

## PCNs at risk following response from GPs to draft proposals

NHS England has agreed to review what Primary Care Networks (PCNs) can realistically deliver, following feedback from the medical profession in the first ever public consultation on a part of the GP contract.

The creation of PCNs (groups of general practices that work together with local providers across primary care, social care, community services and voluntary care) through the new Network Contract Direct Enhanced Service (DES) is a core element of the five-year GP contract that came into effect in April 2019.

Large numbers of GPs responded to the consultation on the draft DES specifications, which ran from just before Christmas 2019 until 15 January 2020. Many GPs in PCN leadership roles have either threatened to pull out of their GP contract, or have already quit, as a result of the proposed DES requirements. Some local medical

committees have also encouraged doctors not to sign the new contract unless changes are made. As a result, the future of the £1.8 billion PCN programme is now in doubt.

NHS England has acknowledged the concerns of GPs and is considering how to balance maintaining the needs of general practice and improving services for patients with what PCNs can realistically deliver in 2020/21. NHS England has also confirmed that negotiations with the BMA's GP committee would lead to a final version of DES specifications being agreed as quickly as possible.

In January 2020 the BMA's GP committee voted to hold an emergency conference when talks between its executive committee and NHS England concluded. However, GP leaders in the BMA have also voted to reject a whole package of contract measures due to take effect from April 2020.

Details of contract changes other than the DES specifications rejected by GP leaders have remained confidential.

Around 80% of GP representatives voted to reject not only the proposed controversial DES specifications, but also broader proposals to be introduced as part of the core contract. Other changes expected to come into force in April 2020 include changes to the Quality and Outcomes Framework (QOF) in relation to asthma, heart failure and COPD, online consultations and a 2.3% rise in core pay.

The BMA added that GPs' views on the contract plans had been very clear and that the profession had judged the DES specifications made by NHS England as being unreasonable and completely unachievable.

Read more about this story at: <http://bit.ly/2vVlgAt>



# Dental practices continue to grow in value

The value of dental practices continues to rise, according to the 'Business Outlook 2020: Focus on Business' report from Christie & Co. The average price of a dental practice for sale in the UK rose by 5.2% in 2018 and by 5.4% in 2019. Demand for dental practices outstripped supply in 2019, particularly in urban and suburban areas, and the value of larger, private dental practices grew at a faster rate than that of NHS practices.

The report also reveals that across the UK, dental care is dominated by independent providers. Independents own almost two

thirds of dental practices and the remaining third are shared between dental corporates, such as Mydentist (formerly IDH) and Bupa Dental Care (formerly Oasis), and small practice groups.

Christie & Co predicts that the market for dental practices will continue to perform well in 2020. Demand for dental practices will come from both independent and corporate dental care providers and banks will continue to support and fund purchases. In particular, dental corporates and multiple operators will target larger dental practices, especially

practices with an EBITDA (earnings before interest, taxes, depreciation, and amortization) of more than £250,000. This will boost demand for practices in urban areas.

More NHS dental practices will become available for sale, as practice owners try to maximise their returns ahead of potential reforms to the General Dental Contract.

Read more about the Christie & Co report at: <http://bit.ly/2T21ewn>

# Care England reveals gap in adult residential social care funding

Research by Care England has revealed that the standard rates paid by local authorities for residential care homes is 18% less than the cost of staying in a budget hotel.

All local authorities in England have a statutory duty to meet the needs of anyone who requires social care services. However, there is no national funding requirement and each local authority decides the maximum amount it will pay towards the cost of care. This amount is often called the 'standard' or 'usual' rate.

Care England found that many standard rates paid by local authorities in 2019/20 were less than £500 per week. In practice, this means local authorities were paying up to 18% less to provide residential care for one person when compared to the cost of staying in a Premier Inn. For example, the standard rate paid by Cambridgeshire County Council in 2019/20 was £429 per week, compared to £458 for a six night stay at a local Premier Inn. Cheshire East Council paid a standard rate of £480 per week in

2019/20, while a six night stay at the local Premier Inn cost £491.

Care England has warned that, unless local authorities increase standard rates, the 6.2% increase in the National Living Wage in April 2020 and insufficient local authority funding could force care

homes to close. Care England has called for local authority standard rates for 2020/21 to reflect more accurately the actual costs of providing care and accommodation in care homes.

Read more about the Care England research at: <http://bit.ly/3bUNV9B>



# In brief...

## Community pharmacist referral scheme to be expanded

NHS England has confirmed it is considering expanding the number of minor illnesses covered by the Community Pharmacist Consultation Service (CPCS). Currently, the service refers patients who contact NHS 111 about a minor illness or require an urgent repeat prescription to a community pharmacy. Around 93% of community pharmacies have signed up to the CPCS since it was launched in October 2019, and minor illnesses account for 44% of all referrals. NHS England is exploring options to expand the CPCS to cover a wider range of symptoms and minor illnesses, as well as allowing referrals from patients that visit an A&E department or access NHS 111 online. <http://bit.ly/3c12TuT>

## Practice managers see above inflation pay rise

Research from Management in Practice has revealed that 60% of practice managers received an above inflation pay rise in 2019. Overall, practice managers received an average annual pay rise of £1,442 or 3.3%, which is higher than the inflation rate of 1.9%. According to the British Medical Association, practices are paying higher wages to attract applicants who have experience of managing larger practices following an increase in the number of mergers. However, the research has indicated there are significant regional differences as practice managers in England received an average pay rise of £1,428 in 2019, compared with £580 in Northern Ireland. <http://bit.ly/2wANSQ6>

