

Investigation into the resilience of mixed NHS/Private dental practices following the first wave of the COVID-19 Pandemic

27th August 2020



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EXECUTIVE SUMMARY

At the invitation of Chief Dental Officer England, an independent short life working group (SLWG) with stakeholders (Appendix 1) drawn from across the dental sector investigated the validity of the claim “*there will be a dearth of dental practices on the high street in 18 months’ time*”. Consideration has been undertaken with regards to:

- Is there validity to the claim that there is significant risk to the business continuity of mixed NHS/Private practices?
- If the claim is substantiated, what are the risks and likely impact this will have on oral healthcare/ dental service provision?
- If service provision is adversely impacted what are the potential actions/mitigations

The group undertook a review of the national and local financial support packages available to dental practices. This was supplemented with submissions from key stakeholders and a survey of dental practice owners/contract holders and associates to gauge level of self-declared risk, knowledge of, applications for and success in securing financial support. The survey also provided an opportunity to gauge the level of any anticipated financial risk and likely balance of future NHS/private service provision. In conjunction with National Association of Specialist Dental Accountants and Lawyers (NASDAL), the SLWG conducted a series of practice projections extending over an 18-month period.

Key Findings

As part of the public health measures and response to the pandemic, the necessary interruption to dental service provision has had and will continue to have consequences for income and sustainability of practices, dental laboratories, the dental supply sector, self-employed dental care professionals and support staff.

Throughout the COVID-19 pandemic, NHS England and NHS Improvement has continued to make the usual monthly payments (1/12th of the annual contract value) to dental practices for the NHS component of their income with varying levels of abatement. For wholly private dental practices and dental laboratories, fiscal sustainability has required a reliance on eligibility for national and local support packages for employers and small businesses. These support packages are time limited.

The likelihood of financial strain for high street dental practices and dental laboratories, in particular, is anticipated. Whilst risk of insolvency is low, the consensus of the group is that risk will need to be managed with national level backing for the dental sector as the broader COVID-19 support measures such as deferment of payments and loans are withdrawn. The viability of dental laboratories was highlighted as an unforeseen consequence and recommendations include support to this vital element of the patient care pathway.

The consensus of the SLWG group was that there is no evidence to substantiate the likelihood of a dearth of dental practices on the high street in 18 months’ time. However, capacity and capability exists within the mixed practice setting to further support NHS provision, address the backlog of unmet need and extend flexible commissioning initiatives to target oral health inequalities.

Recommendations

To maintain momentum in the resumption of service provision, secure patient access to a full range of dental care services and retain patient choice, the SLWG recommends continuity of support for practices and dental laboratories with:

- Extension of eligibility for financial support and expansion of eligibility to business rate relief to manage the financial burden of resuming practice provision and restoring capacity across the sector.
- Additional support through investment in extended commissioning of NHS dental care to address the back log of care and safeguard practice sustainability for the longer term.

A robust and timely support package is recommended with consideration for:

1. An extension of the Coronavirus Job Retention Scheme for the dental sector
2. An extension of the maximum repayment term (currently 6 years) for both the Coronavirus Business Interruption Loan Scheme (CBILS), and the Bounce Back Loan Scheme (BBLs) applicable across the breadth of the dental sector
3. Eligibility for business rate relief for all dental practices
4. Eligibility for Retail, Hospitality and Leisure Grant (RHLCG) for the dental sector
5. A support package for dental laboratories that service NHS dental practices
6. A Government guaranteed loan support scheme to underpin lenders confidence in supporting dental practices and dental laboratories at risk.
7. A Government commitment to target additional funding toward an expanded NHS dental provision to address inequalities by:
 - a. Commissioning additional dental capacity for routine dental care and increase patient access¹.
 - b. Commissioning additional capability and capacity for non-mandatory services²; to include domiciliary services for care homes and community settings, sedation services, advanced restorative work to address evidenced needs (e.g. endodontics).
 - c. Flexible commissioning to support prevention initiatives.
8. Funding for urgent research into the fallow time post dental aerosol-generating procedures
9. For the General Dental Council (GDC) to return the 20/21 Annual Retention Fee (ARF) to Dental Technicians.

¹ Mechanisms exist to expand contracts of existing NHS contract holders as well as offer new contracts for provision.

² Existing commissioning standards, contract and accreditation mechanisms exist to underpin this provision

STAKEHOLDER ORGANISATIONS

Association of Dental Groups (ADG)

The ADG is a trade association whose members are dental providers and employers using a corporate or group model to serve both private and NHS patients across the UK

British Association Clinical Dental Technology (BACDT)

A professional association that advances the ethical practice of clinical dental technology.

