

# 2021

## Annual Report and Statement of Accounts



### Pharmaceutical Services Negotiating Committee

PSNC promotes and supports the interests of all NHS community pharmacies in England. We are recognised by the Secretary of State for Health and Social Care as the body that represents NHS pharmacy contractors. We work closely with Local Pharmaceutical Committees (LPCs) to support their role as the local NHS representative organisations. | **Published:** September 2021 | **Visit:** <https://psncannualreport.com>



# 1

# Comments from the CEO and Chair



WATCH

PSNC's Chief Executive and Chair reflect back on a year in which the impact of COVID-19 dominated lives, and in which community pharmacies provided a lifeline for so many people and for the NHS.

## Chief Executive's Comment

In annual reports it is always tempting to look back and talk of 'a year like no other', but for 2020/21 I think we can very safely say that that was the case. This report covers the 12-month period starting from April 2020, at which time headlines on the PSNC website included such never-seen-before announcements as:

- COVID-19 Update: Protection of staff and managing supply
- Service Launch: The Community Pharmacy Pandemic Delivery Service
- Death in service benefits for frontline healthcare workers
- Temporary closures during the COVID-19 outbreak

COVID-19 had become the dominant topic, focus and worry for most of us, and it would remain so throughout the year. At PSNC, our aim was to do everything possible to help you, the pharmacies who we knew the public were increasingly relying on through this crisis, to remain safe, supported, and resilient to the huge challenges you were facing.

I hope this report will give you a flavour of some of the work that went on from the wins on advance payments, pandemic services and contractual flexibilities to ease pressure; to the long-running battles on COVID costs and funding.

The toughest negotiations were, as ever, about money. When the Chancellor promised the NHS would have everything it needed, community pharmacies, who were at the time some of the only primary care professionals whose doors remained open, assumed it would include them. But despite the critical work they were doing, Government were determined to constrain the support available.

We tried first to win the argument with data, and this report explains that work. The two Pharmacy Advice Audits gave invaluable snapshots into what life in a pharmacy was like during the pandemic: millions upon millions of patients turning to you for support when other parts of the NHS had failed them. And the monthly contractor surveys added to that picture giving a sense of the scale of the operational and financial pressures that you were under.

The NHS could not have asked for any more of you. And yet even with this data, and even with the outstanding role that you were playing, it took the very public support of tens of MPs, to finally get us to the deal that we reached.

As this report closes - in March 2021 - we were just beginning negotiations on the Community Pharmacy Contractual Framework (CPCF) arrangements for 2021/22. Those too, would prove testing. But by time of publication we have a deal, and while we don't yet know what this winter will hold, I hope that contractors have some optimism about the incredible scope they now have to expand their services offering, further cementing their role at the heart of the NHS, and as a critical part of local communities.

**Simon Dukes** | PSNC Chief Executive Officer



# Chair's Comment

When I became chair of PSNC in September 2019 I knew that community pharmacy was an essential part of local healthcare, but the way you have responded to the COVID pandemic has clearly shown me just how essential you are.

What I have seen over the past 18 months has been nothing short of exemplary.

The demands on you have been relentless, from the ever-expanding range of new services to master, to the growing stream of patients turning to you when other parts of the health service were not accessible.

There have been significant disruptions to the ways in which you work, and you have all had to take steps to keep your patients and your staff safe.

Yet despite the enormous capacity challenges as well as the financial worries you have had, you have carried on: doing whatever your patients need, and doing whatever the NHS asked of you. The Government has been right to thank you. I hope they now match their generous words with the right level of support.

At PSNC the work has reflected some of your experiences: intense negotiations, increasingly tight deadlines, and a growing range of issues to be resolved. But the energy of both the Committee, themselves all community pharmacy contractors or contractor representatives, and the executive team has not faltered, and nor has their resolve to do everything in their power to help contractors of all shapes and sizes.

All of us who are connected with community pharmacies are proud to have been a part of this sector at such a critical time. I certainly am in awe of the part that you have all played, and I remain impressed with the work that PSNC's small team does to support you through it all.

