

# Becoming a Freelance (Locum) GP

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**Key points:**

- Start early – at least a month before you need work.
- Don't overestimate your earnings – taxes/expenses!

**Pros:**

- Flexibility (P/T or F/T)
- Variety / Experience
- Lifestyle
- Is it paid better than Salaried?
- Discontinuity

**Cons:**

- Insecurity / Lack of Benefits
- Isolation / New patients
- Higher intensity = Higher burnout
- pay comparison with Salaried/Partner
- Loss of continuity (less chronic Mx)

### 1. Research

Learn as much as possible about life as a freelance GP from the following sources:

- [www.nasgp.org.uk](http://www.nasgp.org.uk) (National Association of Sessional GPs) – now membership fees
- [www.locum123.com](http://www.locum123.com) (Survival Pack)
- [www.doctorsnet.org.uk](http://www.doctorsnet.org.uk) (GP Non-principal forum)
- Other locum GPs / locum groups / GP magazines
- London Deanery: “Teamwork and Negotiation Skills Course” (best course I've done)
- Obtain experience of different GP Software / Practices

### 2. Documentation

You need the following documents (some are essential to work).

It is worth scanning to create digital versions (easier to email/keep with you).

GP Locum forms can be downloaded from [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions)

Certificate of Completion of Training	Most likely document to be delayed and essential to work. Should you even accept bookings before receiving it?
CV + Covering Letter	Update and shorten your CV and create an appropriate covering letter
Medical Indemnity Cover	Your level of cover will change and will depend on number of sessions. If you have an empty diary, remember to specify a low number of sessions (lower premium).
Performer's List	Join the PCT list covering the main area you wish to work in.
Criminal Records Bureau (CRB) check	Costs approximately £36 and can take several weeks to obtain. An increasing number of employers are asking for a recent CRB.
GMC	Remember that your GMC registration can also be checked online
Serology (Hep etc.)	Make sure it is up-to-date
Driving License	Worth getting if do not have already to increase work opportunities. Can also act as photo ID
GP Locum A form	Needs to be supplied with every invoice if you wish to remain in the NHS pension scheme. The practice needs to complete and return the form to you.
GP Locum B form	Monthly summary of GP Locum A forms to calculate your pension contributions. To be returned to your PCT (find out where) with all that month's GP Locum A forms and with your pension payment by 7 <sup>th</sup> of Month
GP SOLO Form	Combined version of GP Form A & B just for GP Ad-hoc work (e.g. OOH, PEC work). To be returned by employer to your host PCT with pension payment.

### 3. Administration

You are now classed as Self-employed, as you:

- Create your own invoices, Set your own pay rates, Have multiple customers, Receive no holiday/sick/maternity/paternity pay, Create your own terms of business.

- Inform HM Revenue & Customs that you are now self-employed either by calling 0845 9154515 or by downloading a form from [www.hmrc.gov.uk](http://www.hmrc.gov.uk). If you do not tell them within 3 months of becoming self-employed, you may be fined £100. They should send you some brief guidance notes designed for new businesses.
- Complete Direct Debit mandate form for National Insurance payments (Class 2)
- Data Protection Act 1998 - You need to notify the Information Commissioner's Office (£35 annual fee) as you are keeping data of customers (e.g. surgeries). Failure to notify is a criminal offence. Visit [www.ico.gov.uk](http://www.ico.gov.uk) for ways you can make this notification.
- Membership Fees: you may qualify for low income discount (RCGP/BMA/GMC/Indemnity)
- Review your personal finances due to your change in employment: Income Protection / Life insurance / Savings / Mortgages (may be refused when newly self-employed with no stable income and lacking one year of completed accounts)
- Develop a "**Booking Form**": Keep it simple and short, but request useful information such as availability of parking and ex-directory/bypass telephone number (invaluable for unexpected problems). Even if you do not always use the form, it will provide a checklist for you when taking bookings
- Develop your "**Terms of Business**": Even if you do not always use them, it will provide you with a good framework during negotiations/discussions relating to an offer of work.

