*"Putting the needs of GPs first"*

*Local Medical Committee*

**LMC**

**DERBYSHIRE**

# Annual Reports of Derbyshire LMC, Derby & Derbyshire LMC Ltd and LMC Services Ltd

# 2013-2014

Representing and supporting GPs

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# LOCAL MEDICAL COMMITTEE MEMBERS 01.04.2013 – 31.03.2014

| Name | | Surgery | LMC Constituency | Meetings attended (max 11) |
|---|---|---|---|---|
| Dr J Ashcroft | Deputy Chairman | Old Station Surgery, Ilkeston | Erewash | 9 |
| Dr J Betteridge | | Swadlincote Surgery | | 10 |
| Dr G Crowley | | Arthur MC, Horsley Woodhouse | Amber Valley | 11 |
| Dr R Dils | | Whittington Moor | Chesterfield | 6 |
| Dr P Enoch | | Co-opted | | 9 |
| Dr K Gale | | Ashbourne Medical Centre | South Derbyshire | 8 |
| Dr M Gembali | | Friargate Surgery, Derby | Derby North | 11 |
| Dr D Glover | | Hasland Medical Centre | Chesterfield | 9 |
| Dr J S Grenville | Secretary | Macklin Street Surgery, Derby | Derby South | 11 |
| Dr B G Hands | | Willington Surgery, Willington | South Derbyshire | 10 |
| Dr P J P Holden | Treasurer | Imperial Road, Matlock | W Derbyshire North | Leave of absence for GPC business 3 |
| Dr A Jordan | | Moir Medical Centre, Long Eaton | South Derbyshire | 6 |
| Dr S F King | | Elmwood Medical Centre, Buxton | High Peak | 10 |
| Dr H Kinsella | | Whitemoor MC, Belper | W Derbyshire Central | 8 |
| Dr P Love | | Bakewell MC | W Derbyshire North | 8 |
| Dr K Markus | | Calow and Brimington Practice | Chesterfield | 8 |
| Dr J North | | Parkside Surgery, Alfreton | South Derbyshire | 10 |
| Dr D Portnoy | | Ilkeston Health Centre | Erewash | 4 |
| Dr B Ryan | | The Surgery, Wheatbridge | Chesterfield | 3 |
| Dr P R D Short | | Stewart MC, Buxton | High Peak | 4 |
| Dr G Walton | | Littlewick MC, Ilkeston | Erewash | 10 |
| Dr P Williams | Chairman | Butts Road, Bakewell MC | W Derbyshire North | 10 |
| Dr M Wood | | Darley Dale MC | W Derbyshire North | 9 |

# DERBY & DERBYSHIRE SERVICES LTD REPORT

During the year Lisa Soultana led on the following projects and services:

The Practice Nurse Project (Derbyshire), which was commissioned by Health Education East Midlands (HEEM) Derbyshire to design a Practice Nurse Competency Framework (PNCF©). The PNCF© has been distributed to all GP practices in Derbyshire as a user friendly resource for Practice Nurses and to help GP practices to evidence compliance with the Care Quality Commission (CQC) fundamental standards. Other organisations including universities, CCGs, Area Teams and GP practices from across the country have asked permission to use the PNCF© in their particular fields of work. During 2014-15 there is an ambition to turn the paper based framework into an electronic platform linked into local training providers and resources. Further investment is needed to fully realise the ambition of the project. Lisa will be working hard to secure funding in 2015 so that all GP practices and Practice Nurses can benefit from the electronic PNCF©.

One GP practice recruitment service for a General Practice in Derbyshire. The GPs rated this service as outstanding.

Lisa Soultana

Director of Business and Liaison

# CHAIRMAN'S REPORT

With the implementation of NHS England we all expected that the 13/14 year would bring some changes, and also some unexpected consequences. We were not disappointed!

Regulation seems to ever increase in medicine. With the start of NHS England also came new performance regulations. This has also changed the way the GMC refer back to a local body. So Doug Black, leading on this nationally, has implemented 2 groups, the performance screening group – which looks at concerns raised to decide if investigation is required, and the Decision Making Panel which decides what should be done as a result of these investigations. Along with Nottingham LMC we have representatives on these groups. Time will tell how this affects the lives of GP's when questions are raised about performance. Presently this looks like a formalisation of the previous processes which the SHA and CCG's had in place.

During this year we also had the much discussed CQC inspections start – if in a stuttering fashion. Towards the end of the year they had a change of leadership with Steve Field taking the helm. They promise more GP involvement in the inspections. The LMC have been active in doing mock inspections for practices, and these have been well received. As most practices are yet to receive inspectors, we will wait to see what the impact is for GP's.

111 was rolled out across the country, and Derbyshire led the way in an integrated service with OOH, and towards the end of the year DHU bid for the 111 service in neighbouring counties as it was rolled out over the whole country. There were some ups and downs as this was received, but John Grenville has been heavily involved in review of the service as questions were asked about how it was working, and has helped shape the Derbyshire model. We have hopes that the lessons learned in Derbyshire will have a positive impact across other areas as future services are commissioned, and re-procured.

