

**Submission to  
HM Revenue & Customs review of the scope of  
the VAT exemption for medical services:  
the expert witness dimension**

**Prepared by  
the *UK Register of Expert Witnesses***

Dr Chris Pamplin  
Editor  
UK Register of Expert Witnesses  
11 Kings Court  
Newmarket  
CB8 7SG  
Tel: 01638 561590  
email: editor@jspubs.com



<b>Executive Summary .....</b>	<b>5</b>
<b>Introduction .....</b>	<b>6</b>
Guidance on VAT for doctors .....	6
About the UK Register of Expert Witnesses .....	7
<b>Types of work .....</b>	<b>9</b>
<b>Certification .....</b>	<b>9</b>
<b>Insurance company medical certificates.....</b>	<b>10</b>
<b>Rehabilitation .....</b>	<b>10</b>
<b>General medical advice and risk assessments .....</b>	<b>10</b>
<b>Quantitative information.....</b>	<b>11</b>
<b>Registration for VAT .....</b>	<b>13</b>
Regulatory impact.....	14
Implementation date .....	16
Transitional provision.....	16
<b>Annex 1: Experts' answers to the specific question .....</b>	<b>18</b>
<b>Answers .....</b>	<b>18</b>
<b>The Respondents .....</b>	<b>43</b>



## Executive Summary

We have been asked by HM Revenue & Customs (HMRC) to contribute to their *Review of the Scope of the VAT Exemption for Medical Services*. Our area of interest is that of medico-legal reporting. This submission seeks to communicate those issues that are of most importance to medical expert witnesses.

In December 2005 we invited the 1,700 medical expert witnesses listed in the *UK Register of Expert Witnesses* to consider the consultation documentation. To help medical doctors, for many of whom VAT is foreign territory, the *Register* prepared a number of resources. We were asked to have responses back to HMRC by mid-January 2006. The key findings from this research are as follows.

Medical expert witnesses are generally unaffected by the considerable confusion that appears to surround the type of medical work that will be liable for VAT. All medico-legal reporting will attract VAT.

HMRC is wrong to assume that most medical consultants are already VAT registered. Almost none are. However, according to our own data on fee income for medico-legal work, only about 30% of medical expert witnesses would be required to register for VAT on the basis of turnover.

There is a major need for medical doctors to be educated about VAT. Most doctors have spent many years cocooned within the NHS, far removed from the commercial realities faced daily by business people. Indeed, the large numbers of doctors who have suffered financial loss at the hands of the medico-legal reporting organisations is testament to this sector's lack of commercial acumen. Accordingly, these VAT changes should not now, after a 2 year hiatus, be rushed into effect.

We would suggest a minimum of 1 year's notice be given for the introduction of VAT on medico-legal reporting, i.e. April 2007. This will permit:

- long-running contracts to be adjusted to include VAT in an orderly fashion
- doctors to choose when to begin their VAT registration (by voluntarily registering at a time in the year that suits their own accounting year)
- doctors to focus their minds on understanding the VAT system once a clear deadline has been set.

## Introduction

We have been asked by HMRC to contribute to their *Review of the Scope of the VAT Exemption for Medical Services*. Medico-legal reporting is an important part of the 'Medical Services' sector that will be affected by the proposed changes in VAT. This is an area in which the *UK Register of Expert Witnesses* has particular interest. This submission seeks to communicate the issues of most importance to the medico-legal practitioner.

In December 2005 we invited the 1,700 medical expert witnesses listed in the *UK Register of Expert Witnesses* to consider the consultation documentation. For many medical doctors, VAT is foreign territory. To help them get to grips with the issues, the *Register* prepared a number of resources:

- the main text of the consultation paper
- a summary of the legal background
- a convenient on-line response system.

We were asked to have responses back to HMRC by mid-January 2006.

The vast majority of those medical doctors who have an appreciation of the impact of the European Court of Justice (ECJ) judgment in the case of Dr Peter d'Ambrumenil and Dispute Resolution Services (C-307/01) recognises the inevitability of the extension of VAT to their medico-legal practice. Accordingly, they see the current HMRC review as relating to the 'when' and 'how' rather than the 'if' of VAT being extended to cover medico-legal work. We are not, therefore, surprised by the relatively low number of respondents to this consultation exercise.

Overall, 37 expert witnesses provided answers to the specific questions, and two sent written responses. At 2.5% of those polled, this represents about a quarter of the contribution rate we habitually see on such exercises. These written submissions were supplemented by a number of telephone discussions with medical expert witnesses.

## Guidance on VAT for doctors

Since the prospect of VAT being extended to medico-legal reporting was recognised back in November 2003, the *Register* has, based on the HMCE Business Brief, been advising that 'doctors should not feel pressured into action just yet'. However, the time is now approaching when decisions will need to be taken. Over the past 2 years the *Register* has put together a number of resources for doctors to help them understand what VAT is, how it works and what

a doctor will need to consider before making a final decision on registering for VAT. These can be found at <http://www.jspubs.com/surveys/HMRC0511/VATGuide.cfm>.

## About the UK Register of Expert Witnesses

J S Publications has published the *UK Register of Expert Witnesses* since 1988. The *Register* has developed over the years from a simple directory publishing project into a support organisation for expert witnesses. Most of our time is now spent on the professional support and education of expert witnesses.

Perhaps the most important feature of the *UK Register of Expert Witnesses* is the vetting we've undertaken since the product's inception way back in 1988. Indeed, our many conversations with lawyers have highlighted the importance they place on knowing that listed experts are vetted. In the past year we have introduced re-vetting. Now, all experts have the opportunity to submit to regular scrutiny by instructing lawyers in a number of key areas, such as report writing, oral evidence and performance under cross-examination. The results of the re-vetting process are published in the printed *Register*, in the software and on-line.

The printed *Register* is distributed free of charge to a controlled list of around 10,000 selected litigation lawyers. The on-line version of the *Register* is also available free to anyone with an Internet connection, and currently attracts around 25,000 searches per year.

We provide registered experts with a variety of free educational resources. These include our quarterly *Your Witness* magazine, a series of more than 50 factsheets, court reports on cases that have implications for expert witnesses, CPR Viewer software and our expert *e-wire* service. This information flow ensures that experts in the *Register* have the opportunity to be amongst the best-informed experts, with respect to expert witness-specific issues, in the country.

We have also helped experts to deal with some of the problems that have arisen from the unfortunate inability of the expert witness associations to work together productively. The most notable being our work to produce a *Combined Code of Guidance for Experts* from the two competing codes. This was in place for 4 years before being replaced by the recently published Civil Justice Council Experts Protocol – a most welcome development.

However, we also recognise that the quality of expert evidence is in large part controlled by the quality of the instructions received. Sadly, we have observed a marked decrease in the quality of instructions to expert witnesses in recent times. To try to help combat this trend, we have published *Practical Guidance for Expert Witnesses in Civil Cases*. Subtitled 'What lawyers think experts should know but seldom get round to telling them!', this guide helps lawyers and experts to work together more productively.

Our daily contact with expert witnesses – drawn from across all disciplines, and including some who undertake an occasional instruction and others who work almost exclusively as expert witnesses – has given us a detailed understanding of this ‘litigation support industry’.



## Types of work

The fact that this submission is concerned only with medical expert witnesses means that there is really no room for confusion about whether or not VAT will apply – it will.

Nevertheless, presented below are the findings from this research on the other types of work that may fall within the ambit of VAT.

### Certification

Having made plain that all primary health care is unaffected by the ECJ judgment, the consultation goes on to explain that the position is not so clear in other cases, and highlights the example of medical certificates required for various activities. It concludes that the liability of the supply to attract VAT is dependent on the principal purpose of the service provided and whether there is an element of medical care. This, however, raises the question of whether a doctor knows, on a case-by-case basis, the purpose of a particular certificate. Over 75% of our respondents for whom this issue is relevant do know the purpose of the certificate being requested.

