

Minutes of a Meeting of the Pharmaceutical Services Negotiating Committee
held at CIWEM, 106-109 Saffron Hill, London, EC1N 8QS
on Thursday 23rd May 2019

Present: Anil Sharma, Clare Kerr, Janice Perkins, Fin McCaul, Richard Bradley, David Broome, Mark Burdon, Peter Cattee, Ian Cubbin, Marc Donovan, Sam Fisher, Mark Griffiths, Alice Hare, Jas Heer, Tricia Kennerley, Sunil Kochhar, Andrew Lane, Margaret MacRury, Has Modi, Lucy Morton-Channon, Garry Myers, Bharat Patel, Indrajit Patel, Umesh Patel, Jay Patel, Adrian Price, Sian Retallick, Stephen Thomas, Faisal Tuddy, Gary Warner, Sir Mike Pitt (Chair)

In Attendance: Simon Dukes, Alastair Buxton, Jack Cresswell, Mike Dent, Gordon Hockey, Sue Killen, Mike King, Suraj Shah, Jack Cresswell, Millie Withers, Gabriele Skieriute, Komal George

Item 1 – Welcome from Chair

1.1 The Chair welcomed everyone to the meeting.

Item 2 – Apologies for absence

2.1. Apologies of absence were received from Prakash Patel.

Item 3 – Conflicts or declaration of interest

3.1. No new conflicts of interest were declared.

Item 4 – Minutes of the February meeting

4.1 The minutes of the Committee meeting on 7th February 2018 were approved.

Item 5 – Action list from February meeting

5.1 The action list from the February meeting was noted.

Item 6 – Matters arising

6.1 There were no matters arising.

Item 7 – Chair’s Report and Chief Executive’s Report

7.1 The Chair gave an overview of his last five years and he felt that to begin with, there was a lack of clarity from the Government on what it wanted from community pharmacy. However, he now felt that there was greater optimism and more interest in innovation within community pharmacy. There were also some recent learnings to take from Brexit:

if people can't move a little on their positions, stalemate will ensue; this should be borne in mind during the forthcoming discussions at this meeting.

- 7.2 The Chief Executive gave an update on his meeting with Seema Kennedy MP, who is the new Minister with policy responsibility for pharmacy, which took place on 8th May 2019. The Chief Executive was the first pharmacy representative to meet with the Minister. Clearly, the Minister was new into the role and was in the process of getting to grips with her brief. Having had a pre-meeting with Bharat Patel, it was agreed that cash flow, costs, concession prices and capacity within the sector would be points raised. The Minister was invited to undertake a pharmacy visit, organised by PSNC, and an invitation to attend the LPC Conference has been issued. The Minister said how grateful she and the Government were regarding our collective work on Brexit, with PSNC bringing the sector together, across the home countries, distributors and trade bodies.
- 7.3 The February PSNC meeting was the first of the new style of meetings; the Chief Executive requested feedback from the Committee on the quarterly meetings. There will be a six-month review as to whether the new meeting style is working for the Committee.
- 7.4 The Chief Executive asked for Committee members' reflections on the content of the negotiating mandate, which had been presented to them the previous day.
- 7.5 Sunil Kochhar said he had started off feeling positive, but he was now feeling anxious about the future. The NMIRS funding may not be as steady as it was with MURs. He was also concerned about the ability of contractors to reinvest in their business.
- 7.6 Margaret MacRury and Stephen Thomas both noted the scale of the implementation challenge and how much would need to be done to support contractors in making the change.
- 7.7 Adrian Price noted that the change did not just involve undertaking a training programme, it required significant behaviour change as well.
- 7.8 Janice Perkins suggested that as we transition, we would need to help contractors and their teams to understand what is staying as business as usual and what did need to change. Workforce pressures continued to be a major concern in the sector; if people leave it too late to make changes, this problem would become even more acute.
- 7.9 Andrew Lane noted that operational capacity for NHS England and NHS Improvement at a local level is also stretched.
- 7.10 Jay Patel noted that pharmacist recruitment was a particular concern and asked whether changes to the CPCF could create greater pressure on recruitment.
- 7.11 Richard Bradley felt there were a lot of possible benefits in the mandate proposals. It was almost worth considering negotiating year 3 before we negotiate year 1 and 2 to help to get the right trajectory for change. The NHS also needed to recognise the need for funding to support change to deliver on a shared vision.

