



# GP NEWSLETTER

# June 2016



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**Welcome to our first newsletter for 2016.**

**Debbie, Emma and I recently attended the annual AISMA (Association of Independent Specialist Medical Accountants) conference, and I set out below the main issues raised at the conference that will be of interest to you and your practice.**

### Practice finances

As we say to GP clients every year when going through the annual practice accounts, those accounts are a snapshot of past practice performance and the current financial position is more important. No one wants to talk about GP practices failing but this is becoming a reality.

To make sure you do not face that nightmare



scenario, here are just a few points to consider:-

- Could outsourcing provide cost savings?
- Have you looked at re-tendering contracts such as light and heat?
- Make sure your claims process is working effectively, with clearly defined responsibilities for making claims and checking income is complete.
- Are you adequately managing practice cash flow to deal with pressure points?
- Make sure we see your financial projections going forward to ensure partner drawings are set at an appropriate level.
- Consider using online accounting software to provide us with much better access to the practice's accounting records during the financial year.
- Ensure time is put to best use; partners concentrating on clinical work rather than admin, and practice managers on income generation rather than data input.



### Premises

- Ensure the partnership agreement deals adequately with such issues as dilapidations on

partner retirements and the responsibility for repair and development costs when retired partners continue to own a share of the practice premises.

- Is surgery space being fully utilised?
- As the NHS tightens the purse strings, other occupancy of the practice premises is one area it has been suggested could be under scrutiny. Practices should be aware that abatements of notional rent are a possibility if NHS England has not been notified.

### Tax changes

Digital tax accounts are on the way, as announced by the Chancellor of the Exchequer in 2015 and GP practices will come within the new quarterly return regime being required by 2018. As usual there has been a lack of detail from HMRC on how the new rules are to work but as soon as we have information we will be contacting clients to identify the best way to deal with the new reporting requirements. Online accounting software, referred to above, will certainly help the process.

### Pension related tax issues

A quick reminder on the current Annual Allowance (AA) and Lifetime Allowance (LTA) issue:-

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- The LTA was reduced to £1m from 1 April 2016.
- Individual Protection 2016 (IP16) will be available for those with a pension pot over £1m at 5 April 2016 who have not previously claimed protection and will fix the LTA at the lower of the value of pension savings at 5 April 2016 and £1.25m. We will be contacting our clients where we believe they will be able to claim IP16.
- The opportunity to claim IP14, which was introduced as a result of the previous reduction in the LTA to £1.25 million on 5 April 2014 remains available until 5 April 2017 and again we will be contacting clients where a claim may be appropriate.
- The basic AA remains at £40,000.
- A tapered AA will come into effect from the 2016/17 tax year which will affect high income individuals, but the AA is never reduced lower than £10,000. We have already written to our clients who we believe may be affected and will be able to advise further following completion of the 2015/16 tax returns.

**GP Survey**

The results of the AISMA survey for the 2014/15 year were made available and cover 26% of GP practices in the UK. Surprisingly average profit per Full Time Equivalent Partner was again maintained and the impact of the PMS review was not yet evident in the 2014/15 figures.

**From the conference floor**



With the N H S frequently in the news at the moment it was interesting to hear from (amongst others) GPs in practice in different parts of the UK on what is happening locally to them. A common theme was to ‘Start Thinking Big’ and the 30,000 list size for practice groupings that appears frequently when the Government talks about the future was mentioned on several occasions. Once again there was an emphasis on the need for collaboration between practices but equally for a practice to be prudent and aware of its financial obligations when entering a federation. Last month’s Pulse includes a useful article on this issue by the current AISMA Chairman.

**AISMA Newslines**



The Summer A I S M A Newslines is now available on our website for topical articles.

If you would like to discuss any of the matters covered in this newsletter in more detail please contact Debbie, Francis, Emma or myself.



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**Disclaimer**

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

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