



COVID-19 Briefing: Financial support available for dentists in Scotland

8 April 2020

This briefing sets out the financial support options currently available to dentists in Scotland during the COVID-19 outbreak. It aims to provide the most up-to-date information to BDA Scotland members and will be revised when new information is available.

While most of the focus has so far been on NHS funding, we are concerned about the financial viability of mixed and private practices in Scotland. We continue to investigate what sources of funding may be available to dentists in these categories.

1. Scottish Government financial support to NHS practices

- After significant liaison between the BDA's Scottish Dental Practice Committee and the Chief Dental Officer – along with correspondence from dentists from across Scotland to the CDO – the [Scottish Government issued a revised funding package for NHS dentists](#) on 30 March. This package replaces the previous funding announcement issued on 17 March, and will provide 80% of the average income from items of service and patient contributions.
- In addition, the following will continue to be paid: capitation and continuing care payments; GDPA; rent reimbursement; and commitment payments.
- The revised funding package is designed to ensure the sustainability of the NHS dentistry during the pandemic, in line with the Scottish Government's policy to "ensure that practices do not fail".
- The Scottish Government subsequently issued a [memorandum setting out more details about the funding package](#). In addition, Practitioner Services published a [Q+A to answer some of the queries it has received from dentists](#).
- We continue to press the Scottish Government for clear and unambiguous guidance regarding whether dental practices can access the above NHS financial support and also access other Scottish Government and UK-wide support schemes. We have urged that practices should be able to take advantage of a range of support schemes that take into account the hybrid NHS/private nature of most dental practices.

2. Local support grants (Scotland)

- Practitioners can apply for Scottish Government local “business interruption grants” up to a total £10,000.
<https://www.gov.scot/news/gbp-1-billion-business-support-fund-opens/>
- These grants are taxable and will need to be repaid if assistance is received from elsewhere.

3. Non-domestic rates support (Scotland)

- The Scottish Government announced a £320 million package of financial support for businesses, including 1.6% rates relief for all properties across Scotland. This effectively reverses the planned below inflation uplift in the poundage from 1 April 2020.
<https://www.gov.scot/news/gbp-320-million-package-of-support-for-businesses/>

Note: Practitioners who pay rates and claim back from PSD are not eligible.

4. COVID-19 helpline for businesses (Scotland)

- The Scottish Government has set up a helpline to provide businesses across Scotland with advice and guidance on COVID-19: **0300 303 0660**
- The helpline is open between 8.30am to 5.30pm from Monday to Friday. Advisers across Scotland will answer questions from businesses related to COVID-19. The helpline will also help the Scottish Government identify the current challenges facing businesses.
<https://www.gov.scot/news/covid-19-helpline-for-scottish-businesses/>

5. Coronavirus Job Retention Scheme (UK-wide)

- To avoid widespread redundancies, the UK Government has pledged to cover up to 80% of staff wages, up to £2,500 per employee per month. This scheme is expected to be available before the end of April.
- Guidance was [published on 26 March](#). The key points include:
 - You can claim up to 80% of furloughed workers’ usual monthly wage costs. The maximum that can be claimed is: £2,500 a month, plus:
 - Employer NI contributions
 - Minimum automatic enrolment employer pension contributions
 - The scheme can be used at any time during period from 1 March 2020 to the end of May 2020. The scheme may be extended if necessary.
 - You can claim for any employees who were on your PAYE payroll on 28 February 2020, whether full-time, part-time, or employees on a flexible contract.
 - You can claim for employees you made redundant after 28 February 2020, as long as you rehire them.
 - Whilst being furloughed, employees cannot do any work for you.
 - Wages of furloughed workers are subject to usual income tax and other deductions.
 - Employees who work reduced hours during this time are not eligible for this scheme. They will have to be paid in the normal way.

- Normal equality laws apply to who you furlough and who you don't.
 - Employees placed on unpaid leave after 28 February 2020 can be furloughed.
 - Employees on sick leave or self-isolating should get SSP, but can be furloughed after.
 - Employees must be furloughed for at least three weeks. You can therefore rotate who is furloughed as long as those who are furloughed are furloughed for at least three weeks.
- **Note:** The Scottish Government has not yet provided clarity regarding whether practices can furlough staff and still receive Item of Service payment support. The BDA is urgently seeking clarification to ensure that mixed practices can receive funding from the furloughed workers scheme to cover private work, as well as Item of Service payment support to cover NHS work.

