

Community Pharmacy England Minutes

Dates: 20th and 21st November 2024

Start time: 1:30pm on 20th November

Location: 14 Hosier Lane, London, EC1A 9LQ

Members present: Sue Killen (Chair), David Broome, Peter Cattee, Ian Cubbin, Phil Day, Lindsey Fairbrother, Sami Hanna, Jas Heer, Tricia Kennerley, Clare Kerr, Ifti Khan, Fin McCaul, Niamh McMillan, Prakash Patel, Beran Patel, Olivier Picard, Adrian Price, Sian Retallick, Anil Sharma, Ian Strachan, Stephen Thomas, Faisal Tuddy

In attendance: Janet Morrison (Chief Executive), Shiné Brownsell, Alastair Buxton, Jack Cresswell, Mike Dent, Michael Digby, Daniel Fladvad, Gordon Hockey, Zoe Long, David Onuoha, Rosie Taylor, Rob Thomas, Adeola Wilson, James Wood, Katrina Worthington

DAY 1

Apologies: Apologies for absence were received from Marc Donovan, Jay Patel and Gary Warner.

Papers for report: The information in the agenda was noted.

The Chair reminded the Committee of the importance of confidentiality and that the confidential elements of the meeting, papers and minutes are not to be shared.

Conflicts or declaration of interest: No new conflicts or declarations of interest were made.

Minutes of the last meeting: The minutes of the meeting held on 12th September 2024 were approved by the Committee.

Matters arising: The Chair noted the action points from the last meeting.

The Chair noted that the auditors had requested a letter of representation, which required the Chair to sign off on details of assurance. This was discussed at the Audit and Review Subcommittee (ARS).

Welcome from the Chair: The Chair welcomed everyone to the meeting.

When developing the agenda it had been assumed that the Committee would have received an

offer letter from the Department of Health and Social Care (DHSC) to re-commence negotiations and that this would have been a major matter for discussion at the meeting; however, this is not the case. This has meant the team have had to flex the agenda to use time profitably – understanding the political environment, preparing for negotiations and other strategic priorities.

It was noted that there were ongoing negotiations between the Department of Health and Social Care and NHS England on allocation of the 2025/2026 spend between different NHS cost centres which is likely a complex and difficult process.

The Chair commented on good communication between Community Pharmacy England and Ministers and that it appeared that Government wanted pharmacy to be on a stable footing. However, competition for resources across the NHS was tight.

Item 1: Subcommittee reports

1.1 Key points of the discussion at the Audit and Risk subcommittee were presented by David Broome.

The subcommittee was presented with the draft management accounts and draft budget for 2025. This will be brought back to the next committee meeting.

A discussion took place on projects to support negotiations and the wider work of Community Pharmacy England. The subcommittee agreed to review project objectives and that further details should be brought back to the subcommittee and Committee for consideration.

It was noted that LPCs requested to see Community Pharmacy England's KPIs and raised a question on whether those could be adapted to be used by LPCs themselves.

The subcommittee discussed work relating to the end-of-year documents and auditor management letters. It was noted that Romali Wickramasinghe is working on improving the end of year process.

1.2 Key points of the discussion at the Governance and People subcommittee were presented by Adrian Price.

Adrian informed the Committee that the expression of interest process for observers had closed and 15 applications had been received. The appointments panel met to discuss

the selection process and agreed a shortlisting process. This included interviews with shortlisted candidates to take forward two for recommendation to the Committee.

The shortlisting criteria had been set as: Any previous democratic mandate from the last election; or previous representation experience – local (LPC), national (previous CPE or other body); being able to provide evidence of access to networks of 10+ owners and advocacy; had described policy interests to which they have or could contribute, e.g. funding, services, governance; and are an owner or an employee with significant involvement in business decisions.

Adrian confirmed that five candidates were being invited to meet with the appointments panel on Friday 29th November.

It was noted that managing diaries with a larger-than-expected pool of applicants and availability had extended the process.

The Chair indicated that there were no decisions to be reached at this meeting.

The Chair also reported that work is progressing on longer term and wider issues of committee composition.

1.3 Key points from the discussion at the Communications and Public Affairs subcommittee were presented by Tricia Kennerley.

Tricia confirmed that the Annual Report had been published.

The subcommittee reviewed forthcoming public affairs and media activities.

