

STAY CONNECTED

MARCH 2021



Welcome to the March edition of Stay Connected.

With the plans in place to slowly step out of the latest lockdown, we have felt a buzz in the air and the last two weeks have been the busiest we have experienced since last September.

It seems that patients are feeling more confident about making their long-awaited medical appointments.

We are so grateful for the quick progress being made with vaccinations and hope that this lockdown may be the last.

As levels of activity increase, many practices will start to need additional expertise and support which we can provide in a flexible and cost-effective way and we are seeing a strong demand for our services.

We hope that you are all starting to see positive signs in your own practices and if we can help in anyway please do get in touch.

Designated Medical Team

IN THIS ISSUE

**HOW WILL THE NEW
BUDGET AFFECT YOU?**

**TEAM SPOTLIGHT -
CARLY BRYANT**

**PRIVATE PRACTICE
IS BOUNCING BACK**

**HOW TO BE A
FLEXIBLE WORKING
WINNER**

HOW WILL THE NEW BUDGET AFFECT YOU?

At Designated Medical, our goal is to help our consultants manage and grow their private practices, providing the support needed to enable them to succeed whilst also reducing the stress and pressure of managing a private practice. As part of this commitment, we regularly share our expertise and knowledge, aiming to offer helpful guidance on best practice.

In this article we asked our team of accountants to share their analysis of the UK budget on 3rd March 2021 and how the announcement may impact the private healthcare sector.

The latest budget was anxiously anticipated as we waited to hear how we would be required to start to pay back the enormous amounts of money spent to help manage the Covid pandemic and whilst most of the changes were leaked prior to the big day, it was still good to get the full brief so we can start to assess what this means for all of us.

Our team of accountants have spent some time analysing the information provided and have produced an update that will help all of us in the private healthcare sector understand the impact for our businesses and for us as employers and individuals.

For businesses

The biggest news for businesses in the private health care sector is the increase in Corporation tax.

Corporation Tax, paid by all limited companies, will remain at 19% until March 2023 and then will increase to a maximum of 25% from April 2023. This is a huge tax rise. However, there will be a small profits rate of 19% for businesses making an annual profit of up to £50,000 with tiered increases, tapering to 25% for those making profits of £250,000 or more.

The tapering has not yet been confirmed. We expect further announcements on Tax Day on 23 March when



the Treasury will release further consultations on new tax proposals, and we will keep you posted on this and any further news.

There is some relief for companies who have made losses during the pandemic. A temporary extension has been made allowing trade losses to be carried back for three years. This applies for losses made in 2020/2021 and 2021/2022 based on a £2m allowance per year. There are different rules of adjustment for groups.

The new “super deduction” for investment in plant machinery allowing businesses to claim back 130% of expenditure has been widely welcomed and is expected to generate significant investment especially in the manufacturing industry. We need to see further clarity on this to see how this might benefit those working in the private healthcare sector but it may possibly benefit those planning significant capital expenditure in the next 2 years.

For employers

The Covid 19 Job retention scheme will be extended until 30th September 2021. Employers will be asked to contribute 10% of the referenced pay from July 2021 and 20% from August 2021. This is good news for clinics and hospitals where the return to normal levels of activity is likely to take several months.

The government also vowed to spend £100m setting up a new taskforce to investigate fraudulent claims of the job retention scheme and the self-employed income support scheme!

The off payroll working charges (IR35) were delayed for one year due to Covid, but they will come into effect on 6th April 2021. We will share more details regarding these changes over the next few weeks.

For individuals

The personal allowance will increase to £ 12,570 from 6th April 2021 but will then freeze until 5th April 2026. The government promised no increase in income tax rates and they have kept this promise but with the personal allowances being frozen for 5 years all individuals will be hit with increased income tax.

Similarly, the higher rate tax threshold will increase to £ 50, 270 from 6th April 2021 and then will freeze until, 5th April 2026.

Also, the Inheritance tax nil rate band, Pension lifetime Allowance and Capital Gains tax annual exempt amounts are frozen until 5th April 2026. Further clarification on inheritance tax and Capital Gains tax will be posted on Tax Day on 23rd March and so there is still a degree of uncertainty.

