

The Wright Review – PSNC and LPCs June 2020

Feedback from Warwickshire LPC

Overview

The Review was read by all LPC Members and 8/9 Members attended the 3 hours virtual meeting to discuss the findings in full. The remaining Member did feedback thoughts separately. This is therefore the consensus of the full 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.

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 extensive than anticipated. 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.

We also note that the devil is in the detail. Some of the LPC recommendations have already been adopted with 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.

Below are general points raised, followed by points by recommendation. **A summary of the key considerations for clarification at the July Conference is in the table at the end.**

General points for clarification

- We look forward to greater clarity around the proposed structure and bodies 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? It was noted that it will be essential to have appropriate representation (CCA, AIMp, Indep) across all parts of the sector on all relevant Committees from top to bottom in the structure.
- The new CPEC and increased emphasis on role of Chairs caused some concern about how to build capability and capacity. Would there be an option to put forward another Member instead of the Chair should their skills / capacity be more appropriate? 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.

- Also, whether consideration should be given to separating the Governance role from the Strategy role of the proposed CPEG&S Board as require a different skillset. More clarity on how this Board interfaces with the CPEC and CPE.
- The most important aspect is the quality of negotiating team and how the negotiating stance is arrived at 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.
- We absolutely support the undertaking that overall cost to Contractors must not be increased. Whilst we acknowledge that PSNC has been underfunded and that this needs addressing an agreed clear business / implementation plan is needed to understand the details as to what is being offered centrally that would a) improve support and Contract negotiations for the benefit of Contractors and b) reduces costs / work for LPCs that would enable the additional funds proposed to be made available.
- We would also like more detail on how the National Provider Company would work with or in place of local Provider Companies including how local stakeholder meetings would be handled without some sort of local outreach if only a National Provider Arm were to remain. We do acknowledge that viability of many local Provider Arms is challenging.

Feedback on the 33 Recommendations

1. All agreed
2. All agreed – but would seek clarity whether this includes internet pharmacies (DSP) as not been traditionally badged as ‘Community Pharmacy’ this being reserved largely for brick and mortar pharmacies. LPCs and PSNC obviously represent both.
3. All agreed
4. All agreed but felt that Governance and Strategy should be separated, with Governance being top down and strategy being bottom up approach. The Governance – or Scrutiny & Oversight Group could then have oversight of the Strategy Board ways of working too.
5. All agreed
6. Agree would be beneficial, provided that the frequency was managed to avoid wholesale changes being implemented too frequently as it is in the NHS. No earlier than 5 years after the recommendations, as agreed, are implemented. Thereafter at an agreed frequency around 5-10 years. Who would undertake the Review, implement more changes and how would this be funded?
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. Noting that some LPCs may merge or federate creating new committees. Would Members be able to come back having had a break in Membership or is 12 years in total proposed. How would the transition period work to avoid massive loss of Membership and noting in some areas there are challenges around recruiting Members? The proposed changes and increased influence of LPCs and requirements placed on Members to be more active may put off as many as attract. Note some Members are on multiple LPCs. What contingencies / flexibility will be in place to mitigate lack of recruitment of the Members with right skills / capability and capacity? Can a Member act as an associate Member after 12 years tenure without voting rights?
8. Agreed
9. Agreed
10. Agreed – need to align with NHSEi whilst maintaining the practicalities and interests of Contractors 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. Some thoughts that strategy may need to be built separately from NHSEi so that negotiations are for the benefit of Contractors, who represent.

