

Hampshire & Isle of Wight LPC

SUPPORTING LOCAL COMMUNITY PHARMACY

# Annual Report 2016

Incorporating the Annual Accounts 2015/16





I have served continuously on this committee, in its various guises, since 1988 and have been both a past Chairman and Treasurer, I took over the Chairmanship of the LPC this year and it certainly has been a very interesting one.

As a pharmacy contractor myself, and one who is close to the day to day challenges that all contractors face, it was with great dismay that the Committee received the news of the Governments proposed funding cuts on the 17<sup>th</sup> December.

This news really disappointed me as it clearly showed that NHS England and the Department of Health had failed to recognise the great efficiencies already inherent within the community pharmacy network, the hard work of our teams and the real drive and ambition that exists today within community pharmacy to improve patient care.

The Committee was quick to respond and we have done much to inform contractors of the issues, engage with stakeholders and respond to the so called 'consultation' in a strong and positive way. We have called on Government to constructively engage with PSNC and are committed to doing the same locally with NHS England and other commissioners.

The risk is that this significant issue overshadows the other things that have been concerning contractors and that the LPC have been engaged in this year.

In May I started my term as Chair and throughout my term of office I have been keen to keep the work of the Committee focussed on the things that are really important to contractors. We have considered our position on the NHS England pilot to recruit pharmacists into GP practices and made it clear that this must not get in the way of strengthening relationships between practices and the existing network of community pharmacies, nor interfere with the referral to community

pharmacy for MURs, NMS, General advice on life style and wellness etc. In other words, this initiative must make use of the national pharmacy contract and not try and replace it.

In May we also tidied up some LPC governance arrangements to ensure we were keeping close control over finances on behalf of the members we serve and we focussed on our influencing strategy to ensure we seized the opportunity that the General Election presented. We also looked ahead towards the flu season and had plans in place for a locally commissioned service – which in the end were not needed as the National Advanced Flu Service was announced.

We also took forward the proposal to form a Provider Company and prepared a letter to go to contractors seeking authority to proceed to a more detailed proposal. Contractors subsequently gave that authority and the committee has used the following meetings to evaluate and assess various options. In 2016/17 we hope to take this forward at pace.

In July we confirmed training provision for the Flu Service in anticipation of NHS England's confirmation and dealt with general items of business before devoting the majority of time to the operational strategy for 2015/16. We used a World Café approach to examine the challenges and opportunities before us. We confirmed that the strategic approach identified in 2014 was still current but we refined our areas of focus to ensure that strategic aims were deliverable.

We received a presentation on the Isle of Wight Re-ablement Service and encouraged the CCG and NHS Trust to work up a service specification that the LPC could consider. Discharge and Transfer of Care is an important issue and the LPC is keen to see examples of great care being taken forward uniformly across Wessex.

In September we considered the LPCs position on the role of pharmacists in primary care and the proposed NHSE Pilot to fund such positions alongside the consultation document published by the Royal Pharmaceutical Society and the National Association of Primary Care. We strongly support the better alignment of contractual arrangements between General Medical Services and Pharmaceutical Services but we do not believe the placement of pharmacists within GP surgeries is the principle way to achieve this. The opportunity to align services & incentives, when considering contractual arrangements, have been too frequently missed in the past. We hope this is not going to continue and

look to national and local commissioners to seek alignment wherever possible.

The AGM in September heard from Professor Martin Stephens who had just been appointed Chair of the Local Professional Network. The LPC is keen to see the LPN be successful in the furtherance of pharmacy's role in delivering enhanced patient care and addressing the identified national 'Gaps' of health & wellbeing, care & quality, finance & efficiency. Community pharmacy is clearly able to play a part in all three areas.

In November we held a joint development event with Dorset LPC and chose this time to build capability of committee members in influencing. With facilitator support, the members were introduced to, and coached on, getting their messages across. This would prove invaluable in the work we did with MPs but little did we know what was coming in December!

In January we rightly spent a considerable time considering the proposed funding cuts announced just before Christmas. We affirmed our commitment to hosting a dinner at the House of Commons and put plans in place to hold a joint event with the Hampshire All Party Parliamentary Group Chaired by Ranil Jaywardena, MP. In my introductory remarks I stressed the massive contribution that community pharmacy makes to keeping people out of hospital and how worried we are that the poorly thought through Government proposals could lead to one quarter of the 357 pharmacies in H&IOW closing.

