

Good afternoon,

As we approach the English and Scottish LMC conferences I welcome the opportunity to speak to any of you attending about GPDF and imagine that the Voluntary Levy will be front of mind for many. I thought it would be helpful to send a summary of the current discussions about the levy as context for considering the future options.

Many of you will be aware that at our AGM we adjourned the vote “The Voluntary Levy should be increased from 3p for the financial year 2025-26 to ensure that GPDF can address this, with the board communicating with members and reviewing accounts/commitments to future projects before deciding on the figure for 2025-26”. We had a robust and extremely informative debate about the levy, but due to the timings of the delivery of the final accounts we did not have the specific figures exploring the breakdown of the levy, and it was decided to adjourn a vote until the **EGM, which will be held virtually on 6th March 2025 from 0900-1100.**

Below is a recap of the position with the voluntary levy to help inform ongoing discussion.

History of the Voluntary Levy

The current Voluntary Levy is set at 3p per patient. This reflects a series of reductions and rebates in recent years that were a response to ongoing financial pressures on LMCs, COVID-19 financial pressures and the fortunate position that GPDF has strong reserves.

You can read a summary of GPDF communications regarding the Voluntary Levy [here](#) which includes:

- [A reduction in a reduction in the Voluntary Levy in April 2019 from 6p to 5.4p](#) in response to concerns from LMCs
- [“£1million rebate of the 2019 quota to LMCs in November 2019](#) to reduce the Voluntary Levy to 4p
- [Reduction in Voluntary Levy to 3p in April 2020](#)

A proposed increase to the Voluntary Levy

Upon reviewing current balance sheets and future budgets, it was agreed unanimously at the meeting on 8th November 2024 that the Voluntary Levy should be increased for the first time since 2018 to ensure that GPDF Directors can carry out their legal duties to ensure the [company is able to continue to carry on business as a going concern](#)

The reason for this step is twofold:

1. **The current annual expenditure** sits at 7p per patient, not 3p per patient that the current levy covers. This is not a sustainable position to be in, and there is also the legal requirements that the directors have to adhere to with regards aligning expenditure and income. The breakdown below shows the current allocation of outgoings, which will rise significantly due to inbuilt rises in contracts (such as the

deed of grant) and inflationary rises in the services we provide (conference costs, expenses, honoraria etc).

GPDF annual expenditure:

At current level of 3p the Voluntary Levy income is £2,077,696 and our expenditure is available [here](#), with a summary from our accountants [here](#), which includes costs such as:

- The deed of grant currently costs £1,592,000 and will increase each year of the grant
 - This is equivalent to 2.3p of the Voluntary Levy
- Conferences currently cost £587,443
 - This is equivalent to 0.85p of the Voluntary Levy
- GPCE policy leads costs £127,000
 - This is equivalent to 0.18p of the Voluntary Levy
- LMC support costs £590,259
 - This is equivalent to 0.85p of the Voluntary Levy
 - This includes £391,665 for the Rebuild GP campaign which is equivalent to 0.57p of the Voluntary Levy
- Professional fees of £267k which includes insurance & audit
 - This is equivalent to 0.39p of the Voluntary Levy
- People at GPDF (including Directors, meetings, bookkeeping, back-office support) cost £323k
 - This is equivalent to 0.57p of the Voluntary Levy

These examples alone add up to 5.07 pence per patient and figures for 2025-26 are budgeted to be increased to reflect rising costs incurred in our outgoings.

Ongoing deficit:

- GPDF has been running at a large deficit for 4 years
 - 2019 = +128k
 - 2020 = -1.8m
 - 2021 = -1.1m
 - 2022 = -6.6m
 - 2023 = -1.2m
 - note YE changed to YE 31/3/24 with no levy collected 1/1/24-31/3/24

2024-25 Financial year:

- Levy Income: £2,020, 085
- Total Expenditure: £4,515,039
- Total loss (excluding investment income): £2,494,954

2. **The GPDF reserves** have been significant, and this has allowed the levy to remain low in recent times. This, however, is not a viable long-term plan for a number of reasons and we need to future proof the organisation's finances. Whilst GPDF is

committed to spending down our reserves from their current value of £17 million to £10 million, our balance sheet is currently protected by the strong performance of our reserves. As these reserves diminish due to expenditure on targeted projects including [legal cases of significant importance](#) at a [crucial time for our profession](#), the income they generate reduces significantly which rapidly increases our deficit. We will provide clearer statements in the near future regarding our designated funds to aid decision making at our 2025 EGM. Relying on the reserves to keep the levy low is not a long-term solution.

Going forward

We are operating at a significant loss and cannot do so indefinitely. As the reserves are reduced, we either need to accept that we will fund less, or pay more for what we do fund. The option to pay more has been accepted as a way forward, and we want to make this as gradual and considered as possible.

At our 2025 EGM we will therefore be offering our members a choice of 2 options to vote on:

| Financial year | Voluntary Levy (Option 1) | Voluntary Levy (Option 2) |
|----------------|---------------------------|---------------------------|
| 2025-2026 | 3p | 5p |
| 2026-2027 | 5p | 7p |
| 2027-2028 | 7p | 7p |

We feel that these options will allow GPDF to support our profession at a time of extensive turmoil and pressure.

We know that there will be a variety of opinions regarding this proposal and want to ensure that we are open to discussion and input on this so please do [reach out to us](#) and if you would like me or one of my colleagues to speak to your LMC or consortium, please [email me](#) and we can schedule a mutually agreeable meeting.

GPDF continues to listen, continues to support GPs, continues to give General Practice a voice and we continue to be united as a profession. We truly are stronger together.

Dr Phil Cox
GPDF Chair