

# General Practitioner

WINTER 2018

HAWSONS CHARTERED ACCOUNTANTS



## In this issue:

- Lift on 1% pay cap - but is it all as it seems?
- How secure is your partnership?
- The GP's GDPR Checklist
- Golden "hello" to GPs starting work in rural areas
- More delays to Making Tax Digital

# Introduction



Scott Sanderson  
Healthcare Partner  
[sss@hawsons.co.uk](mailto:sss@hawsons.co.uk)

## WELCOME TO OUR WINTER 2018 GP NEWSLETTER.

Firstly, happy new year! It still seems rather unbelievable how quickly 2018 seems to have reached us, but here at Hawsons we are looking forward to a happy, healthy and busy new year.

I think it is fair to say that 2017 was eventful. We had a new president inaugurated across the North Atlantic along with a snap general election resulting in a loss of the Conservative majority. On top of all this, the Brexit negotiations continue to ebb and flow in the background.

Finally, and perhaps most significantly in the short term, we have seen the first rise in interest rates in over a decade.

You may have noticed a change in presentation and format of this newsletter which we hope will resonate with our readers. We hope you enjoy our first newsletter of 2018, and as always, please get in touch if you would like any further information

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](http://www.hawsons.co.uk/gp)

# Lift on 1% Pay Cap - but not all as it seems

The government has announced a lift on the 1% pay cap 'in some parts of the public sector, particularly in areas of skill shortage, more flexibility may be required to deliver world class public services' in 2018/2019.

They warned, however, that increases could come 'in return for improvements to public sector productivity', and said that 'pay discipline' would remain in the coming years to 'ensure the affordability of public services and the sustainability of public sector employment'.

The move came amid pressure from unions, Labour and even some Tory MPs to scrap the cap, which has been in place since 2013, and after repeated strikes from medical staff.

Scottish first minister Nicola Sturgeon recently announced that Scotland would lift the pay cap, in a move that raised hopes of a GP pay rise. GP pay rises, in line with the rest of the NHS, have been capped at 1% since 2013/14. NHS pay was frozen for two years before the 1% cap was imposed.

BMA chair, Dr Chaand Nagpaul said: 'There is clearly growing support for public sector workers' message to the government: that the pay cap is unfair, unacceptable and must be lifted. Even the prime minister isn't so sure that it is a good idea anymore.

'With the NHS at breaking point investing in the NHS workforce and providing fair terms and conditions must be a priority for this government, otherwise the NHS simply won't be able to attract and keep the frontline staff needed to deliver safe, high-quality patient care.'

Paul Johnson, director of the Institute for Fiscal Studies, has said that the Treasury would have to borrow or tax more to fund an increase of public sector pay across the board - with the money unlikely to come from existing departmental budgets already squeezed by austerity measures.



# How Secure is Your Partnership?



Not having an up-to-date partnership agreement puts your practice at risk, and at a time when workload pressure is at an all time high, it's easy for these agreements to fall to the back of the priority list.

The Partnership Act 1890 is the default position if no agreement is made. This Act states that if the partnership is dissolved, any profits are divided equally, regardless of the spread of the workload or ownership. Here, Hawsons give a few tips for keeping your agreements up-to-date, and your practice financially safe.

## **REVIEW, REVIEW, REVIEW.**

Review the agreement every year. Keep it up to date; a lot can change in 12 months, and in the panic of change, it's easy for things to slip through the net. Also, don't make the assumption that your own wording will be enough, external help on something so huge and important is advised. Although a lawyer could be an additional cost, legal advice in an agreement could save you and your business in the long run.

## **WHAT IF SOMEONE LEAVES?**

If your agreement is the departure of a partner may not mean the automatic termination of the partnership.

Although a tricky conversation, it's important that you define the terms for dissolution of the partnership and how the partnership could expel a partner and under what circumstances. This could include erasure from the GMC register or fraud against the practice.

A departing partner is likely to have financial assets and liabilities tied up in the practice. Make sure your agreement defines how a partner will be paid out. On top of a substantial capital account, the partner is likely to have a tax liability which might run on for several months.

## **EXTERNAL ROLES?**

External roles can lead to partnership misery. Extra money and workload can lead to difficult situations. Make sure you're prepared.

At the absolute minimum, your agreement should define how outside earnings are treated. Ideally, agree (and record) your criteria for accepting an external role. This might include defining what information should be provided in and the forum for the decision.