Tricia commented on the successful Labour Party conference event at which the Chief Executive sat on a panel with the Minister and the King's Fund. The event was well attended and there was recognition of the dire state of the sector and the alarming rate of closures.

Tricia also commented on the successful stakeholder reception that took place after the LPC Conference.

1.4 Key points from the discussion at the LPC and Contractor Support subcommittee were presented by Ifti Khan.

Ifti provided an update on the Annual Conference of LPCs held on Thursday 7th November. The conference focused on crucial considerations for the coming year, including inputting into the 10-Year Health Plan and working with the new Government. The event was attended by delegates representing 52 of the 54 LPCs.

The LPC 'soapbox' session gave LPCs a platform to raise the issues that were important to them. Branded generics, medicines margin and unfunded consultations were top of LPCs' collective concerns.

For the first time, the conference was followed by a stakeholder reception, with LPCs joined by representatives from thinktanks, health charities and patient groups. Opening remarks were made by Sarah Woolnough, Chief Executive of The King's Fund and Will Pett, Head of Policy, Public Affairs and Research at Healthwatch England.

James Wood will provide a report on the event to be discussed at the next LCS subcommittee meeting.

Ifti thanked the 14 Committee members who attended and supported on the day.

It was noted that ARS had considered resourcing a special project on branded generics.

Item 2: Chief Executive update on Political Developments (Confidential)

The Chief Executive updated the Committee on conversations held with Stephen Kinnock MP. The Chief Executive, Fin McCaul and Stephen Thomas met with the Minister in September to discuss the pressures on the sector. It felt positive that the Minister was listening and understood the challenges. At the Labour Party Conference, the Minister also commented on the positive relationship with Community Pharmacy England.

Following the announcement of the Autumn Budget, Minister Kinnock met with the Chief Executive to discuss the Budget. The Chief Executive noted the disappointment from the lack of mention of primary care in the Budget and the additional costs accruing to the sector from its provisions – making it a deeper financial challenge.

The Chief Executive followed the meeting with a letter to Minister Kinnock and Rt. Hon. Wes Streeting MP on the estimated costs to the sector from the changes announced in the Budget and the need for an urgent uplift to funding. Following that letter, the Chief

Executive met with a Ministerial Special Advisor to discuss the funding crisis and reiterated that the sector will have a 'steeper hill to climb' due to increased costs. They also discussed Pharmacy First, the present risks to the supply network and the continuing issues around medicine supply and the impact on communities.

It was noted that Pharmacy First runs until March 2025 so any settlement for 25/26 would need to include provisions for the service if Government is to re-commission it.

The Chief Executive reiterated to DHSC that there cannot be expansion of services without funding stabilisation. We believe they have had sight of the interim outcomes of the economic review and it is impossible to imagine that it does not show a sizable funding gap. The Chief Executive confirmed that no one had challenged the funding analysis provided by Community Pharmacy England as part of the pre-election negotiations.

The Chief Executive reflected on a recent conversation with DHSC on the threats from the sector if it were to get a 'bad deal' and what the consequences could be.

The Chief Executive also ran through the Government timeline between now and Spring 2025.

There was agreement on the need to express a strong message to Minister Kinnock following the meeting, regarding the urgent need for action to avoid more business closures and detriment to patient care.

The Committee also discussed potential consequences if there was a bad offer and explored what action could be taken. It was agreed to discuss this further on day two.

Item 3: Budget implications

- 3.1 Mike Dent provided a presentation on the Autumn Budget and what the cost increase would look like for the sector.

Item 4: Negotiations

- 4.1 Mike Dent provided a presentation on details of the original offer and the reasons behind the Committee pushing back on that offer. It was noted that since the new Government took over, Community Pharmacy England have been engaging with new Ministers to make the case for a substantial funding uplift.

- 4.2 The Committee also looked at the latest estimates for activity growth in the sector and what that would mean for spend on contract sum activities and compared those with scenarios of possible offers.
- 4.3 In working groups, the Committee's discussions involved quantum for 24/25 and 25/26, allocation and service choices.

