

Annual Reports

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

2017 - 2018

Representing and Supporting GPs

**Derby &
Derbyshire
LMC**



**General Practice
Task Force
Derbyshire**



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General Practice Task Force (GPTF) Limited Unaudited Accounts for the year ending 31 March 2018

Local Medical Committee Executive and Members

Local Medical Committee Executives and Members 01 April 2017 – 31 March 2018				
Name	Role	Practice	LMC Constituency	Meetings attended (maximum 5)
Dr P Williams	Chairman	Bakewell Medical Centre	North Derbyshire	5
Dr K Markus	Chief Executive	Calow and Brimington Practice	Chesterfield	4
Dr J Ashcroft	Executive	Old Station Road	Erewash	4
Dr P J P Holden	Treasurer	Imperial Road, Group Surgery	North Derbyshire	2 LMC & Attends GPC
Dr J S Grenville	Co-opted	N/A	Derby and Derbyshire	3
Dr J North	Executive	Parkside Surgery	South Derbyshire	3
Dr M Wood	Executive	Bakewell Medical Centre	North Derbyshire	5
Dr J Betteridge	Member	Swadlincote Surgery	South Derbyshire	5
Dr G Crowley	Member	Arthur Medical Centre	Amber Valley	4
Dr R Dils	Member	Whittington Moor Surgery	Chesterfield	1
Dr P Enoch	Member	Co-opted		2
Dr M Gembali	Member	Friar Gate Surgery	Southern Derbyshire	3
Dr D Glover	Member	Hasland Medical Centre	Chesterfield	3
Dr B G Hands	Member	Co-opted		4
Dr A Jordan	Member	Moir Medical Centre	South Derbyshire	4
Dr P Love	Member	Bakewell Medical Centre	Peaks and Dales	4
Dr V Rajeev	Member	Haven Medical Centre	South Derbyshire	0
Dr G Walton	Member	Littlewick Medical Centre	Erewash	4
Dr H Kinsella	Member	Whitemoor Medical Centre	Amber Valley and South Derbyshire	5
Dr Y Pasupathi	Member	Kelvingrove	Amber Valley	5
Dr S Rackham	Member	Co-opted	North Derbyshire	5
Dr S Bayley	Member	Macklin Street	Derby and Derbyshire	4
Dr P Short	Member	Steward Medical Centre	Peaks and Dales	0

Treasurer's Report

This treasurer's report refers to matters up to 31 March 2018.

The support and professionalism of our staff in the office at Derby cannot be underestimated and I would like to use this report to formally document that fact. Without their help there is no way that Derbyshire LMC could function and represent you in the manner it does at a time of such massive change and uncertainty.

This year saw another period of change for Derbyshire Local Medical Committee with our Chief Operating Officer Lisa Soultana moving on to pastures new after successfully managing a move into our lovely new, fully refurbished office in Norman House. David Gibbs has taken over as Chief Operating Officer and Claire Leggett who had been running the GPTF Project has now been taken on permanently to head up the business support function and continue with GPTF work. Kath Markus and Susie Bailey remain in their roles as Chief Executive and Head of Communications respectively and the secretariat team is ably completed by Laura Grainger. These roles will adapt as we go forward, not least because we are being commissioned to deliver a number of GPFV projects through the fledgling Derbyshire CCG, NHSE and HEE. Together with reductions to the directors honoraria paid to the Chair and Treasurer, these changes will enable us to make significant savings to employment costs in order to start rebuilding reserves in future years.

The nomadic existence of DDLMC around the Heritage Gate complex has been well documented and I am extremely pleased to report that we moved into our shiny newly refurbished office just before Christmas. The new office is a real tribute to Lisa's tenacity and negotiating skills as we have an extremely good deal for the next 10 years, which will enable us to transfer these savings on property costs into our reserves. The degree of hassle, dirt, noise and inconvenience with which our staffs have had to tolerate has been unacceptable and is a complete tribute to their utter professionalism. I hope that this will be the last mention of office moves for a number of years, although our tribulations with our landlord continue.

