COVID-19 Briefing: Financial support available for dentists in Northern Ireland
31st March 2020

In response to the COVID-19 outbreak, the UK Government and NI Executive have established several financial support schemes. Due to the haste involved in their establishment, there is a lack of clarity regarding which schemes GDPs are eligible for.

This briefing sets out the financial support options currently available in Northern Ireland – this briefing does not apply in Scotland, Wales or England, as each nation/region has applied financial support measures differently. This briefing aims to provide the most up-to-date information to BDA NI members and will be updated on a continuous basis.

1. Department of Health Financial Support to General Dental Services (NI only)
   - After a significant intervention from the BDA, the Department of Health has recognised the need to protect dental practice sustainability and has committed to stabilising their Health Service payments.
   - Arrangements have yet to be finalised, but in its letter to GDPs on 20th March, the Dept stated that:
     - Individual practices will have the option of applying for support payments from March until the end of the Coronavirus outbreak.
     - Support payments will cover the shortfall in Item of Service income in 2020 compared with the same month in 2019.
     - Support payments will be abated by 20% to reflect the variable materials and lab costs that will not occur during this period.
     - Allowances and capitation payments will continue to be paid throughout 2020-21.
   - It is a condition of this support that:
     - Where a practice closes, dentists and other staff should assist the wider NHS, when asked.
     - If there is a significant increase in practice IoS income in the months after the end of the outbreak compared to the previous year’s income, then the support payments will be recovered over the period 2021-22 to 2023-24. The amount of payments recovered will be in line with the increase in practice Item of Service income and will be limited to 5% of annual practice income. This will not apply to practices which provide significant support to the wider NHS during the COVID-19 outbreak.
   - The BDA has submitted a collated list of questions regarding the significant amount of missing detail and continue to press daily for further information.
   - Our most pressing concern is the lack of clarity regarding whether dental practices can access Item of Service payments support and at the same time access other UK Government and NI Executive support schemes. We continue to press that practices should be able to take advantage of a range of support schemes that take into account the hybrid Health Service/Private nature of most Dental Practices.
2. Non-Domestic rates support (NI only)

- The Department of Finance has announced a three-month rates holiday for all NI business ratepayers.
- No rates will be charged for April, May, June 2020 and will not have to be repaid later in the year.
- Looking beyond June, the Department of Finance intends (dependent upon Executive approval) to lower the regional non-domestic rate in the 2020/21 Executive Budget.
- All NI practice owners are eligible for this scheme.

3. COVID Small Business Grant (NI only)

- After intensive engagement with the Departments for the Economy and Finance, BDA NI has received verbal assurances from Land and Property Services that those dental practices that are eligible for Small Business Rate Relief (SBRR) will receive this £10,000 grant.
- Eligibility criteria:
  - A Net Annual Value (NAV) below £15,000 (Search the valuation list to find out NAV of your property)
  - Less than three premises, not part of a chain
  - Businesses with multiple premises will only be eligible for one grant of £10k in total.
- Payment will be made automatically, without any requirement to claim, directly into the bank accounts of eligible dental practices which currently pay their rates by Direct Debit.
- Eligible dental practices that do not pay by Direct Debit, should use this online form to register for the grant.
- We are seeking clarification from the Department of Health regarding whether this Grant Scheme will impact Item of Service payments support.
- More information about this grant scheme can be found here.

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Can GDPs/Dental practices access DoH Item of Service payments support and at the same time access other UK Government and NI Executive support schemes?

- In its letter to GDPs on 20th March, the Dept stated that:
  - “In the first instance, it is expected that dental practices in NI will be eligible for support from the UK wide measures recently announced by the Chancellor of the Exchequer as well as the additional support provided for local business by the NI Executive.”
  - “The support payments would be made as soon as possible after the end of each month and will be abated by 20% to reflect the variable costs that will not have been incurred, as well as the impact of other government support.”
- In recent communications, Department officials have indicated that changes in the costs faced by dental practices may be reflected in an amendment to the 20% abatement factor. They do not intend to provide dentists with financial support twice in respect of the same cost, or for costs that are no longer being incurred.
- A 100% Health Service dental practice is unlikely to be able to access both Health Service payments support and wider Government support schemes. However, we are hopeful that hybrid Health Service/Private dental practices will be able to access other government support in proportion to their percentage earnings.
- The BDA continues to seek clarification on a daily basis and have written to the Minister of Health on this issue. We will update members as soon as new information becomes available.
4. Coronavirus Job Retention Scheme (UK-wide)

- To avoid widespread redundancies, the Government has pledged to cover up to 80% of staff wages, up to £2,500 per employee per month. This scheme is expected to be available before the end of April.