March was my last meeting as Chair and as well as ensuring we had put plans in place to engage with contractors about the proposed cuts and other reforms, we agreed to hold a joint event in May and invite representatives from PSNC, PV, NPA, RPS and the Chief Pharmaceutical Officer of England.

At time of writing, we await the response to our consultation submission but will keep up the fight for a fair return for contractors.

Finally, I would like to thank my fellow committee members and the Office for all their support during my year as Chairman and look forward to continuing to serve all Hampshire & IOW contractors as an elected representative.

A handwritten signature in blue ink, appearing to read 'Arun Sharma'. The signature is fluid and cursive.

Arun Sharma  
LPC Chair



That 2015/16 has been an eventful year is an understatement!

While much has been going on across the Hampshire and Isle of Wight footprint over the last twelve months, the Committee has been heavily occupied with ensuring that community pharmacy has been effectively supported and represented, not least during the period immediately after publication of the NHS England Letter on 17th December 2015 that announced the intent to reduce funding and reform pharmaceutical regulation and services.

Thankfully, the work that the Committee had been doing on strengthening relationships has been time well invested as we used our connections to shape local thinking on some key issues.

The General Election back in May had provided the opportunity for the LPC to engage with all the candidates seeking a parliamentary seat and then strengthening the links with the nineteen successful candidates that became MPs.

A series of 'breakfast' meetings between committee members and MPs, and further one to one discussions at Constituency Offices, helped us to explain why community pharmacy cannot afford to be overlooked as a key part of the primary healthcare team. Our aspiration is to be fully engaged within the local health and wellness agenda. Our support for innovation that improves patient outcomes, while ensuring a fair return for pharmacy owners as independent contractors to the NHS, was a point consistently and forcefully made.

This became even more important in light of the Governments proposed 6% funding cut and subsequent margin adjustment.

The LPC hosted a dinner for MPS at the House of Commons and the Chair and I met with one of the Government Whips as well as entering into discussion with

the Chair of the Hampshire All Party Parliamentary Group – as it happens at the launch of a Healthy Living Pharmacy event. What better example of Community Pharmacies investment in helping people to stay well is there than that? A point not lost on the interviewer from Meridian TV that covered the event.

The LPC submitted formal consultation responses to both the funding cuts proposal and to the Hub & Spoke consultation, calling on the Government to consult correctly, to release its impact assessment and to engage with PSNC on the service proposals that our negotiator had proposed.

We continue to push for greater commissioning of services through pharmacy and the Committee, recognising the significant importance of the services agenda, agreed funding for a Services Development Manager at its meeting in March 2016. Richard Buxton is now in post and is actively working in support of the Committee with all our commissioners to identify service opportunity and to help develop sustainable services that deliver a fair professional and commercial return for contractors.

The Local Professional Network (LPN) for pharmacy in Wessex was finally established in 2015. The LPN is hosted and supported by NHS England (Wessex) and has an ambition to establish a strong network between all strands of pharmacy that work within the NHS and with other clinical networks, such as the Clinical Senates, Clinical Strategic Networks and the Local Dental Network and the Local Optical Network. There is much work to do and a plan has now been created under the leadership of the Chair Martin Stephens (who many will know as a local pharmacist and immediate past CEO of the Wessex Academic Health Science Network). I look forward to continuing to work with Martin and the LPN Core Group on behalf of the LPC to further enhance pharmacy's role. Urgent and Emergency Care, Supporting People with LTC's, Improving Quality, contributing to the challenges associated with Mental Health and Learning Disabilities while supporting efforts to create a sustainable professional workforce. These challenges are not small, but they do align to those challenges concerning community pharmacy as a whole.

In a similar vein, the local 'branch' of the Royal Pharmaceutical Society has gained new momentum under the Chairmanship of Mike Holden, a past Chief Officer of the LPC, and under the new name of RPS- Wessex, is taking forward a professional agenda that also

aligns with the professional ambitions that the LPC has for contractors and their workforce.

As demonstrated last October in our response to the consultation held by the Royal Pharmaceutical Society (in conjunction with the NAPC), we don't always agree with other bodies and are prepared to say where and why we differ. Always wishing to be constructive, in our response we made it clear that we were extremely concerned that the consultation, and the subsequent policy position that might have been developed, could lead to a number of unintended and undesirable consequences.

