



GP Practices

Specialist GP Practice Accountants

Newsletter

Summer 2016

Introduction

Welcome to our Summer 2016 GP newsletter.

Once again, the first six months in 2016 has raised more questions that it has answered for the GP sector. Another contract imposition, the UK's decision to leave the EU, an ongoing recruitment crisis and uncertainty over practice funding being the key challenges for the profession. In this newsletter, we focus on the recent GP contract changes, the trend towards salaried GPs and the future of the GP partnership model, the new pension rules and self assessment tax returns for individual GPs and review what the proposed new rules for GPs and data security mean for the sector.

In this issue we look at:

- GP contract changes 2016/17
- What next for the GP partnership model?
- New pension rules – one year on
- 4 reasons to submit your tax return early
- GP data security – what the new rules mean
- £17m training fund for the Sheffield City Region

We hope you enjoy this edition of our newsletter and, as always, please get in touch if you would like any further information.



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Hawsons are specialist GP practice accountants

At Hawsons our dedicated team of specialist medical accountants and tax advisors offer a wealth of experience to GPs and their practices. Our in-depth knowledge and understanding of the sector is applied and we work closely with our clients, ensuring that changes in the medical sector are recognised promptly and appropriate strategies implemented and actions taken.

For more information on our GP practice expertise, including the services we offer and our experience, please visit: www.hawsons.co.uk/gp



GP contract changes 2016/17

The NHS Employers and the General Practitioners Committee (GPC) of the BMA have announced changes to the GMS contract in England for 2016/17, but what do the GP contract changes mean for you and your practice?

The general focus of the contract is to help alleviate some of the financial pressures facing practices through a significant £220m investment into general practice, together with changes to Enhanced Services and patient access to service.

The initial GP contract changes for 2016/17 were announced in February, but further details have since come to light:

Practice funding and expenses

In recognition of the growing financial pressures facing GP practices, NHS England and GPC have agreed an investment of £220m into the contract for 2016/17. This significant investment covers a pay uplift of 1%, an increase in the item of service fee for vaccinations and immunisations to £9.80, a change to the value of a QOF point (as a result of a Contractor Population Index adjustment) and supplementary practice funding to cover business expenses, including additional CQC costs. This is the first time that GP contract changes have given clear appreciation and additional funding to support practices with rising CQC fees.

Patient access to service

Over the last few years, changes have been made through the GP contract aimed at increasing the uptake of patient online services. The GP contract changes for 2016/17 include further non-contractual changes to patient online access, including targets to increase electronic referrals and targets to encourage more patients to use at least one online service. Essentially, the contract focuses on using digital technology to facilitate greater electronic resource sharing and improvements in the provision of online services.

Enhanced Services

The Dementia Enhanced Service ended on 31 March 2016. Its £42m funding has been reinvested into core GP funding. During 2016, dementia diagnosis rates will be monitored and the position will be reviewed for 2017/18 if there is a significant change.

The avoiding unplanned admissions (AUA) Enhanced Service will continue for a further year. Additionally, the extended hours and learning disabilities enhanced services will also be extended and continue unchanged for a further year.

QOF

The GPC and the government have agreed to explore a complete scrapping of QOF in England. This discussion comes after the Scottish government announced their decision to scrap the "outdated" QOF system of payments for GPs, phasing it out from April 2016. When QOF is scrapped in Scotland an alternative payment scheme will replace it.

In the meantime, for 2016/17, there will be no change to the number of QOF points available and no changes to thresholds for 2016/17 (planned changes have been deferred for one year). As mentioned above, CPI will be adjusted to increase the value of QOF points to reflect the changes in list size and population growth.

Other contract changes

- NHS England will set a maximum indicative rate based on a set of rates (which may have some degree of regional variation) for locum doctors' pay. NHS England will amend the electronic declaration system to include recording on the number of instances where a practice pays a locum doctor more than the maximum indicative rate.
- NHS England and GPC have also agreed to take forward discussions in the coming months on a number of other areas.
- To record data, every six months, on the availability of evening and weekend opening for routine appointments.