Survey response (n = 37)			
	Yes	No	n/a
Question 1: If a patient requests and pays for a report or certificate, are you generally aware of the precise reason/s for the request?	43.3%	13.5%	43.2%

*Survey conducted on www.jspubs.com between December '05 and January '06*

The next question in the consultation seeks to measure how often the outcome of the certification process includes a limitation on the activity the individual is able to undertake. For experts in the *Register* who responded, fewer than 30% had any direct experience of this; of those, the vast majority saw such limitation in fewer than 20% of cases.

Survey response (n = 37)			
	<50%	>50%	n/a
Question 2: When providing certificates of fitness (of whatever nature), in what percentage of cases are limitations or certain conditions imposed on the activity concerned?	8.1%	18.9%	73.0%

*Survey conducted on www.jspubs.com between December '05 and January '06*

With respect to the third of the consultation's questions ('Where no limitations or conditions are imposed, are these mainly confined to particular types of certificate?'), our respondents knew of only a handful of different types of certificate that met the noted criteria. These are

the DVLA driving certificate, including professional driving licences (HGV/PSV), certificates relating to mental capacity/incapacity and certificates relating to occupational health.

### ***Insurance company medical certificates***

HMRC thinks that insurance companies commission medicals only for the purpose of setting premium levels or settling claims, both of which the court has explicitly ruled to be taxable. However, they are uncertain as to whether insurance companies would commission medicals at any other time during the life of a policy and, if so, for what purpose. In response to question 4 in the consultation ('Do insurance companies commission medicals for any reason other than for the purpose of setting premiums and settling claims?'), our respondents knew of no other reason for insurance company-commissioned medicals.

### ***Rehabilitation***

Rehabilitation services are provided by health professionals such as occupational therapists and physiotherapists, amongst others. They intervene at an early stage of the rehabilitation process to speed up recovery, as well as providing reports to insurers who will decide the level of compensation payable. HMRC asks (Question 5) whether its belief, that the primary purpose of rehabilitation services is 'medical care' and the whole service is therefore exempt, is correct?

Our respondents included six experts who professed some knowledge in this area. For them, there was a clear distinction between the medical needs of the individual being examined and the needs of the court. So, within the context of medico-legal reporting, there is some evidence for HMRC's belief to be wrong.

### ***General medical advice and risk assessments***

The ECJ ruling means that pre-employment medicals will become taxable. Occupational health professionals, however, provide a wide range of services, some of which will remain exempt. For example, where the service is aimed at protecting the health of a body of people working in an office and relates directly to health matters. Question 6 of the consultation sought views on whether more general advice and/or risk assessments contain a sufficient element of preventative care to be regarded as principally for the purpose of protecting, maintaining or restoring the health of individuals.

Those of our respondents who expressed a view on this felt that general advice and risk assessments certainly did contain a sufficient element of preventative care to be regarded as principally for the purpose of protecting, maintaining or restoring the health of individuals.

## Quantitative information

This section contains a summary of the responses to the questions set by HMRC that sought quantitative answers. The low sample size demands caution in reading these statistics.

Survey response (n = 37)						
	<5	5–10	10–15	15–20	>20	n/a
Question 7: How many hours a week do you typically spend working on medical reports...?	32.4%	13.5%	16.2%	16.2%	5.4%	16.3%

Survey conducted on [www.jspubs.com](http://www.jspubs.com) between December '05 and January '06

Survey response (n = 37) Values expressed as income per annum						
	<£25k	£25–50k	£50–75k	£75–100k	>£100k	n/a
Question 8: How much income do you or your practice typically get from working on medical reports...?	37.8%	2.7%	13.5%	2.7%	8.1%	35.2%

Survey conducted on [www.jspubs.com](http://www.jspubs.com) between December '05 and January '06

It is instructive to compare these findings with those of the *Register's* biannual expert witness surveys. In the 2005 survey we found the following declared fee income for 256 medical expert witnesses:

Survey response (n = 256) Values expressed as income per annum				
	<£10k	£10–20k	£20–50k	>£50k
Annual income from medical expert witness work	22%	21%	29%	29%

Survey conducted on [www.jspubs.com](http://www.jspubs.com) between June '05 and August '05

Based on these data, if medico-legal reporting were the only work a medical expert witness did that will attract VAT, only about 30% of such doctors would have to register for VAT.

Survey response (n = 37)				
	Medico-legal reporting	Occupational health advice	Police medical exams	Autopsy
Question 9: What other supplies do you make which do not involve 'direct' medical/palliative care of your patients?	100%	2.7%	2.7%	2.7%

Survey conducted on [www.jspubs.com](http://www.jspubs.com) between December '05 and January '06

Survey response ( <i>n</i> = 37) Values expressed as income per annum						
	<£25k	£25– 50k	£50– 75k	£75– 100k	>£100k	n/a
Question 10: What is your income from the supplies noted in response to question 9?	37.5%	2.7%	5.4%	2.7%	8.1%	43.6%

*Survey conducted on [www.jspubs.com](http://www.jspubs.com) between December '05 and January '06*

## Registration for VAT

HMRC is aware that medical doctors treat their private work in different ways for accounting purposes. Some medical doctors account for this work as individuals, and in such cases the doctor will have to undertake a significant amount of work before he or she will need to register for VAT. However, some GP practices, in particular, set up a separate limited company to account for the private work of all the GPs in the practice. In such cases, they will reach the VAT registration threshold much sooner.

It has been difficult for HMRC to assess how many additional doctors may be required to register for VAT, and it would be helpful to know how this work is currently organised.

Survey response (n = 37)			
	Individual	Practice	n/a
Question 11: Do individual doctors predominantly account for private work on an individual or practice basis?	59.4%	2.7%	37.9%

*Survey conducted on www.jspubs.com between December '05 and January '06*

The almost complete lack of respondents who undertake their medico-legal work within a practice environment means we have no insight into question 12 ('If they account for it on a practice basis, will doctors change how they account for private work as a result of the judgment?').

Amongst our medico-legal medical expert respondents, there is a majority who would not reduce the amount of medico-legal reporting work undertaken simply to stay below the VAT registration threshold.

Survey response (n = 37)				
	No	Yes	Maybe	n/a
Question 9: As a result of the judgment, will doctors reduce the amount of the private work they do so that they do not have to register for VAT?	40.5%	18.9%	13.5%	27.1%

*Survey conducted on www.jspubs.com between December '05 and January '06*

The ability of our respondents to provide reliable answers to question 14 of the consultation ('If possible, please estimate your typical existing level of annual taxable turnover.') is dependent on their understanding of how the VAT system works. Their level of understanding is not high! Hence, we had a number of respondents refer to their NHS salary in response to this question: an NHS salary would not be caught by the proposed changes.

Survey response (n = 37) Values expressed as income per annum						
	<£25k	£25–50k	£50–75k	£75–100k	>£100k	n/a
Question 14: If possible, please estimate your typical existing level of annual taxable turnover.	16.2%	2.7%	16.2%	2.7%	16.2%	46.0%

Survey conducted on [www.jspubs.com](http://www.jspubs.com) between December '05 and January '06

The same lack of understanding of how the VAT system works was apparent in the answers we received for Question 15. We had a number of medical doctors confuse voluntary registration with mandatory registration once turnover reaches the threshold.

