

Healthcare Insight

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Introduction

Welcome to our latest healthcare newsletter. The healthcare sector has been under immense pressure during the pandemic and we certainly recognise the hard work they have been doing.

In this edition of the healthcare newsletter we discuss employment in social care. The increased activity target for NHS dental practices. The increase and effectiveness of remote veterinary consultations, and finally the increasing demand for pharmacies as demand outstrips supply.

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

If we can be of any help at all please do not hesitate to contact us using the contact details on the final page of this newsletter.



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Social care setting attracting more workers

New research has found that 31% of UK jobseekers would consider a career in social care as the COVID-19 pandemic has improved the public's perception of working in this sector and the benefits that can bring to workers when caring for those most vulnerable. The improved public perception for social care workers could help improve the labour shortage that is so often reported in the national news and media. However, this sector is still renowned for its quick turnover of staff with 14% of current social care workers looking for a different job outside of social care. In fact, it is likely that the actual number is higher as some may choose not to admit they are looking for a new job. Furthermore, many of those that are currently working in the industry have experienced increased levels of workplace stress as a result of the pandemic.

More candidates are interested in social care roles 53% of the general public have said that their view of social care work has improved since the pandemic with 25% of 16-25-year-olds expecting to pursue a career in social care. This demonstrates that younger workers are showing a strong interest in a career in social care. Data from Totaljobs has found that the number of applications to social care roles increased in the first quarter of 2021 by 39% compared to the first quarter of 2020 (1 January to 31 March). Further data analysis shows that 19% of those looking to move into the social care sector previously worked in customer service, retail, and sales roles. These roles were typically the worst-hit roles during the pandemic as retailers were forced to close during large parts of

the pandemic.

Staff retention will still be a challenge

Staff retention has always been a key issue in the social care sector. But what are the main reasons why staff want to leave social care roles? According to The Work Foundation and Totaljobs research the main reasons why staff want to leave social care roles are:

- Higher pay (51%)
- Not feeling valued (50%)
- Reduce stress (46%)
- Lack of progression in current role (42%)

This demonstrates that social care employers need to address these issues if they want to reduce their staff turnover. However, these issues cannot easily be addressed. For example, higher pay, some social care employers may not be able to afford to increase their staff wages. The sector has always struggled to keep pace with wages costs outside of the social care setting with many operators losing staff to the NHS and those going in to retail settings at local supermarkets, etc. Employers should to go to additional efforts to make sure they make their staff feel valued and recognise those going over and above their paid hours to promote a positive environment for the service users to benefit from. Social care workers who did not feel valued by their employer were nearly 1.5 times more likely to leave their role compared to those that did feel appreciated by their employer.



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NHS dental target increased

The NHS dental target has been increased from 45% of pre-pandemic activity to 60%. This new target has been active since 1st April 2021. Up until 1st April practices that delivered less than 36% of their pre-COVID activity were subject to financial penalties. At the time these penalties caused a lot of controversy with many dental practices claiming that these targets were completely unrealistic whilst maintaining social distancing and deep cleaning standards to ensure a COVID secure environment. However, it has been found that in February of 2021 the mean performance of Units of Dental Activity (UDAs) was 59%.

The new rules state that NHS dentists deliver at least 50% of their UDAs. If NHS dental practices achieve 80% of the new target, they will not receive a financial penalty. Anything less than 80% will be penalised on a sliding scale. Therefore, those practices that achieve close to the target will be penalised less than those practices that do not get close to the target at all. This scale has been designed to give practices an incentive to achieve a high UDA as possible.

Full details on the announcement can be found here: https://dentistry.co.uk/wp-content/uploads/2021/03/C1133_NHS-Dental-Contract-Reform-and-Arrangements_29-Mar49.pdf



VAT Partial Exemption Changes

To ensure the continuation of fairness HMRC has decided to implement an accelerated process when it comes to VAT Partial Exemptions. This accelerated process will allow businesses to request changes to their VAT Partial Exemption methods due to Covid-19.