As you will recall we were dissatisfied with our banking arrangements and we had previously abandoned any changes to our banking arrangements until the final office move has been completed. Our current bank has not improved and once the new committee has been voted in and new directors elected in April 2018 then we will review our arrangements again. In light of the negligible interest that we are able to earn, due to historically low bank base rate, we have taken the decision to close all but one of the reserve accounts to simplify the banking processes and this should simplify the production of the annual accounts in the future.

Following the change in the levy in 2016 which required all practices to sign a new mandate I am pleased to report that all levy paying practices have now signed an increased mandate up to a maximum of 80p per patient. Although it will be many years before we reach that level, the signature of mandates up to that level will reduce the burden on the operational team in administering the levy. I am also very pleased to announce that Emmett Carr Practice in Renishaw has decided to rejoin the LMC by paying the levy and they are very welcome back. The fragility of the Exeter computer system mean we have to monitor income from the CCGs very closely and it will also be very prudent to have reserves as a contingency for any future failures of the system or the transition to a new IT system.

Since the year ending 31 March 2009 we have presented two sets of accounts in connection with LMC related representational and support activities namely the limited company Derby & Derbyshire Local Medical Committee Ltd (henceforth referred to as DDLMC Ltd) accounts and the Derby and Derbyshire Local Medical Committee (DDLMC) accounts themselves. The limited company is a wholly owned subsidiary of the LMC. The two sets of accounts

must be read in tandem. The reasons for this are set out below. Derby & Derbyshire Local Medical Committee Services Ltd (DDLMC Services Ltd) accounts should be considered separately.

DDLMC and DDLMC Ltd.

During 2007 it became clear upon expert legal and financial advice from the BMA in London and from our business indemnity insurers, that LMC members were personally financially liable for the acts errors and omissions of the officers, employees and, themselves in connection with LMC affairs. Furthermore the structure of the LMC would not allow the adoption of Directors and Officers liability insurance. This liability was deemed by the LMC to be extremely unsatisfactory and following careful legal and financial advice a limited liability company was set up to transact certain aspects of the LMCs work. The company formally started trading on 16 July 2007 and now is the vehicle for ALL LMC related transactions with the exception of receiving the levies and paying the GPDF subvention which for legal reasons must stay with the DDLMC account as the legally recognised professional representative entity.

The control of the limited company both financially and directorially is totally in the hands of those you elect from time to time, it is funded on a tight drip feed of funds from DDLMC – your LMC- and all surpluses accrue to DDLMC. The directors of the company are the officers for the time being of the statutorily established DDLMC. DDLMC members and officers derive personal protections from this arrangement as do you the levy payers and electors as well as our employees. If anyone wishes further information on this subject please contact me through the LMC office.

The Company accounts (DDLMC 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 state of affairs to change next year then they should make the directors aware.

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, which are attributable to DDLMC.

Taking all our activities together again the DDLMC group has made a loss totaling £68814 in 2017/18. This level of loss is not sustainable, particularly as our reserves now stand at only 46.8% of our annual operating income, in contravention of our own stated policy of maintaining reserves at 100% of our annual operating expenses. The levy increases from 2016 and 2017 are starting to reduce the deficit but we must cut our cloth according to our income and make some significant savings. Several factors affect the scale of the losses some of which are one off non-recurrent items and they included a third unbudgeted office move, double running of the Chief Operating Officer post during the hand over period and the fact that DDLMC now has to liaise with 4 CCGs and an NHSE Area Team whereas before liaison was substantially with just 2 PCTs.

The past 5 years combined DDLMC and DDLMC Ltd out turns are as follows:

Year ending	31/03/2018	31/03/2017	31/03/2016	31/03/2015	31/03/2014
LMC	(£43667)	(£97637)	(£102098)	(£3767)	£27961
D&DLMCLtd	(£25147)	£71631	£13305	(£80104)	£1393
TOTAL	(£68814)	(£26006)	(£88793)	(£83871)	£29534

The Officers, Senior Management Group and operational team regularly review activity, staffing establishment, methods of working, income streams and mechanisms of payment and we cannot rule out further streamlining in the future as we have to bring DDLMC finances back into strategic balance and rebuild our reserves; DDLMC needs to be in a strong financial position to continue to provide the excellent level of support that we provide to general practice. As we move into 2018/19 we have taken the significant steps outlined below to not only balance the books but actually start operating at a surplus in order to rebuild our reserves:

- 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 DDLMC Services 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 Services 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 by the November CPI annually as a minimum automatically.
- 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.

