

9th February 2023 7-8pm

Transformation
– LPC & PSNC
SGM



COMMUNITY PHARMACY

ARDEN

**Representing Community Pharmacies
in Coventry and Warwickshire**

Community Pharmacy Arden (C&W LPC) SGM Agenda 9th February 2023

Microsoft Teams meeting
**Join on your computer, mobile app
or room device**
[Click here to join the meeting](#)



Welcome

Apologies for absence

Presentation on the proposed changes to the constitution

- Background from the RSG recommendations
- LPC response to the RSG recommendations
- What does it mean for the LPC and for contractors
- Why are we recommending this
- Making it happen – proposed changes to the constitution and timelines

Questions and discussion

Ballot of contractors (in addition to votes received by post or email)

Results declared and next steps

Any other business

Close

Welcome, domestics and apologies

Welcome & Introductions

Attending from the LPC are:

- Executive:
- Members:

Process to get here

- Wright Review, RSG, Contractor Vote
- LPC November Meetings and data and financial review

Background

- RSG – Wright Review Contractor Vote agreed by significant majority to allow an increase in PSNC Levy to LPCs. Originally this was indicated to be about 45% increase on 21-22 Levy.
- Expectation that **overall** Contractors Levy would not rise as a total across LPCs in England.
- PSNC have determined that needed to review the Levy setting process to LPCs as had not been updated for many years. It further decided to do this in line with NHS income instead of items alone. This has led to some anomalies where a Contractor (usually high volume or high value DSP) has disproportionately affected CPH&W for example
- We are a LPC which matches ICB Footprint and has a loose federated model with CP H&W – AHW shared team / office function & same CEO. For shared office, kit and office team we pay 62% total based on Contractor numbers across AHW (319 total).
- **Key things asked to consider and share with Contractors at SGM in February 2023:**
 - Are we aligned to NHS ICB Geography? Yes
 - Are we around 200 Contractors? 197 – plus loose Federation – we have 319 across AHW
 - Can we pay the increased PSNC Levy without increasing Contractor Levy? Yes with some economies needed and full levy in place
 - Who could we merge with if appropriate? CPHW – preference to leave as federated model in place

PSNC Levy to
the LPC
indicative
increase

- **Indicative levy calculations 2023/24**
 - **COMMUNITY PHARMACY ARDEN**
 - **We currently pay £53,162pa**
 - **Next year (2023/24) indicative figure**
 - **c£64,800pa**
 - **From 2024/25 indicative figure**
 - **c£76,934pa**

Options Appraisal

Example Options Appraisal scoring template

	Assessment Criteria	Weighting (1-10, where 10 is most important)	Option 1: <no change>		Option 2: <merge H&W>	
			Score (10 = high)	Rationale / Comments	Score (10 = high)	Rationale / Comments
Desirability	Matches NHS boundaries (ICB, having a representation and governance structure (LPC members) at a system level	8	10	ICS Footprint, some parts very rural with large geography - representation at IPMO close relationship	8	2 ICS - would be very large geography -- already work as a group with shared team including CO - would reduce LPC Members size
	Able to invest executive resource to undertake system and place-based work.	8	10	Good stable team - invested in E&S Officer	8	May reduce capacity with fewer overall Members
Feasibility	Likely to have support of two thirds of each LPC committee locally and support at a special meeting of contractors	10	10	LPC and Contractors likely to be happy with way operate as have already got a loose Federation and shared team	6	Will be less popular with LPC - Contractors - hard to gauge interest in the process - but like local support
Viability	Able to meet increased contributions to PSNC, without having to increase contractor levies	10	10	Yes	6	Members and some Team hours may be reduced. Levy will need to increase - due to HW skewing - this would reduce most contractors levy but increase gompels
	Size of 200 contractors or above	8	10	As standalone LPC 197, as federated model 320	10	2 ICS and 320 Members
Local	Other criteria to be locally determined - rurality - travel - ability to cover f2f meetings	4	10	Local and team able to reach all areas and Members cover all areas	6	Team same - although may be fewer hours and less Member resource and hard to cover geography
TOTAL						
TOTAL as %						