Survey response (n = 37)				
	No	Yes	Maybe	n/a
Question 15: As a registered health professional, would you consider applying for voluntary VAT registration because you undertake work which will become taxable as a result of this ECJ decision?	18.9%	56.7%	10.8%	13.6%

Survey conducted on [www.jspubs.com](http://www.jspubs.com) between December '05 and January '06

The assumption that consultants are generally already registered for VAT is emphatically wrong. Even consultants with large medico-legal practices do so little work that (currently) attracts VAT, and have relatively few business expenses associated with providing medico-legal reports, that the perceived hassle of voluntary registration is not thought to be worth the benefit.

Survey response (n = 37)			
	Yes	No	n/a
Question 16: HMRC has been using the working assumption that consultants are generally already registered for VAT. Is this the case?	2.7%	83.7%	13.6%

Survey conducted on [www.jspubs.com](http://www.jspubs.com) between December '05 and January '06

## Regulatory impact

HMRC says that it is 'aware that some health professionals may have to register for VAT for the first time'. It is clear from our respondents that almost all those doctors for whom medico-legal reporting accounts for the majority of their services will be registering for the first time.

Indeed, our knowledge (drawn from over 18 years of working with medical expert witnesses) is that they are, as a body, remarkably uncommercial in their outlook. This is, in our opinion, likely to be related to the closeting of such doctors within the NHS. The ease with which the

medico-legal reporting organisation market has been able to grow in the past 6 years by taking advantage of this commercial naivety is but one example of the problem.

If HMRC attempts to introduce VAT registration too quickly, and April 2006 would qualify here, it will be inviting lots of problems.

Question 17 asks whether doctors will 'incur significant administrative costs (one-off or continuing) as a direct consequence of the proposed changes and/or having to register for VAT for the first time?' As the following table shows, the majority of our respondents expect to incur significant extra costs as they move for the first time into accounting for VAT.

Survey response (n = 37)				
	Yes	No	Maybe	n/a
Question 17: Will you incur significant administrative costs (one-off or continuing) as a direct consequence of the proposed changes and/or having to register for VAT for the first time?	56.7%	21.6%	8.1%	13.6%

Survey conducted on [www.jspubs.com](http://www.jspubs.com) between December '05 and January '06

Of the few respondents who venture to place a figure on this, costs in the range of £2,500 to £5,000 are quoted.

Our own view is that much of the belief medical expert witnesses have in the cost of accounting for VAT comes from a simple lack of understanding of how the tax works. In practice, VAT accounting adds very little extra cost if accountants already handle one's accounts.

Question 18, 'Do you have any further comments on the regulatory impact of these changes in VAT?', serves once more to expose the level of confusion medical doctors have about how the VAT system operates. As one of our respondents put it, 'I'm confused, despite your fairly clear guidance'!

Most of the comments reveal the need for more education before VAT is imposed if major problems are to be avoided. For example:

*'The main problem with medico-legal reports is the very long tail before payment is received. Usually the payment is deferred until the case settles, a period which is often a year and sometimes several years. It is essential that this fact is recognised as otherwise practitioners will be unfairly penalised in having to find the VAT for very prolonged periods prior to obtaining payment.'*

But cash accounting will resolve this respondent's concern. Or, the following:

*'For very low earners it seems a pointless imposition'*

But such doctors would not reach the turnover threshold and so needn't suffer the imposition.

### ***Implementation date***

The timing of the implementation is really the only point at issue for many medical expert witnesses. They recognise that VAT will be imposed on their work. Much of the uncertainty over exactly what is and isn't covered by the changes does not impinge on the medico-legal arena, where clearly all the work is going to attract VAT. However, if it is introduced with too short a lead time, and without proper transitional arrangements, avoidable problems will arise.

The HMRC guidance has so far been that medical doctors need do nothing in respect of the implementation of the d'Ambrumenil decision. To have let 2 years pass by and then suggest implementation in barely 3 months is not sensible.

In response to Question 19, 'What would be the impact of implementing any VAT change from 1 April 2006?', the following sample responses serve to demonstrate the problems that will arise.

*'We would need to give those who instruct us advanced notice of this change in our terms and conditions. I am already committed to work in 2006/2007 on the basis of my current terms which do not mention VAT. It would be fair to be given 12 months notice of the change, i.e. from April 2007, so that I can inform those I work for of the increased costs.'*

and

*'This would not give me time to adapt my accounting process as the rates quoted for fees in cases 'in progress' would have to be adapted so Legal Services Commission [i.e. Legal Aid] funding would need to be altered. I suggest a 12 month lead. I am assuming VAT is charged on new cases not on 'existing cases' for those in progress and there would be clear transition arrangements.'*

Our respondents' answers to Question 20, 'When would be the optimum date for such a change during the financial year?', split between starting with the tax year and having a system flexible enough to allow individuals to start accounting for VAT at the start of their own tax year. Is it possible to have such flexibility in the transitional arrangements?

### ***Transitional provision***

Late payment of medical expert witness bills is absolutely the norm. This is, once again, attributable to the commercial naivety of many doctors. Their troubles have only been



exacerbated in recent years by the growth of the parasitical medico-legal reporting organisation marketplace. The almost alarming frequency with which such middlemen outfits 'go bust', combined with the length of credit tail some doctors are unwise enough to extend, has meant that many doctors end up out of pocket on the work that would attract VAT.

Many of the responses to Question 21, 'What is the number and value of long-running contracts (i.e. greater than 3 months) as at the current date (or latest figures available)?', reveal that, as well as any transitional arrangements, the vast majority of medical expert witnesses ought to apply to operate their VAT accounting on the cash basis.

## **Annex 1: Experts' answers to the specific question**

### ***Answers***

This annex gives the responses made by 38 experts to the specific questions set in the Consultation Paper through the *Register's* website. The ID number links to the list of contributors given at the end of the annex.

**Q01 - If a patient requests and pays for a report or certificate, are you generally aware of the precise reason/s for the request?**

ID	Comment
1	Yes
2	Not applicable
3	Not relevant – medico-legal work only
4	Yes
5	Patients have so far NEVER made such requests for medico-legal reports direct to me. Requests always come from a solicitor or insurer or jointly.
7	n/a
8	Yes
9	I never issue certificates for payment. The only ones I am ever asked for are those concerning fitness to return to work - which are always given free.
10	No
11	I do not take direct referrals from claimants
12	Yes
13	Yes
14	I do not provide any of these services
15	Yes
16	Yes
17	Yes
18	n/a
19	Yes
20	Yes
21	Does not apply to my practice. All reports are prepared after receipt of clear instructions.
22	Not applicable to my practise
24	Not applicable
25	Yes always
26	Not Applicable to my practice (N/A)
27	N/A
28	I would always comment of the specific activities planned
29	Yes
30	N/A
31	N/A
32	Do not handle Patient requests
33	Yes
34	Yes
35	Not applicable
36	Yes
37	No

**Q02 - When providing certificates of fitness (of whatever nature), in what percentage of cases are limitations or certain conditions imposed on the activity concerned?**

ID	Comment
1	I do not supply certificates of fitness
2	Not applicable
3	Not relevant
4	N/A
5	i dont do this.
7	n/a
8	50
9	Not relevant to me
10	0%
11	N/A
12	5%
13	90%
14	N/A
15	20
16	Never
17	NA
18	na
19	Not applicable. My work is confined to legal reports.
21	does not apply
22	Not applicable to my practise
23	not sure
24	0.05% - usually fitness to drive.
25	0%
26	NA
27	N/A
28	n/a
29	I very rarely provide certificates of fitness
30	N/A
31	N/A
32	N/A
33	none
34	?
35	N/A
36	50%

**Q03 - Where no limitations or conditions are imposed, are these mainly confined to particular types of certificate – for example, certificates of fitness to drive for the elderly or for pilots to fly? If so, please detail which types of certificate are concerned.**

