



# Healthcare Insight

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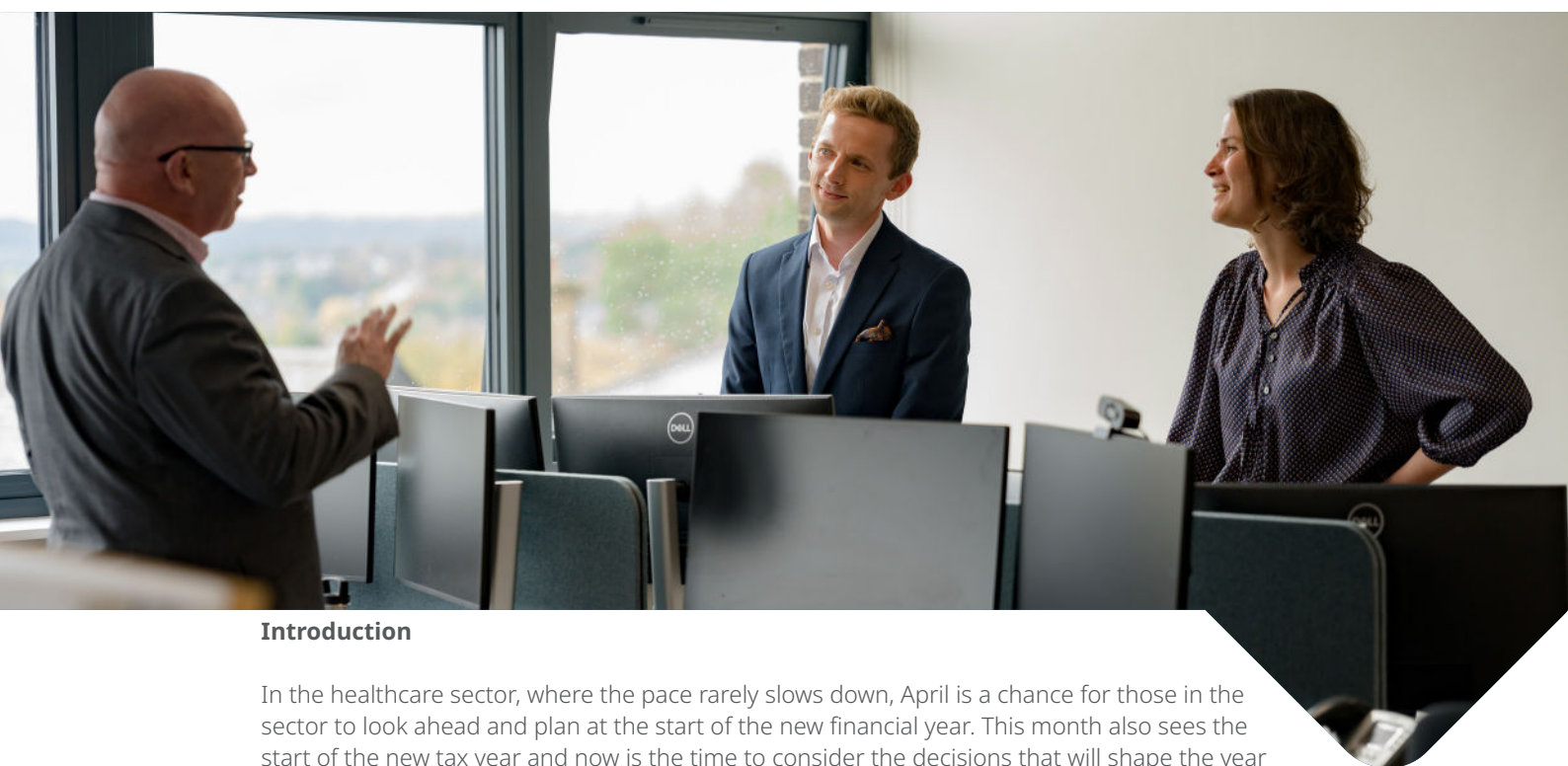


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# Scott Sanderson Partner



## Introduction

In the healthcare sector, where the pace rarely slows down, April is a chance for those in the sector to look ahead and plan at the start of the new financial year. This month also sees the start of the new tax year and now is the time to consider the decisions that will shape the year ahead, with consideration given to profit forecasts, earnings structures and remuneration planning.