DAY 2

Item 5: Tactics

- 5.1 Zoe Long reminded the Committee of the approach, agreed at the June 2024 Committee meeting, to the positioning and tone of voice the Committee wanted to take with the new Government.
- 5.2 The Committee explored various tactical options that could be considered if there was a bad deal, including what the overarching issues would be.
- 5.3 In groups the Committee discussed what should be fed back to the Minister following the meeting, whether the Committee's tone of voice was still right and whether that needed to change, the Committee's preferred tactical options and when to deploy them. The Committee then voted on their preferred tactical options.
- 5.5 There was agreement that a letter should be written to Minister Kinnock to highlight the sector's anger and frustration, the urgency of the situation, the need for funding, the impact on patient care, and what the Government can afford from the contractual framework to ensure pharmacies stay open.

ACTION:

- The Chief Executive to write to the Minister following the meeting to strongly express the Committee's view and argue for an urgent injection of funding for the sector.

Item 6: PA Consulting spending review proposal

- 6.1 PA Consulting presented highlights from the report and talked through parts of the economic, commercial and management case.

- 6.2 The Committee looked at the 5 different options, which are dependent on different funding scenarios. It was noted in the presentation that the cost-benefit analysis highlighted excellent value for money under all scenarios.
- 6.3 Michael highlighted options to help discussions with Government, looking at the health outcomes and return on investment derived from the existing services and further more ambitious commissioning of services. This highlighted the need for a clear vision and strategy for the sector to support long term sustainability. It was noted that the conversation is not only about the need for funding but also challenges and opportunities.
- 6.4 The scope of the project will initially be presented to DHSC and NHS England, followed by more detailed conversations on the report. The aim is to align with their needs, feed into their objectives and support their submissions to the Comprehensive Spending Review and in relation to the 10-Year Health Plan.
- 6.5 There was a comment that this would help frame conversations with DHSC on its objectives.
- 6.6 There was a comment that this shows DHSC that the sector can demonstrate better patient outcomes. The member noted it was the right time to be doing this.
- 6.7 A member commented that it would be interesting to see a graph of the value for money that the rest of the NHS provides and where pharmacy sits in that.
- 6.8 It was noted that there are plans for a roundtable event with key stakeholders.

Item 7: NHS 10-Year Health Plan

- 7.1 Alastair Buxton briefed the Committee on the NHS 10-Year Health Plan and how it is being developed. Organisations have been asked to submit evidence and Alastair talked through what Community Pharmacy England's key messages could be in its response.
- 7.2 In groups, the Committee discussed the key points they wanted included in the submission. The Committee's feedback, as well as the information received from the LPC Conference and polling of pharmacy owners will form part of the submission from Community Pharmacy England.

Item 8: Workplans and priorities

- 8.1 The Chief Executive updated the Committee on Community Pharmacy England's workplans, priorities, strategic objectives and progress over the last year.
- 8.2 The Committee also reviewed the current projects and draft priorities for 2025/26. The Chief Executive commented that this is how the executive team would like these to be developed for the future years. However, the executive team will come back with detailed plans and a budget at the next Committee meeting as they need to assess priorities against the outcomes of the funding negotiations. It was noted that these are aligned with the strategy set last Autumn and that these can be reviewed again in February once the funding offer from DHSC is known.
- 8.3 The Committee were asked to review and feedback on the proposed enabling projects for 2024-2026 as outlined in the presentation.
- 8.4 The Chief Executive commented that the executive team will look at the objectives of the funding projects again and will come back to ARS with a more detailed proposal. The Chief Executive noted the support expressed by the Committee for commissioning PA Consulting to continue with the 'critical friend' work and to carry out an impact assessment.

ACTION:

- The executive team to share an updated funding projects proposal with ARS.

Item 9: Roundup of other key issues

- 9.1 Alastair Buxton provided an update on Pharmacy First as outlined in the presentation.
- 9.2 Mike Dent provided an update on the Independent Economic Review and FunCon report as outlined in the presentation. Referring to branded prescribing, there was a comment that the maps would be powerful data for LPCs; however, it would have to come with a caveat.

Item 10: Any other business

- 10.1 The Chair thanked the team and Committee for all their hard work.
- 10.2 The Chair confirmed that an evening meeting may need to be held in early December.
- 10.3 The Committee voted in favour of Faisal Tuddy and Beran Patel becoming members of the Service Development Subcommittee.

ACTION:

- Shiné Brownsell to send a diary invite for an evening meeting in December.