



**COMMUNITY PHARMACY
WALES
ANNUAL REPORT
2005 – 06**



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FORWARD BY THE CHAIR

Phil Parry

I am in no doubt that this year has seen a steep change in the delivery of pharmaceutical services through the expansive network of community pharmacies across the length and breadth of Wales. It has not been without its difficulties and frustrations but what has impressed me is the way the new community pharmacy contract has been embraced and delivered by all parties. Community pharmacy in Wales is now a readily accepted part of the primary care family and is included in debates, discussion and delivery of primary care services as never before. We have our toe in the door but we have much to do and a great many more challenges ahead but it is right that we should reflect on the achievements of this year.

We began the year with the Regulations and Directions laid for the new contract and the oversight of the delivery guided by the Project Implementation Board (PIB) set up by the Welsh Assembly Government (WAG) and robustly chaired by Lynne Joannou, the Chief Executive of Ynys Môn Local Health Board. The PIB was charged with the oversight of the delivery of the enablers for the contract and we worked closely within the PIB with the other strategic partners to ensure a coherent introduction was achieved across the LHBs. Yes the LHBs provided the enablers within their own capacity and priorities but I do believe coherency of detail was achieved.

The year was not without its challenges outside the specifics of the new contract and none more so than the introduction of the new Oxygen Contract in Wales. Initially planned by the WAG for August, it was eventually introduced on 1st February 2006 and immediately ran into difficulties. We had been active in the preparation for the introduction but our concerns and advocacy was largely ignored. Without the flexibility, professionalism and dedication of community pharmacy the oxygen supplies to patient in Wales would have collapsed. The efforts by all those involved have been widely acknowledged and community pharmacists in Wales have been the subject of accolades and praise from Assembly Ministers and Members on all sides of the political debate in the Senedd. Thanks to the efforts and professionalism of community pharmacists in the front line the stature of the profession is now held in high esteem and the challenge ahead for us all is to ensure this position of high esteem is maintained as we embrace the delivery of further clinical services in the community in the years ahead. The task for us all is to engage and deliver the Medicines Use Review so the maximum patient benefits are achieved and we must build on the enhanced services in Wales so the expertise of the pharmacist is used to add value to the LHB Primary Care Plans for the future.

In this report you will find summaries of the work undertaken by the small executive staff at CPW in support of the Committee as well as reports on the work of the three Regional Committees. The team has been guided and supported by the Committee members and officers to ensure that the interests of the contractors in Wales are fully reflected in our work both within CPW and in our liaison with Pharmaceutical Services Negotiating Committee (PSNC).

CPW will continue to work and negotiate with determination on behalf of contractors in Wales and will take all actions possible to ensure that contractors receive the support they need.

**CPW Annual Report
2005/2006**



REPORT BY THE CHIEF EXECUTIVE

Peter Haydn Jones

The focus of the work of CPW this year has been the delivery of the new community pharmacy contract and in ensuring that all contractors received the level of support, guidance and help that they needed as the contract was embraced and delivered across the LHBs in Wales. In taking this work forward during the year, we have worked very closely with our colleagues at PSNC and have participated actively in both their internal meetings and within the meetings of their committee and sub committees. Amongst all of this we have been heavily involved in addressing the debacle of the new oxygen contract, have maintained strong working relationships with the Health Minister and Health Spokespersons of the political parties in the WAG as well as building relationships with strategic partners in Wales and in particular the key patient groups. We must not forget that during the year we have also moved to a new office which now provides a far more efficient working environment as well as taking over responsibility for the totality of CPW finances. We were also able to hold our 2nd CPW Annual Dinner which was well supported.

An exceptionally busy year all round but let me look at some of the key issues in greater depth:

The New Contract

The new contract has been the key driver for the year for both the Committee and the Executive Staff. Throughout the year we have worked very closely with the official in the WAG in the Community, Primary Care and Health Services Policy Directorate and the LHBs to ensure a coherent, cross Wales introduction to the contract. For the first six months of the year we participated actively in the PIB so that guidance was provided to both contractors, LHBs, Business Services Centres (BSCs) and Health Solutions Wales (HSW) in order that contractors had the tools to deliver the contract, the LHBs were aware and informed of their responsibilities for the monitoring role and the BSCs and HSW had the capacity and forms to ensure contractors were paid for the services provided as detailed in the regulations. Talking of regulations we have pushed throughout the year to have a set of Consolidated Regulations laid in Wales but we have yet to achieve this so, whilst the amendment regulations laid at the end of last year remain extant and enable the contract we will continue to push the Minister to lay new consolidated regulations which bring all the respective pieces of amendment regulations together into a single set.