The Pension lifetime allowance is a huge issue for doctors and is likely to have a significant impact on an increasing number of doctors. The current level of £1,073,100 will be frozen until April 2026 instead of being increased in line with inflation. This limits the amount of pension savings that can be accumulated without triggering a tax charge. There is much speculation that this may encourage more doctors to retire early which is clearly not a desired outcome, particularly at this moment in time.

Tax Day

As mentioned, Tax Day takes place on **23rd March** and more details will be published to help us gain a more detailed understanding of the changes that were announced. We will share an update to provide you with all the important information as it becomes available.

Our accounting services.

We offer a full range of accountancy and bookkeeping services for the private healthcare sector including the following:-

- **Financial Health Check**

For all new potential customers we offer a free financial health check where we can provide insightful information and innovation to you and your business.

For Limited Companies:-

- **Business Start Up** - Let us set your new company up for you, incorporate it at Companies House, advise you on bank accounts, set you up with our payroll system, start your accounts journey with Xero as your ERP to aid your daily business life. We will hold your hand all the way through the 1st year of your company's life and beyond.
- **Monthly Accounts** - Monthly production of profit & loss, cashflow and balance sheet along with 1 hour 1-2-1 accounts review and forward forecasting for the business.
- **Corporation Tax** - Corporation tax calculation and submission to HMRC
- **Year End** - Statutory accounts preparation and submission to Companies House & HMRC
- **Payroll Services** - Full payroll calculations using our specialist software, RTI submission to HMRC and NEST to pension providers

For individuals:-

- **Self Assessment Tax Return** - Self Assessment Tax Return Calculation & Submission
- **Self Employed Start Up** - We can take away the stress and guide you through the process of self employment registration, we can provide documentation on what you need to do throughout the year with documents etc. A 1-2-1 after 6 months AND your 1st year tax return is included.
- **Ad Hoc Project Management** - We can provide ad hoc consultancy on financial elements of all businesses, no job is too big or too small.

We hope you have found this article of value. We would love to hear your feedback so please do get in touch with any comments or questions. If we can help you to improve the management of your practice in any way, we would be delighted to help.



TEAM SPOTLIGHT: CARLY BRYANT PRACTICE MANAGER

Carly is our wonderful Practice Manager. She has a strong Medical PA background and has supported consultants across a range of specialities and sites.

Carly works hard to ensure that Medical PA's within our team have everything they need to deliver your service; from arranging holiday cover, through to producing guides on booking processes for each hospital site that our consultants work out of.

When you join Designated Medical, Carly will ensure that your Medical PA runs your practice alignment with your expectations.

“

..You have lived up to your promises and Carly is fantastic. She is managing my complex practice very well, communicating brilliantly and generally sorting things out. I even have an embassy letter of guarantee for the patient she booked into clinic tomorrow sent through by fax in advance - it's never happened before!

Kinesh Patel
Consultant Gastroenterologist

”

PRIVATE PRACTICE IS BOUNCING BACK

The most obvious indicator that our team at Designated Medical has that the private healthcare sector is bouncing back is the number of calls we receive from patients enquiring about appointments.