ID	Comment
1	n/a
2	Not applicable
3	Not relevant
4	N/A
5	NA
7	n/a
8	Certificates of fitness to drive/HGV/PSV licenses (patients with history of epilepsy).
9	Not relevant to me
10	N/A
11	N/A
12	I issue certificates of fitness for professional driving. I also issue certificates to the effect that employees have not been harmed by their work - health surveillance for hearing loss or effects on their breathing.
13	Very rare as main role of any certificates relates to children. These are very rarely charged for in any event.
14	N/A
15	any type depending on the medical and occupational circumstances
16	Not applicable to my practice
17	NA
18	na
19	See Q2
21	does not apply
22	Not applicable to my practise
23	dvla requests
24	Fitness to drive with or after neurological illness/injury
25	Certificate of Mental Capacity/Incapacity.
26	NA
27	N/A
28	Yes to attempt to facilitate an employees staying at/continuing or returning to work
29	N/A
30	N/A
31	N/A
32	N/A
33	Not usually involved as a hospital consultant.
34	?
35	N/A
36	most fitness to drive certs are imposing limitations

Q04 - Do insurance companies commission medicals for any reason other than for the purpose of setting premiums and settling claims, and, if so, for what purpose?

ID	Comment
1	n/a
2	Not applicable
3	In my experience there is a drive to use the reports to improve treatment and outcomes from injury. This is my main intention, although it also leads to claims settling. This should not be taxed.
4	Not aware of any other
5	i only get requests arising out of a legal claim from injury.
7	Do not know
8	Not that I've experienced
9	I do not do this sort of work and cannot comment.
10	No idea
11	Insurance companies may commission medical reports in respect of personal injury claims.
12	I do not do insurance medicals
13	Not in my experience
14	N/A
15	I don't know but think that they do not
16	No
17	Don't think so
18	na
19	I only deal occasionally directly with insurance companies. Usually with solicitors.
21	in order to determine what treatment is needed and the most efficient way of providing it
22	Not applicable to my practise
23	no
24	Confirmation of diagnosis and prognosis.
25	Not that I am aware of.
26	NA
27	N/A
28	REhab is part of medical care with the intention that the claimant will return to work. There is secondary not a primary desired outcome which is that the claimant will thus be entitled to a smaller claim for their injury
29	For me, always for settling claims
30	N/A
31	My only experience is in reports in relation to claims
32	To Determine the basis of continuing payments to ill health insurance
33	no
34	No
35	no
36	not in my practice

Q05 - Are there any occasions when you would consider that the primary purpose of the rehabilitation services provided is not that of medical care? If so, please state when and why.

ID	Comment
1	n/a
2	Not applicable
3	Rehabilitation reports frequently are incomplete - for instance based on an interview with the claimant only and not on examination and observations. They are usually solely for the benefit of furthering the claim for the instructing party and rarely impartial.
5	NA
7	Not applicable
8	No
9	The rehab is always part of the medical care for me. I can see that a patient initially presenting to a therapist might also need a report but my situation is that I see patients for reports who might then need therapy - and I make an estimate for quantum in the report.
10	I don't know
11	N/A
12	Rehabilitation is always part of medical care. However the motivation of the organisation paying for rehabilitation may be to get the person back to work.
13	No - not for children
14	N/A
15	not in my experience
16	No
17	No
18	na
19	N/A
21	no
22	Not applicable to my practise
23	no
24	Mostly medical care and fitness/time to return to work
25	Not that I know of.
26	NA
27	N/A
28	In the case of any recommendations which I make, these would be solely aimed at rehabilitating, protecting or restoring the individuals health.
29	No
30	N/A
31	Rehabilitation reports, in the areas that I work in, are almost uniquely 'For the Court' and have nothing to do with NHS clinical services
32	N/A
33	no
34	?
35	no
36	n/a

Q06 - HMRC is interested in views on whether more general advice and/or risk assessments contain a sufficient element of preventative care to be regarded as principally for the purpose of protecting, maintaining or restoring the health of individuals.

ID	Comment
1	n/a
2	Not applicable
3	Not relevant
4	No
5	NA
7	Not applicable
8	I would have thought general screening (blood pressure, diabetes, cholesterol etc is part of a preventative medicine, not really occupational specific, and thus this thought of thing is more for purpose of protecting/maintaining health.
9	I think this situation does arise. I also think such recommendations are always made, in my experience, for the purposes of informing a wider body of people as to relative risks.
10	Unknown
11	N/A
12	I think that all branches of occupational health and safety - medicine, hygiene, ergonomics, psychology, nursing - are intended to protect the health of individuals and groups. I consider it to be medical care. Health promotion is also medical care.
13	Not relevant to Paediatrics
14	In my view yes.
15	In my practice they are often for this purpose although the referring employees often have their own concerns
16	No
17	Yes, the main purpose of occupational health is to minimise work related illness.
18	na
19	N/A
21	i take the view thast all medico-legal reporting deals directly or indirectly with the health needs of the subject under assessment and those around him or her.
22	Not applicable to my practise
23	
24	More general advice and risk assessment should contain sufficient element of the whole spectrum, in my opinion.
25	In my area of work, risk assessment is usually undertaken for public protection purposes rather than risk to the individual themselves.
26	NA
27	N/A
28	5 hours per week
29	This is not a question
30	N/A
31	N/A
32	N/A
33	don't do this work
34	?
35	n/a
36	n/a



Q07 - How many hours a week do you or your practice (if on a practice basis, please state how many doctors) typically spend working on medical reports, certificates and blood testing for the purposes of insurance or benefit assessments, or legal proceedings?

ID	Comment
1	4
2	1-2 hours per week
3	16 hours per week.
4	Self only - 20 hours
5	MEDICAL REPORTS ONLY 1 HOUR / WEEK
7	On medical reports and legal proceedings, about twenty hours
8	Average 5/week over the year
9	I do one or two reports per week. AVERAGE TIME IS 4 HOURS/REPORT.
10	4hrs.wk
11	This is a purely medicolegal practice (see Q9). Personal: 16 hours a week. I have a staff of three part timers (Practice administrator; audio typists)
12	10 (singlehanded)
13	less than 5%
14	Legal proceedings: 15 - 20
15	02-Mar
16	6
17	up to 10 hours per week.
18	na
19	2-4 hours
20	6 hours
21	40 to 50
22	01-Feb
23	10
24	May be half an hour in three months.
25	20
26	6 HOURS A WEEK SEEING CLAIMANTS. A SIMILAR PERIOD DICTATING THE MEDICO-LEGAL REPORTS. I am not a GP
27	<1%
28	25k
29	15
30	12 hours per week
31	Insurance & Legal proceedings 60-90 (independant practioner)
32	15hours
33	2
35	2
36	Oct-20
37	8

Q08 - How much income do you or your practice (if on a practice basis, please state how many doctors) typically get at the moment from working on medical reports, certificates, blood testing as above? (Please state whether any figures given are weekly, annual, etc.).

ID	Comment
1	£15,000 per annum
2	£6-10,000 gross income after expenses etc taxable income is around £2-3000
3	Sufficient
4	Around £75 - 95,000
5	£20000 P.A.
7	About £50,000 pa from medical reports and legal proceedings
8	I'm not sure how to answer this. I am a clinical academic. Thus in my employed time (which is full time, approx 50+h/week), 1/2 is NHS/patient care, and 1/2 clinical/research.
9	Approximately 25 reports a year @ £400
10	8k/yr
11	N/A
12	£20,000 pa
13	less than 1%
14	As a sole expert: £40,000 - £45,000 per year. Other work even in a forensic context eg as A Forensic Medical Examiner provides treatment services at the same time and presumably would be VAT exempt.
15	£150 per week
16	£70,000
17	approx £10K per annum
18	na
19	approx £5000 per year
20	£10000 annually
21	annual turnover around £450,000.00 from this source.
22	£5-10,000 annually
24	Less than £250 a year on the average.
25	Around £60,000 per annum.
26	100% from Med-Legal reports
27	N/A
28	none
29	£60,000 annually
30	£12000 per year
31	AS 7 £350-400K annually
32	£180,000 per annum
34	60% on medical reports
35	£10-12,000
36	~50-60 K/yr but rising

Q09 What other supplies do you make which do not involve 'direct' medical/palliative care of your patients – for example, do you conduct paternity tests, forensic-type tests, do you offer expert medical opinion in court or for court cases?