In order to inform contractors we have produced contract briefing folders and held two series of road shows in the summer and autumn when contractors were given the opportunity to be briefed on the delivery of the contract by Executive staff and to raise questions and issues of concern. The CPW web page has also been continually updated as issues of interest arise as well as the CPW newsletter being published on a quarterly basis.

The take up of the Advanced Service MUR has been disappointing during the year and it will be important that contractors embrace this service next year as it forms part of the core funding and is not subject to any LHB limitations or direction. We continue to work with our colleagues at GPC Wales, the Patient Groups and the LHBs to identify ways in which the MUR profile can be raised across the community.



Enhanced Services

As the work of the new community contract PIB progressed the definitions of the different levels of Enhanced Services were developed so that there would be Directed Enhanced Services, National Enhanced Services and Local Enhanced Services available to contractors in Wales. It soon became evident that the WAG were unwilling to commit to a Directed Enhanced Service so it was agreed that work would be taken forward on the 5 National Enhanced Services. This has progressed during the year, though a little frustratingly at times. I would have hoped that we would have reached an agreed outcome for the Benchmark Prices by the end of the year, but regret that we have yet to achieve this position. However, I am confident that it will be arrived at shortly. More information on these services is covered later in this report under the Project Officer's section.

IT Issues

CPW has engaged to influence the Information, Management and Technology (IM&T) programme as it developed during the year. It was always evident that connectivity for community pharmacy would prove a great challenge in Wales and that the pace of development would be independent of that in England as here it has to interface with the Informing Healthcare (IHc) programme. A Programme Board has been set up within the WAG to deliver the community pharmacy IM&T component of the contract and we both sit on the Programme Board and are working closely with the Programme Manager as the programme develops. The IM&T programme will be establishing its own web page so contractors will be able to monitor progress via regular updates by the Programme Manager. We also sit on working groups within the IHc programme and are monitoring closely the developments in the other home countries as well as working closely with PSNC.

Prescription Charges in Wales

During the year we have had to engage with the WAG to seek clarification of proposed legislation as they move towards the removal of prescription charges in Wales in April 2007. In August the WAG laid legislation which limited the reduced prescription charge to those patients who presented a "Welsh Prescription" in a pharmacy contracted to a LHB. We sought clarification of the definition of a "Welsh Prescription" and an inordinate amount of time and effort was put in by the Executive to ensure that the practical issues of the definition of a "Welsh Prescription" were clearly understood and clarified in the guidance that was eventually published. We also identified the difficulty with the under 25s and this resulted in further legislation at the end of the year. CPW has continued to be engaged in the cross-border issue and has made recommendations but by the end of the year no clear direction has been provided by the WAG on how this issue will be solved. Next year will see this issue drawn into stark focus as the withdrawal of charges looms close.

Oxygen

This year was always going to be a difficult year for the oxygen contract in Wales. Though we had argued throughout that Wales should be treated as a special case, the WAG concluded that Wales should be treated as a region in the context of the oxygen contract in England. With the delay in the commissioning of the new contract from August 2005 to February 2006, we engaged and participated in the Reference Groups that looked at the handover of the contract to ensure that the issues and concerns of contractors were addressed. Though these concerns were tabled at the meetings, we were forced to brief politicians on all sides of the Senedd about our concerns for patient deliveries during the critical periods of Christmas, the



New Year and contract start date to ensure that all were aware of the risks involved so that these could be managed on the ground. Having warned of the difficulties and risks to patients it came as no surprise that the new contractor became totally overwhelmed in the first few days and that patient supplies had to revert back to pharmacy. Without the professionalism, dedication and determination of pharmacists, patients in Wales would not have received their oxygen supplies during the handover period. As we end the year pharmacists are still actively involved in the service delivery and the WAG, LHBs and the contractor are still attempting to address the final solution. At the end of the year the Minister, Dr Brian Gibbons AM, wrote a personal letter to all contractors to express his appreciation for all their support over the first 2 months of the new oxygen contract where they put patient safety and welfare first in continuing to provide and deliver the home oxygen service.