With the changes to NHS England, also came the transfer of public health to the local authority. This has meant that some services that are provided by GP's across the county for a long time have been requested to go to Any Qualified Provider (AQP). This may mean the loss of income to general practice in due course as services are procured elsewhere. Due to this small companies have started to be formed to tender for those services, and then to subcontract back to general practice. The cynical, including me, see that this may be the governments way of moving ther CCG's costs for administering the services, into general practice with no extra funding. The other impact of this has been the undoing of the Basket in the North, and QES in the South which has attempted to get uniformity of both provision and funding. This was a hard road, which seems to be being undone with a wave of a wand, despite the fact that the government would like such a contract in the rest of the country! To counter this, the CCG in the North have extended the basket with some new services, bringing some extra funding into general practice. Only time will tell if this is a sufficient counter-measure.

A large unforeseen impact of the re-organisation of the health service was education. The formation of Local Education Training Boards (LETB) happened, and then we were all tasked with working out what they did! Nottinghamshire and Derbyshire were pro-actively involved as GP's from the start which was not the same in many parts of the country. Local committees (LETC) have been set up for each county, and have GP input. Without this the secondary care providers may have ended up with an even bigger chunk of the funding!

The Practice nurse project is another area where the LMC has had an impact in education. Lisa Soultana has worked hard on developing this, to give a framework of competencies for nurses in practices, so that they can develop in a more structured manner. This has received significant interest, and a little funding from the LETB.

Another area ignored in the reorganisation of the NHS was property/premises. We all discovered as the year progressed that the government has sliced off NHS property into a private company, which although non-profit making in the first instance, will become like other landlords in due course. The impact of this on GP's in health centres is still to be fully understood. However, the potential effect on community hospitals may be dramatic due to the increased estate costs.

The LMC continued to have an impact in little areas that have a bigger impact on GP's. One I was involved with was the acquisition of paper for lab test requests when using the ICE system in North Derbyshire. The hospital eventually conceded that the time saved at the hospital end when we used the system, was worth a small investment of paper with integral labels on, that saves the takers time in GP, and reduces the number of unlabelled bottles, as well as saving the admin time

at the lab.

Another was the whole 'Call Derbyshire' system from the council, which was aptly renamed by the committee as 'Fax Derbyshire', as they never accepted a phone referral from GP's. Their culture is starting to change after much pressure. We continue to discuss an integrated electronic referral system. Like all NHS IT that may take some time!

We countered the argument of EMAS regarding ambulance station closures, and to some extent this was successful. However, this may have been just a stay of execution.

We discussed for several months the 'Guernsey Option'. This is a paper produced some years ago by a GPC member. We were asked to look at this with the potential demise of general practice by a constituent. It had some merits, but was unpalatable to most, and would never be bought by a politician wanting to seek re-election!

Finally, in October we had a 100 years dinner. Chaand Nagpul the GPC chair came to speak, and many previous chairs of Derbyshire LMC were there. This was a great night and recognised the impact of faithful people over the years in making Derbyshire LMC one of the more successful and well respected LMC's.

We continue to meet ever more parts, of an ever more complicated system, tempering the wishes of the unelected masters we serve.

Peter Williams
LMC Chairperson

# SECRETARY'S REPORT

2013-14 has been a year of change, both in the LMC office and in the wider world.

We knew well in advance that Kate Lawrence would be retiring in June 2014 and we spent much of this year thinking about what sort of staffing structure we would need once we lost Kate's invaluable experience. As things turned out, Helen Watts left us at the end of March 2014 and there will be a need for wholesale restructuring and recruitment at the beginning of 2014-15. As always, I am extremely grateful to Lisa Soultana, to Kate and to Helen for their hard work during the year. Kate and Lisa have had a particularly heavy workload but have remained remarkably positive throughout.

April 1st 2013 marked the official establishment of Clinical Commissioning Groups (CCGs) as statutory bodies, replacing the abolished Primary Care Trusts as well as the official transfer of various powers that had been held by the PCTs to NHS England and to Local Authorities. We continued to build upon the relationships we had established with the four Derbyshire CCGs and with the Nottinghamshire and Derbyshire Area Team (AT) of NHS England. I am pleased to report that all these relationships remain strong and positive, even on those occasions when we have to agree to disagree. Because of the footprint of the AT we have strengthened our already close ties with Nottinghamshire LMC but the two LMCs continue as independent and separate bodies. Relationships with Derbyshire County Council and Derby City Council have proved harder to manage, partly because of their own serious problems with savage funding cuts and partly because of their difficulties in understanding the culture of General Practice. We have, nevertheless, been able to engage successfully on several specific issues.

2013 was the LMC's Centenary year. A celebratory dinner was held in November, organised with great skill and much hard work by Helen. The guest speaker was Dr Chaand Nagpaul, the Chairman of the General Practitioners Committee. Several ex-chairmen of the LMC attended and there were guests from neighbouring LMCs. Our archive of LMC records dating back to 1913 was deposited at the County Records Office, where they have been cleaned up and preserved, and where they are available for inspection on request. It should not be lost on anyone that LMCs celebrate their centenary at a time when virtually every other organisation in the NHS has been re-organised in one way or another within the last few years and, indeed, many of them must be regarded as neonates. Our corporate memory of the United Kingdom's health services is almost unique.

Care Quality Commission (CQC) inspections commenced during the year and several Derbyshire practices were inspected. Most did well but there were a few practices where minor concerns were noted by the inspectors. We had no practices highlighted in the infamous 'Maggotgate' press release. These generally reassuring results are due in some measure to the immense amount of preparation work that Lisa and Kate have done with practices, in conjunction with the CCGs. We have instituted a series of meetings with the regional CQC team to try to ensure that any problems are dealt with. During the course of the year the CQC announced that the format of inspections will change. We will follow any changes closely and will ensure that practices are prepared for them. We gave advice on the re-organisation of the Drug Misuse service in the County. Unfortunately, this re-organisation was almost entirely driven by financial considerations and the end result was that the influence and importance of GP prescribers was somewhat reduced.