The British Association of Dental Nurses (BADN)

A professional association representing dental nurses in the United Kingdom

British Association Dental Therapists (BADT)

A professional association that represents dental therapists across the United Kingdom

British Association of Private Dentistry (BAPD)

An organisation established in April 2020 whose mandate is to support and represent all those operating in the private dental sector across the UK

British Dental Association (BDA)

The professional association and independent trade union for dentists in the United Kingdom

British Dental Industry Association (BDIA)

The UK's national trade association, representing and supporting the collective interests of manufacturers and suppliers of dental products, services and technologies

British Institute of Dental and Surgical Technologists (BIDST)

Exists to provide a vehicle for the continuing education of technicians within the spheres of dental and surgical technology

British Society of Dental Hygiene and Therapy (BSDHT)

A professional body for practising Dental Hygienists and Dental Therapists and students of the profession across the United Kingdom

Faculty of General Dental Practice UK (FGDP)

The only professional membership body in the UK specifically for general dental practice

Local Dental Committee (LDC) Conference

Local Dental Committees are statutory bodies representing the interests of NHS dentists working under a GDS or PDS contract. The LDC Conference is held annually and is a gathering of LDC representatives from all over the UK.

Local Dental Network (LDN)

The Local Professional Network for dentistry providing leadership for the NHS, working across commissioning and provider services. They are hosted and supported by their local NHS England and NHS Improvement regional team.

National Association of Specialist Dental Accountants and Lawyers (NASDAL)

An association of accountants and lawyers who specialise in acting for and looking after the accounting, tax and legal affairs of dentists

NHS Business Services Authority (NHSBSA)

An executive non-departmental public body of the Department of Health which provides support services to the NHS in England and Wales

NHS England and NHS Improvement (NHSEI)

Since 1st April 2013, NHSEI directly commissions all dental services with overarching role to ensure that the NHS delivers better outcomes for patients, within its available resources and upholds and promotes the NHS Constitution and delivers the key objectives of the NHS Mandate

Society of British Dental Nurses (SBDN)

A professional organisation representing dental nurses in the United Kingdom

INTRODUCTION

The temporary suspension (26 March – 8 June 2020) of face to face dental care for the majority of high street dental practices and the subsequent phased resumption of dental service provision has presented a unique set of clinical and business challenges for the whole of the dental care sector. COVID-19 has created risk to practices and livelihoods and the future remains uncertain. With the enduring but necessary public health measures, reduced patient flow and reduced patient expenditure, the prospect of ongoing financial squeeze and potential practice/laboratory insolvency has been raised.

These fears have led a number of commentators to claim that the COVID-19 legacy will be “*a dearth of dental practices on the high street in 18 months’ time*”. The validity of this claim merits investigation as widespread realisation of practice insolvency and closure has significant implications for the availability and accessibility of dental care; urgent, routine and specialist.

At the invitation of Chief Dental Officer England, a range of dental stakeholders (Appendix 1) drawn from the clinical, technical and industry sectors formed a short life working group (SLWG) chaired by Jason Wong to consider:

- Is there validity to the claim that there is significant risk to the business continuity of mixed NHS/Private practices?
- If the claim is substantiated, what are the risks and likely impact this will have on oral healthcare/ dental service provision?
 - If service provision is adversely impacted make recommendations for actions/mitigations that may be put in place for dental practices at risk
- Submissions of evidence and make reasonable financial projections over the next 18-months.

BACKGROUND

There are around 14,124 dental practices in the UK with well over 120,000 registrants’ professionals supported by teams of practice administrative staff.¹ The wider dental industry includes dental laboratories, dental technology, software providers and dental materials backed by a logistics arm. The industry currently accounts for nearly £7 billion/year of expenditure by the public, with over 50% of the expenditure funded through the respective NHS organisations in England and the Devolved Administrations.

The majority of dental practices are based “on the high street” and provide a range of oral health care services; routine dental care, urgent care, specialist and cosmetic. Practices are owned and operated as individual or group businesses with around 12% of the sector operating within a corporate body. The companies holding the largest market share of dental practices in the UK include The British United Provident Association Ltd, Integrated Dental Holdings Ltd and Rodericks Dental Ltd.

The overwhelming majority of dental practices have contracts with their National Health Service but also provide the option of privately funded dental care for patients. While private provision tends to be more expensive, it generally offers shorter waiting times and a wider selection of treatment options with a broader range of technical-dental laboratory services.

Pre-COVID, as disposable incomes rose, private dentistry was attracting a growing number of patients. Consequently, the dental sector has become increasingly “mixed” with many dental practices offering to treat private patients and/or provide private treatment in addition or as an alternative to NHS care for patients. Whilst these privately funded arrangements are outside of the scope of the NHS, practice viability for the majority of high street dental practices is increasingly reliant on an ability to generate income from both private provision and an NHS contract.

Given the uncertainty and challenges of COVID-19, concerns have been raised within the profession and by the media of the risk to practice viability as a result of COVID-19.