Options Appraisal continued

Option 3: <Formal Federation CPA>		Option 4:< Expand Federated membership>		Results				Total possible score
Score (10 = high)	Rationale / Comments	Score (10 = high)	Rationale / Comments	Option 1: <no change>	Option 2: <merge H&W>	Option 3: <Formal Federation CPA>	Option 4:< Expand Federated membership>	
8	Unlikely to make much difference as most savings already happened	6	Complicated - additional ICSs but not same NHS Regions	80.00	64.00	64.00	48.00	80.00
10	Unchanged	8	Reduce capacity - large geography and competing meetings	80.00	64.00	80.00	64.00	80.00
10	Unchanged	4	Large goeography and no current relationship - LPCs not likely to approve	100.00	60.00	100.00	40.00	100.00
10	Unchanged	8	Unclear	100.00	60.00	100.00	80.00	100.00
10	320 Members but 2 separate LPCs	10	would be 400-500 if Gloucestershire / Shropshire joined	80.00	80.00	80.00	80.00	80.00
10	Unchanged	4	Large rural areas with different NHS teams - challenge to be effective	40.00	24.00	40.00	16.00	40.00
				480.00	352.00	464.00	328.00	480.00
				100.00%	73.33%	96.67%	68.33%	

Financial Position 24-25

		Sep-22				Levy ave per contractor
(inc Nutricia)	H&W LPC	122	38%	may move to 121 or 120		£1098 pa
(inc SK & Heath)	C&W	197	62%	may move to 196 or 195		£1098 pa
	Total	319				
					YEAR 24-25	
	AHW Leadership		Chairs and/or Vice Chairs	CEO	Treasurers	
	Levy related costs		Anurag / Jeet	Fiona	Wayne	
	comments		Faye / Sam		Terry	
	Reserves - levy related end 21-22			£167,482	£217,653	
	Joint Budget Lines (pro rata or as agreed)	Current Contractor levy 21-22	max budget	£134,000.00	£216,400	NHS contribution = £20k for 2 years HW and £20K CW 2 years
	Joint Leadership meeting costs & attendance			H&W	C&W	
	Office rent	no move - current space - goes up Dec 24	£10,500.00	£3,990.00	£6,510.00	assumes increase by 2024
	Office utilities & BB	assuming increasing additional cost	£600	£228.00	£372.00	
	Office parking	based on 2 ave / day @£25 mo	£600	£228.00	£372.00	not start until Dec 24 but put in full year affect for allowance visitors
	Petty cash	largely ZA travel and postage / stationery	£400	£152.00	£248.00	averaging £300 pa at moment due to reduced travel
	Insurances - office	50%	£300	£150.00	£150.00	
	Licences - IT software	Office, antivirus etc	£150	£57.00	£93.00	
	Laptops	Replace every 3 years - ave 1 / year	£400	£152.00	£248.00	probably not required until end 2024
	Office furniture & equipment	adhoc - screen, sound, aircon etc	£150	£57.00	£93.00	probably not required before 23-24
	Database support - new investment	£6k + vat one off then £100/ mo + vat - if choose to take it up	£0	£0.00	£0.00	Cover support internally - just pay hosting from April 2025 £60 per month (covered by NHS funds until end 24-25)
	Office sundries - consumables	ink paper pads pens cards badges postage PCN packs	£1,000	£500	£500	Currently around £600 pa - PCN packs would be the additional cost
	Office & Support Team payroll - BAU activities	Zoe, Susan - gross OPI	£33,000	£12,540.00	£20,460.00	Not cover Zoe's maternity leave in 2023 (save £8k in total) with std mat pay due for 9 months
	Training for Team		£1,000	£380	£620	
	Bank account management	3 hours a month@£30	£1,080	£410.40	£669.60	this should have a reduction individual treasurer time or be added into their role
	TOTAL Joint		£49,180	£18,844.40	£30,335.60	