Altogether these measures should ensure a more prudent financial position and enable us to start rebuilding for the future.

DDLMC prides itself that throughout its 105 year history it has always been solely funded by voluntary levies and furthermore is regarded as one of the most efficient and professional LMCs in the country. As LMCs are statutory bodies we do have the power to raise a statutory compulsory levy on all GPs in contract with the NHS. We are desperate not to do this but the directors would ask you to recognise that we have obligations to our employees and therefore must maintain one year's operating costs on reserve in line with DDLMC policy in case the current mandate system were to become disrupted or simply to ensure that there are sufficient funds in reserve to enable DDLMC to continue and improve its service to meet the needs of its constituents. The impending wholesale changes to the computer system at Exeter, with the potential threats to cash flow, reinforce the need to adhere to our policy. Therefore we encourage all of you to speak to colleagues who are freeloading on your backs. A list of contributors to the levy can be found at the back of this report and we want to take this opportunity to formally recognize and thank them for their continued support. We have already restricted access to resources to non-levy paying practices but we are also actively courting non-levy paying practices to try and encourage them to rejoin. It is vital that all LMC members take every opportunity to continue to engage with non-levy payers.

The table below shows the level of our reserves for the period 2008- 2018 and starkly illustrates that with no action DDLMC will be insolvent within 4 years, which simply cannot be allowed to happen:

Ye 31st March	DLMC	D&DLMC Ltd	Total	% Annual expenditure
2008	£331475	£36424	£367899	99.96%
2009	£331729	£71260	£402989	107.5%
2010	£336557	£91184	£427741	110.1%
2011	£339046	£123041	£462087	122.0%
2012	£334575	£146672	£481247	122.6%
2013	£332809	£160818	£493627	122.9%
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%

The LMC's responsibilities

The Local Medical Committee is the ONLY committee with a statutory obligation to represent your interests as a General Practitioner working in the National Health Service irrespective of which type of medical services contract you or your practice holds. It has well over 80 statutory responsibilities in addition to being recognised as an expert body with a very considerable and unique corporate memory of the NHS, sadly lacking elsewhere because of continual reorganisation. The tensions between what CCGs want and what GPs are obliged to provide under their contractual terms of service is becoming increasingly real and needs a strong representational voice, which the LMC is uniquely equipped to provide.

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 2018 we employ 4.6 whole time equivalent members of staff consisting of a part time Chief Executive, a Chief Operating Officer, a part time Head of Communications, a part time Head of Business Support, a PA and Office Manager and an Administrative Assistant. Our staff have an ongoing constructive dialogue with most practice managers and all the CCG senior managers across the 4 CCGs. The office is open 5 days a week from 9-5 pm for the benefit our subscribing constituents. Those who have read many of these annual reports will recognise the significant evolution of the LMC away from the reactive quasi trade union mode towards a specialist business support operation. This movement will require an increasingly skilled staff mix.

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. We have reviewed and streamlined our financial controls to ensure an efficient but sufficiently robust process with the payment raising function separate from the payment authorization function. Virtually all transactions are done electronically and require 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 authorisation payable to themselves or their practice and the Treasurer and directors review expenditure on a monthly basis.

Does it work?

The best evidence that this system continues to work for GPs is evidenced by the high level of satisfaction that is regularly communicated with the operational team and the committee. DDLMC is also held in the highest esteem on the national stage with DDLMC being regarded by the GPC as in the Premier League of LMCs for the quality of its work and expertise available.

Value for money

It is worth reiterating that DDLMC was highlighted in the 2004 University of Sheffield study into the structure, function, and financing of LMCs as one of the most innovative, cost effective, value for money LMCs in the UK yet has a relatively moderate cost base. There is little reason to believe that this evidence although 14 years old has changed especially as we managed to hold our levy static for 12 years to 2016.

Does the levy actually cost you anything at all?