In this edition of the newsletter we will discuss:

- Achieving Pharmacy Growth Through Acquisition
- Managing Payroll Across Multiple Care Homes
- Dividend Tax Changes for Business Owners: What You Need to Know
- Hawsons Advise Health Transportation Group During Acquisition of First Care Ambulance
- Tapered Annual Allowance and Pension Contributions for High Earners
- Why DSARS are Challenging in the Healthcare Sector

If you have any questions about the contents of these articles, please do not hesitate to contact us.

**Scott Sanderson**  
Partner



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## Achieving Pharmacy Growth Through Acquisition

Pharmacy owners across the UK face a challenging environment. Funding pressures remain, operating costs continue to rise, and regulatory requirements grow more complex each year. Against this backdrop, many owners are asking an important question...

*How can I continue growing my pharmacy business in a sustainable way?*

**For some, the answer lies in pharmacy acquisition.**

Rather than opening a new pharmacy from scratch, acquiring an existing business can provide immediate scale, an established patient base, and stronger long term commercial stability. This approach has become increasingly common across the sector as owners look for ways to strengthen their position in a competitive market.

For independent pharmacy owners considering their next step, acquisition can offer a practical route to growth. However, like any major business decision, success depends on careful planning and the right advice.

### **The Rise of Pharmacy Mergers and Acquisitions**

Consolidation is not new to healthcare, but the pace of pharmacy mergers and acquisitions has accelerated in recent years with several factors driving this trend.

First, margin pressure has encouraged pharmacy owners to look for greater scale. Larger groups can often negotiate better purchasing terms, share administrative resources, and operate more efficiently.

Second, regulatory requirements continue to evolve. Managing compliance across a growing number of services and clinical responsibilities requires robust systems and experienced leadership.

Finally, many owners recognise that expansion through pharmacy acquisition can provide a quicker route to growth than establishing a new location. An existing pharmacy already has an established patient base, a dispensing history, and a reputation within its community.

As a result, consolidation is becoming an increasingly common feature of the sector. Whilst the majority of activity has historically involved large national groups, more recent trends show an increase in independent pharmacy owners looking to expand as the national chains look to offload some of the poor performing business units.

### **Continued overleaf**



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# Achieving Pharmacy Growth Through Acquisition (Continued)

## Why Pharmacy Acquisition can Support Business Growth

For owners thinking about growing their pharmacy business, acquisition can unlock several advantages.

An acquired pharmacy already has a patient base, local recognition, and operational infrastructure in place. This removes much of the uncertainty that comes with launching a completely new business. In addition, the national chains have been actively looking to reduce their portfolios and those business units are generally underperforming and there is scope to quickly grow item numbers and improve financial performance under new ownership.

Expansion can also strengthen operational efficiency. Shared back-office support, centralised payroll systems, and streamlined purchasing arrangements can improve profitability across a group of pharmacies.

Acquisition can also support longer term planning. A carefully structured growth strategy may strengthen the overall value of the business, which can be particularly important for owners considering succession planning or a future exit.

For these reasons, pharmacy mergers and acquisitions are becoming an increasingly common route for owners who want to build scale and resilience in a changing market.

## Understanding the Challenges Involved

While acquisitions can create real opportunity, they also require careful consideration. Every transaction brings its own complexities, and pharmacy owners need to approach the process with a clear understanding of the risks involved.

Regulatory considerations are a key factor. Pharmacy ownership transfers must comply with strict rules, particularly where NHS contracts are involved.

Financial planning is also essential. The cost of acquiring another pharmacy can be significant, and the funding structure needs to support the long-term health of the business.

Operational integration also requires thought. Bringing together teams, systems, and working practices can take time, and careful planning helps avoid disruption for both staff and patients.

These challenges are common across mergers in the pharmaceutical industry and wider healthcare transactions. The good news is that with the right preparation and professional advice, they can be managed effectively.

## Managing Risk Through Careful Planning

Successful pharmacy mergers and acquisitions rarely happen by chance. They require a structured approach and the involvement of experienced advisers who understand both the financial and regulatory environment of the pharmacy sector.

A thorough due diligence process is essential. This allows potential buyers to understand the financial performance of the target pharmacy, identify any risks, and ensure the valuation reflects the true position of the business.

Professional advisers also support owners with the negotiation process, funding arrangements, and tax structuring of the transaction. Each of these elements plays an important role in protecting the long-term value of the business.