To submit a Partial Exemption Special Method request you will need to send a declaration that the method proposed is fair and reasonable. See example here: <https://www.gov.uk/guidance/partial-exemption-vat-notice-706#Appendix1>

If the nature of your supplies has changed due to COVID-19 and you believe that you will be moving back to pre-pandemic supplies soon, then HMRC will likely accept proposals that use a representative income stream from the previous 1-3 tax years.

If you believe that your business is eligible to make changes, please visit the HMRC website to find out more details.



Large majority of vet consultations can be carried out remotely

Recent research carried out by app-based veterinary service Jooi has found that 80% of vet consultations could be conducted online. During the pandemic, Jooi found that in most cases online vet consultations did not need a physical follow-up appointment. It is important to note that the research conducted is based on 38,449 remote veterinary consultations that the app dealt with over the course of the pandemic, but it does highlight a trend change in the sector of what is potentially to come in future years.

Remote prescriptions

One of the main reasons why such a high percentage of vet appointments can be conducted virtually is because from April 2020 vets were permitted to prescribe animals with medication without a physical examination. All prescriptions that are prescribed through a virtual consultation are overseen by the Royal College of Veterinary Surgeons.

Additional care

Further research from the app found that only 33% of remote consultations required follow-up care. An additional 25% were offered a form of product with half of these requiring prescribed medications, resulting in 5,405 prescribed medications being provided remotely through the app.

Additional benefits

Remote veterinary consultations have become more widely used during the pandemic in order to reduce the physical transmission of COVID-19. However, remote veterinary consultations have additional benefits to both pet owners and vets, being:

Reduced pet anxiety

Pets can often find it very stressful at veterinary practices as it is a new environment, they are not comfortable with. However, with an online consultation pets can be seen by vets in the comfort of their own home. Therefore, you are not taking your pet outside a comfortable environment when there may be nothing to worry about. This makes it easier for the vet to diagnose any issues as the animal will be more relaxed.

Time and cost effective

Virtual vet appointments are more time and cost effective for vets and pet owners. In normal circumstances visiting veterinary surgery will often cost you more money. Furthermore, you will be spending more time traveling to your veterinary surgery with the added stress of making it in time for your appointment. Therefore, vets will no longer need to spend time traveling to pet owner's homes for those who are unable to bring their pet to the surgery. This will create more time for vets to see other pets.

Competitive market on pharmacy sales as demand outstrips supply

The number of new buyers seeking to purchase their own pharmacy increased by 56.9% from March 2019/20 to March 2020/21 according to sales agents, Hutchings Consultants.

Despite the fact that the COVID-19 pandemic has brought increasing challenges to pharmacies, the pharmacy purchasing market has increased with demand currently outstripping supply. The larger pharmacy chains (Lloyds, and Boots, etc) selling considerable numbers of branches looks to be coming to an end. Furthermore, other pharmacy owners looking to sell in the last 12 months have more than likely put their plans on hold due to the pandemic, causing a significant decrease in the number of new pharmacies coming onto the market.

How has this affected the market price?

The current imbalance of supply and demand means those who do want to purchase a pharmacy will more than likely have to pay a premium price with several parties likely to be interested in acquiring that pharmacy. However, some pharmacy owners and investors are more than willing to pay a premium price if the pharmacy in question fits in well with their current portfolio – with many pharmacies performing better following the outbreak of pandemic.

What does the future look like?

Hutchings Consultants predict that pharmacy demand will increase to normal levels over the next 12 months as we hopefully look to return to normality and the economy begins to improve and settle back down as the country begins to recover from the effects of COVID-19.

Get in touch



How can we help?

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 professionals advice and guidance that is tailored to their individual needs and requirements, providing a full range of proactive services.

We pride ourselves on the in-depth knowledge and experience our team have developed in a number of specialist areas, across the healthcare sector, including GPs, care homes and pharmacies.



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