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Healthcare Insight

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Scott Sanderson Partner



Introduction

Welcome to our latest healthcare newsletter. A lot has changed in the world since our last edition in April. The new Prime Minister, Lizz Truss, has pledged to focus on putting the NHS on a 'firm footing' as one of her three early priorities as Prime Minister. However, this focus will be on primary NHS services such as GP practices and hospitals. The Prime Minister's plans for tackling issues in other areas of healthcare including social care and NHS dental care are yet to be seen.

In this edition of the newsletter we will discuss:

- Social care waiting lists ever growing
- Social care requires immediate funding and long term plan
- GP pension tax bills deadline extension
- Why are more new pharmacists deciding to locum?
- Only one third of adults accessed NHS dental care within the last two years

If you any questions about the contents of these articles, please do not hesitate to contact us.

Scott Sanderson
Partner



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Social care waiting lists ever growing

Almost 300,000 people are currently on waiting lists

The Association of Directors of Adult Social Services (ADASS) has found that around 600 people are joining an ever-growing waiting list each day to be assessed for care and support in England. The ADASS survey also found that 294,449 are currently waiting for their first care and support assessment. This has increased by 90,000 in the last five months. Furthermore, 25% (73,792) have been waiting for more than six months to be assessed. If the waiting list continues to increase at the current rate there will be 400,000 on the waiting list by November this year. This would be double the size of the waiting list compared to November 2021. This would result in more people waiting for six months or longer to receive an assessment putting more vulnerable people at serious risk of not receiving the care they need.

Those assessed are still waiting for social care to begin

Of those that have been assessed for care and support in England, 37,447 of those that have been assessed as needing social care have been waiting for the service to begin or for their first direct payment. In addition, it has been found that 210,106 people that have received a payment or services were overdue for a review in accordance with the Care Act. In total 543,002 people have either been waiting for an assessment, review, start of a service, or direct payment. This has increased by 37% compared to November 2021.

Delays are affecting vulnerable people and adult social care

These findings have shown that adult social care is deteriorating and those that are in desperate need of care are being left uncertain and at risk. Not only is this putting vulnerable people at risk, but adult social care as a whole. These long waiting lists are contributing to low occupancy levels across the sector which is impacting operators, leading to some closing their doors.



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HMRC confirms MTD penalties from 1 November 2022

Accountancy firms have been informed by HMRC that the "soft landing" penalty waiver for Making Tax Digital for VAT will be removed from 1 November 2022.

All businesses that file their VAT returns monthly or quarterly must now sign up to Making Tax Digital (MTD) and use MTD-compatible software to keep their VAT records and file their VAT returns.

Penalties may apply if customers are not following the correct process to file their VAT returns using MTD-compatible software from 1 November.

The amount businesses may be fined is dependent on their turnover. A penalty applies to each return filed incorrectly, and the penalty will be:

- £100 if turnover is below £100,000;
- £200 if turnover is between £100,000 and £5,600,000 inclusive;
- £300 if turnover is between £5,600,001 and £22,800,000 inclusive; and
- £400 if turnover is £22,800,001 or above.

*If clients are already exempt from filing VAT returns online (though these exemptions are very rarely approved by HMRC), or if they or their business are subject to an insolvency procedure, they are automatically exempt.



Help to Grow: Digital scheme

Help to Grow: Digital is a government-backed scheme that is looking to support eligible SMEs to choose, buy, and integrate software into their business.

What are the benefits of this scheme?

Through this scheme, eligible SMEs will receive a discount of up to 50% or £5,000 (excluding VAT) towards the cost of purchasing one approved item of software in the Help to Grow: Digital scheme. Eligible SMEs will also be able to access free impartial advice and guidance, including eLearning modules, to help implement the new software into their business.

Many businesses feel that the cost and knowledge that is required to implement new software is a huge barrier for them. This scheme is designed to help overcome this barrier and help SMEs implement new software into their business to help improve efficiency and productivity.

What software is eligible for a discount under the scheme?

- Digital accounting software
- Customer Relationship Management (CRM) Software
- eCommerce software
- If you would like to see the full list of software that is available on the scheme then please visit <https://www.learn-to-grow-your-business.service.gov.uk/comparison-tool>

How can I apply?

