

Kensington, Chelsea & Westminster

Local Pharmaceutical Committee



Annual Report

2014

Incorporating

The Executive Report

and

Audited Annual Accounts 13/14

The Executive Report 2014

Welcome to KCW LPC's Annual Report 2014. The LPC is required by its constitution to produce an Annual Report which includes the audited accounts for the preceding year. In this report we look back and reflect at what we came through and achieved last year and what we have to look forward to in the next 12 months.

Following the settling in within the new NHS architecture, the last year has once again seen some major changes in the way we work with our external stakeholders as well as within the committee, itself.

The Committee and its Work

The new committee formed in April 2014 for a four year term, is now made up of just eight members, which means that each member has been required to take a lead role in one or more streams of activity for the LPC and on the LPC sub groups. The subgroup structure has been developed to help improve our operational efficiency as well as our governance. We are extremely fortunate to have some 'new blood' on the committee and with this, some new ideas and capabilities. This has in part helped us to work more efficiently and helped towards managing our costs even better. For example, the IT and EPS sub-group has introduced telephone and web based communications between LPC members and we have on occasions last year, held meetings via conference call and web links to save in both time and meeting costs. Furthermore this group has started developing our LPC portal on the PSNC website. It is hoped that once this is up and running, contractors and pharmacists will be able to access more resources and support directly from the site.

We have completely overhauled our 'cell structure' during 2014 and many of you will have already noticed that your LPC 'lead' has recently changed. Each LPC member has a group of pharmacies assigned to him to support and liaise with. The LPC collates news items and current issues that need to be disseminated and this is done by each member. If you are not aware of who your LPC lead is, please feel free to contact me on rekhashahkcwlpc@aol.com / 07958641669 to put you in touch. In addition you will receive updates and news briefings directly from me at the LPC office. To ensure you are always kept up to date, please ensure you have provided me with at least one email address which is for an inbox that is regularly manned. Regular short messages are also sent through my Twitter account – please 'follow' me on @Kcw.Lpc to ensure you always catch these messages in a timely manner.

Electronic Prescription Service Release 2

Two practices in KC&W, Newton Medical Centre and the Barlby Road Surgery, are due to go live with EPSr2 first in the next few weeks at the beginning of December. These will be followed by the Portland Road and Kensington Park Medical practices both going live towards the end of January; followed by Imperial College H/C and Wellington Health Centre scheduled to go live at the beginning of February. Contractors can see information on GP sites that are live or in the 8-week notice period prior to going live at <http://systems.hscic.gov.uk/eps/stats>. It is imperative that pharmacy systems are ready before the GP systems in the area go live and that

the pharmacy team is familiar with the use of the R2 system – if your system is ready but has not been used for some time, consideration for the need for a refresher training session from your system provider might be useful. A very useful EPS FAQ document for London has been developed and will be available on our web portal. We will shortly forward you a link to it.

Services and the Different Organisations that are Responsible for each

The NHS reforms have now bedded in and at last the confusion over which organisation manages each contract has largely been resolved.

Public Health services namely, both the substance misuse services of supervised consumption and needle exchange, stop smoking and NHS Health Checks are managed by the Tri-Borough Public Health Team. We are currently in discussion with the Tri-Borough commissioner for a pharmacy PGD service for emergency hormonal contraception as well as enhancing the stop smoking services with a PGD for supply of Champix. All pharmacies that provide these public health services were required to sign up to contracts with the relevant Local Authority for their area – Whilst these contracts are lengthy, the LPC has worked hard to keep them simple and favourable for pharmacy as far as possible.

Clinical Commissioning Groups (CCG's) Following our endorsement of the successful bid and to the awarding of funds from the PM's Challenge Fund to improve GP access in NW London CCG's, we have worked in partnership with the other LPCs in North West London to engage with the CWHH CCG Collaborative to try and get agreement to commission pharmacy services to help increase access to GPs. These include medicines optimisation services, Pharmacy First or minor ailments service and emergency supply of repeat medicines. We are hopeful that something concrete is very likely to come as a result of this dialogue.