The next 12 months will bring further challenges but also, I hope, new opportunities. Through the Year 3 agreement only recently reached, pharmacies will finally have the chance to offer some of the clinical services that they have aspired to for so long, and for PSNC change is afoot with a new Chief Executive now being recruited, and of course the outputs from the Review Steering Group (RSG) with its aim of improving representation and support for all contractors.

Change is always a challenge, but this sector, perhaps more than any other, has shown over the past 12 months that it is more than capable of rising to those.

**Sue Killen** | PSNC Chair



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# 2

# The year at PSNC 20/21

**Looking back** | Here we look back on the key achievements and developments during 2020/21; a remarkable year not only for the community pharmacy sector but also the country as a whole.

20/21

**Pandemic Delivery Service** | A new medicines delivery Advanced Service is launched at short notice to ensure that the most clinically vulnerable 'shielded' patients can continue to receive their medicines during the COVID-19 pandemic.

04/20

**Advance payments** | Following representations from PSNC, Ministers agree to inject £370 million of advance funding into community pharmacies during the early months of the pandemic in recognition of the significant cashflow pressures facing the sector at this time.

04/20

**Pharmacy representation review** | An independent review into community pharmacy representation and support looks at how to make LPCs and PSNC fit for the future, setting out a standardised governance framework and measures to bring local and national representation functions closer together.

06/20

**Pharmacy Quality Scheme 20/21** | The scheme was broken into two parts, with the first focussing on ensuring pharmacy contractors and their teams had put in place all reasonable measures to respond to the COVID-19 pandemic, protecting both themselves and the people using their services.

07/20

**PSNC Pharmacy Advice Audit** | PSNC publishes the findings of its 2020 Pharmacy Advice Audit, showing the huge number of informal patient consultations that community pharmacies carry out and the positive impact of these consultations both on patients and other healthcare services.

09/20

**NHS Test and Trace concerns** | PSNC and other pharmacy leaders wrote to the Minister and NHS officials to issue an urgent warning that NHS Test and Trace discrepancies could close pharmacies down, posing a potential threat to the timely supply of medicines to local communities.

10/20

**Review Steering Group (RSG) formed** | A group of contractor representatives from across the sector is formed to take forward the work to improve community pharmacy contractor representation and support following the Pharmacy Representation Review.

11/20

Jo Churchill

## Parliamentary Under-Secretary of State, March 2021

*'Pharmacies bring incredible value to local communities and their patients. We are beginning to see the light at the end of a troubling tunnel, and we would not have made it this far without the contribution from community pharmacy. I look forward to having the conversation to ensure that we get a sustainable funding model not only with colleagues but, mainly, with the sector.'*



# 3

# Promoting pharmacy



WATCH

A key part of PSNC's role is communicating with audiences outside of pharmacy – such as politicians, charities and national media – to build support and gain advocates who can champion the sector on our behalf.

## Demonstrating the sector's value

PSNC was particularly keen to demonstrate to others the value of community pharmacy teams during the COVID-19 pandemic. As other healthcare providers became more difficult for patients to access, pharmacies were handling a large number of requests for advice. In summer 2020 and again in early 2021, PSNC conducted audits to assess the number of informal – and therefore unfunded - patient consultations that happen in community pharmacy.

We found that pharmacists and their teams respond to over 600,000 patient queries a week, saving almost half a million GP visits. Every year 5 million people visit a pharmacy because they have been unable to access other healthcare and, during the pandemic, 1 in 4 consultations involved COVID-19 related advice. Briefings, infographics and social media assets were developed to promote the important role pharmacies play in public health.

During a Parliamentary debate in March 2021 examining the effect COVID-19 has had on community pharmacies, the results of PSNC's audits were mentioned several times, as MPs used the opportunity to highlight the sheer number of informal consultations occurring in pharmacies and their value to patients.

## Getting pharmacy's voice heard

Brexit concerns rumbled on in the background as the UK reached the end of its Transition Period. In late 2020 PSNC reconvened its Community Pharmacy Brexit Forum, where more than 20 organisations across the pharmacy, wholesale and wider primary care sectors met to discuss Brexit matters ahead of the 31st December deadline.

PSNC and the British Medical Association (BMA) also issued a joint statement on medicines supply, indicating the united position across primary care.

