



Representing and Supporting
NHS Community Pharmacy in Lincolnshire

8th December 2022

**Private and Confidential for Lincolnshire
pharmacy contractors only**

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Executive Summary

- The Pharmacy Representation Review Steering Group (RSG) was tasked with looking at the Wright review report recommendations from the perspectives of feasibility of delivery, cost, benefits to contractors and timelines and to come up with proposed plans for contractors to decide upon. RSG Members were appointed in 2020 and the proposals were published at 3pm on Friday 29th April (see appendix 1).
- Contractors voted on the proposals during May and June 2022. On 22nd June 2022 it was announced that a YES vote had been confirmed and that the relevant thresholds in terms of number of votes and vote breakdown had been met.
- As a result of the RSG vote, PSNC will receive a greater proportion of the contractor levy income from 2023/23, representing an overall increase of £1.5million over two years. They will utilise this income to create a strong vision for community pharmacy, strengthen PSNC's negotiating capacity, building a stronger evidence base, and improving governance and dialogue with contractors to help them make a stronger case for the sector.
- The current restructures across the pharmacy representative landscape require Community Pharmacy Lincolnshire to consider the following 4 elements:
 1. NHS Boundaries: Matches NHS boundaries ((Integrated Care Board (ICB), having a representation and governance structure (LPC members) at a system level
 2. System and place-based working: Able to invest executive resource to undertake system and place-based work.
 3. Finance and Justification: Able to meet increased contributions to PSNC, without having to increase contractor levies
 4. LPC Size: 200 contractors or above
- Community Pharmacy Lincolnshire (CPL) is a Local Pharmaceutical Committee with a ten members, that is coterminous with both the Lincolnshire Integrated Care System (ICS) and Lincolnshire Health and Wellbeing Board, and is bound by the Model PSNC LPC Constitution. It is therefore proposed that Lincolnshire remains a single LPC with 117 members and adopts the new model PSNC LPC Constitution.
- In its current single LPC format CPL has been, and is able to continue to, invest executive resource to undertake system and place-based work and is able to meet increased contributions to PSNC, without having to increase contractor levies.
- Whilst representing 117 contractors is fewer than the suggested minimum number of contractors within a model LPC (200), there are no natural partners within the NHS Midlands region with whom to merge. It is also unlikely that any significant cost savings or efficiencies could be realised from merging with a neighbouring LPC (if one were to agree to do so) and there would likely be negative impacts on Lincolnshire representation if a merger were to occur.
- The most likely candidate, Nottinghamshire LPC, already represents more than the minimum 200 contractors, and recognises the potential challenges that merging may represent; working across multiple ICSs, and the possible significant geographical size of the combined area (a combined geography would cover approximately 9100 sq. Km).
- Lincolnshire is a rural county of 6,959 km² with a widely dispersed population of circa 760,000. The population is widely dispersed, with limited public transport, no motorways and few dual carriage-ways.

There is a very high level of dispensing GP practices (85, of which 24 are 50% or higher dispensing) and care homes (293¹). Understanding this landscape is key when working within the ICS.

- CPL have been working closely with the ICS (and its forerunners) since 2021 to ensure the voice of pharmacy as one of the four pillars of primary care (general practice, pharmacy, dentistry and optometry) is appropriately represented within new NHS systems. We already have seats on Integrated Care System groups at strategic and operational levels. Much of this work took place before the RSG vote and continues to move forward.
- Chair and Committee Member input is currently utilised on system wide meetings such as the Prescribing and Clinical Effectiveness Forum (PACEF), Integrated Pharmacy and Medicines Optimisation (IPMO) programmes and ICS transition groups. The Chair of CPL is a representative of one of the four pillars of primary care within the strategic level System Clinical Directorate and as part of the Primary Care Advisory Group meeting monthly (of which they are also vice-chair). Any changes in this structure would adversely affect community pharmacy's role and recognition within the Lincolnshire ICS.
- The work done in Lincolnshire ICS as part of the Four Pillars of Primary Care has been recognised as an example of good practice, within Lincolnshire, at regional level and nationally, with Community Pharmacy Lincolnshire receiving highly commended status in the Best Supporting Local Representative category at the Independent Pharmacy Awards 2022.
- The amount of contractor levy requested from PSNC has increased from £44,510 in 2022/23 to the following indicative rates: 2023/24 £51,817 +/- 5%; max cost of £54,408 min £49,227 (var £5,181); 2024/25 £61,521 +/- 5%; max cost of £64,597 min £58,445 (var £6,152)
- Community Pharmacy Lincolnshire is an efficient organisation, with fewer than one FTE employed staff and strictly controlled overheads. The income from contractors is calculated on a fixed levy basis. Through operational efficiencies and accessing external funding sources modelling indicates that until at least 2024/25 CPL can remain within the current financial envelope and meet the increase in PSNC levy request without requesting any additional income from contractors, whilst also maintaining its reserves appropriately.
- CPL propose to adopt the new model constitution, restricting committee members to a maximum of three, four-year terms from the proposed formation of the next committee in July 2023/24. CPL already employs the other governance elements within this new constitution, for example those around finance and conflicts of interest, and will continue to do this moving forward.
- An SGM will be held virtually at 13:00 on Thursday 17th January 2023 to accept the new model constitution and extend the current terms of office to the end of June 2023 (or otherwise), to allow sufficient time for new models of working to be embedded across the pharmacy representative network in England. Although we are not proposing significant changes in Lincolnshire, we feel it is important to align ourselves with the national model as much as possible, hence the delay in election for the next four-year term from 2023/24.