## Dental practices planning to consolidate

More dental companies are planning to consolidate in 2020 in order to grow their market share and benefit from increased buying power and economies of scale, according to a report from Clearwater International. Overall, there were 14,150 dental practices in the UK in 2018, but only 11,965 dental companies. Most dental companies are planning to acquire practices that offer NHS and private treatments, particularly as subsidised NHS treatments provide a consistent revenue stream. The report has revealed that spending on dentistry is expected to increase by 4.1% in 2020. Consumer demand for cosmetic dentistry, the growth of the private dental market and an ageing population will all help drive growth in the dental market. <http://bit.ly/38Oybmt>

## GPs not benefiting from additional staff

Research from GPonline has revealed that many GPs are concerned that additional staff hired through primary care networks (PCNs) will be unable to take on core general practice work. This is despite the fact that practices are paying up to 30% of their wage costs. Under the new DES, additional staff will be required to deliver new services and functions to meet the specifications of the DES. As a result, GPs are claiming that additional staff will have insufficient time to work on general practice tasks and therefore will not help address GPs' rising workloads. <http://bit.ly/32cBwt4>

## GPs urged to reject new network contract

Local Medical Committees (LMCs) in England have warned that GP practices could lose £105,000 a year or become financially unsustainable if they sign up to the new Network Contract Direct Enhanced Service (DES). The DES sets out the specifications that GPs and primary care networks will be required to meet from April 2020. LMCs have advised GPs to veto the plans and warned that the DES specifications are unrealistic. As a result, LMCs are urging NHS England to freeze the requirements of the DES at their 2019/20 level until April 2021 so that a new specification can be negotiated. <http://bit.ly/2HOe9MV>

## More GP practices meeting quality standards

Around 92% of GP practices earned at least 90% of available points in the Quality and Outcomes Framework (QOF) for 2018/19, according to research by Pulse. The QOF is a voluntary incentive programme that was set up to standardise primary care by financially rewarding GP practices for the quality of care they provide. Overall, 14% of practices received the full 559 QOF points available in 2018/19, compared with 12.5% in 2017/18. However, the research has also revealed that GPs are treating a growing number of patients under the QOF, which is placing more pressure on practices. <http://bit.ly/2Pa98Ti>



# One in six English GP practices merged or closed since 2013

One in six GP practices in England that were registered with NHS Digital in April 2013 have since merged or closed according to analysis carried out by GPonline.

In January 2020 there were 6,822 GP practices in England with an average list size of 8,843 patients, an increase of 28% when compared with an average of 6,914 patients in April 2013. The analysis has also revealed that 10% of patients who were registered with GP practices in

April 2013 have since been affected by a practice merger or closure.

Rising patient lists have also been attributed to increases in the population. In January 2020, 60.3 million patients were registered with GP practices in England, an 8% rise compared with April 2013 when 56 million patients were registered.

Small GP practices, which are typically very popular with patients, have closed at a particularly rapid rate. In April 2013 there were 3,162 GP practices with a registered list of fewer than 5,000 patients, but in January 2020 this figure had fallen to 1,764 practices.

Meanwhile the number of GP practices in England with more than 20,000 patients on their list tripled from 81 in April 2013 to 246 in January 2020.

The BMA has said that the NHS is facing unprecedented demand, with services under greater strain than ever before due to increasing patient demand and an ageing population that is living with multiple, chronic conditions. The BMA also added that the NHS requires more funding in order to evolve and adjust to growing numbers and patient needs.

Read more about this story at: <http://bit.ly/2ui3YgJ>



Grimsby t: 01472 350601  
Louth t: 01507 606111  
Scunthorpe t: 01724 863105  
Skegness t: 01754 761777

Forrester Boyd is a partnership operated from the offices listed above.

Beverley t: 01482 889400

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## Pharmacy business sale prices fall in 2019

The average prices achieved for the sale of pharmacy businesses in the UK fell by around 3.6% from 2018 to 2019, figures published in January 2020 by Christie & Co. have revealed. This fall in sale prices has marked a significant shift in the pharmacy market in recent years with average price rises of 8.1% in 2017 and 2.8% in 2018.

However, the pharmacy market in Scotland achieved significant increases in value due to a more settled funding regime, and many pharmacies were sold in 2019 for up to 12 times their overall profitability level.

Christie & Co. believes that the impact of the five year pharmacy contract in England on sale prices is difficult to measure. Under the contract, pharmacies receive £2.592 billion per year until the end of the 2023/24 financial year. The contract is focused on clinical services so the profitability of the

pharmacy sector will be dependent on new services that are rolled out over the course of the five year deal.

Christie & Co. predicts that pharmacy multiples will continue to sell off under performing or marginal pharmacies, which will enable independents to acquire them and expand.

There could also be an increase in the number of pharmacies being put up for sale due to pharmacists retiring because they are unable to adapt to the new service led pharmacy contract.

There could also be an increase in the number of first time buyers acquiring pharmacies, as they are attracted by the idea of running their own business.

Read more about this story at: <http://bit.ly/39OWf91>