

Briefing 015/24: TAPR Update: Levy Spends

Introduction

Community Pharmacy England is the body which the Secretary of State for Health and Social Care recognises as the representative of NHS community pharmacy owners in England. We have set out our vision, strategy, objectives and workplan in this briefing document:

[Community Pharmacy England Strategy](#)

Further information on our work can be found on our website and through our ongoing programme of communications, which includes summaries of all [Committee Meetings](#) and the [annual report](#).

Community Pharmacy England is entirely funded by pharmacy owners via the levy charged to LPCs and all of the funding is devoted to fulfilling the functions outlined in our Strategy and Workplan, largely through direct staffing costs or externally commissioned professional advice and services. We deliver our work via core functions/teams: funding, NHS services, legal and regulatory, contractor and LPC support, and communications and public affairs.

Prior to 2021/22, the levy had been held at a flat rate for seven years and was therefore declining in real terms – at a time when national negotiations and support for pharmacy owners and LPCs could not have been more critical. This previously constrained our capacity to fulfil key strategic objectives and respond to the changing political and economic environment.

Background Information: The Wright Report and RSG recommendations

The Independent Review into contractor representation and support undertaken by Professor David Wright and subsequently the Review Steering Group (RSG) recognised that PSNC was significantly under-resourced for the work that it does.

Ahead of the review, funding from pharmacy owners for representation was split, with 70% being retained by LPCs and 30% going to PSNC. The RSG accepted the recommendation in the Wright Review that levy funding should be redirected towards representative activities which have the greatest impact, in particular national negotiation and policy development. This meant adjusting how the levy is split between LPCs and Community Pharmacy England – with a 13% redirection of the total annual contractor levy towards Community Pharmacy England – to a balance that would allow for improved negotiating capacity and capability, provide better local and national contractor engagement, and improve collaboration between local and national bodies.

In addition, the RSG's proposals set out some specific actions for us to take around transforming and strengthening governance, and developing a clear vision for the sector. The proposals recognised that we would also need to provide support to LPCs in the short-term to help re-organise and release efficiencies, and to standardise practices across the LPC network.



The RSG recommended, at a minimum, that the uplift should be introduced in staged payments – increasing to £1,500,000 by 2024/25.

PSNC launched the TAPR programme and accelerated investment from its own reserves to fast track this work

In June 2022 the RSG reported that **68.3%** of contractors (7,601 pharmacy premises) took part in the vote, and that **88.6%** of those voting supported the RSG's proposals. The then PSNC Committee voted to implement all of the 21 recommendations directed at it by the RSG and instituted the Transforming Pharmacy Representation (TAPR) programme, encompassing 8 workstreams:

1. Vision and Strategy
2. Influencing and Negotiations
3. Governance
4. Finance and Levy
5. LPC Support
6. Engagement and Joint Working
7. Branding
8. Communications

The Committee's decision included accepting the recommendation for the levy uplift – recognising that to fulfil all of the recommendations and address an already demanding work programme, the organisation needed additional capacity to meet its objectives at such a crucial time for community pharmacy.

However, having carefully reviewed all of the recommendations, it was apparent that some were so important that we could not afford to delay their implementation until the uplift of the levy in April 2023. Many of the workstreams were critical to laying the foundations for the negotiation of the next contractual framework and constitute significant additional work. As a result, we decided to invest up to £850,000 of our reserves in 2022/23 to advance the introduction of critical areas of work, enhance capability and develop robust evidence to support our negotiating position. Most of these workstreams would continue into 2023/24 and account for the investment via the second levy uplift in 2023/24 as well.

In October 2022, the Committee published a briefing document on all of this, which also set out an explanation for the levy spends and its plans for the TAPR work programme. You can [read this briefing here](#).

In the briefing the Committee said it would:

- Further review its own organisational strategy and the investment of the next tranche of the uplifted levy in its internal staff capacity and commissioning capability; and

- Undertake a business planning exercise ensuring that the second additional funding tranche had clear justifications, which were scrutinised by the Resource Development and Finance Subcommittee.