If you would like to find out information and how to apply, please visit: <https://www.learn-to-grow-your-business.service.gov.uk/about-the-scheme>



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Social care requires immediate funding and long term plan

The levelling-up committee has said that the government need to implement a plan to help alleviate social care pressures before 2023. The committee has said the pandemic has intensified underlying issues of increasing demand along with recruitment and retention issues. Throughout the enquiry the alarm bells were ringing clearly that there is not enough funding right now or in the future.

No government plans for social care

The report outlined that the government has no roadmap, timetable, or measures of success for social care. The committee has suggested implementing a 10-year plan for social care of how it is going to achieve its vision. Furthermore, the government need to arrange a multi-year funding plan so local authorities can provide local care markets with the finances they desperately need.

Social care underfunding

Organisations such as Care England, the Independent Care Group (ICG) and the Voluntary Organisations Disability Group (VODG) has said that the underfunding of the adult social care sector has severely affected social care providers' ability to recruit and retain staff. This is having a huge effect on the financial attractiveness of the adult social care sector and is

preventing the sector's ability to compete on an even playing field with the NHS.

Care England has suggested that the government should accept the recommendations of the Low Pay Commission for the 2023 rates. The current projections for the 2023 rates are too increase the National Living Wage to £10.32 from the current rate of £9.50. However, Care England has warned that this increase must be properly funded.

Continued overleaf



Social care requires immediate funding and long term plan (continued)

Social care cannot match NHS pay

Over the past two years a Skills for Care report found that the number of vacancies in all direct care roles has increased by 55,000. The government has recently announced that nurses, paramedics and midwives will receive a 9.3% pay rise. This pay rise will equate to at least £1,400 and will be backdated to April 2022. This is in addition to the 3% pay rise NHS staff received last year. Whilst the ICG believes that the £1,400 pay rise for NHS workers is well deserved. It increases the gap further between NHS and social care pay, which will now make it even harder for the social care sector to recruit when they are severely understaffed already.

Research published by VODG member Community Integrated Care suggested that social care workers would receive an additional £7,000 per year if they worked in the public sector including the NHS. This large pay gap is simply too wide and there is no surprise that the social care sector is struggling to recruit when workers could receive significantly more money working in the public sector. The NHS and the adult social care sector should not be forced to be competing against each other as the two are interdependent on the other. Therefore, providing social care with adequate funding will help reduce the pressure on the NHS.

GP pension tax bills deadline extended

The voluntary 'scheme pays' deadline for GPs to claim the NHS pension's scheme support with their pension taxes has been extended until March 2023. The original deadline to claim for the 2020/21 tax year was 31 July 2022.

Under the current NHS pension scheme the highest earning GPs will be paying at least 14.5% in contributions. However, the tapered annual allowance limits the amount of money that can go into a pension each year without facing large tax penalties. Under the current rules many GPs are opting to reduce their hours or retire early to avoid these large tax bills. However, the 'scheme pays arrangement' allows GPs to apply for annual allowance tax charges to be deferred until retirement. At this point the annual allowance tax will then be taken from their pension fund. This prevents GPs from having to pay these large tax bills upfront. The government decided to introduce this arrangement to prevent GPs from worrying about taking on more shifts because of annual allowance charges.



Why are more new pharmacists deciding to locum?

Introduction

The qualifying process to becoming a pharmacist is a long journey. To become a pharmacist candidates will need to complete a four-year degree, one year of practice as well as passing the highly feared registration exam. Only after this can a pharmacist start their professional career as a pharmacist.

Earlier this year more than 2,000 candidates passed the June registration exam a further 584 and 2,371 candidates passed in November 2021 and June 2021 respectively. This group represent the newest pharmacist workforce across the UK.

Despite this many contractors are finding it is very difficult to fill permanent vacancies. Anecdotal evidence suggests that many newly qualified pharmacist are choosing to work for themselves rather than opting for permanent employment.

