

## **GPC-LMC meeting - 19 April**

Around 150 GPC members and LMC secretaries met at the Brunei Gallery, School of Oriental and African Studies on Thursday morning for a meeting that covered a lot of ground and allowed LMC secretaries to exchange opinions on the feelings among GPs in their area.

The morning started with some brief presentations and a panel Q&A session which involved not just Hamish Meldrum and Laurence Buckman, but also Jon Ford, Head of the BMA's Health Policy and Economic Research Unit, Linda Millington, BMA Head of Media Relations and Jonathan Waters, BMA Head of Legal Services. This allowed LMC secretaries to ask about the GPC's media policy, the legal limitations on the GPC and LMCs in terms of taking action and advising practices on what action they can take, as well as background information on why the DDRB was an important mechanism for the GPC to continue to use.

The meeting continued with LMCs detailing and discussing the situation in their areas. It became clear that there were a broad range of issues that GP practices were concerned about and that went beyond the 0% DDRB recommendation. In particular there was disquiet about the current state of the NHS, the amount of political and managerial interference in everyday professional practice, and the very vulnerable position of PMS practices who were being squeezed by PCTs. The recent GPC guidance document was welcomed and supported and there was a greater understanding about the issues around industrial action and media and legal constraints. It was recognised, that while practices may wish to take some kind of action, and in particular to protect their practices' income and patient services, there was no single way in which this could be executed, and that such decisions were best made at local level, tailored to local circumstances. Choose and Book was a case in kind, where in some areas it works well for practices and is considered an enhancement to patient services, while in others there is now no funding, there are many problems and GPs would prefer to discontinue participation. There was consistent agreement that any decisions taken must not harm patients.

## **LMC company**

You may have noticed the different heading at the top of this newsletter.

In accordance with the decision made at the September meeting of the LMC, we have gone ahead and set up an LMC company. Advice from BMA lawyers had made it clear that LMC members and officers could reduce their potential liability by operating under the umbrella of a company limited by guarantee. Therefore, with help from the BMA lawyers, Derbyshire LMC, in common with several other LMCs in the country, has set up a company limited by guarantee to operate alongside the statutory LMC. The statutory LMC retains its status under the NHS Act 1977 so that levy collection and elections remain the same. There is a service level agreement between the statutory LMC and the LMC company so that the new company absorbs the risks and therefore limits the liability of the officers and members to £1.

Derby & Derbyshire LMC Ltd is registered at Companies House and our Company No. is 6203380.

## **Conference – Who is leading service change in long term conditions?**

Conference will be held at BMA House on Tuesday 22 May. The conference aims to highlight ways that clinicians can make the most of the changing healthcare environment to develop services by:

- Bringing together colleagues involved in the management of long term conditions from all sectors of the healthcare economy to share best practice and develop contacts;
- Examining different ways in which GPs and Consultants can work together;
- Hearing examples of how social entrepreneurship might work on the ground;
- Offering a forum in which the BMA's Committee on Community Care can learn more about your experiences of managing long term conditions in the community.

Cost – £125 + VAT for BMA members, £150 + Vat for non members. Register online at [www.bma.org.uk/conferences](http://www.bma.org.uk/conferences)

## VAT on Medical Services

The BMA Professional Fees committee have issued the following advice.

HMRC was required to consider the Morganash ruling during the implementation process for the ruling on VAT on medical services. This was a VAT tribunal case that considered whether medical services relating to certain insurance transactions could be exempt under the VAT exemption for insurance. The tribunal decided that the service was exempt from VAT under the UK (but not EU) insurance exemption. HMRC did not appeal against the tribunal decision and accepted that medical services provided in connection with the bringing together of parties to an insurance contract and the administration of policies, including the handling of claims, fall within the current UK insurance exemption as insurance-related services. This means that nearly all insurance work will continue to be exempt from VAT.

Further information is given in the insurance section of the HMRC Public Notice 701/57 and the Revenue & Customs Brief announcing implementation of the changes (available on the HMRC web site). This states that medicals and reports provided purely for the purposes of valuing policies for tax reasons, for example, in relation to inheritance tax, are liable to VAT at the standard rate. We understand that this is a small area of insurance work but the HMRC guidance states that the following insurance areas qualify as an exempt supply of health in principle:

- Health screening under private medical insurance policies - these are regular check-ups to detect early signs of disease.
- Income/credit protection insurance - medical services where the policy holder has fallen ill (as opposed to losing his job) and which are aimed at assisting the individual in returning to a normal life.
- Motor insurance - where medical services are provided under a policy to assist in enabling an injured motorist to return to full health and/or work. (Note - this does not include medicals undertaken for DVLA purposes to ensure initial or continued fitness to drive which are liable to VAT at the standard rate).
- Any other medical service provided in connection with an insurance policy where the principal aim is to assist in restoring the health of the individual.

We understand that this exemption for VAT applies to the current fees we agree with the ABI for life assurance policies and income protection policies. ABI have indicated that insurers are aware of the small areas of insurance that are subject to VAT and are likely to identify that the work is vatable when contacting GPs. Once again GPs are advised to keep careful records and to take professional accountancy advice regarding their individual circumstances.

DWP fees are liable for VAT. The DWP will issue forms with a space for VAT numbers from 1st May.

There is a small problem for DS1500 forms as these are held by practices; practices should amend the form to include their VAT number.

It has now been confirmed that the completion of cremation forms *will be exempt* under the burial and cremation provisions, Schedule 9, Group 8, Item 2. So, although they will no longer be covered by the health exemption from 1 May, they will *continue to be exempt* under these alternative provisions, and there will be *no requirement for doctors to charge VAT* on completion of forms B, C, F and FF.

**Lockharts Solicitors** are available to give lectures on the following topics: PBC, 10 things GPs need to know about Health & Safety and Disability Law, Bidding for PCTMS practices, Continuing Need for a Current and Effective Partnership Deed in the new GP world, Hiring and Firing Practice Staff, Collaboration between Practices and Practice Mergers, Take-overs and Acquisitions. The LMC could arrange a lecture if there was sufficient interest from practices.

## Latest advice

In the past month GPC has issued advice on the following issues:

- Decontamination of medical devices.
- Employment of staff – PBC provision.
- Framework for procuring external support for commissioners.
- Safeguarding patient services and maintaining cost effectiveness.

Further details of any of these issues are available on application to the LMC office or on the BMA website [www.bma.org.uk](http://www.bma.org.uk)

Trent LMCs Buying Group has also issued information to practices about the offers on single use instruments .

## How to contact us

Derby & Derbyshire LMC Ltd office is at Norman House, Friar Gate, Derby DE1 1NU. Our telephone number is 01332 210008, fax 01332 341771, email [office@derbyshirelmc.org.uk](mailto:office@derbyshirelmc.org.uk). The two Practice/PCT Liaison Officers are Melanie Beatham and Kate Lawrence who will continue to liaise with the same North and Southern practices as before the PCT reorganisation. Their email addresses are:  
[melanie.beatham@derbyshirelmc.org.uk](mailto:melanie.beatham@derbyshirelmc.org.uk)  
and [kate.lawrence@derbyshirelmc.org.uk](mailto:kate.lawrence@derbyshirelmc.org.uk).

