

## 2016/17 FUNDING SETTLEMENT

Contractors will recall that we circulated a bulletin on 18 December 2015 regarding the announcement by England's Department of Health of their intention to cut community pharmacy funding there by £170 million in 2016/17. Community pharmacy contractors are understandably worried especially as it is anticipated that more cuts will follow in future years.

We indicated in December that CPW had managed to have some immediate - albeit informal - conversations with Welsh Government and that it was planned to pick up on those discussions immediately after the Christmas break. We can confirm that there has been a series of conversations and discussions during January about the potential implications for Wales and how we might address things rather differently here.

Contractors will be encouraged by the fact that the Comprehensive Spending Review (CSR) presented to Parliament by the Chancellor of the Exchequer on 25 November 2015 actually committed a £10 billion real terms increase in NHS Funding in England between 2014/15 and 2020/21 of which £6 billion will be delivered by the end of 2016/17.

The Welsh Government has received a consequential increase in spending as a result of the CSR following which it has committed an additional £300m for the Welsh NHS. There is, therefore, no direct reduction in spending on community pharmacy in Wales as a consequence of England's proposals. The cuts being proposed by the Department of Health apply to England only. In particular, the closure of pharmacies that are part of the English proposals is not being proposed here in Wales. This is as a consequence of the Welsh Government decision some years ago to reject the recommendations contained in a report by the Office of Fair Trading to deregulate control of entry requirements allowing for a significant increase in the number of pharmacies. As a result, that growth did not occur in Wales but in England only. The Welsh Government's focus has been on the development and delivery of community pharmacy based services, which has brought its own challenges.

Welsh Government has indicated that, at this stage, there is no intention to cut the overall amount spent on community pharmacy in Wales but will wish to discuss how the overall allocation is spent and on what. It is, therefore, important at this stage not to suggest that cuts are inevitable. They are not and, provided the community pharmacy contractor network can be creative and visionary and deliver an alternative community pharmacy offer to the NHS in Wales, then they could be avoided.

Having said that, if the savings in England are generated by cuts in fees and allowances - as we understand they will be - then it is difficult to see how Welsh Government could justify paying differential fees and allowances as part of what is, after all, a Wales-England Community Pharmacy Contractual Framework.

What that means is that we will need to convince Government of the case for spending the funding released on other community pharmacy based activities and services. If the pharmacy family pulls together, that should be achievable.

The CPW Board has had two opportunities in recent weeks to discuss the matter. The Board is convinced that the best way forward is to accelerate the transformation of the community pharmacy network in Wales making the case that community pharmacy is so much more than medicines.

We know that politicians across the parties recognise the potential of community pharmacy and believe that community pharmacy can positively contribute to improving peoples' lives. In fairness, in Wales they have shown the extent of their support through the introduction of new community pharmacy based services such as the DMR service and the EHC service; from making NHS flu vaccinations available from pharmacies to providing Triage & Treat interventions in some holiday resorts and more recently the Emergency Supply Service and the potential opportunities around Choose Pharmacy. Alongside all of that - and working with Public Health Wales - we have developed a portfolio of national public health campaigns which have been delivered across the entire network. All these things have helped create savings and efficiencies to the NHS in Wales overall. Taken together, they constitute a bit of a quiet revolution in accessible healthcare across the communities of Wales, something not experienced in England and which is a tribute to Wales based contractors.

However, to date there has been little scope to bring about the complete transformation that is required. We need to explore how these changes might help achieve the desired outcome. We will need to work expeditiously if we are to create a shared understanding of what the community pharmacy network might look like in five years time, develop a route map - with milestones - designed to get us there and then actively campaign for it.

Some contractors have already called for a letter writing campaign targeting Members of Parliament and Assembly Members. The challenge is that the issues are not the same in Wales as they are in England and we need to agree on what we want to campaign for before we embark on the exercise.

The CPW Board has made representations to the Welsh Government Minister for Health & Social Services emphasising the concerns and aspirations of the Wales based contractor network. Contractors will appreciate that the forthcoming Assembly elections complicate matters a little insofar that detailed discussions cannot realistically get underway until a new Welsh Government is in place following those elections. However, we are exploring how best we can positively work to ensure that we have realistic and achievable proposals which could be discussed with the new Health Minister - whoever that may be - at the relevant time.

As you know the consultation process relating to the English proposals is due to continue until 24 March 2016. The existing linkages between the England and Wales Community Pharmacy Contractual Frameworks means that CPW will continue to work closely with PSNC and to monitor the position in England and ensure that any relevant consequential are factored into any work being undertaken in Wales.

The Board is eager to involve the entire contractor network in shaping the future of community pharmacy in Wales. The Board very much wants to hear your ideas and views about the way forward. You can submit your views to CPW by emailing [info@cpwales.org.uk](mailto:info@cpwales.org.uk).

In addition, the Board has decided to stage another series of Contractor Events to focus specifically on this issue. Details will be forwarded shortly but please note the following dates in your diary:

Thursday 10 March 2016	Deganwy Quay & Spa, Llandudno
Monday 14 March 2016	St David's Hotel & Spa, Cardiff
Tuesday 15 March 2016	Marriot Hotel, Swansea

If you have any queries regarding this mailing please get in touch.

**RUSSELL GOODWAY**  
**CHIEF EXECUTIVE**

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