



# **Annual Report**

## **1<sup>st</sup> April 2018**

### **To**

## **31<sup>st</sup> March 2019**

## **Introduction**

To say that this year has been a challenge for all pharmacies would be an understatement! The main issue has been the shortage of certain medication and their rising price and concession prices not covering their cost. The medicine supply chain issues have resulted in a major impact on the drug tariff margin and has seen significant reduction in income and cash flow problems for a number of pharmacies, the consequences of which are that pharmacies are not replacing staff and spending more and more time chasing supplies.

On the upside, CPNY has been successful in negotiating a few new services and supporting more pharmacies to secure quality payments.

This report will highlight the aforementioned and more by reflecting upon the past year in an omnibus.

## **Chair's Report (Ian Dean)**

My second year as Chair of CPNY has again been a year of challenges and successes.

The biggest challenge faced last year by contractors was the constant battle to obtain medicines to fulfil prescriptions at a price that didn't leave them out of pocket. This proved again to be a big challenge and we have again lobbied MPs and made representations to other bodies highlighting the issue.

Also as last year the continuation of the Quality Payments criteria provided a challenge which CPNY rose to with great success. Our support for contractors in meeting the criteria led to 93% of contractors meeting the gateway criteria and 89% of available points being claimed.

I am pleased to also report that despite some early problems with availability of vaccines, Our Contractors have had another record year administering Flu vaccinations.

Two new challenges arose in the shape of the General Data Protection Regulations and the Falsified Medicines Directive and the committee has worked well to support contractors in meeting these regulatory frameworks.

The Committee continues to work in a strategic way and during this year's Strategy Planning Day our strategic plan was again updated. This outlines the way CPNY will continue to meet the demands of changing landscapes now and in the future. In addition, at this year's Strategic Planning Day we drew up a plan for the Succession of our CEO Jack Davies who plans to retire as CEO on 31<sup>st</sup> December, as well as planning how we are to support contractors with the development of our biggest challenge, Primary Care Networks.

The weekly e-mail update continues to be a much read (and much copied) source of information and reminders. The feedback from contractors suggests this continues to be most valuable to them all.

We continue to engage with local commissioners and although often to no avail as three out of five of the CCGs are in financial special measures, there have been some more positive discussions due to the Prevention, Identification and Monitoring strategy developed by the Committee. We have much more positive discussions with the Council Public Health commissioners and some new services are in the embryonic stages.

Lastly, I would like to thank our Chief Officer Jack and our Engagement Officer Laura for their constant good work; their positive attitudes have as always been an inspiration to me during my second year as Chair.

## **National Contract Negotiation**

At the time of writing this report the negotiations on the Community Pharmacy Contractual Framework (CPCF) for 2019/20 and beyond have commenced. The Department of Health and Social Care (DHSC) has initiated the negotiation process with a set of proposals which have been agreed with NHS England. These have now been shared with the Pharmaceutical Services Negotiating Committee (PSNC). The negotiations are taking the form of tripartite discussions between representatives from all three organisations. For PSNC the representatives will include independent community pharmacy contractors, representatives of multiple pharmacy businesses, and the senior executive – all of whom sit on the PSNC Negotiating Team.

The discussions will be complex and while they are ongoing PSNC, DHSC and NHS England have agreed that the negotiations will remain confidential to facilitate frank and open discussion.

## **Local MP Support**

The North Yorkshire MPs...

- Rachael Maskell MP – York Central
- Andrew Jones MP - Harrogate
- Rishi Sunak MP - Richmond
- Julian Sturdy MP – Outer York
- Kevin Hollinrake MP – Thirsk and Malton
- Julian Smith MP – Skipton and Ripon
- Nigel Adams MP – Selby and Ainsty
- Robert Goodwill MP – Scarborough and Whitby

...have consistently supported the value and benefits of Community Pharmacies and have, on behalf of CPNY and contractors, lobbied the government on this matter. They have also been very willing to promote pharmacy campaigns when asked. Moreover, they have raised the issue of the drug tariff reimbursements and supply issues.

