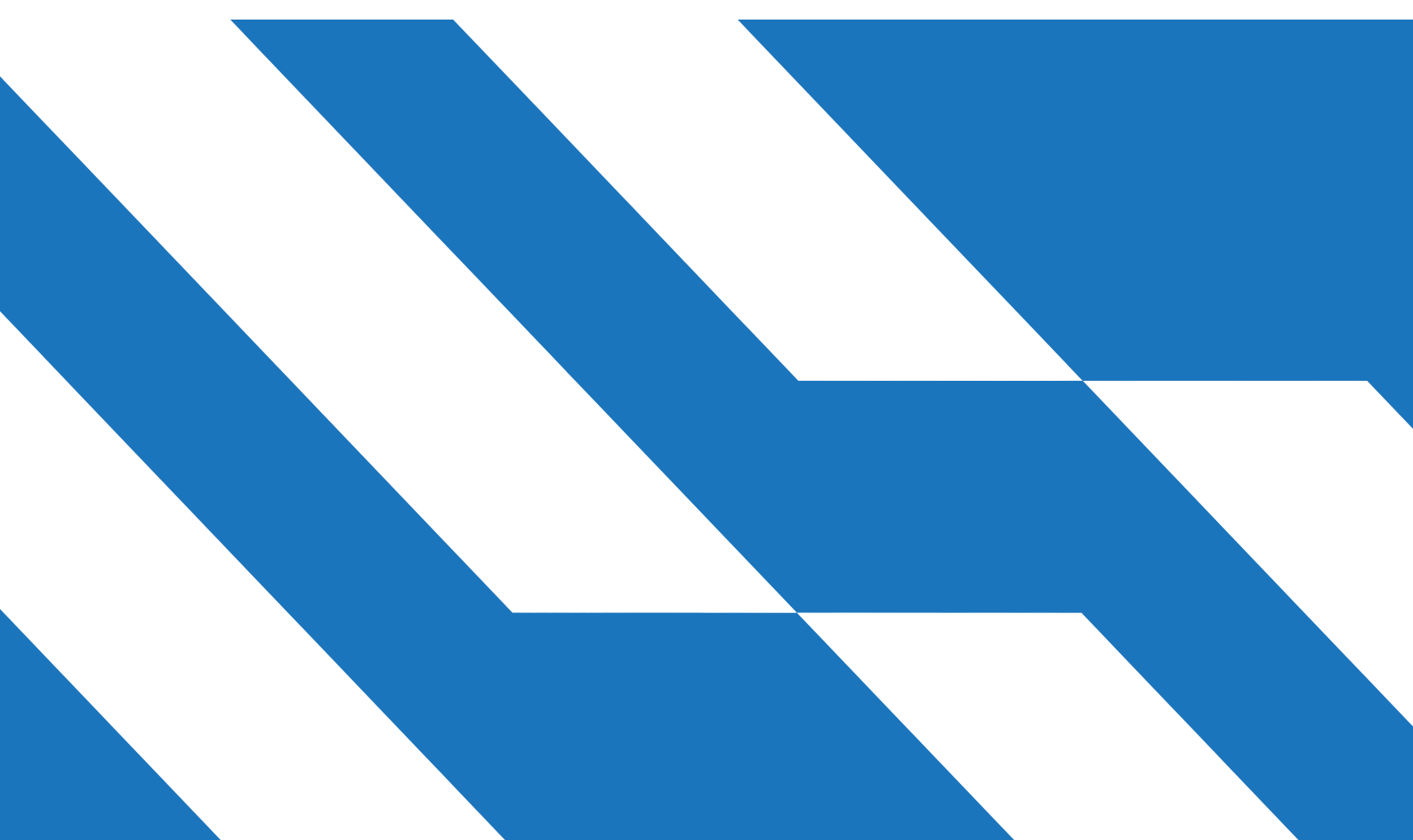
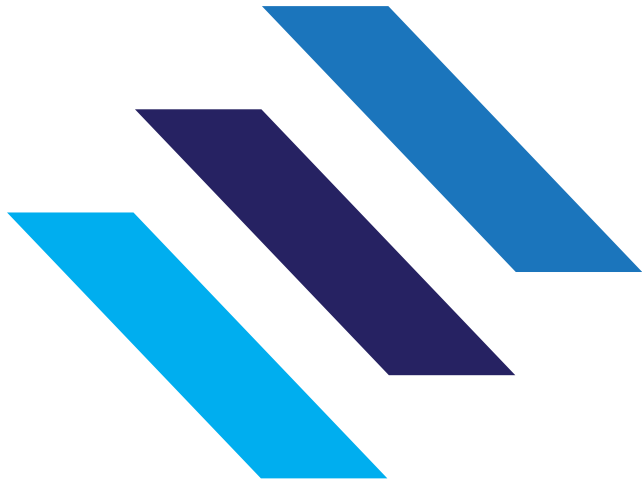




