Newcastle and North Tyneside
Local Medical Committee
(www.newcastleandnorthtynesidelmc.org.uk)

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25.2.08

Financial report

1. Tabled draft accounts year ending 31.12.07 need approval and signing off by the LMC.

2. Voluntary account

Based on 2007 levies estimated income for 2008

PMS 14,080		
GMS 19,367		
Total income		33,447
Estimated expenditure		26,000
Anticipated surplus		7,447

3. Statutory Account

Based on 2007 levies estimated income for 2008

PMS 14,960		
GMS 24,234		
Interest 327		
Total income		39,194
Estimated expenditure		40,324
Anticipated deficit		1130 -

Notes:

- Non audited accounts have been prepared in the format approved by LMC in 2007.
- Levy payments are based on levy percentage of practice superannuable profits as notified to CSA. Voluntary 0.16%, Statutory 0.17%. GMS practices have monthly levy deductions at source. PMS practices are invoiced by LMC directly on annual basis.
- Levy payments will be adjusted each year once superannuable profit figures have been agreed with the PCT.

- Invoices to PMS practices were posted in November. Payments have taken up to 4 months to be received. It would be appreciated if more timely payments could be made next year.

- PCT practices have made no levy payments in 2007 despite repeated requests.

- I have raised a query with the CSA regarding the differentials between the levy's generated between the voluntary and statutory accounts based on 0.01% differential in levy percentage. viz 880 (14,960 – 14,080) versus 4,867 (24,234 - 19,367) for GMS. I have been informed that the levy deductions are automatic and the discrepancy may be due to practitioners opting out of voluntary levy. I am unable to pursue further without asking for a detailed examination of each practitioner's standing instructions by the CSA.

- Assuming no major change in income or expenditure the voluntary account should continue to accumulate a cash surplus whereas the statutory account is likely to run into deficit. Given that the statutory account has accumulated funds 18,130* in practice there is no need for immediate action. Nevertheless I am mindful that the LMC is supposed to operate in zero balance and there is at present little scope to uplift salary payments for the Officers as was raised in my last report.

* Statutory balance 31.12.07: (stat 11,193, stat savings 17,821)		Total 29,014
Less PMS levy's paid in advance	7,584 -	
Less LMC member payments owed	3,300 -	
Net starting cash balance statutory account 01/01/08		£ 18,130
Voluntary balance 31.12.07:		Total 6,704
Less PMS levy's paid in advance	7,140 -	
Net starting cash balance statutory account 01/01/08		£ 436 -

I would be pleased to receive any comments or constructive criticisms by the LMC prior to approval of the Accounts.

D A Black
LMC Treasurer
dab@nhs.net.