

Kensington Chelsea & Westminster LPC

Annual Report 2016



Incorporating

The Executive Report

and

Audited Annual Accounts 15/16

The Executive Report 2016

Welcome to the Annual Report 2016. 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. Each year when I sit down and reflect back in preparation to write this report, I feel it has been a really challenging year we have just been through; however this time last year we had not yet had "the letter dated 17th Dec 2015" from the DH informing the sector of the proposed reforms together with the proposed funding cut of £170million, equating to some 6% of total pharmacy funding. What the community pharmacy sector has been through, done and achieved in the past 10 months is just short of incredible!

The Campaign – National, London & Local The sector has run an amazing campaign to raise awareness of the dangers from these proposals and the proposed cut in funding, not just for the sector but indeed, for the 1.6million patients and the public who use the pharmacies each day and for the NHS which is under immense pressure already.

With Pharmacy London and the national pharmacy bodies, we in KC and W have done our bit, from getting our patients' writing in their thousands to the local MPs, pharmacies themselves doing the same, getting the online and hard copy petitions signed and rallying our teams and patients to provide their voice at the patient voice rally and other similar events in individual pharmacies.

At the launch of the hard copy petition with the NPA team on a bitterly cold February morning I never in my wildest dreams, imagined that we would go on and manage to get more than 2.2 million signatures on it. In fact it turned out to be the largest ever, hard copy petition in history in the UK. In recognition of all my hard work with the campaign, I was extremely proud to be one of the small team that was sent to 10 Downing Street to deliver the petition to the then PM, David Cameron. Pharmacy teams in KC & W certainly did their fair share of campaigning and deserve a congratulatory pat on the back!

Our campaigning has been beyond just the petition of course and understanding the full extent of the proposed cuts, the possible options for how they may be implemented, modelling the impact on pharmacies in our patch and then conveying our concerns to those that might influence was another major part of our campaign. Independent pharmacy owners, managers and employees from KC & W came out in full force bringing along their patients to voice their concerns at the Patient Voice Rally we organised in Chelsea Town Hall on 15th May, making it a huge success and attracting plenty of press coverage and attention to the disproportionate impact that will be felt by communities in London.

It is apparent that pharmacies in London and particularly in our patch stand to be disproportionately affected by the planned implementation of the proposed reforms. Moving away from front loading the pharmacy funding through establishment and other payments to a single activity fee suggests very much, it is to help deliver a cull in

number of pharmacies and this would affect us most due to the establishment payment making up a larger proportion of the NHS income for pharmacies in KC & W.

Realising this early and deciding to try and take measures to increase income from other sources eg commissioned and private services and reduce reliance on income from the basic NHS contract, together with knowing that a quality related payment was likely to be introduced, the LPC has decided to start three different work streams:

- Develop further the HLP work already agreed at the last AGM and help facilitate meeting self assessment criteria and roll out of HLP accredited pharmacies across the patch and as soon as possible. We have 55 pharmacies that already started their HLP journey with nearly all of them having at least one person now undertaken training to become flu champions last month. The LPC has engaged the services of Pharmacy Complete to manage the whole process for self-assessment and accreditation for us in KC & W.
- Look for good practice examples and find other services that pharmacy teams can source and sign up to providing, be it private services, which are of value in the local area but may not necessarily be commissioned; in this case, patients may choose to pay themselves if the service was considered to be needed or of value to them or their loved ones. Recently we have sent you information for services around diabetic foot care, Strep A testing etc etc. Those of you who have taken up one or two of these are already reporting some success with them!
- Increase profitability and outputs from current and existing services provided alongside organisation and provision of training where this can help. An example of this was the procurement of influenza 2016 vaccine at a preferential rate to optimise profitability from this service as well as organising peer supported mandatory face to face training for the same service.

As always, the LPC is keen to hear of your ideas for how we may be able to support you better. The LPC runs a cell structure for peer support by the members and you will already be aware of who your cell lead is and are in regular contact with them.

We have continued to work hard to represent contractors' interests with commissioners in NHSE, CCGs and the TriBorough Public Health Department. We remain constantly in search of new opportunities wrt service commissioning, maintaining the existing ones and supporting pharmacy teams with guidance as well as development and training opportunities.

The LPC works extremely closely with Pharmacy London, a consortium of the majority of London LPC's. We work through Pharmacy London on matters affecting contractors on a London-wide basis as well as services across London. However we maintain the local focus that is absolutely essential in tackling and addressing local issues.

The Committee and its Work The committee of eight members generally meets approximately 10 times each year. However, there are further meetings necessary to take forward the work streams of the sub groups and the Finance & Audit sub-

committee. In addition each member of the committee "looks after" a small group of pharmacies that forms the cell structure operated by the LPC. Many of our smaller meetings that do not really require a face to face meeting are conducted by teleconferencing, saving both time and meeting costs too. We believe our operational efficiency as a small committee is exceptional and produces real value for money for you, the contractors who fund us. The committee's work around the Campaign and with training and procurement of new & innovative services for increase revenue has already been described above

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

Summary Care Records The majority (89%) of practices in KC&W have got at least one trained face to face for SCR, approximate 50% are now live and 30% are using SCR regularly. We expect this to increase and also to see SCR becoming mandatory for providing certain services. Likely services for this are the newly announced services for building the community pharmacy role in Urgent Care, namely the referral services via NHS111 for common conditions as well as the Urgent Prescription service.