We worked closely with the Area Team on the matter of Professional Performance issues. We secured agreement that it is important that GP members of the Performance Screening Group and the Performers List Decision Group should be nominated by the LMC in order that GPs retain confidence in their independence from the AT. It is important to realise, however, that these nominees do not represent the interests of the LMC or of individual GPs – they are expected to make independent judgements in their capacity as respected members of the profession.

As the Chairman has noted, we spent a considerable amount of time discussing with the CCGs, especially North Derbyshire and Hardwick, the development of the Basket of Services (BoS). This was complicated by the fact that a significant amount of the money that was originally in the BoS has transferred to Public Health at the County Council. Towards the end of the year we began discussions with Southern Derbyshire CCG regarding its need to integrate the BoS and the City's Quality Enhanced Service. This looks set to run and run!

The national roll out of 111 proved to be something of a disaster but the Derbyshire service coped well under the circumstances. The Derbyshire integrated 111/OOH service looks as if it is the best way forward and the strong influence of GPs, through the LMC and DHU, seems highly beneficial. The LMC came to an agreement with DHU during the year about how patients contacting 111 and receiving a 'contact a GP' outcome at or close to the beginning or end of core hours should be dealt with, and by whom.

We have been closely involved with education and workforce issues, through the Derbyshire Local Education and Training Council. It remains to be seen, however, whether the looming crisis in the Primary Care (and especially GP) workforce is properly understood and whether it can be averted.

We responded to a survey from Monitor about the operation of markets in Primary Care, emphasising our view that market forces do not operate effectively in an environment where every member of the public is entitled to receive the product (healthcare) free of charge.

A major achievement during the year was award to the LMC by the Health Education East Midlands of a major contract to develop a Practice Nurse Competency Framework (PNCF). As I mentioned in last year's report, the need for such a framework was identified by Lisa Soultana, working with a county-wide network of Practice Nurses. Lisa is now heading the project with support from a small team of Practice Nurse Champions. The PNCF itself was completed by the end of the year and the project will move forward towards ensuring that it becomes a useful tool for practice nurses and their practices.

An old chestnut recurred this year that we have been struggling with, off and on, for a couple of decades. This is the question of whether patients in private institutions, registered as hospitals, are entitled to receive Primary Medical Services from a local practice under the practice's GMS or PMS contract. The LMC's view, supported by GPC, is that they are not. If the provider of the hospital service is unable to provide the equivalent of Primary Medical Services itself it should contract separately for such services from a registered provider. NHS England and its lawyers dispute this view and say that any person who is resident in an area (including in a hospital) is entitled to GMS/PMS services either as a registered patient or as a Temporary Resident. The ultimate extension of such a policy could be that Acute Trusts might not need to employ junior hospital doctors as they could call in a local GP to treat anything that did not need the personal attention of a specialist consultant. There is also a patient safety angle, in that two doctors (the hospital consultant and the GP) have hour by hour responsibility for the care of the patient. The LMC will continue to fight this tooth and nail.

It became apparent during the year that primary care premises is a huge issue that was completely ignored in the implementation of the Health and Social Care Act. There is no funding identified nationally or locally for premises funding. Premises that used to be owned by PCTs have been transferred to a new agency called NHS Property Services and for premises where PCTs held the head lease (LIFT buildings) the leases have been transferred to Community Health Partnerships. Because PCTs had previously indulged in netting off reimbursements against costs there is now an almost complete lack of clarity about who is responsible for the running costs of these buildings and what elements of such costs are reimbursable if the practices occupying them are responsible. We have worked hard, in conjunction with Nottinghamshire LMC, to try to deal with the many problems that this issue has raised for practices. Unfortunately, these matters are proving very difficult to resolve. It seems that this is one particular area where practices will suffer severely as a result of the Government's ill-judged decision to fragment the NHS.

We also worked with Nottinghamshire LMC to influence the Area Team over its approach to requests for practice list closures. We devised a scoring system that takes into account the regulatory requirements and the AT has agreed to

Members of the Doctors and Dentists Review Body visited Derbyshire and Nottinghamshire in the summer. The Chairman and I attended a meeting with them, along with several other invited GPs. It was remarkable that the conversation revolved almost entirely around workload with almost no mention being made by the GPs of remuneration *per se.*

The Area Team and the CCGs began to formulate five year strategies for Primary Care during the year. The LMC was heavily involved in discussions about these.

A number of Information Governance issues arose during the course of the year, mostly around the sharing of personally identifiable data. The LMC debated care.data, the electronic Data Sharing Module (eDSM) of SystmOne and the second Caldicott Report.

The LMC held several debates throughout the year on the future of General Practice, using resources such as CCG and NHS England strategic plans and 'The Guernsey Option', which describes an insurance based health service. There are undoubtedly changes ahead but it is very difficult to predict what they might be and how to influence them.

The LMC agreed to support the Primary Care Development Centre. This is a concept developed by Nottinghamshire LMC to concentrate the mapping and provision of training needs within primary care in order to enable practices to respond to the rapidly changing environment in which they find themselves. The support and involvement of Derbyshire LMC enables the Area Team to commit significant resources to the PCDC. Derbyshire LMC's commitment, in terms of staff time, is valued at £15,000.

