bring about a rapid inflow of capital to modernise an outdated set of capital assets. In part, however, they stem from different considerations: the (presumed) benefits of bringing together different health care professionals and of offering premises on a wider range of terms than now exist.

LIFT is intended to operate at both national and local level. At the national level there is to be a LIFT joint venture company with Partnerships UK. The latter is itself a PPP: it is 51 per cent owned by the private sector and 49 per cent by the Treasury and the Scottish Executive. Its corporate objective is to facilitate the development of PPPs.

At local level, LIFTs are intended to engage a range of private sector and public sector interests in what is termed a joint venture including:

- local health bodies
- the national joint venture company
- the private sector partner

The latter will be identified through a competitive bidding process. Once identified the private partner will have a long term contract covering the whole health economy giving exclusive rights over developments that are within the scope and financial parameters of the LIFT agreement.

Sources of Funds

Funds are intended to come from national and local sources. Nationally, funds of some £xxx million have been made available and it is expected that these will lever up three times that amount of finance from other sources. As a result, the Government claims that 'up to £1

billion will be invested in primary care facilities and up to 3,000 family doctors' premises substantially refurbished'.

Locally, the prospecture indicates that local health bodies and individual contractors could invest in their local LIFTs.

The returns on investment are to be based either on market rents or on a cost basis agreed within the initial contract.

What

LIFT schemes are expected to comprise:

- investment in one stop centres
- premises for individual professionals
- facilities management for the premises

They are expected to offer:

- landlord repairing and insuring leases
- shorter initial leases
- indexed rent levels

How

The partnership arrangement is intended to be long term. Investment needs are to be based on local health strategies as agreed between all the elements of the local health economy.

The national joint venture partner is to act as a source of advice, standard documentation and offer support for the procurement process. Hence local procurement is intended to take place within a standard national model.

The local private partner is expected to work with local interests to identify new opportunities and better ways of delivering services.

Where

The Plan states that the priority will be investment in those parts of the country where primary care services are most in need of expansion ie inner city areas where GPs and others are least likely to develop their own purpose built premises.

The Department has given the go-ahead for schemes to be developed in six areas: Newcastle, Barnsley, Manchester Salford and Trafford, Camden and Islington, and East London. As this list suggests the

intention is to focus initially on inner city areas but that emphasis may shift over time.

Links with other policy areas

The LIFT prospectus states that the introduction of a new financing mechanism will not mean that existing sources of finance will not be available ie conventional PFI etc.

Although the prospectus does not mention the funds available from other departments (eg Sure Start from the Department of ...) those working in the field expect that flows from redevelopment streams of funding will be used in conjunction with LIFT monies to develop schemes which have a broad redevelopment objectives and may therefore include uses outside the health field as conventionally defined, such as housing advice or leisure facilities.

Relevance to community pharmacy

Although the LIFT prospectus suggests that the prime aim of the new mechanism is the improvement in GP premises it also makes it clear that the premises provided may house a wide range of health professionals and, possibly as noted above, other activities. Hence LIFT may offer more opportunities for pharmacists to improve their premises, move to new ones or to co-locate with GPs and others.

Outstanding issues

The process of developing LIFT is still underway and despite the fact that it appears to be the Government's chosen instrument, a number of questions remain about how it is intended to operate.

- how value for money will be assessed
- how private and public interests will be reconciled and more generally how the local companies will be accountable
- how ownership can change over time
- how high cost schemes will be financed ie schemes in areas of high land values