Alongside this, Pharmacy London has started discussions and the development of a pan-London Emergency Supply service incorporating NHS111 and possible access to patient's Summary Care Records (SCR) for pharmacies commissioned for this across London. This service is being developed under the 'Winter Pressures' work stream and may be funded for a certain period only to start with. However it could well lead to bigger and better opportunities as happened with the flu vaccinations last year.

NHS England Local Area Teams are responsible and manage the pharmaceutical enhanced services, namely minor ailments, compliance support and the vaccination service in our area. The latter is commissioned pan London and this has brought many benefits with it by removing the postcode boundaries to access and also increasing the cohort of eligible individuals. Pharmacies in KC & W, similar to the rest of London, benefited hugely from the pro-active management and support provided for this service by the LPC flu team. Last year the service brought £1.2 million in payments to London pharmacies and contractors in KC&W certainly earned their share of this.

The flu vaccination service in London last year was seen as one of the bigger developments nationally, with many areas aspiring to a similar set up for their areas.

Consistency of delivery across the contractor base is extremely important for services such as these especially when commissioned with such a broad remit as is the vaccination service this year.

Commissioners require the assurance that there is consistency in access for all the public they are responsible for and it is up to the provider pharmacies to ensure they engage well and consistently. This year in KC&W, 83 of our 134 (62%) pharmacies signed up as providers for this service. However, nearly two months into the busiest part of the service, 23 (28%) of these have had zero activity; a further 13 (15%) have administered under 25 vaccinations –i.e. only 57% of the providers can be considered properly active. Furthermore this service has been extended and a second vaccine, PPV23 is included –only 19 (31%) pharmacies have done at least one PPV administration; 69% are not managing to engage for the PPV element of the service! This is despite weekly messages with offer of support and concern re the need to demonstrate that the community pharmacy workforce can deliver on NHS priorities and targets by making every contact count. Only 31% of providers in KC&W have managed to demonstrate this to the commissioner.

Contractors will have to realise that depending on how well they engage and deliver quality outcomes that meet local need whilst ensuring the public purse gets value for money, will determine future opportunities that come their way. Gone are the days when self-selection onto a service will always be possible as the burden of managing large numbers of providers, the majority of who deliver minimal outputs is simply not viable any more for commissioners.

The LPC like many others needs to consider whether the formation of a provider group is in the best interests of the community pharmacy network for its viability in the future. This piece of exploratory work may be undertaken by a small group and possibly in collaboration with other LPCs in London. Watch this space....!

Education & Training Work underway at both a NW London and pan London level, includes making bids for funding from the Local Education and Training Boards (LETB's) for workforce training and development. Our bid for funding for vaccination training last year was unfortunately not successful in North West London. We are awaiting the decision on the current bid for training of Health Champions.

Following feedback from contractors that they wanted the LPC to provide educational meetings to support their CPD portfolios, we arranged for such events in collaboration with Pharmaceutical Companies. However we have had to cancel each of the last three due to insufficient numbers registering for the events. The LPC has therefore decided to cease this time and resource intensive strand of work until we are assured that sufficient number of contractors that want us to continue.

Constitution of the LPC KCW LPC follows the model constitution drawn up by PSNC. This model needs to be updated and amended to allow the provisions to include collaborative working with other LPCs, support for contracting vehicles (Ltd Co.) as mentioned earlier, improvements to the election process etc. You will have received notice that that these amendments will be discussed and decided on at the

meeting on 3rd November. A postal vote can be cast and the information re the process has been sent to you by email already.

The LPC operates a strict procedure for corporate governance and conflicts of interest as required already within the current constitution. All members and the CEO have signed up to these standards.

Pharmaceutical Needs Assessments (PNA's) The NHS Regulations 2013 passed the responsibility for developing the PNA to the Health & Wellbeing Boards (HWBs) of the Local Authorities for the area. KC&W has two Boroughs and hence two PNA's. Work is well underway for developing the new PNA's and the LPC was an active participant in this exercise. As you are aware, the PNA documents can be used as a tool for new pharmacy contract applications. The LPC was disappointed that so many contractors did not complete the PNA survey despite many reminders by the LPC. This can only be detrimental to their own interests and also to the wider network.