## **HOLIDAYS, SICKNESS, ETC**

Holiday allowances must be clearly defined and allocated fairly, but absence for other reasons is more likely to risk dispute and unexpected costs, especially in terms of locum doctors.

The agreement should at the very least define sickness, maternity/paternity and sabbatical entitlement, and financial arrangements associated with them.

Make sure the agreement clarifies what happens if absence amounts to a large number of days cumulatively over a defined period, as opposed to one extended period.

## **TAX & EXPENSES**

Your agreement should define how tax is treated, and how expenses are treated. Nobody wants to find they were expected to save personally for their tax when they thought the practice was responsible for holding it back. Make sure you define what constitutes personal and practice expenses.

At Hawsons, we can help you make sure that your partnership is working for you.



# The Go-To GDPR Guide for GPs

On the 25th of May, 2018, the new General Data Protection Regulations will come into play, and although practices that already comply with the Data Protection Act won't have to jump through too many hoops, there will still be changes that need to be made.

The aim of the GDPR is to 'strengthen and unify data protection for all individuals within the EU' – however when Brexit occurs, the regulations will stay in place.

## **SO WHERE SHOULD YOU START?**

So much official documentation has been published about the GDPR, and it depends how in depth you feel you need to be in your research. Either way, the Information Commissioner's Office (ICO) have provided a wealth of literature on the subject- their main page for guidance on what to do can be found [here](#), and they have also produced a 12-point checklist to test if you're ready for the GDPR, which you can find [here](#).

However, GP surgeries are unique in the data they collect, and our short list should provide a starting block for the preparations your surgery needs to undertake before the 25th of May 2018.

# The Checklist

1

## AWARENESS

Make sure your GPs, practice manager, nurses, and admin staff are all aware of what the GDPR is, when it comes into action, how things will change, and that compliance is essential – even after we leave the EU. If you start this process ASAP, then you will have plenty of time over the coming months to prepare for a change in regulations.

## THE INDIVIDUAL

The GDPR is centred around the concept of individual protection, and the strengthening of their rights. The result of this is an expansion of rights – and granted – a number of these don't apply to GP services at all, however some will. GP practices will have to demonstrate that their policies, and their procedures protect the rights listed by the ICO.

2

## DATA BREACHES

If a data breach could potentially lead to the identification of an individual, this is considered to have a high-risk impact on their rights. The way breaches and risks are reported to ICO, and to the individual themselves, is changing, so be sure to check how and if your practice will need to change its policy.

3

## DOCUMENTING INFO

Under both the GDPR and the DPA, patient data is categorised as sensitive, and therefore compliance is more burdensome. However, it is not just patient data that practices hold, but also employee data. Your practice will need a list of:

4

- What personal data you hold
- The source of that data
- Others you share the data with – for example, to outsource payroll services.

5

## COMMUNICATE

Most practices will already have a “privacy notice”, however this will need reviewing across all practices, so that it includes:

- The practice’s “lawful basis for processing data” (in the cases of both staff and patients)
  - These bases should be outlined clearly as part of the DPA, but may need to be updated for GDPR
- How long the practice retains data
- Details of the individual’s right to complain, and to whom they address their complaint.

## SUBJECT ACCESS REQ

The new GDPR will have an impact on practices: Access should be provided “without delay”, most certainly within one month of the request. Also, the SAR fee of £10.00 has been abolished.

6

## PROCESSING DATA

If a data breach could potentially lead to the identification of an individual, this is considered to have a high-risk impact on their rights. The way breaches and risks are reported to ICO, and to the individual themselves, is changing, so be sure to check how and if your practice will need to change its policy.

7

## CHILDREN

Changes to regulations are specifically in relation to internet-based services such as social networking. However, it remains unclear at this stage how and if this would apply to patients accessing online services for appointment booking and requesting prescriptions. The GDPR sets the age of consent to 16, however parents can have proxy access, and this age of consent is not set in stone. Although practices do not need to make any specific changes yet, it is worth keeping this information in mind.

8



# “Golden Hello” to GPs who start in rural areas

GPs will be given a £20,000 “golden hello” for starting their careers in rural areas, or on the coast, in an attempt to boost the number of family doctors in hard to recruit parts of the UK.

This one-off payment will be used to try and entice 200 GPs, who are about to begin their careers, to areas struggling to secure family doctors for growing populus in the countryside and beside the sea.

Beginning next year, surgeries in problem zones will benefit from the scheme, which is costing £4 million.

