



**COMMUNITY PHARMACY WALES
FFERYLLIAETH GYMUNEDOL CYMRU**

**ANNUAL REPORT 2008/09
BLWYDDIAD ADRODDIAD 2008/09**

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"The Face of and voice of Community Pharmacies in Wales"

CHAIRMAN'S FORWARD

Colleagues will recall that Paul Gimson joined us as our new Chief Executive in December 2007 only to announce his departure to take up the appointment of the Society's Director for Wales at the time of writing this forward. I want to pay tribute to Paul for the time given and the efforts made in service to Community Pharmacy Wales. Although he was with us for only a short time him made a significant contribution to the development of the organization and, through a refreshing willingness to engage with and listen to contractors, he helped us identify where, as the representative body of pharmacy contractors, we needed to position ourselves and developed the route map to get there. We wish him well in his new role.

Uncertainty about the future of pharmacy continued to cause anxiety amongst the body of pharmacy contractors throughout the year. As PSNC continues to engage with the Department of Health over how the future pharmacy contract will look the Welsh Assembly Government continues to show little appetite to see responsibility for contract negotiations relating to Wales to be handled in Wales. At the same time PSNC has to grapple with English only arrangements which increasingly capture features distinct from the model being developed in Wales and which have little relevance to the Welsh dimension. CPW is eager for all parties to develop the expertise necessary to allow the Welsh contract to be negotiated in Wales and we shall continue to press to secure that outcome as soon as is practically possible.

One thing is certain, wherever the negotiations take place and whatever the outcome, the new contract is likely to show little resemblance to the present one. With the Government eager to move away from volume based payments and towards payment for the provision of high quality, clinically based services in accessible, modern facilities the face of community pharmacy on the High Street is bound to change. But that should not mean that the future is bleak. Far from it. The fact is that Government at all levels and across parties is ambitious for community pharmacy. It understands what we can do, it is keen to see us achieve. Our role, as CPW, is to make sure that contractors are suitably rewarded for their clinical skills and appropriately compensated for the investment they make in the businesses that are crucial to the viability not only of the pharmacy network but of local business communities generally. CPW will continue to engage at the highest levels of Government to ensure that the voice of community pharmacy continues to be heard.

As I write, colleagues will no doubt be aware that after some 12 years as Chair of CPW and its predecessor bodies I decided to stand down at the last Annual meeting in order to concentrate more on my own small pharmacy business and family. I thoroughly enjoyed the period I served as your Chair, despite the many and varied challenges and despite the complaints and criticisms which go with the territory. I want to thank all those who helped and supported me throughout that time, without who we could not have achieved what we did. I look forward to continuing to represent colleagues as the PSNC representative for Wales. I want to take this opportunity to congratulate Ian Cowan on his election as my successor and to wish him every success in the role. I will give him every support in my new role as Vice-Chair and in whatever capacity he wishes me to serve.

With thanks, and my best wishes to you all.

PHIL PARRY
CPW CHAIR, 2008/09

FINANCIAL OVERVIEW

Promoting the Profession

Throughout the year CPW has continued to promote Community Pharmacy in Wales through a proactive information and communications programme designed to ensure that key messages are received and understood by Government Ministers, Assembly Members and politicians generally as well as by patient groups, Community Health Councils and other relevant NHS stakeholder groups. CPW has maintained its high profile at recent party conferences.

Governance

CPW members conduct the business of CPW in accordance with the CPW Code of Conduct, as code that is based on the Nolan principles of good governance. The organisation strives to achieve the highest standards of governance equal to the best befitting those who offer themselves for service in public life.

In particular, all those involved in the business of the organisation accepts and understands the need to act in the best interests of the organisation as a whole and of the general body of pharmacy contractors and to reach their all of their decisions only after receiving all of the information and advice provided by CPW.

