

Minutes of the Pharmaceutical Services Negotiating Committee meeting

held on 2nd February 2023

on Zoom

Note: These minutes have been redacted to protect conversations around items of a confidential nature.

Present: Reena Barai, David Broome, Peter Cattee, Clare Kerr, Ian Cubbin, Marc Donovan, Lindsey Fairbrother, Samantha Fisher, Mark Griffiths, Jas Heer, Tricia Kennerley, Ifti Khan, Sue Killen (Chair), Sunil Kochhar, Sunil Kumar, Fin McCaul, Niamh McMillan, Has Modi, Claire Nevinson, Bharat Patel, Umesh Patel, Jay Patel, Prakash Patel, Indrajit Patel, Adrian Price, Sian Retallick, Anil Sharma, Stephen Thomas, Faisal Tuddy, Gary Warner

In Attendance: Janet Morrison, Mitesh Bhudia, Shiné Brownsell, Alastair Buxton, Jack Cresswell, Mike Dent, Michael Digby, George Foote, Gordon Hockey, Zoe Long, Melinda Mabbutt, David Onuoha, Suraj Shah, Rosie Taylor, Rob Thomas, Gabriele Vickers, Sarah Welbourne, Adeola Wilson, James Wood, Katrina Worthington

Item 1 – Welcome from Chair

- 1.1 Sue Killen welcomed the Committee to the meeting. The Chair commented that it was a shame that the Committee could not meet in-person, particularly since the PSNC office in Hosier Lane is functioning again following the remedial work that took place following the flood. The Chair thanked the team for their help with completing the works and for getting the office ready.
- 1.2 The Chair commented that the pressure on the NHS has worsened since the Committee last met. There are more strikes taking place and there is no improvement in the economy. Against that background, with the sector facing pressure, it was noted that PSNC had become increasingly influential with both the national press and Ministers wanting to listen. It was noted that two Committee members recently attended a meeting at 10 Downing Street.
- 1.3 The Chair acknowledged those Committee members for whom this was their last meeting: Reena Barai, Mark Griffiths, Sunil Kochhar, Bharat Patel, Umesh Patel and Indrajit Patel. The Chair thanked them for their immense contribution to community pharmacy and PSNC. The Chair confirmed that a dinner will be held for those members later in the year.

Item 2 – Apologies for absence

- 2.1 Apologies for absence were received from Rhys Martin. The Chair informed the Committee that Ghada Beal had resigned from the Committee with immediate effect.

Item 3 – Conflicts or declaration of interest

- 3.1 None.

Item 4 – Minutes of the 24th November 2022 meeting

- 4.1 The minutes of the meeting, which took place on 24th November, were approved.

Item 5 – Matters Arising

- 5.1 The Chair noted the only action point from the last meeting had been completed.

Item 6 – Subcommittee reports

- 6.1 Key points of the discussion at the LPC and Contractor Subcommittee were presented by Sam Fisher. She drew the Committee's attention to the email which James Wood had sent to the Committee about the PSNC elections and the forthcoming LPC election guidance. The Committee were also asked to review the

slides providing an overview of LPC transformation in the LCS agenda, so that everyone was sighted on the changes that will be taking place.

- 6.2 Key points of the discussion at the Service Development Subcommittee were presented by Fin McCaul. He requested that multiple contractors should email the services team if they have NMS quarterly data from Q1 and Q2 2022/23 that they are willing to submit to the NHSBSA. Fin also brought the Committee's attention to the national valproate audit, as so far, a low percentage of contractors have submitted their data to NHS England. The Committee were asked to assist in reminding contractors to complete the audit and submit the data.
- 6.3 Key points of the discussion at the Funding and Contract Subcommittee were presented by Peter Cattee.
- 6.4 Key points of the discussion at the Legislation and Regulatory Affairs Subcommittee were presented by Ian Cubbin.
- 6.5 Key points of the discussion at the Resource Development and Finance Subcommittee were presented by David Broome. He thanked Gordon Hockey, Alastair Buxton, Gabriele Vickers and Shiné Brownsell for their efforts in getting the office back up to speed and in working order.
- 6.6 Key points of discussion on the agenda at the Communications and Public Affairs Subcommittee to be held on 9th February were presented by Tricia Kennerley, who also highlighted some of the work done by the team in recent weeks.

Item 7 – Funding crisis, influencing and communications

- 7.1 The Chief Executive gave a presentation on PSNC's influencing and communications programme and on the sector's funding crisis.
- 7.2 One Committee member asked how PSNC can prevent impositions by Government.

