



For immediate release – Thursday 26th March 2020

CDO and NHS England Statement – more details still needed

Yesterday as you are no doubt aware, the English CDO, Sara Hurley and NHS England announced the further clinical and contractual arrangements moving forward for NHS dentistry. As accountants and lawyers we will leave the clinical side to others - it seems that the comments in regard to 2019-20 contracts broadly bring England inline with the other parts of the UK. Moving forward, the offer of cashflow of 1/12th of the contract value being paid from April 2020 is welcome, and this will allow many NHS practice owners to breathe a sigh of relief.

These payments are being offered upon the following principles:

- Contract delivery and year end payment for the period of the COVID-19 response should be assumed to have been maintained at a level that allows continued employment of staff (despite reduced actual activity);
- In return for this certainty, this will be conditional upon practices being required to offer all available staff capacity to other areas as outlined in section C, “Workforce” below;
- A requirement on practices to ensure that all staff including associates, nonclinical and others continue to be paid at previous levels;
- An agreed and fair reduction for any variable costs associated with service delivery (e.g. in recognition of reduced consumable costs) will be applied to all contract values;
- These arrangements will operate over a fixed number of months with an agreed end date; and
- Practices benefiting from continued NHS funding will not be eligible to seek any wider government assistance to small businesses which could be duplicative.

Those practices that have a very large commitment to the NHS – say 90% or so should find these arrangements to be to their liking. Yes, they may have to support NHS institutions in the coming weeks of the crisis, but will have viable businesses to return to when this is over. NHS Associates and team members too find themselves similarly comforted by the statement.

Those practices that are predominantly private and those who are self-employed in such practices will gain nothing from this statement – they wait to hear the details of what the Chancellor will offer them shortly.

Where this statement will cause the most concern is in the many mixed practices that have a significant NHS commitment, but not one that will cover all the wages and costs of the practice. The clause, “Practices benefiting from continued NHS funding will not be eligible to seek any wider government assistance to small businesses which could be duplicative” seems to suggest that these mixed practices are being offered ‘all or nothing’ – either they keep the NHS payments and cannot furlough their staff or they return their contract? Those practices with a very small NHS contract may consider handing it back at this time to avoid the issue.

A further conundrum would be that of private practice owners who are incorporated and pay themselves a small salary. They will see a massive loss of income and yet only be able to receive a subsidy of 80% of their small salary.

Nick Ledingham, of Morris & Co, Specialist Dental Accountants and Chairman of NASDAL observed, “we appreciate that these are testing times and wide-ranging policy is having to be made in days rather than months. There is a great deal to welcome in this useful statement but as accountants and lawyers, we look forward to further detail as it becomes available in the weeks ahead.”

ENDS

Note to editors:

NASDAL, the National Association of Specialist Dental Accountants and Lawyers, was set up in 1998. It is an association of accountants and lawyers who specialise in acting for and looking after the accounting, tax and legal affairs of dentists. It is the pre-eminent centre of excellence for accounting, tax and legal matters concerning dentists. Its members are required to pass strict admission criteria, and it regulates the performance of its members to ensure high standards of technical knowledge and service.

Nick Ledingham, Chairman of NASDAL, is available for interview. To organise to speak to him or any other members of NASDAL for more information please contact Chris Baker.

For further information please contact Chris Baker on 0845 370 2211/07947 470896 or email chris.baker@coronadental.co.uk