Both the PNA's have been made available in the draft form to all contractors for a 60 day consultation period. We advise each of you to go through these documents and ensure that all details pertaining to your pharmacy and the surrounding locality are correct along with any conclusions and recommendations within the PNA which could have an adverse effect on your position; if not, ensure you send in any corrections and relevant comments as part of your consultation response within the required time frame. Bear in mind these PNA's will be used for determining need for the purpose of Market Entry decisions in the future.

Changes to Contractual Requirements Sept 2014 and Funding Settlement

At long last we have an outcome on the funding settlement for this current year. It is no surprise that community pharmacy like all other health providers needs to deliver some efficiencies for the health service, i.e. more work for the same money.

There are changes to MUR requirements and targets as well as the continuation of the NMS service which have been confirmed for this year.

The continuation of the NMS service is a positive message for pharmacy; however to ensure that we secure the future of this and other enhanced services, we encourage all contractors to actively provide this really useful service to our patients

Besides this there are three other changes to the Community Pharmacy Contractual Framework. These are the need to provide appropriate advice re benefits of the repeat dispensing service; increase the number of reported patient safety incidents to the NRLS and participation in a national audit of emergency supply of medicines.

We advise you to get familiar with all of these changes and what they actually involve in your day to day practice as soon as possible. Access the resources produced by PSNC during September in the form of Briefings 015/14 and 016/14.

Contractors can maximise their income from the NHS by ensuring they are in the position to claim the maximum allowed under the different optional categories. For example ensuring you do your full quota of Medicine Use Reviews under Advanced services earns you £11,000 which in itself is equivalent to dispensing an extra

1000/month prescription items in terms of prescription item fees – surely not to be sneezed at!

Prescription Direction There have been many ‘complaints’ about competitors being pro-active and targeting patients outside their areas for repeat prescription services. Also activities including the setting up of prescription collection points within some GP practices are being reported. These kinds of activities, if carried out properly, are not disallowed under any regulations or law. My advice as always is to become more pro-active yourselves and ensure you advertise yourself and your services optimally. Ensure your team are taught pro-active ways to promote every aspect of your business and to link up services wherever possible. Use any chance to network with your peers and exchange ideas and best practice about how others are managing to target patients better. Working together with others, previously viewed simply as competitors, for mutual gain is an absolute must these days.

Some types of activity are able to be challenged and these therefore need to be looked at carefully. NHS England and PSNC have both informed us that evidence is being examined currently to see if national guidance needs to be issued around this kind of practice.

Market Entry On the contractual front we have had three ‘no significant change’ minor relocations and a few change of ownership applications. We have also had two applications for a new pharmacy providing ‘Unforeseen Benefits’ under the new Market Entry Regulations, one of which was denied but is now being appealed. Additionally, one application is being processed which is for ‘Meeting Identified Need’. This is outside the borders of KC&W but affecting our contractors. These applications for new pharmacies have the potential to have a major impact on our current network and the LPC’s Market Entry subgroup has taken their responsibility to make robust representations to the NHS extremely seriously. I hope that affected contractors are re-assured by this.

Finally we would like to assure you that the members take their responsibilities to ensure your LPC remains fit for the future, able to continue and sustain the effort to engage and influence on your behalf keeping pharmacy firmly in the picture on all fronts. If any of you want to see what the LPC is about, you are welcome to join us at an LPC meeting - but with prior arrangement with myself to help manage the arrangements.

We will continue to keep in touch and update you in our normal way, through e-mails and telephone calls directly from me and through our cell structure and via Twitter as well as our newly developed web portal. We welcome any feedback you have

On behalf of the Executive of the LPC, I wish you and your team all the very best for the rest of this year

Rekha Shah

Rekha Shah, CEO

Kensington, Chelsea and Westminster LPC

Members (Current)

(Chief Executive Officer: Rekha Shah MRPharmS)

Yogin Patel MRPharmS

Independent Contractor

Chairman

Baywood Chemists

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ymp@talk21.com

Amish Patel MRPharmS

Independent Contractor

Vice Chair

Member of the Market Entry, PNA

and EPS & IM&T Sub-Groups

Stickland Chemist

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Independent Contractor

Treasurer and Chair of

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Member of the Market Entry and PNA Sub-Groups