Towards the end of the year the LMC became very concerned about the provision of Child and Adolescent Mental Health Services (CAMHS) across Derby and Derbyshire. Attempts have been made to set up meetings with appropriate people from both the commissioners and the providers but this is proving very difficult.

The March 2014 meeting marked the end of the 2010-2014 committee. A new committee will be formed in April 2014, to run for another four years. Dr Rachel Tinker, Dr Paul Weston-Smith, Dr David Portnoy and Dr Mussaddaq Iqbal have decided not to stand for re-election. I am most grateful to all of them for their involvement over the lifetime of this committee and, indeed, previous committees. I particularly thank Rachel for her support as a Deputy Chair and Paul for his very longstanding membership of the LMC. My sincere thanks are, of course, due to Dr Peter Williams for his expert chairmanship of this committee – his guidance and wisdom have been invaluable. I also thank Dr Peter Holden, our Treasurer, for keeping the LMC's finances in exceptionally good order – please see his report for further details. Thanks also to Dr John Ashcroft, our other Deputy Chair, who never fails to remind us that public health issues matter immensely to us and to our patients.

Finally, I retired from clinical practice in July 2013 and gave up my licence to practice. I am not, therefore, eligible to stand for membership of the new committee. The LMC can, however, appoint a Secretary from outside its membership and I have indicated my willingness to serve if that is what the new committee wishes.

John Grenville
LMC Secretary

# TREASURER'S REPORT

This treasurer's report refers to matters up to 31 March 2014. This report is presented to you earlier in the financial year than all of the 33 years of my membership of the LMC except last year. Last year we broke a record by having the report ready for the October meeting. The delay this year has arisen because of the increasing complexity of the enterprise and there are now three financial entities to report to members rather than two as in the past. The fact there are now three financial entities is a tribute to the enterprise of those who work in the office in Derby in creating courses and other educational support to the ever increasingly complex business of general practice.

During the year ending 31 March 2014 it became clear that the educational support and practice management support activities initiated underwritten and delivered by the LMC secretariat were going to become a significant part of our financial activity. As a consequence it was decided that to protect members funds raised through levies that such activities should be conducted through a separate financial entity Derby and Derbyshire LMC Services Ltd. The company was floated with seed corn money from the LMC which is a debt that will be repaid to the LMC in due course. It is hoped that the activities of Derby and Derbyshire LMC services Ltd which was incorporated on 4 October 2013 will eventually not only deliver the managerial and professional educational support which is proving popular with our constituent practices but also will yield a surplus to help keep the cost of levies down. As we closed our books for business in 2014 we concluded a joint enterprise agreement with Health Education East Midlands and Nottinghamshire LMC in furtherance of this aim.

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.

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

In reading this report may I suggest that you consider Derbyshire Local Medical Committee accounts and those of Derby and Derbyshire LMC Ltd in tandem and look at the **LMC Services** Ltd accounts separately. My reasoning is outlined below

Since the year ending 31 March 2009 we have presented two sets of accounts in connection with LMC related representational and support activities - the limited company D&D LMC Ltd. accounts and the LMC accounts themselves. The company is a wholly owned subsidiary of the LMC. The two sets of accounts should be read in tandem. The reasons for this are set out below.

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 LMC's 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 Derbyshire LMC 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 the LMC – your LMC- and all surpluses accrue to the LMC. The directors of the company are the officers for the time being of the statutorily established Derbyshire Local Medical Committee. The LMC 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.

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 are available for inspection at Norman House by any levy payer upon notice.

For those bored by accountancy and more trusting of their elected representatives the salient matters are that:

**1. The Company accounts (Derby & Derbyshire LMC Ltd)**

- The company accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 which became effective from April 2008 This declaration can be found on pages 4 and 5 of the full accounts. Because there has been no audit the accountants make their statement to that effect at page 9
- Although the company has made a profit and is having Corporation Tax levied on it; even if the profit had been reverted back to the LMC before the year- end then the LMC would have paid exactly the same amount of tax. Therefore rather than shunt money around needlessly (and not without both banking and accountancy expense); it was decided to leave the bulk of profit for taxation with the company.

**2. The LMC accounts**
(Comparable figures for y/e 31/03/2013 in brackets)

- This year all of the expenses are attributable to the drip feed into Derby and Derbyshire Local Medical Committee Limited and our annual subvention to the GPDF levy. The Contributions section remains attributable to the LMC

3. Taking all our activities together our surplus of income over expenditure before tax is:

| | **Y/E 31/3/2013** | **Y/E 31/3/2014** |
|---|---|---|
| LMC | £27961 | (£1766) |
| D&D LMC Ltd | £1393 | £17318 |
| **Total** | **£29534** | **£15522** |

4. This is a tribute to all the staff in Derby who have worked incessantly in keeping a tight grip on our expenditure which has increased to **£360,762 by 5% (3.53%) from £344837** in 2013. This is a good result when the headcount staffing levels have risen. All our income except bank interest comes from LMC levies which have fallen to £413237 from £414875 in 2013. The levy income always varies slightly and review over the past 4 years indicates that it has fallen somewhere between £404 to £414K.

