

Annual Reports

Derbyshire Local Medical Committee,
Derby and Derbyshire Local Medical Committee
Ltd,
General Practice Task Force (GPTF) Ltd formally
known as Derby and Derbyshire Local Medical
Committee Services Ltd

2018 - 2019

**Derby &
Derbyshire
LMC**



**General Practice
Task Force
Derbyshire**



Representing and Supporting General Practice

Table of Contents

Treasurer’s Report 3

DDLMC LTD BALANCE 2019 6

DDLMC BALANCE 2019 7

GPTF BALANCE 2019 8

Treasurer's Report

This treasurer's report refers to matters up to 31 March 2019.

The Treasurer's report has, in previous years, contained a detailed history of how DDLMC, DDLMC Ltd and GPTF Ltd finances and corporate structures have evolved over time. In order to keep this year's report more succinct, we have taken the decision to limit the comments to factors that are relevant to the current year. The historical context can be found in previous years' reports.

The accounts of Derby and Derbyshire Local Medical Committee (the unincorporated body) and Derby and Derbyshire Local Medical Committee Limited (the limited company set up to enact the business of the committee) should be read in tandem. The accounts of General Practice Task Force (GPTF) Ltd should be considered separately.

The Company accounts (DDLMC Ltd and GPTF Ltd) have been prepared in accordance with micro-entity provisions in accordance with FRS105: The Financial Reporting Standard applicable to the Micro-entities Regime. The company is entitled to exemption from full audit under s.477 Companies Act 2006 and on your behalf under s.476 the directors decided NOT to obtain an audit of its financial statements for reasons of financial economy. Should members of the company wish this to change next year then they should make the directors aware and in the meantime the accounts and more detailed information required for the Company Tax return are available for inspection at the DDLMC Office by any levy payer.

Derby and Derbyshire Local Medical Committee and Derby and Derbyshire Local Medical Committee Limited

The DDLMC accounts contain only the expenses that are directly attributable to the LMC (insurance, accountancy and bank charge), the monthly feed into DDLMC Ltd to run the bulk of the activity and our annual subvention to the GPDF levy. The DDLMC Ltd company accounts show the rest of the operating expenses.

Taking all our activities together the DDLMC group made a surplus totaling £66179 in 2018/19. This represents a significant turnaround from the combined loss of £68814 in the previous year and is the first time since 2014 that our expenditure has not exceeded our income. Our reserves, as a percentage of our operating expenditure, now stand at 63.6%, up from 46.8% the previous year. Although there is still some way to go, this is a positive move towards our stated policy of maintaining reserves at 100% of our annual operating expenses.

This increase in reserves has been achieved through the delivery of the measures I outlined in the 2017/18 annual report and these are reproduced below for ease of reference:

- Director's salaries. We have recently reduced the time commitment of both Chair and Treasurer.
- Staff Costs. During the current year we have been running with duplicate staff in some cases, most notably Chief Operating Officer and Deputy and these costs will be pared back in future.
- Together these measures will reduce our staffing budget by almost £80k.
- In reality DDLMC/DDLMC Ltd has been subsidizing staff costs for GPTF Ltd and in future years we will be far more robust in ensuring that all staff costs attributable to projects that we have been commissioned to run, will be correctly allocated to GPTF Ltd rather than the LMC.
- Premises costs will be significantly reduced for the 5-year rent free period and these monies will be allocated directly to reserves at the start of the year.

- The directors and the members of the LMC resolved that the LMC levy which is both tax allowable and built into NHS costings will rise automatically by the November CPI annually as a minimum.
- Difficulties in communications with GPDF resulted in an overpayment of the GPDF Levy in 2017/18 £75k against a correct figure of c£60k. This will be balanced in 2018/19 and corrected for future years.

Going forward we will continue to manage our expenditure closely to ensure we continue to rebuild our reserves. The decisions by the General Practice Defence Fund to pay a rebate to LMCs for the 2019 calendar year (from 6p per patient to 5.4p per patient) and reduce further the levy to 4p per patient for 2020 will help the DDLMC finances going forward. The past 5 years combined DDLMC and DDLMC Ltd out turns are as follows (brackets indicate a loss):

Year ending	31/03/2019	31/03/2018	31/03/2017	31/03/2016	31/03/2015
LMC	£57653	(£43667)	(£97637)	(£102098)	(£3767)
D&DLMLtd	£8526	(£25147)	£71631	£13305	(£80104)
TOTAL	£66179	(£68814)	(£26006)	(£88793)	(£83871)

The table below shows the level of our reserves for the period 2014-2019 and starkly illustrates that the 2018/19 turnaround has reversed the unsustainable losses of the previous years, which with no action would have resulted in DDLMC becoming insolvent within 4 years:

Y/E 31st March	DLMC	D&DLMC Ltd	Total	% Annual expenditure
2014	£360770	£161718	£522588	136%
2015	£357003	£82107	£439110	85.54%
2016	£254905	£95412	£350381	65.24%
2017	£157268	£167043	£324311	58.98%
2018	£113601	£141896	£255497	46.8%
2019	£122128	£199549	£321677	63.6%

Servicing our responsibilities

To service such responsibilities Derbyshire LMC has its office base at Norman House, Heritage Gate, Derby, DE1 1NU. As at 31 March 2019 we employ 4.6 whole time equivalent members of staff consisting of a Chief Executive, a Chief Operating Officer, a Head of Communications, a Head of Business Support, a PA/Office Manager, an Administrative Assistant and an office apprentice.

