

## AGM- Treasurer Report 2017 2018 Financial Year

As the Treasurer of the LPC it is incumbent upon me to maintain probity of the LPC finances so that contractors are getting value for their levy payments and that LPC expenditure is justified. All expenditure, including those of committee members, is agreed and the accounts are reviewed bi-monthly by the full LPC Committee and verified annually by an independently appointed Accountant. These accounts are available to contractors for examination.

I will begin to report upon key points and events that have occurred with respect to LPC Finance and our financial management.

### **Accounts- *erratum***

It has come to light that at the point of production of this report, there is a discrepancy within the accounts which affects the operating income and expenditure page of the accounts, and the balance sheet.

The discrepancy arose from the £25,000 Healthy Living Pharmacy fund we received was meant to have been reflected in the balance sheet as an accrual, to hit our account during the financial year 2018/2019. The following points should be considered in lieu of corrected accounts which are currently being prepared:

#### Page 2

Lincolnshire County Council- HLP monies should read zero

Total income should read £144,681.33

Surplus/ Deficit should read £3,896.88

Balance carried forward should read £106,446.14

#### Page 3

Cash at bank should read £146,120.93

Depending on the accounting policy chosen to correct the accounts, the balance (and as such, the net book value of the LPC reserves) should remain as £127,531.78 as the £25,000, invoiced to Lincolnshire County Council at the end of the 2017/18 Financial Year, will either be classed as an asset, or be reflected in the deferred income liabilities column.

### **Personnel**

We maintained the level of hours that our Chief Officer, Steve Mosley currently is contracted to. This is currently 22.5 hours (three days per week)

We also continue to utilise the support of Hazel Sisson as our administrative support, which has helped immensely to free up the committee to concentrate on the operation of the LPC. We spent £3290 on this back-office function in the financial year, which includes the treasurer fees.

### **Surplus/ Deficit for the year**

As of the 31<sup>st</sup> March 2018, our account balance was **£106,446** as above. Operating the budget agreed by the committee at the beginning of the financial year, it was targeted that this would bring about a reduction of the balance to £97590, which meant that we closed with an increase of **£7,812**

for the year from the previous closing balance, and around £8,800 over the budget despite having an extra payment holiday for the year.

## Key Financial Transactions and explanations of significant differences

Income /expenditure	2017 2018	2016 2017	Difference	Detail
Training costs	£ 13,352	£ 0	£ 13,352	<i>Usage of income from Health Education East Midlands for HLP training- Quality Payments</i>
PSNC Levy	£ 44,510	£ 60,103	£ 15,593	<i>Previous year included extraordinary levy for High Court Fees from PSNC</i>

## LPC Funded Members' Expenses

Please find a list of members' attendances at meetings attached to which a total of £11,016 was spent in total to cover committee members' attendance at meetings. These are usually made payable as locum backfill either to their employing organisation or direct to the member as per our expenses policy, which can be found on our website. A total of £1,646 was payable for travel in the year.

## Strategy for 2018 2019

For the following financial year, we produced a budget based on this years' performance, and continued to track our activities as the year goes by against the budget. We will report upon our performance against the budget to contractors via next years' AGM. We anticipate that we would further reduce our reserves down, via one proposed Levy holiday over the year. These are to be decided by the committee as part of the Treasurer standing agenda item.

## Key Points of Budget- as attached (green column)

**Levy-** We have opted to keep the fixed levy amount to £10,000, and have included one levy holiday for the year, meaning a target income of £110,000. As a standing agenda item, we consider levy holidays in every treasurer report. It is worth noting that our levy cannot reduce to levels lower than what they are overall, because the lowest statutory amount is 10p per £100 of contractor income of which we are roughly at. We therefore consider Levy holidays as a standing item to avoid excessive surpluses.

**Computer, IT and Office Costs-** We no longer have funds via our NHS England non-recurrent funding reserves to fund PharmOutcomes for our contractors, however owing to us over-budgeting for a PSNC levy to fund further legal challenges to the DHSC, we were able to budget purchasing licenses for contractors.

**NHS England Networking and Lincolnshire County Council HLP Funds-** Whilst these are reflected as an expenditure in the budget, this was more for purposes of transparency. This income will be classed as deferred to be spent over this year and the next year so as to remain compliant with the requirements of the committee to treat any income as strictly for purposes of 'mutual trading'.

It is anticipated that we will close the year with an operating balance of around £85,000 which is exactly six months' worth of expenditure which keeps our financial assets within the remit of our constitution.

To summarise, we aim to continue to represent our contractors in a challenging environment, and to ensure that money is appropriately spent with probity and diligence. Please do not hesitate to contact me should you require any further information.

Chris Kenny, Treasurer and AIM Representative