Legal expertise is also critical. Pharmacy acquisitions often involve complex contractual and regulatory considerations, which is why it is important to work with solicitors who understand the sector.

For pharmacy owners, the key benefit of working with experienced advisers is simple. It allows them to stay focused on running their existing business while specialists manage the technical aspects of the transaction.

## Continued overleaf



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# Achieving Pharmacy Growth Through Acquisition (Continued)



## Insight From Hawsons' Healthcare Specialist

Scott Sanderson, Healthcare Partner at Hawsons, has supported many pharmacy owners through pharmacy mergers and acquisitions. His experience highlights the importance of taking a strategic approach.

"Pharmacy owners are understandably cautious when considering an acquisition. It is a significant step. However, when the right opportunity arises and the process is properly planned, acquisition can be a very effective way to strengthen and grow a pharmacy business.

"The key is preparation. Owners need to understand the financial position of the target pharmacy, how the businesses will work together, and how the deal will be structured. With the right advice in place, acquisitions can create real long-term value."

Scott and the Hawsons healthcare team regularly advise pharmacy owners who are exploring opportunities within the acquisition pharmaceutical industry, helping them navigate both the financial and operational aspects of the process.

## Support Beyond the Transaction

Completing a pharmacy acquisition is only the beginning. Once the deal is complete, attention quickly turns to ensuring the enlarged business operates smoothly and continues to grow.

This is where joined up advisory support becomes particularly valuable.

Accounting and compliance support helps maintain accurate reporting across multiple pharmacy locations.

Corporate tax planning ensures the business structure remains efficient as the organisation expands.

Payroll services help manage growing teams, while wealth management advice supports owners as their personal financial position evolves alongside their business.

Cyber security also plays an increasingly important role. Pharmacies handle sensitive patient data and payment information, so protecting digital systems is essential as businesses grow.

At Hawsons, our teams work closely together to provide this joined up support. Rather than offering isolated services, we aim to support pharmacy owners throughout the full life cycle of their business.

## Planning the Next Stage of Your Pharmacy's Growth

Growth through acquisition is becoming an increasingly common strategy across the pharmacy sector. The rise in pharmacy mergers and acquisitions reflects a wider shift as owners look for ways to strengthen their businesses and build long term resilience.

For many independent pharmacy owners, acquisition offers a practical way to expand their footprint, improve efficiency, and increase the value of their business.

However, the process requires careful planning and the right advice at every stage.

If you are exploring options for growing your pharmacy business through acquisition, the Hawsons Corporate Finance team would be pleased to discuss your plans and help you consider the opportunities available.



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## Managing Payroll Across Multiple Care Homes

Expanding from one care home to several is an exciting milestone for many operators. Growth often happens through acquisition, particularly when independent homes come onto the market. Many successful care providers reach a point where they operate four, eight, or even ten homes across a region. At those stages, the business begins to look very different in terms of structure, compliance functions and operationally.

Systems that worked well for one home do not always scale easily across multiple sites.

For many growing operators, this complexity becomes especially noticeable when managing care home payroll.

When a new home joins the group, it often brings its own payroll system, employment contracts, shift structures, and reporting processes. Finance and HR teams can suddenly find themselves managing several different payroll approaches across the organisation.

For care homeowners and senior leadership teams, the question becomes clear... How do you manage payroll across multiple care homes while maintaining accuracy, compliance, and operational efficiencies?

Our care sector specialists, led by Scott Sanderson, regularly work with care home operators who are expanding their portfolios. Payroll integration is one of the operational challenges that frequently arises.

## Payroll Challenges We Often See After Care Home Acquisitions

Many payroll challenges begin to appear shortly after a care home joins an existing group.

The newly acquired home may have been operating independently for many years with its own internal systems and processes. These often differ from the approach used across the rest of the group.

This is something we regularly see when supporting operators managing payroll for multiple care homes.

### Examples Include:

- Different payroll systems inherited from acquired homes
- Staff working across multiple care home sites
- Variable hours and shift based pay structures
- Sleep in payments and overnight allowances
- Holiday pay calculations for care staff
- National Minimum Wage compliance in complex shift environments
- Large numbers of part time employees
- High staff turnover and frequent new starters

Individually these challenges are manageable. However, when each home operates slightly different payroll processes, managing care home group payroll can become increasingly complex for internal teams.

