

NHS and private principal net profit: What do associates think?

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In last month's issue of *BDJ In Practice*, the cover feature focused on the current state of the recruitment market. A tough two years piled on a second layer of uncertainty onto pre-pandemic uncertainty, with gaping holes right across the profession identified and broken down.

The talking point which may perhaps give the most cause for concern is the number of dentists leaving the profession – especially so given the finite number of students and young dentists coming through the system. Recruiters cited the location of a practice, COVID-19 and remuneration as the top three areas why they found it difficult to recruit in 2021.

The pandemic obviously brought a halt to routine dentistry for three months, and has had a substantial knock-on effect to this very day, particularly – as those 57% of recruiters suggested – on the financial side of their businesses.

Which was why at the recent National Association of Specialist Dental Accountants and Lawyers (NASDAL) press conference presenting their annual benchmarking statistics, I was most intrigued to see some of the numbers they presented, particularly those shown in Table 1.

These data, showing net profit per principal, reveal significant bouncebacks for NHS and private principals to the year end 31 March 2021. Even accounting for the year ending 31 March 2020 when COVID-19 would have had a minimal impact on these figures, NHS and private net profit per principal were very healthy.

It is at this juncture I wish to highlight the figure in the bottom right-hand corner

Table 1 Average net profit. Figures courtesy of NASDAL

	NHS	Private	Associates
2018	126,269	138,806	68,155
2019	124,475	140,591	69,324
2020	116,284	133,192	70,514
2021	145,498	143,418	63,304

of this table. In the year ending 31 March 2021, NHS principal average net profit increased by £29,214, and their private counterpart's profit by £10,226. But for associates? Theirs reduced by £7,210, almost 10% on 2020's figure.

To add a further layer of intrigue, the average net profit per principal in a practice with associates increased from £133,371 year ending March 2020 to £158,786 in 2021, all the while the net average UDA rate paid to associates fell from £11.31 to £10.89 in the same time.

In the accompanying press release, Nick Ledingham, of Morris & Co, Specialist Dental Accountants and Chairman of NASDAL observed 'It is important I think to view the 2021 figures in a wider context. Whilst it may appear to be a big jump in profits of NHS practices, it is worth noting that NHS profits are still lower than they were more than a decade ago in 2010. Associates' pay has seen a big fall over the last decade in both real and relative terms – associates have been used to their profits flat-lining and the 2021 report showed no let-up in this. In real terms, associates are considerably worse off than they were in the Noughties.'

An understatement, if ever there was one. For average income to drop 10% in a year when the British Dental Association has cited – with inflation – real term pay has dipped 30% in a decade, while their principal's have seen substantial increases, you wonder what questions associates will be asking themselves about these figures. Yes, dentistry looked very different in the 2020/21 financial year, and plenty of associates wouldn't have qualified for financial assistance given they earned north of £50,000, but there's something that just doesn't feel right with these figures.

And so, a call to action to associates. I want you to tell us what you think of these figures, and why they might look the way they do. There are extenuating circumstances, so tell us. We'll treat your correspondence as anonymous, unless you wish to have your reply printed.

NHS and private principals: you will have your opportunity to expand on what you see in these figures, but for now we'd like to hear from associates. You can drop me an email at david.westgarth@bda.org, or DM me on Twitter @BDA_David. ♦

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