The BDA analysis of their survey of members in April 2020 concluded that “large parts of the UK’s dental service are at risk of imminent collapse without urgent steps to support small business”.²

BDA findings:

- Only 8% of respondents felt confident to maintain their financial sustainability long-term
- 70% of respondents said they can only maintain financial viability for a maximum of three months.
- 20% estimate they can only survive the month
- Private practices have been the most financially exposed.
- 26% of practices had attempted to secure a government-backed interruption loan
 - 93.4% of applicants were unable to secure credit.
 - 46.7% of those who failed have already had to seek commercial loans to stay afloat.²

In Scotland the Daily Record (Scotland) Poll, June 2020 reported that “51% of 400 practice owners feared they were heading into bankruptcy”.³

The following wholly private practices are understood to have ceased operation:

- Dentix UK Ltd - a group of 3 dental practices within London entered administration on 15th April 2020.⁴
- Centre for Dentistry - a group of 24 dental practices operating within Sainsbury supermarkets in various locations across England and Wales. According to the Statement of Administrator's Proposal, the company was experiencing financial difficulty prior to COVID-19 due to a ‘breakdown in relations with Sainsbury’s and the increased pressure for rental payments’.⁵

- Whitchurch Dental Studio Limited - located in Shropshire, this single practice entered voluntary liquidation on 3rd June 2020.⁶
- Finest Dental - the trading name of a group of companies known as the B&A Group, which ceased trading in early February 2020. It is understood there are 14 practices involved.⁷

At the commencement of this review no reports of mixed NHS/Private dental practices facing administration were identified.

AVAILABLE COVID-19 FISCAL SUPPORT

The SLWG reviewed the range of fiscal support for the dental sector. A key observation is that the structure, responsibilities and oversight of NHS and private dental care delivery varies across the Devolved Administrations. Consequently, there is variation in the levels of support for the dental sector and eligibility for government and local authority financial support. However, common to all nations is the continuation of payments to NHS contract holders.

Support for NHS Contract Holders

England

With effect from 26 March 2020, NHS England and NHS Improvement have continued to make 1/12th (of the annual contract value) payments per month to NHS contract holders in England.

- For the period 1st April 2020 to 7th June 2020, an abatement of 16.75% has been applied on account of lower variable costs due to service provision being delivered remotely.
- From 8th June, practices have received 1/12th of the annual contract value each month with no abatement providing they meet certain conditions as outlined in 'Issue 5, Preparedness Letter for Primary Dental Care' published on 13th July 2020.⁸

Dental practices in England also have been permitted to access governmental support in proportion to their private income.

Scotland

With effect from 02 April 2020, NHS contract holders in Scotland have received payments equal to 80% of their gross item of service income (inclusive of the patient charge); protection of their NHS commitment status and allowances such as commitment payments and protection of their rent reimbursement payments at March 2020 levels.⁹

- From 9 July, General Dental Practice Allowance payments were increased by 30% (including level of the GDPA cap).

All NHS contract holders have had access to standard PPE at no charge from NHS Scotland to support remobilisation.¹⁰

Wales

With effect from 01 April 2020 NHS contract holders in Wales received 80% of their Annual Contract Value monthly payments. For the period 01 July – 30 Sep 2020 this has increased to 90%.¹¹

PPE has been supplied free of charge by Welsh Government during the amber phase of recovery for NHS contract holders, who require it.

Northern Ireland

With effect from March 2020, a financial support scheme was introduced for NHS contract holders with payments to practices based on 2019/2020 figures and included capitation and continuing care payments and an average figure for item of service and patient contributions.¹² This was abated by 20%, to reflect variable costs which would not be incurred.¹³

Government Support for Dental Practices and Laboratories due to COVID-19

The UK government announced its Coronavirus Job Retention Scheme on 20 March 2020, promising to pay 80% of workers salary which businesses decide to put on furlough, up to £2,500. The dental sector has taken advantage of this offer where needed. For example, across the corporate dental sector, Integrated Dental Holdings placed up to 25% of its practice and support centre staff on furlough.¹

Broader government support for businesses has been available and is detailed at Appendix 3. Table 1 summarises the primary packages available and dental sector eligibility.