5. Bank interest rates have fallen dramatically over the past six years reducing our income from that source by 90%.

To illustrate this the total income from this source for both LMC and LMC ltd has been: -

| Year Ending | Total income |
|---|---|
| 31/03/2008 | £13485 |
| 31/03/2009 | £8683 |
| 31/03/2010 | £1397 |
| 31/03/2011 | £2159 (£1997 for the LMC and £162 for the company) |
| 31/03/2012 | £2282 (£2087 for the LMC and £195 for the company) |
| 31/03/2013 | £1587 (£1320 for the LMC and £208 for the company) |
| 31/03/2014 | £5691 (£4116 for the LMC and £1575 for the company) |

6. To run the whole LMC operation the costs for y/e 31 March 2014 were (2013 in brackets)

D&D LMC Ltd. Company costs £358762 (£341517) plus £2000 contributions towards the East Midlands Local Medical Committees bringing the D&D LMC Ltd costs to £360762 (£343517).

LMC costs were £23342 including the GPDF levy of £56700 (£59234) – all of the decrease being caused by 2 factors namely a small decrease in the Derbyshire population and a one off rebate of the GPDF levy by GPFC Ltd.

- Grand Total expenditure of £360762 + £23342 = £384104 (£401537). Caution needs expressing at this result because in 2015 it will revert to something in the region of £420,000.

- The income comprised £413237 (£414875) in levies plus £5691 (£1587) bank interest totalling £418928 (£416462).

- We have **reserves,** after paying our creditors, of £161788 (£160818) in the company plus £360770 (£332809) in the LMC Grand Total of £522558 (£493627) 136% or (122.9%) **of one year's operating costs excluding inflation. It should be noted that the instability in these figures is still largely due to GPDF rebates which are not guaranteed. It should be noted that our expenditure on a like for like basis is up and our levy income is down. Next year on a like for like basis where there is no GPDF rebate the real figure would be expected to be 124%. It will be worse as there are some cost pressures in the pipeline.**

- Our income in real terms has fallen during 2013-2014 as the levy has been static for almost eleven years although the contribution from bank interest is now about 1%. Rising inflation, increasing headcount and staff pay awards have affected our operating costs. The current favourable reserve position over the last year is due to the levy holiday from the GPDF which cannot be relied upon in future years.

- Bitter experience over 25 years has shown us that allowing the reserves to fall costs GPs more in the long run because to rebuild them, requires us to replenish those reserves from TAXED surpluses.

- With continuing careful husbandry of resources it will not be necessary to raise the levy in the foreseeable future provided that the blip in inflation seen in recent months settles down BUT we need to keep a careful eye on matters. As predicted last year we have been able to improve our surveillance capability of the finances because of new financial management software.

**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 LMC role will also increase as the economy proves to be so unstable as to require real terms cuts in NHS GP expenditure. As regards the future political scenario, the 2012 Health and Social Care Act is bringing far reaching NHS changes of an uncertain nature and there will be tensions between what CCGs want and what GPs are obliged to provide under their contractual terms of service. Within the next 12 months the government will have to recognise that it has over promised to the public and under resourced general practice and there will be inevitable tensions between GPs and their CCGs.

**Servicing Our Responsibilities**

To service such responsibilities Derbyshire LMC has its office base at Norman House, Friar Gate, Derby, DE1 1NU. The lease was renegotiated in the summer of 2012 on largely unchanged terms. We employ 3.5 whole time equivalent members of staff consisting of 2 PPLOs, an LMC Office coordinator, and a half time medical secretary supported by the elected office holders and members of the LMC. Our staff have an ongoing constructive dialogue with most practice managers and all the CCG senior managers in the city and county. 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 increase in the staff headcount with a different skill mix.

**Corporate Financial Governance**

We are advised on technical and taxation matters by our accountants Smith Cooper and Partners at their Ashbourne office. Shamim Aktar a partner at Ashbourne has looked after our affairs for the past 5 years. Financial controls exist separating the various steps in expenditure. All books are kept at the office in Derby. The cheque raising functions are separate from the cheque signing functions. The cheque book is kept in Derby by the Office Manager who has responsibility for raising cheques. Any of the five officers are signatories but normally it is the Treasurer who signs every cheque. Cheques to the value of £5000 require one signature – the Treasurer normally – and above that require two signatures. No officer signs a cheque payable to themselves or their practice and ALL invoices and expenses claims are signed off by the treasurer weekly.

**Does It Work?**

The best evidence that this system continues to work for GPs is evidenced by the lack of Derbyshire "crises" on the LMC Secretaries list server. Very few problems emanate from Derbyshire and mostly Derbyshire is in the forefront of replies offering constructive solutions and replies. That is a very significant tribute to the professionalism, knowledge, and long experience of our staff and our officers. This is what gives Derbyshire practices the relatively quiet time in AT/CCG relations because problems are nipped in the bud and the professionalism of the LMC is recognised by most managers with whom we have a good working relationship. On a national level Derbyshire LMC is regarded by the GPC as being in the Premier League of LMCs for the quality of its work even though we are only medium sized and our work on fairer funding is now being carefully reviewed centrally as a model which by and large works.

**Value For Money**

It is worth reiterating that Derbyshire LMC was highlighted in the 2004 University of Sheffield study into the structure, function, and financing of LMCs. That study indicated that Derbyshire LMC is 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 10 years old, has changed.

**Our Reserves Policy**

It remains the Local Medical Committee's policy to keep on reserve one year's operating costs in case the current mandate system were to become disrupted or simply to ensure, as is the case for this year, that the LMC has enough funds in reserve to enable Derbyshire Local Medical Committee to continue and improve its service to meet the needs of its constituents. During the past ten years we have faced and survived BOTH contingencies and continued to develop services to colleagues.

