

# Addition

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HEALTHCARE



GP CONTRACT UPDATE

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# THE NEW GP CONTRACT: NAVIGATING THE CASHFLOW CHALLENGE

The 2026/27 GP contract brings changes that, while presented as progress, carry significant financial risk for practices and Primary Care Networks (PCNs). The shift in funding streams means many could face serious cashflow pressures in the year ahead and those without a clear picture of their finances may find themselves in a difficult position.

## THE CASHFLOW CHALLENGE

While practices receive a monthly payment from their core NHS contract, the flow of funding from PCNs is far from straightforward – some networks pass all funding down to practices, while others use it to cover deficits or retain it for future use. Some networks do not pay any surpluses until sometime after the year end, with the result that working capital flowing from PCNs to practices is inconsistent. This timing mismatch can leave practices bridging gaps of several months, drawing on reserves or overdraft facilities that add cost and stress – particularly for smaller or single-handed practices with limited financial buffers. It is therefore essential that practices have a thorough understanding of their overall income streams and how they fluctuate throughout the year.

## THE FUNDING GAP

The 2026/27 GP contract is likely to leave many practices financially worse off. The government has assumed a 2.5% wage increase for GPs and practice staff, but with expenses rising at 8-10% each year, that assumption falls well short of reality. These pressures stem from a combination of employer NI contribution increases, minimum wage uplifts, and persistent inflation across premises, utilities, and clinical supplies – costs that show no sign of easing in 2026/27. The projected 3.6% growth in GP funding does little to protect practice finances against this backdrop. Practices need to understand precisely where they stand – not at year end, but now.

If we consider a practice with 10,000 weighted patients, and temporary residents funding of £5,000 per annum, under the funding model in 2025/26, their annual General Medical Services

(GMS) funding would have been £1,179,576. In 2026/27, the same practice will receive contract income of £1,244,332, an increase of £64,756.

However, if that same practice has an overall payroll cost of £1,000,000, then a pay rise of just 4% will increase costs by £40,000, and once other cost base increases are taken into account, and with the lack of inflationary increases in any funding streams, then the main contract increase is likely to be eroded. For a practice already operating on tight margins, this scenario is not theoretical – it is the likely reality for many, and the arithmetic becomes even more challenging when locum cover, sickness absence, or unexpected infrastructure costs are factored in.

Note that many other key items of income, such as Quality and Outcomes Framework (QOF), enhanced services, and PCN participation, have again received effectively no increase in funding level.

## PLANNING AHEAD

The practices best placed to weather these changes will be those that treat financial oversight as an ongoing discipline rather than an annual exercise. Maintaining up-to-date management accounts, forecasting cashflow across the year, and holding regular financial reviews enables partners to make informed decisions and respond quickly when funding assumptions shift. Practices that have not yet benchmarked their cost base against realistic

2026/27 projections should do so as a priority. Understanding where the pinch points will occur – and when – gives partners time to act rather than simply react. With neighbourhood health structures beginning to develop and contract terms continuing to evolve, having accurate, timely financial information is no longer a nice-to-have – it is fundamental to the sustainability of the practice.

**If you need help with benchmarking or any of the other things mentioned in this article, our friendly and expert team are here.**



# PARTNERSHIP – IS IT STILL WORTH IT?

With headlines portraying falling income, increased costs and inherent risks, many are considering if GP partnership is still worthwhile. But the financial benefits of partnership are significant.

GPs in training will be exposed to the everyday variety of a busy GP practice. For those that make this their long-term career, the next decision is exactly how they wish to work.

There are many reasons why a GP may wish to pursue a sessional or portfolio career, security of income and not having ultimate responsibility to name just two. However, given the headlines, it would be easy for an otherwise keen GP looking at financial implications to conclude that becoming a partner is not financially viable.

The reality is very different. A salaried GP can expect to earn in the region of £12,000 per session on average – a gross salary before pension of £96,000 for a full time GP.

A locum GP's work pattern will vary but they can expect to earn in the region of £700 per day. If working four days a week for 46 weeks, this would equate to £128,800 – an enhancement one would expect given the uncertainty of work patterns – although they will need to fund all of their own expenses from this income, so their net profit will be lower than this.

If we compare these figures to the national average earnings for a full time GP Partner, the most recent data from GP Online (2023/24 year) shows profits of £158,700. We would expect this to have increased each year.

A key difference of partnership is that a GP partner needs to fund their own employer's superannuation – but even after deducting this, we are still left with £138,748 based on the average.