NHS mail I cannot urge you enough to ensure you and your pharmacy have set up nhs.net email accounts and use them regularly as part of your normal working life.

Services and the Different Organisations that are Responsible for each

The public health services namely, the substance misuse services of supervised consumption and needle exchange, stop smoking and NHS Health Checks are all owned and managed by the Tri-Borough Public Health Team. The latter two services are under threat due to continuing poor performance and engagement by pharmacies in our area. We have continually drawn your attention to this issue and even had the commissioners set up additional training; however there was poor engagement with this also. This lack of engagement and poor outputs is proving to be the biggest barrier to these commissioners engaging with us to discuss other new services being commissioned – after all how do we convince them?

Clinical Commissioning Groups (CCG's) We have not made any progress in gaining agreement at the local level to commission pharmacy services but have some work in progress for a referral service from Chelsea & Westminster Hospital for patients to get MURs and NMS services where appropriate. We are also hopeful that we may be able to engage soon with a potential London wide Pharmacy First (for common conditions) type of service being developed by the London Pharmacy Local Professional Network (LPN)

NHS England Local Area Teams are responsible and manage the pharmaceutical enhanced services, Minor Ailments, the Emergency Supply service for repeat prescriptions and the Vaccination service in our area. Pan London commissioning of the two services has brought many benefits 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 these services by the Pharmacy London team.

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. Commissioners require the assurance that there is consistency in access for all the public and it is up to the provider pharmacies to ensure they engage well and consistently. Besides this, as the evidence base for the value of these services to the public grows, there are bound to be implications on market entry via the PNA's.

As the LPC has not been able to make much progress at the local level with the commissioning of local services, it has decided that the focus on getting more pharmaceutical enhanced services commissioned on a pan London basis which have been producing more results and opportunities.

Contractual Matters Last year all of you participated in the Asthma in Children & Young People campaign. This campaign was seen as extremely successful. Based on this, NHSE in London has again decided to commission a voluntary audit re tooth health & dental access in children and young people and this will again be funded at £75 per contractor. This was negotiated pan London by Pharmacy London. This audit is to run alongside the statutory health promotion campaign on the same for the month of November.

The CPAF process by which contractors are monitored for compliance with the Terms of Service is national once again the mechanics are the same as last year.

Maximising the potential from Advanced services 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 in the contractual framework. 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!

Furthermore, the additional advanced service, the flu vaccination service has simply no limits set at all. Hence pharmacy teams can really get pro-active and maximise delivery by optimising how they work as a team, target appropriately and ensure high return/reuse rates of patients by providing an exceptional patient experience.

Together with the facility to utilise the London vaccination enhanced service to target the many additional people you can vaccinate many pharmacy teams have started using extremely innovative ways to reach further into their communities and vaccinate more people. Those members of your teams that were trained as flu champions last month are ideally placed to learn from each other as you all are yourselves in order to maximise the potential of this service and linking it to the other services you provide.

Market Entry On the contractual front we have had a number of applications within KC & W that the LPC has responded to and supported contractors on:

- 1 Unforeseen Benefit application for a new contract
- 2 Identified Need application for a new contract
- 2 Distance Selling application for a new contract
- 2 Appeals
- 4 No Significant Change Relocations of existing contracts
- 5 Change of ownership or name of company of existing contracts

The 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 and support our existing contractors extremely seriously. I hope that affected contractors are re-assured by this.

What to expect imminently The new funding package, incorporating means by which to achieve substantial reduction in funding, put forward by the DH was rejected yesterday by our negotiating body, PSNC. We can only hope that there is further dialogue before settling and agreeing the package. However, there is the possibility that the DH may choose to impose the new package on us. If this happens, the national bodies, LPCs and contractors will not take it lying down – instead there will be a massive fight that we will all have to do our bit for! Mobilising the public and our Members of Parliament will be needed once again. We will rely on you for your support as we did in the hard campaign we have fought already over the last 10 months.

Of course, 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 web portal. We welcome any feedback you have.

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 everywhere. 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.