Financial Position continued

	Individual LPC					
	Services Officer + expenses based on max 400 miles a month (£2,160)	inc OPI			£34,920	Current 30 / 25 hours inc OPI
	CEO + expenses and OPI costs	inc OPI and expenses (2,500 included licences and phones and mileage)			£56,000	Assumed that will be able to reduce CPA hours CPA to 24 by April 2025 (from 32) - will save £13k
	Treasurer	inc OPI			£1,200	May be linked into overarching account cost
	Chair	inc OPI			£500	
	Members Costs	£30 ph or £250 /day - 10 Members ave 70% attendance			£10,500	Consider move to 5 meetings a year -- or half days (2 full f2f, 3 x 4hour Teams pa from April 2023) (2 half and 3 full - save £3K a year approx) NB whole day locums may be
	Individual Events	use non levy and sponsorship			£2,000	aim for full sponsorship
	LPC Meetings	Venue ave 4 f2f py			£1,000	may move to fewer f2f 3-4 f2f not all whole days but cost venue similar
	Accountants & software packages etc				£2,500	
	Training Events	LPC Members			£500	
	Expenses (not CEO or S&EO)	Travel etc			£500	
	Laptops / kit	additional individual LPC costs			£150	alt years 1 replace
	Websites				£0	crossover to PSNC tbc so cost go by 2024
	CPWM				£985	
	VirtualOutcomes				£1,750	Consider whether fund next time
	PSNC Levy	PSNC indicative figures			£76,934	This is 24-25 (23-24 HW 86,145 & CPA 64,800)
	TOTAL Individual				£189,439	No hours reductions
	Total of both				£219,774.60	
	Exp vs income				-£3,374.60	HW £20k pa contribution for 36 months - ICB (£20k) and NHSEi (£40k)
	INCREASED LEVY REQUIRED		PSNC increase (H&W)		0	Plus additional reserves of £60K
	Non-levy (2.5 years only from Sept 2022 total 60K per LPC)	NHSEi - Imp Services			£10,000	(CPA £10K 22-23 and £20K 23-24 and £10K 24-25)
	Reserves (£20K per LPC available if needed 3 years 22-23, 23-24 and 24-25)					(split using reserves and NHS funds £20k in total)
	Overall				£6,625.40	
	Levy Holidays 22-23			2 months	0	
	Reserves expected end 22-23	PSNC LEVY CPA for that year			£214,000	(poss +10K)
	Reserves expected end 23 -24	levy £64,800			£210,000	(poss higher)
	Reserves expected end 24-25	levy £76,934	93% reserves CPA		£206,000	(poss higher)
	Reserves expected end 25-26	levy £76,934				CEO to reduce CPA hours by April 2025 workload permitting save £13k

Points considered

- Decide stay as are or opt to merge
- We have some NHSEi funds to cover some costs over 2-3 year period
 - We have a new Services & Engagement Officer (25 hours) as previously agreed started in September and part funded from NHS non recurring funds.
 - Zoe will be on maternity leave February 2023 for 12 months – we will need S&Os / SKS to cover – around 90% of mat leave payments can be recovered from HMRC
 - CEO possibly reduce hours from April 2025 – assuming workload reduces (from 32 to 24)
- Two main viable options are:
 - **Stay as we are**
 - **Formalise the Federation – no significant changes**
 - **PLUS** Economies required by April 26 at latest:
 - Reduction in CEO hours to 24 in April 2025– provided workload decreased
 - Possibly other LPCs to join loose Federation or contribute to the office function in return for support (e.g. Gloucestershire / Shropshire)

Proposal shared in November 2022 & updated January 2023



We consider that the most effective option to best support our contractors is to remain as an independent LPC whilst tightening our Collaborative – Federation. We will continue to build on our well-established model sharing expertise and resources as cost-effectively as possible, whilst maintaining the separate LPCs which each match ICS footprints allowing local engagement.

Formalising our Collaborative - Federation – CPAHW



Each LPC operates independently for ICS level decisions, strategy and relationships. Each LPC has Members from across the ICS footprint to ensure a good understanding of local need, with each Member representing one or more PCNs alongside the Chief Executive Officer (CEO) / support team. The support team is shared across the two LPCs with charges being attributed to each LPC based on Contractor numbers for all joint activities, office function and resources. We have a joint generic workplan for all BAU activities for each LPC and are currently planning our 23-24 local plans. We each have a budget split into shared expense and individual LPC expense. The CEO / support team also engage at national / regional level on behalf of both LPCs and work on advanced and national service support collaboratively. The support, employed, team consists of 3.55 FTE across the two LPCs, expected to reduce to 3.35 FTE by April 2025, when NHS subsidy expires, working out of a joint office in Evesham:

