

June 2020

PSNC Briefing 020/20: Summary of the Independent Review into Contractor Representation and Support

This PSNC Briefing provides a summary of the findings of Professor David Wright's independent review into community pharmacy representation and support, including an explanation of how his proposals would change the current system. The Briefing has been written primarily for community pharmacy contractors and their teams, but it may also be of interest to LPC Members.

1. Introduction to community pharmacy representation in England

Every community pharmacy contractor (owner) in England is represented by both an LPC (or possibly multiple LPCs, if they have branches in more than one location) and by PSNC. LPCs are local committees, and PSNC operates at a national level. Both LPCs and PSNC are made up of members who have been nominated by the Company Chemists Association (CCA); nominated by AIM (Association of Independent Multiples) (in the case of LPCs) or elected by non-CCA multiples (in the case of PSNC); or elected by other independent contractors. These nomination and election processes give all the Committees legitimacy as representatives of the body of contractors.

PSNC is recognised by the Secretary of State for Health and Social Care as the national representative of NHS community pharmacy contractors in England. Its core job is to negotiate at a national level on behalf of the sector. In practice, this negotiation is now an ongoing dialogue with the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement (NHSE&I) on topics such as the Drug Tariff; price concessions; margin delivery; overall funding; services; elements of the Community Pharmacy Contractual Framework (CPCF) such as the Pharmacy Quality Scheme; and regulatory matters. As well as this work, PSNC tries to influence Government and NHS policy through work with the other national pharmacy organisations and to provide support and guidance for both LPCs and pharmacy teams.

LPCs represent pharmacy owners at a local level, including developing and negotiating details of local services, providing support and guidance for their local pharmacies, building relationships with local commissioners and stakeholders, and seeking to influence local pharmacy policy. There are currently 69 LPCs in England.

Both LPCs and PSNC are funded by contractor levies. Levies are collected by the NHS Business Services Authority and are paid to LPCs, and they then pay a portion of those to PSNC. Overall, each year in England, PSNC receives £3.3 million in levies and we believe that LPCs have around £8 million (ie a total contractor levy of just over £11 million). PSNC engages with LPCs through conversations with LPC employees and email communications, and via two annual events: the LPC Conference and the Meeting of LPCs. Both LPCs and PSNC operate according to agreed Constitutions and have Codes of Conduct for their Members.

2. Background and rationale to the review

In September 2019, PSNC Chief Executive Simon Dukes proposed an independent review to LPCs at the annual LPC Conference. Community pharmacy contractors were coming under increasing pressure from higher workloads and financial constraints – and they were rightly demanding more from their representatives. However, PSNC had heard from many LPCs about the increasing demands being made of them and the unmanageability of their workload, due to capacity issues. And PSNC itself was facing similar workload and capacity issues.

PSNC was conscious that the implementation of the five-year CCPF deal, and all the changes that that will bring for pharmacies, would only serve to increase the demands being made of contractors. LPCs and PSNC needed to find new ways of working together to manage this, and the independent review was commissioned to identify potential ways to do this. The review would also act as a sense check to ensure that contractors are getting the best value for money and receiving the best levels of support possible in return for the levies they pay to LPCs and, indirectly, to PSNC.

FAQ How was the review commissioned?

PSNC and the LPCs collectively agreed some terms of reference for the review. There were also key requirements in terms of delivery dates, resources, independence of reviewer and team, and cost. Candidates were then sought who could meet the terms of reference.

FAQ How was Professor Wright chosen to lead this review?

There were a number of criteria required of the Chair of the review:

1. The Chair had to be independent (not linked to a particular part of the sector or PSNC/LPC)
2. The Chair had to agree to follow the agreed Terms of Reference
3. The Chair had to commit to reporting back by spring 2020
4. The cost had to be less than £100k
5. The Chair had to have access to a review team (because there was no resource within PSNC or LPCs to support/assist the review process)
6. The Chair ideally had to have experience in reviews/report writing
7. The Chair ideally had to have knowledge of the pharmacy sector and/or wider healthcare and NHSE&I
8. The Chair ideally had to have knowledge of LPCs and PSNC

We were particularly pleased to be able to select an academic for this role and we were impressed by Professor Wright's commitment to the sector and to finding evidence-based recommendations.

