

Supporting the healthcare sector

Primary Healthcare

At The Royal Bank of Scotland, we focus on providing the highest quality of banking services to the healthcare sector. We continually strive to deliver the advice, support and specialist knowledge you need to help meet your business challenges.

Right across the primary healthcare sector, providers increasingly need to invest in upgraded facilities and new premises. These developments bring significant improvements and business opportunities, but they can be complex to arrange and organise. Putting the right financial structures in place is essential, and in-depth pro-active advice can make all the difference.

Pressures on doctors' surgeries

As more services such as physiotherapy, district nursing, midwifery, minor surgery and dialysis are offered from doctors' surgeries there is increased pressure on space. Modern facilities and premises are a priority and the trend is for doctors to move from the traditional residential housing model into purpose-built new surgeries. It has been estimated that as many as 70 per cent of GPs' premises in the UK are either too small or too old to cope with the newer styles of care provision.

Pharmacies are investing for the future

Not surprisingly, many pharmacies are also moving into modern, purpose-built premises, frequently alongside a doctor's surgery. Location continues to be one of the most important factors for pharmacies, with proximity to a doctors' surgery a vital issue.



Growth in childcare

Improved financial support from the Government has led to significant growth in the Children's Nursery Day Care Sector. Demand is growing, spurred largely by changes in society:

- More women are working full time
- The trend for women to have children later in life means they are more likely to use childcare
- Increasingly, relatives find it difficult to provide childcare support to young families.

There are nonetheless significant challenges in the sector, in particular staff costs and agency fees.



Supporting primary healthcare providers

At The Royal Bank of Scotland, we operate specialist teams of advisors and relationship managers who focus solely on meeting the needs of our customers working in primary healthcare sectors – such as doctors' surgeries, pharmacies and child day care nurseries.

These specialist teams understand the challenges faced by this sector and the services needed to grow your business. We tailor those services to help you adapt to the significant changes taking place across primary healthcare.

We can offer the primary healthcare sector an exceptional banking service for three key reasons:

- Our first hand knowledge of your sector
- Our focus on your specific needs
- Our ability to make financial decisions locally – where you need it.

Sector experts

As a Bank committed to relationship management, we are able to provide extensive ongoing support and advice to professionals working in the primary healthcare sector. This is tailored advice and support delivered by specialist teams with a real understanding of the issues affecting your sector and the economics involved.

Extensive assistance with new developments

Building new premises is a complex project – and the specialist expertise available from RBS relationship managers can prove invaluable.

As we have experience in advising doctors, pharmacists and child care operators on the different options available for funding new premises, we are able to deliver pro-active advice which delivers significant benefits for your business and its partners.

One of the options we often put forward, and which we can help you arrange, is to set up a separate investment company, which funds the development and rents the new facility back to the business.

This provides great flexibility. For example, if one of the partners – a doctor or pharmacist for example – retires or chooses to leave the practice, their shareholding in the property is held separately. This ensures they are able to hold onto it as an ongoing investment or sell their shares – without affecting those that remain.

Setting up loans for this kind of investment calls for the kind of specialist knowledge possessed by the RBS sector teams. It pays, for example, to understand how doctors are paid by PCTs. We understand that the funding structure of a doctors' surgery may not allow them to make any capital repayments while the build is ongoing or even in the first few years of using the new building.

As a Bank we are now able to offer a residual debt position on GP Surgery schemes. We are able to structure loans using specialist interest rate financial products to ensure the finance will be reduced to an acceptable level over the term of the lease.

We are also willing to lend more than 100 per cent of the cost of building new premises – because we understand that this is often the only way of making the project come to life. We are able to do this because we understand how primary healthcare providers work and how they are funded.

We are even able to put customers in touch with specialist professionals such as architects, solicitors and even main contractors, all of whom have extensive experience in the primary healthcare sector.

Specialist expertise on your doorstep

Our specialist knowledge means we can structure our financial services products in ways that help you meet your particular challenges. Our relationship managers are locally based and possess an in-depth understanding of your sector. It's these relationship managers, who get to know you and your business, who make important decisions, making it easier and faster for you to get the expert help and support you need.

Next steps

If your business could benefit from this kind of pro-active advice please contact your relationship manager who'll be able to discuss how we can help you.

www.rbs.co.uk