

THE CHEMISTRY FOR SUCCESS



THE BUDGET: DIVIDEND BLUES AND A £100M WHITE ELEPHANT

GPs across the country will have found little to cheer about in this month's Budget.

While there was some good news in the Chancellor's U-Turn on the proposed rise in Class 4 National Insurance Contributions – a move that effectively keeps the one per cent pay uplift recently announced in the 2017/18 GP Contract – locum GPs operating through a limited company will definitely feel the pinch with the fall in the tax-free dividend allowance from £5,000 to £2,000, effective from April 2018. For a husband and wife owning shares in a limited company who are both higher rate taxpayers, the tax cost of this change will be just short of £2,000 per year – this, not long after the 7.5% increase to dividend rates.

Away from tax and NI, the Chancellor announced £100m to fund the placement of GPs in A&E departments by next winter, to turn away people who are not sufficiently ill. According to NHS figures, 38% of patients who attended A&E last year were sent away having received "advice only", a rise of almost four per cent in two years. Having GPs physically located in hospitals, which is currently the practice in a handful of trusts, means patients suffering from non-emergency complaints can be triaged and diverted away.

A good idea in theory? Possibly. But where are the GPs to fill these positions coming from? It seems hard enough to recruit GPs into general practice at the moment. Many practices have permanent vacancies which they are unable to fill, despite the government election pledge to recruit 5,000 more doctors by 2020. Now we need to find doctors for A&E as well...

And even if we can find the GPs, will the scheme work? There is some evidence that it has had limited success where it has been used, but doesn't address the real problem – the lack of beds and the lack of capacity to discharge patients into the community. The £2bn of funding for social care is the money that has the best chance of making a real difference. GPs in A&E may be no more than an expensive white elephant.

If you have any questions, please don't hesitate to contact me directly.

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