Healthcare Newsletter

Winter 2023





Jenny Hurst
Editor
Healthcare Partner
jenny.hurst@bhp.co.uk

Welcome to the latest
issue of the BHP
Healthcare Newsletter...

Contents

In this month's issue...

4

Company filing
deadlines

6

Meet the team:
Suzanne Bethell

8

Accounting Basis
Period Reform
update

9

Rental Income
and Making Tax
Digital

10

Profits and
drawings

12

Annual Allowance
Scheme Pays
deadline extended

13

GP Pay
Transparency

14

The NHS Pension
vs the retention of
NHS staff

16

Becoming a locum
GP

19

Succeeding as a
locum GP

Company filing deadlines

What you need to know



Ruth Toyn
Senior Manager
ruth.toyn@bhp.co.uk

Many doctors and dentists now set up limited companies for certain income streams and some GPs may also find themselves directors of companies formed to run their local PCN. Taking on a directorship means not only are you legally responsible for running the company, but you must also make sure information is sent to Companies House on time.

Company accounts

For existing companies, accounts need to be filed with Companies House by nine months after the accounting reference date — the company year end. For example, for a 31 March year end, the accounts need to be filed by 31 December.

For new companies, the very first filing date is nine months after the company was **formed**. This can lead to unusual filing deadlines in the first year which can catch directors out! Thereafter, the deadline returns to nine months after the year end date.

Accounts filed late will incur a financial penalty from Companies House and their correspondence sent to directors will highlight that it is a criminal offence not to file accounts. As a director, you could be personally fined in the criminal courts. If a company is persistently filing documents late, Companies House will be quicker to threaten action against the directors.

If you know your accounts are going to be late you can apply for a filing extension, but this will