- CEO (16 hours CPH&W and 32 hours CPA) - total 48 (planned reduction to 40 by April 2025)
- Administrator & Governance Lead (Deputy CEO) (9 hours CPH&W and 15 hours CPA) – total 24
- Digital – website administrative assistant (6 hours CPH&W and 9 hours CPA) – total 15
- Services & Engagement Officers (25-30 hours per LPC) – part funded for 2 years by NHS grants – total 55

We also work closely with the Midlands Regional network of LPCs (CPM) meeting bimonthly - sharing best practice and resources as appropriate. We have three working groups – Workforce, Services, and IT. Work undertaken for the Midlands is cross charged by LPC completing the work to CPM. CPAHW have members on all three workstreams.

So, what is next?

- CPA will arrange a SGM towards the end of February / early March 2023 for contractors to vote on the proposal ahead where we will need to amend the constitution and extend the term of the newly formed LPC by a year to align with PSNC and other LPCs.
- We will share our thoughts with regular updates and would be happy to discuss with any contractors. Please do get in touch – ahwlpcc@gmail.com or phone Fiona on 07792970382.

LPC Office: Unit 24 Basepoint Business Centre; Crab Apple Way, Vale Park, Evesham, WR11 1GP



Transformation of LPCs – November 2022 – Arden (Coventry & Warwickshire)

Following the 2022 contractor vote in favour of the RSG proposed changes, PSNC and LPCs now need to take forward the changes, with the ultimate aim that contractors have a better relationship with, and more oversight of, stronger national and local negotiators. We have therefore started to consider our position and want to keep you involved throughout.

From PSNC Transformation guidance:

1. The LPC will be working closely with neighbouring LPCs to work out the best footprint for the benefit of local contractors. If you are not currently co-terminus with an ICS, you should be considering what the options available to you are and discussing this at both a regional level and within the LPC. Each option should be discussed and if possible, an agreement across LPCs reached about what the desired future geography for each LPC should be. The momentum of change is towards LPCs matching their boundaries with their ICS.
2. The Wright Review has concluded that LPCs over 200 contractors are able to deliver the best value, although rurality needs to be taken into account. This may include mergers or federations to meet cost effective networks going forward.
3. A Committee size of 10-12 considered suitable for LPCs.
4. PSNC Levy to LPCs will increase and LPCs need to be able to afford the increase. For a few LPCs the change in way calculated has led to a disproportionate increase where a contractor has a significant NHS income / AIV vs average, but not CP Arden.
5. Adopt the new Constitution

CP Arden position:

Our LPC met on 10th November 2022 and unanimously agreed on the following position.

Measure	Current Status	LPC Proposal for SGM
LPC Name Change	Already known as CP Arden	In current constitution and include in new Constitution – CP Arden
LPC Website	We have just transferred to the new PSNC template from our own site	Once CPH&W transitioned as well, we can remove our old independent websites as they are linked
LPC Coterminous with ICS	One ICS, 2 H&WB, 4 PLACE, 19 PCNs	Important for the LPC to remain separate to provide sufficient coverage across the large geography of the ICS, where PLACE is important
LPC Size	197 (soon to be 196) – already working jointly and sharing resources with CPH&W as a loose federation AHW	Part of CPAHW - Federation 319 – to be formalised with updated MOU within 2 years
LPC Members	Currently 10 with coverage of whole ICS – formed in April 2022 for 4 years Term	Maintain as now and extend the Term by 1 year to align with PSNC and other LPCs
Managing the PSNC Levy demand to LPCs:	Current Total Levy (100%) = £216,400 (14p per £100 NHS Income = £1,098 ave per contractor pa).	CPA will utilise reserves to avoid passing on the PSNC increase to contractors in 23-24 and 24-25. Maintaining the Levy at £216,400 but we are unlikely to be able to offer Levy Holidays during this period. The LPC will review annually thereafter based on expenditure and reserves. The LPC will also seek non-levy funding where available.
Adopting the final version of signed off Constitution	CPA uses the PSNC current standard constitution as its basis	The final updated version will be reviewed and adopted subject to the expected revisions. Additional term referencing the Federation will be added.