We were very concerned that the RPS was suggesting that there should be a move away from a national pharmacy contractual framework and more local commissioning. We stand by that position today as we observe the unnecessary variation in commissioning across Hampshire & Isle of Wight. We have consistently argued for localisation where it's important but for it not to get in the way of great patient care and best practice. We therefore welcome more co-commissioning between NHS England and CCGs. We will continue to push for consistently better commissioning and call upon those who commission services to work with us to identify where community pharmacy can contribute to addressing the many health challenges across this locality.

Contractors will hear much over the coming months about Sustainable Transformation Planning (STPs) as the LPC is determined to articulate a compelling reason to include community pharmacy in a more integrated NHS, focussing on health and social care enhancement across Hampshire & the Island and arguing for a fair return when providing professional services

A handwritten signature in black ink, appearing to read 'P. Bennett'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

**Paul Bennett**  
Chief Officer

## Control of Entry Sub-committee – Chair: David Parker



Control of entry activity has diminished further still over the last 12 months. Whereas last year Hampshire and IOW LPC received six applications for new contracts under the heading of “unforeseen benefits” or “identified future need” (already a vast reduction in the preceding levels of activity), this year has seen only two. This is in some ways a reflection of the diminution of new opportunities since the regulatory change, this limitation having been further re-enforced by the marked lack of success for even the small number of applications that were made. Where in the past, applications were made almost for fun on the basis of any miniscule gap in service there appears to be recognition now that provision is rarely inadequate, and that the bar for entry to the list has been raised substantially.

We continue to see a small number of applications for distance selling contracts (3 in the last 12 months). As this remains an exempt application, not dependent on existing provision, the bar to entry is substantially lower. Therefore these are likely to be successful unless the application itself fails to meet the technical requirements. However, the prohibition of face-to-face contact means that the commercial effect of these new entrants is much less dramatic for any one individual contractor. Furthermore, the commercial viability of distance selling pharmacies is less certain which in turn means that many do not open. Overall, I am of the view that these new contracts are of limited commercial concern to most contractors and may primarily dilute the distance-selling market rather than the bricks and mortar market.

Once more, so far as the LPC is concerned, this is a welcome situation that not only reduces the administrative burden of NHS England, LPC and contractors alike, but more importantly affords a degree of security for existing contractors allowing them to trust and invest in their business futures.

## Services Sub-committee – Chair: Clare Hoy



During the year, the Services subcommittee reviewed the following services for their clinical and cost-effectiveness using a service specification template developed by the subcommittee;

- Southampton Smoking Cessation Service
- Pilot HIV Supported Service
- Southampton City Council Health Checks
- NRT by electronic voucher
- Pharmacy First Minor Ailments Scheme
- Southampton City Council Influenza Immunisation Scheme
- Quit4Life Direct Referral Pilot
- Southampton City Council Supervised Consumption

The services were R.A.G scored (Red, Amber or Green) and the results posted on the LPC website and/ or communicated in feedback to commissioners and to assist contractors when considering the viability of delivering the proposed services.

# Membership and Attendance

members of the committee are required to attend the LPC meetings regularly as well as provide input to their Local Pharmacy Groups and other roles. It is LPC policy that members who are working on behalf of the LPC should not be out of pocket for performing those activities on behalf of pharmacy contractors. A breakdown of members' attendances and expenses is provided in the table below.

Committee Member	Elected or Appointed	Attendance / Possible	Expenses Claimed <sup>†</sup>
Alan Greer	AIMp Representative	3/6	£0
Anjella Coote	CCA Appointment	6/6	£1,450.00
Arun Sharma	Independent	6/6	£2,120.60
Chris Townsend	CCA Appointment	2½/6	£0
Clare Hoy	CCA Appointment	6/6	£1,264.97
David Parker	Independent	3/6	£1,030.90
Davinder Virdee	Independent	4/6	£1,072.80
Debby Crockford	CCA Appointment	5/6	£1,260.60
Gary Warner	Independent	4/6	£ 833.30
Marilyn Stapleton	CCA Appointment	1/1	£0
Paul Eyles	CCA Appointment	3/4	£0
Peter Woodward	CCA Appointment	6/6	£1,352.51
Richard Buxton	CCA Appointment	4/5	£1,760.35
Rob Darracott	CCA Appointment	1/2	£0
Zulfikar Kermali	CCA Appointment	4/6	£1,224.26

<sup>†</sup> Total does not match Annual Accounts as travelling costs of staff and guests (where appropriate) are in the accounts expenditure

The committee had a surplus of £66,434.75 for the year as expenditure was 25% less than the budget set in March 2015 on stakeholder engagement, service development and communication. This has brought retained income to £340,398.63 which puts the committee on a sound financial footing.