CPW Annual Dinner

Over 100 guests including members of the CPW committees and strategic partners attended the 2nd Annual CPW dinner on the 14th November 2005 which was held at Cardiff City Hall. This black tie event proved an outstanding networking event where the guest of honour was the Deputy Minister for Health and Social Services. John Griffiths AM who deputised for the Minister, Dr Brian Gibbons AM who had to withdraw at the very last minute.

Contractor Communication

Throughout the year we have continued to engage with contractors through the regional committee, road shows, the CPW newsletter and via the CPW web page. I encourage contractors to access the CPW web page www.cpwales.org.uk where regular updates are made on key issues. We have also developed e-mail listings so information can be cascaded directly to contractors and I would again encourage contractors to notify the office (info@cpwales.org.uk) of their e-mail address so that we can get urgent information to you. Of course once we have achieved broadband connectivity for all contractors through the IM&T project, electronic communication will become a far more viable method of ensuring information is delivered to all contractors.

Governance

Members of the CPW committees continue to conduct the business of CPW in line with the Code of Conduct and governance statements that are based on the Nolan Principles of Good Governance. The Members of the Committee declare interests which are then available for the Committee to inspect.

Each one of the members of CPW accepts his or her duty to act in the best interests of the general body of contractors when reaching decisions on issues tabled at committee meetings.



NORTH WALES REPORT

The Chair and Vice-Chair were elected in April and Tim Williams and Phil Mulholland were returned unopposed. There were 5 meetings during the year and along with PSNC there were also two contractor road shows.

The new office has proven to be very useful over the last year and has been used for many sub-group meetings and as a liaison place for smaller meetings e.g. LHB meetings, the joint LMC/CPW meeting and later in the year the newly formed Enhanced Services Group for North Wales.

The bulk of the year has of course been taken up with the implementation issues of the new pharmacy contract, and latterly with the oxygen fiasco. Much of the Executive's time has been spent in building close relationships with the LHB decision makers to ensure that community pharmacists are not excluded in the race to provide robust Enhanced Services for the local health economy.

The LHBs across North Wales have come together to try and streamline the process of negotiating for Enhanced Services and as the years progress this ground work should make future negotiations much more transparent and easier.

At the regular bi-monthly meetings of the North Wales Executive and road shows the questions have been many and varied as to where the new contract is going? This is now becoming clear and there has been a great deal of progress across North Wales both with monitoring of the contract and the commissioning of new services. Smoking Cessation Services, EHC and Supervised Consumption should all be commissioned at an LHB near you shortly.

Since November last year the North Wales Task and Finish Group for the new contract has morphed into the Enhanced Services Group. The main aim being to get one set of robust standards and pricing for services across the health economy. This aim is progressing and with the use of the newly developed standard pricing tool there should be better services for patients and better remuneration for contractors.

The Committee met in full 5 times during the last year and also held 3 sub-committee meetings and two road shows. In addition the Chairman, Vice-Chairman and Executive attended many LHB and other meetings across North Wales including meetings with all the Health Boards, the Local Medical Committee, the volunteer services, Patient Forums, Medicine management committees, oral hearings and the SMAT meeting for North Wales dealing with drug misuse.

The Committee looked at 6 applications during the year 3 minor relocations, 2 GP dispensing and a new contract, they were examined and commented on by the Committee and the relevant declarations of interest made. The Committee is fully signed up to the Corporate Governance arrangements of CPW and the Nolan principles of good governance and these forms are available at the main CPW office.

The Executive attended the PSNC and LPC Secretaries conference on behalf of the Committee and several committee members attended the 2nd Annual Dinner in Cardiff on the 14th November at Cardiff City Hall.

David Bethell
Regional Executive



MID & WEST WALES REPORT

The Regional Committee has continued to work in a structured way for the pharmacy contractors. Each committee member acts as the Link Pharmacist within the Region within which they work. Most of the committees with major involvement with community pharmacies of LHBs and the region are attended to make sure issues are discussed and favourable outcomes obtained.

Ongoing involvement of the community pharmacies in the Home Oxygen Therapy Service has taken up considerable time, but has achieved a uniform outcome throughout the 7 LHBs in the Mid and West Wales region.

Attention must now be turned to other issues including enhanced services, L.H.B. monitoring of the Community Pharmacy Contract and developing roles within Pharmacies.

