

The Wright Review – PSNC and LPCs June 2020 - Feedback from Coventry LPC

The Review was read by all LPC Members and 7 of the 9 current Members attended the 3 hours virtual meeting to discuss the findings in full. This is therefore the consensus of the majority of the LPC. This will also be published on our LPC website for our Contractors to see and we encouraged Contractors to sign up to the Webinar on 29th June. We will also be running some webinars over next few months for Contractors to re-engage post Covid19 and we expect the Review to be part of those discussions along with our proposed virtual AGM and Annual Report in October. Although, it should be noted that we have been in contact with Contractors throughout handling numerous queries, providing local updates and additional support.

Key questions:

Area of Review	Question/ clarification	Comment / Reason
General	Greater clarity on structure and constituent bodies showing influence and financial flows and sign offs. What is new and what rebadged?	Bottom up approach required
General	Separate Governance and Strategy roles	Different skill set, allows for scrutiny of the Strategy Board as well
General	Proportional representation required for the sector across all Committees and Groups. Confirmation that the maximum 12 years' service applies to all within structure and not just LPCs	Note NPA does not represent all Independents
General & Recommendations 19 & 21	Transition and uptake of Recommendations – what is the plan? Who will influence and have sign off? Fully costed proposal supported by clear transition and implementation plans are required.	Supportive of change – clarity needed of the detail. PSNC, LPCs and Contractors need to be involved at all stages
General	How will the transition to the new CPEC happen and what support for LPCs to recruit the most appropriate Members for CPLs, Chairs to support effective CPEC? What training will be available?	Concern over capability, capacity and skill set for this new role
General & Recommendations 13, 14 & 15	Negotiating Team, supporting committee and policy groups: how they will work together? Who are the key influencers in the structure? Key to have a professional expert negotiating team with a clear mandate to deliver improved results for Contractors. How will this be achieved?	Key objective for Contractors (and LPCs) to see a significant improvement to outputs and transparency throughout the process.
General & Recommendations 17 & 19	CPE Support function – more explanation as to what this might look like and cost benefits for Contractors and LPCs. Funding proposal need to be transparent and agreed by all impacted parties.	Our LPC's underspend is less than the proposed reduction in proportion of funding for LPCs.
General & Recommendation 17	National Provider Company – more detailed required on this proposal – support or replacement? How will local support for contract be maintained and stakeholder management – does this increase role for LPCs as a result? How would outstanding Loans made by LPCs be repaid?	We have a Regional Provider Arm which holds several service contracts requiring local engagement. We do note that the viability is challenging.
Recommendation 7	Maximum 12 years' service – when does this start from – will historic service count? Can a member return after a break to serve again? Does this apply to all Committees and Groups in the structure and not just CPLs? What is rule about membership of multiple CPLs?	Care not to lose all the expertise and having some flexibility where recruitment difficult.

Recommendation 27 & 31	Agree to the principle but difficult to achieve without releasing capacity of Members by Employers. Clarity on Honoraria proposal - around tax implications and whether paid to Company or individual.	Current model is to pay 'backfill' for all activities undertaken on behalf of LPC. We moved to this based on tax advice previously.
Recommendation 32	Agreed that representative role is key and workload in this regard is increasing with PCNs. There needs further discussion and refinement as to what constitutes Contractor support as it is seen as a valued function of the LPC by the majority. Agreed that support function should not provide HO function, HR, Legal, Financial nor direct business-related advice.	There needs to be a balance here as to what Contractors need and what will be available nationally vs locally.

Overview

Firstly, thank you to Professor Wright and team, for sharing the extensive Report with LPCs and Contractors. We recognise the work and effort that has gone into this and welcome the additional comments following Covid19 and recognition of the step change in PSNC – LPC working more collaboratively during this period.

Overall, the consensus was that the essence of the Review findings and Recommendations were welcomed and more far reaching than expected. We support the rebranding proposal throughout and the move towards greater transparency and influence from LPCs (CPLs). We absolutely acknowledge that value for money for Contractors, with improved outputs from Contract negotiations along with transparent governance arrangements are critical. The fundamental change to Negotiations with more transparency is welcomed, although we would like some further clarity as to who the key influencers will be and how the 'expert' team will be appointed. Also, in our opinion, the transition arrangements, and timelines in view of ongoing negotiations needs further clarity and detail.

We also note that more information is needed to fully understand some of the proposed changes. Some of the LPC recommendations we have already adopted in our shared office team function across 3 LPCs, representing 2 STP footprints and each LPC only has 9 Members. We have therefore already made some efficiencies and whilst acknowledge that many LPCs, including ours, do have more than 50% reserves we are only marginally underspending versus levy income currently and not to the level that has been suggested might be the additional cost to support PSNC – new structures. We do understand that LPCs need to undertake a review of costs and number of Contractors that we represent, whilst still being able to fully represent our Contractors effectively locally and ensure that they have all the support that they need. We also note that the additional local representative activity of PCNs were not mentioned in the Report nor the role if any of Regional networks / collaborations of LPCs.