In order to maintain financial security, while at the same time not increasing burden on contractors that we represent, the committee decided to keep the monthly levy at the same level.

Below is the balance sheet for the committee, subject to the approval of the HJS Accountants.

INCOME	£	EXPENDITURE	£
Prescription Pricing Authority	339,600.20	PSNC Levy	100,940.00
Bank Interest	861.61	Training Costs	1,181.40
Educational Support	35.78	Member's Expenses and Travel	21,895.41
HLP Hampshire & IOW	0.00	Catering & Room Hire	3,610.43
Sundry Income	3,532.63	Secretarial & Administration	19,217.06
Think Pharmacy Event	0.00	Staff Costs	109,608.01
CPW Academy	0.00	Corporation Tax	396.60
		Professional Subscriptions	210.00
		Bank Charges	562.12
		Service Development	2,457.93
		HLP Hampshire & IOW	0.00
		LPG Support	15,160.72
		Communications	226.70
		Think Pharmacy Event/Stakeholder Engagement	2,093.31
		Sundry Expenses	35.78
		CPW Academy	0.00
<b>Total</b>	<b>344,030.22</b>	<b>Total</b>	<b>277,595.47</b>
<b>FUND</b>			
Initial balance	273,963.88	Balance at Bank	340398.63
Surplus ( <b>Deficit</b> ) for the year	66,434.75		
	<b>£ 340,398.63</b>		<b>£ 340,398.63</b>
		Trading profit (- loss) to date =	£ 66,434.75

The Grant Account has £123 630.75 across three projects and balance in each account is shown below.

Project		Balance Remaining
Portsmouth EPS Support	£	26,988.70
HCC HLP	£	95,494.80
COPD Project	£	529.91
Balance	£	123,013.41
Net Bank Fees	£	617.34
Account Balance	£	123,630.75



**Peter Woodward**  
LPC Finance Officer  
Dated: August 2016



**Arun Sharma**  
LPC Chair  
Dated: August 2016

## ACCOUNTANTS' REPORT TO THE COMMITTEE ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF THE HAMPSHIRE & ISLE OF WIGHT LPC FOR THE YEAR ENDED 31 MARCH 2016

In order to assist you to fulfil your duties under the Constitution, we have prepared for your approval the financial statements of The Hampshire & Isle of Wight LPC for the year ended 31 March 2016 set out on pages 2 to 5 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Committee of The Hampshire & Isle of Wight LPC, as a body, in accordance with the terms of our engagement letter dated 2 June 2014. Our work has been undertaken solely to prepare for your approval the financial statements of The Hampshire & Isle of Wight LPC and state those matters that we have agreed to state to the Committee of The Hampshire & Isle of Wight LPC, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at icaew.com. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Hampshire & Isle of Wight LPC and its Committee as a body, for our work or for this report.

It is your duty to ensure that The Hampshire & Isle of Wight LPC has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of The Hampshire & Isle of Wight LPC. You consider that The Hampshire & Isle of Wight LPC is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of The Hampshire & Isle of Wight LPC. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

### The Hampshire and Isle of Wight Pharmaceutical Committee Fund Statement as at 31 March 2016

	<b>2016</b> £	<b>2015</b> £
<b>Turnover</b>	343,169	343,837
Administrative expenses	(277,059)	(292,599)
	<hr/>	<hr/>
<b>Operating profit</b>	66,110	51,238
Other interest receivable and similar income	1,543	2,123
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<b>Profit on ordinary activities before taxation</b>	67,653	53,361
Tax on profit on ordinary activities	(309)	(397)
	<hr/>	<hr/>
<b>Profit for the year</b>	67,344 =====	52,964 =====

The profit and loss account has been prepared on the basis that all operations are continuing operations. There are no recognised gains and losses other than those passing through the profit and loss account.

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