In January 2021, a concerted effort began to demand a greater role for pharmacies in the COVID-19 vaccination programme. The Telegraph ran a front-page article on pharmacy's ask, drawing heavily on an exclusive interview with PSNC Chief Executive, Simon Dukes.

PSNC also provided follow-up interviews with the BBC News Channel, BBC Radio 5 Live, Times Radio, Associated Press, LBC Radio and LBC News.

This led Prime Minister Boris Johnson to be asked in Parliament to confirm pharmacy's role in the programme. The national media push ultimately provoked Ministerial support as well as a series of meetings with the Government and NHS to plan for the wider involvement of more pharmacies in the vaccination programme.



## Raising funding concerns

The All-Party Parliamentary Group (APPG) for Pharmacy, of which PSNC is a co-sponsor, launched an inquiry into the pressures of COVID-19 on the sector, which concluded that some pharmacies could be forced to close without additional Government support. Ahead of the 2021 Budget announcement, PSNC wrote to Chancellor Rishi Sunak, outlining the impact that repayment of the £370 million COVID loans could have on community pharmacies. National media and Parliamentary activity co-ordinated by PSNC aimed to put further pressure on the Chancellor to intervene in the ongoing COVID costs negotiations. Around 50 supportive MPs and Peers were sent a briefing demonstrating the sector's value and calling for the loans to be written off. At least 8 MPs sent letters directly to the Chancellor calling for additional financial support for community pharmacies and the APPG began enlisting MPs to co-sign a letter calling for pharmacies' COVID loans to be written off. Chair of the APPG and former Health Minister, Jackie Doyle-Price, organised a Parliamentary debate about the impact of the pandemic on community pharmacies, which was addressed by Pharmacy Minister Jo Churchill MP and a further 13 MPs contributed to. Many MPs also called for urgent financial assistance for the sector, including by writing off the advance payments.

## Working with others

In October 2020, PSNC collaborated with a group of healthcare bodies – including fellow pharmacy bodies, consumer healthcare association PAGB and NHS Clinical Commissioners – to call for a national self-care strategy. The Clinical Consensus on Self Care recommended NHS leaders explore additional pathways to access the Community Pharmacist Consultation Service (CPCS) and enable community pharmacists to populate medical records with fully integrated IT systems.

Patient centred care



# 4

# COVID - 19 response



WATCH

By the start of April 2020, COVID-19 was dramatically impacting on day-to-day life. As pharmacy teams made changes so they could continue providing vital healthcare services, PSNC's focus was on securing the support, monies and tools that contractors needed.

## Contractor support in the first wave

The emergence of a global pandemic saw community pharmacy teams rushing to respond to the most significant healthcare crisis they and the NHS had ever faced. Initial problems included the huge operational challenges, the need for protective measures, and a likely cashflow crisis for contractors. PSNC spoke urgently with officials and Ministers, stressing the need to protect the services that pharmacies provide. In response to our case, Government quickly agreed to inject a total of £370 million of advance funding into community pharmacies through the spring and summer months of 2020. After further discussions a free of charge Personal Protective Equipment (PPE) portal for pharmacies was eventually opened and contractors got the green light to claim for any PPE costs incurred before this portal had become available. Similarly, free Lateral Flow Tests were made available to pharmacy staff through the Primary Care Support England (PCSE) portal. Additional funding for pharmacies to remain open over the Easter Bank Holidays was agreed, and PSNC began collecting evidence of the impact of the pandemic on contractors' costs via a monthly survey: this began a lengthy campaign to ensure contractors' COVID-related costs were all covered by Government.

## Contractual dispensations

A key challenge that all pharmacies faced was the need to divert resources to the pandemic response: this was critical in the first COVID-19 wave, and continued, with one in four consultations in January 2021 involving advice relating to COVID-19. PSNC fought hard to reduce the burden on contractors during this time and gained some significant dispensations.

Firstly, during the first waves of the pandemic contractors were not required to undertake an NHS England and NHS Improvement (NHSE&I) determined national clinical audit, a contractor chosen clinical audit or the annual Community Pharmacy Patient Questionnaire (CPPQ). Contractors were also not required to submit data returns for the New Medicine Service (NMS) and Medicines Use Reviews (MURs) or to update their practice leaflets. It was agreed that no action would be taken against contractors who had not completed the Data Security and Protection Toolkit for 2019/20, and the Pharmacy Quality Scheme (PQS) was redesigned to provide funding for activity relating to the pandemic response. The requirement for patients (or their representatives) to sign the back of NHS prescription forms or Electronic Prescription Service (EPS) tokens was also waived, along with several other pandemic-related additions to the Terms of Service.