Table 1 – Financial support packages and dental sector eligibility

	Package	Eligibility	Headline Criteria
1.	<p>Coronavirus Business Interruption Loan Scheme</p> <p>Financial support up to £5 million, Government pays interest and fees for the first 12 months.</p>	<p>Yes</p> <p>Dental practices and dental laboratories that satisfy criteria are eligible.</p>	<p>Evidence of viability of business without the virus and adverse effects created by COVID-19.</p>
2.	<p>Bounce Back Loan</p> <p>Loan of up to 25% of turnover (max £50,000)</p> <p>No fees or interest to pay for the initial 12 months</p> <p>Interest rate of 2.5%/year for subsequent 6 years,</p> <p>No early repayment fees.</p>	<p>Yes</p> <p>All dental laboratories and dental practices, (regardless of NHS/private mix), which satisfy the criteria are eligible.</p> <p>Dental associates working as a sole trader are eligible, under specific conditions.</p>	<p>Businesses based in UK and established before 01 March 2020</p> <p>Evidence of adverse impact on business due to COVID-19.</p> <p>Businesses in receipt of an alternative COVID-19 loan scheme are not eligible but may transfer their loan into this scheme.</p>
3.	<p>Small Business Grant Fund (SBGF) - A one-off taxable cash grant of £10,000 per property</p>	<p>Yes</p> <p>All dental laboratories and dental practices, (regardless of NHS/private mix), which satisfy the criteria are eligible.</p>	<p>Business based in England</p> <p>Occupies property that is eligible for small business rate relief</p>
4.	<p>Expanded Retail Discount 2020-2021 Coronavirus Response - A business rates holiday</p>	<p>Dental laboratories - Yes</p> <p>Dental practices - No</p>	
5.	<p>Local Authority Discretionary Grants Fund - grant of £25,000</p>	<p>Variable interpretation of eligibility dependent on local authority</p> <p>All dental laboratories and dental practices, (regardless of NHS/private mix), which satisfy the criteria are eligible.</p>	<p>A business actively trading on the 11/03/2020, based in England, not already claiming under another government grant scheme</p> <p>Max turnover > £10.2 million staff count >50</p> <p>Ability to demonstrate a significant fall in income due to Coronavirus</p>
6.	<p>Retail, Hospitality and Leisure Grant Fund (RHLGF)</p> <p>A one-off (taxable) cash grant of up to £25,000.</p>	<p>No</p>	
7.	<p>Coronavirus Job Retention Scheme - A Government grant to cover 80% of a furloughed employee's salary, up to £2500</p>	<p>Dental Laboratories - Yes</p> <p>Wholly private practice – Yes</p>	<p>Mixed practice – eligible - in relation to staff furloughed against proportion to practice's private income</p> <p>NHS contract holders – staff funded under the continuing NHS contract payments not eligible</p>
8.	<p>Non-Governmental Business Interruption Cover</p>	<p>Yes – for those dental practices and laboratories with appropriate insurance policies and specified cover.</p>	

Summary of Views and Mitigation Proposals from Across the Dental Sector

British Dental Association (BDA)

BDA proposals for supporting and sustaining dental practice include:

- Raising the £50,000 cap on self-employment income support
- Improved access to the CBIL scheme
- Extensions of business rates relief to all practices.¹⁴
- Maintain access to furlough scheme to enable dental practices to manage whilst clinical activity and patient flow remains low.¹⁵

The BDA also emphasised the need for NHS contract holders to be assured that their activity will not solely be a measure of their performance.¹⁶

Association of Dental Groups (ADG) – Appendix 4

ADG identified the most significant constraint on delivering patient access as the “fallow” period. In addition, they highlight that failure to support private dental practices will put NHS contract providers under significant pressure and exacerbate the access problems that already exist in many parts of the country.

ADG propose:

- Extensions of business rates relief to all practices
- Extension of eligibility for Retail, Hospitality and Leisure Grants’, to all dental practices to bring them in line with other small businesses on the high street

British Association of Clinical Dental Technology (BACDT) and British Institute of Dental and Surgical Technologists (BIDST) - Appendix 5

The impact of public health measures and restriction in provision of dental care have resulted in an overall reduction in the “volume and type of cases received by dental laboratories”.

Key points:

- As at July 2020, 35% of dental laboratories have not re-opened
- A large number of technicians and lab workers who have been furloughed are faced with the prospect of redundancies when the Coronavirus Job Retention Scheme is withdrawn.
- In dental laboratories serving the private dental sector less than 15% of the normal activity level has been reported
- 61% of dental laboratories providing NHS services report no or minimal laboratory prescriptions.

With levels of dental activity limited throughout COVID-19 and the foreseeable future, dental laboratories are receiving significantly lower number of prescriptions for dental appliances, with income falling well below sustainable levels. With the closure of the furlough scheme many dental laboratories will be faced with a series of difficult business decisions, from redundancies to closure.

British Dental Industry Association (BDIA) - Appendix 6

Reporting on cessation of activity, BDIA highlight that all dental suppliers faced a “significant reduction in demand and revenue, in many cases at, or close to, zero”. They estimate that income to the dental industry “could be reduced by around 65%” over the coming months.

Key points of concern:

- The ability of the dental industry maintaining their processes, including manufacturing, ordering and holding stock, warehouse operation, distribution and product service and support.
- A heavy reliance on the Coronavirus Job Retention Scheme
- Industry sector-specific funding schemes such as ‘The Future Fund’ and ‘Innovate UK funding’ are very specific and not applicable to all in the dental industry sector
- The pressure on working capital and the resultant challenge of maintaining stock levels and purchasing raw materials have the potential to threaten the availability of some dental products. This will have an impact on the quantity and range of dental care provision.

NHS Business Services Authority (NHSBSA)

Comparison data with respect to contract closure for NHS contract holders in England was supplied by NHS Business Services Authority (NHSBSA) and is summarised in Table 3.