¹ Source CQC [01 December 2022 HSCA Active locations.ods \(live.com\)](#) Downloaded from: [Using CQC data - Care Quality Commission](#)

Background

The Pharmacy Representation Review Steering Group (RSG) was tasked with exploring the recommendations in Professor David Wright's '*Independent Review of Community Pharmacy Contractor Representation and Support: Providing best value for contractors*', widely referred to as the Wright Review.

The RSG's role was to look at the report recommendations from the perspectives of feasibility of delivery, cost, benefits to contractors and timelines and to come up with proposed plans for contractors to decide upon. RSG Members were appointed in 2020 and the proposals were published at 3pm on Friday 29th April.

Contractors voted on the proposals during May and June 2022. On 22nd June 2022 it was announced that a YES vote had been confirmed and that the relevant thresholds in terms of number of votes and vote breakdown had been met. This will result in minor changes to the way Community Pharmacy Lincolnshire operates as from April 2023, as outlined in the proposals below, to facilitate the extra contractor levy contribution to PSNC and ensure the strengthening of LPC governance locally.

Existing Structures

Community Pharmacy Lincolnshire is a Local Pharmaceutical Committee with a ten-member committee that is coterminous with both the Lincolnshire ICS and Lincolnshire Health and Wellbeing Board, bound by the Model PSNC Constitution. It is proposed Lincolnshire remains a single LPC with 117 members.

Community Pharmacy Lincolnshire responding to the national vote and the changing environment in the NHS

Community Pharmacy Lincolnshire is coterminous with Lincolnshire ICS and Health and Well-Being board. Much progress has been made to cement community pharmacy into ICS structures, with seats already held by Community Pharmacy Lincolnshire at strategic and operational board level, along with involvement in several working groups, ensuring decisions are made that do not negatively impact pharmacy and that the skills and experience of pharmacists in the county can be utilised to their fullest extent for the benefit of the local population and pharmacy contractors.

Community Pharmacy Lincolnshire are also part of the ICS Primary Care Transitional Oversight Group, meeting monthly with the ICS to ensure a smooth transition to delegated commissioning of community pharmacy as from April 2023.

Purpose of the paper

The purpose of this paper is to outline the rationale for the retention of Community Pharmacy Lincolnshire as a stand-alone Local Pharmaceutical Committee, co terminus with the Lincolnshire Integrated Care System, working collaboratively with neighbouring and regional LPCs when appropriate.

This paper also advises you that an SGM will be held virtually on Tuesday 17th January 2023 at 1300 to adopt the new model LPC constitution to strengthen governance of LPCs and extend the current committee terms to the end of June 2023, to allow sufficient time for contractors to consider these proposals.

Proposal recommended for the future of Community Pharmacy Lincolnshire

Overview

At the outset of the NHS, Local Pharmaceutical Committees were set up to represent the body of pharmacy contractors within defined local NHS structures. From April 2023 Integrated Care Boards (ICBs) will have delegated responsibility from NHS England for recognising LPCs. The NHS has previously indicated that the optimum is to have one voice for community pharmacy locally.

Case for Change

LPCs have an important role going forward, and it is essential that they reform to respond to these regional changes to ensure effective engagement with ICSs and more efficient and consistent delivery of support to contractors.

