

# NHS pension changes consultation

The Department of Health and Social Care (DHSC) launched a new consultation in August 2019 on changes to NHS pensions that replaces the proposed 50:50 system it published for consultation in July 2019.

The new consultation will consider whether to give senior NHS clinicians full flexibility to reduce their pension contributions as much or as little as they choose and allow them to alter their level of pension accrual.

The changes, which will start from April 2020, have been proposed as a way of protecting high earning NHS clinicians from the unexpected tax charges that many have incurred as a result of taking on extra shifts.

These tax charges are triggered when payments for additional shifts raise clinicians' annual income above the threshold at which their annual tax relief allowance starts to be gradually reduced, or 'tapered'. The threshold for annual allowance tapering is £110,000, which means that it potentially affects around a third of NHS consultants and GP

partners. In extreme cases, it can mean that clinicians are effectively unpaid when they work extra shifts, or even that they are paying to go to work. As a result, many are working fewer hours, creating a staffing crisis in the NHS.

The tapering rules, which were introduced in 2016, have had particularly severe consequences in the NHS because of the complexity and inflexibility of the NHS pension scheme compared with private sector schemes, and because the NHS is heavily dependent on consultants agreeing to take on extra work over and above their normal hours.

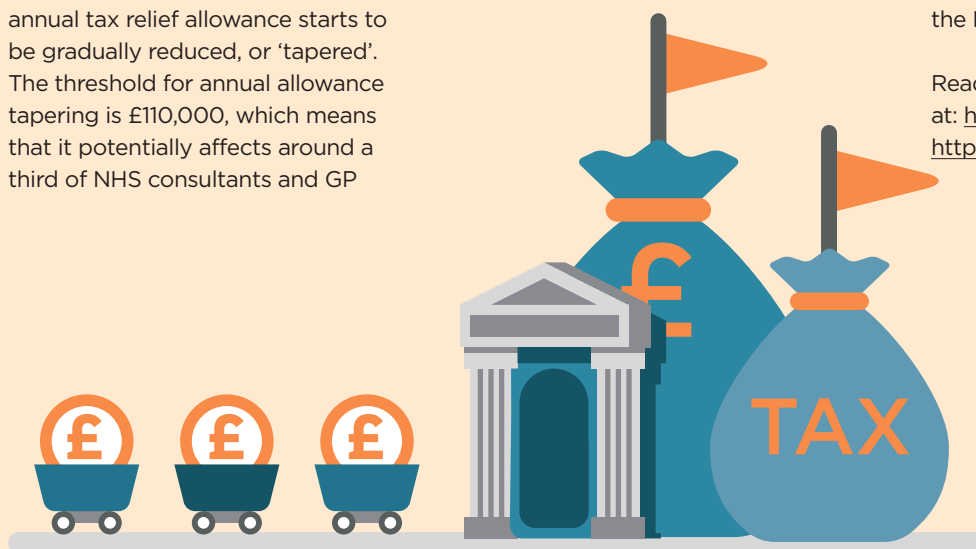
The July consultation proposed allowing them to reduce their pension contributions and accruals by 50%. However, this was criticised by the British Medical Association (BMA) for providing insufficient flexibility. The BMA also claimed

that it would amount to a pay cut, since it would result in NHS staff losing employers' pension contributions.

As a result, the proposals in the new consultation allow NHS clinicians to reduce contributions more flexibly, by 10% or any multiple of 10%, with pension accrual reduced accordingly. In addition, so that staff do not lose the value of employers' pension contributions, the DHSC has said that NHS employers will have the option to 'recycle' these contributions back into salaries.

However, the BMA has warned that consultants and GPs will continue to face difficulties unless the tapering of annual allowances is abolished altogether. As a concession to this concern, the Treasury has said that, alongside the proposals for full contributions flexibility, it will review the tapered annual allowance and assess whether it "supports the delivery of public services such as the NHS".

Read more about the consultation at: <http://bit.ly/2ZcNsrK> and <http://bit.ly/2P5zZCj>



# value of dental practices is rising

The National Association of Specialist Dental Accountants & Lawyers (NASDAL) survey statistics covering the sale of dental practices for the quarter ending 30 April 2019 have revealed that the average value of dental practices is recovering slowly.