LPC Office: Unit 24 Basepoint Business Centre; Crab Apple Way, Vale Park, Evesham, WR11 1GP



Activity	Milestone	Nov-Dec	Jan-March 2023	April - June	July onwards
LPCs agree proposal (min 2/3 of LPC)	Before Christmas 2022	10 th November - unanimous			
Communicate with Contractors	Before Christmas 2022 – proposal Further comms in Jan ahead of SGM and outcomes thereafter	w/c 28 th November 2022			
Final proposal / constitution with extension of current LPC term communicated – and SGM vote	Communicated by mid-February for vote by mid-March 2023				
Result of vote confirmed	End of April 2023				
LPC aligned with PSNC and other LPC cycles					

Recommendations & Decisions made at LPC Meeting

Stay	Stay as we are + tighten up the Federation over the term of next LPC – joint finance & governance for example – account for joint spending etc – refresh previous arrangements & overarching board from the two Execs
Accept	Accept the new PSNC constitution with our added bits around geography / representation / Federation – SGM required for this Feb 2023
Extend	Extend Term of LPC to match new term others have (i.e. add a year) – through SGM Feb 2023
Maintain	Maintain Contractor Levy without levy holidays to cover cost of additional PSNC Levy
Review	Review financial positions annually and trajectory for April 26 onwards. Consider a reductions CEO hours to 24 from April 2025 workload permitting by mutual agreement
Consider	Consider Gloucester / Shropshire as additions to either Federation or contributor to shared office function – to help save money for all. Not consider further mergers at this stage

Constitution Changes

- Name – we had already amended last election to Community Pharmacy Arden
- ICB and HWB – unchanged 1 ICB 2 HWB
- Retained clarification to ensure coverage across two areas
- Retained CPAHW – collaboration / federation
- Extended term of current to end of March 2027 (currently 2026)
- PSNC part of levy will be set up as DD or SO automating transfer to PSNC from the LPC