### Continued overleaf

## Managing Payroll Across Multiple Care Homes (Continued)



### Common Payroll Issues After a Care Home Acquisition

In practice, many of the issues surrounding payroll after a care home acquisition are not caused by payroll itself. They are usually the result of operational systems that were never designed to work together.

After an acquisition it is common to see:

- Different payroll providers used across sites
- Varying payroll cycles and pay dates
- Inconsistent reporting formats
- Employment contracts with different overtime or shift structures
- Legacy payroll data that is difficult to integrate

When these differences remain in place for too long, finance teams can end up running several payroll processes every month.

A more structured approach to care home payroll integration can help bring consistency across the group and reduce operational pressure as the organisation continues to grow.

### Identifying Payroll Issues During Due Diligence

When acquisitions are supported by experienced corporate finance advisers, operational areas such as payroll are usually reviewed during the due diligence process.

This stage allows potential challenges to be identified before the transaction completes.

For example, due diligence may highlight:

- Differences in payroll systems
- Variations in employment contracts
- Legacy payroll processes
- Potential compliance risks relating to working patterns

Understanding these issues early can make payroll integration after a care home acquisition significantly easier once the transaction completes.

Care homeowners who are actively growing often benefit from advisers who can support both the transaction and the operational integration that follows.

Many of the care home groups we support through acquisitions continue working with us as their organisations grow, whether that involves financial reporting, payroll support, or long-term strategic planning.

### The Operational Impact on Care Home Leadership Teams

As a care homeowner you rarely begin your day thinking about payroll systems. Your day-to-day focus is on residents, staffing, regulatory requirements, and maintaining high standards of care.

Payroll issues usually become visible when processes start to feel difficult to manage.

Typical signs include:

- Finance teams becoming stretched
- Difficulty producing consistent payroll reporting across multiple homes
- Limited visibility of payroll costs across the group
- Payroll errors affecting staff morale

When a group employs several hundred staff across multiple sites, payroll becomes a major operational function that must run smoothly every month.

Reducing unnecessary complexity can make a significant difference for leadership teams.

### Continued overleaf

## Managing Payroll Across Multiple Care Homes (Continued)

### Creating a More Joined Up Approach to Care Home Payroll

As care home groups expand, many choose to review how payroll across multiple care home sites is managed.

The aim is usually not to change everything immediately. Instead, many organisations take a gradual approach to aligning systems and processes.

This may include:

- Reviewing payroll systems across different homes
- Aligning payroll processes where possible
- Reviewing employment contracts inherited during acquisitions
- Improving payroll reporting for management teams
- Ensuring compliance with employment and tax regulations

Taking a structured approach can help create payroll systems that are easier to manage as the group grows.

If your organisation is currently managing several different payroll systems, our team would be happy to discuss how other care providers have approached this challenge.

Payroll support for care home operators is available through our payroll services team.

### Why Sector Experience Matters

Payroll in the care sector includes complexities that do not appear in many other industries.

Sleep in payments, variable shift patterns, and National Minimum Wage compliance all require a clear understanding of how care homes operate.

Care homeowners often value advisers who understand these operational realities.

Our team works with a wide range of care home operators, supporting them as their organisations grow through acquisition and expansion.

### Supporting Care Home Groups Throughout Their Growth Journey

For many operators, payroll integration is just one stage of a much broader journey.

As care home groups expand, they often require support with:

- Acquisitions and transactions
- Tax planning and structuring
- Financial reporting and compliance
- Preparing the business for future investment or exit

Working with advisers who understand both the operational and financial aspects of the care sector can provide valuable continuity as the business evolves.

Being an independent firm allows us to focus on building long term relationships with care homeowners and supporting them through each stage of their journey.



### Payroll Services for Care Homes

Some care home groups prefer to manage payroll internally. Others choose to outsource certain aspects so their finance teams can focus on broader financial management.

Our payroll services for care homes support operators managing large workforces across multiple sites.

We can help with:

- Managing payroll for care homes with large staff numbers
- Supporting payroll for multiple care homes
- Ensuring payroll compliance with current regulations
- Providing clear payroll reporting for management teams

If you would like to explore how specialist payroll for care homes could support your organisation, our care sector payroll team would be very happy to help.