Once again, they also supported the Community Pharmacy flu vaccination as demonstrated below...



Top to bottom left to right: Julian Sturdy MP, Dunnington Pharmacy, York – Kevin Hollinrake MP, Boots Pharmacy, Easingwold - Rachael Maskell MP, Monkbar Pharmacy, York – Robert Goodwill MP, Boots Pharmacy, Scarborough - Rishi Sunak MP, Boots Pharmacy, Stokesley - Julian Smith MP, Lloyds Pharmacy, Skipton - Nigel Adams MP, ARC Pharmacy, Selby

## Drug Tariff and Supply Issues

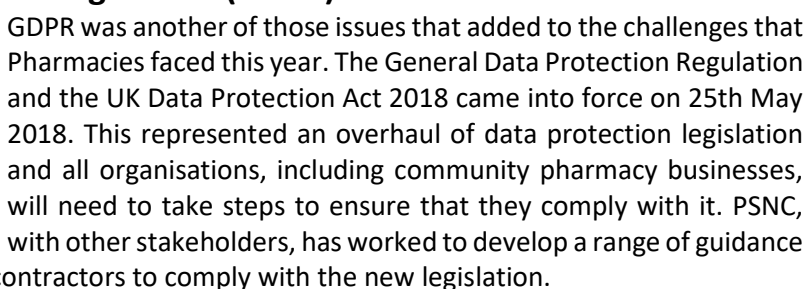
CPNY contractors along with contractors from other LPCs, have on a weekly basis reported generic supply issues to PSNC in order that they can tackle the problem and lobby for concessions appropriately. This issue has seen many pharmacies expending extra hours searching for stock, which has put a strain on staff and resulted in delays in medicine delivery for patients.



These medicine supply chain issues have resulted in a major impact on the drug tariff margin and has seen a significant reduction in income and cash flow problems for a number of pharmacies. The consequences of which are that pharmacies are not replacing staff. CPNY has taken every opportunity to raise this with our MPs and all of them wrote to the Minister highlighting the difficulties this means for businesses and patients.

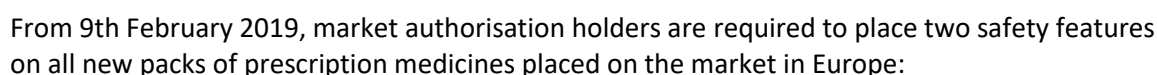
CPNY has constantly urged Contractors via its Weekly Update email to report generic supply issues to the PSNC Pharmacy Funding Team by using the PSNC Reporting Spreadsheet. CPNY has stressed how important it is that Contractors continue to do so as often as is practically possible - getting this information to PSNC is vital to help them in their dedicated work to ensure fair price concessions.

## The General Data Protection Regulation (GDPR)



The GDPR Workbook was produced for the community pharmacy contractor and each community pharmacy and if completed will assist you with compliance with the GDPR and the Data Protection Act 2018. It also contributed significantly to your compliance with IG requirements required by the new IG (Data Security and Protection) Toolkit that Contractors had to complete later in the year.

Falsified medicines are “fake” medicines that pass themselves off as real, authorised medicines. Falsified medicines might contain ingredients, including active ingredients, which are of poor quality or of the wrong strength – either too high or too low. As they have not been properly evaluated to check their quality, safety and efficacy, this could be detrimental to patients’ health.



- a unique identifier (UI) in the form of a 2D data matrix (barcode) which can be scanned at various points along the supply chain to determine its authenticity; and
- an anti-tamper device (ATD).

In order to comply with the requirements of FMD, pharmacy contractors will be required as part of the dispensing process (from 9th February 2019 and for products that bear safety features) to:

- check the anti-tampering device (ATD) to ensure it is intact prior to dispensing; and
- change the status of the pack in the UK's National Medicines Verification System from "active" to "inactive—supplied". This involves scanning the 2D barcode on each pack and communicating with the National Medicine Verification System (NMVS).