Pre-COVID-19

During the 11 months (01 Apr 2019 - 23 Mar 2020) NHSBSA recorded 254 GDS and PDS contract closures in England. The majority of these were planned contract closures and unrelated to COVID-19.

During COVID-19

For the 24 Mar 2020 – 07 Jul 2020 there were 238 GDS and PDS contract closures in England.

Table 2 summarises the contract closure data for NHS contract holders in England for the comparable period of time in 2019 and 2020. Whilst the figures highlight comparability it is important to note that contracts ending due to the COVID-19 outbreak may not become evident until Autumn 2020 as resumption and/or further interruption to services occurs and the financial impact on these practices comes to light.

Table 2 - Comparison data with respect to contract closure for NHS contract holders in England 2019/2020 as of 23 July 2020

	2019	2020
NHS Contract Closures*	24 Mar 2019 – 07 Jul 2019	24 Mar 2020 – 07 Jul 2020
Planned contract closures	264	131
Leaving the NHS	4	2
Ceasing practice	2	1
Other	32	18
Retirement	1	6
No reason provided	0	80
Total	303	238

* contract closure may not represent a practice closure or termination of NHS services, as the contract could be allocated to a different contract number either to the same or a different provider.

NHSBSA also provided comparable data for courses of treatment. The data demonstrated a significant decline in courses of treatment that involve laboratory work. The SLWG noted the significant reduction which correlates with the submission from the dental laboratory sector. The decline in laboratory prescriptions highlight the far-reaching impact COVID-19 has had on dental provision in primary care, with implications for the sustainability of the dental laboratory sector.

Regional Dental Commissioners and Local Dental Network Chairs

NHS Regional Dental Commissioners and Local Dental Network (LDN) Chairs were consulted to assess the validity of the claim at the heart of this review and asked for their thoughts on the impact and risk management.

Feedback from six regions revealed that small numbers of contract holders have notified their local area teams of contract termination. At the time of consultation, the level of abatement had not been confirmed and the numbers may become smaller once practices now reassess their financial position.

Commissioners and LDN Chairs highlighted the forecasted increase in unmet need and highlighted the potential for flexible commissioning to extend/expand contracted care where capacity and capability were available to meet need; routine, urgent, specialist and outreach activities.

FINANCIAL ASSESSMENT AND FORECASTING

National Association of Specialist Dental Accountants and Lawyers (NASDAL)

NASDAL members act for over 25% of UK dentists (approx. 3,000 dentists).

- 28% of NASDAL clients are fully private
- 69% are mixed private/NHS
- 3% are fully NHS

In their brief to the SLWG NASDAL provided an independent and informed assessment of the current fiscal position of the dental sector and observed that:

- Dental professionals may not be in the best position to accurately judge their own financial situation and risk of insolvency in an objective manner.
- The ability to accurately forecast rates of insolvency across the sector is complex with many unknowns and many variables.
- The delay in announcement of NHS “abatement” percentages for the different periods (close down, partial reopening etc) has hindered financial planning and created uncertainty
- Key factor in the risk profile for a dental practice is the level of pre COVID-19 debt:
 - Worst-case scenario is insolvency of up to 20% of dental practices.
 - Risk is higher for a significant minority of practice owners, particularly those who have recently bought practices, that are highly geared.
- The availability of CBILS and Bounce Back Loans has resulted in additional borrowing which practices will not need to be repaid until mid-2021.
 - NASDAL anticipate any cash flow impacts and potential practice insolvencies to emerge in late 2021.
- For private practices that offer a capitation scheme to private patients, many have continued to receive income during the closedown period with no obligation to pay associates.
 - Many private associates have received no support from practice owners and have not been eligible for government support. These individuals will continue to have lowered earnings until full recovery from COVID-19.
 - This may lead to an exit from the profession, a shortfall in the workforce and further exacerbation of the geographic recruitment issues evident pre-COVID-19.
- With the proviso that payment of NHS contract values are maintained and the lifting of the activity-based assessment metric is not re-implemented, NASDAL’s baseline assessment is that there is unlikely to be significant insolvency of dental practices over the next 12 to 18 months.

Example financial projections

NASDAL have developed a financial model, with a number of assumptions. A mixed practice within the model is one with approximately 50% of their income coming from an NHS arrangement. With assumptions regarding pre-COVID-19 net profits, fee reductions, lab and material costs, PPE costs and associate and employee cost savings, both private (NHS income <20%) and mixed practices appeared to be in fund deficit following loan repayments. (Appendix 7)

DENTEX have generated a projection, also with a number of assumptions, showing that 57% of private income is required to generate earnings of £81,000 to repay creditors of £75,000 over 12 months as well as pay for capital expenditures. In that model, there is no excess cash at the end of 12 months and an overdraft allowance would be required to maintain the shortfall. They stipulate the survival of such a practice depends on accumulated personal and business cash reserves. They do note that costs for PPE or extra capital expenditure required to reopen the practice is not considered in the projections and hence private income would need to be more than 57% in such a scenario. (Appendix 8)