- Guidance was published on 26th March. The key points include:
  - You can claim up to 80% of furloughed workers usual monthly wage costs
  - The maximum that can be claimed is
    - £2,500 a month, plus
    - Employer NI contributions and
    - minimum automatic enrolment employer pension contributions
  - Scheme can be used at any time during period from 1 March 2020 to the end of May 2020. The scheme may be extended if necessary.
  - You can claim for any employees who were on your PAYE payroll on 28 February 2020, whether full-time, part-time, or employees on a flexible contract.
  - You can claim for employees you made redundant after 28 February 2020, as long as you rehire them.
  - Whilst being furloughed, employees cannot do any work for you.
  - Wages of furloughed workers are subject to usual income tax and other deductions.
  - Employees who work reduced hours during this time are not eligible for this scheme. They will have to be paid in the normal way.
  - Normal equality laws apply to who you furlough and who you don’t.
  - Employees placed on unpaid leave after 28 February 2020 can be furloughed.
  - Employees on sick leave or self-isolating should get SSP, but can be furloughed after.
  - Employees must be furloughed for at least three weeks. You can therefore rotate who is furloughed as long as those who are furloughed are furloughed for at least three weeks.

- Note - The Department of Health has not yet provided clarity regarding whether practices can furlough staff and still receive Item of Service payment support. They have indicated that changes in the costs faced by dental practices may be reflected in an amendment to the 20% abatement factor. This detail will be expected from DoH when they publish the full details of the Item of Service payments support scheme.
  - The BDA are urgently seeking clarification to ensure that mixed practices can get some funding from the furloughed workers scheme to cover private work, as well as Item of Service payment support to cover Health Service work.

5. Self-employed Income Support Scheme (UK wide)

- On 26th March, the Chancellor announced a self-employed support scheme for those who have been adversely affected by Coronavirus.

- The Scheme provides a taxable grant worth 80% of average monthly profit for last 3 years up to £2,500 per month. People should be able to access the scheme from June.

- However, a dentist is only eligible if you have trading profits under £50k – ruling out the majority of dentists.

- Part-time associates may be able to take advantage of the scheme, but it is not yet clear if Associates who undertake Health Service work will be able to claim Self-employed Income Support and receive Health Service registration fees & support payments. The BDA is attempting to clarify this with the Department of Health.

- Self-employed hygienists and therapists are likely to qualify for help and Practices should help facilitate this.

- The BDA has written to the Chancellor asking him to remove the 50k limit and will be lobbying hard on this issue.
6. Coronavirus Business Interruption Loan Scheme (UK wide)

- The temporary Coronavirus Business Interruption Loan Scheme aims to support small and medium-sized businesses (SMEs) to access bank lending and overdrafts.
  - The Chancellor clarified on 26th March, that self-employed people can access the business interruption loans.
- The UK Government will provide lenders with a guarantee of 80 per cent on each loan (subject to a per-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs.
- Businesses can access the first 12 months of that finance interest-free, as the government will cover the first 12 months of interest payments.
- Please note that the borrower remains fully liable for the debt.
- Dental practices will be eligible for the scheme if:
  - The dental practice is based in the UK and has a turnover of no more than £45 million per year
  - The dental practice has a borrowing proposal which the lender:
    - would consider viable, were it not for the COVID-19 pandemic
    - believes will enable you to trade out of any short-term to medium-term difficulty
- The BDA has received reports that several practices have had their application turned down because their net profits are down year on year so support is not a given.
- To apply, review the rules on the British Business Bank Website and arrange to talk to your bank or finance provider to discuss your business plan.

7. Income tax and VAT payments (UK wide)

7.1 Income Tax Deferral for the Self-Employed
- Self-assessment Income Tax payments, due in July 2020, will be deferred until January 2021. Late payment penalties will not be applied.

7.2 VAT payments deferral
- For those dental practices which are a VAT-registered business, VAT payments applying from 20 March – 30 June 2020 will be deferred.
- VAT refunds and claims will be paid by the government as normal.

7.3 What do you do if you miss a tax payment due to Coronavirus?
- The government advises that you contact HMRC and you may get more time to pay or reach an agreement to pay in instalments.