Portmans Pharmacy

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anar.tejani@nhs.net

Beneeta Shah MRpharmS

Company Chemists Association

Finance & Audit Committee

Member of the Market Entry and PNA Sub-Groups

Pharmacy London Vaccn Group

Boots The Chemists

South Divisional Office

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Shiraz Mohammed

Independent Contractor
Finance & Audit Committee
Member of the Market Entry,
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Market Chemist

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Member of PNA Sub-Group

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Martin Brown MRPhamS

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Ronak Patel MRPharmS

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Member of the PNA
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Middlesex HA3 0LY

Kcw.lpc@gmail.com / rekhashahkcwlp@aol.com

KCW LPC Meetings Attendance Record 2012 – 2013

2012/2013

LPC Member Name	Attendance from possible meetings apart from AGM
Yogin Patel	8 of 8
Amish Patel	6 of 8
Anar Tejani	7 of 8
Beneeta Shah	8 of 8
Zafar M Khan	6 of 8
Harish Kumar	4.5 of 7 (stepped down Jan 2013)
Martin Brown	8 of 8
Shiraz Mohammed	6 of 8
Priti Chohan	8 of 8

In Attendance:	
Rekha Shah CEO, KCW LPC	8 of 8
Stuart Brown	Admin – Minutes

**KENSINGTON, CHELSEA AND WESTMINSTER
LOCAL PHARMACEUTICAL COMMITTEE
FINANCIAL ACCOUNTS
FOR
31ST MARCH 2014**

AEQUITAS
Chartered Accountants
2 Admiral House
Cardinal Way
Harrow
Middlesex
HA3 5TE

**KENSINGTON, CHELSEA AND WESTMINSTER LOCAL
PHARMACEUTICAL COMMITTEE**

FINANCIAL ACCOUNTS

YEAR ENDED 31ST MARCH 2014

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**KENSINGTON, CHELSEA AND WESTMINSTER LOCAL
PHARMACEUTICAL COMMITTEE**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KCWLPC

YEAR ENDED 31ST MARCH 2014

To the members of the Kensington, Chelsea & Westminster Local Pharmaceutical Committee ('KCWLPC')

We have audited the financial statements which have been prepared under the accounting policies set out in Note 1.

This report is solely made to the members of the Committee. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purposes.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the KCWLPC and the auditors

The KCWLPC have decided to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the committee and of the income and expenditure of the committee for the period. In preparing those financial statements the KCWLPC members are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the committee will continue in operation.

The committee members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the committee. They are also responsible for safeguarding the assets of the committee and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As described above, the committee members are responsible for the preparation of the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

It is our responsibility to audit the financial statement in accordance with relevant regulatory requirements and International Standards on Auditing (UK and Ireland).

It is also our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**KENSINGTON, CHELSEA AND WESTMINSTER LOCAL
PHARMACEUTICAL COMMITTEE**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KCWLPC

YEAR ENDED 31ST MARCH 2014

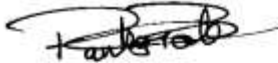
Basis of opinion

We conducted our audit in accordance with International Standards of Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates of judgements made by the committee members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the committee's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statement.

Opinion

In our opinion the financial statements give a true and fair view of the state of the committee's affairs, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, as at 31 March 2014 and of its income and expenditure for the year then ended have been properly prepared from the accounting records of the KCWLPC.