SLWG SURVEY

In order to fully understand the extent of the practice risk, a profession-wide survey was constructed with practice owners/contract holders as the target audience. Conducted between 9 July – and 13 July 2020, Appendix 9 contains a full summary of the 3,077 valid responses to the survey:

- 87% of respondents based in England
- 90% of respondents based in England owned/operated independent practices

Self-reported current operating capability for practices based in England

The impact and forbearance of dental practices in meeting the challenges, resuming face to face dental care and managing patient expectation whilst operating against a background of sustained community transmission are highlighted by:

- 66% of practices reported operating at or below 25% of pre-COVID activity volumes
- 71% able to offer Aerosol Generating Procedures
- 43% undertaking less private work than prior to March
- 18% of practices undertaking no private activity

Barriers to increasing activity levels:

- Fallow time - 94% of respondents deemed this to have “great impact” or “considerable impact” on their practice.
- 40% responded that workforce risk factors had “slight impact”.
- 39% of reported financial/cash flow problems had a “great impact”

- 39% of respondents felt adapting the practice to meet current requirements and preparation of a bespoke standard operating procedure had “considerable impact”.

Survey respondents referenced the negative impact of the necessary infection prevention and control (IPC) measures on the pace of patient flow and appointment schedules. Social distancing for patients and staff and in particular the requirement for a “fallow time” post any AGP limits the numbers of patients that can be seen in any given clinical session. Other factors hindering return to full operating capability include the loss of surgery space to accommodate a secure area for PPE donning/doffing, and the physical limitations and impacts of the necessary PPE requirements including headaches, dehydration and exhaustion.

Respondents also cited a struggle to communicate the necessity to implement the changes required at practice levels to their teams. This resistance to change, alongside the lack of suitable childcare, existing staff recruitment and retention problems are further factors that have hindered re-establishing the practice team and resuming service provision.

Responses highlighted exacerbation of retention and recruitment problems and fears of further shortfall in capacity and impact on resuming patient volume and activity levels. Respondents raised concerns for the next generation of dental professionals with limitations to training and development opportunities.

Financial Support for practices in England

- 83% of respondents had utilised the Job Retention Scheme (Furlough)
 - 63% of respondents cited removal of the Job Retention Scheme posed a financial risk to practice, if it took place before they were able to restore significant levels of clinical activity.
- Bounce Back Loan and Financial Repayment Holidays were the most sought
 - 42.3% of respondents were unsuccessful in securing a commercial loan, if they had applied.
 - 39% of respondents were unsuccessful in securing local authority discretionary grants fund, if they had applied.

A sizeable proportion of respondents assessed that they had sufficient financial support based on private pay plans, savings or retirement funds.

When asked why a practice had not availed themselves of the range of financial support, common to many responses was the sentiment that without the prospect of a return to previous clinical activity levels and income they did not want to be ‘saddled’ with further debt.

Financial Security for practices in England

The financial strain of COVID-19 is evident in the responses to the SLWG survey:

- 79% of practice owners felt they were “likely” or “extremely likely” to face financial difficulty in 3-6 months and

- 76% felt they were “likely” or “extremely likely” to face financial difficulty in 9-12 months.
- 54% of respondents were “not very confident” or “not very confident at all” that their practice could maintain current staffing levels in the coming year
- 28% of respondents foresee that they will be performing less private work than previously in relation to NHS work and 23% feel they will be doing less NHS work than previously, in relation to private work.

Increasing fees

A significant proportion of respondents reported an intent to increase fees for private items of treatment in recognition of the additional costs for IPC and PPE. The implications of this measure set against the anticipated downturn in the economy may create a shift in patient expectation and choice with a deferral in discretionary spend on oral health and a potential for greater number of patients seeking dental care under the NHS contract. NHS capacity may need to be expanded to take account of the likely increase in demand.

Unpredictability and social factors

Respondents’ comments highlight their perceptions and confusion with regards to the roles and responsibilities of the various agencies involved in co-ordinating the profession’s response to the pandemic. Respondents cite a lack of clarity regarding authority, leadership and guidance which was not assisted by social media comment. The collective impact for some was a sense of professional isolation and a source of anxiety.

Comments within the free text of the survey underline the stress, a feeling of ‘no end in sight’ and anxiety over ‘fear of a second spike’ with a palpable sense of uncertainty:

- Not being able to plan for the future
- Worries about patients not coming in due to low public confidence,
- Worries about patients wanting to come in but having too long a waiting list,
- Wary about patients being able to afford treatments due to redundancies and the likely impact of a recession,
- Worries that patients would be stopping their private care plans,
- Concerns of footfall from dentists struggling in areas of high shielding vulnerable elderly patients,
- Worries of being unable to sell their practice, a feeling of stagnation.
- Many respondents are seeking reassurance that personal investment in the financial viability of their dental practices and businesses is not a futile endeavour.
- Common to all respondents was a desire to re-focus on delivering the best patient care and resuming dental services.
- Uncertainty may drive some dental practices towards provision of private services at the expense of the NHS.