## Dividend Tax Changes for Business Owners: What You Need to Know

**Property income tax changes and savings income tax changes are also on the way from April 2027. Here is how they fit together and what to consider now.**

At the 2025 Autumn Budget, the UK Government confirmed changes to dividend tax rates that will take effect from 6th April 2026, directly affecting many business owners who extract income through dividends. Alongside these dividend tax changes, further property income tax changes and savings income tax changes will follow from April 2027. For individuals with significant investment and business income, these reforms have the potential to increase income tax liabilities over the next two tax years.

While the changes are phased in, the opportunity to plan is already here. For higher earners in particular, understanding how the new rules interact with existing income streams is key to protecting returns and avoiding unnecessary tax exposure.

This article explains what the property income tax changes involve, how dividend tax changes fit into the wider picture and what this could mean for you in practical terms.

### What Has Changed and Why It Matters

The Government's aim is to bring the tax treatment of income from assets closer to that of employment

income. Income from property, savings and dividends is not subject to National Insurance Contributions, which can result in a lower overall tax burden compared to earnings from employment.

The result is a new set of tax rates which directly affect property income, savings income and dividend income. Although the changes take effect over the next two tax years, their impact is likely to be felt most by those with multiple income streams or higher levels of investment income.

### Jenny Brown, Director of Private Client Services, comments:

"These property income tax changes and dividend tax changes are not unexpected, but the lead time is important. For those with rental profits, dividend income or taxable savings, early planning allows you to view the full picture and put sensible strategies in place well before the new rates apply."

### Continued overleaf



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# Dividend Tax Changes for Business Owners: What You Need to Know (Continued)

## Dividend Tax Changes from April 2026

**From 6 April 2026, the rates of tax on dividend income will increase:**

- The ordinary dividend tax rate will rise from 8.75% to 10.75%.
- The upper rate will increase from 33.75% to 35.75%.
- The additional rate will remain unchanged at 39.35%.

### Example

A higher rate taxpayer receiving £30,000 of dividends in the 2026-27 tax year will pay £10,725 of income tax on these. Under the current rates, the liability would have been £10,125. Whilst this is not a huge difference, this can soon add up over the years for those individuals who regularly receive substantial dividends.

For business owners who draw substantial dividends each year, this may be an appropriate moment to review your overall remuneration strategy.

In some cases, it may be worth considering whether a greater proportion of income should be taken as salary rather than dividends, depending on the wider tax position and National Insurance implications. The right balance will vary from one individual to another, but the forthcoming rate increase makes this review timely.

There may also be circumstances where accelerating dividend payments before 6th April 2026 is beneficial. Although this would bring forward the associated tax liability, it may secure a lower tax rate than if the same dividend were paid after the new rates take effect.

As always, careful modelling is key. A structured review ahead of April 2026 can help ensure decisions are aligned with both short-term cash flow and longer-term tax efficiency.

## Property Income Tax Changes and Savings Income Tax Changes from April 2027

From 6 April 2027, new standalone income tax rates will apply to both property income and savings income:

- Basic rate taxpayers will pay 22%, up from 20%.
- Higher rate taxpayers will pay 42%, up from 40%.
- Additional rate taxpayers will pay 47%, up from 45%.

Previously, property income tax and savings income tax followed the main income tax rates. These changes

introduce a separate structure, increasing the marginal tax cost for many landlords and investors.

### Example

A higher rate taxpayer earning £30,000 in net rental profits in the 2027-28 tax year would pay £12,600 in income tax. Under the current rates, the liability would have been £12,000. While the difference may appear modest in isolation, the effect can become more significant across multiple properties, or over several years.

For property investors, these property income tax changes may prompt a review of ownership structures and longer-term investment plans.



## Changes to Allowances and Reliefs From April 2027

Alongside the new tax rates, there will be a change to how allowances and reliefs are applied. From April 2027, allowances will be set against other income first, before being applied to property income, savings income or dividend income.

For individuals with a mix of employment income, rental income and investment returns, this adjustment can subtly shift more income into higher tax bands.

### Continued overleaf



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# Dividend Tax Changes for Business Owners: What You Need to Know (Continued)

## What the Property Income Tax Changes Mean in Real Terms

These changes are not just technical updates. In practice, they may affect:

- **Property investors:** Higher property income tax rates could reduce net rental yields and influence future investment decisions.
- **Those with savings outside tax wrappers:** Savings income tax changes will make taxable interest less attractive over time.
- **Business owners and shareholders:** Dividend tax changes increase the importance of forward-thinking dividend tax planning.