- 7.12 Indrajit Patel could see many negative aspects of the proposals, but he could also see some positives. He was concerned about the risk of an adverse differential impact on different types of contractors, e.g. those in London.
- 7.13 Sam Fisher was pleased that there was a shared understanding of what we want to achieve. She asked if we have a workstream around what is in the current Terms of Service that could be relaxed?
- 7.14 Clare Kerr felt that the major opportunity lay in the GP connection scheme. This would help to relieve pressure on GPs and being able to prove this, with an effective implementation, would put the sector in a stronger position.
- 7.15 Umesh Patel noted that the £2.59bn was fixed and if excess margin was identified, the Government would want this back. Cash flow issues for contractors also needed to be considered.
- 7.16 Garry Myers commented on the historic issue of competition between community pharmacy and general practice, for example on the provision of flu vaccinations. There is a need to think long and hard about how the contract operates in order to be able to break through this barrier.
- 7.17 Alastair Buxton asked the Committee to feed back to him thoughts on changes to the Terms of Service which could be sought as part of the negotiations.

Action 1: all to feed back to Alastair Buxton thoughts on changes to the Terms of Service which could be sought as part of the negotiations.

Item 8 – Medicines Optimisation and Safety discussion session

- 8.1 Alastair Buxton gave an overview of the mandate’s proposals for medicine optimisation services and alternative options which PSNC had initially presented to DHSC and NHSE&I. The Committee were asked to review these proposals and provide feedback on the following three questions:
- I. Which would be a priority to take forward and should any be dropped?

Priorities: device/inhaler checks and coaching; additional support as part of eRD.

Items to drop: review of medicines returned for disposal.
 - II. Are there any changes to the proposals you would suggest?
 - Seek to ensure that services are provided consistently by all pharmacies.
 - III. What other options could we discuss with DHSC/NHSE&I?
 - Alignment of proposals with PINCER work;
 - More support on AMR;
 - Review NMS to make the third stage optional;
 - Supporting work on polypharmacy and deprescribing.

Item 9 – PhAS and Consolidation discussion session

9.1 The Committee discussed the PhAS proposals.

Item 10 – Guest speakers

10.1 The guest speakers, Mark Livingstone (CEO) and Gary Dannatt (COO) of Pharmacy2U were welcomed by the Chair. They gave a presentation on their pharmacy business, followed by questions and a discussion with Committee members.

Item 11 – Funding discussion session

11.1 Mike Dent talked through the imperatives for working on a new funding model including issues around retained margin, changes to service mix and market diversification and reshaping.

11.2 The Committee discussed a set of ten position statements. There was general agreement that a new funding model must be investigated as a matter of urgency, including rigorous modelling, but implemented carefully, balancing the need for change with sensitivity to affected contractors. A single contract mechanism is preferred that rewards each element, and the quality of delivery. There was concern that the current system of retained margin delivery has become unworkable and needs substantial revision. New services should be fully funded. Their funding model should include an appropriate mix of a preparation payment, an availability payment and activity payments. Finally, a new funding model can be used to nudge a market restructure in a preferred direction.

Item 12 – Governance

12.1 Committee appraisal and review process – the committee agreed the principles of the process but considered it over engineered; it was agreed that the procedure should be revised by Sue Killen, incoming Chair, as considered appropriate and with the benefit of her experience.

12.2 PSNC Rules paper – the members' declarations of interest were agreed with the following changes:

If a PSNC member has had any remunerated consultancies in the preceding 12 months, these must be listed on the form. (This is a rolling 12 months, so needs to be updated throughout the year)

After 1 June 2019 - notify PSNC of any gifts and hospitality over £100 received for non-PSNC activities, which could have a perceived association with PSNC activities - need to be notified to the office and will be recorded on our gifts and hospitality register.

(Noting that for PSNC activities, any associated gifts or hospitality are approved by PSNC in accordance with usual practices and procedures.)

The Chair's term of office was revised to two 3-year periods.

- 12.3 Risk Register – the Risk Register was agreed with an additional request for the risks of the current negotiation to be assessed.
- 12.4 Confidentiality – After discussion, it was agreed that options a) and b) were acceptable and there should be an opportunity for Committee members to discuss any informal practices with either the CEO or Director of Operations and Support.
- 12.5 Recommendations from subcommittees

Item 13 – Any Other Business

- 13.1 None.