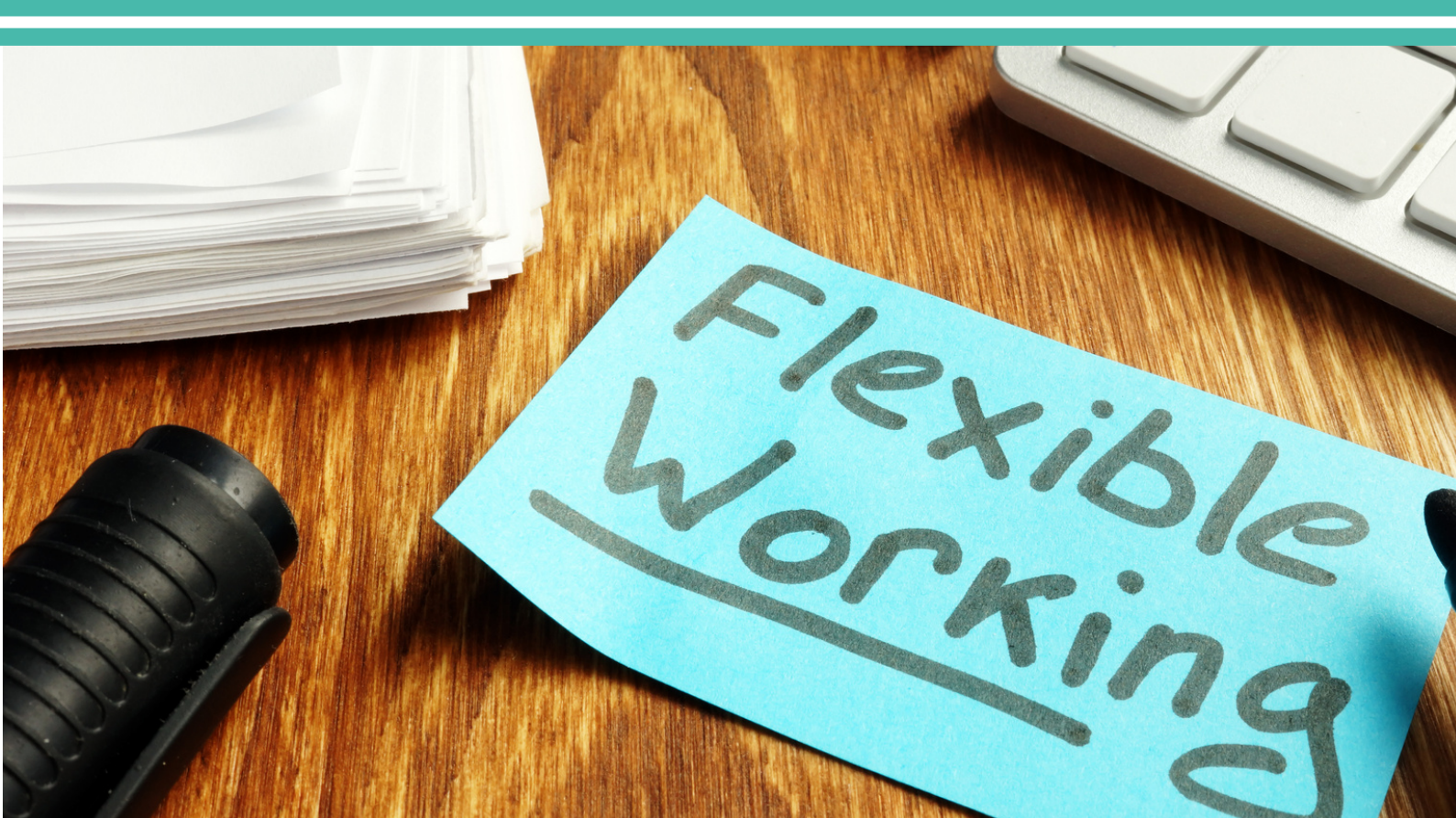
The increase in call volumes during February and the early part of March has reassured us that we are starting to see an increase in the confidence of patients who are now looking to book their medical appointments after many months of waiting.

During the last week of February our call volumes were 40% higher than in the first week of February and the first week of March has been our busiest week this year. Our team are fully committed to maintaining our excellent call answering rates and we are delighted to report that, in February the team answered 95% of all calls and despite the significant increase in volumes in the first week of March the

team answered 93% of all calls. This is an amazing performance, and we are incredibly proud of our team of Medical PAs.

Our experience definitely supports the view expressed in the Independent Practitioner Today on 2nd March who reported optimism of a significant bounce back in private practice this year. They quoted statistics from a survey poll recently undertaken by the MDDUS, stating that six in ten of the private clinicians who responded to the survey expected to see their volume of work increase in 2021. This positive view is welcomed particularly as 52% of the clinicians reported that their private work had dropped by more than half because of Covid 19.