It is also worth noting that these changes sit alongside continued freezes to income tax thresholds and allowances, which can gradually increase tax exposure even where income levels remain steady.

## Preparing Early Makes a Difference

Although the property income tax changes and dividend tax changes are still some way off, effective tax planning for high net worth individuals often takes place well before new rules come into force, while there is still time to review structures carefully and consider options in full. Early reviews allow time to consider tax efficient wrappers, ownership structures and income timing in a measured and informed way.

### Jenny Brown adds:

"Those who engage early benefit from having options. That flexibility allows you to plan with confidence and avoid rushed decisions once the new rates are already in place."



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## Hawsons Advise Health Transportation Group During Acquisition of First Care Ambulance

Health Transportation Group (HTG-UK), a leading UK provider of patient transportation services, has completed the acquisition of First Care Ambulance, a Devon-based transport provider for NHS patients.

The acquisition represents a key strategic step for HTG-UK, opening the door to patient transport services across Devon, and strengthening the Group's presence in the South West. First Care Ambulance has built a strong reputation for delivering high-quality, reliable patient transport services for almost 30 years, so their acquisition will complement HTG-UK's existing operations and growth ambitions.

The acquisition was led by Jack Parker, Corporate Finance Manager at Hawsons. Jack supported the process from the letter of intent stage through to completion, provided financial and tax due diligence, together with wider SPA advisory. The team also worked closely with management to ensure a smooth and efficient transaction process.

### **Ed Clements, Chief Commercial Officer at Health Transportation Group, commented:**

"The acquisition of First Care Ambulance is an important milestone for HTG-UK as we continue to expand our geographical reach and enhance our service offering. First Care Ambulance has a fantastic reputation in the South West and a dedicated team so the acquisition makes perfect sense for us. Hawsons provided invaluable support throughout the process with clear, practical advice at every step."

### **Jack Parker, Corporate Finance Manager at Hawsons, added:**

"This acquisition aligns perfectly with HTG-UK's growth strategy and highlights the continued consolidation opportunities within the patient transport sector. It was a pleasure to work alongside Ed and the rest of the HTG-UK team and support them through each stage of the acquisition. We look forward to seeing the Group continue to grow and build on this momentum."



## Tapered Annual Allowance and Pension Contributions for High Earners

If your income is above £200,000 and you have not reviewed your pension contributions recently, it may be worth taking a closer look. The tapered annual allowance can reduce how much tax-relieved pension saving is available to higher earners, and some individuals only become aware of the impact after an unexpected tax charge arises.

We are increasingly seeing directors and senior professionals affected where employer pension contributions or multiple income sources push them beyond the relevant thresholds.

This is not simply a technical adjustment. It can influence how remuneration is structured and how pension funding fits within a wider financial plan.

### Why was the Tapered Annual Allowance Introduced?

The tapered annual allowance was introduced in 2016 to restrict the amount of pension tax relief available to the highest earners. The intention was to reduce the overall cost of pension tax relief and limit the ability to make very large tax-advantaged contributions in a single year.

In simple terms, as income increases beyond certain limits, the annual allowance available for tax-relieved

pension saving may reduce.

### What is the Pension Annual Allowance?

The standard pension annual allowance is currently £60,000 per tax year, or 100 percent of relevant UK earnings if lower. This includes both personal and employer contributions across all registered pension schemes.

If income remains below the taper thresholds, the full allowance normally applies. Where income exceeds those limits, the allowance may be reduced.

The minimum tapered annual allowance is £10,000 per year. Where the taper applies, pension contributions above the available allowance may give rise to an annual allowance tax charge.

### Continued overleaf

## Tapered Annual Allowance and Pension Contributions for High Earners (Continued)

### Understanding the Tapered Annual Allowance

The taper is based on two income measures: threshold income and adjusted income.

**Threshold income** broadly represents total taxable income for the year, excluding employer pension contributions but reduced by certain reliefs such as gross personal pension contributions.

**Adjusted income** includes threshold income plus employer pension contributions, pension input amounts and certain overseas pension elements.

The taper may apply if:

- Threshold income exceeds £200,000, and
- Adjusted income exceeds £260,000.

Where both conditions are met, the annual allowance reduces by £1 for every £2 of adjusted income above £260,000, subject to the £10,000 minimum.

For example, if adjusted income is £310,000, this is £50,000 above the limit. Dividing by two produces a £25,000 reduction, leaving an available annual allowance of £35,000.

