



LLOYDS BANK

# HEALTHCARE CONFIDENCE INDEX 2020

## DENTISTS OVERVIEW

### Welcome to the latest Lloyds Bank Healthcare Confidence Index, looking back on a year of unprecedented challenges for the sector.

Dental practices were closed, GPs moved to e-consultancy platforms and pharmacists saw demand grow as more people sought their advice.

So, for the first time, we decided to run the Healthcare Confidence Index twice this year, to give dentists, GPs and pharmacists a platform to share their experiences and insights.

After three years of growth, it comes as little surprise that the overall Index, which gives a reading of net confidence, fell from an all-time high of -10 in January to -19 in October (on a scale from -100 to +100).

Dentists' short-term confidence also took a severe hit, falling from a record high of +48 at the beginning of the year to -1.

Profit expectations are more mixed, with 42% forecasting growth in the next year and 40% expecting decline.

More encouragingly, 72% believe goodwill values will hold firm or increase over the next year.

Strikingly, the number of dentists looking to go fully private more than doubled from 13% to 30% as demand for cosmetic dentistry builds.

GPs' short-term confidence collapsed from +10 to -12, reflecting the rise of the second wave of the virus when this research was conducted, though long-term confidence held firm at -49.

At the same time, more GPs think NHS services to patients will get worse in the next five years and more GPs expect profits to fall in the coming 12 months.

But the biggest change was the switch to remote consultations; 53% say more than half of consultations will continue to be online or by phone after the pandemic ends.

Pharmacy is the only healthcare profession surveyed where confidence continued to grow through 2020, from -13 in January to -4 in October.

Indeed, 71% saw growth in over-the-counter sales and script volumes because of coronavirus.

Perhaps the most notable outcome from the pharmacy index is the sector's entrepreneurial outlook.

Just 14% plan to "carry on as I am", while more than two in five (43%) are actively looking to buy another pharmacy.

Overall, the survey shows healthcare professionals facing up to the pandemic with dedication and determination, operating under huge pressure and embracing new ways of working.

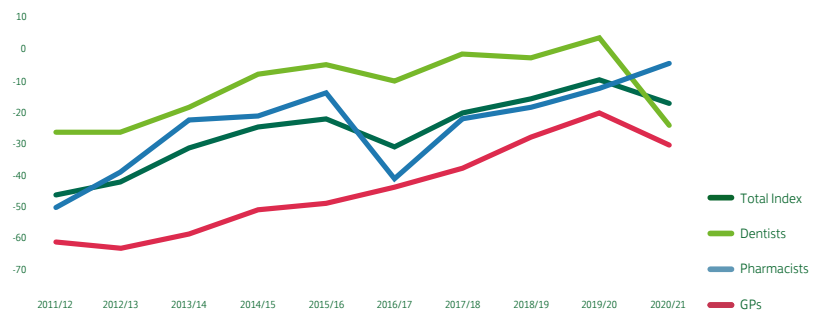
I'm confident that, once the current crisis recedes, we'll see the emergence of a newly energised healthcare sector.



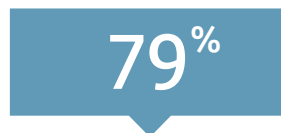
### Martyn Kendrick

Regional Director, SME Banking North West  
UK Head of Healthcare | SME & Mid Corporates Banking  
Lloyds Bank Commercial Banking

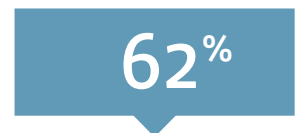
### CONFIDENCE OVERVIEW



### PROFITABILITY

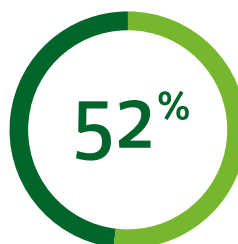


Over three-quarters of dentists expect profits to decrease in the next 12 months

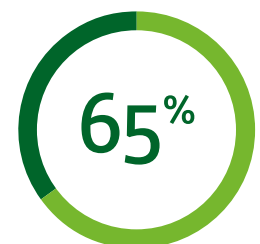


Six in ten NHS dentists want to grow the proportion of private work they do

### EMPLOYMENT



Over half find recruiting new dental associates a problem and can take some time



Almost two-thirds of dentists would encourage their friends or family to join the profession

ARUN MEHRA,  
CEO, SAMERA

**Routine dentistry all but ceased in the UK when practices were forced to close their doors in March.**

While at the time of writing they are able to offer treatments again, the sector is still suffering from a lack of clarity about how it will function going forward.

