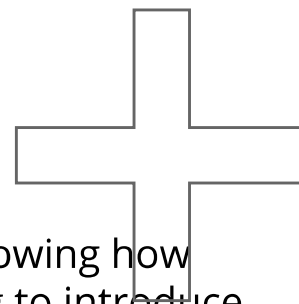


The proposals

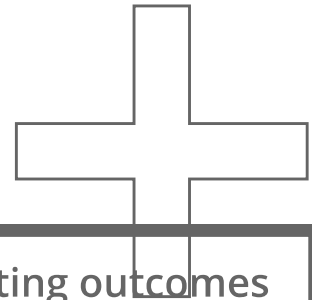


The RSG's **37 proposals** are set out below in full, showing how they seek to address some key objectives, including to introduce independent governance across PSNC and the LPCs; appropriately resource PSNC to improve negotiation outcomes; develop a national vision and strategy for community pharmacy; listen better to contractors; reduce variation across LPCs; and improve the efficiency, size and shape of the LPC network.

At the end of each proposal we have indicated whether they are primarily for PSNC or the LPCs, or both working together to implement. Some further detail and explanatory notes follow the proposals.

Independent governance of LPCs and PSNC

1. Organise pharmacy representation regions to match the 7 NHS regions: East of England, London, Midlands, North East & Yorkshire, North West, South East, South West. **[PSNC and LPCs]**
2. Limit membership for all committees and subcommittees to 12 years (three terms of four years) from April 2023 (to 2035). **[PSNC and LPCs]**
3. Introduce a new Governance Subcommittee to help set a governance framework for national and local organisations – this will sit alongside PSNC's working subcommittees, with membership drawn from PSNC and LPCs. **[PSNC and LPCs]**
4. Update policy and advisory subcommittees at PSNC to include the ability to hear from external (non-contractor) policy groups, experts and working groups when needed. **[PSNC]**
Note: As a general point of principle across LPCs and PSNC, the RSG believes that only elected contractors or nominated contractor representatives should have voting rights.
5. Develop a transformation plan to implement an overall governance framework that incorporates good practice (in parallel to constitutional and rule changes). Publish progress reports to the sector. **[PSNC]**
6. Introduce immediate additional external independence into the governance structures at PSNC, including through an external independent member of the Review and Audit Panel (RAP). **[PSNC]**
7. Deliver improvements in oversight, internal processes and external transparency, through a governance framework to include: a code of conduct for all members, local and national Key Performance Indicators, and expectations regarding transparency and communication. **[PSNC and LPCs]**
Note: Examples of local KPIs could include average local service commissioning income per contract, LPC running cost per contract, committee and governance cost, staff costs.
8. Build in a review of implementation of the overall proposals after 1-2 years to evaluate effectiveness and determine appetite in the sector for further changes. **[PSNC and LPCs]**
9. Reduce the numbers of PSNC members whilst maintaining the current balance between independents and multiples: maintaining unity and representation of all parts of the sector. **[PSNC]**



Appropriately resource PSNC to improve negotiating outcomes and carry out its full range of functions for contractors

Funding

10. Increase the contributions that LPCs make to PSNC, on a trajectory of an additional £1.5m pa by the levy year beginning April 2024. This will achieve a better distribution of the £11.3m pa paid into contractor representation and support. **[PSNC and LPCs]**

Notes: a) Begin with an additional £750,000 in 2023/24 and a further £750,000 in 2024/25 and then PSNC to develop a process to review annually, taking soundings from the national forum of LPC contractor representatives. b) PSNC will also need to better support LPCs to make efficiencies to release this funding without increasing the overall burden on contractors.

11. Recalculate the levy apportionment, including examining levy distribution from DSPs and reallocating PSNC's total required funding across LPCs according to each LPC's latest share of total prescription items. **[PSNC]**

Note: This will be an implementation priority by Summer 2022, allowing LPCs time to prepare for the 2023/24 budget planning cycle.

12. All LPCs to make payment to PSNC automatic and visible to contractors. **[LPCs]**

13. Ring fence a transformation fund: PSNC budget for 2022/23 allocates £250,000 op-ex to support initial change. LPCs self-fund local changes and transformation from excess reserves. **[PSNC and LPCs]**

Strengthen negotiations

14. Adopt a negotiation strategy to support delivery of the shared vision for the sector, focusing on tactical, political and influencing. **[PSNC]**

15. Strengthen activities which support the negotiating function such as health economics, project management, analytical and insights capability, and influencing, to contribute to the negotiating team's work. **[PSNC]**

16. Develop a bank of regular evidence and monitoring data to better support negotiating, implementation and evaluation of funding impacts and market trends – for example market data, pressures surveys, patient surveys, public opinion polling. **[PSNC]**

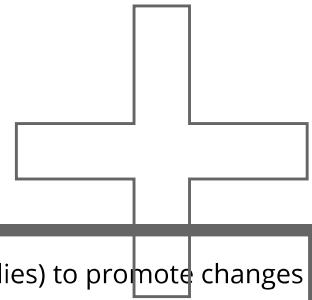
Note: Further information on how PSNC's negotiating capacity and strategy will be strengthened is included in the Case for Change and Explanatory Notes.