The Chief Executive commented that the Committee accepted the previous deal because otherwise DHSC could have imposed it without the hard won £100m write-off of excess margin. Furthermore, DHSC has applied cuts for seven years, which have resulted in the profound challenges felt today. As seen from the LRA papers, PSNC took legal advice on what actions the sector can take and there are limits on what actions the Committee can organise. The Chief Executive has asked DHSC and NHS England to provide a timeframe for the next contractual framework negotiations and a response is expected soon.

- 7.3 A member referred to the first slide and expressed concern about the statistic of 42% of contractors saying that they won't be able to keep their business going beyond a year. What could the Committee do over the next 12 months to address this statistic and that if the Committee couldn't do anything, then this needed to be made clear to contractors.

The Chief Executive commented that it would help contractors if they could understand how contract funding is predicted to flow through in the next year. However there was also a tension with doing that and continuing to argue for immediate funding relief. It would also be helpful to get views from the Committee on PSNC's strategy right now, balancing the prospect of the sector being a solution for NHS pressures in the future but only if it was sustainable and can survive. It is clear that shockwaves are being felt with pharmacy closures being announced.

- 7.4 There was a comment on the extra levy going to PSNC and whether the Vision and Strategy would deliver promised dividends in future funding. The Chief Executive explained that the Vision and Strategy work and all of our lobbying and influencing work was designed to influence the approach to the next CPCF, as well as seeking emergency funding relief. Because we know that once we enter the negotiating room the financial parameters are generally already set, the work would help persuade Government and the NHS

of the potential a healthy and thriving CP sector can deliver – with the right funding environment. But also what would need to change to deliver it. There was also a comment on Pharmacy First and that whenever a service is rolled out it makes headlines but there should be caution that it does not set people up for failure when they can't deliver on expectations. They commented that quality is important and should be a key part of negotiations.

The Chief Executive noted PSNC had not received the extra levy yet, and has made a significant investment from its own reserves to carry out the influencing, Vision and Strategy and TAPR work. It was important to note that contractors have not been promised that there will be instant results. The office is working hard to make the point about funding cuts and will continue to put pressure on the Government. On Pharmacy First, the office put forward a detailed business case for a walk-in service and it's important that the whole package is looked at and that the funding is appropriate. If necessary, PSNC will go into detailed negotiations with DHSC.

- 7.5 There was a comment that the sector is having difficulty retaining staff and the Chief Executive agreed that retention is a serious issue.
- 7.6 There was a comment that it is important to seek solutions, with Pharmacy First being a good example. They felt that there is a huge amount that the pharmacy network can do to relieve pressure on the NHS in the short and medium term. They commented that hospital beds are sometimes blocked because patients are waiting for medication. It was felt that there is an opportunity there for pharmacy.
- 7.7 There was a comment that Community Pharmacy Scotland, Community Pharmacy Wales and Community Pharmacy Northern Ireland are in the same funding position because of drug prices. They have been looking at immediate ways of helping contractors. CPS has secured a funding advance, making the argument that their situation is as bad now, if not worse, than during the pandemic. It was suggested the Committee explores this as an option; however, the Chief Executive commented that a loan would still have to be paid back, as was the case with the loans during the pandemic.
- 7.8 There was a question on how contractor engagement and communication can be improved, as there is angst among contractors. The Chief Executive explained that the office has been working hard on engagement with contractors and hopes that PSNC is perceived as empathetic, as it does understand the challenges the sector is facing. The Chief Executive asked the Committee to inform the office of any ideas to help the sector to focus its energy in the right places.
- 7.9 On the vision project, there was a question on whether Nuffield Trust and The King's Fund were reaching the right people as it was felt that some of the people who had joined the working group meetings were not influential.

The Chief Executive commented that the right people are being reached. Nuffield Trust and The King's Fund had carried out around 70 stakeholder interviews, which includes DHSC, NHS England and other health bodies, and they have had very useful input from them and would be looking for further discussions with them as findings emerge.

- 7.10 There was a comment that the sector needs to be stronger and united. The Chief Executive agreed that being united is fundamental and that it is important to look and act like a professional sector.
- 7.11 There was a discussion about the current funding envelope and services being over commissioned. There was a suggestions PSNC should have a strategy beyond the funding envelope and a question was asked whether funds can be released locally. A member commented that pressure is needed on the Integrated Care Boards, as they felt that the current national funding envelope won't be sufficient going forward.