Three of the original 4 years appointment to the Committee have now gone and elections will be held early in 2007 for a new period of tenure. The CPW Constitution and patterns of working between the CPW Central Committee and the 3 regional committees is under review and communication between the organisation and pharmacy contractors, the LHBs and the Welsh Assembly Government as well as other statutory bodies, other health professionals and the patients.

The Committee continues to rely on information from Contractors and areas of concern to further develop the role of the community pharmacist.

Hugh Thomas
Regional Executive

SOUTH EAST WALES REPORT

In April 2005 Ms. Margaret Allan was re-elected as Chair and Mr. David Fairclough was re-elected as Vice-Chair.

Much of the year was spent working with our colleagues in the nine Local Health Boards (LHBs) to ensure a smooth new contract implementation. 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 many issues to be moved forward.

Across the whole of the region rota arrangements were reviewed and new Additional Hours (formerly rota) Rates were adopted. The committee worked closely with the LHBs and CPW Central on the development of National Specifications and Service Level Agreements for a number of National Enhanced Services namely - Supervised Consumption of Methadone and Buprenorphine, Needle Exchange, Care Homes and Minor Ailments. Towards the latter part of the year great effort was made to ensure reasonable remuneration was paid to pharmacies that had continued to provide a Home Oxygen Service. To this end, nationally agreed 'benchmark rates' were adopted by the majority of LHBs.

Efforts were made to ensure there was sufficient community pharmacy representation on each of LHBs' Pharmacy Implementation Groups and, that community pharmacy was involved in the development of the various strategies and locally enhanced services.



CPW South East Regional Committee was consulted on various pharmacy applications, appeals and attended oral hearings. In addition representatives sat, in an advisory capacity, on the Joint Pharmaceutical Services Advisory Committee and Gwent Pharmaceutical Applications Committee.

The Regional Executive and CPW SE representatives on the main CPW Board (Mr. David Pearn and Mr. Huw Grove) 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. Mr Huw Grove resigned during January 2006 and pharmacy contractors were invited to apply for co-option.

A number of contractor road shows were held to update pharmacy contractors on new contract implementation issues. Work was undertaken in the setting up of a new database of email addresses to try and improve communication with contractors.

In addition the Executive, Chairman, Vice-Chairman and committee members attended many LHB and other meetings across the region including meetings with the Local Medical Committee, Community Health Council, Gwent Medicines and Therapeutics Committee meetings, BPC, PSNC and LPC Secretaries' conference on behalf of the committee.

The key aim for the year was to work with pharmacy contractors and LHBs in the implementation of the new contract and to continue to ensure that Community Pharmacy Wales is a key player in the development and commissioning of each LHBs Enhanced Services. The committee will continue to work to achieve this in order to ensure pharmacy contractors in the South East region will be able to provide an exemplary pharmaceutical service.

Jayne Howard
Regional Executive



FINANCIAL STATEMENTS & REPORTS

The full financial report to cover England and Wales issues is provided in the PSNC Annual Report 2005/06, in which details of remuneration for the year are outlined.

The income and expenditure account for Community Pharmacy Wales for the year ended 31 March 2006 and the balance sheet at 31 March 2006 are set out in the attachment.

The Central Committee decided that the move to the new office in August 2005 should be funded from reserves and that the levy of 11.4 pence per £100 of NHS turnover, set in 2003/04, should remain throughout 2005. As a result of this decision, the reserves reduced from £205,465 to £133,031 at 31 March 2006.

The levy was increased to 12.7 pence per £100 of NHS turnover for prescriptions dispensed in 2006, but because of the time lag, the higher levy was not received until April 2006.

Godfrey Horridge
Financial Executive



COMMUNITY PHARMACY WALES

ACCOUNTS

31 March 2006

**Machin & Co
Chartered Accountants**



COMMUNITY PHARMACY WALES

Income and Expenditure Account for the year ended 31 March 2006

	2006		2005	
	£	£	£	£
Income				
Levies from contractors		632,253		624,465
Interest received		12,430		6,298
		<u>644,683</u>		<u>630,763</u>
Expenditure				
Staff costs	240,787		195,310	
Property costs	43,738		14,162	
Office services	22,670		20,519	
Meeting and travel costs	120,967		102,882	
Legal and professional fees	27,813		3,446	
Levy to PSNC	188,124		175,946	
Public relations	33,341		38,372	
Capital expenditure	37,610		17,622	
Auditors fees	1,234		1,207	
Bank interest and charges	<u>833</u>		<u>467</u>	
		717,117		569,933
(Deficit)/Surplus before tax		<u>(72,434)</u>		<u>60,830</u>
Taxation		-		-
(Deficit)/Surplus after tax		<u><u>(72,434)</u></u>		<u><u>60,830</u></u>



