

## The Future of Commissioning

The commissioning landscape is changing, as service commissioners now want to contract with one single provider for services. For example, NYCC are reviewing Public Health contracts and placing tenders for:

- Emergency Hormonal Contraception (EHC)
- Stop Smoking
- Needle Exchange
- Supervised Consumption

The advantages to the commissioners are, one point of contact, reduced administrative costs and outsourced performance management. Other commissioners will also soon follow this trend (e.g. CCGs). Pharmacy needs to have a response to this change and take advantage of the opportunity provided. Below is a summary of why.



### Solution to the problem:

**We work collectively to setup a provider company by the name of *Community Health Limited*.**

### Benefits to Contractors:

- Minimal cost.
- Minimal risk.
- Somebody does the work for you.
- Strength in numbers.
- Move into new areas and access to new tender opportunities.

### Risks:

- Doing nothing is not an option, we will lose services.
- Unsuccessful in tenders.

### Costs/Funding:

- A one-off membership fee of £150 for initial joiners and your liability limited to £1.
- If you decide to join after a tender/contract is won, the fee will be £150 plus a late joining fee which may be an extra £300 or more, to be decided by the Company Directors dependant upon the services won
- The aim for the company is to be self-funded by top slicing winning tenders.

### What Happens Next?

In the next few weeks, a fellow contractor will contact you in person to discuss this and answer any questions you may have. CPNY's role in this is to facilitate the formation of the company and underwrite initial operating costs if required. For CPNY to continue, and use LPC funds in this way it requires your support via a vote. There will be an EGM on 21<sup>st</sup> May 2015 which you are encouraged to attend. Voting slips will go out with the papers.

**Help protect and increase your profitability  
and enhance your reputation.  
Vote Yes on May 21<sup>st</sup>.**

## Background Information

The setting up of provider companies for LPC is something that has been discussed and debated by both the LPC and PSNC. In order to facilitate this, PSNC has done a lot of work in providing guidance and company Memorandums of Association (M&As) and Rules. Having decided there was a need for a company CPNY...

- Discussed and debated it at committee meetings
- Ran a workshop (25<sup>th</sup> January 2015) for contractors to explore the issues
- Contractors decided to proceed at the end of the day-long workshop and established a steering group, comprised of committee members and contractors
- Steering group worked through the M&As and Rules and amended them appropriately over a period of two meetings (6<sup>th</sup> February and 13<sup>th</sup> March 2015)
- Steering group developed this document and the process of contacting contractors
- The LPC met on March 19<sup>th</sup> and agreed to put this proposal to a contractor vote

## What Is a Company Limited by Guarantee?

Companies limited by guarantee are widely used for charities, community projects, clubs, societies and other similar bodies. Most guarantee companies are not-for-profit companies, that is, distribution of their profits is to their members. Most such companies need their articles to be drafted for this particular organisation, and this specialised work has been undertaken by PSNC solicitors, Pennington.

## What the Company Will Do

The company (Community Health Ltd) will submit tenders for contracts, or instead partner with other bodies in order to fulfil the requirement of the tender spec. If successful it will administrate the contract/service in terms of compliance monitoring and payment processing.

## Company Members and Associate Supplier

CCA member companies have indicated they are broadly in favour of this approach. Some for internal governance and legal reasons will not be able to be full members. Therefore, they will become associate suppliers, but will still pay their joining fee.

## Why Use a Company Limited by Guarantee?

The main reason for Community Health Limited to be a company limited by guarantee is to protect the people running the company from personal liability for the company's debts, just as a business may be set up as a company limited by shares for the same reason. Sometimes funding bodies, such as local authorities, insist on an organisation being registered as a company limited by guarantee.

### Company Setup Vote Flow-Chart and Timeframe

