



For the attention of GP Partners and Practice  
Managers

Derby and Derbyshire Local Medical Committee  
Heritage Gate, Celtic House  
3<sup>rd</sup> Floor, Friary Street  
Derby DE1 1LS

28 February 2017

Dear Colleague,

**Notification of the LMC levy increase with effect of 1 August 2017 – Mandated organisation**

Sadly, the NHS is getting ever more complex and the work of Derby and Derbyshire LMC (DDLMC) has increased substantially to support practices in the rapidly changing environment. This means that the operating costs of DDLMC are increasing, despite our best efforts at making huge efficiencies over the last 2 years. In order to keep up with the pace of change to support practices we need to increase the levy **by 2p per patient from 50p to 52p per patient per year, with effect of 1 August 2017.**

In addition to this, in order to maintain and indeed increase our level of support to organisations providing GP practice services, we would like to set a new principle and approach of increasing the levy in line with annual inflation on an annual rolling basis, taking effect from 1 July each year and not to exceed the ceiling of the current mandate of 80p per patient.

Just to give you some assurances of your incremental annual costs related to paying the levy and **based on an annual 2% increase, it would take 21 years before we reach the ceiling of 80p per patient.** We hope this principle and new approach is acceptable to you.

We have prepared a document titled **‘Keeping together is progress, working together is success’** sitting alongside an infogram, to give you a ‘cost/benefit’ of a levy paying practice. Demonstrating for an **average practice of 8000 patients a 2p levy increase would result in an increase of £96.00 per year.**

We hope this document also demonstrates that we have worked very hard to keep levy increases to in line with inflation and the benefits of supporting your LMC to achieve the very best for practices in Derby City and Derbyshire County.

**Please note DDLMC pays 20% of your levy to GPC to support practices at a national level which includes contract negotiation and the LMC conference.** DDLMC and GPC are therefore reliant on all practices paying the LMC levy and signing the mandate form, to ensure we have equity across all practices that we serve.

**The LMC levy is collected at source** by the NHS body responsible for paying practices and there is, therefore no administrative burden on practices. The expense that it represents is a non-taxable one and the effect that paying it has on the take-home profits of GP partners is less (usually 40% less) than the headline figure. It is also built into the expenses element of the GMS Global Sum and into the baseline of those PMS and APMS contracts that mirror the GMS contract (nearly all in Derby and Derbyshire).



This letter therefore gives notice that we will be asking your clinical commissioning group to deduct 52p per patient per year from your contractual (GMS/PMS/APMS) payments from 1 August 2017, on a monthly basis, and to forward the monies to the LMC. As the levy mandate is currently for 80p per patient, you do not need to take any actions regarding the levy increase on 1 August, or any subsequent years when the levy will automatically raise, without notification in line with inflation but not exceeding the current mandate of 80p per patient.

We will be very happy to discuss the levy increases with you. If you wish to pursue this please contact [office@derbyshirelmc.nhs.uk](mailto:office@derbyshirelmc.nhs.uk)

We would like to take this opportunity in thanking all levy paying organisations for their continued support. As together is progress, working together is success.

Yours faithfully,

Dr Peter Williams

***DDLMC Chairman***

Dr Peter Holden

***DDLMC Treasurer***

Dr Kath Markus

***DDLMC Chief Executive***

***Documents enclosed***

*Keeping together is progress, working together is success*

*Infogram*