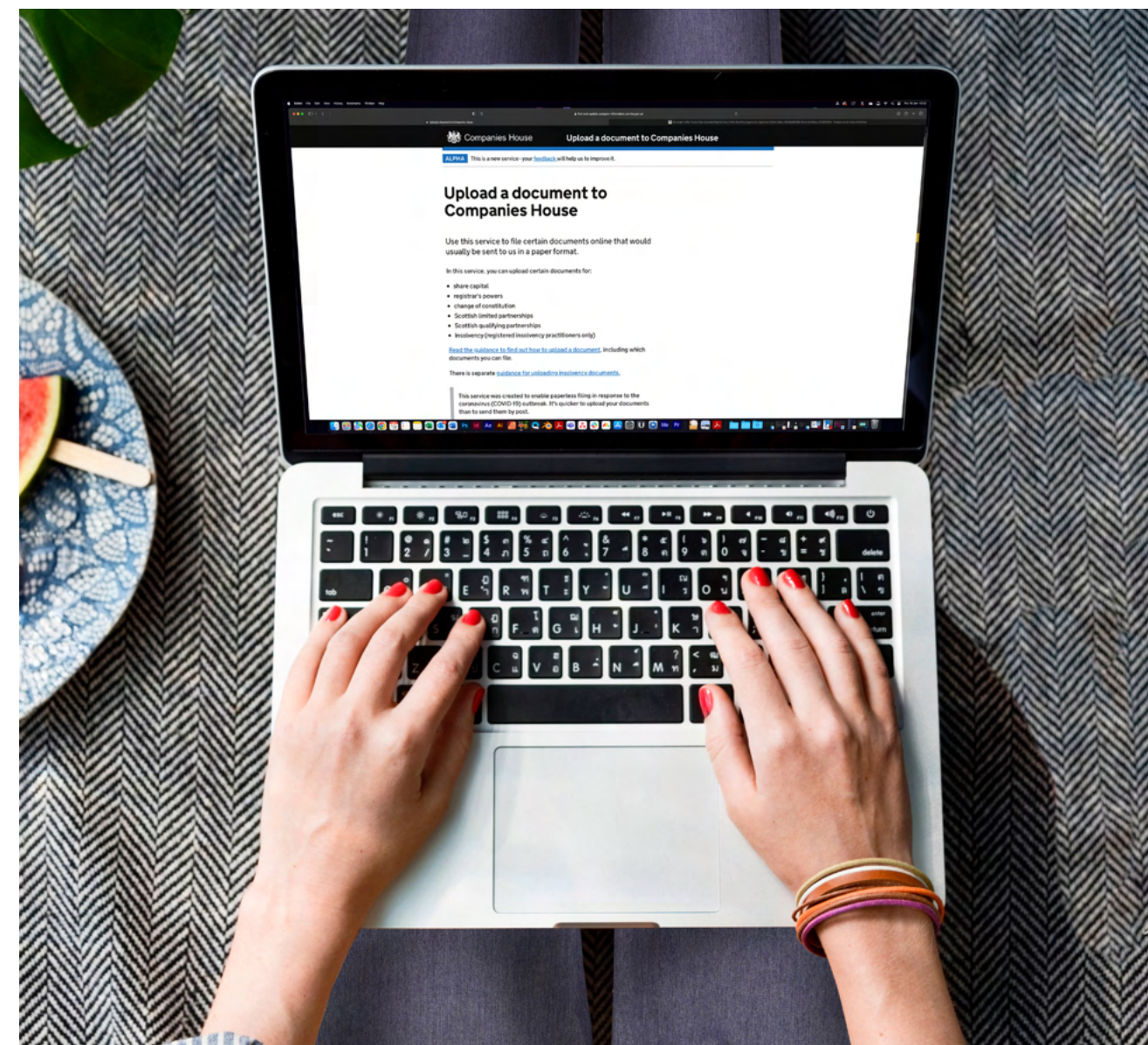
only be granted in exceptional circumstances and you cannot apply after your filing deadline has already passed. Recently, companies have been able to apply for a three-month extension due to Covid delays but it is unclear how long this filing extension will be available for.

Confirmation statement

Every year, a company must file a confirmation statement. The statement is due 14 days after your review date. You can check your review date on the Companies House website.

The statement is your confirmation that the information held by Companies House about your company is correct. Changes such as the appointment of new directors cannot be done using this form and must be done before the form can be submitted.

Provided Companies House have been updated with any changes that have occurred during the year, completing the form is a straightforward exercise.



The easiest way to submit your statement is online at the Companies House website. You will need to pay a filing fee of £13.

There are no filing penalties for the late submission of your confirmation statement, but it is a criminal offence not to complete the form and Companies House may threaten to strike off the company.

Companies House have withdrawn their paper reminders for accounts and confirmation statements.

They now have in place an email reminder service where companies can register four email addresses to receive reminders to file their accounts and confirmation statement. This can include your accountant's email address too.

Other deadlines to consider

It is not just accounts and confirmation statements that need to be filed with Companies House.

If there is an appointment of a new director or a director's appointment is terminated, Companies House

should be notified using the appropriate form within 14 days of the change.

There are also forms to be submitted relating to the allotment of shares and any changes to a class of shares or their voting rights.

Most forms can now be submitted online and guidance is available on the [Companies House website](https://www.gov.uk/government/organisations/companies-house).

Meet the Team: Suzanne Bethell



Suzanne Bethell
Senior Manager
suzanne.bethell@bhp.co.uk

When did you join BHP?

I joined BHP in October 1997

What attracted to BHP?

It is the biggest independent firm in Sheffield with a good reputation.

What is your role and what does a typical day look like for you?

My current role is Senior Manager within the Healthcare Team. I manage a large portfolio of clients which encompasses annual accounts, partners changes, property restructuring / funding, partners' drawings and cashflow, tax returns and annual pension work. A typical day can vary depending on the time of year, this could be work on the annual accounts, client and internal meetings, annual tax and pension work and managing the team.

What do you like best about working at BHP?

BHP is a friendly and supportive firm that looks after their staff.

How has BHP helped you in your career so far?

They have been supportive in my career progression within the Healthcare team and have encouraged me to push forward.

What are your highlights and key achievements?

My highest achievement is reaching my current position of Senior Manager.