Dental practice valuations reached a high of 153% of fee income in the quarter to the end of October 2017 but have fallen significantly since then, reaching a low of 125% of fee income at the end of October 2018. Since then valuations have gradually risen from 126% of fee income in the

quarter to 31 January 2019 to 131% of fee income in the quarter to 30 April 2019.

After several successive quarterly falls, goodwill values of NHS practices were 149% of gross fees in April 2019, up from 118% in January 2019. The goodwill values of mixed practices was also up by 38% quarter on quarter at the end of April 2019, to reach 146% of gross fees.

Sales of fully private dental practices remained steady and amounted to an average figure of

120% of gross fees in the quarter to 30 April 2019.

According to NASDAL, the rise in practice values could indicate that banks are seeking certainty as a result of concerns about the potential effects of Brexit. Anecdotal information indicates that banks are keen to support practices with a significant income from dental plans, as this is reassuring in uncertain times.

Read more about dental practice values at: <http://bit.ly/2HhvfDe>

# primary care networks will struggle to find money for extra clinical staff

NHS England has been warned by GPs and policy leaders that some primary care networks (PCNs) will struggle to provide funding for additional healthcare professionals. From 2023/24, under the PCN contract, PCNs will have to provide funding for an extra 22,000 clinical staff, such as pharmacists, physiotherapists and social prescribers. The extra staff will work as part of community teams to provide care for patients and enable GPs to focus on those with complex needs.

NHS England has guaranteed to provide funding to cover 70% of the cost of hiring most types of staff,

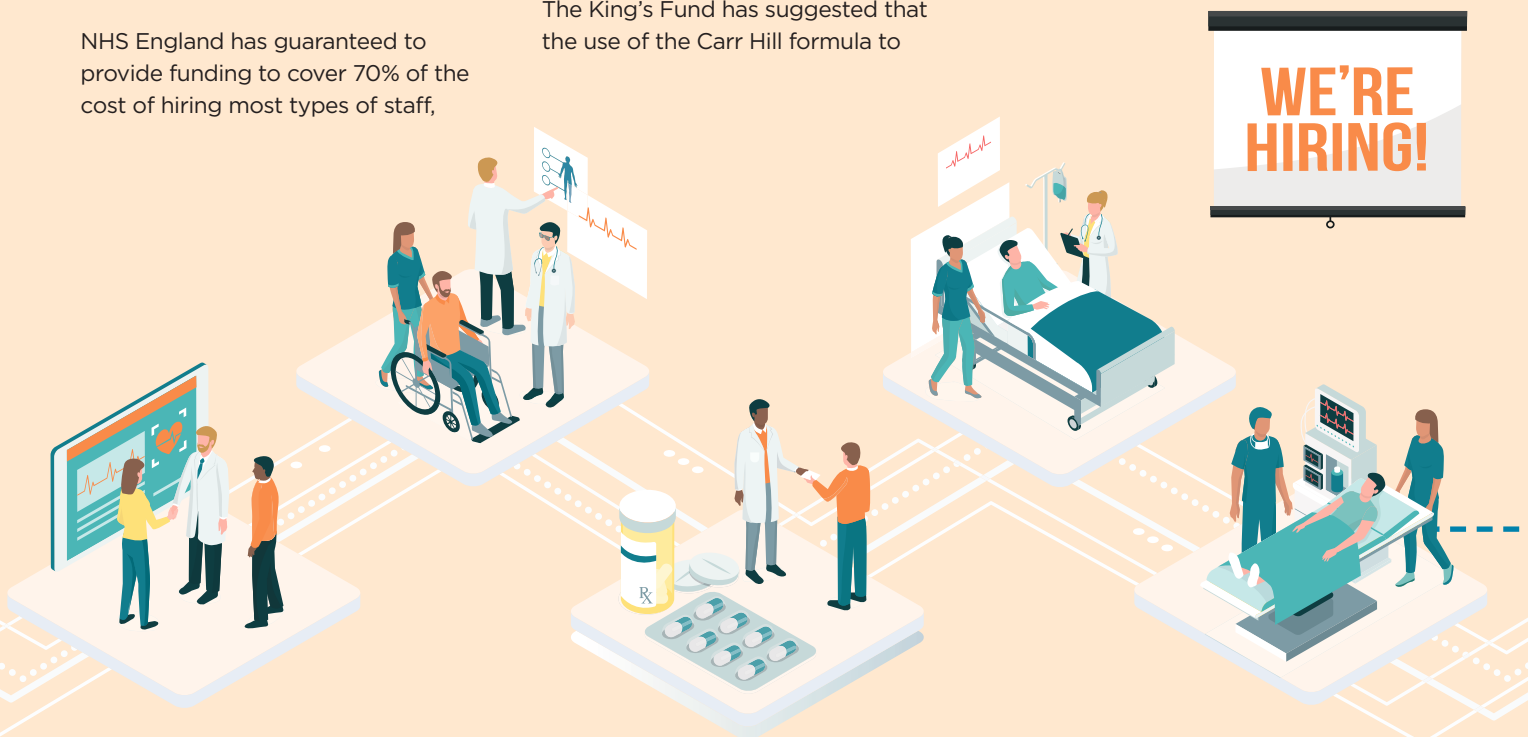
increasing to 100% of the cost of hiring social prescribers. However, PCNs are expected to cover the balance.

