



COMMUNITY PHARMACY WALES

Annual Report

Financial Year 2006 – 2007

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INTRODUCTION

by Phil Parry, Chair Community Pharmacy Wales

2006-2007 – this was a year for community pharmacy to consolidate and deliver the pharmacy contract in Wales.

Challenges of the year include Medicines Use Reviews, pharmacy IM&T, audits, monitoring visits, Community Health Council visits, local Enhanced Services negotiations, DDA requirements, smoking cessation and the build up to free scripts.

Whilst all this has been going on there have been the additional challenges of community pharmacy input into various work streams on Chronic Conditions Management; Designed for Life / Designed to Deliver; Independent Prescribing as well as maintaining the profile of community pharmacy with Assembly Members and officials of the WAG.

The political party manifestos were published at the end of the year reflecting the realisation that community pharmacy does have the ability to deliver patient services in the community. All parties made a commitment to improve the service provision in community pharmacies through the publication of their manifestos.

We remain disappointed that there has been no movement from the WAG on the Control of Entry process in Wales, following on from the 2005 consultation process. We are acutely aware of the frustration this is causing contractors and give our assurance that we continue to raise the issue with Ministers at every given opportunity.

In November 2006 we held our Annual CPW Dinner. Dr Brian Gibbons AM - Minister for Health and Social Services was the guest of honour. The evening was well attended and positive support for Community Pharmacy was received from the guests.

Community Pharmacy Wales agreed a new constitution during the year and elections for the Board and Regional committees took place with membership effective from 1 April 2007.



REPORT

by the Chief Executive Officer, Peter Haydn Jones

The priority during the year for the Executive Team has been in supporting contractors in the delivery of the pharmacy contract. We have also worked with strategic partners to ensure that community pharmacy is viewed and understood to be a member of the Primary Care Team in order that, as the development of the deliverables in Designed for Life and Designed to Deliver are taken forward then so, Community Pharmacy is embraced as one of the many enablers of the strategy in the community.

We have also concentrated on briefing and educating the key Assembly Members with Health portfolios to expand their understanding of community pharmacy and the capabilities of the profession within the community pharmacy sector. We have also worked with our colleagues in the Local Health Boards to develop agreed costed models for the National Enhanced Services and, through the Regional Committees, worked tirelessly to see these introduced in the field.

An underlying theme has also been providing information and guidance to contractors in Wales and this has been achieved through regular updates of the CPW Webpage (www.cpwales.org.uk), the introduction of "CPW Fact Sheets" for urgent information as well as the quarterly CPW Newsletters. I have also written directly to contractors on specific issues of clarification and contract detail.



PHARMACY CONTRACT DEVELOPMENTS

The year saw a period of consolidation of the new contract with no amendments or adjustments to the Essential and Advanced Services, though we are still awaiting the final details of the Patient Questionnaire and Practice Leaflet as they pertain to Wales. The major effort has been towards the delivery of the Advanced Service Medicines Use Review (MUR) and we have seen a gradual increase in the number of MURs being undertaken in Wales. As at 31 March 2007 a total of over 30,000 MURs had been conducted in Wales and, whilst this is a vast improvement on the figures of the previous year, there is still some concern at the slow rate of uptake by Contractors. The CPW Central Committee have taken this point and continue to concentrate their efforts in encouraging contractors to deliver the Advanced Service in Wales. We have also worked closely with our CPW Partners to deliver MUR training events and these have been well attended by contractors. We will continue with this work in the future.

At the end of the year over three quarters of pharmacy contractors had gained accreditation for their premises and this is an increasing trend which will see increasing numbers gaining accreditation into next year.

The Quarterly figures for Wales show the following details which have been provided by WAG:

Region	No of Pharmacies	No of Accredited Premises	No of Accredited Pharmacists	No of MURs claimed Q1	No of MURs claimed Q2	No of MURs claimed Q3	No of MURs claimed Q4
Mid & West	248	172	279	2469	2534	2815	3428
South East	305	217	325	2133	2568	4366	4767
North Wales	153	77	146	505	1654	1606	1650
All Wales	706	466	750	5107	6756	8787	9845
Total MURs 06/07							30495

The take up of Repeat Dispensing has not been at the rate that we would have wished and we have been working with the LHBs and our GP colleagues throughout the year to encourage the development of this service. We will continue this work in the future and we are encouraged that in some areas there is evidence that GPs and Community Pharmacists are embracing the service.