This was yet another challenge for Contractors. CPNY organised well attended training to inform Pharmacies about the regulation and what they had to do to be compliant. Cost of compliance was a major consideration for pharmacies who are already feeling squeezed with profits diminishing. Many

pharmacies have yet to make the move to purchase the equipment because of the delay in the Brexit process. PSNC has made representations to NHS England with regard to funding to support pharmacies to implement this regulation and is part of this year's National Contract Negotiations.

## Brexit

What can be said that hasn't already be said about the uncertainty to businesses and pharmacies the delay has inflicted on them.

Nationally PSNC brought the community pharmacy sector together to ensure a coordinated effort and liaison with the Department of Health and Social Care (DHSC) through the Community Pharmacy Brexit Forum.



Organisations represented on the Forum include: National Pharmacy Association (NPA); Company Chemists' Association (CCA); Association of Independent Multiple Pharmacies (AIM); Royal Pharmaceutical Society (RPS); Pharmacists' Defence Association (PDA); Dispensing Doctors Association (DDA); Healthcare Distribution Association (HDA); Proprietary Association of Great Britain (PAGB); Community Pharmacy Wales (CPW); Community Pharmacy Scotland (CPS); Community Pharmacy Northern Ireland (CPNI); the General Pharmaceutical Council (GPhC); and the British Healthcare Trades Association (BHTA). NHS England as well as DHSC attend Forum meetings.

### The Forum's work

- The Forum has discussed a variety of Brexit-related issues, such as:
- The impact of Brexit across the community pharmacy sector;
- Updates on DHSC contingency planning for medicines and medical devices;
- Ensuring that the supply of medicines to community pharmacies for patients post-Brexit;
- The management of the 6-week stockholding for manufacturers;
- DHSC Operational Readiness Guidance;
- Practicalities around the introduction of Serious Shortage Protocols;
- The potential impact of Brexit on the number of pharmacy registrants in the UK;
- The use of representatives from the sector to assist DHSC's work;
- Manpower issues; and
- Issues for the devolved countries.

Forum members have indicated their support for DHSC's plans and will continue to work with DHSC to identify and address relevant issues.

CPNY has ensured that messaging on medicines supply and Brexit has been relayed to pharmacies to ensure they have been informed on the current situation. For the patients, key objectives for messaging have been to highlight the hard work that community pharmacies are doing to source medicines for patients; to avoid any scaremongering; and to make clear that while Brexit may be a contributing factor, it is not the only cause of supply problems. CPNY has done this by issuing media releases and informing North Yorkshire MPs.

## Quality Payments

CPNY continued to support contractors to maximise their quality points, not only by providing additional Healthy Living Pharmacy champion training in May 2018, but also by offering advice on how



to achieve certain criteria and in particular, checking that pharmacies had met the gateway criteria (NHS.UK website (formerly Choices)/NHSmail etc).

There were two review points during 2018/19 in June 2018 and February 2019. While the criteria to be met for the first review point remained largely similar to that in previous years, there was a major overhaul of the scheme for the February 2019 review and as such, pharmacies had to contend with various new gateway criteria and big changes to the main criteria to gain points.

The new online training package, Virtual Outcomes, commissioned for use by the LPC in July 2018 was a useful tool for contractors in 'getting to grips' with the new criteria required. A useful overview video was available, together with online training to help contractors meet the challenge of the new criteria such as the new Oral Health in Children aspects of the scheme.

While the results for the February 2019 are yet to be published at the time of writing this report, the outcomes for June 2018 are set out below for the contractors that took part (142 out of 153).

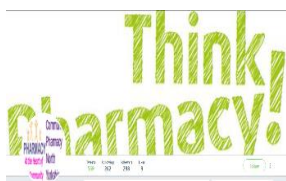
- 93% of North Yorkshire contractors took part and met the gateway criteria
- 80% achieved the maximum 100 points available
- 93% achieved 80 points or more
- Overall, 89% of the points available and the funding allocated was claimed (totalling £497,197)

Criterion	Claimed by no. of contractors:
Written Safety Report	138 (98%)
Safeguarding Level 2	141 (99%)
CPPQ uploaded to Choices	137 (96%)
HLP Level 1	130 (92%)
SCR Records	129 (91%)
DoS Profile	140 (99%)
Asthma Referrals	135 (95%)
Dementia Friends	141 (99%)

## Communication and Engagement

CPNY's main instrument of communication is the 'Weekly Email Update' which ensures regular, relevant and targeted messages and reminders are issued, designed to aid/prompt and direct contractors. At present, this communication is received by 369 recipients. The recipients include not only pharmacies, but Area Managers, Superintendents, CCA Service Managers, Owners and Locums. It has become a reliable source of information and is used by Commissioners to communicate updates on matters that pharmacies need to know about.

