



NHSPS Service Charge Settlement – Where do GP Practices Now Stand?

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Where do GP Practices Stand with the NHSPS Service Charge Settlement?

The BMA has announced that 'Trial 2' of the long-running dispute between 5 GP Practices and NHS Property Services Ltd ("NHSPS") over services charges has reached an out-of-court settlement. Whilst many GP practices may be disappointed that the charges imposed by NHSPS have not been examined in detail at trial, the settlement may still bring some relief and clarity to the healthcare community.

Background

For several years GP practices across the country have been grappling with significant service charges imposed by NHSPS. These charges were non-reimbursable and covered various services, such as building maintenance, utilities, and other property-related expenses. The lack of transparency and concerns over the fairness of these charges led to disputes and a legal battle between NHSPS and GP practices, which were backed by the BMA. This has ultimately culminated in a recent settlement between the sides.

The legal battle was split into two trials:

- The first hearing primarily considered property law principles as to whether historic PCT lease and occupation arrangements were transferred to NHSPS.
- The second hearing aimed to evaluate and conclude the specific amount that each of the five GP practices owed to NHSPS in respect of the historic service charges.

For more information about the events preceding the legal challenge and the first hearing handed down on 8 June 2022, please see our [previous article](#):

The Second Trial – Settlement

The BMA has announced that NHSPS and the 5 GP Practices have reached an out-of-court settlement on the charges the subject of the second trial. The settlement saw the Practices each achieving a different reduction in the amount of historic service charge being levied by NHSPS, with 3 of the Practices seeing a more than 50% reduction and one of these seeing a reduction of more than 80%, over £400,000, from the amount initially claimed by NHSPS.

What does the outcome of the trial mean for GPs?

Whilst this does appear to be a significant victory for the 5 GP Practices concerned, a crucial point to flag straight away is that this settlement sets no uniform precedent that can be applied to the sector as a whole. The Judge was explicit in that each case must be determined on a case-by-case basis.

The settlement emphasises the importance of transparent and accurate information to support any charges being levied by NHSPS. If they have not already done so, GP Practices should take the opportunity to scrutinise the charges imposed by NHSPS and request supporting documentation to understand them better. Practices should also ensure they keep their own accurate records of services being provided and payments demanded and made. The BMA has said that the settlements saw major reductions in the amounts demanded by NHSPS, partly because NHSPS could not produce the necessary evidence to justify their charges.

Lastly, it is always advisable to seek appropriate independent legal advice. There is no substitute for having a properly negotiated and drafted lease because this can prevent many of the issues from materialising in the first place. Equally, if you are in a position where you are disputing the charges levied by NHSPS, you should seek legal advice as to the basis for any claims made and your options going forward.

We hope this trial will lead to both NHSPS and GP Practices seeking to work together on a case-by-case basis to reach a fair and agreed settlement on disputed historical charges. A healthier working relationship between NHSPS and GP practices that fosters trust and long-term collaboration will allow GPs to focus their energies where they are needed most – on their patients. This can only lead to improved health outcomes.

Our solicitors work with GP practices and medical professionals nationwide. If you want to speak to one of our [healthcare](#) law specialists, please email online.enquiries@LA-law.com or call 023 8082 7422.