**The financial rewards of partnership continue to outweigh a salaried or locum position. There can be wide variations in earnings from practice to practice, so if your practice is performing below these levels, contact our healthcare team on 01392 211 233 for an appraisal of your practice finances and what areas should be reviewed to improve practice profitability.**



# PENSION HEALTH CHECK

As many practitioners will be aware, NHS pension records often require attention to ensure they are complete. This is particularly relevant following the McCloud judgement and the subsequent issuing of Remediable Pension Savings Statements (RPSS) to members. Where records are not up to date, NHSBSA are unable to issue the RPSS, and so members may be unaware of any tax owing, or due back to them, because of changes from McCloud.

It is never too late to get your pension record up to date, and the sooner you tackle this, the easier it is to sort any issues. We have compiled a list of top tips for how to navigate the pension minefield:

## REQUEST AN NHS PENSION SERVICE EXTRACT

NHS Pensions can send through a list of all the roles they hold for you, which dates they cover, and your pensionable pay from these sources. It is then easy to identify which years are missing data, to be able to then make a start on remedying this.

## RESUBMIT MISSING YEARS' CERTIFICATES

Sometimes, all it takes is to resubmit superannuation certificates for missing years to Primary Care Support England (PCSE) for these to be processed, and the pension gap filled. If there are any issues with those certificates, PCSE will confirm this, and you can then proactively work to solve them.

## DON'T BE AFRAID TO CHASE FOR RESPONSES FROM PCSE

Oftentimes, persistence is key. If you have not heard from PCSE in response to an enquiry, make sure you chase for a response. You also always have the option to escalate the case to complaints level, should your case not be resolved within 40 working days.

## ENSURE PCSE ADMIN IS DEALT WITH ON CHANGING ROLES

It is crucial to ensure joiner and leaver forms are completed when changing roles, so PCSE deduct the correct level of pension from the correct practice on your behalf. Many issues with PCSE deductions stem from these forms not being completed.

## ENSURE YOUR PENSION CERTIFICATES ARE COMPLETED AND SUBMITTED EACH YEAR

Each year, practitioners must complete and submit a superannuation certificate to PCSE by 28th February. These are Type 1 forms for partners, and Type 2 forms for Salaried GPs. It is each GP's responsibility to ensure these are completed, and without them, PCSE will not report your pensionable pay to NHS Pensions for your pension record to be updated.

## UTILISE A SPECIALIST MEDICAL ACCOUNTANT TO HELP YOU

We recognise that working through these steps is not a top priority for our clients, where they already have so many pulls on their time. We work with our clients to fill pension gaps to take the pressure from them.

# INTEGRATED NEIGHBOURHOOD TEAMS: WHAT THE FUNDING SHIFTS MEAN FOR YOUR PRACTICE

Integrated Neighbourhood Teams (INTs) have been embedded in NHS policy since the Fuller Stocktake report in 2022, but 2025 and 2026 have brought significant developments that practices and PCNs cannot afford to overlook.

The government's 10 Year Health Plan, published in July 2025, places neighbourhood health at the heart of its vision for the NHS with a clear direction of travel away from hospitals and towards community-based, preventative care. The Neighbourhood Health Framework, published in March 2026, has since set out the detail of how this will be delivered, including five national minimum goals covering access, outcomes, urgent care, and patient and staff satisfaction.

## THE FINANCIAL PICTURE IS SHIFTING

For practices, the most immediate development is the repurposing of £292 million from the PCN-level Capacity and Access Payment into a new practice-level GP reimbursement scheme. This funding is moving away from the network and back to individual practices with implications for partners' drawings, profit-sharing arrangements, and how PCNs manage their own finances going forward.

On the contracting side, new single and multi-neighbourhood provider contracts are on the horizon, though their rollout has slipped from 2026 to 2027-28. When they do arrive, they will bring with them new legal entities, pooled budgets, and Section 75 arrangements – all of which carry complex VAT, governance, and audit considerations.

## SUPPORTING YOU THROUGH CHANGE

We know the shift towards neighbourhood health represents a significant change in how practices and PCNs operate, and that the financial and contractual landscape will continue to evolve at pace. As always, we are here to ensure our clients are prepared well ahead of those changes – not reacting to them.

**If you have any questions about what these developments mean for your practice, please get in touch with our team.**

# ARE YOU READY FOR AI? HOW GP PRACTICES CAN PREPARE TO USE AI WITH THEIR FINANCES

Artificial Intelligence (AI) is no longer a distant concept reserved for tech companies and research institutions. It is already reshaping how organisations operate across every sector – and healthcare is no exception. From automating administrative tasks to surfacing patterns in data, AI tools are quietly becoming embedded in day-to-day workflows.