#### 4. Equipment

- Mobile Phone / Laptop / PDA / Diary / Sat Nav (all tax deductible)
- Reliable Car (25% depreciation is tax deductible – up to £3000 maximum) with Business Car insurance (normal insurance only usually covers one place of work)
- Oyster Card (online statements for accounts)
- Medical Equipment / Emergency Drugs (according to your terms of business)

#### 5. Marketing

Targets: GP practices / Hospital work (e.g. A&E) / Agencies / PCT Locum Banks / Locum Groups (North London, Hillingdon etc.) / Walk-in centres / OOH Providers / Occupational Health services / Universities (Teaching) / PCTs / Polysystems / Private practices / Pharmaceutical companies / Media / Web organisations: e.g. [www.locum123.com](http://www.locum123.com)

Methods: Post / Faxes / Email / Telephone / Visit / Meetings / Organisations / Word of Mouth / Website (maybe with online diary to show availability) Recommendations (especially Practice Managers) / Adverts (even TV)

Agencies: - Useful when starting with empty diary & to fill short-notice gaps  
- Do not register with too many, or you will have endless phone calls  
- NHS Pension does not apply to work through an agency  
- Pay rates tend to be lower which will affect your income

## TERMS OF BUSINESS

It is important, both for you and the practices that book you, to have clear terms of business. The terms shown here are purely an example but indicate what areas they should cover.

### **Booking Arrangements and Confirmation of Booking**

Employing Practices should confirm bookings by email (preferred), post or telephone, after reading and accepting these Terms of Business. All confirmed bookings should state any specific expectations clearly and will represent a contract subject to these Terms of Business. Please include the information requested in the attached booking form.

**Rates of Pay** Hourly rate: £\*\*.\*\*

### **Normal Sessional Period**

Normally a session is for a minimum 3 hour continuous period. This would include up to 18 patients booked at 10-minute intervals, i.e. 3 hours of consulting. Any associated administration generated from the session will be charged pro rata (a three hour session typically generates up to 30 minutes of associated administration time). Adequate provision should be made for any telephone consultations. The last appointment slot of a booked surgery session should begin at least 10 minutes before the end of the surgery session (for example, a session due to finish at 6.00pm should have the last patient booked no later than 5.50pm).

### **On-call**

Emergency cover outside of the normal sessional period is outside the normal terms of a working session, is subject to agreement, and will be subject to additional payment.

### **Visits**

Any home visits will be subject to prior agreement and additional payment.

### **Repeat Prescriptions / Test Results**

I can only sign repeat prescriptions, sign prescriptions issued by other staff members or review test results when provided with access and time to review the patient's notes as per MPS guidelines. This is due to lack of knowledge of the patient, practice staff, the practice's repeat prescribing and test results policies and the practice's systems to request and check blood results. Adequate time provision must be made for any repeat prescriptions to be signed.

### **Drugs and Equipment**

I will provide and maintain personal medical equipment such as a stethoscope, otoscope and ophthalmoscope, but not consumable items (e.g. urine dipsticks, containers, needles, syringes etc.), or drugs.

### **Private/non-NHS work**

The pay rates apply to NHS work only. Any private fees earned by me as a freelance GP will need to be paid additionally and separately at a rate of 80% of the fee received by the practice from the patient or relevant third party.

**Mileage and Parking** I do not charge mileage. Parking should be provided by the practice If I arrive by car.

### **Cancellation Fee**

Bookings should not be cancelled by either party except by mutual agreement. Bookings cancelled at short notice will be subject to a cancellation fee. Cancellation less than or equal to 21 days before the booked date will require a fee of 80% of the payment agreed, and between 21 and 42 days before the booked date a fee of 40% will apply.

### **Payments**

Payment should be by cheque or BACS and must be received no later than 28 calendar days after the last booked day worked. For freelance attachments lasting longer than four weeks payment should be made at the end of each calendar month during the working period, with the final payment due as noted above. I shall require you to complete GP locum Form A (NHS Pension form) and return it to me with your payment. A surcharge of 10% of the total payment due for work done will apply to late payments.