General points for clarification

- **Greater clarity is sought around the proposed structure and bodies / groups within it. Plus, details on how the financial, governance and influence flows would work. Is this a truly bottom up approach with LPCs (CPLs), through their Chairs, being front and centre in setting the strategy/ steering the negotiations and being part of the key decision-making process?**
- **The new CPEC and increased emphasis on role of Chairs caused some concern about how to build capability and capacity. The transition process needs explanation to ensure that there is a robust process for appointing and ensuring the right skills are made available to the CPEC. There should be proportionate representation from all parts of Community Pharmacy (CCA, AIMp, Independents) on CPEC and supporting policy and negotiating groups / committees.**
- **Also, whether consideration should be given to separating the Governance role from the Strategy role of the proposed CPEG&S Board as both elements require a different skillset. More clarity is required on how this Board interfaces with the CPEC and CPE.**

- **The most important aspect is the quality and effectiveness of the negotiating team and how the negotiating position is developed with transparency in setting the strategy. We would welcome some time spent on explaining this aspect at the LPC Conference in July as well as clarifying the points above about the proposed structure. Clarity around the role of PSNC (CPE) in providing the training/ input into the Negotiating Team is also required. A professionally trained expert team is needed to provide the step change desired. It was acknowledged however, that during the transition period a significant transfer of knowledge would be required.**
- **We absolutely support the undertaking that overall cost to Contractors must not be increased. Whilst we acknowledge that new central function CPE will require additional funding it is imperative that a clear, fully costed, business / implementation plan is agreed by PSNC and LPCs, that is shared with contractors.**
- **We would also like more detail on how the National Provider Company would work including any proposed local outreach to support existing local Contracts with local provider companies and how the national provider company would work with LPCs (CPLs). We do acknowledge that the continued viability of many local Provider Arms is challenging as it stands. The current LPCs have Loans invested in the Local Provider Arm, which would need repayment should any transfer to a National Provider Company occur.**

Feedback on the 33 Recommendations

1. All agreed
2. All agreed
3. All agreed
4. All agreed **but some thoughts that Governance and Strategy should be separated, with Governance being top down and Strategy being bottom up approach.**
5. All agreed
6. Agree would be beneficial, provided that the frequency was managed – around every 10 years is suggested but not less than 5 years. Need to consider costs and the upheaval that too frequent reviews might cause.
7. Agree that need to have opportunity to have fresh blood in the Membership whilst not losing valuable expertise and experience. **Clarity as to whether this proposed maximum term of 12 years starts afresh from when recommendations implemented or includes service to date. How would the transition period work to avoid massive loss of Membership and noting in some areas there are challenges around recruiting Members?** What contingencies / flexibility will be in place to mitigate lack of recruitment of the Members with right skills / capability and capacity? **This should apply to all Committees throughout the structure and not just LPCs (CPLs).** Would expect that new Members normally would not be appointed to the Chair role during their first term on the CPL hence potentially limiting time on CPEC to significantly less than 12 years. More training would be needed for all Members and support teams ongoing.
8. Agreed
9. Agreed
10. Agreed – need to develop ‘one voice’ strategy that will lead to a successful Contract which values community pharmacy and fairly remunerates it. Transparency in development and involvement of CPEC, Policy Groups and CPE alongside the Strategy Board that develops this with input from LPCs through the CPEC. Important that the right people are involved in setting the vision and strategy, with CPEC sign off. Learn lessons from GPs and devolved nations.
11. Agreed – fully support, with close links with CPL, CO Network and CPEC
12. **Agreed that we need a new team and approach, with transparency and fair representation between CCA, AIMp and Independents. Must align with strategy and vision, with transparency and sign off at all levels of the proposed structure. Very important that fresh eyes and professional negotiators are brought in so do not get the same old problems of an underfunded Contract poorly received by Contractors. These negotiators should not be trained exclusively by PSNC (CPE). These negotiators must understand**

Community Pharmacy and learn lessons of GPs and devolved nations. The make-up and expertise of the team is critical and needs further clarity and discussion