NATIONAL ENHANCED SERVICES

Work has continued throughout the year to drive forward the concept of National Enhanced Services in Wales. Whilst the Service Specifications and Template Service Level Agreements had been agreed for the 5 key services of Rota, Care Homes, Substance Misuse, Needle and Syringe Exchange and Minor Ailments at the start of the year the outstanding issue was the agreement of the indicative rates. The negotiations between CPW and the LHBs continued through the year and by December 2006 we had agreed the rates which were then taken forward by the Regional Committees of CPW to ensure that they were actioned by the LHBs. Effort was then turned centrally to the issue of the 'in year' inflationary uplift to the indicative rate and as the year ends, these negotiations are ongoing.

During the year processes have been agreed with the LHBs and the Welsh Assembly Government on developing further National Enhanced Services on the question of accreditation of pharmacists for the delivery of the National Enhanced Services. At year end there is an agreement on process of accreditation of pharmacists; however the joint working group to take the work forward has yet to be formed. New National Enhanced Services are being developed with the LHBs and work is ongoing on Smoking Cessation Services and Sexual Health Services. In the meantime we are encouraged that individual LHBs are commissioning these services as Local Enhanced Services.

ESSENTIAL SMALL PHARMACY SCHEME (ESPS)

The ESPS Scheme has been maintained in Wales and CPW has led on discussions with the Welsh Assembly Government for an increase in the fees and allowances for the year 06/07. These negotiations were successful and the revised fees and allowances were announced in the January 2007 Drug Tariff Part XI. As part of the process of updating the ESPS scheme CPW have made proposals to the Welsh Assembly Government, but by the end of the year CPW had not received a response.





CONTRACT FUNDING IN WALES

The National Pharmacy Contract continued in 2006/7 as an England and Wales contract. The procedure for contract funding was that PSNC negotiated the total funding for England which, for 2006/7, amounted to £1,911 million for Essential and Advanced Services. This sum included £89 million uplift arising from the agreed formula plus £56 million of agreed “carry forwards”^p from 2005/6 because of underspending. The equivalent sum for Wales was £151.9 million.

The £1,911 million available for distribution in 2006/7 was distributed in England through (a) various fees and allowances which were set out in the monthly Drug Tariff and reported in detail in the PSNC Annual Report for 2006/7 and (b) a guaranteed £500 million of retained buying profits.

In Wales 2006/07 payments to contractors from fees and allowances for the National Contract totalled £95.4 million analysed as follows:-

	<u>£m</u>
Professional fees	50.9
Establishment payments	16.0
Special fees	2.9
Repeat dispensing fees	6.5
Practice payments	18.4
MUR fees	<u>0.7</u>
	<u>95.4</u>

WELSH ASSEMBLY GOVERNMENT REGULATIONS

CPW has worked throughout the year with the Welsh Assembly Government and officials to ensure as far as we are able that all legislation passed by the Assembly when it impacts on or pertains to community pharmacy is coherent. During the year we have seen legislation introduced on Independent Prescribing, Prescription Charges, a rationalisation of Primary legislation under the NHS(Wales) Act 2006 and subsequent secondary legislation as a consequence of the 2006 Act. During this process we have managed to have the role of CPW and its committees recognised as the LPC in Wales written into the amendment legislation¹. We also worked with the Welsh Assembly Government officials to draw up Minister's Directions 2007 which increased the number of Medicines Use Reviews contractors can undertake in Wales from 200 to 400 in line with the 06/07 contract settlement.

¹ The National Health Service (Pharmaceutical Services)(Amendment)(Wales) Regulations 2007

PHARMACY IM&T IN WALES

CPW has continued to be actively involved with both the Pharmacy IM&T Project Board and Project Team in the delivery of IM&T to contractors in Wales. To this end the CPW Chair sits on the IM&T Project Board and the CEO holds regular briefing meetings with the Project Team. A small user reference group was also established to input into the Project Team operator concerns as and when they arose. We have maximised our efforts in influencing and helping to develop the evolving strategy within the constraints that have been placed on the Project by the Welsh Assembly Government. Part VIA of the Drug Tariff was updated in January 2007 to reflect the refined requirements for Welsh Contractors for IM&T and CPW wrote to all contractors advising them of the need to meet the deadlines outlined in the Drug Tariff for Phase I connectivity. This required all contractors in Wales to place an order for an “approved” connectivity package by 31 March 2007. At the end of the year it was confirmed by the project that over 98% of contractors had met this requirement.

