**The Independent Review into Contractor Representation and Support – Next Steps**

**Background**

Towards the end of 2019 PSNC and LPCs commissioned an independent review into community pharmacy contractor representation and support. In June 2020 Professor David Wright published the findings of the review and on the 8th July 2020 LPC and PSNC representatives participated in a virtual meeting about the findings and highlighted the areas that all parties supported and those that needed further work.

To date there has been no clear proposal for the way forward, As a next step it has been proposed that PSNC and LPCs continue to work together reflecting on the review findings, and to respond to a set of four questions by the 31st August 2020.

The results of the questions will be amalgamated and presented at the Autumn LPC conference.

The Devon LPC has met to consider its’ responses to the four questions, which are set out below. The meeting was quorate with 8 members out of a membership of 11 attending; three employed members of staff were also present.

**Question 1:**

**How do we fund the process, both to take work on the independent review forwards, and any longer-term changes to LPCs and PSNC?**

With the current lack of detail and information about what a future structure of the representative bodies may look like it is very difficult to agree what level of funding will be required, for both transitional work and future structural model. Once there is a clear roadmap of any proposed changes available there will be a better understanding of what funding will be required.

It must be a priority to scope and develop a costed business case for any proposed changes to structures of the organisations. The committee agreed that the funding for both the transitional work and any longer-term changes should be taken from the existing funding envelope for LPCs and the PSNC and should not necessitate an increased levy to be paid by contractors.

However, the possibility of sourcing external funding through NHSE&I should be explored, particularly for the transitional and change management work. NHSE&I will be a beneficiary of an effective, robust representative body with a clear vision, strategy and roadmap for the future and the profession should be looking to the NHS for support for the change.

It will be important to identify the benefits of any proposed changes to ensure value for money for contractors and that the benefits outweigh the costs.

During discussion there was a view shared that consideration may need to be given to potential ebbs and flows in required budgets and whether the funding approach needs to recognise there may be differences between central and local requirements.

The LPC has considered its’ own financial position and is currently following the PSNC recommendations to hold six months reserve.

The members were concerned that if individual LPCs were unable to pay their share of the costs, that other LPCs would have to pay more. To be fair for all contractors it is very important to ensure a transparent and robust process for agreeing a fair share approach to meeting costs for both the transition and ongoing costs and a proportion of LPCs should not have to shoulder the financial burden or be financially disadvantaged if others don’t have the necessary financial resources.

**Question 2:**

**How will we explore the review’s findings and recommendations together, and consider any alternative proposals?**

It is important that the contractors are fully engaged and included from the outset on the decision- making process and taking recommendations forward.

It is critical that there is a strong leader appointed who is independent of both PSNC and LPCs, who will tasked with managing the stakeholders as there is a risk of not optimising or gaining any benefits out of the review without strong leadership.

The members were concerned that if contractors lead the process, change will not happen and LPCs should not be leading. The whole process must be led from above by leadership independent of the contractor base.

Whatever system is created will have to be presented to contractors and agreed or otherwise through a contractor vote.

The LPC would like to see a Transformation or Change Management Board established supported by a governance oversight group. These would run alongside and be separate to the existing organisational boards.

The Transformation or Change Management board would be fully representative and proportionate to the community pharmacy sector and be contractor focused; the role of the board would include scrutinizing any proposals and processes being put in place, as well providing as the necessary financial modelling to inform the decision making.

The LPC would want to ensure that there is good representation from all demographics and a geographical spread. The representation will have to consider rurality as the needs of rural communities are often very different to those in urban areas.

Robust channels of communication will be required to allow a two-way communication between contractors and the board; in addition to LPCs and PSNC.

Proposals under consideration would need to be considered against an agreed set of principles/criterion in a consistent way; scoped and designed in line with a community pharmacy strategy which was one of the recommendations of the Independent Review. Without the strategy in place, it will be difficult to know what organisational and representative structures must be put in place. Consideration will also have to be given to both the national and local commissioning structures as this will impact on the representation roles required particularly when local decision are taken. Therefore the LPC would also want to see included in proposals what expectations there would be around engaging with local health systems and what role the LPCs would play in this, for example, collaborating with local stakeholders, working to the benefit of all contractors in terms of providing value for money.

**Question 3:**

**How will we manage this process and any future transformation from a governance perspective?**

As above through a Transformation Board or similar. The board must ensure that both the independents and multiples voices are equally heard and listened to, through an open and transparent process of consultation and agreement that is clearly set out and understood by all parties. The complexity of what is required should not be underestimated and will be too much for one board to undertake. Because of the different elements of change it should be considered if smaller task and finish groups should be established to share the workload and capabilities, with a smaller Scrutiny “Committee” to hold the board to account.

The final structure must work for all contractors, big or small, as well as pharmacy teams working on the ground and contractors must be central to the shaping of proposals.

Essentially, the right leadership structure and skills set will have to be put in place, otherwise the whole process is at risk. The leadership required to manage the change will have to set up the system so that it can deal with change in a smarter way.

What contractors are asked to vote on with needs to be very clear, linked to an agreed vision and strategy for community pharmacy, with a roadmap setting out timescales, priorities, and clear goals against established key milestones

National guidance and oversight will be required to manage the process of organisational change and development and to ensure that the agreed outcomes are achieved.

A formal consultation of final proposed organisational and representative models should be carried out following by a final vote by Contractors; and any ongoing changes will also need to be voted on. so that transparency is guaranteed. All will have to accept that not everyone will get what they want and there will have to be some compromise. Contractor representatives should have voting rights and minimum threshold be set for a response to be valid when any voting is carried out, to ensure a clear majority vote.

**Question 4**

**What do we need to do to ensure that contractors have ultimate oversight of this proposal?**

As highlighted in the response to question 3, there needs to be a clear roadmap setting out the expectation of the changes including timescales. Key stakeholders (including PSNC and LPCs) consulted at all stages of development and a final and equitable contractor vote would have to be held to gain agreement to proceed. Only contractors would have final decision-making rights, through the voting process.

There is a role for committee members, supported by LPC Chief Officers, to network with their own local contractors as their voice is the most important. LPCs should work as the conduit between local contractors and PSNC.

PSNC and LPCs will need to facilitate clear channels of two-way communication and conversations with contractors and local stakeholders to keep them well informed of progress and continue to work collaboratively. It is important not to underestimate the importance of LPCs in working with local networks of contractors and contractor representatives to ensure they have the information needed to make informed decisions.

**General Feedback**

The Devon LPC members have real concern about the length of time being taken to start moving forward while the Review remains fit for purpose, and would like to see a timeframe put around the expectation of the change as soon as possible balanced against the workload requirement. We need to use the review as the start point for discussion and not seek to start again from scratch as we need momentum.