Finally, the introduction of the Hepatitis C Testing Service and the Discharge Medicines Service (DMS) was postponed, and a verbal consent model was introduced for flu vaccinations, the NMS, and Appliance Use Reviews (AURs). As well as easing the workload pressure for community pharmacy teams, PSNC held discussions with NHSE&I which led to emergency regulations granting contractors greater flexibility regarding opening hours and temporary closures being introduced. To help keep contractors informed, a COVID-19 hub page was also added to the PSNC website, daily COVID-19 update emails were launched and an LPC Rapid Action Team was created to strengthen the link between PSNC and the LPCs.

## National services

In April 2020, a new national community pharmacy medicines delivery service was launched to support clinically vulnerable ('shielding') patients to continue receiving their medicines. The largest-ever community pharmacy flu vaccination programme also launched on 1st September 2020. PSNC successfully negotiated key flexibilities to help contractors provide this service at a scale not seen previously and in a COVID-secure manner. Among other things, these removed the need for face-to-face training updates, and allowed pharmacies to offer flu vaccinations outside of the pharmacy consultation room, off the pharmacy premises, and in care homes.

**Shilpa  
Shah**

CEO, Kent LPC, September 2021

*'At the beginning of the first wave of COVID-19 LPCs were, like everyone else, trying to make sense of the chaos in the health system, and of course to get pharmacy teams all the help they needed. The quick set-up of a PSNC-LPC Rapid Action Team (now evolved into the PSNC and LPC Operations Team) was hugely valuable both for its original members and for all the other CEOs who they cascaded to – it allowed for the effective sharing of local and national intelligence, helping everyone to better help the contractors we all represent.'*

## COVID-19 vaccinations

In late 2020, the first COVID-19 vaccines passed clinical trials. Despite the practical challenges of providing a COVID-19 vaccination service using the Pfizer/BioNTech vaccine, community pharmacy contractors actively supported the NHS programme: PSNC and the other national pharmacy organisations lobbied extensively and by the end of January 2021, playing to the strengths of community pharmacy as socially inclusive healthcare providers, nearly 300 community pharmacy COVID-19 vaccination sites were in operation.

## Pharmacies and PSNC through COVID-19

**58 million** pharmacy consultations undertaken annually

**1 in 4** of these consultations involved advice relating to COVID-19

**90%** of pharmacies signed up to deliver COVID-19 lateral flow device distribution service

**2.6 million** NHS flu vaccinations administered in pharmacies

**£370 million** advance funding for community pharmacy

**699** PSNC news stories published in 20/21 sharing essential updates as they happen

**93%** increase in PSNC e-mail newsletters supporting subscribers

# 5

# Delivering data driven evidence



WATCH

PSNC has increasingly relied on data to make the case for community pharmacy – both through the negotiations and more widely. 2020/21 saw a significant increase in the organised capture of useful data from contractors, and this must continue.

## Pharmacy advice audit / Summer 2020

Community pharmacies have long been promoted by the NHS as the first port of call for patients or members of the public with minor health concerns, and this role is being further cemented by the Community Pharmacist Consultation Service (CPCS). But while CPCS consultations earn pharmacies a fee, consultations given to patients who simply walk in for advice are not specifically funded.

In the summer of 2020, PSNC sought to quantify these ‘informal consultations’ through an audit, asking pharmacies to record information about all of the consultations they carried out on a single day. More than 9,400 pharmacies took part and the results gave us a snapshot of the extraordinary part that pharmacies play in providing everyday support to their local communities.

The audit found that on average, every pharmacy spends around 75 minutes providing 15 patient consultations each day. Almost half of those patients said that if the pharmacy had not been there they would have visited their GP, meaning that pharmacies save around 492,000 GP appointments every week. This would not be manageable for general practice, and PSNC’s audit provided powerful data with which to explain to policy-makers and Government just how valuable the sector is.