What advice would you give to someone who was thinking about applying for a role at BHP?

BHP is a forward-thinking firm that supports their staff and encourages people to reach their full potential. They provide excellent social events, which is a great benefit when new to the firm.

What do you enjoy doing when you are not at work?

I enjoy walking in the Peak District, eating out, visiting the theatre and going on holiday.

What is your favourite type of cuisine and why?

I love Italian food, pasta and seafood — one of the reasons why I love to visit Italy.

What is the best place you have travelled to and why?

One of my favourite destinations was visiting the Canadian Rockies; the scenery was amazing.

If you weren't an accountant, what would be your dream job?

I would love to run a coffee shop — I love baking!





Accounting Basis Period Reform update



Kirsty Swinburn
Senior Manager
kirsty.swinburn@bhp.co.uk

We are now less than two months away from the start of the tax year, which will see a significant change to the way that profits are taxed for all practices that currently have any accounting year end other than 31 March or 5 April. In many cases, the change will result in an acceleration of tax liabilities.

Currently, such practices are taxed based on the profits for the accounting year ending in the tax year. For example, if the practice has a 30 June year end,

the 2022/23 tax position will be based on the 30 June 2022 accounts.

From 2024/25, all practices will be taxed based on the results for the tax year, with an apportionment required where accounts continue to be prepared with anything other than a 31 March or 5 April accounting year end. It is expected that most practices will simply change their accounting year end to either 31 March or 5 April.

The 2023/24 tax year, which starts this April, will be the transitional year. Once again using a 30 June accounting year end as an example, in 2023/24 individuals will be taxed on the profits for the year ending 30 June 2023 plus profits for the period 1 July 2023 to 5 April 2024, less "overlap relief". Overlap will generally have been created when a partner or sole trader first started in business. It relates to a period of profit that

was taxed twice in the early years of business. If that period was some time ago, the value is likely to be lower than current profit levels.

For many, this transitional adjustment will increase the taxable profit for 2023/24 and provisions will be in place to allow the spreading of this additional taxable profit over a period of up to five years.

However, if an individual ceases in business during that period — this includes moving to a different partnership — all the remaining balance will become taxable in the tax year of cessation. This change may push profits into a higher tax rate.

If you are affected, your usual BHP contact will be in touch to discuss the impact of these changes and any action that needs to be taken but, if you have any concerns in the meantime, please contact us on 0333 123 7171.

Rental income and Making Tax Digital (MTD)

Recent updates to guidance state that the introduction of MTD for landlords has been delayed until at least 6 April 2026. At this time, it will become compulsory only for those with annual gross rental income in excess of £50,000. Compliance will be compulsory for anyone with annual gross rental income in excess of £30,000 from 6 April 2027 onwards.

This means that they will have to submit quarterly reports of rental income and expenses to HMRC and maintain the rental accounts in a prescribed digital format. This can be on software or on suitable excel spreadsheets with bridging software.

BHP can offer a range of solutions for MTD for landlords. Please get in touch with your usual BHP contact if you would like further details.



Profits and drawings



Claire Heathershaw
Senior Manager
claire.heathershaw@bhp.co.uk

Taxable Profits Vs Accounts Profits

There will usually be some form of adjustment from the accounts to the taxable profit figure. This is because there will be items in the accounts that are not eligible for tax relief. Common examples of this are depreciation (the writing down of the fixed assets in the accounts) and some legal and professional fees.

Although depreciation is not a tax-deductible expense, capital allowances are likely to be available instead and the differential between these figures will be one of the main reasons for the movement from accounts to taxable profits. If there has been a large spend on fixed assets, there could be a significant capital allowances claim to make, which would result in taxable profits being lower than accounts profits.

Not all legal and professional fees are allowable for tax purposes, for example, the cost

We are often asked questions along the lines of:

1. Why is my taxable profit different to my accounts profit?
2. Why is my profit higher than my drawings?
3. Why am I not taxed on my drawings?
4. Why can't I draw out all my profit?

In this article we address the above points.

of a partnership agreement or a property valuation, and these costs will be 'added back' in the tax computation (meaning they do not attract tax relief) and will increase taxable profits.

The other main adjustment will be for any expenses paid by a partner personally outside of the practice accounts, which will reduce the taxable profit figure.

