

# Dental Market Update



## Current issues

The pandemic has put pressure on dental practices with them being unable to provide services at the beginning of the lockdown, earlier in the year. Whilst services have been resuming since the summer, it is by no means back to "normal":

- Cash flow – this is under pressure with increased costs including PPE, staff testing, putting in place safe social distancing measures and equipment, and reduced numbers of patients being treated;
- Staff – even with services resuming, there are still associates who are working from home (due to a reduced number of patients being seen and telephone appointments) and this comes with extra costs to provide the relevant technology;
- There is also the added pressure of the furlough scheme ending and more limited support being offered under the new Job Support Scheme. There is likely to be an increase in the numbers of staff needing to self-isolate as the number of virus infections starts to peak again and how to manage staff who were previously "shielding";

- Recruitment – there are lots of students qualifying, but recruitment of more senior associates is currently proving difficult with people not moving around due to the uncertainty of the pandemic;
- Patients – routine procedures and 6 monthly/ annual check-ups have not fully resumed and with COVID-19 requirements less patients are able to be seen per day; therefore decreasing the UDAs per associate, and affecting the income;

There will also be fewer patients wanting to come in for treatment and pushing appointments back due to the risk COVID-19 presents;

Household income has been reduced e.g. with furlough and redundancies and, therefore, some people will be unable to prioritise their dental care;

- Brexit - with Brexit on the horizon next year, there is still a great deal of uncertainty and how this will affect businesses, including the supply chain and recruitment.

## Government assistance

The Government has provided some support to businesses, including business support loans (with the applications being extended until November), deferred tax payments (however, the reduced VAT rates are only being extended for the hospitality and tourism sectors) and the furlough scheme. However, businesses are still struggling as the necessary restrictions that are being put in place in practices changes how they operate and they are not up to the capacity of pre-March.

## Assess, re-set and move forward

Take this time to assess where your business is at, and where you want to be in the future. Of course, this is subject to the current situation being out of your control, but by taking stock of the different areas of business and making a plan you are doing all you can to future proof your business with what is in your control.

## Regulation

The CQC has said that you do not need to notify them of temporary changes to your service, unless the service is closing.

NHS England have provided [guidance on resumption of services](#) (but this has not been updated since September 2020).

## Suppliers

With the uncertainty of the pandemic remaining, and Brexit on the horizon, now is a good time to review your supply chains and the relationships you have with suppliers – are there other opportunities out there with more favourable terms for you or is it more beneficial to keep those long-standing relationships? If you are going to shop around, it's important to review the terms of your existing contracts to ensure that you are complying with them, for example notice periods and penalty clauses that may be there if you end the contract early.

## Workforce resilience

The next 6 months will be challenging from a workforce perspective but with proper planning you can ensure your workforce is prepared and has the necessary resilience to get through the second wave.

Make sure that you have carried out sufficient workforce planning in advance and plan how you will deal with increased staff absences. Re-do your workplace risk assessments, paying particular attention to those at increased risk, such as those with underlying health conditions and pregnant employees. Consider implementing a staff behaviour policy covering out of work activities and behaviours to help minimise the risk of staff bringing Covid into your practice. Develop a mental health and well-being strategy so that staff have the necessary support and resilience to work through the second wave. Be aware of the increased risk of health and safety concerns being raised by staff due to Covid and ensure you have robust and effective whistleblowing procedures in place. Most importantly, keep in regular communication with staff and give them a forum for raising any personal worries, concerns about the workplace or ideas about necessary changes to working practices.

## Business structure

Now is a good time to ensure that your current business structure and agreements are the most appropriate for you and fit for purpose for your future plans. You may wish to have your current partnership or shareholders' agreement (and articles of association) reviewed and updated to reflect how you currently operate - and to plan for the future (for example, to protect your rights on an exit or an investment in your business).

## Moving on or the start of something new

The market (after dipping over the summer) is looking more buoyant and there are plenty of buyers looking to make acquisitions.

If you are looking to dispose of your business you should plan ahead to ensure you maximise the value. This may include:

- getting your house in order- ensuring all aspects of your business is compliant and you have a complete set of documents at your fingertips;
- finding the right team to support you with this including, agents, accountants and lawyers with a specialist knowledge of the sector; and
- taking advice on tax, particularly as the Spring Budget may bring some changes

## Technology

Invest in this, if you can. Some of the larger providers e.g. Colosseum Dental UK have rolled out advanced technology to all of its practices. If you are a smaller provider, carry out an audit of your processes and current systems to identify areas which are less efficient (and therefore cost you, in lost time). You may be able to invest in a system or technology which will make marked difference to your bottom line, without costing the earth.





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## YOUR KEY HEALTH & SOCIAL CARE CONTACTS



**Hazel Phillips**

*Partner*

T: 01225 730 166

M: 07776 241 235

[hazel.phillips@roydswithyking.com](mailto:hazel.phillips@roydswithyking.com)

**James Sage**

*Partner*

T: 01225 730 231

M: 07508 297 597

[james.sage@roydswithyking.com](mailto:james.sage@roydswithyking.com)



**Mei-Ling Huang**

*Partner*

T: 01225 459 950

M: 07944 996 256

[mei-ling.huang@roydswithyking.com](mailto:mei-ling.huang@roydswithyking.com)



## FOR ADVICE ON ISSUES DISCUSSED IN THIS ARTICLE PLEASE CONTACT:

	<p><b>James Sage</b> <i>Partner</i> T: 01225 730 231 M: 07508 297 597 james.sage@roydswithyking.com</p>	
<p><b>Hazel Phillips</b> <i>Partner</i> T: 01225 730 166 M: 07776 241 235 hazel.phillips@roydswithyking.com</p>		<p><b>Zoe Pettigrew</b> <i>Solicitor</i> T: 01225 459 935 M: 07469 850 385 zoe.pettigrew@roydswithyking.com</p>

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