The main objective of changes that contractors wish to see (which are in line with the Wright Review) is to ensure that all LPCs have the resources and expertise to represent, advise and support contractors locally, and to release levy monies to fund critical national work to drive greater overall value from the levy. A significant body of evidence in the Wright Review pointed to lower levies and improved efficiencies once the number of contractors represented by an LPC passes 200. However, this did not take into account the now recognised importance of ICS boundaries, which were not in existence at the time of the Wright review.

Case for retention of single LPC and benefits

There are currently 68 LPCs in England. The geographical boundaries of these LPCs were historically not set to be coterminous with those of any specific NHS commissioner or provider bodies, although committees are representative of pharmacy contractors mapped to one or more Health and Wellbeing Board (HWB) boundaries. There are 153 HWBs in England. The NHS landscape is continuing to evolve, with 42 new NHS Integrated Care Systems (ICS) set up regionally to plan and commission services, including delegated responsibility for pharmaceutical services from NHS England (although this does not mean they will negotiate the CPCF – this will continue to be negotiated nationally), with Lincolnshire ICS currently on track to take on this delegated commissioning responsibility from 1st April 2023.

The current restructures across the pharmacy representative landscape require us to consider the following elements.

- NHS Boundaries: Matches NHS boundaries (ICB, having a representation and governance structure (LPC members) at a system level
- System and place-based working: Able to invest executive resource to undertake system and place-based work.
- Finance and Justification: Able to meet increased contributions to PSNC, without having to increase contractor levies
- LPC Size: 200 contractors or above

NHS Boundaries & System and place-based working

It should be noted that the Wright Review was completed in a different landscape to that currently seen in the NHS noted above, where ICS footprints were not as important as they are today.

CPL are coterminous with Lincolnshire ICS and Lincolnshire Health and Well-being Board and ensuring boundaries align to the ICS is a key focus of the RSG recommendations.

The NHS has moved to Integrated Care System based working with the aim of maximising patient outcomes, reducing duplication, improving patient experience and maximising efficiencies. With this in mind, CPL have been working closely with the ICS (formerly the CCG) since 2021 to ensure the voice of pharmacy as one of the four pillars of primary care (general practice, pharmacy, dentistry and optometry) is appropriately represented. Much of this work took place before the RSG vote and continues to move forward.

Lincolnshire is a rural county of 6,959 km² with a widely dispersed population of circa 760,000. The population is widely dispersed, with limited public transport, no motorways and few dual carriage-ways. There is a very high level of dispensing GP practices (85 of which 24 are 50% or higher dispensing) and care homes (293²). Understanding this landscape is key when working within the ICS.

Work that has been ongoing since 2021 means that we already have seats on Integrated Care System groups at strategic and operational levels. We are working closely with other pillars of primary care to further strengthen pharmacy's voice/impact to move towards true integration of localised healthcare.

Chair and Committee Member input is currently utilised on system wide meetings such as PACEF, IPMO programmes and ICS transition groups. The Chair of CPL is a representative of one of the four pillars of primary care within the strategic level System Clinical Directorate and is a member and vice-chair of the Primary Care Advisory Group within the Lincolnshire ICS, ensuring appropriate clinical and professional input to strategic decision-making within the ICS and pathway redesign for example, to maximise benefits and minimise potential negative impacts of changes. The first meeting of PCAG took place on 29th September 2022 and will occur monthly thereafter. Any changes in this structure caused by a dilution of the committee membership via merging with a neighbouring LPC would adversely affect community pharmacy's role and recognition within the Lincolnshire ICS. There is also a risk that no Lincolnshire based contractors would be appointed to the joint ICS area board

The Wright Review found duplication of efforts on some tasks across LPCs; CPL has reviewed its working approach carefully, and we currently work together with neighbouring LPCs to realise efficiencies at scale where possible.

The work done in Lincolnshire ICS as part of the Four Pillars of Primary Care has been recognised as an example of good practice, within Lincolnshire, at regional level and nationally, with Community Pharmacy Lincolnshire receiving highly commended status in the Best Supporting Local Representative category at the Independent Pharmacy Awards 2022.