## Pharmacy advice audit / Spring 2021

More than 5,800 pharmacies took part in a second audit in early 2021, between them recording data on almost 115,000 patient consultations. The results indicated an increasing reliance on pharmacies through the pandemic, with on average 17 daily consultations recorded by each pharmacy.

In this audit, 8.6% of people seeking advice from a pharmacy said they had been unable to access another part of the healthcare system: that is five million people per year. And almost half of patients said that if attending their pharmacy had not been a viable option, they would have visited their GP.

Taken together, the two audits provided a strong narrative about the extent of unpaid patient consultations taking place in pharmacies, strengthening PSNC’s arguments about the extent to which the NHS is continuing to rely on pharmacies.

They also clearly showed the positive impact that pharmacy’s open-door policy accepting face-to-face consultation for patients needing help had during the pandemic, both helping patients and reducing pressure elsewhere in the health service.

## COVID costs

In March 2020 PSNC began surveying contractors about the impact that COVID-19 was having on their businesses, as well as looking at the impact on prescription volumes and medicines supply. The monthly surveys captured the rising costs that businesses were facing, as well as giving some insight into the operational challenges that pharmacies were grappling with.

Data from PSNC was successfully used to argue for cashflow help for pharmacies and other financial support. It also formed the basis of PSNC’s case for contractors’ advance payment loans to be written off – in total we showed a COVID impact on the sector of more than £400m. By April 2021 we were still negotiating on this, having rejected an earlier Government offer of £120m to cover contractors’ costs: our data showed this would not have been sufficient.