- 7.12 There was a comment that services either have to be capped or we obtain an uplift in funding. Following legal advice, PSNC can't ask contractors to stop providing services but it could discuss capping service volumes with DHSC and NHSE.
- 7.13 There was a comment that PSNC has got to find a way of accessing funding outside of the global sum. There was also a question about patient safety and making sure the sector was transparent. The Committee member felt it was important to get onboard with GPs and focus on delivery to patients as that will put the sector in a better position to access funds.
- 7.14 It was agreed to have a follow up discussion with the Committee about these issues and on what more can be done in the short term.

Item 8 – Price concessions

- 8.1 Mike Dent gave an update on the concessionary price process proposal from DHSC.
- 8.2 The Committee met in groups and were asked whether they were content with the package in principle and whether they were content to let the Negotiating Team (NT) finalise the details.
- 8.3 Mike Dent commented that the long term solutions are not within PSNC's gift and will require involvement from other parties. PSNC has to try to deal with the stress of contractors with short term improvements initially, and felt that this package would have been a reasonable balance. The comments will be fed back to the DHSC and the team will work with the NT to focus efforts on those issues causing problems.

Item 9 – Cat A reforms

- 9.1 Mike Dent gave an update on DHSC's Category A reforms proposal. This was to ensure that the Committee understood the changes that were being put forward ahead of proposed further discussions at a future meeting.
- 9.2 Following discussions it was agreed that this was a complex issue and the Committee felt that more time was needed to work through this properly. It was not the time to introduce more change into an unstable supply chain.

Item 10 – Governance, including transitional arrangements

- 10.1 Following the RSG recommendations, PSNC has implemented many changes, including reducing the size of the Committee and making changes to the PSNC and LPC Model Constitution and Rules. Work is still needed to implement the remaining RSG governance recommendations for PSNC and LPCs. A process has been identified – the wider governance review - and it was agreed to address this starting from April, as there will be a new Committee to look at the wider governance culture and bring forward work on values, our ways of working, making decisions, having accountability and transparency. It will also include implementing the principles established in governance documents, which will include revised constitutions and rules and a new governance framework.
- 10.2 The Chief Executive reported that an external consultant will be commissioned to facilitate and lead this programme of work.
- 10.3 The Chief Executive explained that one option was for the current Subcommittees to continue as placeholders through the interim with gaps in membership filled via appointment or election. If agreed, this could be implemented by adding a general provision to the Constitution in April that subcommittee and panel memberships and Chairs would not be refreshed this year and may have fewer members during the transitional period, until the PSNC Constitution and Rules are fully revised. Alternatively, the Committee could agree new subcommittee memberships and Chairs. Views were invited. The Chief Executive indicated the preference would be to continue with the existing subcommittee and panel memberships so far as possible. This will be reviewed and agreed at the PSNC Committee meeting in April.

Item 11 - Regulatory Easement

11.1 The Committee opposed the 100-hours proposal and felt that contractors should be consulted on this.

Item 12 – TAPR update

12.1 James Wood gave a presentation on the TAPR programme.

12.2 Alastair Buxton commented that work is progressing on the vision and strategy project, and that there is good engagement from contractors. It was also noted that Nuffield Trust and The King's Fund are involving high level contacts. It was noted that getting a consensus on what the future should look like is relatively easy but identifying how to get there is difficult.

Item 13 – 2023 Budget and Levies

13.1 The Chair of RDF provided an update on the accounts for this year and for next year's budget. The Committee approved the following two recommendations from RDF:

- The draft PSNC and TAPR budgets and
- Invoicing of LPCs in line with the indicative amounts previously notified (subject to amendment for known contractor migration).

13.2 There was a question on whether PSNC was on target on receiving levies from LPCs. Mike Dent confirmed that the office has started to chase six LPCs.

Item 14 – Any Other Business

14.1 Some Committee members expressed their disappointment about not being able to meet face-to-face, especially when there are important issues to debate. The Chair explained that, due to rail strikes, we had to move the meeting online, but there are currently no strikes planned for the next Committee meeting in April, which is due to take place in person at the PSNC office in Hosier Lane.

14.2 There was a comment about virtual wards and that pharmacy needs to reflect on the requirements because some of those may have pharmacy service requirements which will be late night, as well as at weekends. The Chair agreed that the sector needs to be part of innovative solutions and that it's key to be part of those discussions.

14.3 The Chair thanked the office and the Committee for all of their hard work. The Chair also gave special thanks again to Reena Barai, Ghada Beal, Mark Griffiths, Sunil Kochhar, Bharat Patel, Umesh Patel and Indrajit Patel for their contributions to the Committee and community pharmacy. They will be greatly missed and the Chair reiterated that they will all be invited to a special dinner later this year.