ID	Comment
1	none
2	Not applicable
3	No others
4	No
5	NIL
7	I offer expert opinion in court when instructed, both civil and criminal
8	I am registered as self employed in addition for the purposes of expert witness work (i.e. medical opinion for the courts/insurance) and for occupational health specialist advice (e.g. London Underground) - which is more expert witness like, and not direct medical care.
9	I do offer to attend Court. This is a rare event. I have been only 3 times.
10	Yes
11	My whole practice is in the preparation of expert medical opinion reports and other activities (video assessments, meeting with barristers) in respect of personal injury claimants
12	I offer expert opinion in court cases. This is not medical care.
13	yes - I offer expert medical opinion for court cases and some examinations for the police in child abuse cases.
14	Expert work in court both civil and criminal.
15	Expert medicolegal opinion
16	Nil
17	I provide testing and expert witness for the Courts
18	na
19	Very occasional expert opinion in court.
20	I offer expert evidence in court
21	i arrange for psychometric testing as part of the assessment.
22	Medico-legal reports
24	No
25	Yes, expert medical opinion in Court and Tribunals.
26	NA
27	Expert in civil/criminal litigation
28	n/a
29	I offer medical advice frequently in Court cases
30	Autopsy reports to HM Coroner and Solicitors. Expert opinion in Court.
31	This represents virtually all of my work
32	offer expert medical opinion in court or for court cases
33	court work
34	Expert evidence in court on a regular basis
35	nil
36	court cases
37	Expert medical opinion in civil litigation and for child care courts in non-accidental injury.

Q10 - What is your income from the supplies noted in response to question 9? (Please state whether any figures given are weekly, annual, etc., and if on a practice basis, how many doctors are included in the answer given).

ID	Comment
1	none
2	Not applicable
3	Company income £100,000 plus
5	0
7	Not more than £5,000 pa for court appearances
8	Approx £20K
9	Very low. I charge £1,000/day but have rarely been called (vide supra)
10	8k/yr
11	Gross annual practice income - about £ 180,000. Single consultant practitioner
12	£20,000 pa - the same as q8. I interpreted 'Medical Reports' as including medicolegal reports.
13	£3-5,000
14	I have answered the total income earlier, this includes work in preparation for court, which I may never attend.
15	extremely variable
16	Not applicable to my practice
17	approx £10K per annum
18	na
19	Less than one court appearance per year i.e. perhaps £1000 per year
20	I am rarely called to give evidence in court
21	part of the gross figure quoted above: about £20,000.00 per annum.
22	THis is covered in Q8
24	None
25	£20,000 per annum.
26	NA
27	<£1,000 pa
28	individual for all independent practice
29	£60,000 a year
30	£2000 per year
31	see 8
32	As Above
34	Reports and court attendance £80,000 per annum
36	1-2K/yr
37	£60k net per year - turnover £90k

Q11 - Do individual doctors predominantly account for private work on an individual or practice basis?

ID	Comment
1	n/a
2	Individual
3	INDividual
4	Individual
5	INDIVIDUAL
7	I am a sole trader (at present)
8	I think on an individual basis.
9	The majority individually
10	I think individual
11	My practice was incorporated into a private limited company in 1999 (Craxford and Co [MedicoLegal] limited). I am remunerated as a director of the Company. My wife is part salaried and also received a dividend as a director. Our typists are wage earners on a sessional basis.
12	I don't know - I am single handed.
13	My income is formed of three parts - mostly my direct NHS salary, less than £20,000 from Private Practice and less than \$5,000 from medico-legal work. This is all as an individual. The questionnaire seems more relevant to GP's working as independent contractors than to Hospital Consultants!
14	N/A
15	don't know. I am not a gp
16	Individual
17	Individual
18	na
19	Single handed consultant.
21	i work on an individual basis.
22	I am an individual consultant not in ant joiny arrangement
24	Yes
25	individual basis
26	NA
27	N/A
28	no
29	I do it on an individual basis
30	Individual
31	Yes
32	Individual
33	individual
34	Individual
35	n/a
36	not a GP
37	Individual

Q12 - If they account for it on a practice basis, will doctors change how they account for private work as a result of the judgment?

ID	Comment
1	n/a
2	do not know
3	N/A
4	No
5	NA
7	Don't know
8	N/a, can't comment
9	I do not know
10	N/A
11	I assume the Company will require to register for VAT
12	D/K
13	N/A.
14	N/A(Not in practice) My other clinical work is hospital based.
15	na
16	Not applicable to my practice
17	NA
19	N/A
21	not applicable
22	Not applicable to my practise
24	Not applicable
25	not applicable
26	NA
27	N/A
28	no- as I understand it I am below the VAt limit at present
29	N/A
30	N/A
31	Probably not. Some Neurosurgical practactioners have formed 'Chambers' to deal with their medico-legal practice
34	No
35	n/a
36	not a GP

Q13 - As a result of the judgment, will doctors reduce the amount of the private work they do so that they do not have to register for VAT?

ID	Comment
1	??
2	no
3	No
4	Probably
5	UNLIKELY
7	I would not reduce my private work
8	I doubt it - they'll just employ an accountant if necessary or bear the extra hassle themselves.
9	I am sure that they will. The costs are going up all the time and BUPA rates have remained fixed. If there is an extra tax burden many will stop (many I know have already stopped/are winding down in Scotland and in the North of England)
10	Yes
11	Presumably not. However: I do have concerns that the significant rise in the invoice for each individual report may significantly impact on the number of referrals that I receive.
12	D/K
13	N/A.
14	I anticipate being below the threshold for expert work but my total income will be above that but I may reduce all my work.
15	na
16	I doubt it
17	I would think that they would!
19	Yes, I would give it up: not worth the bother.
21	no
22	No
23	no.
24	I think so
25	This is fairly likely.
26	I will not
27	N/A
28	Indep practice 140K
29	I will
30	No
31	The availability of VAT programs for PC's makes this less likely. My accountant, who runs a totally medical set up, has already designed a package for his clients
32	No
33	possibly
34	No
35	n/a\$25,000
36	I will consider limiting my medico legal practice
37	yes

Q14 - If possible, please estimate your typical existing level of annual taxable turnover.  
(Please state whether this is at the individual doctor or whole practice level; if at the practice level, please state how many doctors are included within any figures given. HMRC appreciates that this is a very hard question to answer, but would be grateful for any estimates or indications it might be possible to provide.)