Better pay and flexible working

Marvin Munzu who is the Co-founder of PreReg Shortcuts told Chemist and Druggist that he was beginning to notice a 'trend' where more of his trainees decided to start their pharmacy career as locums before looking for a permanent contract. Marvin admitted that this was a choice that he made himself when he completed his pre-registration course with Lloyd's pharmacy. Despite being offered a permanent role he decided to become a locum because of the better pay

and more flexible working. This also enabled him to work in a variety of pharmacies so he could choose the one that best suited him.

Less stressful

A Birmingham based pharmacist who joined the register in January 2022 said that their decision to become a locum was based upon their view that being a locum was less stressful compared to working in a full time community pharmacist role. They believe that becoming a locum offers a better work-life balance and workload versus pay as a full time community pharmacist role often involves more responsibility.

continued overleaf



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Why are more new pharmacists deciding to locum? (continued)

Poor experience as provisional pharmacist

Another locum pharmacist who has been on the register for a week has said that their decision to become a locum was based upon a difficult experience as a pharmacist manager. Within this role this locum pharmacist was understaffed with one dispenser and two apprentices and a lot of pressure coming from head office. Ultimately this pharmacist decided not to continue in this role and become a locum which has enabled them to explore their career options in hospital outpatient pharmacy.

What would make locums consider a permanent role?

One locum said that they would only consider a full time role if they were offered a higher salary to do so. They feel that full time pharmacists are underpaid for work and responsibility required for the role. Furthermore, workforce issues in community pharmacies remain an issue as many are understaffed which creates more stress for the full time pharmacist role. This is creating a lack of full time pharmacists willing to work in the sector in its current state.

Newly qualified pharmacists either find being a locum more appealing or they are being put off becoming a full time community pharmacist. Either way pharmacy owners will need to find a way to make their full time roles more attractive for pharmacists in the future.



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Only one third of adults accessed NHS dental care within the last two years

New data has found that only 34% of adults across the UK accessed NHS dental care within a two year period. The percentage of children seen within the same period was 44.8% (31st March 2020 – 31st March 2022). In the last full year before the pandemic started, 49.6% of adults and 58.7% of children were seen by NHS dental care. This demonstrates that the pandemic had a profound effect on the amount of patients that could access NHS dental care. Furthermore, in 2021-22 only 26.4 million courses of NHS dental treatment were given. This is 33% less than the previous five year average before the pandemic which was 39.4 million.

Dental practices unable to take on new NHS adult patients

A recent study conducted by the BBC found that 91% of dental practices in England were unable to accept new NHS adult patients, with 79% not taking new child patients.

In the past two years more than three thousand dentists have left the NHS in favour of private dentistry as many dentists become frustrated with the system. The British Dentistry Association (BDA) believes that more will continue to leave for private dentistry if NHS dentistry does not improve.

Recent amendments to NHS dental contracts

On 19th July 2022, NHS England announced a reform to NHS dental services in an attempt to help alleviate the issues within NHS dentistry. NHS England said 'Patients across the country will benefit from improved access to dental care under changes announced by NHS England today'.

Improved access

NHS England believe that the changes they have made will improve access to NHS dental care across the country. Below we have bullet pointed some key changes in the contract:

- NHS dentists will receive increased pay to treat more complex cases
- Dental therapists can now provide NHS treatments such as fillings, sealants and preventative care for adults and children. The aim of this is too provide dentists with more time for urgent and complex cases.
- High performing practices can increase their activity by a further 10%.

Continued overleaf

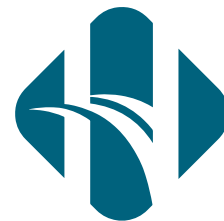


Only one third of adults accessed NHS dental care within the last two years (Continued)

BDA response

The BDA believe that these plans announced by NHS England will have little effect to prevent dentists from leaving NHS dentistry or help fix the crisis or patient access to NHS dental care. The chair of the BDA's general dental practice committee, Shawn Charlwood has said that 'Our patients need ministers to do more than paper over the cracks. These tweaks will do precious little to keep dentists in the NHS or ensure millions get the care they urgently need.' He also pointed out in this reform that no new investment was pledged by the government to help fix NHS dentistry.

Get in touch



Our Healthcare Experts

Hawsons has a dedicated team of specialist healthcare accountants in Sheffield, Doncaster and Northampton.

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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