In summary

This article has covered the main elements and changes to the new GP contract for 2016/17, as announced by the NHS Employers and the General Practitioners Committee of the BMA. The changes to the GP contract for 2016/17 are far fewer than in previous years.

If you have any questions on anything in this article, please get in touch.

What next for the GP partnership model?



The profession has changed significantly in the last 5 years, from where giving up a partnership in favour of a salaried position would have been unthinkable, to those resigning from partnerships to take up salaried roles.

Decreasing practice funding, increasing patient demand, growing administrative burdens and the introduction of CQC inspections have fundamentally changed the day-to-day workload of GP partners and piled on the pressures of a partnership. GP partners are increasingly dealing with non-medical matters and additional management duties, such as financial management and accounts, recruitment and retention, referral targets and performance management. These are all critical tasks for any practice, but many GPs joined the profession to be clinicians – to see patients – and are being tasked to take on much larger non-medical workloads.

Not so long ago there were typically 10, 20 or even 30 applications for each GP partner position. Now, with partners taking on an increasing number of additional management duties whilst facing a significant pay squeeze – although there is still a gap in pay between partnership and salaried roles the gap is reducing – it is no surprise partnership vacancies are hard to fill.

Official figures show that in 2009, 69% of all GPs in England were partners while 20.5% were salaried; in 2015, only 55% of all GPs in England were partners while 24% were salaried. In addition, recent research from Pulse, who surveyed more than 500 GP partners in April 2016, found that 51% of partners would consider taking up a salaried role if presented with the right deal and 54% of respondents said they do not expect the GP partnership model to exist in 10 years.

Essentially, partnerships are being seen as a restrictive career choice by many GPs, with salaried positions offering greater flexibility and a better work-life balance; an opportunity to escape the pressures of non-medical partnership responsibilities.

So where does that leave general practice? Is this the end of independent contractor status?

Benefits of the GP partnership model

There are clear benefits of becoming a GP partner; this model of independent contractor status provides GPs with the freedom to advocate for their patients, to run their own business, to steer their own ship and to determine their own future. GP partners also have the stability of employment and the potential to benefit from growth in the profits of the practice.

Having a stake in the business also means GPs are better connected and accountable to the local community, which can not only make the GP partnership model a cost effective and rewarding way for GPs to delivery primary care, but a positive for patients and the local area. Because GP partners own and manage their practices, it is often said that general practice is the only part of the NHS that is truly clinically led.

The future of the GP partnership model

Opinions are divided over the GP partnership model that has helped to shape general practice since the inception of the NHS over 65 years ago. The disadvantages of the system are arguably starting to outweigh the positives; the recent contract imposition and the increasing level of bureaucracy and red tape involved in obtaining practice funding are threatening the benefits of partnership.

There is no perfect solution and it is unclear whether the traditional GP partnership model is sustainable in the long term. Much of this depends on government support and practice funding. The recent publication of the General Practice Forward View package will not solve all of the challenges facing general practice but it does set a new direction and mark a step-change for primary care.

It will be interesting to see how general practice continues to evolve over the coming months and years.

New pension rules – one year on

According to HMRC figures released last month, over 230,000 people have used the new pension rules, introduced one year ago, to access over £4.3bn in pensions saving. Since the pension flexibility rules took effect from 6 April 2015:

- 232,000 individuals have accessed their money flexibly;
- Over £4.3bn flexibly accessed through 516,000 payments;
- In the most recent quarter, 74,000 individuals withdrew £820m, and;
- In the previous quarter, 67,000 individuals withdrew £800m.

The figures above are taken from information voluntarily reported to HMRC by pension scheme administrators from 6 April 2015 to 31 March 2016. It is not mandatory for scheme administrators to flag these up as pension flexibility payments until April 2016. HMRC statistics cover 'flexible payments', which means partial or full withdrawal of the pension pot, taking money from a flexible drawdown account, or buying a flexible annuity.

