

General Practice is in Real Trouble in 2022/23

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It is quite clear to me that General Practice is facing the most difficult period in the last thirty years. I have been leading accountancy practices specialising in GPs since 1987 and seen all kinds of changes and innovations, some sensible, some silly, but GPs are at this moment facing a reduction in the income coming into the practice now the COVID funding is no longer available, while patient demand is greater than ever.

Having worked with more than 30 practices in recent months to review their predicted profits for 2022/23, they are all facing a significant reduction in their profits which jeopardises the future existence of the practice.

The bare choice facing many practices - is what costs need to be cut to make the practice secure, and commonly the only variable that can be reduced is the additional clinical support - locums, salaried GPs, ANPs etc.

This of course puts the NHS under greater strain as patients are unable to access the services they need in primary care.

So how did we get here? If we can understand that, perhaps we can learn how to fix the problem.

The first point to mention is that the



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NHS have to start listening to sensible concerns about general practice.

When the Doctor's and Dentist's Review Board say that salaried GPs deserve a 4.5% pay rise which has to be funded from additional resources being made available, the resources need to be made available.

Silence from the NHS is not acceptable.

Secondly, stop looking at making strategic reorganisations to fix general practice.

The partnership model is not broken. Plenty of other professionals successfully work in partnership.

The funding is broken and the support is non-existent.

The recent suggestion endorsed by Sajid Javid to buy-back owner occupied GP

surgeries with £6bn and build a salaried service shows the shocking lack of understanding of general practice.

It doesn't need re-designing, it needs to be valued and properly funded.

What is wrong with the funding?

For those of you with long memories, back in 2004 the GPs had a new contract. The funding was announced after GPs had accepted the contract, and those of us with a calculator and paper immediately saw that the funding is inadequate.

The solution was the Correction Factor (minimum practice income guarantee) which was intended to be temporary.

Some 18 years later, remind yourself it has never been fixed.

But the support, the Correction Factor has been phased out, ie the support is no longer there.

The way practices have coped with this reduction in financial support is to increase the list size per partner from the 1800 or so back in 2004 to the

3950 that our average GP partner now manages.

GPs have always demonstrated their ability to adapt to their circumstances, but let's be clear that the current setup is a consequence of the funding stream.

Global Sum funding is not sufficient to run general practice, and the shortfall is frequently made up through Enhanced Services – earning in some cases more than 25% of a practice's core income. But these are not guaranteed, it adds to the difficulty of building a sustainable practice with built-in uncertainty.

The problem with a multi-year funding deal is that it doesn't cope with significant changes occurring during the deal.

There seems to be general acceptance that high inflation will lead to higher costs, pay

rises of 5% are routinely rejected by Unions representing their members and yet even when the DDRB point out the multi-year deal is prejudicial to practices finances during high inflation, the response is silence.

There is no provision for help with increased fuel bills and related costs. In the past, the DDRBN would have managed this and ensured the funding was provided, but side-lining the DDRB has left general practice vulnerable.

Not for the first time have problems with GPs pension tax (the annual allowance) been responsible for disincentivising work for GPs.

The CPI disconnect for 2022/23 will mean that many GPs will be facing exceptional tax bills on their pension growth.

While this is an issue in itself, perhaps more significant is the refusal to compensate GPs for the problem.

There is a precedent for helping GPs – in 2019/20 the NHS agreed to compensate GPs, but when the Association of Specialist Medical Accountants brought up their concerns for 2022/23, the Treasury were quick to dismiss support.

General Practice needs to be treasured and not ignored, and 2022/23 is the year to do it. To all those with influence, listen and act – now

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