This is encouraging news for everyone in private healthcare and most importantly for patients who will be able to source the expertise and care they need.



HOW TO BE A FLEXIBLE WORKING WINNER!

We are delighted to share the second extract from our new series on 'Harnessing your People Power', published in the **Independent Practitioner Today**.

Our Managing Director Jane Braithwaite explores the topic of flexible working and how we can use it to our benefit within the healthcare sector, focusing on what it means for employers and employees.

She covers how to manage a remote team, the technology that enables efficient remote working, and how to ensure you reap the benefits of a flexible working policy.

Caring for and treating sick patients requires face-to-face contact and, clearly, our healthcare organisations must be built around this capability. But 2020 taught us there are many aspects of healthcare that can be managed without the need for us to be together in the same location. We have learned these lessons in a crisis-type situation having to adapt incredibly quickly, with no clarity on the time-scales involved and huge uncertainty as to what the next challenge might be.

The principles of flexible working have been accepted by organisations for some time, but the Covid-19 crisis has accelerated its adoption hugely and it has been an absolute necessity in many situations.

Adoption of these new working practices has been sudden and dramatic and a terrible upheaval for many, who have found their working and professional circumstances altered drastically.

But we have learned that flexible working, in the right environment, managed in the right way, can offer benefits.

Great benefits

Benefits such as greater efficiencies and productivity, the ability to provide a service across increased geography, the potential to reduce costs, and, possibly most importantly, it really benefits many people, allowing them to do their job more productively and improves their well-being. We have also seen how embracing flexible working has impacted communications with patients, with the

wider use of phone triage and video consultations.

While these solutions clearly cannot replace the need for treatment provided in person in a hospital environment, they clearly can add some value in terms of patient care and potentially productivity for healthcare providers.

Many of you will have concerns about how to ensure people work well together, particularly in terms of the ability to collaborate and how to recruit new team members and ensure they feel part of the existing team.

This is a topic very dear to my heart, as everyone in my company has been based at home, working flexibly since I started the business back in 2013.

I am a big fan of flexible working, but I will talk openly and honestly about the pros and cons and how to avoid some of the pitfalls and I will also address the question I am asked most by those who are skeptical about home working, which is:

‘How do I know my team is working when they are at home?’

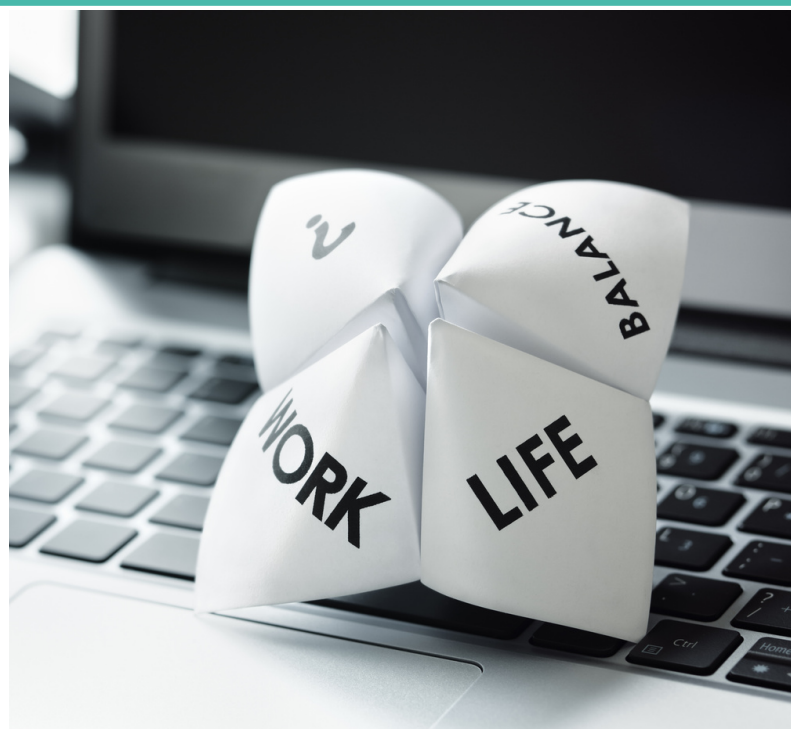
What is flexible working?

