



Mr Joe FitzPatrick MSP
Minister for Public Health, Sport and Wellbeing
Scottish Government
St Andrew's House
Regent Road
Edinburgh
EH1 3DG

By email

6 August 2020

Dear Minister

Further to our discussion on 22 July, I would like to stress the increasing financial pressure facing mixed NHS-private dental practices, particularly those with a large percentage of private income.

Included in the Appendix are several examples from owners of mixed practices that demonstrate the extent of the problem and the difficulties such practices are facing. Despite taking all available steps, they are losing money at an alarming rate. The financial pressures will undoubtedly increase in the coming weeks which will seriously threaten the sustainability of mixed practices.

The vast majority of dental practices in Scotland are mixed, and the results of a recent BDA survey of practice owners paint a bleak picture for mixed practices here:

- 92% of mixed practices reported that the removal of the Coronavirus Job Retention Scheme would pose a financial risk to their practice if clinical activity was not restored significantly
- 90% largely/exclusively private practices said they were likely to face financial challenges in the next 3 months
- 91% of mixed practices were not confident of maintaining their current staffing levels in the coming year
- Over half (52%) of largely/exclusively NHS practices and 86% of mixed practices predicted a relative reduction in NHS work in the next 12 months.

I trust the evidence presented here helps to highlight the precarious position facing mixed practices, and is useful for your discussions with finance colleagues in securing vital additional financial support to ensure the viability of these practices. Without such support, there is a real risk that dentistry in Scotland will quickly move towards a two-tier system

I look forward to your response at the earliest opportunity.

Yours sincerely

A handwritten signature in black ink, consisting of several overlapping loops and a final downward stroke, positioned below the text 'Yours sincerely'.

David McColl
Chair, BDA Scottish Dental Practice Committee

cc. Chief Dental Officer for Scotland

cc. Members of the Scottish Parliament

Appendix: Examples of financial pressures facing mixed dental practices

Practice 1:

- 70% NHS: 30% private
- Covid financial support from Scottish Government: around £38K to £40K per month
- Current % of 2019-20 turnover: 60%
- Current financial losses per month: Around 30K
- Other information:
 - Practice has 4 staff on furlough – received the £10K grant
 - Associates are being paid the same percentage as before lockdown
 - Practice owner and business partner have taken 50% pay cuts
 - Practice owner has cut repayments on loans and is only paying interest – though this will end soon
 - Practice owner has also stopped their sickness insurance cover payments
 - Practice has secured the £50K loan but has yet to use it.

Practice 2:

- 60% NHS: 40% private
- Covid financial support from Scottish Government: £45.7K per month
- Current % of 2019-20 turnover: 48%
- Current financial losses per month: £10K
- Other information:
 - To maintain the credit in their business account, the practice owner and their partner have put £30K of their own money into the account in the 12 weeks since the beginning of lockdown. They have no more cash reserves.
 - £50K bounce back loan taken to ensure viability in the next quarter.

Practice 3:

- 85% NHS: 15% private
- Covid financial support from Scottish Government: £30.4K per month
- Current % of 2019-20 turnover: 56%
- Current financial losses per month: £21K
- Other information:
 - One member of staff not on furlough, all others furloughed
 - Associates are being paid the same percentages as before lockdown
 - All expenses have been cut to a minimum
 - Bounce back loan taken to preserve liquidity in practice
 - £10K grant received
 - Both partners have taken a 50% reduction in income.

Practice 4:

- 88% NHS: 12% private
- Covid financial support from Scottish Government: £31.8K per month (reducing to £25.3K per month from August due to loss of VT support grant)
- Current % of 2019-20 turnover: 59.5% (47.3% from August)
- Current financial losses per month: £7.3K (£14.2K per month from August)
- Other information:
 - All staff are being paid 80% of normal salary
 - Practice owner took loan holidays (now ended)
 - Maximum £50K bounce back loan taken (but used up some time ago)
 - Overdraft forecasted to be £17.8K by the end of September and projected to exceed £25K by the start of October
- The practice is currently haemorrhaging cash and will not be financially viable beyond the start of October.