Holly  
Lynch

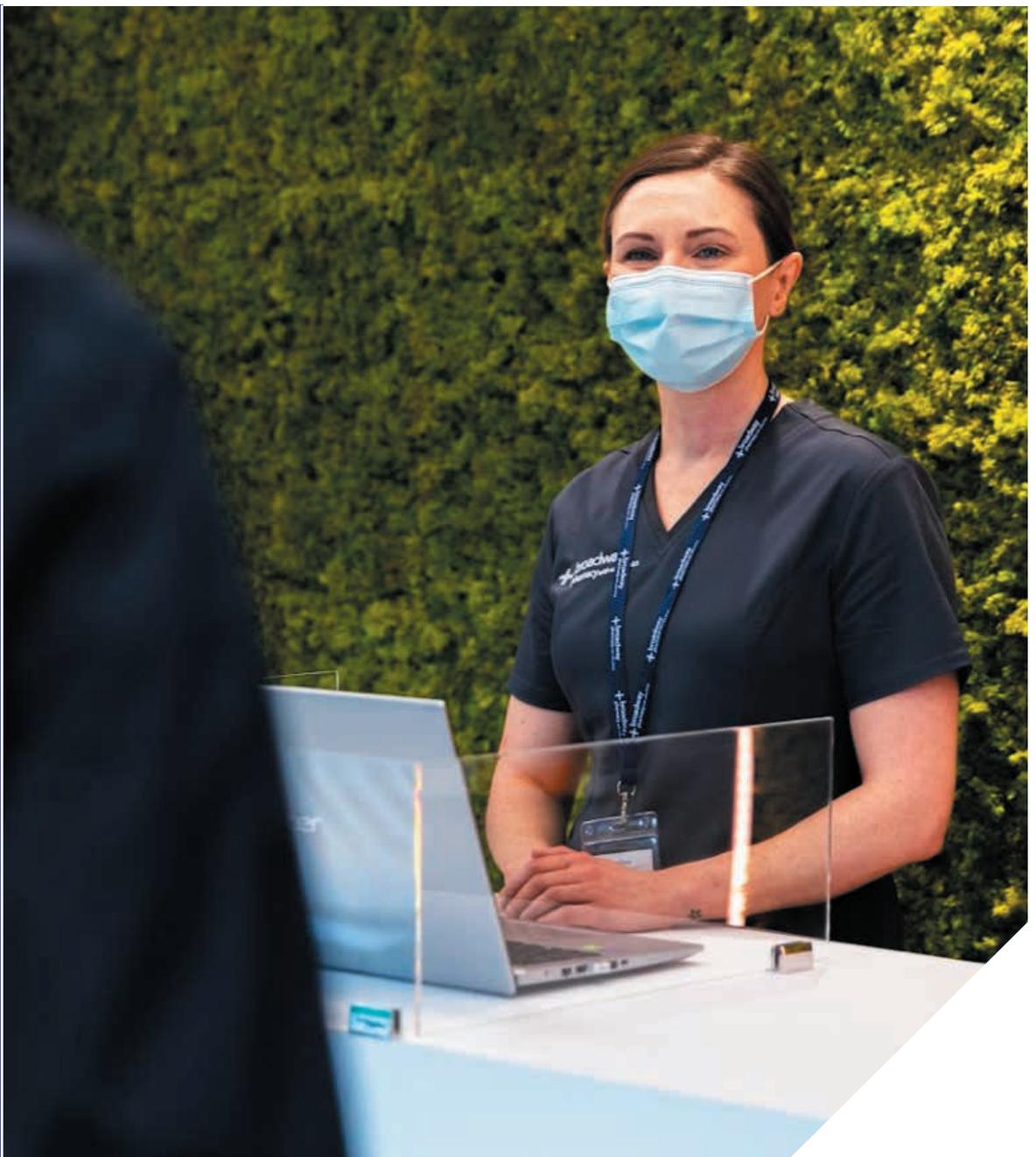
## Labour MP for Halifax, March 2021

*'According to the PSNC Pharmacy Advice Audit, pharmacies have been providing healthcare advice to more than 600,000 people every week. We owe a great debt to these underfunded and overworked pharmacies and their teams, who went above and beyond to relieve pressures on our NHS.'*

### Funding uplift bid

Alongside the negotiations on COVID costs, in 2020/21 PSNC also put a bid to Government for a funding uplift for the sector. This was based on extensive financial analysis showing the ongoing operational costs for the sector along with the financial squeeze businesses were facing. Ultimately, that bid was rejected, but we are continuing to press these points in the Annual Review process, as we look back on the successes and challenges of the five-year CPCF to date.

The medicines experts



# 6

# PSNC annual accounts 20/21

## Income and expenditure account

Year ended 31 March 2021	2021		2020	
	£	£	£	£
<b>Income</b>				
Levies from LPCs received and outstanding		3,342,216		3,342,214
LPC proportion - Independent review		53,243		-
		<u>3,395,459</u>		<u>3,342,214</u>
<b>Administration</b>				
Staff employment	2,053,745		2,202,151	
Rent, rates other property costs and interest	157,888		174,966	
Printing, stationery, postage and telephone	48,104		53,739	
Travelling and meeting expenses	63,576		253,119	
Sundry expenses	777		255	
	<u>2,324,090</u>		<u>2,684,230</u>	
<b>Finance</b>				
Audit fees	9,500		9,240	
Depreciation	121,750		133,955	
Profit on disposal of fixed assets	-		(3,775)	
	<u>131,250</u>		<u>139,420</u>	
		(2,455,340)		(2,823,650)
		<u>940,119</u>		<u>518,564</u>
<b>Service</b>				
Professional fees	441,136		185,035	
<b>Communications</b>				
Public relations	40,080		69,189	
PSNC News	6,528		5,529	
Conferences	11,675		16,378	
	<u>58,283</u>		<u>91,096</u>	
		(499,419)		(276,131)
<b>Operating surplus brought forward</b>		440,700		242,131
<b>RSG expenditure</b>				
RSG member expenses	2,975		-	
RSG legal & consultancy costs	82,200		-	
RSG communication costs	5,500		-	
		<u>(90,675)</u>		<u>-</u>
<b>Other income</b>				
Interest receivable	869		4,172	
Net trading deficit	-		(9,236)	
Other income	-		1,128	
		<u>869</u>		<u>(3,936)</u>
<b>Surplus before tax</b>		350,894		238,497
Tax charge		(165)		962
<b>Surplus after tax</b>		<u>350,729</u>		<u>239,459</u>

## Notes on the accounts

- The 2020/21 PSNC Financial Statements were audited and prepared by our Chartered Accountants Sawin & Edwards LLP. The above summarises PSNC's performance and position.
- The flat levy from LPCs continued, with LPCs also invoiced for their proportion (70%) of the Wright Review costs: this has all been paid. PSNC has continued to focus on cost control with the Committee again challenging the office with a negative budget. This was over-achieved, with substantial savings primarily due to COVID-19 restrictions. PSNC's main source of income remained levies from LPCs. Other income generated was minimal. The largest item of expenditure remained administration costs, in particular staff employment.