Contract Funding in Wales

The national pharmacy contract continued as an England and Wales contract during 2008/9. The total payments to pharmacy contractors in Wales for Essential and Advanced services amounted to £124.7 million in 2008/9 compared with £99.3 million in 2007/8. However the increase was counterbalanced to some extent by the reduction in retained purchase profits. Details are as follows:-

	2008/09	2007/08
	£m	£m
Professional Fees	56.2	53.5
Establishment Payments	17.2	17.1
Special Fees	3.6	3.3
Repeat Dispensing Payments	2.0	3.4
Practice Payments	41.8	19.4
MUR Payments	2.5	1.6
Monthly IT Payments	1.4	1.0
TOTAL	124.7	99.3

The practice payment was increased from 1 October 2008 until 31 March 2009 by 66.6 pence per item (from 34.5 pence to 101.1 pence). Final adjustments to contractors overall income have recently been finalised and this has resulted in a reduction of Category M prices from 1 October 2009 by 9.4 pence per item.

Essential Small Pharmacy Scheme (ESPS)

The ESPS continues as a Wales only scheme. For 2008/9 the annual target payment increased from £61554 to £69377.

CPW Annual Accounts for the year ended 31 March 2009

The CPW audited accounts for the year ended 31st March 2009 are included in the report.

There was a deficit of £17,769 for the year compared with a surplus of £38,021 in the previous year. The two main reasons were the increased payments to PSNC and the small increase in levy income as lower average prescription values (due to Category M price reductions) almost offset the growth in prescription volumes.

The levy remained unchanged at 12.7 pence per £100 of NHS turnover

REGIONAL REPORTS : MID & WEST REGION

The Regional Committee held six two monthly meetings at the White Hart Hotel, Llandeilo. The Attendance Record was as shown, Deputies being present as needed.

Members of the Regional Committee met with Officers of Local Health Boards and sat as members of various LHBs throughout the region.

Work was undertaken by some members on Task and Finish Groups within CPW.

Enhanced Services within some LHBs had shown better progress than others. The payments within the **National** Enhanced Services as established throughout Wales by negotiations of LHB Officers and Representatives of CPW were broadly being paid throughout the Region.

Local enhanced services schemes such as smoking cessation were not commissioned throughout the region.

Preparatory work was under way in readiness for the restructuring of the NHS in Wales. Transitional Boards were already in place for the new Bodies – Hywel Dda LHB, Abertawe Bro Morgannwg LHB and the Powys LHB. These would continue up to the commencement of the Shadow Boards in June 2009 and then the new structures would commence in October with the demise of the current LHBs.

Work was under way to liaise with the current Officers of the LHBs to try and achieve a smooth transition into the structures and to maintain the current service provision of community pharmacies now and into the new Bodies, whilst attempting to secure new services and adequate funding for the professional input into such schemes.

2009 would provide both challenges and opportunities and Contractors are urged to contact CPW Committee Members or the Regional Executive Officer before rushing into any decisions on the possible services that might result from the new Boards discussions.

REGIONAL REPORTS : NORTH WALES REGION

The North Wales Regional committee met 4 times during this financial year 2008/09. All meetings were quorate in attendance by members.

At the meeting of North Wales Regional committee in April 2008 Tim Williams was elected as Chairman unopposed and Gwyn Peris-Jones was elected as Vice-Chairman. Gerald Thomas was co-opted to the Regional Committee. The members agreed that Tim Williams and Shan Jones would continue to represent Independent contractors of the North at the CPW Board.

The North Wales Region held meetings with the LMC, various LHB members and the CHCs. A very productive meeting was held with the Local Medical Committee at which several concerns were raised and areas of our contract were clarified.

Regional meetings guests were invited to talk to us about issues affecting local contractors with respect to contractual matters and operational matters. These included LHB representatives with whom many matters were discussed including branded switching, local enhanced services, flu pandemic planning, and contract applications.

North Wales Region also continue to maintain a presence with the North Wales pandemic flu planning groups, Drug and Therapeutics committee, NWSMF North Wales Substance Misuse Forum and various patient groups. CPW North Wales Region continue to work to lobby to raise awareness of community pharmacies work and potential with other influential bodies. North Wales Region has had several meetings with local Assembly Members and with the Voluntary Council organisations. The Committee again had representation at the main political conferences this year. The political agenda is key to moving Community Pharmacy in Wales forward and this work continues.