## 6. Money

43 wks per yr: 52 wks minus 6 wks annual leave, 1 wk study, 2 wks bank holidays  
(still does not allow for any sick/maternity/paternity leave)

7 sessions (surgeries): 9 weekly sessions minus 1 CPD & 1 Admin session

Therefore  $43 \times 7 = 301$  sessions per year (but will you realistically fill all slots?)

The length of bookings will usually have more impact on income than hourly rate.

You also need to be flexible about commitments to fill your diary, such as counting days without bookings as annual leave (which goes against the “flexibility” of being a locum)

Salaried GP: £60-85k with benefits (£68-97k cost including 14% superannuation)

GP Partner: £80-150k with benefits

- Practices do not currently pay 14% superannuation for locum GPs (paid by PCT).
- Some practices prefer to use long-term locums instead of salaried GPs, but they cannot work regular sessions. Practices do this to avoid paying 14% superannuation on top of salaried GP's salary and to avoid providing any benefits (leave, long-term work etc.)

## 7. Negotiation

What and how should you charge? It is all your choice, but know your marketplace.

- Local Rates – find out what and how other locum GPs in your area tend to charge.

However, do *not* fix rates with other locum GPs! It is illegal for either groups of practices or groups of locums to fix rates paid/charged between them. This is deemed anti-competitive, and is why the BMA stopped publishing suggested rates (Competition Act 1998 – Office of Fair Trading)

- Market Forces (Supply & Demand)

- If you are turning away a lot of work, are your rates too low?

- If you are not getting enough work, are your rates too high?

Or could there be too many locums working in the same area?

- You will tend to earn more in areas with higher demand but with shorter supply of locums. You need to decide how far you are prepared to travel (or even whether to move home) to increase your income.

- Ensure your rates mean you should reach your minimum desired (but reasonable and sensible) annual income

- Hourly Rates vs.. Day Rates (the choice is yours)

- Day Rates can result in practices expecting you to complete a heavy and demanding workload within a “half-day”/”day” – e.g. full surgery, all repeats/admin/letters and multiple visits – for a fixed agreed fee.

- Hourly Rates can result in more control of your workload, but the practice might minimise the duration of the booking (as low as 1.5hrs) to reduce their costs.

- Terms vs. No Terms of Business

- Terms of Business reduce conflicts and misunderstandings. Some practices are impressed by seeing Terms of Business but other practices may be put off.

- No Terms of Business is more likely to cause you stress, burnout and a lower income.

- Off-Peak vs. Peak (Summer/Xmas) Seasons

- You may need to plan your holidays during off-peak periods.

- Some locum GPs alter their rates to reflect peak/off-peak periods.

- Short Term vs. Long Term Bookings

- Accepting short-term bookings can make it harder to fill your diary (could lead to empty slots) but could give you more flexibility
- Long-term bookings can provide added value and may be easier for all. It does not make sense to offer a discounted rate for longer-term booking (your earnings will fall). You are likely to reward the practice in other ways (better management of patients, more flexibility about workload)
- Private vs. NHS work – Private Work might result in:
  - 1) Higher/lower pay
  - 2) Medical-legal implications
  - 3) More routine/mundane work
  - 4) Exploitation
  - 5) Ethical issues (e.g. single MMR)
  - 6) Loss of NHS Pension
- Keep reviewing your rates – increase (inflation!) or decrease (no bookings!)