The website continues to be a valuable source of information for contractors and additions such as the 'Diary of Reminders' have been introduced over the year to make tasks visible at a glance.



From a social media point of view, CPNY's Healthy Living Pharmacy Facebook page remains popular with Health Champions as a source of campaign resources and encouragement, and its Twitter account has gained more momentum and followers over the past year.

Another new method of communicating with contractors introduced in 2018/19 has been the publishing of 'Commissioning Updates', which outline all of the new/ongoing discussions with commissioners around potential new local services and any progress made. This means that contractors are kept better informed about what is going on within their local area.

Towards the end of 2018/19, CPNY began the important job of raising awareness amongst contractors around the upcoming advent of PCNs (primary care networks). Securing a high level of engagement with contractors on this subject will undoubtedly continue to be a significant task for CPNY throughout 2019/20.

## **Strategic Plan**

In February 2019, the Committee had its annual strategic planning day. The objective of these days is to develop a strategic plan and work-plan for the coming year. This year, the plan had a separate element to it in terms of succession planning for the replacement of the current CEO, who is retiring on 31<sup>st</sup> December 2019.

As well as the succession planning another major element of the plan was Primary Care Networks and how to support Contractors.

The overall goal of the plan is...

**To Ensure CPNY And Its Contractors Are Fit For Purpose To Embrace The Changes That The Government/DoH/NHS Are Implementing Now and In The Future.**

With four major objectives...

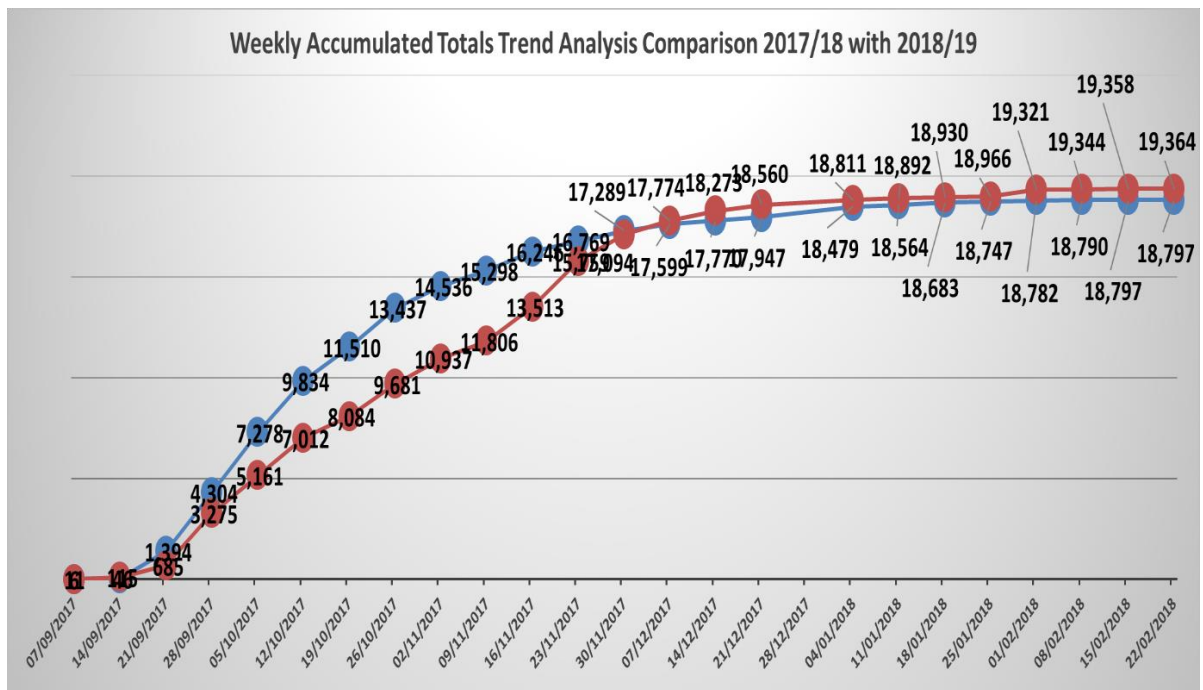
- Deliver a Portfolio Of Services Commissioned From Different Sectors
- Secure Financial Resources and Human Capital Development To Deliver The Strategic Plan
- Deliver Effective and Timely Communication and Engagement With Contractors
- Develop Primary Care Networks in North Yorkshire
- Full Compliance With PSNC's Constitution and Value For Money Delivery For Contractors