The Department of Health has also launched a consultation on the regulation of physician associates (PAs) to provide further clarity on the scope of the role. It is hoped that these PAs - usually science graduates who have undergone two years of intensive training - can help support healthcare teams across the country.

Professor Helen Stokes-Lampard, chairwoman of the Royal College of GPs, said: “We have an incredibly serious shortage of GPs right across the country, but there are some areas that struggle to recruit more than others and often they are in remote and rural areas, so

this commitment to incentivise working in these areas is welcome.

“GPs and practice teams in remote and rural areas face unique challenges - but when the service is adequately resourced to meet patients’ specific needs, they can also be fantastic and rewarding places to work.

“Last month, the Care Quality Commission gave a glowing verdict on the state of general practice in England, but this should not distract us from the fact that the profession is under considerable pressure at the moment,” Health Secretary Jeremy Hunt told the Independent.

“By introducing targeted support for vulnerable areas and tackling head-on critical issues such as higher indemnity fees and the recruitment and retention of more doctors, we can strengthen and secure general practice for the future.

“Our talented GP workforce is one of the reasons why we have the best healthcare system in the world, and our commitment of an additional £2.4 billion a year for primary care by 2021 will ensure this continues.”

# Making Tax Digital: More Delays to Follow

Delays and changes have been announced for Making Tax Digital.

In the most recent update of the Finance Bill 2017-19, the government have announced a delay in the timeline for Making Tax Digital after concerns were raised, and the changes were put on hold due to the snap election back in June.

## UNDER THE NEW TIMETABLE:

- Only businesses with a turnover above the VAT threshold (currently £85,000) will have to keep digital records
- Even then, this will only be for VAT purposes
- This will only be mandatory from 6th of April, 2019

Businesses will not be asked to keep digital records, or update HMRC quarterly, for taxes other than VAT until April 2020 at the absolute earliest.

This means that any businesses and landlords with a turnover below the VAT threshold will be able to choose if they will move over to the digital system, but will not be compelled to do so.

For businesses over the threshold, they will have to provide digital tax records for VAT to HMRC from 6th April 2019, but not for any other taxes until at least a year after this point, maybe even later.

However, businesses above the threshold will be mandated to record VAT digitally from April 2019 in order to send HMRC standard quarterly updates.

Those businesses that are VAT exempt won't have to change to digital tax until all tax moves online - which will

be Spring 2020 at the soonest. This includes health and education services.

The first businesses that have already started keeping digital records, and providing updates to

HMRC digitally will continue, and this pilot will be extended.

By the end of the year, HMRC plan to turn this into private, small-scale testing, which will then be followed by wider, live pilot testing starting in Spring 2018. This gives just over a year for testers before businesses over the VAT threshold have to change over to digital records for VAT purposes from April 2019.

Most businesses will not feel any change, as they do not need to provide information to HMRC under Making Tax Digital for business any more regularly than they do now. VAT has been available online since 2010, and over 98% of VAT registered businesses already file electronic returns.

Despite these clear delays, concerns are still being raised about the pace and scale of the change.

## HOW CAN WE HELP?

With our knowledge of dealing with SMEs and of dealing with various accounting software packages and

accounting software we can help you cope with plan for the forthcoming changes and provide a range of tools to help with the crossover to digital. Get in touch with your usual Hawsons contact, or head to our website.



# Get in touch...

Your Local Specialists...



**SCOTT SANDERSON**  
**HEALTHCARE PARTNER**  
**SHEFFIELD**

ss@hawsons.co.uk  
0114 266 7141



**MARTIN WILLMOT**  
**PARTNER**  
**DONCASTER**

maw@hawsons.co.uk  
01302 367 262



**DAVID OWENS**  
**PARTNER**  
**NORTHAMPTON**

david.owens@hawsons.com  
01604 645 600

Sign up to continue receiving updates from Hawsons...



### Why do I need to sign up...again?

Due to the new General Data Protection Act (GDPR), that comes into force on the 25 of May 2018, we need confirmation that you are still happy to receive our updates, newsletters and events.



### What do I need to do?

Just fill in your details to confirm that you still want to receive our updates, events and newsletters. It only takes a minute, and will mean you stay in touch with us:

<http://www.hawsons.co.uk/newsletter/>



### Anything else?

Not at all! Although....you can follow us on social media to stay even more up to date with everything that we're up to here at Hawsons.