**Does The Levy Actually Cost You Anything At All?**
The LMC is funded by the LMC levy. The LMC then funds its representative activities through a tightly and carefully worded service level agreement with Derby and Derbyshire LMC Ltd which is funded by the Local Medical Committee. 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 which themselves are informed by the Technical Steering Group's (TSC) Inland Revenue practice expenses enquiry. As the lead member of the TSC I can give you a personal and categorical assurance that **paying the LMC levy costs the profession nothing overall.**

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.

**We Believe In The Principle Of Voluntarism**
For 101 years Derbyshire LMC has always believed in the principle of voluntarism and our levy has always been a voluntary one ever since our inception in 1913. Interestingly, although we have the legal power to impose a statutory levy, we have fought strenuously against invoking it. In future both you and your practice are much more likely to need the LMC's services concerning local variations or additions to your new GMS or PMS Contract particularly with relation to local enhanced services and MPIG redistribution. The LMC is able to offer you a range of services including timely expert advice and practice support on a range of contractual matters.

**Have We Achieved Our Financial Aims?**
Our reserves are now substantially rebuilt thus ensuring that we will be able to achieve our 25 year old policy to keep on reserve one year's operating costs as a contingency. We have **reserves of one year's operating costs excluding inflation. The levy does NOT need to rise and with luck we may be able to defer any levy rise until 2016 but much will rely upon the underlying rate of inflation and the political "temperature' in the meantime.**

**Increasing The Levy**
To increase the levy requires a resolution of the LMC. As a matter of principle the officers prefer to give 6 months notice of an increase although we only have to give 3 months constitutionally. Financial reality will require consideration of a levy increase during 2014/15 to take effect in 2016 by which time the current levy will have been held for almost thirteen years and when that step occurs I will look for the customary solidarity traditionally demonstrated by Derbyshire General Practice on this matter where over 97% of you pay the levy.

The track record of the Derbyshire LMC for wise financial management is recognised throughout the LMC world in the UK and therefore the officers seek your continuing support for our longstanding financial policy of maintaining at least one year's operating costs in reserve.

Our office team have explored the possibilities of using their skills and professionalism to generate income for the LMC this is still at an early stage and success in this venture may further postpone any levy rise. This is why Derby & Derbyshire LMC Services Ltd was incorporated in October 2013 and in 6 months has turned a surplus of £21899, which has not yet been incorporated into the LMC main accounts. We continue to monitor this activity closely and with some cautious optimism. The LMC owes its staff a special vote of thanks for their initiative in this process.

Derbyshire Local Medical Committee strives to represent and support all GPs whether they be GMS, PMS or sessional doctors. We aim to 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.

Politically we retain our strategic and mutual aid alliances with Nottinghamshire and Lincolnshire LMCs, each of the LMCs having special expertise which we share largely on a knock for knock basis.

PMS practices and those with GMS practices with large MPIGs seem to be in for a very hard time indeed. From personal experience, as the lead GPC financial negotiator I continue to travel the country helping LMCs deal with this threat and the single enduring thread in a successful fending off of draconian renegotiations of PMS contracts is

1. The LMC expertise
2. LMC leadership
3. And most importantly every single practice standing together as one

**You continue to need your LMC like no time ever before in any of our professional lifetimes.**

At the end of this report you will find a list of contributors to the voluntary levy and the officers and members of the Derbyshire Local Medical Committee are pleased to have your continuing support.

The LMC Officers thank all those practices for their continuing co-operation during these times of massive threat.

Peter J P Holden Treasurer

04 December 2014

# DERBYSHIRE LMC
# BALANCE SHEET AT 31 MARCH 2014

| CURRENT ASSETS | 2014 | 2013 |
|---|---|---|
| Debtors | - | - |
| Cash at Bank | 347186 | 290981 |
| Derby & Derbyshire LMC Ltd Loan | 42361 | 41856 |
| Corporation Tax | - | 662 |
| | 389547 | 333499 |
| **LESS CURRENT LIABILITIES** | | |
| Creditors | (22722) | (690) |
| Corporation Tax | (6055) | - |
| | (28777) | (690) |
| **EXCESS OF ASSETS OVER LIABILITIES** | 360770 | 332809 |
| Represented by: - | | |
| **ACCUMULATED FUND** | | |
| Balance Brought Forward | 332809 | 334575 |
| (Deficit)/Surplus for the Year | 27961 | (1766) |
| | 360770 | 332809 |

## DECLARATION OF ACCEPTANCE

We approve these accounts and confirm that we have made available all relevant records and information for their preparation.

P Williams — Chairman
PJP Holden — Treasurer
04/12/2014 — Date

## ACCOUNTANTS' CERTIFICATE

In accordance with instructions given to us we have prepared, without carrying out an audit, the accounts set out on pages 1 and 2 from the accounting records of Derbyshire Local Medical Committees and from information and explanations supplied to us and believe them to be in accordance therewith.