SUMMARY OF RISKS

The SLWG considered the evidence of risk, precipitating factors and impact upon a mixed practice's ability to maintain business continuity. This is summarised below:



Practice with:

- Majority of revenue from private dental care
 - These practices will not have benefited relatively from continuing NHS payments since April 2020
- Non-capitated private income stream
 - Practices that are reliant on fee-per-item are at higher risk due to the significantly reduced throughput of patients and reduced consumer confidence
- High levels of debt pre-COVID19
 - Practices with a high gearing ratio are at an even greater risk of defaulting on loan repayments due to the impact of COVID-19
- Independent single practice
 - Independently owned single practices are unable to compensate through business consolidation or cost reduction levers in the same manner as a dental group or corporate body (where the practice is operated as a limited company, or where it is operated as an unincorporated entity, and the available personal assets of the principal are insufficient to absorb practice losses)

Practice with:

- Capitated private income stream
 - Initially, practices will continue to receive income from private capitated dental schemes. However, reduced consumer confidence may result in patients choosing to opt-out of such schemes, affecting the sustainability of maintaining pre-COVID 19 levels of revenue
- Previous (2019-20) NHS contract underperformance
 - Practices that are subject to NHS Contract repayments ('clawback') due to underperforming in the year 2019-20 may be less able to absorb the financial impact of COVID-19. Factors owing to 2019-20 contract underperformances may include previous and current recruitment and retention pressures.

Practice with:

- Majority of revenue from an NHS contract
 - Given NHS contracts are continuing to be paid at 1/12th per month, practices that are predominantly NHS will continue to be receiving their majority revenue source. There is a need for longer-term certainty as to the extent to which this will be maintained, as well as recognition of the risks that reverting to any activity-based contract may have on revenue due to reduced throughput of patients.
- Low levels of pre-COVID 19 debt
 - Practices that are not highly geared should be in a better position to maintain business continuity

Summary of SLWG Observations and Impacts

In assessing the submissions and survey, the consensus of the SLWG group is that there is currently no evidence to substantiate the likelihood of a dearth of dental practices on the high street in 18 months' time.

However, the SLWG assesses that there will be an increased financial strain for high street dental practices and the risk of insolvency will increase as the current COVID-19 support measures, such as deferment of payments and loans, are removed.

With the resumption of face to face dental care, the post COVID dental landscape will be shaped by the extent of public health measures, the continued strain on NHS funding, economic austerity compounded by workforce shortages:

- The impact of the fallow time on dental practice capability and capacity is proving to be a critical factor in the rate of resumption and restoration of service provisions. In the absence of point of care testing or a vaccine, the nature of sustained community transmission, requires robust risk management which presents as an overall decrease in patient footfall and extent of aerosol generating dental procedures.
- An inability to retain or recruit staff, in particular associate dentists, is frequently cited as the primary factor in a practice's inability in meeting its NHS activity targets. This will continue to create difficulties for NHS dental service providers with impact on access and capability
- Financial uncertainty is prompting a small cohort of older and experienced professionals to consider early retirement. This may trigger sales and transfer of practices or closure with impact on access and capability.
- Private dentistry is likely to experience reduced consumer confidence, notably in the short term as a straitened economic environment limits disposable income and discretionary spend. However, the current uncertainty has prompted some mixed dental practices towards an increase in their practice's proportion of private provision at the expense of the NHS capacity.

The immediate threat to the sustainability of the dental sector is the cessation of the Job Retention Scheme which currently coincides with a period of debt repayment, followed by period of further financial vulnerability forecast for 2021. Quarters 3 and 4 of FY 20/21 will be critical with the potential for redundancies and a loss of capability and capacity across the primary dental care sector high.

High street dental practices unable to restore services to previous levels and undertake complex restorative care has significant bearing for the dental laboratory sector. SLWG consensus is that longer-term financial support is required to ensure sustainability of dental laboratories, a key element of the dental sector.

Overall reductions in dental access, capability and capacity should be anticipated with ramifications for the population's oral health, general health and wider health care services. The impacts are likely to be greater in lower socio-economic areas

exacerbating the existing oral health inequality. Impacts on the wider health sector include:

- Existing NHS dental services are likely to overmatched
- NHS commissioned activity targeted at oral health inequality will be at risk
- Decreased access to timely urgent/unscheduled dental care
- Decreased access to affordable dental care
- Decreased access for priority groups and children
- Increased level of unmet care and impacts on general health and wellbeing
- Increased in GP attendances for dental problems
- Increase in emergency attendances at hospital A+E
- Increase antibiotic and analgesic prescribing
- Increase admission into hospitals and longer duration of stay

The profession-wide survey demonstrated that the COVID-19 pandemic has had a substantial effect on the mental wellbeing of the workforce. The financial stability of practices has contributed towards feelings of anxiety, stress and burnout for some. This has the potential of short or long-term premature exits from the dental profession, as well as increasing retention and recruitment problems for dental practices; further contributing to the problem of dental access for patients.