GPs and policy leaders believe that it will be a challenge for some PCNs to find additional funding to pay 30% of the cost of hiring additional clinical staff. PCNs in deprived parts of England are particularly expected to struggle as they rely on locum GPs, and the resulting expense means they have little or no money spare. The King's Fund has suggested that the use of the Carr Hill formula to

calculate sums under the GP contract may also be to blame.

Although its not mandatory for a GP practice to join a PCN, both the British Medical Association (BMA) and NHS England expect every practice to do so.

Read more about the warning to NHS England at: <http://bit.ly/2MurSNw>



# in brief...

## GP partners warned to monitor for fraud

The Association of Independent Specialist Medical Accountants (AISMA) has warned GP partners that they should be actively looking for signs of fraud following a series of high profile cases that have seen practice managers prosecuted for defrauding large sums. AISMA say, GP partners should be monitoring for fraud all year round and not just when preparing end of year accounts. AISMA has also published a series of tips to help GPs prevent fraud, such as reviewing all payments and comparing budgets against actual figures to spot any unusual activity. <http://bit.ly/2ZdkJHr>

## Support for community pharmacies to consolidate

The Department of Health and Social Care (DHSC) has published the 'Community Pharmacy Contractual Framework for 2019/20 to 2023/24', which sets out plans to make it easier for pharmacies to consolidate. Under the plans, DHSC will remove unnecessary administrative burdens to support community pharmacies to consolidate when it is commercially beneficial, such as when they have other branches nearby or are located close to a competitor's pharmacy. The framework also includes plans to introduce new rules to allow all pharmacies to benefit from more efficient hub and spoke dispensing. Under hub and spoke dispensing a 'hub' pharmacy dispenses medicines on a large scale using automation to prepare medicines for regular 'spoke' pharmacies to supply to the patient. In addition, the framework confirms that funding for community pharmacies will be frozen at £2.59 billion for the next five years. <http://bit.ly/2ZasAX1>

## More 'good' GP practices see their ratings drop

The annual report from the Care Quality Commission (CQC) has revealed that 17% of GP practices that were rated as 'good' had their rating drop to either 'requires improvement' or 'inadequate' in 2018/19. In comparison, 11% of 'good' practices had their rating drop in 2017/18. Overall, 5% of GP practices were rated outstanding and 90% were rated good in 2018/19. The report has also indicated that the number of notices of proposal issued increased by 27% in 2018/19. Notices of proposal are issued by the CQC and give a healthcare provider notice of the action the CQC proposes to take, for example to cancel registration of services when the quality of care is insufficient. <http://bit.ly/2P6byV6>