In April 2015, the private pension world underwent unprecedented changes as the government introduced significant new pension rules to give people the ability to access their private pensions savings how and when they want. The new rules came into effect just over a year ago and were/are, on the whole, beneficial for most savers.

The principle changes were:

- No need to take an annuity on retirement or at age 75;
- The potential for people aged 55 or above to withdraw all or part of their pension fund;
- Monies taken will be part tax-free cash with the balance treated as income;
- Ability to pass on pension funds to any beneficiary on death, and;
- Take partial benefits from pension funds.



The 2015 changes were the biggest shake up to UK pensions ever and, although mainly beneficial, they brought with them a number of complexities and new considerations for savers to make. Understanding the pensions system can sometimes be a detailed and complex process, particularly when you are thinking about how you can make the most of the new pensions rules.

If you would like advice on the new pensions rules, including your tax implications, please contact us. If you would like a financial review and recommendation of your individual situation we will carry out an extensive assessment of your personal financial circumstances and establish your financial planning requirements.

4 reasons to submit your tax return early

Although we are only just into the new tax year and it may be tempting to put off preparing your self assessment tax return until later in the year, the summer might actually be the perfect time to complete your tax return and get your tax affairs up to date. This is particularly relevant as many GPs will by now have received notice to file a self assessment tax return for the 2015/16 tax year.

Peace of mind: Submitting your tax return early gives you one less thing to think about and could give you peace of mind during the hectic Christmas (and New Year) period. Avoid the stress of last-minute filing by sorting it out this summer.

Avoid incurring penalties and interest: The deadline for filing is 31 January (or 31 October for paper returns); miss it and you'll automatically be fined the infamous £100 penalty. Longer delays will result in further and more severe penalties from HMRC, so filing your tax return early will make sure you do not run the risk of missed deadlines and HMRC penalties.

Know what tax you owe and plan ahead: Filing your tax return early does not mean paying the tax that you owe at an earlier date. Find out where you stand at the earliest opportunity and give yourself time to budget for payment and consider tax planning opportunities. For example, it may be possible to reduce your July payment on account if your income has reduced. In addition, if the return is filed early it may be possible for tax owed of up to £3,000 to be collected through your salary or pension.

Get a quick tax repayment: If you are entitled to a tax repayment, you should receive this once your tax return has been submitted and processed by HMRC. It is therefore well worth filing your tax return early if you've overpaid tax as it will enable you to receive the tax repayment sooner. In addition, you are likely to receive the repayment much quicker during the summer.

GP data security – what the new rules mean



Two major independent reviews (one from CQC and one from the National Data Guardian) on data security have suggested changes to the way that NHS organisations handle patient data. Although the reports found that personal data is generally managed securely across NHS organisations, a number of recommendations have been set out to prioritise data security and implement a number of measures to ensure that patients understand how and when their information is being shared and that their data is safeguarded.

In this article we explore what the proposed changes may mean for GP practices.

Background

Like many other business sectors, healthcare is increasingly adopting technology and going digital.

With data continuing to play a progressively critical role in healthcare – for GPs, pharmacies, hospitals and care homes - the risks that those businesses and practices are facing are changing at a rapid pace. The majority of NHS organisations will inevitably find themselves more vulnerable to data breaches in the years to come, so it also becomes ever more important that there are regularly tested, adequate and robust data security systems in place to protect confidential patient data that they hold.

The report also calls for more adequate systems to ensure emails containing sensitive patient information are not sent to the wrong address, patient records are not lost, laptops are not used without encryptions and data is not shared without patient consent.

On that last point, the reports have recommended a much more extensive dialogue with patients about how their personal data is shared – anonymised or not - and put forward a new model of patient consent.

CQC has warned GP practices to be prepared for strengthened and more stringent inspections on information governance moving forward. Data security will be audited and inspected to the same level as clinical and financial standards, with practices having to demonstrate clear ownership and responsibility for data held.