A meeting was held with the NPHS. This meeting was very constructive and looked at the 1000 lives campaign and the advice to warfarin patients. It would appear that we have many similar areas of concern and agreed to work together more closely in the future. Gwynedd pharmacy Development group also continue to invite and actively work with CPW Executives.

Throughout the year the committee discussed the proposed LHB reorganisation and how it would affect pharmacy.

The Executive visited all the LHB HOPPMs during the year and continued with progression of the enhanced service agenda. There are still gaps in provision and in the coming year it is a key aim to ensure that all citizens in North Wales have access to as many sustainable national enhanced services as possible.

Several members of the North Committee attended the CPW Community Pharmacy Senedd Event and Community Pharmacy debate in November 2008. There were many useful links made with key stakeholders. The Executive attended the PSNC conference in London and again key contacts were made.

At the end of this year we said goodbye to our Regional Executive, Dave Bethell, who is off to pastures new. The Committee would like to extend our thanks to Dave for his work during his period of office and wish him well in the future.

REGIONAL REPORT : SOUTH EAST REGION

In April 2008 Mr. Raj Aggarwal was re-elected as Chair and Mr. John McGrath was elected as Vice-Chair. There were some changes to the committee's composition during the year. Further to Mrs. Sarah Edwards' retirement in March 2008 Mr. Dave Thomas (Independent contractor) was co-opted in June 2008. In February 2008 Mr. Bob Lester (a CCA nominee) left the committee and was replaced by Mr. Paul Harris.

Much of the year was spent working with colleagues in the nine Local Health Boards (LHBs) on various matters relating to Essential and Advanced pharmacy services. Regular meetings with the Pharmacy Liaison Group (LHB and BSC representatives from the Bro-taf and Gwent area) took place. These meetings provided the forum for issues to be moved forward. During this time the announcement on the NHS restructuring was announced and work commenced to ensure community pharmacy would be suitably represented.

The committee worked closely with the LHBs and CPW Central on the development of Enhanced Services including Smoking Cessation schemes, COPD MUR research trial, and Not Dispensed Scheme. Work was also undertaken with the CAU try to secure funding in order to increase the number of contractors who could provide Syringe and Needle Exchange Services and on the development of new services relating to Naloxone and other ancillary schemes.

Efforts were made to ensure there was sufficient community pharmacy representation on each of LHBs' local initiative groups and, that community pharmacy was involved in the development of the various local strategies and stakeholder events relating to the re-configuration of primary care services.

The executive and regional members worked closely with CPW Central to ensure regional views were represented and used to drive and be incorporated into any All-Wales policies and strategies. Specific work was undertaken on the development of the CPW National Community Pharmacy Action Plan.

CPW SE was consulted on various pharmacy applications, appeals and attended oral hearings. In addition representatives sat in an advisory capacity on the Bro-Taf LHB Pharmaceutical Services Advisory Committees and Gwent Pharmaceutical Applications Committee.

The executive, Chairman, Vice-Chairman and committee members also attended meetings with the Bro-Taf Local Medical Committees, Bro-Taf and Gwent Medicines and Therapeutics Committee meetings and represented contractors at BPC, PSNC, and LPC Secretaries' conferences.

Contractors were supported with various contractual and payment issues with negotiations and cooperation from HSW/BSC/LHB's

The key aim for the year was to support contractors in the delivery of the pharmacy contract, and to work with strategic partners to ensure that community pharmacy is viewed and understood to be a key member of the Primary Care Team. The committee will continue to work to achieve this aim.