A full copy of the plan can be viewed on our website by clicking here. <https://cpny.co.uk/wp-content/uploads/sites/53/2019/04/Strategic-Plan-2018-20-FINAL.pdf>

## **National Flu Vaccination Service**

Pharmacies have had another record year administering flu vaccinations and keeping more people than ever safe this winter from flu. The total flu vaccinations administered in North Yorkshire was 19,364, a 3% increase on last year's numbers of 18,797. Over the flu vaccination period, 115 pharmacies offered the service which is an increase of 2 on last year.





## Engagement with Commissioners and Enhanced Services



Friendly & Professional Service

Engagement with local commissioners remains buoyant if not fruitful. This is due to the fact that three out of our 5 CCGs are in financial special measure. That said since the New Year they have been more open to discussing the commissioning of services. This has been as a result of the Prevent, Identify and Monitor (PIM) strategy that the Committee developed at their strategic planning event. Prevention, Identification and Monitoring is premised on the high footfall of

people entering their local Community Pharmacy every 28 days to collect their prescription and those customers entering to purchase over the counter items.

This places Community Pharmacy in a unique position to support the CCG and Public Health Commissioners in three cost effective areas of healthcare by implementing the following PIM strategy...

- **Prevention** of illnesses – 85% of Community Pharmacies in North Yorkshire are certified Healthy Living Pharmacy (HLP). In doing so HLPs pro-actively support and promote behaviour change, improving health and wellbeing via running monthly health campaigns and signposting/referring on to support services.
- **Identification** of illnesses/conditions and referrals for early treatment (The footfall in Community Pharmacies puts them in a unique position to undertake this)
- **Monitoring** once identified Community Pharmacies can monitor and feedback to GPs

### Current Services by Commissioner

#### Public Health North Yorkshire County Council

- Alcohol IBA service
- Supervised Consumption
- Needle Exchange

- Sexual Health
- Smoking Cessation North Yorkshire – (County Council Inhouse Service)
- Flu Vaccination (NYCC Staff)

After lobbying from CPNY and others Public Health North Yorkshire County Council decided to terminate Solution 4 Heath Smoke Free North Yorkshire Service 2 years early and replace it with an inhouse Smoking Cessation.

#### **Public Health City of York Council**

- Supervised Consumption
- Needle Exchange
- NRT Patches for Pregnant Women
- Champix Dispensing

#### **Vale of York CCG**

- Palliative Care

#### **Scarborough and Ryedale CCG**

- Palliative Care

#### **Hambleton District Council**

- Sharps Disposal

#### **Kyowa Kirin International**

- AdcalD3

#### **York University**

- MUR research looking at alcohol use as part of MUR service

### **The Committee**

Last year CPNY held in 4 yearly elections for Independent Representatives on the Committee. Five candidates stood for 4 places on the committee and Independent place and a post ballot was conducted. The result seen 3 members returned and a new member Jay Badenhorst elected. Unfortunately, due to the pressures of work Jay was unable to take up his place.