FAQ How much did the review cost and who paid that?

We were pleased that the total cost came in at under the projected maximum of £100,000, even with a small contingency allowance: it cost £70,000. PSNC paid 30% of the costs with the remaining 70% split between all LPCs.

3. How was the review carried out?

Professor Wright and his team of researchers engaged with a large number of people in the community pharmacy sector and beyond, trying to find out the answers to key questions such as what was working well in LPCs and at PSNC; which areas needed improvement; and how contractors could get better value for money from the levies they pay to both LPCs and indirectly to PSNC.

Initial engagement was via interviews and focus groups with contractors and LPC Chief Officers. The findings from these then informed national surveys which were completed by contractors and by LPCs. PSNC was not surveyed, but rather Professor Wright and his team interviewed Committee Members as well as some senior members of staff. The research team then collated and analysed the results of all of this engagement to inform their recommendations.

FAQ Did PSNC manage Professor Wright's delivery of this project?

No. PSNC 'held the pen' for the terms of reference and contract which was approved by PSNC and the LPCs. Once the terms of reference and the contract had been agreed, PSNC handed over to Professor Wright and his team and did not manage delivery of the project. Throughout the review, Professor Wright's Steering Committee ensured that the work stayed on track. This Steering Committee was made up of representatives from LPCs and PSNC, as well as community pharmacy contractors and their other representative bodies, AIM, the CCA and the NPA.

FAQ Were any other stakeholders consulted?

Yes, as is set out in his report, Professor Wright consulted with the pharmacy negotiators in Scotland and Wales, and individuals involved in the representation of other primary care professions.

FAQ What assurances do we have that this was an open and independent review?

Professor Wright is a well-known pharmacy academic who has experience of similar reviews. He is not linked to the community pharmacy sector. Agendas and Minutes of Professor Wright's Steering Committee meetings are available to download from the review website at: pharmacy-review.org

FAQ If the review is independent, why is this a PSNC summary?

With no communications or PR resource himself, and to try to be as economical as possible, Professor Wright asked PSNC's Director of Communications to assist with initial communications to announce the review to the sector. Professor Wright does not have links to the pharmacy press or ways to reach LPC Chief Officers and Members, and so also sought help from PSNC in order to do this – without this sort of reach, the review could not have been a success. PSNC is writing a summary of the review now to help contractors and LPCs to understand the background to it, as well as the key findings.

4. Independent Review: Key findings

Professor Wright and his team have set out 33 recommendations for the future, including a new integrated LPC/PSNC structure which would change the ways in which all the Committees operate. In particular, Professor Wright recommends that the elected PSNC Committee should be replaced by a Council of LPC Chairs – this would be significant change, allowing LPC representatives to have the final say in major national negotiations, as happens in other primary care representation structures.

While not being critical of LPC or PSNC Members, nor their executive teams, Professor Wright does recommend that all the Committees should operate under an improved, standardised governance system, overseen by a separate governing body. This would also provide a separate body to make decisions on contractor levies and to give contractors more transparency about where their levy payments are being used.

The recommendations also include measures to bring local and national representation functions closer together, such as through better networks, more centralised functions (e.g. HR support) and improved systems to support the development of innovative community pharmacy services and assess their impact. LPCs representing fewer than 200 contractors should consider merging to ensure better value for money; they should have a maximum of ten members; and their focus should be on representation, rather than support. For contractors, this would mean that some of the local guidance and support offerings from the LPCs would be delivered nationally, and LPC activities would likely become more standardised.

Professor Wright also wants to see better engagement between all the Committees and contractors; attempts to bring the patient voice into representation work; a national vision and strategy for community pharmacy in England as well as an external communications strategy to improve perceptions of the sector; and an end to the reliance on the goodwill of individuals on Committees to carry out contractor representation. He also suggests a rebrand so that PSNC becomes Community Pharmacy England and that all LPCs adopt a new naming format of 'Community Pharmacy [locality]'.