Representation and proportionality

The Wright review concluded that savings could come from reviewing LPC office operations, and possible reductions in meetings, meeting format and times. In recent years CPL has made several organisational changes to improve productivity, and propose further changes from 2023/24 to ensure maximum efficiency as follows:

- Reduction in Committee size from 16 to 12 Members and then further to 10 members
- Changes to meeting format from six Face to Face Meetings in 2019/2020 to four Face to Face and two Virtual in 2022/23. We also plan to move to four Quarterly Meetings (two face to face and two virtual) from 2023/24, retaining the option for convening additional online, virtual meetings if needed, to ensure that committee input on key matters can be gained in a timely manner. Current communication mechanisms such as chair and chief officer updates will continue by email, allowing for feedback and necessary input from the committee as representatives of local contractors. This will allow for more efficient and effective feedback to be gained, when necessary, and ensure that the committee is able to effectively set strategy and hold the executive to account.
- Analysis of alternative venues and selection of most economically efficient venue for the two face to face meetings and AGM.

² Source CQC [01 December 2022 HSCA Active locations.ods \(live.com\)](#) Downloaded from: [Using CQC data - Care Quality Commission](#)

As noted above, contractors within Lincolnshire have already approved the reduction of Community Pharmacy Lincolnshire's committee membership to its current level of 10 members from September 2022. This balanced reduction continues to allow broad representation across CCA, AIMp and Independent contractors to be maintained, permits sufficient membership to ensure quoracy and effective discussion and decision making at committee meetings, and engagement at wider system level when required. The membership breakdown is as follows:

- CCA Members – 4
- AIMp Members – 4
- Independent Members – 2

Community Pharmacy Lincolnshire propose adoption of the new model constitution (See appendix 2) as from the next election cycle. While CPL already operates within most of the governance parameters outlined in the new proposed constitution, the introduction 12-year term limits will be applicable as from adoption of the new constitution. The limits on Committee Members to 12-years (or three, four-year terms) means that we will introduce a time limit on terms as from the proposed new committee term from July 2023. The Chair (or Chair and Clinical Officer if applicable depending on Chair availability to attend ICS system meetings requiring clinical knowledge) and Treasurer will be appointed on a fixed rate appointment basis as from 1st July 2023.

Finance and justification

Community Pharmacy Lincolnshire are an efficient organisation, with fewer than one FTE employees and limited, well-controlled overheads. The income from contractors is calculated on a fixed levy basis.

Until at least 2024/25 CPL can remain within the current financial envelope and meet the increase in PSNC levy request with no additional income from contractors.

We moved to a mix of face to face and virtual meetings in 2022 and that has been further extended from 2023, with the meeting schedule amended to quarterly, with two, full-day face to face meetings (March and September) and two, virtual, half day meetings (June and December) for 2023 and thereafter moving forwards. Additional, virtual meetings can also be convened as necessary to meet demands for critical input. Lower cost venues have also been sourced for meetings from 2023, as post COVID-19 pandemic rates at our existing venue (which used to be the most economically efficient option) have increased.

The amount of contractor levy requested from PSNC has increased from £44,510 in 2022/23 to the following indicative rates:

- 2023/24 £51,817 +/- 5% max cost of £54,408 min £49,227 (var £5,181)
- 2024/25 £61,521 +/- 5% max cost of £64,597 min £58,445 (var £6,152)

A budget has been prepared utilising operational efficiencies and external funding sources, indicating that until at least 2024/25 CPL can remain within the current financial envelope and meet the increase in PSNC levy request without requesting any additional income from contractors, whilst also maintaining reserves appropriately.

This will take us to the end of the existing 5-year CPCF deal. At this point an evaluation of our budget, income and reserves would be made considering any increased levy request from PSNC and other cost pressures which may impact the contractor levy going forward. CPL will continue to access as much non-recurrent funding support as possible, explore sponsorship to reduce costs and ensure our efficient working practices continue for the maximum contractor benefit for minimum cost.

LPC Size: Has a merger been considered to increase the number of LPC members?

Community Pharmacy Lincolnshire has 117 contractors; fewer than the suggested minimum of 200 contractors noted in the Wright Review as potentially being a way to meet optimal financial requirements.

All neighbouring areas were considered as potential candidates for a merger; however, any newly formed, merged LPC would not be coterminous with Lincolnshire ICS (which CPL currently is), counter to the requirement to meet NHS boundaries. This would significantly complicate the ability of the LPC to undertake system and place-based working, both of which were key criteria outlined as important following the RSG vote.

Whilst there is some patient flow into Norfolk, North Lincs and Cambridgeshire, this is in limited areas and there are no 'natural' partners with which CPL could merge. Humber (North Lincs) and Cambridgeshire are in different NHS regions, which would further complicate collaborative working.