CPNY then emailed Independent Contractors to nominate themselves for this position and 5 candidates responded. The committee then held a secret ballot to choose the new Committee member.

## Committee Members Composition April 2018 to March 2022

Organisation	Who	Company
CCA Reps	Tamzin Burn	Boots
	Shaun Davies	Lloyds
	Charles Christian	Boots
	Chris Kendall	Boots
	James Usmar	Boots
AIMs Reps	Tom Hajdas	Lincoln Co-op
	Tommy Ling	Day Lewis
Independent Reps	Tracey Chambers	Copmanthorpe Pharmacy
	Ian Dean	Yorcare Ltd
	Richard Harrison	Haxby Group Pharmacy
	Jonathan Taylor	Carleton-In-Carven Pharmacy

Code CCA = Company Chemist Association representative  
 AIMP = Association of Independent Multiple Pharmacies  
 IC = Independent Contractor representative

## Committee Members' Attendance at Committee Meetings and Strategic Planning Day

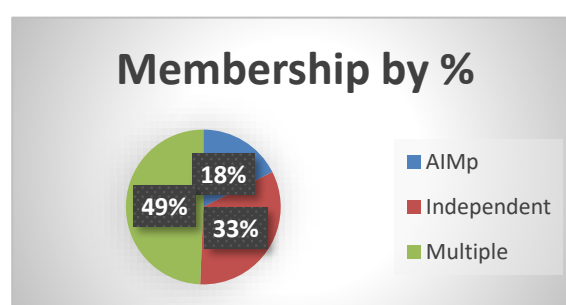
CPNY Member	Jun-18	Sep-18	Nov-18	Jan-19	Strategic Planning Feb 19	Mar-19	Total	Maximum Attendances	% Attendance	Comments
Jay Badenhorst	0	0	0				0	6	0.0	Resigned From The Committee In October 2018
Shaun Davies	1	1	1	1	1	1	6	6	100.0	
Ian Dean	1	1	1	1	1	1	6	6	100.0	
Richard Harrison	1	0	1	1	1	0	4	6	66.7	
Tamzin Burn	1	1	0	0	1	1	4	6	66.7	
Tom Hajdas	1	1	1	1	1	0	5	6	83.3	
Charles Christian		1	1	0	1	1	4	5	80.0	Joined Committee in July 2018
Tommy Ling	1	1	1	1	1	1	6	6	100.0	
Chris Kendall	1	1	1	1	1	1	6	6	100.0	
Jane Simpson	1						1	1	100.0	Resigned From The Committee In July 2018
James Usmar				1	1	1	3	3	100.0	First Meeting Jan 2019
Tracey Chambers	1	1	1	1	1	1	6	6	100.0	
Jonathan Taylor					1	1	2	2	100.0	Frist Meeting Feb Strategy Day
<b>Total</b>	<b>9</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>11</b>	<b>8</b>	<b>51</b>	<b>65</b>	<b>78.5</b>	

## Committee Expenses

Name	Designation	Travel	Locom Cover For Attending Meetings	Total
Chris Kendall	Committee Member	£ 103.50	£ 1,325.00	£ 1,428.50
Ian Dean	Chair	£ 1,066.20	£ 2,625.00	£ 3,691.20
Ian Dean (Yorcare Ltd)	Chair's Employer	£ 75.70	£ 3,250.00	£ 3,325.70
James Usmar	Committee Member	£ 83.00	£ 750.00	£ 833.00
Jonathan Taylor	Committee Member	£ 82.00	£ 550.00	£ 632.00
Richard Harrison	Committee Member	£ 25.10	£ 1,000.00	£ 1,025.10
Shaun Davies	Treasure	£ 189.70	£ 1,500.00	£ 1,689.70
Tamzin Burn	Committee Member	£ 76.50	£ 962.50	£ 1,039.00
Tom Hajdas	Committee Member	£ 129.60	£ 750.00	£ 879.60
Tom Hajdas (Lincolnshire Coop)	Emplyer	£ 299.70	£ 1,500.00	£ 1,799.70
Tracey Chambers	Vice Chair	£ 213.75	£ 2,300.00	£ 2,513.75
<b>Totals</b>		<b>£ 2,344.75</b>	<b>£ 16,512.50</b>	<b>£ 18,857.25</b>