Profits Vs Drawings

It is important to remember that you are taxed on your share of the taxable profits of the business and not the amount that is taken in drawings. For example, if you were to earn profits of £100,000 and drew nothing, you would still pay the same amount of tax compared to taking drawings of, say, £50,000. If individuals paid tax on drawings rather than profit levels, drawings could easily be reduced to ensure a smaller tax bill was due.

Drawings are normally taken each month and are a payment

on account of profits earned. They do not affect profit levels and each partner's drawings are allocated to their own individual partner's current account.

Profits will usually be higher than drawings because there will be items paid on an individual's behalf that are financed from the profit share, meaning that the full amount cannot be taken out.

These may include:



Superannuation contributions



Income tax and National Insurance payments



Subscriptions



Insurance policies



Loan repayments



In the case of new partners, drawings may also be restricted to build up a share of their capital and current account balances.

Part of profits may also be left in the practice to fund the day to day running costs. This balance represents the partner's current account share and is part of the investment within the practice representing undrawn profits. The balance will move each year (depending on profit levels and drawings) and, on leaving the practice, this is paid out. As tax has already been paid on these amounts, no additional amount of tax is due when received.

Annual Allowance Scheme Pays deadline extended



Claire Heathershaw
Senior Manager
claire.heathershaw@bhp.co.uk

Due to the ongoing impact of Covid-19, NHS pensions have recently announced that the voluntary Scheme Pays election deadline for 2020/21 has been extended from 31 July 2022 to 31 March 2023.

Pension benefits are allowed to grow by up to £40,000 per year before you are at risk of incurring a Pensions Savings Annual Allowance charge. For higher earners, if threshold income (taxable income less pension contributions) is over £200,000 and adjusted income (net taxable income plus pension contributions) is over £240,000, the £40,000 allowance will be reduced down to a minimum of £4,000 — once income is £312,000 or over.

Where growth figures are not yet available for 2020/21, you may wish to consider the option to complete a provisional Scheme Pays election form with a nominal sum of £1. You will then have until 31 July 2026 to amend this as appropriate.

Ultimately, you will need to take advice from a Pension Adviser to determine whether a Scheme Pays election is the correct advice in your particular financial situation.

In the short term, there is no downside to submitting a nominal £1 election to leave your options open when you receive the final information.

If you would like assistance in completing the forms, please contact your usual BHP Healthcare contact.

GP Pay Transparency 2021/22



Claire Heathershaw
Senior Manager
claire.heathershaw@bhp.co.uk

As part of the current five-year GP contract, GPs earning over £150,000 in NHS income are required to submit self-declarations of their earnings.

This information will then be made public by NHS Digital listing:

- Name
- Job titles
- Earnings (in bands of £5,000)
- Name of organisation from which the highest earnings were drawn
- Number of other organisations from which NHS earnings were drawn

These plans were previously suspended in relation to 2019/20 and 2020/21 earnings.

The current BMA guidance is that, as this provision is still included within the GP contract, **individuals falling into the scope of these regulations will be required to make a declaration of their 2021/2022 earnings in April 2023.**

This will also apply to salaried and locum GPs.

Initially there were plans to increase the £150,000 threshold by £3,000 each year. However, it is unclear whether this is still the case and whether the threshold for 2021/2022 will be £156,000.

We understand that the BMA has requested a further suspension of the requirement and await further guidance.

The NHS Pension vs the retention of NHS staff



Andrew Hall
Senior Financial Planner
andrew.hall@bhp.co.uk

The NHS continues to face key challenges, including patient backlogs. Official data found that the number of patients waiting for treatment in September 2022 had hit a record 7 million, with the BMA saying the backlog would take years to clear.

The former Secretary of State for Health and Social Care, Thérèse Coffey, claims that the level of backlog seen in the NHS has been exacerbated due to the coronavirus pandemic. However, the retention of experienced NHS health workers is also a significant contributing factor to the ever-growing patient backlog.

The NHS Business Services Authority has seen a dramatic increase in health workers retiring during the 2020/21 tax year, coincidentally just in time for the implementation of the McCloud Remedy.

As a reminder, the McCloud Remedy came into effect at the start of this current tax year, 2022/23, and all members are now contributing to the 'new' 2015 NHS Pension Section Scheme. The member will have the choice to go back into their older scheme, whether that be the 1995 or 2008 Section Scheme, or remain in the 2015 Scheme between the period of 2015 and 2022. The choice to opt back into the older scheme, or not, does not need to be made until the member decides to retire.