COMMUNITY PHARMACY WALES

Balance Sheet for the year ended 31 March 2006

	2006 £	2005 £
General fund		
Balance at 1 April 2005	144,635	4,151
Surplus for the year	60,830	140,484
Balance at 31 March 2006	<u>205,465</u>	<u>144,635</u>
Represented by :		
Current assets		
Bank account	239,795	148,178
Sundry debtors	7,827	20
	<u>247,622</u>	<u>148,198</u>
Current liabilities		
Sundry creditors	(42,157)	(3,563)
Net assets	<u>205,465</u>	<u>144,635</u>

These financial statements were approved by Community Pharmacy Wales on 18 July 2006 and signed on its behalf by :

C G Horridge

Financial Executive



COMMUNITY PHARMACY WALES

Independent Auditors Report to the members of Community Pharmacy Wales for the year ended 31 March 2006

We have audited the financial statements on pages 1 and 2 which have been prepared under the historic cost accounting convention.

In our opinion, the Balance Sheet and Income and Expenditure Account fairly reflect the financial position of Community Pharmacy Wales as at 31 March 2006.

Date : 18 July 2006

Machin & Co
Registered Auditors
Chartered Accountants

19 Seer Mead
Seer Green
Beaconsfield
Bucks
HP9 2QL



CENTRAL COMMITTEE

Officers

Chairman: Phil Parry

Vice Chairman: Peter J Jones

Chief Executive Officer: Peter Haydn Jones

Financial Executive: Godfrey Horridge

Contracts and Business Manager: Catherine Stanley

Projects Officer: Steve Simmonds

Regional Executives:

Mid and West Wales: Hugh Thomas

North Wales: David Bethell

South and East Wales: Jayne Howard

Independent pharmacists

Mid and West Wales

Richard Evans John Llewelyn

North Wales

Shan Jones Tim Williams

South and East Wales

Raj Aggarwal David Pearn

PSNC regional representative for Wales: Phil Parry

Company Chemist Representatives

Peter J Jones Andy Murdock

CPA: David Fairclough

National Pharmaceutical Association Observer: Matthew Price

North Wales Committee

CPW Officer: David Bethell

Chairman (independent pharmacist): Tim Williams

Vice Chairman(CCA pharmacist): Phil Mulholland

Companies with over 5% of contracts in Wales: Ian Cowan

Independent pharmacists:

Sohael Rajput Tony Neville Shan Jones

Company Chemist Representatives:

Adrian Taylor Gwyn Peris-Jones Stephanie Woodward

Sion Llewelyn Ian Cowan Sheila Davies

Bob Jones Carwyn Jones

CPA: Grant Irlam



Mid & West Committee

CPW Officer: Hugh Thomas

Chairman (CCA): Peter John Jones

Vice Chairman: Richard Evans (independent pharmacist)

Independent pharmacists:

Sarah Bailey	Nick Thorne	Gwyn Morris
Paul Davies	John Llewelyn	Chris James

Company Chemist Representatives

Peter J Jones	Steve Ridd
Huw Evans	Sam Jenkins

CPA: Ailsa Jones

Companies with over 5% of contracts in Wales: n/a

South East Committee

CPW Officer: Jayne Howard

Chairman: Margaret Allan

Vice Chairman (CTPT): David Fairclough

Independent pharmacists:

Sarah Edwards	John McGrath	Raj Aggarwal
Matthew Price	Mark Griffiths	Steve Davies
Allan Gilbert	David Pearn	

