

Healthcare Confidence Index 2023

GPs Overview

By the side of business



LLOYDS BANK



Overview



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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.

Ever since the Lloyds Bank Healthcare Confidence Index began in 2011, GPs have been the least confident of the professions surveyed, and that remained the case in 2023.

Good news was in short supply for GPs, with nine in ten (91%) expecting financial pressures to increase and almost every respondent (97%) flagging staffing costs as a key factor.

While 68% expect patient services to get worse over the next five years, almost as many (62%) expect their practice profits to decline in the year ahead.

Tellingly, almost nine in ten (87%) now say that they would never want to be a partner in a practice. An increase up from seven in ten (69%) last year.

And the proportion of GPs who would recommend the profession to friends or family fell for the third consecutive year, to 53%.

That reflects the pressures of the job, which are being exacerbated by rising costs that make it increasingly difficult to grow profits.

Profitability

£

62%

of GPs expect profits to fall over the next 12 months.

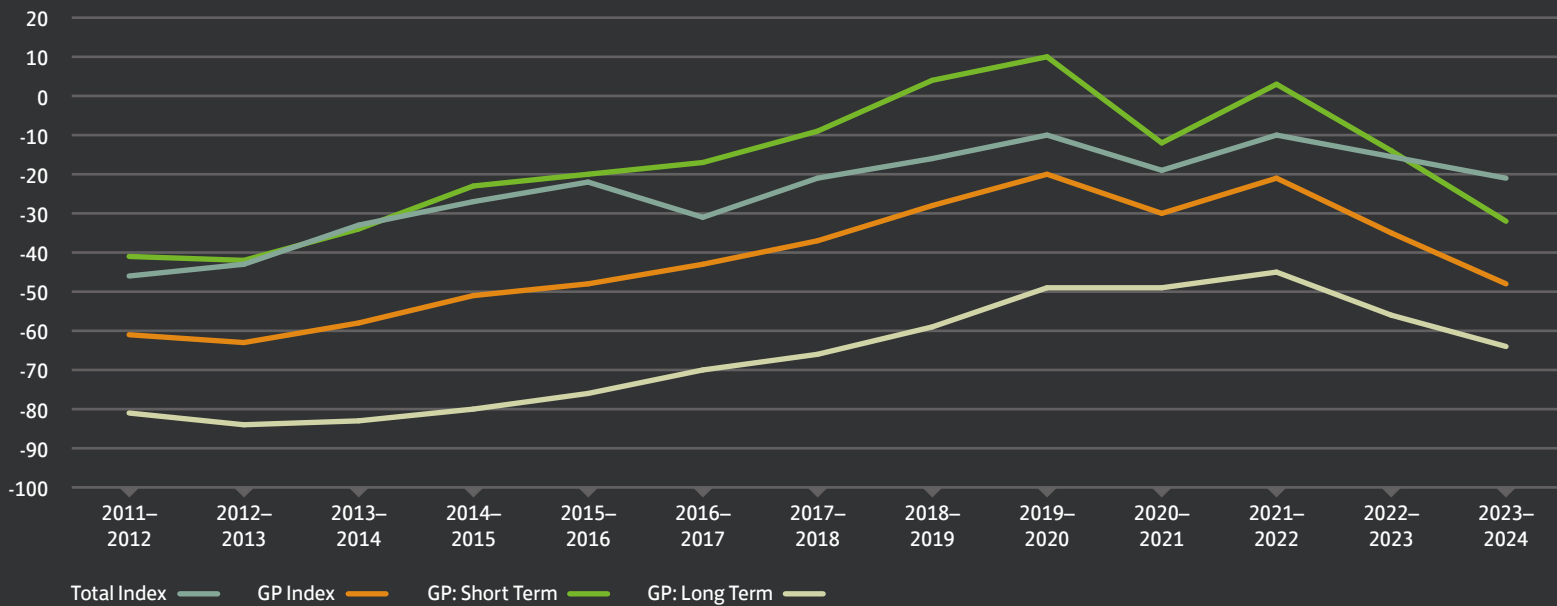
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91%

Four in five GPs expect financial pressures to increase over the next five years.

Overview (continued)

Confidence overview



Employment

48%

Almost half of GPs anticipate retirements at their practice in the next five years and seek new full partners or salaried GPs.

64%

Six in ten GPs plan to retire in the next 10 years.

I hope you find this report informative. We have also produced similar reports for dentists 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



Jenny Hurst
Healthcare Partner, BHP

As a profession, GPs have always been highly resilient and therefore it is concerning to see their confidence falling for another year.

This comes after a challenging period for GPs. Staffing costs stay high to meet the ever-increasing demand for NHS services and they no longer receive the additional income from the COVID vaccination programme.

This has resulted in a reduction in practice profits to below pre-pandemic levels.

Only 15% of GPs say they expect to increase profits in the next year, which reflects the increasing costs they face.

It means practices should watch their cash flow closely and may need to reduce partners' drawings.

91% of GPs say they expect financial pressures to increase further over the next five years, with 97% citing staffing costs as one of the biggest financial pressures on their practice.

Many practices are now employing more salaried GPs; these are better value when compared to higher-paid locum doctors.

Looking to the year ahead, it's no surprise that 80% of GPs say staff turnover and recruitment will be a key challenge. A similar situation applies in many other business sectors.

NHS contract changes were also mentioned by 74%, as the Primary Care Network Directed Enhanced Service funding will shortly end and we await an announcement on future funding.

These factors all contribute to the view of 68% of GPs who expect that NHS patient services will worsen over the next five years.

The survey also found an increase in GPs who say they never want to be a partner in a practice, which grew from 69% last year to 87%. This is contrary to our experience at BHP when presenting to GP trainees on finance matters and may be influenced by the positivity of the recruiting GP practice.

It should be noted that 43% of practices say they will need new partners to replace colleagues who are retiring within the next five years.

80%

of practices say staff turnover and recruitment will be a key challenge in 2024.

75%

said the changes to NHS pension reforms had no impact on their retirement plans.

Expert opinion (continued)

It was disappointing to see the New to Partnership Payment Scheme end in March last year. This was worth up to £24,000 to new GP partners and it did boost interest in partnerships.

The Government has moved to reform the tax rules relating to the NHS Pension Scheme Annual Allowance, increasing the allowance from £40,000 to £60,000. The Lifetime Allowance tax charge has also been removed; this was blamed for causing GPs to reduce their hours or retire early.

However, three quarters of GPs said these changes have had no impact on their retirement plans. The Labour party have indicated they will re-introduce the Lifetime Allowance tax charge, should they be elected.

The NHS pension is a particularly good scheme and awareness of its benefits are high – only 6% say they are not aware of the benefits it provides.

The current pressures faced by GPs are largely down to a lack of resources and the challenges created by the new contract negotiations.

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



What are your plans regarding succession over the next five years?

We don't foresee any imminent changes

43%

We will have retirements and seek new full partners

43%

We will have retirements and seek salaried GPs

5%

We expect to merge/change structure

10%

What are your thoughts on being a partner in the future?

I never want to be a partner

87%

I would like to be a partner, but not in the next five years

3%

I would like to become a partner in the next five years

11%

What are the biggest financial pressures on your practice?

Staffing

97%

Energy

58%

Retiring partners

33%

Drugs cost

26%

Other

9%

Important information

All lending is subject to status.

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