PROMOTING THE PROFESSION

CPW has continued to work assiduously with strategic partners to promote community pharmacy amongst the wider community. We have met with many Patient Groups and Community Health Councils as well as attending a wide plethora of primary care orientated conferences and seminars. We have also been active with Assembly Members where regular meetings have been held with the Health Minister, Party Health spokespersons and the Chair of the Health and Social Services Select Committee. This has ensured that the profile of community pharmacy has been maintained within the Senedd and barely a week went by without community pharmacy being mentioned in the debating chamber. Publicity articles have also been provided for patient group publications and Executive staff members have made presentations to patient and other groups on the role and capabilities of community pharmacy.





CPW REVISED CONSTITUTION

During the year the CPW Committees debated and amended the CPW Constitution to ensure that it was fit for purpose for the future. The final amended constitution was agreed by the CPW Committee on 21 November 2006 and is available on the CPW web page (www.cpwales.org.uk). The CPW Committee is to be re-named the CPW Board and the 3 Regional Committees were confirmed. The balance of membership on the CPW Board was constituted such that it was increased to 13 members and reflected the balance of contracts held on 1 September 2006 between CCA companies and non-CCA companies. This re-balance assumed that the Co-Operative Pharmacy Association were to take their representation through membership of the CCA. The Regional Committee membership was also re-balanced to reflect the balance of contracts held in the region as at 1 September 2006. The Constitution also provided greater clarity in the process for elections, the roles and responsibilities of the Board and Regional Committees as well as other minor amendments.

CPW ELECTIONS

The term of office of the CPW Committees (both Central and Regional) was due to complete on 31 March 2007 this meant that CPW Elections had to be completed in good time by the end of the year. The process for electing the new CPW Board and Regional Committees commenced in December. In the first round the members of the Regional Committee were elected with elections required for Mid and West Region and South East Region. An election was not required for the North Wales Regional Committee. Once these elections were completed the process for the CPW Board commenced at the end of the reporting period. The completion date for elections was mid April 2007. The Regional Committees and CPW Board took office from 1 April 2007 serving for a period of 4 years.

I would like to take this opportunity to express my gratitude to all members of the CPW Committee and Regional Committees who stood down on the 31 March 2007, they can all be very proud of what they have achieved for community pharmacy in Wales during their period in office.

CPW ANNUAL DINNER

CPW was again able to host its 3rd Annual Dinner at the City Hall in Cardiff on Monday 20 November when the Minister for Health and Social Services, Dr Brian Gibbons AM was the Guest of Honour. Over 100 guests and hosts met for an evening of networking and we were able to welcome Assembly Members, Civil Servants, LHB colleagues, colleagues from other professions, the pharmaceutical industry, representatives of patient groups and Community Health Councils as well as colleagues from our sister organisations in the other home countries.



GOVERNANCE

Members of the CPW Committees continue to conduct the business of CPW in line with the CPW 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.



CPW COMMITTEE MEMBERSHIP

The CPW Committee met 6 times during the year and at their March meeting agreed a plan for the following year which clearly provides the priorities for focus of activities for 07/08. During the year of report the focus was driven by the COE In-Year plan 2006/07 and the Committee reviewed progress at each of its meetings. The Chairman of the CPW Committee for the year was Phil Parry and the Vice-Chair was Peter John Jones. CPW Committee membership for 1 April 2006 to 31 March 2007 was:

Central Committee

Name	Representing	Attendance	Total Possible
Raj Aggarwal	Independent SE	5 (1 deputy)	6
Ian Cowan	Rowlands (over 5%)	4 (2 deputies)	6
Richard Evans	Independent MW	6	6
David Fairclough	Co-Op	4 (2 deputies)	6
Shan Jones	Independent N	6	6
Peter John Jones	Vice Chairman (CCA)	6	6
John Llewelyn	Independent MW	4 (1 deputy)	6
Andy Murdock	CCA representative	4 (2 deputies)	6
Phil Parry	Chairman (IND)	6	6
David Pearn	Independent SE	5 (1 deputy)	6
Matthew Price	NPA representative	2 (resigned 11/06)	6
Tim Williams	Independent N	6	6

North Regional Committee

Name	Representing	Attendance	Total Possible
Tim Williams	Chair (IND)	4	4
Adrian Taylor	Vice Chair		4
Shan Jones	Independent	4	4
Ian Cowan	Rowlands	3	4
R Jones replaced by De Woolf (dec)	CCA	2	4
Martin Cotreave / Duncan Thomas	CCA	4	4
Tony Neville	Independent	3	4
Stephanie Woodcraft	CCA	3	4
Grant Irlam	CPA	2	4
Carwyn Jones	CCA	4	4
Gwyn Peris Jones	CCA	4	4
Sohail Rajput	Independent	4	4
Sion Llewelyn	CCA	4	4

These are the attendances for the full committee meetings of CPW North Wales. In addition there was a sub-committee meeting in September to discuss contract regulations and the Executive met in October as the Chair felt there was not enough on the Agenda to warrant a full meeting.



