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BREXIT: What could it mean for YOU?

Alan Suggett, specialist dental accountant, Media Officer at NASDAL (The National Association of Specialist Dental Accountants and Lawyers) and partner in UNW LLP, offers his thoughts on Brexit

You may have noticed that there was a referendum recently?! At the time of writing the dust has settled a little but there is still intense debate and recriminations on both sides of the debate. There is a great deal of uncertainty in the air and one thing capitalism dislikes is uncertainty. Remain had been widely predicted to win the vote and the markets were somewhat surprised when the vote for Leave came through. A Leave vote means different things to different people and a large amount of negotiation to come – hence the confusion.

This high political drama is all well and good but how will this affect you in your dental practice? What could some of the consequences – for good or ill, be for UK dentistry? This is a strictly neutral view – I am not trying to be partisan, simply to offer useful and thought provoking ideas.

- Likely stalling on a new contract. Let's be honest, the new contract wasn't particularly near the top of the Department of Health's agenda anyway (dentistry never is.) Brexit and talk of at least five years of legal rewriting and all that entails means that it unlikely to see the light of day until 2020 at the *earliest*. And, I haven't even factored in General Elections yet...
- If you have a practice to sell, the delay on a new contract may mean that values continue to soar. Uncertainty around the new contract certainly hasn't affected the current market and the further down the track the decision goes, the more that potential buyers may be prepared to invest?
- NHS Incorporation. One of the major hurdles thrown up by LATs against the incorporation of NHS practices is that it falls foul of EU tendering law. With this potentially removed will we see a swathe of new incorporations? My feeling is that LATs will find another stumbling block but we shall see.
- Status of EU dental professionals. EU 'immigrants' currently make up around 5% of the total NHS workforce¹. It has always been assumed that EU workers already in the UK would be given similar rights to UK citizens but this is not a done deal and anything could happen. How would UK dentistry cope without a willing supply of EU workers **and** perhaps the loss of some who are currently here?

- Reduction in Lending. The current mood music from many of the major lenders is that it is 'business as usual'. However, we have already seen a downgrading of the UK's credit rating to AA by Standard & Poor's – will we see money leave the UK economy and move to those options perceived to be safer? Indeed, recent conversations with some in Private Equity are suggesting maybe it won't be business as usual?
- £350 million a week for the NHS – surely some of this will reach the dental budget?! This figure has, to put it mildly, come into question but there is a case for arguing there *may* be additional funds for dentistry.
- To offer an opposing view to the idea that practice values will continue rising, if as some suggest, foreign money leaves the UK property market and there is a drop in UK property values, this could have a knock-on effect for practice values and cause them to stagnate or fall. Whether you welcome a rise or fall will perhaps depend on whether you are a practice owner or an associate looking to get on the ladder.
- Recession. A word that no-one likes to use but it is entirely plausible that the shock from Brexit will lead to the UK economy entering recession. How deep or prolonged is anyone's guess and if it occurs, this would lead to a reduction in demand for dentistry. Certainly those private practices who depend on elective treatments for a significant part of their income would notice a drop in demand and even 'regular' care is likely to see a reduction as patients put the check-up off for yet another six months, year or longer. Those practices with a large number of patients on a payment plan are probably in the best position here.

Uncertainty all round. At least if you are aware of these issues you can prepare yourself better for any potential fallout. And, it must not be forgotten, the effects of Brexit could be quite minimal and in two year's time we will all be asking each other what the fuss was all about? Only time will tell.

¹ <https://fullfact.org/immigration/immigration-and-nhs-staff/>

ENDS

Note to editors:

NASDAL, the National Association of Specialist Dental Accountants and Lawyers, was set up in 1998. It is an association of accountants and lawyers who specialise in acting for and looking after the accounting, tax and legal affairs of dentists. It is the pre-eminent centre of excellence for accounting, tax and legal matters concerning dentists. Its members are required to pass strict admission criteria, and it regulates the performance of its members to ensure high standards of technical knowledge and service.

Images are available of the NASDAL Chairman and NASDAL team.

Nick Ledingham, the Chairman of NASDAL, is available for interview. To organise to speak to him or any other members of NASDAL for more information please contact Chris Baker.

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