

Dear Contractor

**RE: Community Pharmacy Herefordshire & Worcestershire (LPC) Accounts voting 2024/2025**

The CPHW accounts balance at end of year 2024-2025 was **£156,233** (levy related funds including accruals), with an expenditure of **£213,540** against a planned budget of **£215,540** and income of **£198,236 (including £13,146** from the NHS MOU account). Actual bank balance at year end was **£158,292**. Note there was a significant increase in CPE Levy during 2024-2025 (Total was: £106,305.38) and our increase levy to the Contractors (as agreed at SGM previously) was not enacted until the last three months of the year. Another increase in CPE Levy is due in 2025-2026. Herefordshire and Worcestershire have one of the highest CPE levies, due to an anomaly where we have one specialist Contractor who has significant NHS income which skews the basis on which CPE calculate their levy.

We had some funding from NHSEI and ICB 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 have previously received NHSEI / ICB funding subject to MOUs which covers some of our service team salary and resources and should be sufficient to continue this subsidy until end of 2025-2026 and possibly some of 2026-2027. We also hold some funds for the ICB. (an overview of how this funding has been allocated is shared separately within the Annual Report). We do not expect to receive any further NHS funds after 2025, the ICB controlled funds will all be spent by the end of 2025 and will not be replenished.

Points of note on the accounts:

- The shared support and office function changes have now annualised.
- 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.
- To support the increased engagement and service support, we have invested in a Services Project Support Officer alongside our shared engagement lead. We had some seed funding for this role from the ICB and NHSE. (MOU funds of £27,000 in 2024-25 staff, resources and training).

Budget for 2025-2026 **£224,642**, (monthly average £18,720) NB: *includes MOU Fund contribution*. (Contractor Levy income £203,520) (This includes £107,190 Levy payable to CPE 53%)

Contingency Held for 24-25 £27,000 to mitigate risks (employment allowance recovery, LPC closure) + £7,000 to mitigate against MOU Funds part funding services project officer. Total contingency = £34,000

Levy Accounts end March 2025: **£156,233**

**Reserves = £156,233 – 34,000 = £122,233 = 54% 6.5 months**

We consider these reserves reasonable.

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)