

Dear Colleague

**ANALYSIS OF THE ACCOUNTS OF SCOTTISH
DENTAL PRACTICES PROVIDING NHS GENERAL
DENTAL SERVICES (GDS)**

Summary

1. The Memorandum to this letter advises dentists and dental bodies corporate (DBC's) of a forthcoming exercise for the analysis of the accounts of Scottish dental practices providing NHS General Dental Services (GDS).

Action

2. NHS Boards are asked to issue the Memorandum to this letter to all dentists and DBC's on their dental lists.

Yours sincerely,

MARGIE TAYLOR
Chief Dental Officer

19 August 2016

Addresses

For action

Chief Executives, NHS Boards

Director, Practitioner Services

Chief Executive,
NHS Education for Scotland

For information

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**DENTISTS/DENTAL BODIES CORPORATE
NATIONAL HEALTH SERVICE
GENERAL DENTAL SERVICES**

**ANALYSIS OF THE ACCOUNTS OF SCOTTISH DENTAL PRACTICES
PROVIDING NHS GENERAL DENTAL SERVICES (GDS)**

Introduction

1. Over the last number of years, the independent pay review body on Doctors' and Dentists' Remuneration (DDRB), have expressed a series of misgivings with the robustness of the data available on earnings and expenses of independent contractors providing GDS in Scotland.

2. The Scottish Government empathises with this viewpoint. The annual report on earnings and expenses of independent contractors from the Health and Social Care Information Centre (HSCIC), based on HMRC tax returns, has a number of material problems that make it problematic as a main source of information for the DDRB formula. The Scottish Government accepts that it would be much more appropriate to have dedicated information from practices that are predominately NHS (thereby negating the issue of private dental practice income) and secondly, the need to resolve the crucial issue that using tax returns means a double counting of income and expenditure of the practice owner (principal) and income of the associate.

3. The Scottish Government are persuaded that only a separate dedicated exercise would ensure that the pay review body has the necessary information to make recommendations on dental expenses for independent contractors. This was attempted for the first time in 2015/16, with limited success. However, Scottish Ministers have recently procured the services of an independent chartered accountancy firm, *Henderson Loggie (Chartered Accountants)*, to repeat the exercise, this time working directly with around 30-40 practices providing in the main NHS services.

Methodological Approach

4. Henderson Loggie will oversee a process where a sample of practices in Scotland will be asked to provide appropriate financial information using a simplified and focused standard template.

5. Practices selected for the exercise will receive a letter from the Chief Dental Officer and Henderson Loggie within the next few weeks. Henderson Loggie will then phone to arrange for an adviser to visit the practice to provide on-site support to complete the template. If the information is readily available, it is anticipated that the visit will take no more than half a day and can be arranged at a time to suit you.

Participating in the Exercise

6. Participation in this exercise is entirely voluntary. However, the information you provide will make an invaluable contribution to the determining of any future pay award for independent contractors.

7. Any information provided as part of this exercise will be protected and treated in absolute confidence and the details will only be seen by Henderson Loggie. Henderson Loggie are willing to sign a non-disclosure agreement to this effect. The Scottish Government will only be provided with a high-level, anonymised report; individual practitioner/practice level data will not be identifiable.

8. As part of this process and as a by-product of this review, Henderson Loggie will produce a confidential personalised benchmarking report for each practice that participates in the review. This benchmarking report will provide invaluable performance data against your peer group which could be used by you to improve practice profitability.

Payment for Participating in this Exercise

9. A payment of £500 is claimable for participating practices.

Timing of the Exercise

10. The exercise has to be completed in time for the annual submission of evidence for DDRB for the 2017/18 pay round. This means that we anticipate that the data gathering exercise will run from late August to October this year.

Enquiries

11. Any enquiries arising from this Memorandum should be directed to your NHS Board.