6. Self-employed Income Support Scheme (UK wide)

- On 26 March, the UK Chancellor [announced](#) a self-employed support scheme for those who have been adversely affected by the Coronavirus pandemic.
- The scheme provides a taxable grant worth 80% of average monthly profit for last 3 years up to £2,500 per month. People should be able to access the scheme from June.
- However, a dentist is only eligible if you have trading profits under £50k – this will exclude most dentists. The BDA has [written](#) to the Chancellor asking him to remove the 50k limit and will be lobbying hard on this issue
- Part-time associates may be able to take advantage of the scheme, but it is not yet clear if Associates who undertake NHS work will be able to claim Self-employed Income Support *and* receive Health Service registration fees and support payments.
- Self-employed hygienists and therapists are likely to qualify for help and practices should help facilitate this.
- On 8 April the BDA joined with other professional associations representing 80,000 members in the healthcare space to continue to press the Chancellor to extend financial relief measures, to include those who are self-employed or operating as private limited companies. We [called on the Chancellor to take their concerns seriously](#) and pressed for the following solutions:
 - Allow the 2019/20 tax returns of 2019 graduates and those new to self-employment to be considered for the Self-Employed Income Support Scheme (SEISS)
 - Remove the £50,000 profit cap on eligibility for the SEISS
 - Allow limited company directors to receive a grant of up to £2,500 of their monthly salary to bring them in-line with the employed and self-employed schemes
 - Release government constraints to enable healthcare regulators to provide relief on their fees
 - Include medical service providers within the Expanded Retail Discount Scheme.

7. Coronavirus Business Interruption Loan Scheme (UK wide)

- The [temporary Coronavirus Business Interruption Loan Scheme](#) aims to support small and medium-sized businesses (SMEs) to access bank lending and overdrafts.

- The Chancellor [clarified](#) on 26 March, that self-employed people can access the business interruption loans.
- The UK Government will provide lenders with a guarantee of 80% on each loan (subject to a per-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs.
- Businesses can access the first 12 months of that finance interest- free, as the government will cover the first 12 months of interest payments.
- Please note that **the borrower remains fully liable for the debt.**
- Dental practices will be eligible for the scheme if:
 - The dental practice is based in the UK and has a turnover of no more than £45 million per year
 - The dental practice has a borrowing proposal which the lender:
 - would consider viable, were it not for the COVID-19 pandemic
 - believes will enable you to trade out of any short-term to medium-term difficulty
- The BDA has received reports that several practices have had their application turned down because their net profits are down year on year so support is not a given.
- To apply, review the rules on the [British Business Bank Website](#) and arrange to talk to your bank or finance provider to discuss your business plan.

8. Income tax and VAT payments (UK wide)

- Income Tax Deferral for the Self-Employed
 - Self-assessment Income Tax payments, due in July 2020, will be deferred until January 2021. Late payment penalties will not be applied.
- VAT payments deferral
 - For those dental practices which are a VAT-registered business, VAT payments applying from 20 March – 30 June 2020 will be deferred.
 - VAT refunds and claims will be paid by the government as normal.
- What do you do if you miss a tax payment due to Coronavirus?
 - The government advises that you contact HMRC and you may get more time to pay or reach an agreement to pay in instalments.

9. Financial sustainability advice from BDA members

BDA members in Scotland with largely private practices have suggested a range of measures to cut practices' costs and help maintain financial viability during the pandemic crisis:

- Apply for payment holidays on all loans and mortgages – many banks and companies are offering help and advice.
- Bank loans may be available that may prove invaluable in a few months if the pandemic crisis continues
- Practices may agree to pool their resources with other practices and pay each other according to the greatest need.

- Introduce a number of practice-based cost saving measures, including:
 - Suspending the practice daily cleaning contract.
 - Taking up the offer of monthly suspension of defence organisation subscriptions.
 - Turning off all heating to unused rooms in the practice.
 - Suspending clinical waste, feminine hygiene waste and special waste contracts.
- Investigate what income will continue to be received through private insurance and maintenance plans such Denplan, Practice Plan and LIDP. There is a risk that patients will stop paying into a plan if they are not receiving a service, particularly if the current suspension of GDS care continues in the long term.