MR PANKAJ PATEL (Senior
Statutory Auditor)
For and on behalf of
Aequitas
Chartered Accountants

2 Admiral House
Cardinal Way
Harrow
Middlesex
HA3 5TE

10th September 2014

**KENSINGTON, CHELSEA AND WESTMINSTER LOCAL
PHARMACEUTICAL COMMITTEE**

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31ST MARCH 2014

	2014		2013	
	£	£	£	£
TURNOVER				
INCOME				
Statutory levies		114,171		85,027
Bank interest receivable		65		104
		<u>114,236</u>		<u>85,131</u>
EXPENDITURE				
PSNC levy	16,304		15,982	
London LPC Forum levies	1,769		1,769	
Pharma Base Platform levy	-		3,580	
Salaries	53,440		51,172	
Employer national insurance contributions	6,138		6,028	
Rent and rates	-		5,902	
Insurance	26		143	
Travelling expense	1,044		1,385	
Conference, seminar and meeting expenses	4,096		5,541	
Telephone	1,364		1,359	
Clerical / Administration support cost	2,880		2,910	
Displacement cost	2,370		2,760	
Printing, stationery and postage	53		569	
Legal and professional fees	712		437	
Accountancy fees	690		630	
Audit fee	2,680		2,620	
Depreciation	569		759	
Bank charges	144		210	
Corporation tax charge	13		21	
		<u>94,292</u>		<u>103,777</u>
SURPLUS OF /(SHORTFALL IN) INCOME OVER EXPENDITURE		<u>19,944</u>		<u>(18,646)</u>

The notes on pages 5 to 6 form part of these financial accounts.

**KENSINGTON, CHELSEA AND WESTMINSTER LOCAL
PHARMACEUTICAL COMMITTEE**

BALANCE SHEET

31ST MARCH 2014

	2014		2013	
	£	£	£	£
FIXED ASSETS				
Tangible assets (Note 2)		1,706		2,275
CURRENT ASSETS				
Cash at bank	70,743		43,829	
CURRENT LIABILITIES (Note 3)	<u>9,672</u>		<u>3,271</u>	
NET CURRENT ASSETS		<u>61,071</u>		<u>40,558</u>
NET ASSETS		<u>62,777</u>		<u>42,833</u>
FINANCED BY:				
CAPITAL ACCOUNT (Note 5)		<u>62,777</u>		<u>42,833</u>

COMMITTEE'S APPROVAL OF FINANCIAL ACCOUNTS

We approve these financial accounts for the year ended 31st March 2014 set out on pages 3 to 6 and confirm that I have made available all relevant records and information for their preparation and give my authority for them to be submitted to HM Revenue and Customs.



MR YM PATEL
Chairman

10th September 2014

The notes on pages 5 to 6 form part of these financial accounts.

**KENSINGTON, CHELSEA AND WESTMINSTER LOCAL
PHARMACEUTICAL COMMITTEE**

NOTES TO THE FINANCIAL ACCOUNTS

YEAR ENDED 31ST MARCH 2014

1. ACCOUNTING POLICIES

The financial accounts have been prepared under the historical cost convention, using the following Accounting policies:

Turnover

Income represents the amount of statutory and voluntary levies receivable from the Health Authority.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Software Costs - 25% reducing balance
Office Equipment - 25% reducing balance

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating surplus.

2. TANGIBLE FIXED ASSETS

	Software Costs £	Office Equipment £	Total £
COST			
At 1st April 2013 and 31st March 2014	<u>5,640</u>	<u>19,229</u>	<u>24,869</u>
DEPRECIATION			
At 1st April 2013	4,997	17,597	22,594
Charge for the year	161	408	569
At 31st March 2014	<u>5,158</u>	<u>18,005</u>	<u>23,163</u>
NET BOOK VALUE			
At 31st March 2014	<u>482</u>	<u>1,224</u>	<u>1,706</u>
At 31st March 2013	<u>643</u>	<u>1,632</u>	<u>2,275</u>

**KENSINGTON, CHELSEA AND WESTMINSTER LOCAL
PHARMACEUTICAL COMMITTEE**

NOTES TO THE FINANCIAL ACCOUNTS

YEAR ENDED 31ST MARCH 2014

3. CURRENT LIABILITIES

	2014	2013
	£	£
PAYE and social security	2,969	-
Other creditors	3,333	21
Accrued expenses	3,370	3,250
	<u>9,672</u>	<u>3,271</u>

4. CAPITAL ACCOUNT - KCWLPC

	2014	2013
	£	£
Balance brought forward	42,833	61,479
Net surplus/(deficit) for the year	19,944	(18,646)
Balance carried forward	<u>62,777</u>	<u>42,833</u>