Corporate financial governance

We are advised on technical, and taxation matters by our accountants Smith Cooper and Partners at their Ashbourne office with partner Nicola Roberts taking the lead. In 2018 we revised and streamlined our financial controls, and these continue to work well with virtually all transactions completed electronically. Authorizations for transactions remain the same requiring the authorization of one of the 5 directors, the Chief Executive or the Chief Operating Officer up to the value of £5000 with two signatories required for amounts over £5000. No officer signs any authorization payable to themselves or their practice and the Treasurer and directors review expenditure on a monthly basis.

Value for money?

The high level of satisfaction that is regularly communicated with the operational team and the committee, shows that DDLMC remains highly valued by GPs across Derbyshire and is also held in the highest esteem on the national stage with GPC recognizing the DDLMC for the quality of its work and expertise available. We would remind you that paying the LMC levy continues to be a tax allowable expense and is recognized in the annual GMS/PMS GP contract negotiations between NHSE and GPC.

Unfortunately, there is still a small minority of practices in Derbyshire that choose not to pay the DDLMC Levy and we reiterate that these colleagues who fail to pay the levy are not only

- Making your individual LMC levy greater than it need be and freeloading on you, but also
- Pocketing monies that have been incorporated into their funding streams on the basis that the LMC, as a statutory body, should be financially supported.

General Practice Task Force (GPTF) Limited

Derby and Derbyshire LMC Services Ltd was incorporated on 4 October 2013 and renamed General Practice Task Force (GPTF) Limited on 19th April 2018 in order to aid clarity in conversation and communication. It was established with the same legal structures, safeguards and constitution as Derby and Derbyshire Local Medical Committee Limited, thus placing the ultimate control of the company and its directors firmly in the hands of the elected LMC members.

GPTF Limited activity is not linear in that the income is derived mostly from “soft” budget monies for support to general practice through the various General Practice Forward View and other NHSE funding streams. This money is streamed through CCGs, NHSE and HEE. The income for 2018 amounted to £56,412 and increased to £171,975 in 2019. Indications are that funding for 2020 will be significantly increased. Although the accounts this year show a small loss of £4,717, since its inception, GPTF Ltd has been cost neutral to the LMC and continues to be managed to ensure future support to general practice with minimal operational or financial risk to the LMC.

As predicted in last year’s report, the investment in training and upskilling the LMC secretariat and change facilitators employed by GPTF Ltd reaped dividends, as we were commissioned to deliver significant support to practices through the various funding streams. It was precisely for this eventuality that GPTF Ltd was established in order to deliver business and management education, pastoral, coaching and mentoring support to practices.

The support this year included the establishment of GP Aspire to support recruitment and retention, Derbyshire Medical Chambers to support practices through the provision of known locum GPs and Derbyshire Education Network to provide educational opportunities to sessional GPs. In addition, we also delivered significant support through the GP Resilience and Practice Manager Development programmes. For brevity, I have not reproduced the details of these schemes and the amazing support this has provided to general practice in Derbyshire as these can be found on the GPTF website.

Summary

In this report, I have shown you that DDLMC (through both DDLMC Ltd and GPTF Ltd) continues to represent excellent value for money in providing support to all GPs, ensuring that GPs are properly valued, and their skills properly utilized. We have taken positive steps to stabilise our financial position and protect the future provision of support to general practice. In the ever-changing world of general practice, particularly with the birth of PCNs we believe you continue to need your LMC like never before. The LMC Officers wish to thank all those practices for their continuing co-operation during these times of unprecedented threat to the very future of our profession.

Peter J P Holden Treasurer 2019

DDLMC LTD BALANCE 2019

DERBY & DERBYSHIRE LOCAL MEDICAL COMMITTEE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	2019		2018	
	£	£	£	£
Fixed assets		6,035		4,477
Current assets	235,798		168,102	
Prepayments and accrued income	4,113		1,534	
Creditors: amounts falling due within one year	(46,397)		(32,217)	
Net current assets		<u>193,514</u>		<u>137,419</u>
Total assets less current liabilities		<u>199,549</u>		<u>141,896</u>
Net assets		<u>199,549</u>		<u>141,896</u>
Reserves		<u>199,549</u>		<u>141,896</u>

Notes to the financial statements

1 Employees

The average number of persons, including directors, employed by the company during the year was as follows:

	2019 Number	2018 Number
Employees	<u>15</u>	<u>15</u>

DDLMC BALANCE 2019

DERBYSHIRE LOCAL MEDICAL COMMITTEE

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Current assets					
Other debtors		41,959		21,212	
Cash at bank and in hand		186,873		184,516	
		<u>228,832</u>		<u>205,728</u>	
Current liabilities					
Trade creditors		46,950		34,165	
Other creditors		59,754		57,962	
		<u>106,704</u>		<u>92,127</u>	
Net current assets			<u>122,128</u>		<u>113,601</u>
Accumulated fund	1		<u>122,128</u>		<u>113,601</u>

In accordance with the engagement letter dated 24 September 2014, we approve the accounts set out on pages 2 to 4. We acknowledge our responsibility for the accounts and for providing Smith Cooper Limited with all information and explanations necessary for their compilation.

.....
Dr P J Holden

.....
Dr P Williams

Date :

GPTF BALANCE 2019

GENERAL PRACTICE TASK FORCE (GPTF) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	2019		2018	
	£	£	£	£
Current assets	277,702		147,988	
Creditors: amounts falling due within one year	(273,816)		(139,385)	
Net current assets		3,886		8,603
Net assets		3,886		8,603
Reserves		3,886		8,603

Notes to the financial statements

1 Employees

The average number of persons, including directors, employed by the company during the year was as follows:

	2019 Number	2018 Number
Employees	5	5