## 8. Accounts

- Set up a system for creating Invoices/GP Locum A forms and Tracking Payments. (You are still liable for tax on generated invoices, even if you've not been paid!)
- Set up a system for keeping records of Expenses (especially receipts) and a Car Mileage Log (or calculate mileage from mapping websites/software)
- Establish Payment Methods and state clearly on Invoices: Cheque / BACS / Paypal
- GP Locum A & B forms - return to PCT with pension payments (monthly deadlines)
- Consider Accounting Software: Quicken, Microsoft Money or Excel, PennyPerfect
- Consider getting an Accountant (experienced with GP Tax returns). You might save more than accountant's fees due to their advice on Tax Avoidance (not Tax Evasion)
- Consider getting a Business Bank Account, which usually costs more in banking fees but might make accounting easier by separating business and personal finances.
- Decide if you want to trade as a Limited Company (not that beneficial for most locums)
- Expenses (receipts): *“anything than increases your turnover”* may be tax deductible
  - allow % personal vs. business
  - Office (room in home), avoid claiming back mortgage costs (otherwise must pay proportional Capital Gains Tax when selling home), Utilities/council bills
  - Mileage (40p/mile) or Car costs (depreciation, maintenance, insurance, road tax)
  - Equipment / Phone Bills / Internet / Courses / Books costs etc
  - GMC / Medical Indemnity Cover / BMA / RCGP
  - NHS Pension / National Insurance payments / Gift Aid (Charity Donations)
- Save towards Tax bill (warning to shopping addicts!) / consider Offset Mortgage

## 9. Work

- Arrive early (particularly if unfamiliar practice) – allow for potential journey delays
- Check if the practice has a Locum Pack (useful intro guide/forms etc.). If not, ask what is the practice's system for calling patients, blood tests, minor surgery, common referrals etc.
- Check your room before starting surgery (to avoid delays later!):
  - 1) Prescriptions for printer
  - 2) Disposables (tongue depressors, specimen pots)
  - 3) Fitness certificates
  - 4) Blood/X-ray Forms/Referral Forms
  - 5) Dictation machine/tapes
  - 6) Telephone List (particularly for reception)
  - 7) Computer logged on –and who to contact if it crashes
- Expect Higher Intensity Workload: due to no previous knowledge of patients/systems, more “new” problems with fewer (quicker) follow ups, patients requiring more reassurance due to unfamiliar doctor/perceptions of “locums”, less empty slots
- Challenges managing patients used to different Doctor styles/management strategies (e.g. antibiotic prescribing)

- Difficulties dealing with your concerns about practices / doctors – you need support!
- Different types of work: Hospital / Out of Hours / Private Clinics / Prison / Military Abroad / Teaching / Medical Journalist
- Nice practices give (without asking!): rate increases, repeat bookings, warm welcomes, Xmas party invites, prompt payments, chats with partners, paid coffee breaks
- Do not cancel a booking unless it is for an extremely important reason
- Your reputation relating to your work is your greatest asset to secure further work

## **10. Continuing Professional Development**

- Protective against burnout
- Required for appraisal/revalidation
- London Deanery funding, Online learning / Develop special interest / Courses
- Important marketing tool! i.e. “investment in your business”
- Appraisal: you are entitled to receive reimbursement for being appraised from your PCT (see latest DOH guidance notes), but you may face resistance from them

## **11. Cautions**

- Non-payments / Cash-flow problems / Over-estimating your income
- Diary errors (e.g. double booking)
- Medical Legal issues / Defensive Medicine: who will support you if things go wrong?
- Burnout and Isolation – need support and at risk of loss of earnings
- Greater self-motivation needed for personal development
- Frustration with lack of “locum awareness”

## **12. The Future**

- Formation of Locum Chambers, which are groups of Freelance (locum) GPs working together and sharing resources. Such Chambers may expand to become alternative providers of services for the PCT or even assist companies (e.g. UnitedHealth/Tesco) as they open surgeries!
- Opportunities in Clinical Leadership / Polysystems
- More intensive GMC revalidation/appraisal process for locums as they are not part of a “monitored/supervised environment”
- Practices may have to start paying 14% superannuation (received via global sum) which is currently paid by the PCT. This will result in an increase in locum fees or will simply cause a drop in income for locum GPs if they absorb this cost themselves.
- Unemployment as GPs are replaced by “Noctors”

Finally, if you are going to become a freelance GP – good luck.  
Be proud of yourself (you are not “just a locum”!) and watch out for burnout!