Paying the LMC levy continues to be both a tax allowable expense and is taken into practice expense calculations by the NHS Employers organisation and/or the Doctors and Dentists Pay Review Body.

Indeed colleagues who fail to pay the levy are not only

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

Derby & Derbyshire LMC Services Ltd.

Derby and Derbyshire LMC Services Ltd is set up with the same legal structures and safeguards and constitution as Derby and Derbyshire LMC Ltd thus placing the ultimate control of the company and its directors firmly in the hands of the elected LMC members. In 2013 the officers after consultation with the LMC decided that it would be prudent that all educational and enterprise activities be conducted through a separate financial entity - Derby and Derbyshire LMC Services Ltd. The company was floated with £2641 seed corn money which was repaid to the LMC. The company was incorporated on 4 October 2013. To aid clarity in conversation and communication the directors have decided to rename the company General Practice Task Force Ltd as its functions are different from those of Derby and Derbyshire LMC Ltd. The changes are due to be enacted with Companies House once the new directors are confirmed at the LMC meeting in April 2018.

Derby and Derbyshire LMC Services Ltd activity is not linear in that monies involved in its business are “soft” budget monies for various support to general practice through the General Practice Forward View and streamed through CCGs, NHSE and HEE. The income for 2017 amounted to £152,510 which reduced to only £56,412 in 2018, the majority of which was GPFV funding. Close management of the finances have resulted in a small surplus of £1,030 for the year which will be reinvested in future projects.

The investment in training and upskilling the LMC secretariat and change facilitators employed by DDLMC Services Ltd looks set to reap dividends next year as early indications are that we are likely to be commissioned to deliver significant support to practices through GPFV funding from CCGs, NHSE and HEE. It was precisely for this eventuality that DDLMC Services was established to deliver business and management education, pastoral, coaching and mentoring support to practices. We are also actively involved in establishing a Derbyshire Chambers to provide much needed locum support to practices while also supporting the increasingly important sessional workforce. As Derby & Derbyshire LMC Ltd is under Companies Act 1985, deemed to be a small company it is only required to present abbreviated accounts rather than full audited accounts. There is a very significant additional accountancy cost to having formal fully audited accounts presented and at a time of financial stringency the officers have for this year arranged only for the legally required unaudited accounts prepared by our accountants Smith Cooper to be published. Should levy payers

feel strongly on this point then we are prepared to reconsider the issue of fully audited accounts again for next year and in the meantime the books and more detailed information required for the Company Tax return are available for inspection at Saxon House by any levy payer upon notice.

Hopefully I have shown you that DDLMC strives to represent and support all GPs and ensure that GPs are properly valued and their skills are properly utilised. We provide advice and representation for practices or individual GPs with specific problems where that GP is part of a practice which is currently signed up to the LMC levy. You continue to need your LMC like never before in any of our professional lifetimes.

The LMC Officers 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
23 November 2018

With Thanks to GP Practices

Derby and Derbyshire LMC thanks the following practice for their contributions to voluntary levy. During financial year 2016 -17, 92% of Derby and Derbyshire practices have agreed to pay the levy.

North Derbyshire CCG

Arden House Medical Practice
Ashover Medical Centre
Avenue House & Hasland Partnership
Barlborough Medical Practice
Baslow Health Centre
Brimington Surgery
Buxton Medical Practice
Calow and Brimington Practice
Chatsworth Road Medical Centre
Chesterfield Medical Partnership
Darley Dale Medical Centre
Dronfield Medical Practice
Elmwood Medical Centre
Evelyn Medical Centre
Eyam Surgery
Goyt Valley Medical and Dental Practice
Hartington Surgery
Hasland Medical Centre
Imperial Road Group Surgery
Killamarsh Medical Practice
Lime Grove Medical Centre
Newbold Surgery
Peaks & Dales - Bakewell Medical Centre & Tideswell Surgery
Royal Primary Care
Springs Health Centre
Stewart Medical Centre
Stubley Medical Centre
The Surgery at Wheatbridge
The Valleys - Gosforth Valley Medical Centre
The Valleys - Moss Valley Medical Practice
Thornbrook Surgery
Welbeck Road Health Centre
Whittington Moor Surgery