## Pharmacies to offer same day appointments

From 1 October 2019, the new NHS Community Pharmacist Consultation Service will come into force to help tackle rising GP workloads. Under the service, patients in England who call NHS 111 for minor conditions will be offered same day booked appointments with their local pharmacy. The service will be extended to include direct referrals from A&E departments over the next five years, while referrals from GP practices are expected to be introduced from April 2020. According to the Department of Health, up to 6% of GP consultations could be transferred to community pharmacies who will receive £14 per completed consultation. <http://bit.ly/2Mr7L2R>

## Reforms to fitness to practice rules for dentists

The Department of Health has been working with the General Dental Council (GDC) to update the regulator's fitness to practice processes and operating framework. The fitness to practice processes will be modernised and made more efficient in order to better support dental professionals. In particular, the GDC will be able to make a decision about a dental professional's fitness to practice without a panel hearing where appropriate. The dentistry industry has welcomed the decision to update the legislation, which has been described as antiquated and not fit for purpose. <http://bit.ly/31OR8kY>

## NHS owed £600 million in unpaid rent

An investigation by 'Practice Business' has revealed that the NHS is owed almost £600 million in unpaid rent on the properties it owns. NHS Property Services, which manages all NHS buildings that are rented or sold, only gets back 58p on every £1 it bills. The investigation has also found that NHS Property Services has written off around £110 million in debt over the last five years due to a failure to reclaim it. Commenting on the figures, the BMA said that GPs who lease properties from NHS Property Services have seen service and maintenance fees increase significantly without an explanation. As a result, GPs often do not pay these fees as they threaten the financial stability of their practice. <http://bit.ly/2znQsHr>



# British Dental Association calls for 'revolution' in residential care

The British Dental Association (BDA) has called for a change in the approach to dentistry in residential care homes following a Care Quality Commission (CQC) report revealed that too few care homes are supporting residents with their oral health.

According to the 'Smiling matters: oral health in care homes' report, the lack of domiciliary dental services prevents care home residents from accessing NHS

dental care. Commissioning figures obtained by the BDA also suggest that fewer than 2% of people in England who require domiciliary dental care are receiving it through the NHS.

Of the care home managers interviewed for the CQC report, 29% had read NICE Guideline 'Oral health for adults in care homes'. In addition, just 39% of managers felt confident about implementing the NICE guideline, which the CQC recommends should be fully implemented in every care home. Around 52% of the 100 care homes visited by the CQC had no oral health plan for residents and 47% of staff had never received training in

oral health care. The CQC has recommended that care homes introduce oral health check ups for new residents and ensure that staff are trained in oral health.

Overall, the CQC has called for a cross sector approach to oral health in residential care and the CQC has identified several examples of good, joined-up practice between care homes and dental practices. The CQC also recommends replicating this across England, so care home residents' access to dental care would no longer depend on their postcode.

Read more about the CQC report at: <http://bit.ly/2Z5NAyb>



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## call for GP locums to cut rates

The Clinical Negligence Scheme for General Practice, a state-backed medical indemnity insurance scheme for GPs, was introduced in England and Wales on 1 April 2019 and is expected to cut the cost of GPs' indemnity premiums by 80% - 90%.

The scheme provides indemnity cover for clinical negligence claims that arise as a result of primary care work carried out under an NHS contract. Under the scheme, many full-time GPs will only pay around £1,000 a year for their indemnity cover, and locum GPs will not need to pay for their own cover when working for GP practices and networks as they will be covered by the practice insurance.

According to the new five year GP contract agreement for England, introduced in April 2019 GP practices' and networks' costs should fall, as locums employed by them should adjust their rates accordingly to reflect the reduction in indemnity charges.

A survey by GPonline has found that 70% of GP partners believe that locums should reduce their rates. However, while only 2% of GP locums said they had reduced their rates since the introduction of the state-backed indemnity scheme, 13% said they had been pressurised by practices to cut their rates.

GP locums have rejected blanket demands to reduce their rates, and the National Association of Sessional GPs has revealed that locums have not increased their rates for several years because GP practices have been unable to pay them more, and as a result locums have been forced to absorb rising indemnity insurance fees and other costs themselves.

Locums responding to the GPonline survey also pointed out that they should not have to reduce their rates as GP partners' incomes will rise anyway as a result of the introduction of the state-backed indemnity scheme. Read more at: <http://bit.ly/2KMiuCX>