So, what is the government doing to help the retention of NHS staff?

Relaxation of NHS Pension Rules

The Government will extend amendments to the NHS Pension Scheme designed to boost health worker numbers, prolonging measures that were introduced in response to the coronavirus pandemic.

The amendments suspend a 16-hour weekly limit on working hours for members of the scheme's 1995 section, along with barriers for some staff aged 55 to 60 who have claimed their pension benefits, from returning to work without having their pension benefits suspended. This suspension remains in place up to 31st March 2023.

However, the NHS Pension Scheme Advisory Board said that the 16-hour rule limiting 1995 members' ability to work should be scrapped entirely, on the basis that it serves little practical purpose for staff, employers or the pension scheme.

In addition, the suspension of abatement for drawdown members of the 2008 section and 2015 scheme will be suspended to 31st March 2023. Meanwhile, abatement exemptions for special class status members will be extended until 31st March 2025.

These are chiefly nurses, physiotherapists, midwives and health visitors who were members of the scheme before March 1995, and who were eligible to retire at age 55 rather than 60 with no actuarial reduction in their pension.

Partial retirement option & inflation

In a push to address widespread staff shortages, a partial retirement option is to be introduced that would give older employees the opportunity to draw down part of their pension, while staying in work and building up their post.

The Government has also pledged to 'fix' pension scheme rules that have landed some senior clinicians and NHS staff with large tax bills because of

the way the health service's pension accounts for inflation. To achieve this, the Government is considering amending the revaluation date in the NHS Pension Scheme to reduce the risk that NHS staff face annual allowance tax charges because of high inflation.

Pension Recycling

The Government also announced that by 2023 all NHS Trusts will be required to offer pension recycling, meaning employer pension contributions can be offered in cash instead of as an addition to pension funds, helping retain senior staff who have reached the lifetime allowance for tax-free pension saving.

It is important to note that Trusts will only accept pension recycling if a member has either breached their annual allowance and is subject to an annual allowance recovery charge, or if the member has breached their Lifetime Allowance.

Key Dates:

October 2022

Pension Savings Statements mail run.

January 2023

31st

Tax return deadline for 2021/22 tax year that must include any annual allowance recovery charges that have been paid by the member, or the Scheme.

March 2023

31st

Extended deadline of 2020/21 Voluntary Scheme Pays deadline for members with an annual allowance charge.

31st

Reinstatement of the abatement rules for drawdown members of the 2008 and 2015 section scheme.

October 2023

Super Pensions Savings Statement mail run. This is where members will receive statements in relation to the McCloud Remedy for Annual Allowances purposes only.

Becoming a locum GP



Aimee Mullins
Senior Accountant
aimee.mullins@bhp.co.uk

If you are thinking about becoming a locum GP, there are a number of areas to consider:

Registration

You will need to ensure you are included on the GMC's GP Register as well as the **National Performer's List**. If you live near a border you may need to be included on the Performer's List for both countries if conducting work in both. You will need to consider which geographical areas to work in and it may be easier to begin in an area you know and are known, as you will need to make contacts and build relationships with providers to find work. Joining your local Sessional GP Group can also help in finding work.

You will need to register with HMRC as a self-employed individual, which can be done online [here](#). You must ensure you are registered by 5 October in your second tax year of business. Once you are registered with HMRC, you will receive a unique taxpayer reference number (UTR). You will need your UTR number to file your tax return.



Recording keeping

You will need to decide on your preferred method of recording details of your income and expenses for the tax year. This may be done via specially designed online software such as MyLocumManager.

Income

Is taxed in the tax year it is earned and not in the year it is received. For example, a locum shift worked on 31 March 2022 with monies received on 15 April 2022, should be taxed in the tax year to 5 April 2022. Therefore, it is important to keep details of when your shifts are worked.

NHS Pension

If you decide to contribute to the NHS Pension as a freelance GP, there are two forms to be submitted - Locum Form A and Form B. Form A is sent to the GP practice, together with your invoice for each engagement, and details

both your fee and the employer's pension contribution to be paid by the practice.

