**Appendix 1**

**Terms to be found in a simple SLA**

Many of the terms set out in a contract may also be found in an SLA, particularly if the SLA is to form the main written evidence of a contractual arrangement.

**Background**

The background of any policies or strategic objectives of the commissioner should be addressed by the SLA. This may, for example, state that the local authority has identified a need to reduce the incidence of smoking in a particular locality.

**Purpose**

This will set out the overall purpose of the agreement, for example, to ensure that persons resident in the locality will have access to advice, referral and products from the pharmacies providing the service.

**Period of service**

This will set the commencement date of the service and the date on which the service will be terminated (if any).

**Availability of the service**

*Geographical area*

The extent of the provision of the service. Sometimes the commissioner may want to provide the service to persons resident in all its area, or it may limit the area to smaller localities, for example, defined areas of deprivation.

*Eligibility*

The service may be for only specified sectors of the community, for example, an EHC service may be provided only for persons under 21 years old.

*Criteria for inclusion*

This section may describe a sub-group of those persons who would fall broadly into the eligibility criteria. For example, the provision of nicotine patches in a stop smoking service may be limited to persons who have not had treatment under the service in the last six months. This section may refer to signposting, if a person who does not meet the criteria seeks treatment.

**Pre-requisites for providing the service**

*Premises standards*

One of the most common requirements is the availability of a confidential consultation area. This may be of the same specification as the Medicines Use Review (MUR) consultation area or may require more specialised facilities – such as a couch, hand-washing facilities, etc. In cases where diagnostic testing is required, the premises standards may be supplemented with hygiene requirements, particularly infection control measures.

*Equipment*

Some services require the use of equipment. If so, the SLA will identify what equipment must be available, and may require contracts for maintenance or testing of the equipment.

Arrangements for disposal of any waste that arises from provision of the service should be included.

*Accreditation of the pharmacist and/or staff*

Some services require no additional training, but accreditation may be needed to ensure the pharmacist or other members of staff understand the detailed requirements of the commissioner.

Some services may require bespoke training provided by the commissioner or training from a recognised national provider. Commissioners are reducing the training that they provide, preferring to leave it to providers to arrange for suitable training.

For staff that may come into contact with body fluids, there may be a requirement for immunisation before they are able to provide the service.

For services provided on a one to one basis, especially those provided to children and vulnerable adults, there may be a requirement for the pharmacist to have undergone an Enhanced Criminal Records Bureau check, and in due course, be subject to the vetting and barring provisions of the Safeguarding Vulnerable Groups Act 2006.

*Patient consent*

If a patient visits a pharmacy and seeks treatment, it can generally be assumed they consent to receiving that service, but in some services the SLA may require written consent to be obtained.

Written consent may also be needed if patient sensitive data is to be passed to the commissioner or the person’s GP.

*Arrangements for chaperones*

In some services, or for some patients, the availability of a chaperone may be desirable.

**Service description**

*Detail of the service*

This is the most critical section of the agreement because it describes the services and the manner in which those services are to be delivered. The information on the services must be accurate and contain detailed specifications of exactly what is being delivered, which can be included as an appendix if preferred.

*Staff to provide the service*

The service specification may set out which members of staff provide which elements of the service. Full use of skill mix ensures an efficient and cost effective service.

*Screening*

The commissioner may require all persons seeking the provision of the service, to be screened, and this may include use of a questionnaire. Although the screening may be used to determine eligibility (see above) it may also be used to determine which elements of the service are appropriate.

*Diagnostic tests*

Some services may require diagnostic tests to be carried out.

*Signposting*

As a result of the screening or diagnostic tests, some people may be excluded from the service. The SLA should set out the signposting requirements for ineligible persons.

*Payment*

If the service includes the provision of drugs or appliances, the NHS Charges regulations may apply. The SLA should state whether this is the case, and describe how the pharmacy will account to the commissioner for the charges collected.

*Follow up*

Some services may be provided to a person on a number of occasions, for example, supplies of stop smoking products, or a regular check with repeats of diagnostic tests may be required.

**Pharmacy performance and monitoring**

*Performance management*

A key part of an SLA deals with monitoring and measuring performance. Essentially, every service must be capable of being measured and the results analysed and reported. The benchmarks, targets and metrics to be utilised must be specified in the agreement itself. The service performance level must be reviewed regularly by the two parties. Details may include:

*Patient satisfaction/outcomes*

The service may include auditing patient experience, either at the end of the provision of the service, or through a questionnaire to be completed later. Some services now measure patient reported outcome measures (PROMs).