- 13. Needs clarification as to which PSNC functions are being retained and rebadged CPE and which are being replaced by CPEC.** The transition needs to be well managed with without negatively impacting ongoing negotiations. The 200 / STP footprint seems reasonable qualifying position for Chair on CPEC. **Concern was raised that cannot be the same people on all of the committees / groups – need to have a variety of skills and expertise available and acknowledge capacity of CPEC members in particular. It is important that the Chairs of LPCs (CPLs) remain in post for a minimum of 4 years to allow some consistency and relationship building within the CPEC team. LPCs should therefore vote in Chair, based on required skill set, at the start of each 4 years LPC term rather than annually. There was some discussion as to whether a CPL Member rather than Chair could be nominated for CPEC / policy groups depending on the skills required.**
14. Agreed with the right people in place and the power / influence in the right places. A bottom up approach.
15. Agreed - more clarity on proposed numbers and appointment process
16. Agreed – maybe as guests rather than as Members – reducing additional cost.
- 17. Agreed that effective central support for some functions would be beneficial for LPCs (CPLs) and support the Pharmacy Integration Centre delivering national service specifications with appropriate input from CPLs. National provider arm: More clarity is required – is the national one instead of local or as an additional central support alongside local provider arms? Needs to be a cost-effective option providing economy of scale whilst still offering local Commissioners and Contractors a timely / flexible approach.**
18. Agreed plus links into other pharmacy bodies as well as CPE support functions
- 19. All agree that significant detail is required to support this proposal. We accept that new CPE (PSNC) and support bodies will need additional resource to meet the proposed functions within this Review. This should only be furnished following a clear full business case, implementation plan and transition plan. LPCs should be involved in the signing off these plans and financials. A cost benefit analysis required, with clear lines of accountability with funding linked to performance. If outcomes poor for Contractors, the option to change back to more funding for LPCs. Also, the levy for CPE and CPLs should be calculated fairly and the levy calculation model should be reviewed for Contractors – less reliant on number of items dispensed as means of setting charge. Agreed that investment to push through changes needed but sign off and governance needs to be transparent with oversight of spending and value for money during transition and beyond. The Governance Board should be separate and independent of the Strategy Board.**
20. Agree in principle, provided transparent, equitable and signed off by CPEC following input from CPLs.
- 21. Agreed, but only with significant input from LPCs. How will the interim Board be set up? Transformation Group needs to be equitably represented by LPCs and PSNC and interim Board – a full plan fully costed needs to be produced and signed off by LPCs. Who will deliver the transformation? How will it be funded? Linked to this how will decisions be made wrt which recommendations are taken forward. How will Contractors have a voice? Funding for the transition period should be outside of the Levy.**
22. Agreed that as much as possible should be funded outside of Levy.
23. Agreed with the flexibility to match appropriate NHSEi geographies and use merger or federation routes as appropriate. Local stakeholder management key. STP footprint seems reasonable. Number of Contractors covered by a LPC for CPEC memberships would need some flexibility. Some STPs bigger than others. Coventry LPC covers half of a STP footprint, plans already in progress for shared meetings and possible movement to merger with Warwickshire LPC – the other half of the STP which would be around 200 Contractor footprint – although the number of pharmacies is expected to reduce. Review the option to move to a more formal Federated Model with Herefordshire & Worcestershire LPC, building on our current shared team across the 3 LPCs – this would be a combined footprint of 326 and two STPs and protect against possible reduction in pharmacy numbers to meet the minimum CPEC membership qualification.
24. Agreed, we currently have 9 Members. Would be more challenging over larger geography to support PCNs.

25. Agreed a mix of face to face and virtual meetings. Although acknowledged would not significantly reduce costs of meetings especially as venue costs relatively low for LPC Meetings.
26. Agreed, using a range of methods building on current practice and introducing webinars
27. **Agree to the principle that Members are appropriately remunerated for work undertaken on behalf of the LPC. More clarity required around 'backfill' versus honoraria and IR35 and other tax implications. Whether this is to Member or the Company etc. It must not overall increase costs to LPCs as funding will be less.**
28. **The view is that they should not be Members as this would incur additional cost.** We agree that having regular guests to open sessions is appropriate. This could include pharmacy teams, a patient representative and local NHS / Council colleagues etc. This should be at no additional cost to the LPC and ultimately contractors.
29. Most Members already complete this training as part of their main role. We would want the online training to be provided free to LPCs and that agreement that other equivalent training is accepted. LPCs can keep a training log and evidence. This could be part of the induction for new Members.
30. Agreed
31. Agreed, although we acknowledge that this is difficult to achieve. We may need a different recruitment / appointment process to ensure that we get the right skills and Members who have capacity to engage. This will need to be considered for CCA, AIMp and Independent representatives. Consider some sort of competency-based interview process for Members, caution where recruitment is difficult. Will there be some sort of audit process, through the Governance Board to report on Members engagement, capability, expertise, and any recruitment issues? This should be true for all Committees / Groups not just CPLs.
32. **Some disagreement with this recommendation without clarification about what specific support is acceptable. Majority agreed that support for Contractors was an important function of LPCs and is valued by Contractors, provided excludes specific business related, legal or HR advice.** We agree that duplication of effort is to be avoided and that LPCs should not act as Head Offices. **We agree that representation is a priority and of key importance.** The support currently provided is available to all contractors and query resolution comes from all sectors although more from Independents. It would need to be clear what would be available nationally to fill any gaps and any transition arrangements. We note the comments on Page106 as a minimum function of the LPC (CPL).
33. Agreed