At the end of each month, you will also need to complete Form B which summarises the income for the month along with the required employee contributions (which are tiered depending on your level of income). Both forms should be submitted to PCSE/your local area team, together with payment of both the employees' and the employer's contributions within 10 weeks of conducting the work. If you do not submit your forms within the 10-week window, you will lose your right to pension the income.

Forms A and B are available on the NHSBSA website along with detailed guidance notes: [See here](#).

If you are working for an NHS organisation that provides Out of Hours care, a GP solo form will need to be completed instead of Locum Forms A and B. This is usually completed by the organisation and given to the GP.

It is important to confirm that the organisation you have worked for is an 'NHS approved employing authority', so you can check that you are able to pension your income. The list of employing authorities can be found [here](#).

Your pension contribution is based on your anticipated annual GP earnings (inclusive of other pensioned NHS work, such as salaried/partnership work) and has a tiered contribution structure.

It may be difficult to accurately assess the level of your earnings at the start of the year and, at the end of the year, you may find you have incorrectly assessed your tiered contribution level. You will either need to pay the arrears to your Primary Care Organisation (PCO) (Out of Hours organisation, Integrated Care Board or directly to PCSE) or arrange for any overpayment to be refunded to you.

If you have also received income in a salaried GP role during the year, this is done via a Type 2 Pension Certificate. This is submitted to PCSE

via their online enquiry system or by inputting the information directly into the online form by logging into your individual PCSE account. The deadline for submission is 28 February after the end of the tax year.

If you only have income as a freelance locum, once you know your annual pensionable income and the relevant tier rate, if you have paid at the incorrect rate you will need to make the adjustment for the arrears / refund on your locum form. This is done by adding a separate adjustment line onto one of the monthly forms.

The total rewards statement shows an estimate of your pension benefits on retirement and shows pensionable income per year. This will only be up to date if PCSE pass over information to NHS pensions. It is important to keep a record of forms submitted to PCSE as they do not always process information on a timely basis.

Expenses

Can be claimed if they are deemed wholly and necessary for the purpose of your business. Expenses may include professional subscriptions, business use of mobile phone and internet, medical equipment, business mileage (this does not include travel to a regular place of work), course fees and accountancy fees. Other expenses may also be allowable and should be discussed with your accountant or tax adviser.



Your tax return may be completed as soon as the 5 April tax year end has passed, and your records are available.

Early completion of your tax return will result in advance notice of your tax liabilities. Your first tax payment will be due in January following the end of the tax year, with the possibility of a further 50% payment on the account being due the following July, depending on your level of income.

It is important to start saving towards your tax bill as soon as you start to receive income, setting aside a monthly sum to make sure you have enough money to pay the tax when it falls due.

Depending on the level of your income and start date, your first tax return may result in a large tax bill. Avoid nasty surprises by having early discussions with your accountant who can guide you on how much to save towards your tax bill. One size does not fit all and how much you should save will depend on your personal circumstances.

Succeeding as a locum GP



Dr. Surina Chibber

Locum GP and co-founder of MyLocumManager.com

Transitioning into a locum career can be hugely unnerving, whether you are a partner changing the direction of your career, or a newly qualified GP wanting some variety. There are so many reasons why a GP may choose to become a locum. Moving away from the continuity of one practice and regular paid employment has its inherent challenges. Dr Surina Chibber is a locum GP, and co-founder of the popular locum software **My Locum Manager**. Here are Dr Surina's tips for succeeding as a locum GP.

As I approached the end of my GP training, I remember the apprehension well. I felt uncomfortable at the thought of walking away from secure employment. However, I wanted to challenge myself by working in different practices, and understand how they adapted to meeting the needs of their patients. Working with different patient populations and on different portfolio roles was important to me and so I decided to become a locum after I qualified. Whatever your path into locuming, here are some practical tips and insights to help make the transition a success.



Succeeding as a locum GP

Plan your job search

One of the ways that I succeeded as a locum was by planning ahead. Towards the end of my GP training, I wrote covering letters, and dropped these along with my CV to all the local surgeries. You can also use **My Locum Manager** to connect with practices local to you and build local relationships for work whether it is to cover ad hoc sessions or maternity cover. You can make it easier for practice managers to book you for work, simply upload your documents onto My Locum Manager and share with your chosen practices at the click of a button. There are a number of documents practice managers need from locum GPs in order to book them:

- Passport/Driving Licence
- Certificate of completion of training
- Performers List
- GMC certificate
- Medical indemnity certificate
- DBS check
- Child safeguarding training certificate
- Basic life support training certificate.