This position can arise without it being immediately obvious, particularly where employer contributions are significant or income is received from several sources.

### Defined Benefit Schemes

For defined benefit pensions, the pension input amount is not based on contributions paid. Instead, it reflects the increase in the capital value of the promised benefits over the pension input period.

Broadly, the calculation compares the opening and closing value of accrued benefits, using a factor of 16 times the annual pension plus any separate lump sum entitlement. The opening value is increased by CPI to allow for inflation.

As a result, pay increases, additional accrual or scheme-specific benefit enhancements can create a significant pension input amount even where no visible contributions have been made.

**Disclaimer:** This is for informational purposes only and Hawsons Wealth Management Ltd does not hold required FCA permissions to provide advice on defined benefit pensions.



### Threshold vs Adjusted Income: A Common Area of Confusion

Some higher earners assume they are below the taper thresholds because their salary alone is under £200,000. However, the calculation typically requires a wider view of total income.

Threshold income may include:

- Salary
- Dividends
- Rental income
- Taxable savings income
- Less certain pension contributions and reliefs

Adjusted income then adds items such as:

- Employer pension contributions
- Certain overseas pension relief
- Some lump sum payments

Because income can arise from multiple sources, the taper can apply unexpectedly without regular monitoring.

### Continued overleaf

## Tapered Annual Allowance and Pension Contributions for High Earners (Continued)

### Why Business Owners and Directors may need to take Particular Care

For business owners, pension contributions are often part of a broader remuneration strategy and long-term financial planning approach.

If company pension contributions are made and adjusted income exceeds the taper threshold, an annual allowance charge may arise on excess pension input. This charge is applied at the individual's marginal rate of income tax.

In addition, employer contributions generally need to meet the "wholly and exclusively" test for corporation tax relief. In some circumstances, HMRC may review whether contributions are commercially justifiable.

According to Ben Peacock, Chartered Financial Planner at Hawsons Wealth Management:

"It is important to consider not just the level of contributions, but how they interact with total income and the wider planning position. We have seen cases where director level contributions led to unexpected annual allowance charges because the full income picture had not been reviewed."



### Practical Steps to Consider

If your income exceeds £200,000, or your company makes significant pension contributions, the following steps may be worth considering.

#### 1. Review your full income position

Ensure salary, dividends, benefits and other income sources are considered when assessing threshold and adjusted income.

#### 2. Monitor pension input amounts

Include both personal and employer contributions across all pension arrangements.

#### 3. Check whether carry forward is available

Unused annual allowance from the previous three tax years may be available, subject to HMRC rules and scheme membership conditions.

#### 4. Review remuneration structure where appropriate

In some cases, adjusting the timing or structure of income and contributions may help manage exposure to the taper.

#### 5. Consider the wider planning framework

Where pension funding is constrained, it may be appropriate to consider the role of other tax-efficient investment wrappers alongside pensions.

#### When a Review may be Helpful

The annual allowance rules can affect pension funding, remuneration planning and long-term retirement provision. If pension contributions are being made automatically or through a company structure, a periodic review may help identify potential issues at an early stage.



## Why DSARS are Challenging in the Healthcare Sector

Data Subject Access Requests (DSARs) arrive more frequently than many healthcare organisations expect, from both patients and employees. On the surface, a DSAR sounds straightforward. An individual asks for a copy of their personal data that you hold about them, and you respond within the statutory time frame.

However, in healthcare it is rarely that simple. Healthcare organisations process some of the most sensitive personal data there is, and often, these are located across multiple different systems. Therefore, when a DSAR lands, you must locate it all, assess it carefully, and disclose it lawfully.

When handled well, a DSAR builds trust and demonstrates professionalism, however, when handled poorly, it can damage relationships, trigger complaints to the Information Commissioners Office (ICO) and expose serious governance weaknesses.

### Why are Healthcare DSARs More Complex?

Healthcare HR teams often find that DSARs involve far more than basic employment records. They often include:

- Medical records
- Occupational health records
- Safeguarding concerns
- Clinical incident reports
- Disciplinary or grievance documentation

- Email correspondence discussing the individual
- Patient complaints involving staff members
- Third party data about colleagues or patients

### Harry Ware, Head of Data Protection at Bruce & Butler, comments:

“This is highly sensitive personal data. In many cases, it includes special category data under UK GDPR. It may also contain information about other individuals which makes careful redaction an essential part of the process.”