With your finances, AI can help save time chasing paperwork and offer more understanding on what the numbers are actually saying. But there's a catch; AI is only as useful as the data it can reliably 'see'.

## MODERN SYSTEMS

The pace of change in AI has been extraordinary in recent years, and for many healthcare teams, clinical priorities – quite rightly – come first. Fragmented processes, disconnected spreadsheets, and inconsistent record-keeping limit what AI can meaningfully do, so getting the foundations right matters now, not later.

Using cloud accounting platforms such as Xero or Quickbooks Online (QBO) help to keep financial information current, searchable and structured. Tools like Dext make clean data practical by capturing receipts, invoices and supplier bills, ready to feed into whichever accounting platform you're using with minimal manual handling. The goal isn't more tech, it's fewer bottlenecks. These trusted platforms embed AI over time, reducing the constraints and improving the security of AI solutions.

## ONE SOURCE OF TRUTH

One principle matters above all: avoid manual changes outside the source of truth. If management accounts or key practice reporting tools are in spreadsheets (and any data is not directly replicated in your accounting system) this information is invisible to AI and undermines the integrity of reporting. Keep corrections and coding inside Xero/QBO, with clear audit trails if you can.

**In the GP practices we support, we help put these foundations in place early – so when AI capabilities expand, you're ready to adopt them quickly, confidently, and safely. If you want to find out more, you can contact our expert team on [info@simpkinsedwards.co.uk](mailto:info@simpkinsedwards.co.uk).**



# CLIENT FOCUS: PRESCRIBING CHANGE: HOW FROME MEDICAL PRACTICE IS PUTTING SUSTAINABILITY AT THE HEART OF PRIMARY CARE

For Karen Creffield, Managing Partner and PCN Manager at Frome Medical Practice, sustainability isn't a project or an initiative – it's a way of thinking. Since joining the practice in 2017, Karen has spent nearly a decade weaving environmental responsibility into every corner of how Frome operates, from the medications it prescribes to the food served at staff meetings.

Frome is a single-site practice and Primary Care Network serving around 30,000 patients in Somerset. It was among the first practices in the country to declare a climate emergency – a distinction that reflects the practice's deep roots in a community that takes these issues seriously. Frome Town Council was itself the first council in the UK to make such a declaration, and that shared commitment has shaped a strong local partnership ever since. That shared commitment has also opened doors – including funding through the National Lottery Climate Action Fund in partnership with Frome Town Council and Edventure, which has given the practice the opportunity to deepen its sustainability work in ways that wouldn't otherwise have been possible.

## PLANET, PEOPLE AND POCKET

The practice's approach to sustainability is guided by a simple but powerful framework: decisions should be good for the Planet, good for the People, and good for the Pocket. It's a philosophy that has delivered some striking results. A focus on reducing medication waste, particularly looking at how, as a

practice, repeat medications were managed, has saved the NHS nearly £280,000 in a single year, while simultaneously cutting 122kg of CO2-equivalent emissions and improving patient outcomes. The practice has also undertaken a wide range of deprescribing in areas including supplements, anti-depressants, gabapentinoids and switches to much lower-carbon dry powder inhalers. Changes to lighting alone are projected to save over £20,000 and 22,000kg of CO2-equivalent across ten years. A review of waste management, including removing personal bins and streamlining collections, reduced monthly collection costs by around 30%.

*“When you do the right thing for the patient, it is so often the best thing environmentally too and often ends up saving money. Bringing sustainability into your decision making simply means widening the lens through which you look at everything.”*

That lens now extends far beyond clinical decisions. Frome has invested in a staff wellbeing garden, with 85% of staff reporting they felt more connected to colleagues as a result, and 72% saying it positively impacted the quality of care they delivered. The practice holds a local and fairtrade food policy, purchasing only fairtrade tea, coffee and sugar, and rewards staff with vouchers from local businesses. In 2025, the practice was named GP Sustainability Team of the Year – recognition of a journey that has been slow, steady, and deeply embedded in the culture.

## VALUES IN COMMON

This commitment to doing things differently is part of what drew Frome Medical Practice to Simpkins Edwards. When the practice reached a natural review point after five years with their previous accountants, they looked for a firm whose values they could genuinely share. An already-established connection with Jenna Clark, Director of Healthcare, provided an initial introduction, but it was the firm's broader approach that sealed it – in particular Simpkins Edwards' own sustainability credentials and the willingness to show up in the community. That commitment to sustainability isn't just a stated value; it is evident in the firm's own choices, from working with stand builders at events to create reusable exhibition stands that minimise waste, to making conscious decisions around branded materials.