17. Retain existing negotiating team functions but seek to better define executive and non-executive (contractor) roles more clearly. **[PSNC]**

Provision of support for contractors and LPCs

18. Provide further support for all LPCs by increasing central service development and support capacity, advice and information sharing. **[PSNC]**

19. Provide support that standardises practices across the LPC network in line with good practice on HR and finances. **[PSNC]**



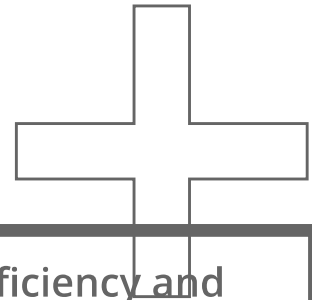
20. Work more closely with networks of LPC members (e.g via the trade bodies) to promote changes at a local level through their reach across England. [PSNC]
21. Develop an effective network for LPC Chief Officers to enable sharing of good practice and to provide peer support, interfacing with the PSNC executive leadership team. [PSNC]

Develop a new national vision and strategy for community pharmacy

22. Rename PSNC committee and executive as 'Community Pharmacy England (CPE)'. [PSNC]
23. Remove the term 'Chemist' in general communications where possible and replace with 'Community pharmacy or pharmacist' as appropriate (not feasible for all legal and regulatory references). [PSNC and LPCs]
24. Working with the other national pharmacy bodies and with LPCs, shape the development of a new national vision for community pharmacy in England, including all key internal and external stakeholders and negotiating partners. There should be a regular review process in place for this strategy. [PSNC and LPCs]
25. Formalise new joint working arrangements for work with the other national pharmacy bodies and LPCs to develop and deliver a programme of advocacy work that supports this shared vision, by shaping and influencing policy, patient and public opinion. [PSNC]

Listen better to contractors so their voices are better heard at all levels

26. Create a national forum of LPC contractor representatives, to help further advise PSNC on local matters, bring a stronger local voice to national work, and join up areas of mutual interest such as governance and levy setting. [PSNC]
27. Livestream open PSNC meetings, and provide guidance on visibility of meetings to LPCs. [PSNC]
28. Build in systems to allow PSNC subcommittees to hear from wider contractor voices (such as rural issues, DSPs) including working groups when required and cross-sector policy groups, that can help to inform policy and decision making. [PSNC]
29. Better define the role of PSNC Members to include clear standards for how Committee Members will engage with contractors and the wider sector. [PSNC]
30. Scope and launch a regular programme of PSNC events for contractors that allow for two way dialogue and strengthen the voice of all contractors at the heart of PSNC. [PSNC]
31. Work with Community Pharmacy Wales to define their future representation and support requirements. [PSNC]



Reduce variation between LPCs, improve their efficiency and focus their activities

Governance

32. Rebrand all LPCs to be known as Community Pharmacy <Local> (CPL). [LPCs]

33. Reduce LPC committee sizes to a range of 10-12 members whilst maintaining local proportional representation. [LPCs]

34. LPCs to adopt a new model constitution that focuses levy-funded activities on a core scope of activities and is in line with the new cross-sector governance framework. [LPCs]

Note: This will need to leave flexibility for LPCs to provide further enhanced contractor support providing it is funded outside of the levy and is available equitably to all local contractors.

Efficiency, size and shape of the LPC network

35. LPCs to drive efficiencies by reviewing boundaries and committee sizes, considering NHS changes with the aim of:

- Being able to meet increased contributions to PSNC, without having to increase contractor levies
- Having a representation and governance structure (LPC members) at a system level, allowing for investment in executive resource to undertake system and place-based work. [LPCs]

36. LPCs to more closely align with NHS Integrated Care Systems (ICS) and to reconsider their size (in terms of numbers of contractors represented) in line with the Wright Review recommendation that LPCs with a minimum of 200 contractors provide better value. Any changes would be subject to the views of contractors via a local vote, which might ultimately lead to 39-42 LPCs. [LPCs]

Note: PSNC to introduce a toolkit and practical implementors to support LPCs to change and offer support at a regional level (7 NHS regions).

37. Ensure every LPC has access to the existing network of provider companies if needed locally. [PSNC and LPCs]

FIG 4 + Summary of proposal impact