Smith Cooper
Chartered Accountants
Ashbourne
Date 05.06.14

# DERBYSHIRE LMC
# REVENUE ACCOUNT
# FOR THE YEAR ENDED
# 31 MARCH 2014

| | | 2014 | | 2013 |
|---|---|---|---|---|
| Levy on Members | | 413237 | | 414875 |
| Bank Interest | | 4116 | | 1379 |
| Corporation Tax Interest | | 5 | | |
| | | 417358 | | 416254 |
| Less expenses | | | | |
| Accountancy charges | 1020 | | 1032 | |
| Bank charges | 50 | | 48 | |
| Insurance | 240 | | 240 | |
| | | 1310 | | 1320 |
| | | 416048 | | 414934 |
| Contributions | | | | |
| Defence Fund Ltd | 22032 | | 56700 | |
| Derby & Derbyshire LMC Ltd | 360000 | | 360000 | |
| | | 382032 | | 416700 |
| **DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION** | | 34016 | | 1766 |
| | | (6055) | | - |
| **TAX ON SURPLUS ON ORDINARY ACTIVITIES SURPLUS AFTER TAXATAION TRANSFERRED TO ACCUMULATED FUND** | | 27961 | | (1766) |

**DERBY & DERBYSHIRE LMC LIMITED, COMPANY LIMITED BY GUARANTEE**
**COMPANY INFORMATION FOR THE YEAR ENDED 31ST MARCH 2014**

DIRECTORS: Dr J S Ashcroft, Dr P J P Holden, Dr R Tinker, Dr P Williams
SECRETARY: Dr J S Grenville
REGISTERED OFFICE: Norman House, Friar Gate, Derby DE1 1NU
REGISTERED NUMBER: 06203380 (England and Wales)
AUDITORS: Smith Cooper, Registered Auditors, St John's House, 54 St John Street, Ashbourne, DE6 1GH

## DERBYSHIRE LMC SERVICES LTD INCOME & EXPENDITURE ACCOUNT TO 31 MARCH 2014

| | Year ended 31/3/13 |
|---|---|
| **TURNOVER** | 52916 |
| Cost of Sales | 11870 |
| | 41046 |
| Administrative Expenses | 19147 |
| **OPERATING SURPLUS &SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION** | 21899 |
| Tax on surplus on ordinary activities | 4380 |
| **SURPLUS FOR THE FINANCIAL YEAR** | 17519 |

## DERBYSHIRE SERVICES LMC LTD BALANCE SHEET 31 MARCH 2014

| | 2013 |
|---|---|
| **CURRENT ASSETS** | |
| Debtors | 20961 |
| Cash at bank and in hand | 24135 |
| | 45096 |
| **CREDITORS** Amounts falling due within one year | 27577 |
| **NET CURRENT ASSETS** | 17519 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | 17519 |
| **RESERVES** | |
| Income and expenditure account | 17519 |
| | 17519 |

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 March 2013.
These financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007). These financial statements were approved by the Board of Directors on 25 September 2014 and were signed on its behalf by: Dr P J P Holden (Director) and Dr P Williams (Director).

## DERBYSHIRE SERVICES LMC LTD REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014

| **Turnover** | 2013 | |
|---|---|---|
| Projects | 45618 | |
| Derbyshire LETC Funding | 7298 | |
| | | 52916 |
| **Cost of Sales** | | |
| Purchases | | 11870 |
| **GROSS SURPLUS** | | 41046 |
| **Expenditure** | | |
| Office Overheads | 250 | |
| Administration Costs | 15844 | |
| Post & Stationary | 100 | |
| Sundry Expenses | 14 | |
| Meeting Expenses | 830 | |
| Accountancy | 2080 | |
| | | 19118 |
| | | 21928 |
| **Finance Costs** | | |
| Bank Charges | | 29 |
| **NET SURPLUS** | | 21899 |

**DERBY & DERBYSHIRE LMC LIMITED, COMPANY LIMITED BY GUARANTEE**
**COMPANY INFORMATION FOR THE YEAR ENDED 31ST MARCH 2014**

DIRECTORS: Dr J S Ashcroft, Dr P J P Holden, Dr R Tinker, Dr P Williams
SECRETARY: Dr J S Grenville
REGISTERED OFFICE: Norman House, Friar Gate, Derby DE1 1NU
REGISTERED NUMBER: 06203380 (England and Wales)
AUDITORS: Smith Cooper, Registered Auditors, St John's House, 54 St John Street, Ashbourne, DE6 1GH

## DERBYSHIRE LMC LTD INCOME & EXPENDITURE ACCOUNT TO 31 MARCH 2014

| | Year ended 31/3/14 | Year ended 31/3/13 |
|---|---|---|
| **TURNOVER** | 362214 | 361772 |
| Administrative expenses | 362396 | 344662 |
| **OPERATING (DEFICIT) / SURPLUS** | (182) | 17110 |
| Interest receivable & similar income | 1575 | 208 |
| **SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION** | 1393 | 17318 |
| Tax on surplus on ordinary activities | 423 | 3172 |
| **SURPLUS FOR THE FINANCIAL YEAR** | 970 | 14186 |

## DERBYSHIRE LMC LTD BALANCE SHEET 31 MARCH 2014

| | 2014 | 2013 | 2013 | 2012 |
|---|---|---|---|---|
| **FIXED ASSETS** | | | | |
| Tangible assets | | 2243 | | 2991 |
| **CURRENT ASSETS** | | | | |
| Debtors | 21883 | | 1277 | |
| Cash at bank and in hand | 228963 | | 222697 | |
| | 250846 | | 223974 | |
| **CREDITORS** | | | | |
| Amounts falling due within one year | 91301 | | 66147 | |
| **NET CURRENT ASSETS** | | 159545 | | 157827 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 161788 | | 160818 |
| **RESERVES** | | | | |
| Income and expenditure account | | 161788 | | 160818 |
| | | 161788 | | 160818 |

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 March 2013.
These financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007). These financial statements were approved by the Board of Directors on 25 September 2014 and were signed on its behalf by: Dr P J P Holden (Director) and Dr P Williams (Director).