In addressing the backlog of unmet need and continuing shortfalls in NHS capacity the SLWG identified the potential for a reduced patient demand for private dental care. In matching need with available capacity there is potential to offer mixed practices the opportunity to supplement their current NHS contracts and offer capacity and/or services to the NHS to address the demand and increasing volume of dental need. Utilising flexible commissioning initiatives to target oral health inequalities with the capacity/capability of mixed practices is a mutually beneficial arrangement. In delivering on the ambition and necessary increase in access and improvements in oral health the longer-term sustainability of practices is reinforced with implications for the whole of the dental sector.

RECOMMENDATIONS

To maintain momentum in the resumption of service provision, secure patient access to a full range of dental care services and retain patient choice the group recommends continuity of support for practices and dental laboratories:

- Extension of eligibility for financial support and expansion of eligibility to business rate relief to manage the financial burden of resuming practice provision and restoring capacity across the sector.
- Additional support through investment in extended commissioning of NHS dental care to address the back log of care and safeguard practice sustainability for the longer term.

A robust and timely support package is recommended with consideration for:

1. An extension of the Coronavirus Job Retention Scheme for the dental sector
2. An extension of the maximum repayment term (currently 6 years) for both the Coronavirus Business Interruption Loan Scheme (CBILS), and the Bounce Back Loan Scheme (BBLs) applicable across the breadth of the dental sector
3. Eligibility for business rate relief for all dental practices
4. Eligibility for Retail, Hospitality and Leisure Grant (RHLCG) for the dental sector
5. A support package for dental laboratories that service NHS dental practices
6. A Government guaranteed loan support scheme to underpin lenders confidence in supporting dental practices and dental laboratories at risk.
7. A Government commitment to target additional funding toward an expanded NHS dental provision to address inequalities by:
 - a. Commissioning additional dental capacity for routine dental care and increase patient access³.
 - b. Commissioning additional capability and capacity for non-mandatory services⁴; to include domiciliary services for care homes and community settings, sedation services, advanced restorative work to address evidenced needs (e.g. endodontics).
 - c. Flexible commissioning to support NHS prevention initiatives and expansion of local/regional outreach and access programmes.
8. Funding for urgent research into the fallow time post dental aerosol-generating procedures
9. For the General Dental Council (GDC) to return the 20/21 Annual Retention Fee (ARF) to Dental Technicians.

³ Mechanisms exist to expand contracts of existing NHS contract holders as well as offer new contracts for provision.

⁴ Existing commissioning standards, contract and accreditation mechanisms exist to underpin this provision

TABLE 3 – TERMINOLOGY

Term	Definition
Independent practice	A general dental practice usually with an individual owner comprising of single location.
Corporate practice	A general dental practice usually owned by a group or with a board of directors comprising of multiple locations
Mixed practice	A practice that derives a proportion of their practice revenue under contract with their National Health Service with the balance of practice revenue generated by patients paying privately or within a payment plan.
NHS income	Income provided to the practice, prior to COVID-19 through an activity-based remuneration scheme in 12 monthly instalments to deliver the agreed annual contract value. A practice, (service provider), has a contract with a given figure of units of dental activity, which are distributed between dentists working within the practice. The value of these can vary from practice to practice dependant on their individual contracts. The fee paid by the NHS represents the whole contract value, and should a practice underperform, they are subject to clawback, thereby giving the money back to NHS England and NHS Improvement.
Private income	Income provided to the practice either directly from the patient (fee per item) or through a capitation plan. <ul style="list-style-type: none">• Fee per item – a patient would pay a fee for services and treatments as per the practice’s private plan.• Capitation plans – the practice is paid a fee for every patient paying towards a capitation plan. The patients pay monthly instalments usually via a direct debit scheme.

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APPENDICES

Appendix 1 – Short Life Working Task Group



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Appendix 2- Scope of Work and Terms of Reference



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Appendix 3 – Fiscal Support for Dental Practices



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Appendix 4 – ADG “Letter to Jason Wong” (July 2020)



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Appendix 5 – “The Dental Laboratory Industry” (July 2020)



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Appendix 6 – BDIA “Sector Specific Support for the Dental and Medical Devices Industry: Loans for HealthTech Companies” (July 2020)



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Appendix 7 – NASDAL “COVID-19 practice forecasts” (July 2020)



Microsoft Excel
Worksheet

Appendix 8 – DENTEX “Simple Example of Mixed Practice Performance Post COVID-19” (July 2020)



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Appendix 9 – SLWG Commissioned survey: “The impact of COVID-19 on high street dental practice survey 2020 Summary results – UK” (July 2020)



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