South East Regional Committee

Name	Representing	Attendance	Total Possible
Raj Aggarwal	Independent	6	6
Margaret Allan	Chair (CCA)	6	6
Lyn Aubrey	CCA	3	6
Steve Davies	Independent	5	6
Marc Donovan	CCA	5	6
Sarah Edwards	Independent	4	6
David Fairclough /Ailsa Jones	Co-Op DF (Vice Chair)	3	6
Allan Gilbert (co-opted)	Independent	2	6
Robert Lester	CCA	6	6
John McGrath	Independent	5	6
David Pearn	Independent	3	6
Matthew Price (resigned)	Independent	0	3

Mid & West Regional Committee

Name	Representing	Attendance	Total Possible
Peter John Jones	Chairman (CCA)	6	6
Sarah Bailey	Independent	5	6
Huw Evans	CCA	5	6
Chris James	Independent	5	5
Chris Jenkins	Independent	2	6
Steve Ridd	Vice Chairman	5 (sub sent)	6
Ailsa Jones	Co-Op	4 (sub sent)	6
John Llewelyn	Independent	4	6
Jon David	Independent	3	6
Sam Jenkins	CCA	2 (sub sent)	6
Gwyn Morris	Independent	2	6
Cathy Jones	Independent	2	6
Richard Evans	Vice Chairman (IND)	6	6



NORTH WALES COMMITTEE OF CPW

Annual Report 2006-7

In April 2006 the Chair – Tim Williams – was elected unopposed. Due to the resignation of the previous vice-chair, Phil Mulholland, there was an election for this post and Adrian Taylor was elected unopposed.

In addition to the main meetings that CPW North Wales held, several smaller meetings with key strategic partners at the St. Asaph office took place.

Throughout the year the CPW 4 year work plan has been the template for North Wales and the bulk of tasks have been achieved. There have been meetings with all 6 Local Health Boards on a regular basis, although there is still work to do with Ynys Mon and Conwy. The relationship with Wrexham and Flintshire has developed with the appointment of the new Heads of Medicines Management and the development of Enhanced Services has been a real success in the year. As a rule under the leadership of Lynne Joannou, the 6 LHBs have agreed to take one decision over an Enhanced Service and only decide whether or not to commission the service, this has cut down the number of meetings considerably and led to the rapid implementation of the new services, such as Smoking Cessation and EHC.

The Chairman, Vice-Chairman and Regional Executive attended many other meetings across North Wales, including meetings with all Health Boards, the Local Medical Committee, Volunteer services, Patient Forum, Medicine Management Committees, Oral hearings and the SMAT meeting for North Wales dealing with drug misuse. In addition this year has seen the blossoming of local Pharmacy Development Groups in Conwy/Denbigh, Gwynedd and Ynys Mon. The Executive Team have been present at many of these meetings and in Gwynedd in particular there have been great strides made in improving communications with the LHB, CPW and contractors.

There were 2 dispensing doctors' applications pending through the year. An application by Sainsbury's Rhyl from 2005 was finally decided and refused at appeal. There was a full application in Connah's Quay and 6 preliminary applications for new contracts, 3 in Caernarfon, 1 in Nefyn, 1 in Llandudno and 1 in Conwy. These are still pending. The Primary Care officers have been advised that there is a clear timetable for processing applications and that they must abide by this time table or risk being challenged.

The Executive attended the PSNC and LPC secretaries conference on behalf of the Committee and several committee members attended the Annual Dinner in Cardiff on 21 November held at Cardiff City Hall.

David Bethell
North Wales Regional Executive

MID AND WEST WALES REGION

Annual Report 2006-2007



The year has been the fourth and last of the term of office for those elected to the Committee. The Regional Committee elections for the new 4 year duration took place in March. The members of the new committee will continue the work started with LHBs and other partners to promote the important role of Community Pharmacy within the NHS in Wales.

The Community Pharmacy Contractual Framework is now bedding down and Medicines Use Reviews are increasing in number, but still of a low level compared with the target available under the Contract.