11. Agreed – with close links with CO Network and CPEC
12. Agreed that we need a new team and approach, with transparency and fair and proportionate representation between CCA, AIMp and Independents. Must align with strategy and vision, with buy in at all levels of the proposed structure. Preference is that have professional negotiators who are not trained exclusively by PSNC (CPE). These negotiators must understand Community Pharmacy and the role must be their sole focus and not hold other roles within the structure as well, to prevent conflicts of interest and increase their accountability. There was acknowledgement that some Companies are vertically integrated and may have different priorities from other Contractors, also internet pharmacy vs bricks and mortar: So, need to have a strategy that works for all. Also, a concern was raised that it 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. We acknowledge that time commitment of being on CPL and Chair position, in particular, might reduce the number of Independent Contractors able to take on the role in future alongside their 'day job' activities.
13. Needs clarification as to which PSNC functions are being retained and rebadged CPE and which are being replaced by CPEC. How will LPCs (CPLs) manage CPE in practice? Is it that CPEC replaces the PSNC Committee? The transition needs to be well managed without negatively impacting ongoing negotiations. All roles and interdependencies within the proposed structure need explanation. Is there any place for Regional LPC networks / collaboratives, which align with NHSEi Regions within the new structure?
14. Agreed with the right people in place and the power / influence in the right places. A bottom up approach.
15. Agreed change needed - NSC - needs more clarification on accountability and how the flow will work between decision makers regarding strategy, policy groups, CPEC, Board and CPE. What will be the communication strategy to keep all informed and able to input at relevant points? If, membership of all these policy and strategy groups come from CPEC Members – capacity of Chairs needs to be considered. How do Contractors feed in? Who are the decision makers and more clarity around costs of the new structures and where this comes from?
16. Agreed
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. Differing views on the proposal for national provider arm. More clarity is required – is the national one instead of local or as an additional central support alongside local provider arms? National with local offices might be an option to support local engagement especially as now dealing with very local Commissioners such as PCNs. How would any change be transitioned and local support for contract / stakeholder management managed – would this fall to CPLs? Provider Arms are Companies in own right. Needs to be a cost-effective option providing economy of scale whilst still offering local Commissioners and Contractors a timely / flexible approach.
18. Agreed
19. All agree that significantly more 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. There should be no additional cost to Contractors. Reassurance needed that CPE will be able to take and carry out additional roles that are currently provided by LPCs to free up LPC capacity effectively, with future LPC (CPL) reduced funding model.
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 concerning which recommendations are taken forward? How will Contractors have a voice?
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.
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.
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. Will guidance be given on how to calculate any honoraria payments so equitable?
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. Also, we noted that 'additional members' defeats the object of keeping Membership to maximum of 10 for cost and efficiency purposes.
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 acceptance of other equivalent training is accepted. NHSEi or other bodies training could be adopted. LPCs can keep a training log and evidence. This could be part of the induction for new Members.
30. Agreed
31. Agreed
32. Significant disagreement with this recommendation. We agree that duplication of effort is to be avoided and that LPCs should not act as Head Offices. Whilst we agree that representation is a priority and important – LPCs have a role to support all Contractors as well and should be for the LPC to determine based on their Contractors feedback. For example: It is important to have consistency and deliver new services / contract with the necessary support / training to avoid any possible reputational damage for the sector. It is agreed that where possible some of these costs can be subsidised by Commissioners, Pharma or HEE – as is our current practice for training events. We need clarity as to which areas of support would be considered beneficial and which not. The support currently provided is available to all 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.
33. Agreed

Key questions / clarifications for the July Conference:

Area of Review	Question/ clarification	Comment / Reason
General	We would like more information on the proposed structure and constituent bodies demonstrating the influence and financial flows and where 'sign offs' occur. What is just rebadging and what is a fundamental change?	To support bottom up approach, with LPCs at the centre.

General	Would it be more appropriate to separate Governance and Strategy roles?	Different skill set, allows for scrutiny of the Strategy Board as well
General	Proportional representation required for all the sectors (CCA, AIMp, Independent) across all Committees and Groups – how will this be achieved? 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	How will the Transition and uptake of Recommendations be achieved – what is the plan? Who will influence what is taken forward and who will have sign off? Fully costed proposal supported by clear transition and implementation plans are required and significant input from LPCs.	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 will be available for LPCs to recruit the most appropriate Members for CPLs & Chairs to support effective CPEC. How will equitable representation be achieved through the transition period? Who will fund the upskilling of the Chairs?	Concern over capability, capacity and skill set for this new role
General & Recommendations 13,14,15	Negotiating Team and supporting policy groups and influencers needs further explanation. How will the desired step change be achieved? Key to have a professional expert negotiating team with a clear mandate.	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 needs 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 detail required on this proposal – support or replacement? Provider Company is independent of the LPC, but we work closely on services and Commissioner engagement – this may be more challenging without a local presence.	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? Can they come back as Associate Members after 12 years tenure?	Care not to lose all the expertise and allow some flexibility where recruitment difficult.
Recommendation 27 & 31	Agree to the principle but difficult to achieve without Employers releasing Members to increase their capacity. Clarity on Honorary proposal - around tax implications and whether paid to Company or individual. Guidance around how to apportion payments would be needed.	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	Disagreement with apparent 'broad brush' statement that LPCs should not be involved with 'support' of Contractors. This needs discussion and refinement as Contractor support is a valued function. Agreed that representative role key. Agreed that 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.