What does this actually mean for GP practices?

GPs have always depended on trust and this is no different. It is vital that the public trusts GP practices and all organisations across the NHS to keep their personal data safe and secure. Many GPs may argue – and will be right to do so – that they already take data security very seriously and that further bureaucracy at practice level will not help overcome other managerial challenges.

But with technology and data sharing to becoming an even bigger part of the delivery of primary care over the coming years (with electronic referrals, online patient appointment booking systems and large data systems), now might be the time to get ahead of the game and review data security procedures and implement appropriate changes.

Reminder: no action is needed to be taken by GP practices yet as these are simply recommendations at the moment. The government has now launched a 9 week consultation period to discuss the proposed recommendations on data security:

www.gov.uk/government/uploads/system/uploads/attachment_data/file/535170/NDG_consultation_A.pdf

The new EU GDPR rules

Of more immediate concern for GP data security is the new EU General Data Protection Regulation (GDPR), which was finally released in April 2016. GPs will need to start planning ahead and preparing for the changes that are due to come into force in 2018. Although the UK would not be tied down to the new rules now Brexit is confirmed, it is likely that, following post-exit negotiations, UK data protection standards would have to be equivalent to the EU's GDPR framework. We have a detailed article on what Brexit means for the EU GDPR rules at www.hawsons.co.uk/brexit-data-protection

As the new rules bring greater power to authorities, data protection errors will now be far more expensive – both financially and through loss of reputation – than ever before. For more information please contact your local office specialist.

£17m training fund for the Sheffield City Region

Do you know about the new Skills Bank for the Sheffield City Region? The Skills Bank is a government/LEP initiative aimed at workforce training and development in the Sheffield City Region. It is a £17m fund – new for 2016 – comprising of funding from the European Social Fund and Growth Funding.

What is the Skills Bank?

The Skills Bank is an exciting new service which invests in skills and expertise to drive business growth, and will run from Spring 2016 until March 2018 to help local businesses develop skills and grow.

The Skills Bank is a facility to help improve the skills base of the workforce in the Sheffield City Region, whilst also changing the way the skills system operates – placing the purchasing power for skills in the hands of employers. The £17m support will be used to either fully fund or partially fund the training and development needs of local employers.

The employer (i.e. you) may be eligible for funding, but will still likely be required to make a cash contribution towards the cost of training. The employer's cost of the training and development will depend upon the number of learners, the duration of course, the method of delivery and the course content.

The Skills Bank is an opportunity for employers in the Sheffield City Region, comprising of nine local authority areas: Barnsley, Bassetlaw, Bolsover, Chesterfield, Derbyshire Dales, Doncaster, North East Derbyshire, Rotherham and Sheffield.

What does the Skills Bank mean for employers?

The Skills Bank will support employers who have training and development needs in the Sheffield City Region.

The process of the Skills Bank works as follows:

- Identify what training and development you need to grow your business;
- You can do this by completing the “skills assessment” on the Skills Bank’s website;
- Visit the Skills Bank’s “online marketplace” to find the training courses that suit your needs;
- There are over 1200 courses already available;
- If you are unable to find a course for your needs, the Skills Bank will help you find a solution;
- The solution could mean a new course option becomes available, depending on demand;
- Consider how, where and when you want your training delivered;
- You will work with the Skills Bank to build a “skills deal” for your business;
- This will involve agreeing your Skills Bank funding, your own costs and your training provider;
- Complete your training and development with your training partner;
- Submit feedback and a review on the learning that has taken place.

This is an exciting opportunity for all employers in the local region, particularly for those who have very specialised training and development needs, which may not be cost-effective to provide in-house.

Can the Skills Bank support your business?

A new website has been launched for the Skills Bank in the Sheffield City Region. Please take the time to visit the website to understand how the Skills Bank can support your business and check whether you are eligible for a skills deal.

You can quickly complete the “eligibility checker” and register your business for training opportunities.

Find more information at www.sheffieldcityregionsskillsbank.co.uk





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