



Edmund Carr

Chartered Accountants

GP NEWSLETTER

June 2015



**Alison McDowall - Manager
Edmund Carr Medical Sector**

Welcome to our second newsletter for 2015. The NHS was a hot topic in the recent election and it will be interesting to see if the new government can deliver on its promise to recruit 5,000 new GPs and will this be enough?

Recruitment and succession are a key challenge currently facing many practices and this seemed to be a common theme throughout the recent AISMA (Association of Independent Specialist Medical Accountants) conference that Francis, Debbie, Emma and myself attended. An increasing proportion of GPs nearing retirement age, increased demand on GP time and a lower rate of doctors choosing to go into practice being only some of the reasons given for the problem.

The remainder of this newsletter covers the main topics included at the Conference this year which we hope you will find of interest.

Publication of Earnings

One area that is concerning many GPs is the publication of earnings for the year ended 31 March 2015. I am sure you are already aware the mean earnings for all GPs in for your practice will need to be published on the practice website and in paper or poster form for those with no internet by 31 March 2016. Many of you will query what benefit this has but



unfortunately it is a requirement of the contract and so cannot be avoided.

Guidance has been published on what income and expenditure is included in or excluded from the earnings figure, and only earnings from core work are to be included.

For our clients we will be calculating what we believe the mean earnings figure you need to disclose is, and Debbie or Francis will then be able to discuss the figure with you at the accounts meetings over the summer.

For the year ended 31 March 2016 the earnings will need to be disclosed for each named GP. A mandate is required from the new Government to give details on how this will operate. This may involve completing a new

certificate but it is wait and see at the moment, we will update you when we hear anything further.

GP Survey

The results of the AISMA survey for the 2013/14 year were made available. This included results for practices dealt with by AISMA members, covering 25% of practices in the UK and 49% of GPs. As you may expect the survey did show a small fall in profit per patient from the 2012/13 year, but profit per Full Time Equivalent Partner was maintained. Dispensing practices remain more profitable and the review of PMS Contracts was not yet showing any impact on the 2013/14 results. As in previous years we will be sending to our clients a comparison of their actual results with the AISMA survey.

Pension estimates

If you request a pension estimate from April 2015 you may now find that this is only prepared based on the most recent final superannuation certificate completed, and so may be some way out of date. If you need any assistance with calculating a current estimate please contact Debbie or Francis



Property Issues

The largest item in many practices balance sheet is the surgery, are you making the most of this asset? Here are only a few tips on maximising the income from your property:-

- For practices on cost rent the transfer to notional rent can be made at any time if it is more beneficial, there is no need to wait for the 3 yearly reviews. This may require your own research as NHS England will not issue a Notional Rent figure.
- If the property is underused could reorganising space to free up an area for rental to a complimentary services such as a pharmacy be beneficial? Rent received from a third party could be substantially more than the amount the practice would receive under notional rent. However, this would make this area a non qualifying space for the GMS or PMS reimbursement and you would need to notify NHS England.
- When completing the form for the Practices' Notional Rent review make sure that everything that could be relevant is included, for example if there is a pram park. You could consider the use of a specialist surveyor.

Collaborative working

Again the need for practices to work collaboratively with other practices was raised. Some interesting examples were given of practices on both ends of the scales of collaborative working, from a federation to a full merger of practices. The benefits can be more pronounced in a full merger but in a federation efficiency savings can still be made in training and education, back office functions, purchasing, systems and processes and clinical governance.



let's collaborate

One aspect seemed important in both examples and that is size equals strength when tendering for contracts. If a federation is able to offer access to a significant percentage of patients in a locality this must be beneficial to those commissioning the service and those using the service.

There are various structures that a federation can take, but whether this takes the form of a limited company or a more informal arrangement one thing is important to all and that is ensuring that properly drafted contracts are in place, and this needs the assistance of a legal professional. Given that many federations will have an informal start the contracts are essential in how they control how

the work is carried out, what happens if something goes wrong and contribution to joint costs.

The structure of a federation type arrangement is an important one as it can impact on many aspects from employing authority status to VAT issues and if you would like to discuss the issues affecting any federation type arrangement your practice is involved in or considering please contact Debbie or Francis.



Francis Whitbread

Partner



Debbie Wakefield

Partner



Emma Cook

Assistant Manager

Disclaimer

This newsletter is intended to give general guidance only and no liability can be accepted for any action taken based on the information given.

Edmund Carr LLP
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www.edmundcarr.com

email: advice@edmundcarr.com

If you think this information might be useful to a friend or colleague, please pass it on.

Registered Auditors and Chartered Tax Advisers

Edmund Carr LLP, 146 New London Road, Chelmsford, Essex, CM2 0AW, UK
+44 0 1245 261818 www.EdmundCarr.com

David C Drain
Francis V Whitbread

Eric D Williams
Ray Grace
Colin A Barker

Stewart P Martin
Debbie J Wakefield

Registered Office: 146 New London Road, Chelmsford, Essex, CM2 0AW

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