## CPNY Membership

Membership Type	Number	Percentage
AIMp	27	17.5
Independent	51	33.1
Multiple	76	49.4
<b>Total</b>	<b>154</b>	



## Treasurer's Report (Shaun Davies)

As the treasurer of CPNY it is incumbent upon me to maintain probity of the LPC finances so that contractors are getting value for their levy payments and that the LPC expenditure is justified. Since assuming the role of treasurer in 2017 I have adhered to our policies and procedures to ensure our dealings are transparent and open to scrutiny. All expenditure, including those of committee members, is agreed and accounts reviewed, for 2018-19. I have presented to the committee at regular intervals a summary of cash flow month by month and they have been communicated to the full LPC committee and verified annually by an independently appointed accountant. These accounts are included in the annual report for examination by contractors.

Our income primarily from the LPC levy was £168,00, gaining £124 interest and additional incomes from "Walk In My Shoes" and other funding generated an additional £37,630. Our year end reserves after verified accounts of expenditure of £161,802 are at £131,421 this is somewhat higher than the PSNC recommended level of approx. 50% of annual expenditure but it includes significant unpaid funds for WIMS, the Adcal service and we have reduced expenditure for committee meetings due to continued sponsorship. With the introduction of Primary Care Networks a significant investment of resource from the LPC will be required, this will have a large impact on our reserves in 2019-20.

After deductions of our greatest expenditure of PSNC levy and staff wages, the largest outlay has been for contractor support training at around £10,000, this has been focussed on support for contractors enabling Quality Payment income to be received by almost every contractor in our region. LPC members expenses were at £19,881: the majority of which is for locum backfill when attending training and meetings, many members regularly donate a substantial amount of personal time to the LPC also.

Presented below for contractors is the abridged income and expenditure account for the year ending 31<sup>st</sup> March 2019.

# **SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019**

## **ACCOUNTANT'S REPORT**

We have prepared, without carrying out an audit, the attached Income and Expenditure Account from the records, information and explanations supplied to us.

Sowerby, Chartered Accountants, Beckside Court, Annie Reed Road, Beverley,  
East Yorkshire, HU17 0LF

3<sup>rd</sup> May 2019

## **NORTH YORKSHIRE LOCAL PHARMACEUTICAL COMMITTEE**

### **PROPERTY INCOME AND EXPENDITURE for the Year Ended 31 March 2019**

	2019		2018	
<b>INCOME</b>				
Levy	168,000		144,000	
Interest	124		393	
Miscellaneous	37,630		20,967	
	<u>205,754</u>		<u>165,360</u>	
<b>EXPENSES</b>				
PSNC Levy	40,744		40,744	
Staff Wages	59,385		35,703	
Staff Expenses	4,627		3,369	
Pension Contributions	667		52	
Members Expenses	2,618		2,700	
Members Locum Reimbursement	17,263		21,049	
Contractor Support/Training	9,852		24,047	
Room Hire/Meeting Costs	2,073		2,500	
Training Conference	1,604		695	
Insurance Bank Charges and Taxes	88		114	
HMRC (PAYE & Corporation Tax)	14,778		9,062	
Auditor	840		480	
Payroll Costs	480		366	
Sundry	375		127	
Newsletter/Leaflets	-		2,791	
Stationery and IT	3,099		1,290	
Office Fees	3,309		3,390	
Unpresented Cheques Written Off	-		(1,545)	
	<u>161,802</u>		<u>146,934</u>	
<b>NET PROFIT FOR THE YEAR</b>	<u>43,952</u>		<u>18,426</u>	
<b>BANK RECONCILIATION</b>				
Balance brought forward	87,469		71,435	
Deduct unpresented cheques	-		(2,392)	
Plus profit above	<u>43,952</u>	<u>131,421</u>	<u>18,426</u>	<u>87,469</u>
Balance carried forward		<u>131,421</u>		<u>87,469</u>