ID	Comment
1	n/a
2	individual £6-10,000
3	Individual - £100,000 plus
4	£140,000
5	NHS SALARY
7	£80,000 to £100,000 pa gross before practice expenses and tax.
8	Assuming I have understood this correctly, my employed salary (NHS/University) is not taxable for VAT purposes, so only my 'private' income (all medicolegal/occupational health) would be taxable - my income is £20K before tax (after expenses), and I don't currently charge VAT. No idea how this works out....
9	Individual. Approximately £65,000
10	I don't know the tax laws sufficiently to answer this question
11	As above, gross income of the Company is approximately \$180,00 per annum
12	I am VAT registered. I have been applying VAT to my medicolegal work for some time. Though much of my other work might be VAT exempt, my clients are all VAT registered and they do not mind paying VAT, so I have generally charged VAT to be on the safe side.
13	See answer to 11. I presume that the NHS salary has no relevance to this debate.
14	Total of the order of £70,000 - this excludes pension payments.
15	personal. work part time, £30,000 pa approx
16	£70,000
17	approx £10 K per annum
18	na
19	Approx £60,000 and reducing.
21	£450,000.00 from medico-legal work. Very little from other sources.
22	MYOB
24	About £500 - individual doctor level.
25	Sorry, but I am not clear about how much would be taxable.
26	Na
27	Standard Consultant NHS Contract
28	if required
29	About £60,000 a year
30	£14000 per year
31	see 8
32	£180,000
34	Individual c. £110,000 per annum
35	£25,000
36	not a GP
37	60k taxable annual. 90k gross



Q15 - As a registered health professional, would you consider applying for voluntary VAT registration because you undertake work which will become taxable as a result of this ECJ decision?

ID	Comment
1	I will not become taxable. I do not earn enough.
2	no
3	No
4	No
5	UNDER TAXABLE LIMIT
7	No
8	I would have to seek professional advice on whether this worth it for me. Would prefer not to unless clear benefit
9	No. I would most probably retire from it - or would certainly limit my time doing it so as to avoid registration..
10	This sounds complicated. I would need advise.
11	Yes
12	I am registered
13	No.
14	No
15	no
16	Yes
17	Not unless I had to
18	I already pay VAT and I consider that doctors should for medico legal reports.
19	No
21	no. i would only register if tgh majority of those preparing medico-legal reports had to do so
22	I expect to remain below the VAT threshold
24	If I undertake more work, yes.
25	I would consider it subject to accountant's advice.
26	As my income from Med Legal work will be above £60,000 I assume I will have to register for VAT
27	No
28	NO I am not registered for VAT as the rest of my practice is clinical
29	No
30	Yes
31	Yes
32	No
33	perhaps but unlikely to want extra headache
34	Yes
35	n/a
36	will do so if exceed limit
37	No - paperwork and accounting and VAT etc looks too complicated - I will cut back my work to below limit for VAT registration - I am a doctor not an accountant! There are only about 8 experts left in the UK who will do radiology opinions in child abuse - my reduction if VAT is imposed will have a significant effect on the court process and child care/placements,

Q16 - At present, HMRC has been using the working assumption that consultants are generally already registered for VAT. Is this the case? If so, is this because taxable turnover is generally above the current VAT registration threshold of £60,000 per annum, or is it generally a voluntary registration?

ID	Comment
1	No
2	No because my private income levels are only derived from medico-legal work and therefore I have not even considered registering for VAT.
3	I know of no one registered for VAT
4	No - the information provided to me is that VAT registration is not yet obligatory
5	NO IDEA
7	I do not think that HMRC can make this assumption
8	No. In some specialities this may be true, but in terms of non-NHS income/turnover - i.e. that must from private practice/medicolegal work (which I'm assuming is what you mean by taxable turnover) very few would have a taxable turnover at this level, I think only a handful in Neurology.
9	No. I do not think most consultants are registered.
10	No you are quite wrong.
11	No
12	I do not know.
13	I am not aware that most Consultants are VAT registered. As noted above the non-salary income is well below the VAT registration level and the inconvenience of administering VAT would outweigh any benefits on reclaiming costs.
14	I am not registered.
15	not registered for vat and have no intention of doing so
16	Most consultants are definitely not registered for VAT - I am certainly not
17	No, it is not the case
18	I dont know of any doctors who pay VAT!
19	I've never heard of a hospital consultant being VAT registered.
21	no: whilst some psychologists register for VAT, i do not know of any medical doctor who is.
22	I expect to remain below the VAT threshold
23	they are not
24	I do not know as it is not applicable to my situation
25	I am not aware of any consultants registered for VAT.
26	I am not aware of any consultants who are registered for VAT.Are there any?
27	Not registered for VAT, not aware of the £60K rule.
28	yes- related to the clerical administration of the vat- not possible to estimate how much
29	I was advised to apply by my accountant and was told that as my contribution was MEDICAL as opposed to LEGAL,I did not need to register for VAT
30	Not registered. Income too low.
31	I am surprised. I do not know of a single Neurologist, working in exclusive medico-legal practice, who is VAT registered
32	Most Consultants are NOT Registered for VAT
33	doubt if many consultants are registered
34	?
35	below threshold
36	most consultants will not be registered, generally because most do not earn over 60000 from such work. Significant proportion do however
37	Not registered as there is no requirement at present for medicolegal reports as sole practitioner.

Q17 - Will you incur significant administrative costs (one-off or continuing) as a direct consequence of the proposed changes and/or having to register for VAT for the first time? If so, please explain and provide an estimate of the additional cost likely to be incurred.

ID	Comment
1	no. I will not have to register.
2	Yes since I have never done this work. I cannot provide an estimate since I would have to check what it would cost with my accountant.
3	I expect so but as I have always managed to avoid it I do not know for certain. As with any contact with government it is likely to be very expensive, in this case for no reward.
4	Some - but not certain how much
5	LIKLEY
7	Yes. More work for my practice manager, higher accountancy fees. I cannot estimate the cost but including my time would estimate £5,000 pa
8	Yes. Hard to estimate - but I'm going to have to get professional advice re the whole process, what does/doesn't count, and might then decide I want an accountant as well (at present I do all my own accounting, but if this had to be 3 monthly and to include all the VAT stuff, at the very least I'd need some assistance setting this up. Probably a few hundred at the outset, and I don't know beyond that.
9	I would have to levy the charge based on a percentage which I would have to calculate for each basket of procedures. That would mean new software and more time spent checking everything.
10	No will just charge to lawyers who request the report. I
11	Yes. The Company does not have an accounting system in place that would cope with VAT. Our payroll is handled by our accountancy firm who also deals with our annual tax matters. We would probably commission them to handle VAT affairs. We would also need to train a member of staff to manage the book keeping. No idea of costs.
12	VAT is hardly a problem. Our accounting systems automatically calculate the amount payable and it perhaps takes 30 minutes once a quarter to make the returns.
13	If I did register there would inevitably be considerable increase in administrative costs - both one off and ongoing.
14	I do not employ any staff in or for my forensic expert work. In hospital I have a secretary but not relevant to VAT situation.
15	won't register
16	Yes - I shall have to involve an accountant to set up the basis on which I shall work - cost unknown
17	I would have thought so. I may consider setting up a company which would be at least £1000 per annum
18	Doctors will have to do what i did- talk to Customs and Excise and get a good book keeper!
19	More book keeping and more accountants' fees!
20	No
21	i anticipate having to change my accounting system to accomodate VAT if this becomes necessary. this will occupy more staff time and increase accounting costs. maintaining cash flow is already very time consuming. i estimate having to increase my charges by 2.5% to cover this extra work.
22	I expect to remain below the VAT threshold
23	yes
24	I think so but I would have to seek expert advice first.
25	I will need professional accounting advice. I have no idea of costs (but they would be a business expense).
26	I will have 'One-off' software and Accountants fees. I will then have ongoing Book keepers fees and Accountants fees for sorting out my VAT returns.
27	No
28	I would need to employ someone to do this.
29	It will of course entail more work. Cost very difficult to estimate
30	No
31	No
32	Will have to spend more time on Software and personal admin and it will probably hasten a decision to retire from NHS Practice
34	Probably
35	n/a
36	Yes additional costs bound to be incurred including accountancy fees. can't estimate costs

Submission to HMRC on the extension of VAT to medical services

The expert witness dimension – Annex 1: Experts' answers to the specific question

	without doing the exercise
37	Yes - I will pass on the cost of extra accounting in my fees - which are 90% legal aid LSC funded anyway. I estimate an extra £3k per year in employing a book keeper to do the VAT returns as I do not have the expertise to do this myself.