## DERBYSHIRE LMC LTD REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014

| **Turnover** | **2014** | | **2013** |
|---|---|---|---|
| Derbyshire LMC contributions | 360000 | 360000 | |
| Sundry income | 2214 | 1772 | |
| | 362214 | | 361772 |
| **Other Income** | | | |
| Deposit account interest | 1575 | | 208 |
| | 363789 | | 361980 |
| **Expenditure** | | | |
| Premises Costs | 10913 | 10520 | |
| Rates and water | 150 | (325) | |
| Insurance | 1953 | 2074 | |
| Directors' salaries | 47671 | 46255 | |
| Directors' Social Security | 2870 | 2237 | |
| Wages | 225680 | 211148 | |
| Social Security | 25950 | 23635 | |
| Pensions | 15232 | 15451 | |
| Computer expenses | 1769 | 3240 | |
| Telephone | 2312 | 2319 | |
| Post and stationery | 3304 | 3182 | |
| Meeting & travelling expenses | 14725 | 13999 | |
| Repairs & renewals | 447 | 1523 | |
| Cleaning | 1187 | 874 | |
| Sundry expenses | 337 | 177 | |
| Training | - | 934 | |
| Accountancy charges | 3568 | 2822 | |
| Legal fees | 694 | 1452 | |
| Trent Regional LMC | 2000 | 2000 | |
| | 360762 | | 343517 |
| **Finance Costs** | 3027 | | 18463 |
| Bank charges | 886 | | 147 |
| | 2141 | | 18316 |
| Depreciation | 748 | | 998 |
| **NET SURPLUS** | 1393 | | 17318 |

Derbyshire LMC thanks the following practices for their contributions to the voluntary levy. 92% of Derbyshire practices have agreed to pay the levy.

Dr Abell & Partners
Dr Adams, Jootun & Cowley
Dr Ahmed, Lodge, Tompkinson & Lynas
Dr Allamby & Davidson
Dr Allen & Partners
Dr Anderson & Partners
Dr Barrett & Partners
Dr Bates & Wedgwood
Dr Birks & Partners
Dr Black & Partners
Dr Blagden
Dr Blyth & Partners
Dr Brian Bates & Partners
Dr Bull & Belfitt
Dr Chand
Dr Chawla
Dr Cocksedge & Partners
Dr Collins & Partners
Dr Cooke & Partners
Dr Cotton & Partners
Dr Cox & Mark
Dr Crowder & Partners
Dr Culverwell & Partners
Dr Davidson & Partners
Dr Donaldson & Partners
Dr Donovan & Partners
Dr Doris & Gayed
Dr Dunn & Partners
Dr Farmer & Partners
Dr Farrell & Partners
Dr Gates & Partners
Dr Gembali & Partners
Dr Giri
Dr Gokhale & Gokhale
Dr Goodwin & Partners
Dr Gould & Brown
Dr Green & Partners
Dr Hamilton & Partners
Dr Hannon & Partners
Dr Harris & Partners
Dr Hartley & Partners
Dr Holliday & Partners
Dr Holden & Partners
Dr Houlton & Burns
Dr Hurst & Woods
Dr Hutchinson, Adler & Howson
Dr G Jones
Dr Jones & Briggs
Dr Jones & Clayton
Dr Jordan, Barstow & Bermingham
Dr Kar
Dr Kinghorn & Partners
Dr King & Partners
Dr Kinsella & Partners
Dr Kirtley & Partners
Dr Langan & Partners
Dr Lindop & Partners
Dr Lingard & Partners
Dr Little & Partners
Dr Livings & Partners
Dr Lockhart & Partners
Dr M & A Iqbal
Dr Macleod & Partners
Dr Mann & Partners
Dr Markus & Partners
Dr McMurray & Partners
Dr Miller, Purnell & Bailey
Dr Moss & Partners
Dr Narula
Dr Nichols & Partners
Dr Nicholson & Partners
Dr Noble, Walker, Foskett & Mellor
Dr O'Reilly & Davidson
Dr Palmer & Gardner
Dr Parmar
Dr Pickworth & Partners
Dr Powell, Jefferson & Fisher
Dr Price, Pilcher, Neep & Riches
Dr Ramchandran & partners
Dr Ramzan & Jha
Dr Redferne & Partners
Dr Riddell, Abraham & McGroarty
Dr Riddell, Holderness & Ruck
Dr Rooney & Partners
Dr Rowan-Robinson & Partners
Dr Scott & Partners
Dr Serrell & Partners
Dr Shand & Partners
Dr Short & Partners
Dr Singh
Dr Singh & Kelman
Dr Skidmore & Partners
Dr Smallman & Partners
Dr Spencer & Partners
Dr Sutherland & Partners
Dr Tampi & Tampi
Dr Taylor, Tooley, Milner & Horsfield
Dr Thomson & Partners
Dr Thurstan & Partners
Dr Vickers & Partners
Dr Ward & Partners
Dr Webb, Johal, Portnoy & Portnoy
Dr Weston-Smith & Partners
Dr Wilkinson & Partners
Dr Williams, Douglas, Royle & Start
Dr Wood & Partners
Dr Wordley & Partners
Dr Zaman & Piracha
Dr Zammit-Maempel
Integral Healthcare Partnership (IHP)
One Medicare
United Health UK