Some Local Enhanced Services have started up in some LHBs and progress is being achieved by others.



SOUTH EAST WALES REGION

Annual Report Apr 1st 2006 to Mar 31st 2007

In April 2006 Margaret Allan was re-elected as Chair and David Fairclough was re-elected as Vice Chair. There were some changes to the committee's composition during the year. Further to Huw Grove's resignation in January 2006 Mark Griffiths (Independent Contractor) was co-opted in June 2006. In October 2006 Matthew Price resigned and in December 2006 David Fairclough Vice-Chairman (NCC Ltd representative) resigned and was replaced by his colleague, Ailsa Jones.

Much of the year was spent working with colleagues in the 9 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 many issues to be moved forward.

The Committee worked closely with the LHBs and CPW Central to ensure that nationally agreed rates for the National Enhanced Services (namely – Supervised Consumption of Methadone and Buprenorphine, Needle Exchange, Care Homes and Minor Ailments) were implemented, where applicable, in each of the LHBs. Members also worked with LHBs on the development of newly Locally Enhanced Services including Domiciliary MAR chart schemes and on the revision of existing schemes, such as the Gwent Ooh Palliative Care Scheme.

Efforts were made to ensure there was sufficient community pharmacy representation on each of the LHBs local initiative groups and that community pharmacy was involved in the development of the various local strategies. Members and Executive also attended regional events linked to "Designed for Life".

The Committee made submissions on various local/regional consultations including Reshaping your Local Health Services, Gwent Ooh GP Services and Cardiff LHBs Pharmaceutical Advice to Care Homes consultation.

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. Representations were made on the various national consultations including those involving the CPW Constitution and ESPS.

The Committee was consulted on various pharmacy applications, appeals and attended oral hearings. In addition representatives sat in an advisory capacity on the Bro Taf LGB Pharmaceutical Services Advisory Committees and Gwent Pharmaceutical Applications Committee. Representations were made on the delays being experienced in receiving decisions on appeals from NAFW.



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

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.

CPW ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2007

The CPW audited accounts for the year ended 31 March 2007 are set out in the attachment.

Overall CPW managed to offset most of the deficit incurred in the previous year and as a result reserves increased to £203,832 at 31 March 2007

2006/7 results benefited from the first full year receipts at the increased levy of 12.7 pence per £100 of NHS turnover. However the full year costs transferred from PSNC also impacted in the year. These costs were partially offset by a 3 year transitional arrangement negotiated with PSNC and by efforts to contain other costs.



COMMUNITY PHARMACY WALES ACCOUNTS

31 March 2007

Machin & Co Chartered Accountants

Income and Expenditure Account for the year ended 31 March 2007

Income	2007		2006	
	£	£	£	£
Levies from contractors		725,026		632,253
Interest received		13,760		12,430
		<u>738,786</u>		<u>644,683</u>
Expenditure				
Staff costs	275,532		240,787	
Property costs	59,442		43,738	
Office Services	20,408		22,670	
Meeting and travel costs	108,605		120,967	
Legal and professional fees	4,821		27,813	
Levy to PSNC	173,128		188,124	
Public relations	17,587		33,341	
Capital expenditure	6,005		37,610	
Auditors fees	1,263		1,234	
Bank interest and charges	617		833	
	<u></u>	667,408	<u></u>	717,117
Surplus/(Deficit) before tax		<u>71,378</u>		<u>(72,434)</u>
Taxation		577		-
Surplus/(Deficit) after tax		<u>70,801</u>		<u>(72,434)</u>

COMMUNITY PHARMACY WALES ACCOUNTS

31 March 2007

Machin & Co Chartered Accountants



Balance Sheet for the year ended 31 March 2007

General Fund	2007 £	2006 £
Balance at 1 April 2006	133,031	205,465
Surplus/(deficit) for the year	70,801	(72,434)
Balance at 31 March 2007	<u>203,832</u>	<u>133,031</u>
Represented by:		
Current assets		
Bank account	336,785	271,862
Sundry debtors	344	218
	<u>337,129</u>	<u>275,080</u>
Current liabilities		
Sundry creditors	(133,297)	(139,049)
Net assets	<u>203,832</u>	<u>133,031</u>

These financial statements were approved by Community Pharmacy Wales on 17 July 2007 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 2007

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 reflects the financial position of Community Pharmacy Wales as at 31 March 2007.

Date:

Machin & Co

Registered Auditors
Chartered Accountants

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Bucks
HP9 2QL