The previous Lloyds Bank Healthcare Confidence Index in January saw sentiment turn positive for the first time as dentists displayed a growing optimism about their prospects.

Since then, overall confidence has fallen from three to -24, driven by a collapse in short-term confidence, which fell from a record high of 48 at the beginning of the year to -1 in October, when this research was conducted.

At the same time, the proportion of dentists forecasting that NHS services to patients would worsen over the next five years increased from 50% to 79%.

Profit expectations are more mixed, with 42% expecting growth and 40% expecting decline, though 58% expect payment rates for associates to fall, which likely reflects the growing cost of running a practice, with longer fallow times and more strict PPE requirements.

Turning to goodwill values, almost three quarters (72%) said they will hold firm or increase over the next year, though this is down from 95% in January.

As in the last four surveys, the biggest proportion (44%) of dentists would like to sell their practice to an associate when they retire or sell up.

However, the proportion that would like to sell to a corporate more than doubled from 9% in January to 20%, with corporates often better funded and able to move more quickly than other buyers.

A key trend in the latest Index is the divergence between NHS and private dentistry.

The number of dentists who would like to go fully private more than doubled from 13% in January to 30%, likely driven by growing demand for cosmetic dentistry from image conscious patients.

After COVID-19, dentists with a more entrepreneurial outlook will come back stronger by changing their business models to adapt to the environment.

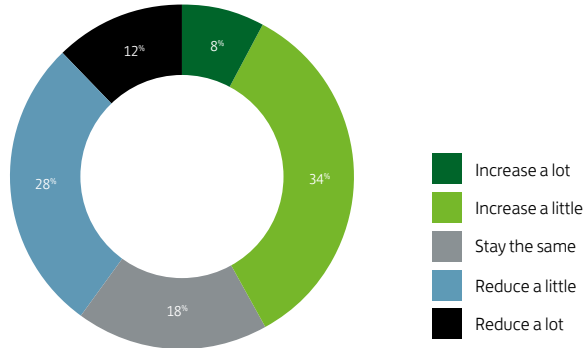
Dentists are a resilient bunch who will fight for their businesses and I think their confidence will be back on its upward trajectory quickly.

This article is produced for general information only and should not be relied on as offering advice for any specific set of circumstances.

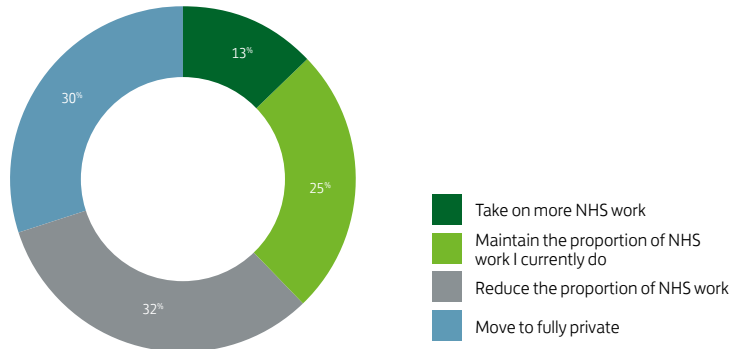
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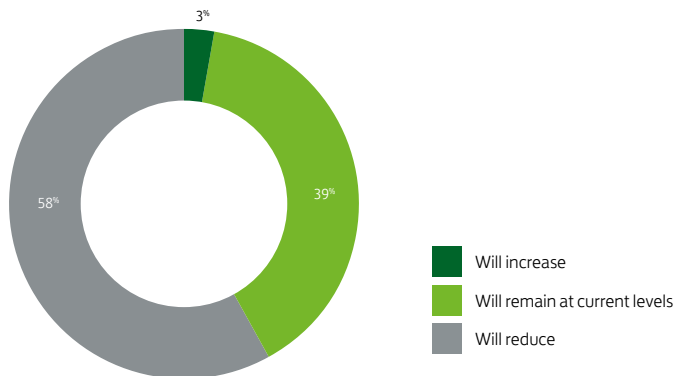
Over the next 12 months, do you expect your business/practice profits to...?



If you have any NHS patients, what are your plans for the future?



What are your views on payment rates for associates?



When you retire/sell, who would you like to sell to?