*“Knowing that sustainability was a core value for Simpkins Edwards was one of the things that really attracted us to working with them. It felt like a natural fit from the start.”*

Day to day, the team supports Frome with everything from annual compliance and working closely with the finance manager, to helping partners with personal tax planning – a breadth of expertise that gave the practice confidence they had found the right fit.

That shared ethos has been felt in practical ways. One of the Simpkins Edwards' team volunteering days last year was spent at Frome, out in the community, meeting patients, taking part in the day-to-day life of the practice. For Karen, moments like that matter more than a polished service offering.

*“It's the people that make the difference. The relationship we have built with the team at Simpkins Edwards has been genuinely strong – and that matters enormously to us.”*

In a sector as demanding as primary care, finding partners who genuinely understand your values – not just your accounts – makes all the difference. At Frome Medical Practice, sustainability isn't just where their focus goes, it's who they are.



# SIMPKINS EDWARDS STRENGTHENS HEALTHCARE OFFERING WITH AISMA MEMBERSHIP

Simpkins Edwards has been accepted as a member of AISMA, the Association of Independent Specialist Medical Accountants.

AISMA is the national network of UK accountancy firms providing specialist advice to medical practices, sessional GPs and hospital doctors. Membership isn't simply a case of applying – firms must go through a panel interview, demonstrate genuine specialist expertise, and commit to regular peer reviews to maintain consistently high standards.

AISMA states that its accountants are “among the very best advisers on the accounting, finance, pensions, taxation and practice management issues affecting medical professionals today”.

Our healthcare offering has grown considerably over the last five years, and becoming AISMA members feels like a real milestone. It's a reflection of the work our team has put in and the results we've been able to deliver for clients across the sector.

Beyond the recognition, membership brings some real practical benefits too. We'll have access to pooled UK-wide statistical data, which means we can offer enhanced benchmarking and financial insight to our healthcare clients.

Healthcare Partner, Seb Beard, said: “As well as validating our proven results in the healthcare sector, this membership

gives us the full support of AISMA and new tools to provide an even better service to our clients. It heralds the next stage of growth for the team.”

**We're proud of what the team has built, and we're looking forward to the next stage of growth. If you'd like to find out more about our healthcare services, please don't hesitate to get in touch.**



# BUILDING STRENGTH: GROWTH, COMMUNITY AND COMMITMENT

It has been another fantastic year for our healthcare team, and we are thrilled to share some exciting updates as we continue to go from strength to strength.

We are delighted to announce the promotion of Kelly to Director – a well-deserved recognition of her dedication, expertise, and the pivotal role she plays within the healthcare team. Kelly's promotion reflects our firm belief that sustainable growth starts from within. By investing in our people first, we ensure that our clients always receive the highest standard of service because the strength of our team is the foundation of everything we do.

Our healthcare event, “The Business of General Practice,” has continued to flourish since its launch, and we are proud to be hosting our fourth event in May 2026, with more dates already lined up.



What started as a platform for knowledge-sharing has grown into something truly special – a real community of GP Partners, Practice Managers and PCN leaders coming together to share challenges, insights and solutions.

Beyond our own events, the team has been to Best Practice Birmingham and London, as well as supporting Devon & Cornwall LMC with their events programme – further demonstrating our commitment to the wider healthcare sector.

With an exciting schedule ahead, we look forward to continuing to support our clients and the broader healthcare community throughout the rest of the year.

## Q & A

We asked our healthcare specialists to share their answers to the questions that are most commonly asked by our clients

### WHY IS MY TAX BILL SO HIGH IN MY FIRST YEAR OF PARTNERSHIP?

Tax rules in the UK are complex, and a number of factors will influence what you owe when you join a practice. A significant reason for that initial shock is that your first tax bill covers 18 months of profits rather than the usual 12 so a larger figure is entirely normal, not a cause for alarm.

Completing the joiner process with PCSE correctly is essential, as accurate pension deductions will help reduce your overall liability. It is also worth knowing that your first bill can be estimated in advance, giving you time to plan. Please do ask your accountant for guidance - they will be able to help you plan ahead.

### WHAT IS 'WORKING CAPITAL'?

Working capital is separate from property capital, which represents partners' equity in practice-owned buildings. Working capital is the funds needed to keep the business running day to day.

Every business faces a timing gap between paying expenses and receiving income, and GP practices are no different. Contract funding typically arrives at the end of the month, but staff wages and supplier invoices cannot always wait.

The right level of working capital varies between practices. The goal is to hold enough cash to meet obligations comfortably, without leaving partners short at home. Your finance team and accountants should work together to determine what is appropriate for your practice - there is no one-size-fits-all answer and getting this balance right matters.

**Look out for more Q&As in the next issue of Healthcare Addition**

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