



Healthcare Confidence Index 2023

Dentists Overview

By the side of business



LLOYDS BANK

Overview



Lee Reeves
Head of Healthcare Banking
Services, Lloyds Bank

Welcome once again to the Lloyds Bank Healthcare Confidence Index, which has been chronicling the experiences and aspirations of GPs, pharmacists and dentists since 2011.

The Index score runs on a scale of -100 to +100, with -100 meaning confidence is at its lowest and +100 indicating confidence is at its highest.

This year's index shows overall confidence has fallen, with a rebound among pharmacists not strong enough to counter declining confidence among dentists and GPs.

As a result, the overall index has fallen from -10 to -21.

Dentists continue to be the most confident of the professions surveyed, though sentiment did decline by eight points over the last year.

They were feeling the effects of high inflation, interest rates and energy prices at a time when consumers were also cutting back on their

discretionary spending, including aesthetic treatments, impacting on dentists' private fees.

Despite this, almost three quarters (73%) expect to increase profits in the year ahead, though more than four in five (82%) anticipate financial pressures will increase, with inflation (63%) and energy prices (51%) their key concerns.

Expectations over goodwill values have also declined, with 41% expecting them to rise in 2024, down from 56% in last year's survey.

And, while dentists are evenly split over the implications of potential NHS contract reforms on their profits, 75% would still encourage friends or family to become a dentist. This is the highest proportion out of the three professions.

Profitability

£

73%

Seven in ten dentists expect profits to grow over the next 12 months.

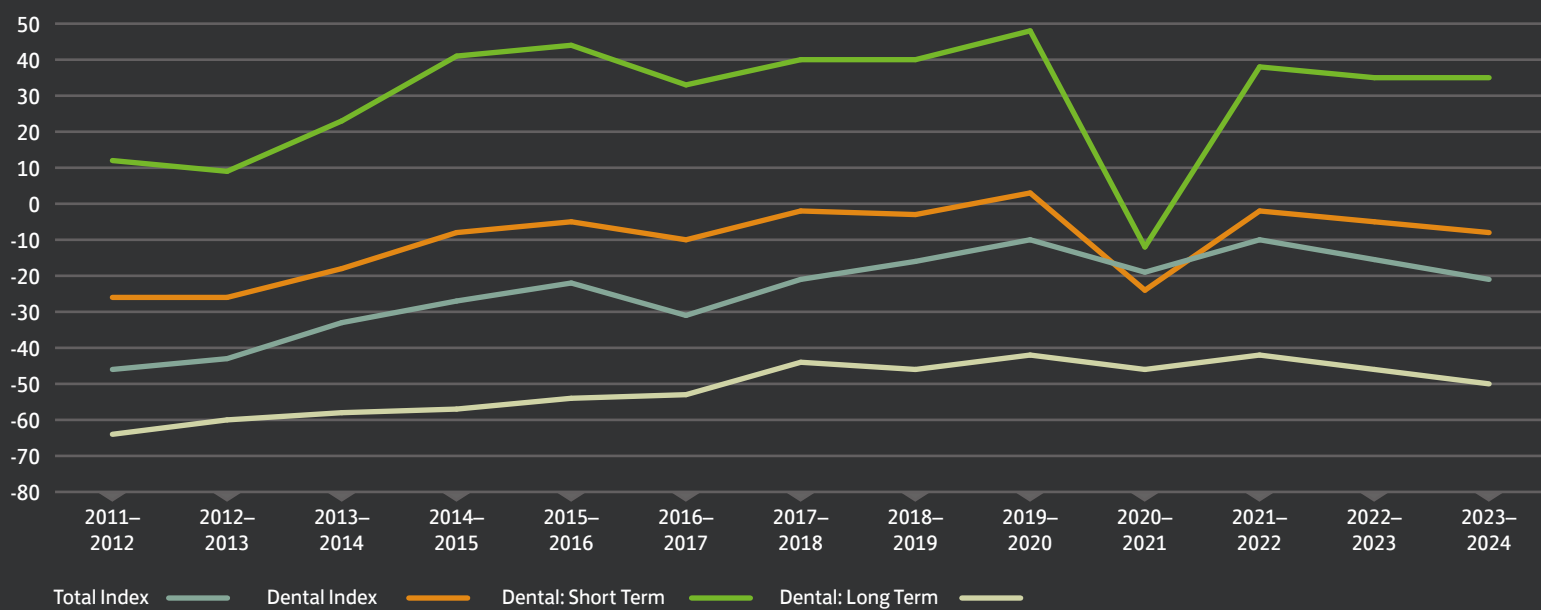
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82%

Eight in ten dentists expect goodwill values to increase or stay the same in the next 12 months.

Overview (continued)

Confidence overview



Employment

28%

Three in ten dentists plan to retire in the next ten years.