The most likely candidate, Nottinghamshire LPC, already represents more than the minimum 200 contractors, and recognises the potential challenges that merging may represent; working across multiple ICSs, and the possible significant geographical size of the combined area (a combined geography would cover approximately 9100 sq. Km).

Potential financial savings resulting from a merger were also considered. Merging with Nottinghamshire would mean sharing the overall cost for Nottinghamshire and Lincolnshire across contractors in both counties.

The annual running cost budget for Lincolnshire LPC before the PSNC levy is taken into account is circa £70-75k, with around 2/3 relating to staff costs. There would still need to be staff working to support the Lincolnshire ICS footprint, even if the LPC was to merge with another.

CPL currently have no office location costs, but Nottinghamshire do and although this means they have no venue costs for meetings, they do have minimal catering costs. Meeting venue costs for Lincolnshire LPC including the AGM are budgeted at circa £2,500 per annum, including all catering costs. Nottinghamshire paid £8,836 for Office Costs in 2020/21 plus catering for 6 meetings.

IT costs would likely remain static as Microsoft Licences etc. would be needed but the overall budget in this area for 2021/22 in Lincolnshire LPC is less than £1,750 per annum.

Backfill costs for meeting attendance could be similar for Lincolnshire contractors even if they were part of a larger Nottinghamshire and Lincolnshire LPC, as CPL will meet quarterly from 2023/24 whereas Nottinghamshire will continue to meet bi-monthly.

Travel costs could increase if travel from Nottinghamshire to Lincolnshire were required regularly, and potential committee member travel costs could be higher for travel to a Nottinghamshire meeting venue.

It is the assessment of CPL, having completed a thorough budget analysis until the end of 2024/25, that any potential savings from merging with another LPC would be minimal, if any were realised at all and there is, of course, a risk of an increase in costs for Lincolnshire contractors.

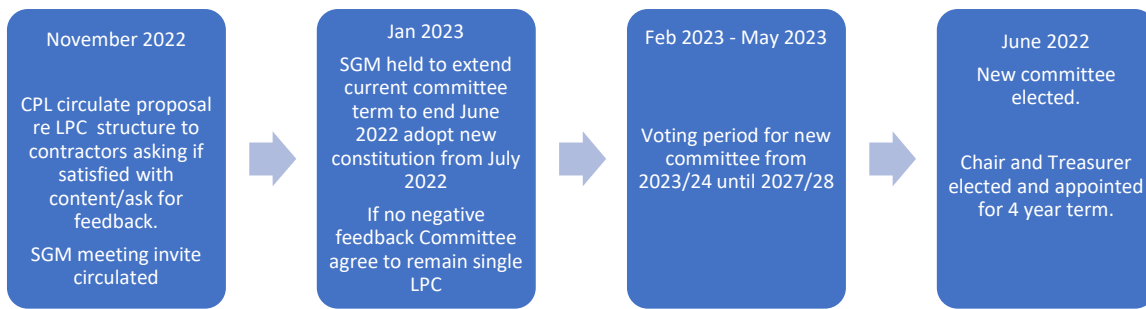
Any merger would mean that there would be no guarantee that any Lincolnshire Contractors would sit on the Local Pharmaceutical Committee, risking a concerning lack of understanding of the health landscape in Lincolnshire and its many challenges. Existing relationships could be lost, hindering the progress made in ICS integration of pharmacy as one of the four pillars of primary care in Lincolnshire.

It should be noted that we continue to work with Nottingham LPC and other regional colleagues to identify opportunities for mutual benefit where joint working can facilitate efficiencies of scale.

Decision making

An SGM will be held virtually at 13:00 on Tuesday 17th January 2023 to accept the proposed way forward for Community Pharmacy Lincolnshire and the new model constitution and extend the current terms of office to the end of June 2023 (or otherwise), to allow sufficient time for new models of working to be embedded across the pharmacy representative network in England. Although we are not proposing significant changes in Lincolnshire, we feel it is important to align ourselves with the national model as much as possible, hence the delay in election for the next four-year term from 2023/24.

Critical path



Next steps

You are invited to attend the SGM which will take place virtually on Tuesday 17th January 2023 at 13:00, in order to discuss and approve the new constitution and extension the current LPC terms as outlined in Decision Making above. An invitation will be sent to you and all contractors via the pharmacy nhs.net email address or the usual channel for communication as appropriate.

Appendices

Appendix 1: RSG Proposals

Attached as separate document

Appendix 2: New Model PSNC LPC Constitution

Attached as separate document