## Balance sheet

As at 31 March 2021	2021		2020	
	£	£	£	£
<b>Fixed assets</b>				
Tangible assets		3,901,075		3,790,357
Investments		2		2
		<u>3,901,077</u>		<u>3,790,359</u>
<b>Current assets</b>				
Debtors	54,421		193,738	
Cash at bank and in hand	1,495,970		1,116,635	
	<u>1,550,391</u>		<u>1,310,373</u>	
<b>Current liabilities</b>				
Creditors; amounts falling due within 1 year	630,228		553,425	
		<u>920,163</u>		<u>756,948</u>
<b>Net current assets</b>				
		<u>4,821,240</u>		<u>4,547,307</u>
<b>Total assets less current liabilities</b>				
Creditors: amounts falling due after 1 year		(1,747,004)		(1,823,800)
<b>Provisions for liabilities and charges</b>				
Deferred tax		-		-
		<u>3,074,236</u>		<u>2,723,507</u>
<b>General fund</b>				
Balance at 1 April 2019		2,723,507		2,484,048
Surplus for the year		350,729		239,459
<b>Balance at 31 March 2020</b>		<u><b>3,074,236</b></u>		<u><b>2,723,507</b></u>

## Cash flow statement

Year ended 31 March 2021	2021		2020	
	£	£	£	£
<b>Cash flows from operating activities</b>				
Surplus for year before tax		350,894		238,497
<i>Adjustments for:</i>				
Depreciation		121,750		153,191
Profit on disposal of fixed assets		-		(3,775)
<i>Changes in:</i>				
Trade and other debtors		139,317		(65,222)
Trade and other creditors		69,072		(109,115)
Cash generated from operations		<u>681,033</u>		<u>213,576</u>
Tax paid		(165)		(2,693)
Net cash from operating activities		<u>680,868</u>		<u>210,883</u>
<b>Cash flows from investing activities</b>				
Purchase of fixed assets		(232,468)		(45,055)
Proceeds from sale of fixed assets		-		3,775
Net cash used in investing activities		<u>(232,468)</u>		<u>(41,280)</u>
<b>Cash flows from financing activities</b>				
Repayment of bank loans		(69,065)		(61,335)
Net cash from financing activities		<u>(69,065)</u>		<u>(61,335)</u>
<b>Net increase in cash and cash equivalents</b>		379,335		108,268
<b>Cash and cash equivalents at beginning of year</b>		1,116,635		1,008,367
<b>Cash and cash equivalents at end of year</b>		<u><b>1,495,970</b></u>		<u><b>1,116,635</b></u>

- Considerable year on year cost savings were made within staff employment due to vacancies not being replaced until the final quarter of the financial year, and within travelling and meeting expenditure due to COVID restrictions.
- Professional fees increased due to additional specialised consultancy services being needed as well as Wright Review expenditure. PSNC's balance sheet has strengthened, with a surplus of £351k in 2020/21 compared to £239k in 2019/20, primarily as a result of the surplus generated throughout 2020/21, mainly due to remote working. Debtors fell as all levies were collected in full prior to the year end. Current liabilities increased largely because of consultancy provisions for project work linked to the Review Steering Group (RSG).

# 7

# The year ahead



WATCH

At the end of the period covered by this annual report, negotiations on Year 3 of the five-year CPCF had just begun and PSNC remained focused on resolving COVID-19 costs and on continuing to look for pandemic service opportunities for pharmacies. All of those, as well as an Annual Review of the CPCF and then Year 4 negotiations are critical for 21/22.

## Ongoing impact of COVID-19

At the end of March 2021, a new Advanced Service – the NHS community pharmacy COVID-19 lateral flow device distribution service (known as ‘Pharmacy Collect’) – was launched. Once again, pharmacies jumped at the chance to support the wider national effort with more than 90% starting to offer it in the first month. Continuing this service, as well as looking at other services and in particular arguing for a bigger role in COVID vaccinations will be an important job for PSNC in 2021/22.