Healthcare employers remain fully accountable for how that information is reviewed, redacted, and disclosed, and even where data is stored within outsourced HR platforms or clinical systems.

### Continued overleaf



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# Dividend Tax Changes for Business Owners: What You Need to Know (Continued)

## Patient and Employee DSARs

In healthcare settings, you often manage two distinct, but equally sensitive categories of request: Patient DSARs and Employee DSARs.

Patient DSARs can involve extensive clinical records, handwritten notes, diagnostic reports, and correspondence between professionals. Decisions may be required about whether disclosure could cause serious harm to the physical and mental health of the patient, or another individual.

Employee DSARs frequently arise during grievances, disciplinary processes, restructures, or following resignation. These requests can be wide in scope and may include years of email correspondence. These often sit alongside employment disputes, which increases both legal and reputational risk.

For HR teams, these DSARs create pressure. You must balance transparency with confidentiality, and meet statutory deadlines whilst protecting third party data. This must all be done without disruption day to day patient care, making it a very complex process.

## What Healthcare Businesses Need to Have in Place

A DSAR should not create chaos, it should trigger a clear, controlled process. Healthcare organisations need structure and accountability, and this includes:

- A documented DSAR procedure that HR and senior managers understand
- Clear guidance on data retention and secure storage
- A process for identifying all relevant systems quickly
- Consistent redaction standards
- Defined decision makers for complex or high risk disclosures
- An audit trail that records how and why decisions were made

Accuracy, confidentiality and timeliness all matter in the DSAR process, and in healthcare, with the amount of data there is to process, the margin for error is small.

## Why Many Healthcare Providers Choose to Outsource DSAR Management

Even with good internal processes, DSARs place a real strain on HR times. They are time intensive, they require legal judgement, and they often tend to arrive at the worst possible moments such as during a grievance, a

disciplinary process, or a patient complaint.

Outsourcing your DSAR handling to a specialist team removes that pressure. It allows your HR professionals to focus on workforce management and patient care, rather than spending hours reviewing emails and redacting clinical notes.

## An external adviser brings:

- Independent oversight, particularly helpful where disputes are involved
- Leading technology and redaction tools
- Technical expertise in applying exemptions and redactions correctly
- Confidence that deadlines will be met
- Clear documentation that stands up to ICO scrutiny
- Reduced internal conflict in sensitive employee cases
- Reduces risk of missing deadlines or making mistakes

A poorly handled DSAR can damage trust, reputation, and expose your organisation to regulatory action and financial penalties.

If your organisation is seeing an increase in patient or employee DSARs, and want experienced support to help manage these complex requests properly, Bruce & Butler are here to help.

The Bruce & Butler team works alongside healthcare HR departments to deliver structured, compliant, and defensible DSAR responses efficiently. Visit their website: [www.bruceandbutler.com](http://www.bruceandbutler.com) or contact them directly on 0800 999 5550.



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# Get in touch



## Healthcare experts

Hawsons has a dedicated team of specialist healthcare accountants in Sheffield, Doncaster and Northampton.

The healthcare sector continues to become ever more specialised, with changes in legislation and funding affecting both clinical and non-clinical matters. At Hawsons our team of specialist healthcare accountants offer professionals advice and guidance that is tailored to their individual needs and requirements, providing a full range of proactive services.

We pride ourselves on the in-depth knowledge and experience our team have developed in a number of specialist areas, across the healthcare sector, including GPs, care homes and pharmacies.



**Scott Sanderson**  
Partner  
0114 266 7141  
ss@hawsons.co.uk

**Sheffield Office**  
Pegasus House  
463A Glossop Road  
Sheffield, S10 2QD



**David Owens**  
Partner  
01604 645 600  
davidowens@hawsons.co.uk

**Northampton Office**  
Jubilee House  
32 Duncan Close, Moulton Park  
Northampton, NN3 6WL



**Dan Wood**  
Partner  
01302 367 262  
dw@hawsons.co.uk

**Doncaster Office**  
5 Sidings Court  
White Rose Way  
Doncaster, DN4 5NU



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**Sheffield:** Pegasus House | 463a Glossop Road | S10 2QD

**Doncaster:** 5 Sidings Court | White Rose Way | DN4 5NU

**Northampton:** Jubilee House | 32 Duncan Close | Moulton Park | NN36WL

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