

Clarification questions submitted to the Review Steering Group – Week ending Friday 20th May 2022

One of the most significant findings of the Wright review was that PSNC is not fit for purpose. I support giving PSNC more funding, however, if PSNC is to receive additional funding, it must be more accountable to contractors. Will this be the case?

One of the primary conclusions of the Independent Review was that contractor satisfaction with both LPCs and with PSNC could be significantly improved. Professor Wright's findings highlighted the need for improving PSNC's performance with respect to negotiation outcomes and the need to appropriately resource PSNC to enable the organisation to better support negotiations and LPCs.

The RSG agrees that a strengthened PSNC must become more accountable to contractors and it has set out a number of proposals to enable this to happen. Proposals 1-9 and 26-30, if implemented, will mean that the governance and organisational transparency of PSNC will greatly improve. These proposals include the introduction of Key Performance Indicators for PSNC which are to be freely available in the public domain. PSNC is also being asked to work collaboratively on a clear vision for the sector and to develop its negotiating strategy, and to look at ways to better speak to contractors such as via events and livestreaming of meetings. Taken together, all of this will put contractors in a much-improved position to assess PSNC's performance against the nationally agreed vision for the sector and contractors will have a clearer view of how and on what their levy is being spent.

According to the proposals, the additional funding for PSNC will be used to upskill current staff. Why does PSNC employ people who are not skilled enough to carry out the role in the first place?

The proposals outline two areas where the additional funding for PSNC would be used. These are:

1. Activities that enable improved negotiating capacity and capability
2. Further centralised LPC and contractor support

In terms of negotiating capacity and capability, it is anticipated that extra monies would be used specifically to support the negotiating function such as in health economics, project management, analytical and insights capability, and influencing, to contribute to the negotiating team's work. The RSG has also asked PSNC to develop a bank of regular evidence and monitoring data to better support negotiating, implementation and evaluation of funding impacts and market trends – for example market data, pressures surveys, patient surveys, public opinion polling. At present, there simply is not the capacity or funding available at PSNC to do all of this at the scale that is needed to properly support the negotiations.

The RSG acknowledged that PSNC employs a small and highly skilled expert team. The new Chief Executive Janet Morrison has also noted this. However, unlike other similar organisations, PSNC does not currently have the resources or the capacity at senior level to do enough to manage the ongoing development of its staff in a way that supports the key objectives of the organisation. This is due primarily to budgetary constraints. These resource restrictions have also led to capacity gaps within PSNC in key areas including data gathering and analysis, influencing and engagement, LPC support, and most importantly negotiating. To fill these gaps and ensure PSNC can do all of the work that it needs to do, while attracting and retaining

top talent in the future, all of which is in the best interests of contractors, PSNC must be better resourced to support the ongoing learning and development of its team.

What is the aspirational commissioning uplift behind the £1.5m increment?

In line with the Wright Review, the RSG considers that the shift of 13% of contractor levy funding to PSNC is needed to appropriately resource PSNC to carry out national representation functions for the sector. The RSG wants to see PSNC using the money to strengthen negotiating capacity and strategy, raise awareness of the community pharmacy contribution to patients and the NHS, and to protect pharmacy funding and improve commissioning outcomes. In addition, the RSG's proposals set out some specific actions for PSNC around transforming and strengthening governance and developing a clear vision for the sector. PSNC will also need to provide support to LPCs.

The shift in funding is in line with the Wright Review, supported by a large body of evidence, and directs money towards the area that contractors feel is most important and will have most value for them in the future. The RSG has not set specific targets for PSNC or the LPCs of the future but has asked for a commitment to review implementation of the overall changes after 1-2 years to evaluate effectiveness and determine appetite in the sector for further changes. Over that time, it is hoped that transparency will be improved through a series of measures, including publication of KPIs and communication of progress against them at a national and local level.

What happens after the result of the vote is announced? What is the implementation plan/timeline?

If contractors vote in favour of the changes, the RSG envisages that a programme of change could begin from July 2022 through to the end of 2023/24. The changes would be implemented in a controlled and measured way, led by PSNC and the LPCs, and be determined by local contractors. As part of this, and early on in the process, PSNC will produce a toolkit and practical implementors to support LPCs to change and offer them support at a regional level (7 NHS regions), starting with LPCs in the ICS early adopter regions. PSNC will look to introduce changes as its additional funding comes on stream over the next two years; the full transfer of additional funding to PSNC will not be complete until 2024/25.

What happens in the event of a 'No' vote? You have stated that 'doing nothing is not an option', so is there a back-up plan?

The RSG's proposals bring together the key points of consensus across the sector and set a path for change to be evaluated and potentially amended and further refined in the future. If contractors do not support change, they can expect that their representative organisations will continue to struggle to get desirable outcomes for them both locally and nationally.