Community Pharmacy Lincolnshire

Treasurer's supplementary report to the accounts

The world of pharmacy continues to evolve and we as an LPC need to support contractors appropriately as the transition is made to clinical services taking a more prolific role in their workload. To do this we propose the following budget and spend of non-recurrent funding ring-fenced reserves for 2026/27.

Budget for 2026/27

See summary breakdown of the outline budget for 2026/27 below:

Details	Amount
Core Staffing Costs (inc pension)	63,000
Accountancy and professional	1,224
Equipment costs	1,600
Bank charges and CT	51
Office Support costs (excluding SISL and £2.5k project printing/post) post	2,784
Insurances (Director's Liability)	500
Travel (excluding SISL)	4,726
Meeting Expenses	4,386
Member Backfill	10,960
CPE Levy (national 2% uplift) as notified on 17.02.25	63,001
Training Costs LPC Members/ Officers - removed use contingency not used	0
Contingency just under 1%	1,500
Total Core Costs	
SISL excl. oversight, redundancy allowance & admin HR costs but including IT, travel & other support costs	18,200
Total Annual Budget	171,932

Reserves

Previously the LPC looked to retain 50% of annual operating costs as reserves, however, as we are now able to pay the levy monthly and wish to minimise reserves held to ensure lowest cost pressures for levy on contractors, a review of the minimum reserves level has been completed. This has resulted in a reduced suggested amount of £80,000 necessary for three month's costs, including SISL post.

Income vs Expenditure

Contractor Levy	150,000
NRF Contribution SISL Salary and On Costs	18,200
NRF Contribution SISL redundancy allowance and oversight costs	3,772
Total Annual Costs	**171,932**
Total Annual Income	**171,972**
Shortfall for 2026/27	**0**

Levy Review and future planning

An inflationary increase is considered to the levy income annually to take effect from April, using the CPI rate of inflation in February each year since the last increase.

The calculator uses Consumer Price Index (CPI) inflation data from the Office for National Statistics from 1988 onwards. Monthly calculations of the current year are based on the latest CPI level, whereas previous years use their calendar year averages. The calculator uses the Consumer Price Index (CPI) as this is the measure used by the Government to set the Bank of England's target for inflation.

Using the rate in February enables the proposed rate to be considered by the committee at the March meeting.

The committee will continue to use non-recurrent funding to reduce costs to contractors where possible.

Non-Recurrent Funding and SISL Post

We aim to ensure our core costs do not exceed our levy income, reducing temporary staffing if non-recurrent funding cannot be utilised.

We have allocated non-recurrent funding to cover the cost of the SISL post this year. The current SISL contract ends on 31st March 2027. SISL costs are covered entirely from non-recurrent funding, including allowance for redundancy costs at the end of the current contract period. The committee will review the post during the year and seek to access/allocated non-recurrent funding to enable this role to potentially be extended beyond 31st March 2027.