The term flexible working is self-explanatory on initial consideration, but it does cover a whole range of options, so it is worth breaking it down and considering all the possibilities.

Flexible working encompasses flexible hours and/or flexible locations. So, it also covers part-time working with flexible working hours, and remote working, which can mean home working or it could also mean working from several different locations.

Many of the consultants we support at Designated Medical work flexibly, managing clinics at a few different hospitals and clinic locations. It is also fair to say they work flexibly in terms of hours, as they rarely keep to the standard nine-to-five schedule, holding evening and weekend clinics.

Over the last few months, many of our consultants have also been offering video consultations for their patients, which can be done anywhere including at home.



Loss of office space

Many doctors work from one permanent consulting room with a permanent team of staff also based in an adjoining office. But this model is becoming less common over time, largely due to the cost of consulting and office space especially in central London and other urban locations.

Homeworking is also used by most people to some degree. The ability to ‘log on’ from a home computer, laptop, tablet or phone makes home working very accessible.

Technology is most definitely a key factor in flexible working and we will discuss this in more detail later.

When you consider home working and working from different locations, it is fair to say that most people are working flexibly to some degree these days and our response to Covid-19 has driven far greater take-up of these options.

At the end of March 2020, the Office for National Statistics launched the online Labour Market Survey. The survey takes place each

quarter, involves approximately 18,000 households, and asks questions regarding employment in general, but also includes specific questions regarding home working which are relevant to our topic.

Survey results

These are the main points from the survey:

- In April 2020, **46.6%** of people in employment did some work at home;
- Of those who did some work from home, **86.0%** did so because of the Covid-19 pandemic;
- Of those who did some work from home, around one-third worked fewer hours than usual (**34.4%**), and around one-third worked more hours than usual (**30.3%**);
- Women were slightly more likely to do some work at home than men, **47.5%** and **45.7%** respectively;
- People aged 16 to 24 years were less likely to do some work from home than those in older age groups;
- More than half of people living in London (**57.2%**) did some work at home;
- Occupations requiring higher qualifications and more experience were more likely to provide home working opportunities than elementary and manual occupations.

Clearly, the results from the survey are hugely affected by Covid-19 and it will be interesting to see results going forward, but there are some points made here that we should consider – in particular, the point that younger people are less likely to work from home.

What do employees want?

There are countless surveys, reports, and press articles attempting to answer this question and the claims are often contradictory.

Some say how home working is the answer to work-life balance and the solution we have all been searching for, stating vast improvements in productivity and employee well-being.

Others focus on the lack of company culture that results in feelings of isolation and a decline in productivity.

Any regular LinkedIn users will have seen ad hoc surveys over the last few months and the results seem to imply that people want a mix of both home and office working, but a strong negative reaction to being totally office-based. A blended approach with flexibility seems to be the preference for most.

Chatting with friends and family, we find this is a Marmite topic – you either love it or you hate it. Many of us absolutely love the flexibility, the ability to focus and concentrate, and to take control of our schedules.

Others hate the constant demand to attend Zoom meetings and miss the spontaneous discussions over a coffee and the creativity of working together in an office.

And for many households, home working created a pressure cooker with two adults trying to find space in the home to work, often sharing an inadequate broadband signal, and many facing the prospect of home-schooling.

Over the summer months, the Government published guidance on 'Making your workplace Covid secure during the coronavirus pandemic' and employers have been challenged with Covid risk assessments to ensure a safe environment for their employees.

Fear of office

In a recent poll of UK employers by Peninsula, one-in-seven employers admitted that they were not confident their workplace was COVID-secure. And a further one in four said they were only 'fairly confident', which is incredibly worrying given that there is a risk of fines for employers who do not provide a Covid-safe working environment.

Read the full article for more on the benefits to both employees, employer and to your patients.

READ MORE