Timelines

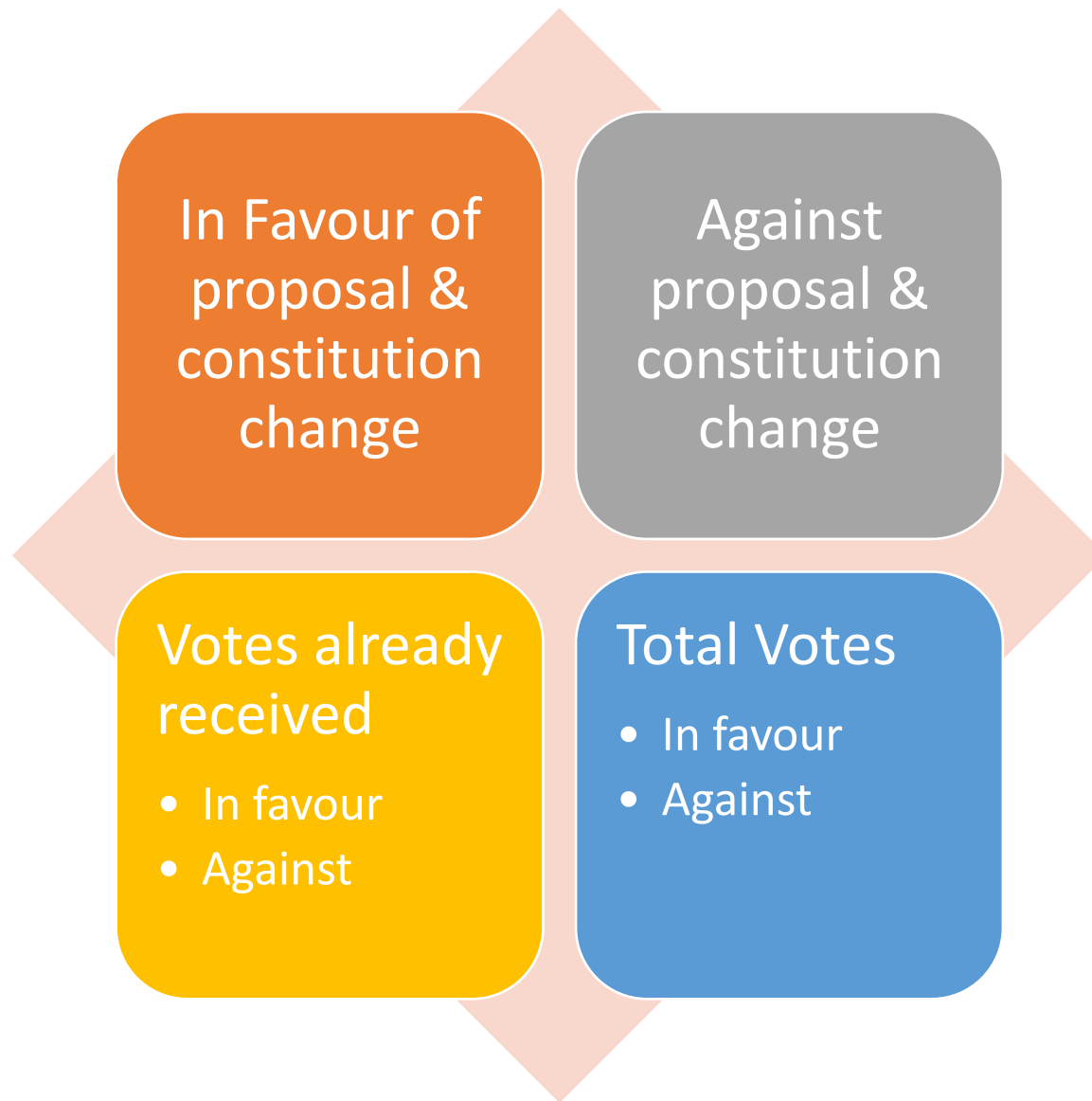
TAPR Plan										
Activity	Accountable	Resource	Milestones	RAG	Notes	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Complete TAPR documents	FL	ZA	1st Nov 22	completed						
Contact PSNC / CCA re levy	FL		1st Nov 22	completed						
Review financial position	TF	FL	1st Nov 22	completed	need to annotate / explain					
Committee discuss options and vote on preferred option	FL / Chair	ZA	November LPC Meeting	completed	Agreed option 1 - as is with strengthening Federation	First comms shared PSNC, CCA and Contractors				
Review and comment on Constitution	FL / Chair	ZA	November LPC Meeting	completed	Have had chat with Gordon and got a couple of amends - AIMP querying in the make up of AIMP places. Have also asked AIMP for latest list AIMP Companies		6th Dec updated 'final' version shared for comment			
LPC vote on final constitution ahead of SGM	FL	ZA	by mid January 23	completed	CPA - extend term 1 year and agreed constitution. HW - new LPC and Constitution					
Confirm employment rules re Federation vs LPC	FL	Clyde & Co	Dec-23	completed	Call 9th December 2023		unclear checking & revert			
Inform Contractors of proposals	FL	ZA	End Nov, Jan, at SGM	completed	Share outputs Nov LPC Meetings	First comms shared PSNC, CCA and Contractors				
Hold SGM	FL	Office	Feb-23	in progress	Confirm numbers of place based on Jan 31st for Membership H&W only			SGM	SGM	
Confirm results (2/3) SGM	FL	Office	Feb - Mar- 23	not started						Results

The background features a dark blue gradient on the left and a dark grey area on the right. On the right side, there are numerous 3D question marks scattered across the surface. A large, semi-transparent white circle is overlaid on the right side of the image, containing the text "Any Questions?".

Any Questions?

Ballot

Number received by 7 th 12 noon	Number in favour of all proposed changes	Number against all proposed changes
66	66	0
Attending on 9 th (9 votes placed in favour)		



What next?

1

Confirm to all Contractors, NHSE, ICB and PSNC the results

2

Work towards a tighter Collaboration with CPHW and set up a joint account and finalise MOU

3

Change to new format and frequency of meetings

AOB

- Services
- ICB Local Update
- Community Pharmacy H&W ways of working
- Contractor questions



Thank you &
feedback