67%

The majority of dentists struggle to find new associates for their practice.

I hope you find this report informative. We have also produced similar reports for GPs and pharmacists. You can view these at lloydsbank.com/healthcare-index

If the reports raise any questions, please get in touch with your Lloyds Bank Relationship Manager, who will be happy to help.

Expert opinion



Andy Acton
Director, Frank Taylor
Associates

There's no doubt that 2023 was a tough year for many people, including dentists.

Dentists have felt the impact of high inflation, interest rates and energy prices at a time when consumers were also cutting back on spending – such as, aesthetic treatments that affect dentists' private fees.

Dentists are no longer receiving a boost from accidental savers, who splashed out on cosmetic dental treatments during the pandemic.

This has affected the performance of some dental practices, and we can see that reflected in the index, with a slight dip since last year.

Given how hard 2023 was, this is a good outcome and speaks of the resilience for the profession.

Dentists continue to be the most confident of the three professions surveyed in this report. While there is a significant amount of NHS work, most practices have an element of private income.

That means they do now have the ability to control their own destiny – up to a point.

Four in five (82%) of dentists believe financial pressures will increase over the next five years.

In the last year, we've seen costs rise across the board, including staff costs, which would typically have been around 20% of turnover but are now moving towards 25%, and these costs won't be coming down again.

Still, it's very encouraging to see that almost three quarters (73%) of dentists expect to increase their practice profits in the year ahead.

While this reflects that dentists are a resilient and optimistic bunch, this view will include the fact that last year was quite hard, so 2024 can only be better in comparison.

It was interesting to see 83% believe goodwill values will be maintained or grow during 2024.

Goodwill value is made up of two numbers; a multiple, set by a valuer and based on market activity, and the practice's underlying profit.

So, the positive expectation on goodwill growth is another indicator that dentists expect to be more profitable this year than they were last year.

I would urge dentists to focus on boosting their profitability, because that's where it's likely they'll see an increase in the value of their dental practice.

82%

of dentists believe financial pressures will increase over the next five years.

75%

say they would encourage friends or family to enter dentistry.

64%

of dentists believe that NHS services to patients will worsen over the next five years.

Expert opinion (continued)

And I was especially heartened to see that three quarters (75%) would encourage friends or family to follow them into dentistry. This is a figure that's been increasing for three years now.

That's a fantastic validation for the profession that speaks volumes.

But there's a lingering worry among two-thirds (64%) of dentists that NHS services to patients will worsen over the next five years.

We need a system that enables those on lower incomes to access NHS dentistry, while also encouraging those who can afford it to access dentistry privately.

It's a very complex issue, but Government needs to listen to dentists and look at the way that the NHS contract is delivered.

For more of the latest insights into the issues affecting GPs and pharmacists, you can read the full series of Lloyds Bank Healthcare Index 2023 sector reports at lloydsbank.com/healthcare-index



If you have any private patients, do you have a patient payment plan?

No, all fee per item and will remain so

9%

Yes, we do have a patient payment plan and we want to increase usage

71%

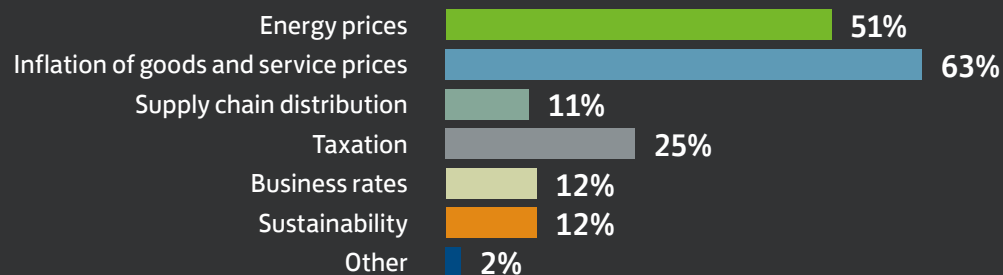
No, but we intend to introduce a patient payment plan

15%

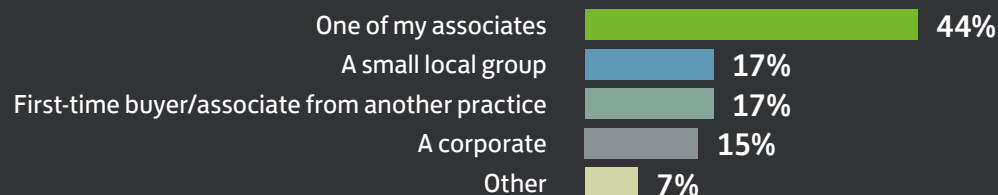
Yes, we are fully patient payment plan based

5%

What key challenges do you anticipate your business or practice will face in the year ahead?



Who would you like to sell to when you retire/sell?



Important information

All lending is subject to status.

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