BOARD & REGIONAL COMMITTEES

ATTENDANCES 2008/09

ATTENDANCES 2008/09

BOARD

NAME	POSSIBLE	ATTENDED
Raj Aggarwal	6	4
Liz Colling	6	6
Ian Cowan	6	5
Marc Donovan	5 <i>(member from July 08)</i>	5
Mark Griffiths	6	5
Chris James	5	5
Peter Jones	6	4
Shan Jones	6	6
Gwyn Morris	6	6
Andy Murdock	6	1
Phil Parry	6	6
Steve Ridd	6	5
Chris Perrington	1 <i>(replaced by Marc Donovan July 08)</i>	0

Substitutions:

Neil Slater for Andy Murdock on 20 May08, 16 September 08, 18 November 08 and 20 January 09.

Neil Slater for Peter Jones on 15 July 08

Neil Slater for Steve Ridd on 16 September 08

ATTENDANCES 2008/09

REGIONAL COMMITTEES

MID & WEST REGIONAL COMMITTEE

Name	Possible	Actual
Sarah Bailey	6	6
Jon David	6	4
Jocelyn Donald (Oct 08)	3	3
Jodine Evans (Co-optee)	6	4
Huw Evans (to Aug 08)	3	3
Sam Fisher	6	6
Chris James	6	6
Ailsa Jones	6	5
Cathy Jones (Oct 08)	3	2
Peter Jones	6	6
John Llewelyn	6	3
Gwyn Morris	6	5
Marc Owen	6	4
Phil Parry	6	5
Steve Ridd	6	2

NORTH WALES REGIONAL COMMITTEE

Name	Possible	Actual
Ian Cowan	4	3
Llyr Hughes	4	3
Carwyn Jones	4	2
Shan Jones	4	4
Sion Llewellyn	4	1
Gwyn Peris Jones	4	4
Sohail Rajput	4	4
Duncan Thomas	4	3
Gerald Thomas	4	3
Tim Williams	4	4
Christine Wyn Jones	4	3

SOUTH EAST REGIONAL COMMITTEE

Name	Possible	Actual
Raj Aggarwal	6	6
Lyn Aubrey	6	6
Huw Bradley	6	4
Richard Connick	6	4
Steve Davies	6	6
Marc Donovan	6	2
Allan Gilbert	6	5
Mark Griffiths	6	4
Bob Lester	6	6
Paul Mayberry	6	4
John McGrath	6	6
Chris Pennington	6	4
Dave Thomas	4	4

ACCOUNTS

BALANCE SHEET

	2009		2008	
Capital Employed	£	£	£	£
Balance at 1 April 2008		241853		203832
(Deficit)/Surplus for Year		-17769		38021
Balance at 31 March 2009		<u>224084</u>		<u>241853</u>

Represented by**Current Assets**

Bank Account	295758	331733
Sundry Debtors	-	410
	<u>295758</u>	<u>332143</u>

Current Liabilities

Sundry Creditors	-71674	-90290
Net Assets	<u>224084</u>	<u>241853</u>

INDEPENDENT EXAMINERS REPORT

We have independently examined the financial statements set out above which have been prepared under the historic cost accounting convention. In our opinion, the Balance Sheet and Income and Expenditure Account fairly reflects the financial position of Community Pharmacy Wales as at 31 March 2009.

MACHIN & CO
Chartered Accountants

COMMUNITY PHARMACY WALES

ACCOUNTS - 2008/09

INCOME & EXPENDITURE ACCOUNT

	2009		2008	
	£	£	£	£
Income				
Contractor Levy Income	755429		750226	
Interest	12728		19263	
	<hr/>		<hr/>	
		768157		769489
Expenditure				
Staff Costs	310236		301305	
Property Costs	70343		67485	
Office Services	21722		21710	
Meeting & Travel Costs	119796		142440	
Legal & Professional Fees	9100		8739	
PSNC Levy	209832		162772	
Public Relations	32124		17118	
Capital Expenditure	6914		5373	
Auditors Fees	1375		1316	
Bank Charges & Interest	631		599	
	<hr/>		<hr/>	
		782073		728857
		<hr/>		<hr/>
(Deficit)/Surplus Before Tax		-13916		40632
Taxation		3853		2611
(Deficit)/Surplus After Tax		<hr/>		<hr/>
		-17769		38021