Independent contractors will continue to be able to seek election onto LPCs and AIM, CCA and NPA will continue to nominate representatives as LPC Members. Rather than holding separate elections, the PSNC Council would be made up of Chairs from those LPCs. PSNC will also have a Negotiating Team consisting of contractors and contractor representatives who are employed and extensively trained. The creation of new policy units and a Negotiations Strategy Committee were suggested to support the new, more dynamic negotiating process, and to ensure that all decisions are in line with one agreed strategy which has approval from the proposed Council of LPC Chairs.

FAQ What will PSNC now do with the recommendations?

The Committee will first consider the recommendations at its June meeting. PSNC and LPC Members will then meet at the start of July to talk about the best ways forward. It was always PSNC's intention to take on board the findings and to try to implement recommendations about PSNC so that we are providing the best possible service and value for contractors. We will look to work with LPCs to implement any recommendations about the interface between PSNC and the LPCs and we will encourage LPCs to adopt any recommendations about LPCs.

FAQ Will all LPCs be forced to adopt the recommendations of the review?

The review team and PSNC have no power to force anyone to do anything. PSNC will look to engage and work with LPCs so that we can collectively make improvements to the services we offer to contractors using the review findings.

FAQ Does PSNC want to increase the LPC levy or reduce the number of LPCs?

The report recognises the considerable constraints on PSNC's capacity to carry out its core functions, and that PSNC needs greater resource in order to do so. We agree that further resource is needed if we are to implement the recommendations of the review. Where this money should come from is a topic for discussion with the sector. Professor Wright has recommended that LPCs review their size to ensure that they are representing enough contractors to operate efficiently. In time, as these reviews are carried out, we would expect there to be some change in the total number of LPCs, but we have no fixed view on how many LPCs there should be.

FAQ Will the outputs of this review help us to improve the five-year CPCF?

This review was not related to the negotiations on the CPCF. Although negotiation of the CPCF is a core part of PSNC's role, this review was looking to the future and at pharmacy representation as a whole (i.e. at both national and local levels) to find ways for both PSNC and the LPCs to work more effectively on behalf of the contractors we represent. The outcomes of this review will not affect the negotiated five-year deal on the CPCF, but they will affect the ways in which PSNC and LPCs work in the future, and we hope changes made will help us to negotiate and work together more effectively. It is worth noting that the progress of the CPCF has already been disrupted to some extent by the COVID-19 pandemic and negotiations about future arrangements are ongoing.

5. Next steps for contractors, LPCs and PSNC

Community pharmacy contractors can read Professor Wright's full report via his website at: pharmacy-review.org There will also be a chance to learn more and to ask questions of Professor Wright in his webinar being held at **7pm on Monday 29th June**.

[Click here to register for the webinar.](#)

PSNC and LPC Members will meet digitally on Wednesday 8th July both to question Professor Wright on his findings and to consider ways to take forward his recommendations. This is likely to be followed by working group activity over the summer and further engagement with contractors.

We hope that this review will be the catalyst for open, honest and transparent conversations about the future of pharmacy representation. The review recommendations keep contractors at the heart of all representative activity – only contractors or nominated contractor representatives should have voting rights on LPCs and PSNC, and the PSNC Negotiating Team would comprise contractors and contractor representatives who are employed and extensively trained for the role – and the conversations we now need to have will involve them, as well as LPCs and PSNC.

FAQ How will we measure the success of the review?

PSNC and the LPCs, as well as the contractors they serve, will need to monitor the impact of any changes made following the review on an ongoing basis. As Professor Wright highlights, this is the first review of its type and there are likely to be further reviews in the future to monitor progress.

FAQ When will the changes happen?

Professor Wright has predicted that it will take at least two years for many of these changes to be fully implemented. We will be working through his recommendations with the LPCs to find the best ways to collectively implement them.

FAQ How will the changes be funded?

The review highlights that there may be reserves within the LPCs to initiate some of the changes. There also needs to be a different apportionment of levies between LPCs and PSNC. The review also suggests that other sources of funding should be explored.

If you have queries on this PSNC Briefing or you require more information please contact [PSNC's Communications Team](#).