The resolution of COVID costs is also an ongoing critical issue. At time of publication PSNC had accepted a revised, and much improved, offer on reimbursing contractors’ COVID costs and many thousands of contractors had submitted claims for their costs. The total claimed for was significantly higher than the £120 million initially offered to the sector. Discussions were held about this and about the advance payment loan repayments that contractors will need to make, with PSNC’s objectives being to ensure all contractors received a fair payment to cover their costs and to smooth cashflow as much as possible.

## CPCF for 21/22 and beyond

Formal negotiations on the arrangements for the Community Pharmacy Contractual Framework (CPCF) in 2021/22 (‘Year 3’) began in April 2021, and after intense negotiations, plans were announced to contractors in August. The arrangements for Year 3 will see a number of service extensions and new services launching, and the priority for PSNC, as it was through the negotiations, will be to equip contractors with the information and support they need to provide this wider range of services.

Although PSNC fought hard in the negotiations to reduce the burden on contractors – with key wins on the Pharmacy Quality Scheme, and the extension of the Transitional Payments – there is no doubt that for contractors there is another challenging year ahead. Ongoing operational cost and cashflow pressures will affect many businesses, and pharmacies will undoubtedly continue to feel the impact of COVID-19.

Contractors will also need to plan and roll out a range of new services, with this coming on top of the Hepatitis C Testing Service, the NHS Discharge Medicines Service (DMS) and all the pandemic services rolled out in the past 18 months.

PSNC will be fighting for recognition and support in all of these areas, with an initial focus point being the CPCF annual review process, which will allow us and the NHS and Government to look at progress to date on the five-year deal, and pressure points. The outputs of this process, in which there will undoubtedly be disagreement between PSNC and the other side, will set the tone for negotiations for the next year of the CPCF (‘Year 4’) which we expect to begin before Christmas 2021.

## Stronger tomorrow



PSNC

Clare  
Kerr

Head of Healthcare Policy and Strategy at McKesson UK and PSNC Negotiating Team  
Member, August 2021

*'This will be a year of exciting progress for pharmacies, at least as far as services go. The long-awaited extension of the New Medicine Service (NMS), with further pilots to follow, brings this valuable service to whole new cohorts of patients. The agreement for us to give catch-up support to those who have missed out on the NMS over the past year should also be taken as a huge vote of confidence. And the new Hypertension Case-Finding and Smoking Cessation Advanced Services finally start to bring to life the vision for pharmacy services that we have been advocating for many years.'*

## Integrated Care Systems

Towards the end of 2020/21, the Department of Health and Social Care (DHSC) announced new plans for health and care systems designed to bring services closer together, support the delivery of high-quality care and help tackle health inequalities. Whilst the negotiation of the CPCF will continue to be undertaken at a national level, new Integrated Care Systems will have responsibility for the local commissioning of primary care services, including pharmaceutical services – PSNC will be working closely with LPCs and others across primary care to ensure pharmacy's voice is heard by these new systems.

## Improving contractor services

The PSNC-initiated independent review of the support and representation offered to contractors by PSNC and the LPCs reported in July 2020. This was the first such review ever to be carried out. The report found many opportunities for improvements, including to governance, efficiencies and joint-working, and it suggested some ways in which pharmacy could strengthen its external voice and work to improve negotiating outcomes.

Following discussions between PSNC and the LPCs, a Review Steering Group (RSG) was established to take forward the findings of the review. The RSG began this work at the start of 2021, and has since set out a workplan and timeline, as well as engaging with the sector on what future and national contractor representatives should do. PSNC is looking forward to seeing the outcomes of its work and to playing its part in implementing changes that should see all contractors receiving better and more consistent services and representation in return for their levies.

## Ongoing supply, advice and information work

All data based on 20/21 figures

We seek and approve some **250 price concessions** each year to protect contractors from medicines price rises...

...this can lead to more than **£140m** in reimbursement.

Our pricing audit centre ensures you are paid correctly.

Our Dispensing & Supply Team answer **1,400 phone** enquiries annually.

**3.1million** people visit our website for information, news and guidance every year.

# Pharmaceutical Services Negotiating Committee

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