It was important to me that I built up good relationships with practices and had a continuity of work and patient care. The alternatives would be to use agencies and third parties to source the work for you. This comes with its own uncertainties, challenges and risks. After the initial introduction to practices you may want to work without a middleman, but beware of the terms and conditions of booking – you will be often be prohibited from working directly with

practices if the work is sourced via a third party. My Locum Manager gives you the best of both worlds – the ability to work independently and add your own sourced practices, work within one of the My Locum Manager locum banks in partnership with practices, or receive invitations for work from local practices.

Be responsive

Practice managers as well as practice rota coordinators have locum lists to hand, to whom they send their locum requirements on a regular basis. To secure work, respond promptly as sessions are often secured on a first come, first served basis.

Managing locum administration

Make sure you keep a diary with all your booked sessions. While this may sound obvious, double booking does happen and is inconvenient for all parties.

Ensure you secure a good medical accountant and take their advice as to whether you set up as a sole trader or limited company.

Have a system like My Locum Manager makes it easy to create invoices, log expenses, track mileage, monitor the number of sessions you are working in line with your indemnity and collect all your work data for your accountant. You may have additional portfolio jobs which contribute to your income.

Set terms beforehand

It is important that both you and the practice understand what work will be undertaken. When I first started working as a locum, I put together a contract setting

out my terms, and sent this to practice managers. This had the amount I expected to be paid for my work and included the number of patients I expected to see in a routine surgery, how I wanted my surgery arranged regarding breaks and catch-ups, and the number of telephone calls and home visits included in my fee.

I also included a clause regarding cancelling work and the time frame of notice I would give and expect to be given by practices, should my locum work need to be cancelled. These terms and conditions helped to protect me and the practice and ensure each party was clear with their expectations of one another.

When it comes to agreeing a fee, I often ask practices what rate they usually pay and we negotiate from there. Clarify in advance if your rate is inclusive of your pension contribution. You can create your own terms and conditions using **My Locum Manager's template** as well as its inbuilt system to specify the type of work and pay rates you wish to work for. This helps to protect you whilst also providing transparency for the booking practice.

On the day

Ensure you arrive early to get set up in your room. Introduce yourself to key staff and get their extension numbers so you can access their advice quickly. Ask for the locum pack which will have key information from login details to local prescribing protocols.

To ensure you are well prepared for your first session at a new practice, here is a list of useful questions to ask:

What is the extension number for reception?

How do I request blood tests and where are these done (on site or local hospital)?

How do I order X-rays and Ultrasounds?

How do I refer for physiotherapy and counselling?

Where are MED3, MATB1 and maternity exemption forms kept?

Do I dictate or type up referrals?

Where is the panic button?



Mutual support

The patients you see as a locum are your patients and you have a duty of care to them and your colleagues. Do not be tempted to 'pass the buck' even if you won't be working at the practice again. Clear documentation, arranging investigations, reviewing results to assess clinical problems are extremely important from both a clinical and medicolegal point of view.

If you work with a regular group of practices, continuity of care and reviewing patients is often easier. However, if you are changing practices regularly and you won't have the chance to follow up a patient, it is helpful to hand over to your colleagues and also put a clear plan in the notes so the patients' regular doctor is able to get all the information they may need. Ensure you document red flags, safety netting advice and follow-up arrangements that you have discussed with your patients.

I often discuss any queries that I have with the practices' regular doctors. I also make sure I submit any referrals before I leave for the day.

Returning to a practice

The key to being a successful locum is to ensure you are called back to work at practices. Remember to be flexible in helping meet the needs of the surgery, be punctual and organised, and that you always have the necessary equipment.

Developing a relationship with the practices you work at will help you access regular work, support and continuity, and become a valued member of each practice's wider team. I created My Locum Manager to help every GP like me to be empowered to work as locums whilst taking away the headache of admin, scheduling and tax. You can try My Locum Manager for free by visiting www.mylocummanager.com. For more information on working as a locum Download our popular Locum Guide.

Dr Surina Chibber is a locum GP and co-founder of MyLocumManager.com



Get in touch

0333 123 7171
info@bhp.co.uk

bhp.co.uk