

Healthcare Insight

August / 2020

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Introduction



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Welcome to our second healthcare newsletter of the year. 2020 has been a very challenging year for healthcare due to the COVID-19 pandemic.

When we released our first newsletter at the start of the year very little was known about COVID-19, and the effect it would have on the healthcare sector and the worldwide economy.

The aim of this newsletter is to help businesses and individuals in this sector. We hope you enjoy this edition of our healthcare newsletter.

If we can be of help at all, please do not hesitate to get in touch with us using the contact details on the final page of the newsletter.

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The healthcare sector continues to become ever more specialised, with changes in legislation and funding affecting both clinical and non-clinical matters. At Hawsons our team of specialist healthcare accountants offer professional advice and guidance that is tailored to clients individual needs and requirements, providing a full range of proactive services.

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Additional Funding Available for Pharmacies



Community pharmacies that meet certain requirements will be entitled to claim additional funding of £1,630 per contractor through the Pharmacy Quality Scheme. There are 14 requirements that pharmacies will need to meet to be eligible for the Pharmaceutical Services Negotiating Committee (PSNC) announced on 13 July. The 14 requirements are based around ensuring that pharmacies have specific measures in place in order to respond to the COVID-19 pandemic. These measures include arranging and ensuring social distancing is maintained on your premise. Pharmacies must also display the latest COVID-19 posters and information.

[See all requirements here](#)

How do I claim?

Community pharmacy contractors will be able to claim via the NHS Business Services Authorities Manage Your Services portal from 14 July 2020 until 29 January 2021.

This is only the first part of the scheme, with total funding of £18.75m announced for the scheme. The PSNC have said any remaining funding will be used in part two of the 2020/21 scheme, further details are yet to be announced.

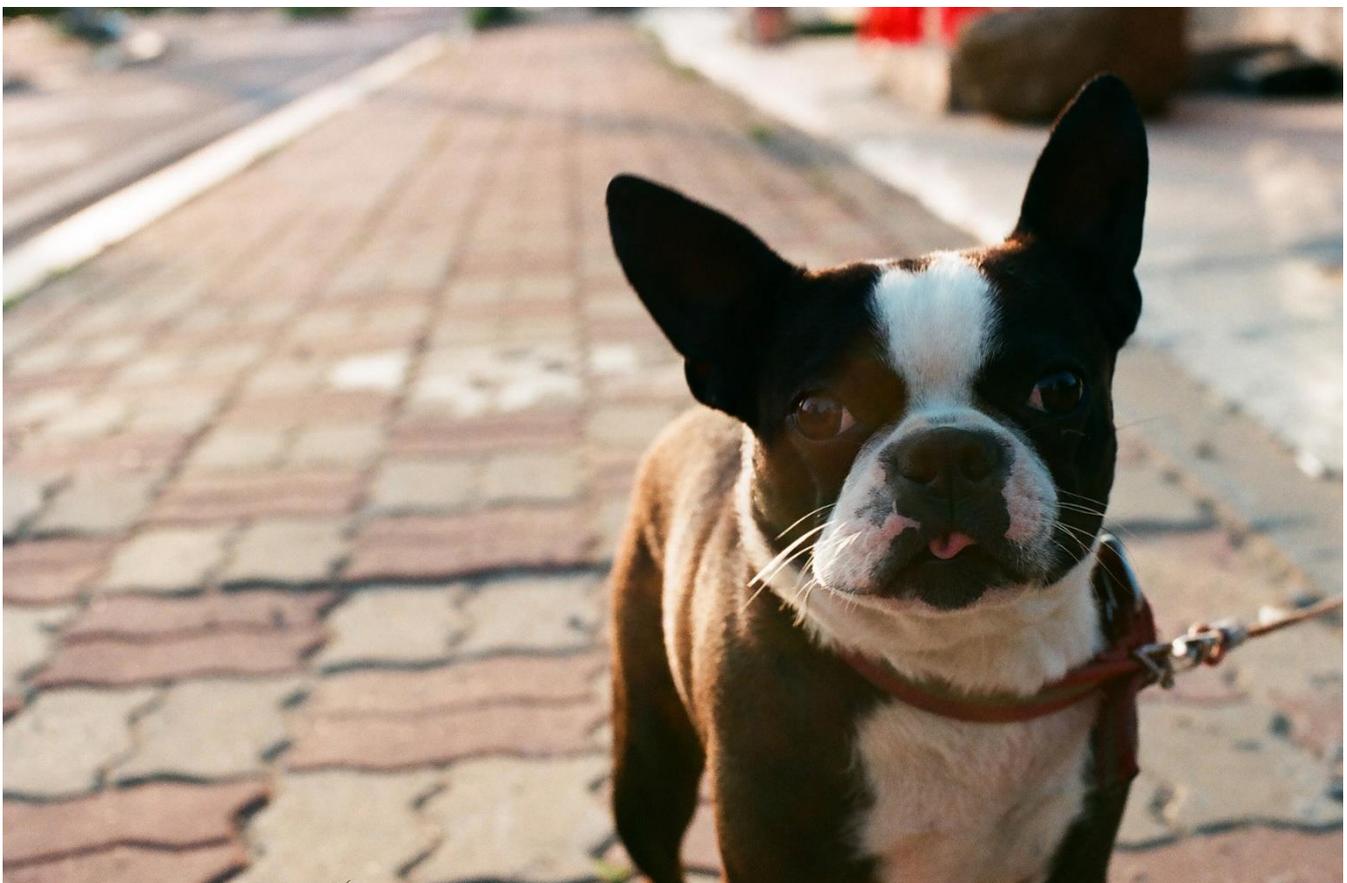
Veterinary surgeon's temporary changes to the retail supply of veterinary medicines

Due to the social distancing requirements of the COVID-19 pandemic the Veterinary Medicines Directorate (VMD) has decided to relax the rules of the Veterinary Medicines Regulations. The reason for this is to enable veterinary surgeons to order their veterinary supplies from online retailers or wholesalers for home delivery. This decision will come in with immediate effect and will be reviewed on 31 July.