*Volume measurements*

The service specification may include a minimum number of units of activity. This may be used for volume band payments and incentives, or may be to ensure the pharmacy is committed to providing the service.

The commissioner may also impose a maximum number of units of activity – but, care should be taken to avoid SLAs that allow the commissioner to terminate immediately, agreements where financial or other thresholds are reached. A pharmacy should be able to provide a service and expect to be paid for that service; until such time that the commissioner’s decision to cease providing the service is communicated to the pharmacy.

*Quality measurements*

The SLA may set out a number of quality indicators that could cover the premises, equipment, staff, or the service delivery itself.

Infection control measures are likely to be included particularly if the service includes any breach of the skin.

*Commissioner monitoring*

The commissioner may require that on demand, the pharmacy cooperates with any reasonable request for information about any aspect of the provision of the service.

*Sanctions*

The SLA may include the steps to be taken if the service volumes fall outside agreed levels, or if the quality measured proves to be substandard. This may include termination (although this would normally be included in contract terms), retraining/reaccreditation, remedial action to improve premises or equipment or encouragement to engage better in promoting the service.

*Incident management*

The purpose of problem management is to minimise the adverse impact of incidents and problems. This usually specifies that there must be an adequate process to handle and resolve unplanned incidents and that there must also be preventative activity to reduce occurrence of unplanned incidents. Formal records and logs must be maintained of all incidents and problems.

*Disaster recovery*

Disaster recovery and business continuity can be of critical importance and should be reflected within the SLA. This will typically state that there must be adequate provision for disaster recovery and business continuity planning to protect the continuity of the services being delivered.

**Claims for payment**

*Amount*

The agreed amount for the delivery of the service should be stated along with any uplift arrangements if applicable.

*Frequency*

The claims for payment should be made regularly so that the pharmacy receives payment promptly, but this needs to be balanced by the administrative overhead.

PSNC suggests that claims made no less frequently than quarterly would be reasonable, as it allows ongoing monitoring of volume of service delivery (and so allows plotting for budgetary purposes). There should be facility made for late submission, where late submission has occurred through no fault of the provider.

Claims should usually be made within the financial year in which the service is provided, (other than items of service provided during the last few weeks of the financial year which may need to be claimed after the year-end), because allocating funds across financial years introduces complexity. A deadline for making a claim of a set period after the date of service delivery may be included in the SLA and should be noted carefully by the provider as it may prevent late claims being accepted.

*Method of claiming / documentary evidence*

The commissioner may be satisfied with a simple invoice setting out the period in which the service has been available, or require a volume based claim for items of service. Evidence of service delivery may be required – but remember that disclosure of patient sensitive information would require patient consent.

The commissioner may expect claims to be made electronically, for example, through web based software or may be content with written invoices. The method of claiming should be part of the contract or SLA.

*Payment period*

The period within which payment should be expected should be a key part of the contract or SLA. The commissioner may make payments by cheque or by electronic banking, and it may be made to the pharmacy premises or to a head office account. Large companies in particular, may find it difficult to reconcile payments, so there should be suitable internal reporting mechanisms, as well as the commissioner using appropriate references when making centralised payments.

As many of the complaints that PSNC receive concern allegations of ‘late payment’ it is essential that agreed payment terms are set out clearly so that there is certainty about the terms. Many commissioners and LPCs/contractors have agreed monthly payment cycles, but where possible the payment should follow the recommendation made by the Prime Minister that government departments should make payment within 10 days to small businesses.

**Marketing and Communications**

*Promotion of the service*

For most services to succeed, the public must know that there is a service available and where the service can be accessed. Sometimes the commissioner will expect the pharmacy to display a notice. Sometimes, however, the service may be provided on referral only – and in this case there may be no local promotion of the service.

*Communications*

Sometimes the commissioner may encourage local media campaigns, but these will generally be led by the commissioner. If there is to be a requirement to cooperate with media campaigns (or to refrain from discussing with the media) this should be set out clearly.

The use of the NHS logo in promotion should comply with the [*NHS brand guidelines*](http://www.nhsidentity.nhs.uk/all-guidelines/guidelines/pharmacy/introduction)*.*

**Termination**

There is a need to consider how the agreement is going to end in the event of either or both parties wishing to terminate and in the event of due cause by either party.

The following termination issues may need to be considered:

* Termination at end of initial term
* Termination for convenience
* Termination for cause
* Payments on termination

The following may also be included within the SLA but are covered under Appendix 1:

Compliance and resolution

This typically covers the following key topics:

* Indemnities
* Exclusions
* Third part claims
* Force majeure
* Remedies for breaches