Erewash CCG

College Street Medical Practice
DCHS
Dr Purnell & Partners - Ilkeston Health Centre
Dr Webb & Partners - Ilkeston Health Centre
Eden Surgery
Gladstone House Surgery
Golden Brook Practice
Littlewick Medical Centre
Moir Medical Centre
Old Station Surgery
Park View Medical Centre

Southern Derbyshire CCG

Alvaston Medical Centre
Appletree Medical Practice
Arthur Medical Centre
Ashbourne Medical Practice
Brailsford & Hulland Medical Practice
Brook Medical Centre
Brooklyn Medical Practice
Chapel Street Medical Centre
Crich Medical Practice
DCHS
Derby Family Medical Centre
Friar Gate Surgery
Gresleydalte Healthcare Centre
Hannage Brook Medical Centre
Haven Medical Centre
Heartwood Medical Practice
Ivy Grove Surgery
Jessop Medical Practice
Kelvingrove Medical Centre
Lister House - Meadowfields Practice
Lister House Surgery
Macklin Street Surgery
Melbourne & Chellaston -Medical Centre
Melbourne Medical Centre
Mickleover Medical Centre
Mickleover Surgery
Oakwood Surgery
Osmaston Surgery
Overdale Medical Practice
Overseal Surgery
Park Farm Medical Centre
Park Lane Surgery
Parkside Surgery
Peartree Medical Centre
Riverside Surgery

Southern Derbyshire Cont.

West Hallam Medical Centre
Whitemoor Medical Centre
Willington Moor Surgery
Wilson Street - Taddington Road Surgery
Wilson Street Surgery
Woodville Surgery

Hardwick CCG

Blue Dykes Surgery - Royal Primary Care
Clay Cross Medical Centre
Craggs Health Care
Friendly Family Surgery
North Wingfield Medical Centre
Shires Health Care
St Lawrence Road Surgery
Staffa Health
The Surgery - Wingerworth

DERBYSHIRE LOCAL MEDICAL COMMITTEE

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	£	2017 £	£
Current assets					
Other debtors		21,212		-	
Cash at bank and in hand		184,516		240,676	
		<u>205,728</u>		<u>240,676</u>	
Current liabilities					
Trade creditors		34,165		48,869	
Other creditors		57,962		34,539	
		<u>92,127</u>		<u>83,408</u>	
Net current assets			<u>113,601</u>		<u>157,268</u>
Accumulated fund	1		<u>113,601</u>		<u>157,268</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 : 1 November 2018

DERBY & DERBYSHIRE LOCAL MEDICAL COMMITTEE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2018

	2018		2017	
	£	£	£	£
Fixed assets		4,477		3,147
Current assets	168,102		189,927	
Prepayments and accrued income	1,534		4,026	
Creditors: amounts falling due within one year	(32,217)		(30,057)	
Net current assets		137,419		163,896
Total assets less current liabilities		141,896		167,043
Net assets		141,896		167,043
Reserves		141,896		167,043

Notes to the financial statements

1 Employees

The average number of persons (including directors) employed by the company during the was 15. (2017 - 15).

Derby & Derbyshire Local Medical Committee Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Heritage Gate, Norman House, Ground Floor, Friar Gate, Derby, Derbyshire, DE1 1NU.

For the year ended 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

GENERAL PRACTICE TASK FORCE (GPTF) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2018

	2018		2017	
	£	£	£	£
Current assets	147,988		95,600	
Creditors: amounts falling due within one year	(139,385)		(88,027)	
Net current assets		8,603		7,573
Net assets		8,603		7,573
Reserves		8,603		7,573

Notes to the financial statements

1 Average employees

The average number of persons (including directors) employed by the company during the year was 5 (2017 - 5).

2 Change of Name

The company has changed its name from Derby & Derbyshire LMC Services Limited to General Practice Task Force (GPTF) Limited on 19 April 2018.

General Practice Task Force (GPTF) Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Heritage Gate, Norman House, Ground Floor, Friar Gate, Derby, Derbyshire, DE1 1NU.

For the year ended 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.