HMRC have said "the VMD will not issue an improvement notice if there are breaches of the relevant provisions of paragraph 8 of Schedule 3 of the VMR during this period."

It is important to note that this is only a temporary VMD policy, and that all other VMR continue to apply. The VMD will continue to take action to assure those obligations in cases where the procedures described in the [statement](#) are not followed.

The Royal College of Veterinary Surgeons have published some guidance on how to continue veterinary work during COVID-19. [See guidance here.](#)



NHS England announce abatement figure for dental practices

NHS England and the Chief Dental Officer England have published a letter setting out key NHS contractual issues caused by the coronavirus pandemic. This letter dates back to 1 April 2020.

This was something that was heavily discussed between the British Dental Association (BDA) and NHS England before the letter was published. The letter confirms that an abatement will be applied to the majority of contracts from 1 April until 8 June this will be 16.75%. This means there will be a 16.75% reduction in to the total contract value of consumable and other variable costs incurred by practices. This figure was calculated from costs that would have not incurred whilst practices were closed. (for example, materials and laboratory costs). Practices that have continued to operate and provide urgent care through this period, will receive no abatement for the period of time that they were providing urgent care.

For practices that operated after 8 June there will be no abatement and 100% of the contract value will be paid. NHS England and the BDA recognise that providing care during the coronavirus pandemic will cost more to purchase PPE, hand sanitiser, and implementing social distancing measures.

The letter states that practices will need to provide at least 20% of normal volumes of patient care activity to receive their full contract value. However, it is important to note that the BDA and NHS England have agreed that the definition of patient care activity includes all clinical contact, face to face, telephone or video consultation.

However, from 20 July 2020 NHS England and the BDA expect all practices to be ready to provide face to face interventions. They do appreciate that capacity will be reduced and it might not be possible to high levels of dental activity. But they do expect it to be possible.

[If you would like to read the full letter you can access this here.](#)

Summer Statement Summary

On the 9th July the Chancellor announced his Summer Statement to kick-start the economy. Rishi Sunak has pledged to “protect, support and create jobs” and get pubs and restaurants “bustling again”

Hospitality

The Chancellor has announced a 50% discount for diners to increase restaurant demand. Additionally, a large VAT cut has been confirmed for hospitality and tourism sectors.

VAT on certain items will decrease from 20% to 5% from 15 July to 12 January 2021. However, this reduced rate is only available on the following items:

- Food
- Non-alcoholic drinks
- Accommodation
- Attractions

Every UK citizen will receive a “eat out to help out” discount. This discount will be valid from Monday to Wednesday in August from participating businesses. It will be a discount of 50% of up to £10 per head.

Stamp duty holiday

The Chancellor announced on Wednesday 8 July 2020 that the threshold for stamp duty in England and Northern Ireland would be temporarily raised from £125,000 to £500,000 until 31 March 2021. The aim of this is to increase activity in the property market. This will also help house buyers that have been financially affected by a coronavirus.

The Government says that “the average stamp duty bill will fall by £4,500. And nearly nine out of 10 people buying a main home this year, will pay no stamp duty at all.”

Jobs and training

Job retention bonus: The Government will pay employers £1,000 for every furloughed employee brought back to work by the end of January 2021. It has been calculated that if every furloughed worker is brought back to work the scheme will cost £9 billion. For employers to be valid for this scheme, the employee must earn a monthly average of more than £520 in November, December, and January.

£2bn Kickstart Scheme: This scheme will create jobs for unemployed young people, which will enable employers to offer young people between the age of 16-24 years old a six-month placement. The Treasury will cover the National Minimum Wage for each young employee a company employs for up to 25 hours a week. With companies topping up workers' pay if they choose to employ them for longer hours.

The government is also investing in traineeships and apprenticeships. The government will offer £1,000 per trainee to businesses. (Capped at 10 jobs per firm).

New apprentice under 25 years old: Businesses will receive grants of up to £2,000 for each new apprentice employed.

New apprentice over 25 years old: Businesses will receive grants of up to £1,500 for each new apprentice employed.

The National Careers Service will receive a funding increase of £32m over the next two years.

The Environment

Rishi Sunak announces £2bn home insulation scheme

The Chancellor has announced a £2bn grant scheme for homeowners for energy-saving home improvements, this is part of a wider £3bn project to cut emissions. The Treasury has said that this funding would help support over 100,000 jobs. Households will receive vouchers for up to £5,000 and the poorest households will receive up to £10,000 for their energy-saving home improvements.

The scheme known as the Green Homes Grant will mean that the government will cover two-thirds of home improvement costs that will save energy. This scheme will start in September.

Conclusion

It is clear to see that the Chancellor's priority is to kick-start the economy after the coronavirus pandemic, by protecting, supporting, and creating jobs. He is also attempting to create demand in the hospitality sector by offering UK citizens the "eat out to help out" discount. However, all of this has resulted in the government borrowing more money to fund the restart of the UK economy, which could cost the country more in the long run.

Get in touch...

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