Companies with over 5% of contracts in Wales: Steve Davies

Company Chemist Representatives

Robert Lester	Marc Donovan
Lyn Aubrey	

Central Committee Attendance

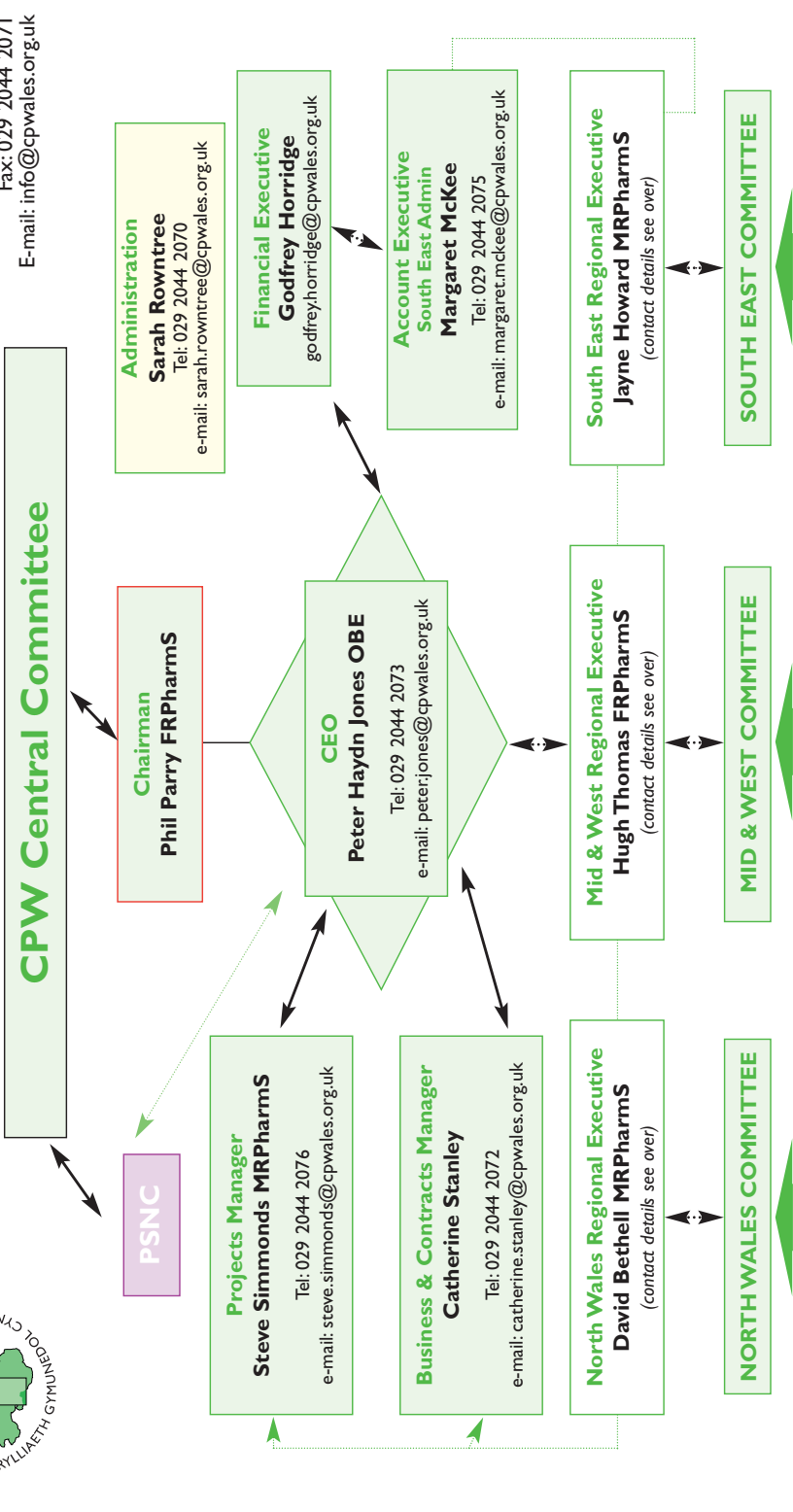
Member	Total possible	Actual attended
Aggarwal Raj	4	4
Cowan Ian	6	5
Evans Richard	6	6
Fairclough David	6	5
Grove Huw	2	0
Jones Peter J	6	5
Jones Shan	6	6
Llewelyn John	6	5
Murdock Andy	6	5
Pearn David	6	6
Williams Tim	6	6

COMMUNITY PHARMACY



Community Pharmacy Wales Structure and Contacts

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CF10 4DQ
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Fax: 029 2044 2071
E-mail: info@cpwales.org.uk



Contractors/PCOs (clarification of LHBs areas please see over)
NHS Regional Office
NHS Trusts
Social Service



**3rd Floor, Caspian Point 2,
Pier Head Street
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Cardiff CF10 4DQ**