

Dear Contractor

**RE: Community Pharmacy Herefordshire & Worcestershire (LPC) Accounts voting 2022/23**

The CPHW accounts balance at end of year 2022-23 was **£161,260** (levy related funds including accruals and prepayments), with an expenditure of **£131,545** against a planned budget of **£140,000** and income of **£125,323** (including £13,363 NHS funds and 10 months Levy of **£111,960**).

We had some funding from NHSEI and CCG/ ICBs against MOUs – whilst much of this is for additional activities – some things such as Contractor engagement / training and service support activity would have been undertaken anyway at the CPHW's own expense. We received a significant amount of NHSEI / CCG funding. The money held for the other CPLs has now all been dispersed – we retain the CPHW allocated funding which is to be spent during 23-24/24-25 – for example supporting GPCPCS, DMS and other new advanced services. We have, because of advice and ease of accounting opened a separate bank account for non-levy funds at the start of 2022-23. We transferred £170,668 NHS Funds to the separate account (an overview of how this funding has been allocated is shared separately within the Annual Report).

In 22-23 we reduced our levy income by having two months levy holiday. We have, as set out in our plans last year, appointed services and engagement support across our LPC and our neighbours (CPA) with whom we share office and team resources, working as a collaborative. CPHW has employed one of the staff and CPA another – cross charging applies between the CPLs. These roles are part funded by NHS monies for 1-2 years. We will review whether we are able to provide a levy holiday this financial year in the Autumn which would run in final quarter, if appropriate for 1-3 months.

We acknowledge that the end of year accounts balance (**£161,260**) is above the 50% of planned expenditure recommended to be held in reserve. Our planned budget for 23-24 is **£189,000** due to the large increase in CPE levy to the CPHW, due to an anomaly. NB: The levy charge has increased from April 2023 in line with the increase from CPE as set out in SGM papers, these are still available on our website. [CPHW-Transformation-Proposal-vs4-SGM-Version.pdf \(communitypharmacy.org.uk\)](https://communitypharmacy.org.uk/CPHW-Transformation-Proposal-vs4-SGM-Version.pdf)

CPHW has proposed the following:

- **A budget of £189,000 for 23-24** – this will be reviewed in the Autumn. Levy income will be £181,403 if taken in full, leading to a potential overspend of approximately £8,000. **A 50% of budget reserve would be £95,000. Leaving approximately £66,000 additional reserve.**
- If we revise down the budget based on lower run rate of expenditure, we will have a levy holiday in early 2024 of 1-3 months.

Points of note on the accounts:

- The Chief Officer moved from contracted to employed status during late 2018 (Salary & NI / Pension in Gross Wages line)
- The shared support and office function changes have now annualised – one member of staff is on maternity leave 1<sup>st</sup> February 2023 until 1<sup>st</sup> February 2024, with reduction in salary costs as statutory maternity pay is refunded via HMRC and additional hours provided by other staff is a reduced cost. Note the CPHW share of the rent has been separated from the Office & Admin costs for 22-23. Therefore 21-22 £18,000 office / support function was £15,000 as a comparator for 22-23.
- Treasurer is also now employed (a few hours per month) and so honorarium and wages are within the Gross Wages line of accounts. Chair honorarium also paid through payroll.



- Travel expenses includes Members travel and Chief Officer /staff travel are considerably reduced due to high proportion of remote working. This is starting to build again as more face-to-face meetings occur and large increase in stakeholder engagement needed to support local implementation of services.
- To support the increased engagement and service support, we have invested in a new services and engagement officer in September 2022 who was being employed for additional hours and directly by CPHW for a seven-month period. Following on from this Services Project Support Officer has been appointed in June 2023. We had some seed funding for this role from the ICB (CCG) and NHSE. This will allow us to part fund the role for two years with NHS Funds. This has increased the gross wages by £20,000 for 22-23 and is offset by the external income line of £13,363. NB: CPA have also employed a services and engagement officer and the two work closely to offer most cost-effective approach.
- General expenses included IT kit for new staff member, replacement IT for current staff and insurances.
- There are some accruals and pre-payments remain on the 'books'

We hope that these suggestions meet with your approval if you have any queries, please contact the CPHW office in the first instance and we will be happy to explain further. [ahwlpc@gmail.com](mailto:ahwlpc@gmail.com)