On behalf 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)

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Independent Contractor

Chairman

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Amish Patel MRPharmS

Independent Contractor

Vice Chair

Member of the Market Entry, PNA

and EPS & IM&T Sub-Groups

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Anar Tejani MRPharmS

Independent Contractor

Treasurer and Chair of

Finance & Audit Committee

Member of the Market Entry and PNA Sub-Groups anar.tejani@nhs.net

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Beneeta Shah MRpharmS

Company Chemists Association

Finance & Audit Committee

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Pharmacy London Vaccn Group

Boots The Chemists

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Shiraz Mohammed

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KCW LPC Office:

Rekha Shah MRPharmS

Chief Executive Officer

Kensington Chelsea & Westminster LPC

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

KCW LPC Meetings Attendance Record 2015 – 2016

2015/2016

LPC Member Name	Attendance from possible meetings apart from AGM
Yogin Patel	6 of 7
Amish Patel	6.5 of 7
Anar Tejani	7 of 7
Beneeta Shah	4.5 of 7
Martin Brown	3 of 7
Shiraz Mohammed	7 of 7
Priti Chohan	6 of 7
Ronak Patel	6.5 of 7

In Attendance:	
Rekha Shah CEO, KCW LPC	7 of 7
Stuart Brown	Admin – Minutes

Note that the above attendance record does not include all the meetings held by conference call / online etc

**KENSINGTON, CHELSEA AND WESTMINSTER
LOCAL PHARMACEUTICAL COMMITTEE
FINANCIAL ACCOUNTS
FOR
31ST MARCH 2016**

AEQUITAS

Chartered Accountants
Elthorne Gate
64 High Street
Pinner
Middlesex
HA5 5QA

KENSINGTON, CHELSEA AND WESTMINSTER LOCAL PHARMACEUTICAL COMMITTEE

FINANCIAL ACCOUNTS

YEAR ENDED 31ST MARCH 2016

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KENSINGTON, CHELSEA AND WESTMINSTER LOCAL PHARMACEUTICAL COMMITTEE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KCWLPC

YEAR ENDED 31ST MARCH 2016

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 2016

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 2016 and of its income and expenditure for the year then ended have been properly prepared from the accounting records of the KCWLPC.

Elthorne Gate
64 High Street
Pinner
Middlesex
HA5 5QA

September 5, 2016

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

KENSINGTON, CHELSEA AND WESTMINSTER LOCAL PHARMACEUTICAL COMMITTEE

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31ST MARCH 2016

	2016		2015	
	£	£	£	£
TURNOVER				
INCOME				
Statutory levies		120,002		120,000
Bank interest receivable		89		76
		<u>120,091</u>		<u>120,076</u>
EXPENDITURE				
PSNC levy	17,044		16,929	
London LPC Forum levies	4,690		3,325	
Salaries	55,075		54,059	
Employer national insurance contributions	4,480		4,362	
Travelling expense	1,960		1,613	
Conference, seminar and meeting expenses	4,329		3,805	
Telephone	1,351		1,208	
Clerical / Administration support cost	3,170		3,795	
Displacement cost	4,160		4,125	
Printing, stationery and postage	137		341	
Legal and professional fees	747		721	
Accountancy fees	780		750	
Audit fee	2,800		2,740	
Depreciation	660		878	
Bank charges	121		119	
Corporation tax charge	18		15	
		<u>101,522</u>		<u>98,785</u>
SURPLUS OF INCOME OVER EXPENDITURE		<u><u>18,569</u></u>		<u><u>21,291</u></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 2016

	2016		2015	
	£	£	£	£
FIXED ASSETS				
Tangible assets (Note 2)		1,977		2,637
CURRENT ASSETS				
Trade debtors	10,000		—	
Cash at bank	94,263		89,942	
	<u>104,263</u>		<u>89,942</u>	
CURRENT LIABILITIES (Note 3)	3,613		8,521	
	<u>100,650</u>		<u>81,421</u>	
NET CURRENT ASSETS		100,650		81,421
NET ASSETS		<u>102,627</u>		<u>84,058</u>
FINANCED BY:				
CAPITAL ACCOUNT (Note 4)		<u>102,627</u>		<u>84,058</u>

COMMITTEE'S APPROVAL OF FINANCIAL ACCOUNTS

We approve these financial accounts for the year ended 31st March 2016 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

September 5, 2016

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 2016

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

2. TANGIBLE FIXED ASSETS

	Software Costs £	Office Equipment £	Total £
COST			
At 1st April 2015 and 31st March 2016	<u>5,640</u>	<u>21,038</u>	<u>26,678</u>
DEPRECIATION			
At 1st April 2015	5,278	18,763	24,041
Charge for the year	91	569	660
At 31st March 2016	<u>5,369</u>	<u>19,332</u>	<u>24,701</u>
NET BOOK VALUE			
At 31st March 2016	<u>271</u>	<u>1,706</u>	<u>1,977</u>
At 31st March 2015	<u>362</u>	<u>2,275</u>	<u>2,637</u>

KENSINGTON, CHELSEA AND WESTMINSTER LOCAL PHARMACEUTICAL COMMITTEE

NOTES TO THE FINANCIAL ACCOUNTS

YEAR ENDED 31ST MARCH 2016

3. CURRENT LIABILITIES

	2016	2015
	£	£
PAYE and social security	-	1,643
Other creditors	33	3,388
Accrued expenses	3,580	3,490
	<u>3,613</u>	<u>8,521</u>

4. CAPITAL ACCOUNT - KCWLPC

	2016	2015
	£	£
Balance brought forward	84,058	62,767
Net surplus for the year	18,569	21,291
Balance carried forward	<u>102,627</u>	<u>84,058</u>