## Q18 - Do you have any further comments on the regulatory impact of these changes in VAT?

ID	Comment
1	It will make it even less worthwhile carrying out the work that I do, if I have an additional tax burden to pay. I do a lot of extra hours 'Pro bono' If HMG is going to snaffle even more of the remuneration, there will be no point in doing it.
3	As the reports I produce are for rehabilitation and treatment as well as legal proceedings I would want such reports exempt from VAT.
7	I consider that the threshold of £50,000 is too low for doctors writing medical reports. £100,000 pa would be more appropriate. I do not consider that VAT should be imposed on consultants- it is just another stealth tax in my view.
8	I'm confused, despite your fairly clear guidance.
10	No
11	Cash flow implications could be severe in the first two years until the system has 'bedded in'. This was certainly our experience when we transferred from operating as a Sole Trader to a Limited Company in 1999 / 2000
12	There are advantages in that the costs of things like computers, stationery etc. are cheaper since the VAT paid can be deducted from the VAT received
14	I need to confirm whether my work (and that of my colleagues) as a Forensic Medical Examiner will remain VAT free by virtue of the health services aspect.
15	no intention of registering. I am almost retired
16	The main problem with medicolegal reports is the very long tail before payment is received. Usually the payment is deferred until the case settles, a period which is often a year and sometimes several years. It is essential that this fact is recognised as otherwise practitioners will be unfairly penalised in having to find the VAT for very prolonged periods prior to obtaining payment.
17	Most are unprintable - this is another attempt at increasing the already high burden of taxation in this country.
18	I just feel very strongly that doctors should pay VAT on medicolegal work. At the moment it's not a level playing field.
19	Many hospital consultants do not like doing medico-legal work as the remuneration is poor by comparison with clinical work. Only orthopaedic and A/E surgeons do significant volumes of this work. If VAT is introduced most consultants in my specialty will give up. Negligence claimants in particular would find it difficult to find anyone experienced to act for them.
21	If we must charge VAT, clearly it will be necessary to change our accounting processes and put more admin resources into this. So long as all people have to charge VAT this will not have an adverse effect on 'sales'. Those people who specialise in medico-legal work should be well placed to deal with this change.
22	I expect to remain below the VAT threshold
23	this is just another labour stealth tax. Are they going to decrease other tax.
24	Not sure how it would affect me and my individual practice financially since my volume of work is insignificant.
26	I am not registered for VAT so have no real idea of the impact. I anticipate a lot of extra work with no benefit to me whatsoever.
27	For very low earners it seems a pointless imposition
28	?
29	Medical work should not attract VAT
30	Increased charges may be unacceptable to some clients.
31	No
33	more bloody bureaucracy - no wonder people emigrate
34	Hard work, but financially no disadvantage
35	no
36	no
37	I have no problem with the principle of VAT on reports for medical litigation for personal injury ('gain') but I would like to see an exemption of VAT on legal reports performed for child care (suspected abuse cases). Although these reports are prepared for a 'legal process', the issue is an extension of 'clinical care' for future care/placement rather than 'litigation/damages'.

**Q19 - What would be the impact of implementing any VAT change from 1 April 2006?**

ID	Comment
1	None for me, but it will screw the big players.
2	Not applicable since not a gp
3	Accounting chaos.
4	The problem of paying the tax when payment is unlikely to be received from those instructing me for a year or more!
5	MORE PAYMENT AND PAPERWORK
7	Very inconvenient
8	Not sure the date/timing makes a huge difference, so long as we have at least 3-4 months notice to get sorted, and it is well publicised.
9	I would simply stop doing this work
10	We would have to do it.
11	See Q18
12	None for me
13	There needs to be sufficient time for Health Professionals to receive and implement very clear guidance on the requirements, which hopefully this survey will contribute to.
14	Grave difficulties if I would have to register.
15	na
17	Heavy!
18	don't know
19	I would pack it in.
21	we would need to give those who instruct us advanced notice of this change in our terms and conditions. i am already committed to work in 2006/2007 on the basis of my current terms which do not mention VAT. It would be fair to be given 12/12 notice of the change, i.e. from April 2007, so that i can inform those i work for of the increased costs.
22	Chaos
23	more work for this stupid government
24	I would stop undertaking any medical reports work
25	I think this would be very difficult for me to achieve.
26	Too soon to get set up to deal with the returns
27	Accounting effort might stop me from doing any such work.
28	approx 5- total cost 5-10K at any one time
29	Too soon
30	It will probably lower my income.
31	very little
32	Enormous admin time to adjust to the new rules
33	downturn in availability for this work
34	Work
36	no particular issue
37	This would not give me time to adapt my accounting process as the rates quoted for fees in cases 'in progress' would have to be adapted so LSC funding would need to be altered - I suggest a 12 month lead in - ie notice of intent 04/07 start from 04/07 - I am assuming VAT is charged on new cases not on 'existing cases' for those in progress and there would be clear transition arrangements.

Q20 - When would be the optimum date for such a change during the financial year?

ID	Comment
1	?
2	unsure
3	For medicolegal work - never as without the spirit of the ruling.
5	START OF NEXT FINANCIAL YEAR
7	There is no optimum date as far as I am concerned.
8	see above.
9	At the beginning
10	1st April
11	Our Company's tax year ends December 31st. Presumably a start date on January 1st of a new year would be the least - worst option for us personally
12	I don't think it matters.
13	1st. April
14	At the time of an individual's accounting year, which would vary.
15	na
17	Never would be preferable, otherwise the start of the financial year.
18	dont know
19	Irrelevant - see Q19
20	April 1st
21	Start of the financial year.
22	2008
24	Not sure
25	End of a financial year.
26	5th April, when my Tax Year starts
27	Start of a tax year.
28	Unsure
29	Apr-07
30	As late as possible.
31	Tax year
32	April 5th
34	August 1st
36	as above
37	See above - 6th April would best coincide with tax year.

Q21 - What is the number and value of long-running contracts (i.e. greater than 3 months) as at the current date (or latest figures available)?

ID	Comment
1	none
2	Most solicitors are very slow at paying their bills (greater than 3 months) and therefore I would be having to pay out VAT before I had received any income.
3	Most contracts allow payment at end of case - that is almost always over 1 year and up to 5 - hence the chaos it would cause.
4	Up to one year deferred terms for payment
5	6-9 MONTHS DEFERRED PAYMENTS
7	£20,000 to £25,000
8	3 contracts at present, totalling approx £6K.
9	I am not sure. Probably 15%
10	0
11	Our Company operates a contract term of settlement of an account 'at settlement of the case or within two years of the date of the invoice whichever is the sooner.' Today (November 22nd 2005) our debtor's book shows 428 invoices outstanding with a total value of £ 169,493. Invoices outstanding over two years: £ 13,227. As a rough guide: 25% of invoices are paid within 6 months, 25% are paid between six and twelve months, 25% are paid within twelve to eighteen months, 25% are paid after eighteen months. We have chase procedures in place once two years are reached
12	I quite often undertake work for payment on settlement of a case or one year after the invoice, whichever is earlier. It is not uncommon for cases to run for 18 months between instruction and the final invoice.
13	nonr
14	For my expert work payments are sometimes delayed for months
15	na
17	Almost inevitably, payment is not made until after the Court case/settlement. This can run into years. I have two major users (Mobile Doctors and E witness), the value is variable, and dependent on caseload. An estimate alone would be approx £2K per annum.
18	na
19	None
21	about 10% of my work is on the basis of the fee being deferred by 12/12. as this figure is fairly stable, once the first 12/12 has passed this has not current impact. the introduction of VAT changes this as i gather the VAT falls due at the end of the quarter in which the invoice is raised. I suggest a shift to an industry standard approach of the fee being settled for each report or other item of service, before it is released/given. this would save costs on credit control and free up time for the VAT admin.
22	5, about £4,000 in total
23	90 percent
24	Not sure? Six months
25	None.
26	40% of my Accounts are settled within 3 months, 30% are settled by 12 months, 30% I have agreed with to payer to settle at the end of the case--2 to 3 years
27	None
29	Medical reporting companies are APPALLING at prompt payment. For example I have had to use a debt-collecting agency to get 4 year old debts from IMS of Richmond
30	A quarter of clients take 6 to 12 months to pay invoices.
31	as of todays date I have 203 outstanding fee notes amounting to £144K
32	£261,882
34	Nil
36	This is a key issue. Majority of medico legal work is long running contract. About 60% my work is settled at 1 year from work done and current work is not being billed with VAT - thus transitional arrangements very much needed
37	About 90% of my work is paid over three months after the fee note is issued. Instruction (fee rates agreed = LSC funding)time to bill is also about 4 months



Q22 - What types of transitional provisions would be beneficial for ongoing contractual arrangements and how do these relate to the difficulties faced?

ID	Comment
1	n/a
2	I would like to be able to pay VAT only when I receive payment not when I have sent out my bills
3	If they have to impose this draconian measuer payment on receipt instead of invoice would be the only viable way to make it work in medicoleagl work.
7	I do not consider any VAT should be retrospective. A date should be announed one year in advance of implementation so that doctors can alter their terms of busines if they so wish
9	Only charge for that work started after the inception date
10	NA
11	I have no idea. I cannot see the majority of solicitors agreeing to early payment of accounts because of the addition of VAT. I do wonder whether the way forward would be the issuing of a proforma fee note with the report and the issuing of a formal VAT receipt once payment has been received.
12	I think the date from which VAT should be payable should be the date of invoice, not the date on which the services were supplied.
13	n/a.
14	I do not know
15	na
17	A long transitional period.
18	na
19	N/A
21	if we have a minimum of 12/12 warning this issue can be addressed with those instructing me.
22	I expect to remain below the VAT threshold
23	if this lot were shot
24	? A year
25	Not applicable.
26	DO NOT UNDERSTAND THE QUESTION.
27	N/A
29	All parties would have to be told of the new arrangements and medical reporting companies would have to pay promptly to avoid doctors having to pay VAT before receiving the money due to them (and the VAT office)
30	I don't know.
31	I believe that there is a mechanism for only paying VAt on Fees received
32	Only to apply to new work
34	?
36	transitional arrangements that allow for only work billed from a certain date not applied retrospectively to work already billed even if that means over the VAT limit for that year to 18months
37	No VAT on existing cases or fees agreed at time of change - VAT on all new cases from (date of start) so that we can notify LSC that we have to be funded for VAT costs.

## General comments

ID	Comment
1	Another stealth tax, and I do not see how you can stop it!
11	None
12	I normally trade as a limited company that is VAT registered. However, I also do medicals on individual taxi drivers who pay their own fee for this (normally £30). I do this on an individual basis and the income is far lower than the VAT threshold. I should like to know that this is acceptable.
13	I suspect that for many Consultants in the NHS this is not relevant as it is likely that their income from this form of work or any other VAT'able work is well below £60,000. Most of income will come from NHS salary or from work that is directly related to patient health. Only a minority of Consultants, especially those in Paediatrics will have an income from Private Practice and Medico-legal work that exceeds £60,000. Any implementation will need to be preceded by very clear guidance from HMRC, which I feel is currently not available.
14	If registration only depends on that element of one's income that is subject to VAT irrespective of non-Vat income, then I shall not be inconvenienced.
15	No intention of registering for vat. prefer to retire fully
19	It would merely mean the increased costs would be passed on to the clients. This will just mean an extra layer of bureaucracy in the private health service with the cost being carried ultimately by the patients
21	Whatever the decision is, I would welcome clear instructions from HMRC and plenty of warning of the start date. They need to understand that this is a move that will increase the costs of medico-legal reporting significantly as I, and other doctors, will pass the costs on to those instructing us. we will also have to tighten our financial controls considerably, putting pressure on both Claimants and Defendants in civil work. as well as making advising in criminal cases even less attractive as a form of work than it is currently.
22	I expect to remain below the VAT threshold
23	This government need gassing.
24	Not sure how the VAT rule would affect my extra NHS practice, which is quite insignificant, any way.
26	I get charged Income Tax when I send out the bill not when I am paid. If I have to pay VAT when I send out the bill even though I may not be paid for 3 years, this is going to really mess up my cash flow. I am also very concerned that I will lose work because Solicitors, Insurance Companies and MROs will instruct less experienced Experts who do not have to register for VAT to save them paying VAT on thr Reports.
30	No
32	Will have to spend more time on Software and personal admin and it will probably hasten a decision to retire from NHS Practice, and the rules should not apply to outstanding unpaid work.
34	Much of the questionnaire does not apply to me as I have retired from General Practice. My income is derived from a pension plus my Forensic Expert work.
37	I consider that the number of experts affected (ie over threshold for VAT) from medicolegal reports would be small but the amount of hassle in doing VAT accounts would be significant - it will affect my practice so that I work under the VAT limit. I consider that all expert reports performed for child care (suspected abuse) cases are an really MEDICAL reports - ie an extension of child care rather than medicoLEGAL reports. This area should be exempted from VAT - the hassle that VAT implementation would cause the few existing experts in this narrow field would outweigh the cash gain by the government - who at the end of the day fund all the LSC for the fees to experts for child care cases - it would generate a paper chase to no specific benefit of the exchequer.

***The Respondents***

<b>ID</b>	<b>Name</b>	<b>Private</b>	<b>Privacy statement</b>	<b>expert witness workload</b>
1	Dr David H T Scott	N		10%
2	Dr Ray Brettle	N		4%
3	Mr Richard Scott-Watson	N		50%
4	George Proud	N		100%
5	Aruni Sen	N		10%
6	Anthony Halperin	Y		80%
7	Richard Slee	Y		65%
8	Dr Hannah Cock	N		10%
9	Guy Kenyon	Y		20%
10	Prof. Alastair J M Watson	N		10%
11	Alan Craxford	N		100%
12	John Jackson	N		25%
13	Mike Tettenborn	Y		5%
14	Silvain Edouard Josse	N		35%
15	Dr M Gatley	Y		30%
16	Julian Jessop	N		15%
17	Dr David G Williams	Y	Sensitive financial information.	20%
18	Ms Sheelagh Ward	Y		100%
19	John Townend	Y		10%
20	Simon Nurick	Y		100%
21	Peter Wood	N		95%
22	Mr Thoare	Y		5%
23	Mr John Sinar	N		60%
24	Michael U-A Eshiett	Y		1%
25	Lachlan Campbell	N		40%
26	Mr Timothy Milward	N		100%
27	P Vadgama	Y		1%
28	Dr Diana E Dickson	N		20%
29	John Thurston	N		40%
30	Dr Anthony J Barson	N		90%
31	Dr W J Ken Cumming	Y	Sensitive financial information	99%
32	Dr David George Goodhead	Y		50%
33	Dr J Rosenberg	N		9%
34	Stephen Hempling	N		99%
35	Dr Peter Jaffe	N		5%
36	Dr Ian Johnston	N		20%
37	Dr Alan Sprigg	N		100%