It identified the priorities for investment as:

- To lay the foundations for the negotiation of the next contractual framework, via:
 - an independently commissioned Vision and Strategy for the sector;
 - an influencing and engagement strategy to promote the value and interests of community pharmacy and build better relationships across Whitehall and Westminster, and regionally;
 - commissioning additional economic and funding research to support the strategy, our negotiating position and inform our input to the NHS's economic review of community pharmacy; and
 - reviewing the negotiating strategy, skills and structures required to deliver better outcomes.
- To improve governance, transparency and accountability;
- To more actively engage and work jointly with the contractor base to enable their input to our work; and
- To support the LPC network to engage with the transformation agenda through advice, support, provision of toolkits and supporting knowledge sharing.

Investments and progress to date

Detailed progress updates on our work have been published on an ongoing basis and via the [2022/23 annual report](#). The 2023/24 annual report will be published in September 2024 and will provide a similar overview of work, impact and accounts.

We have published a [final update on the TAPR work programme here](#). The below provides a very brief summary of the key progress achieved under each workstream, highlighting the substantive areas of investment over the past financial year. We have also below set out an update on each of the investment priorities that had been identified and shared previously. This is all in line with the intentions set out in the [levy spend briefing of October 2022](#).

TAPR Workstream Progress (see also the full final briefing on the TAPR programme)

- 1. Vision and Strategy:** We commissioned The King's Fund and Nuffield Trust to produce A *vision for community pharmacy* published in 2023 after wide ranging engagement with stakeholders across Government, the NHS, patient groups and the community pharmacy sector. The report lent independent weight to the value of the sector and its potential to offer significant clinical services to help relieve pressure on other frontline NHS services and meet the needs of patients and communities. The Vision established the foundations for our work to build the investment case for an expanded clinical future for community pharmacy.

2. **Negotiations:** Investment has been made in our funding team and in generating evidence to inform our policy influencing and negotiations. We have been working with independent consultants with extensive experience across Government negotiations and commissioning to strengthen our negotiating capacity and capability. We have worked together to review our negotiating strategy and approach and deliver training to the Committee. In addition, we have commissioned a major economic project to look at the base funding requirements of the sector, cost benefit analysis of the value delivered and the business case for future investment in the community pharmacy sector.
3. **Influencing:** We have also invested in an extensive influencing programme, supported by external communications and public affairs advisers. The outcomes of this work include a major investment of £645 million in the sector via the Primary Care Recovery Plan. Community pharmacy's political profile has increased, with growth of support in Parliament and mentions within all key party manifestos in the July 2024 General Election. We built close relationships with the Labour shadow health team, candidates and their advisers prior to the General Election.
4. **Governance:** We commissioned an independent governance expert to carry out a full review of our governance frameworks and structures – looking at mission and values, Committee composition, elections, functions and responsibilities and the respective roles of the Committee and Subcommittees. We collaborated with LPCs on the development of shared principles of Governance (a new Governance Framework and Code of Conduct) and have supported their own processes of review.
5. **Finance and Levy:** After consultation with the LPCs, levy changes have been implemented with a Committee-approved programme for investment in strategic programmes and staffing capability alongside a full programme of work that supported LPCs through the changes. We have employed additional members of staff to strengthen the support we can offer to LPCs and the financial and economic analysis we can undertake.
6. **LPC Support:** Investment has been made in the LPC support team to extend the support offer to LPCs, supporting governance changes and the commissioning of standardised employment policies, procedures and advice. On-going investment into joint working has been included, such as establishing a Forum of LPC Chairs.
7. **Engagement and Joint Working:** Investment has been made in the implementation of a new sector engagement strategy which has led to thousands of pharmacy owners responding to polls and surveys to feed directly into Committee discussions and negotiations. We have also introduced systematic feedback from Committee meetings and investment has included online events for pharmacy owners and undertaking in-person regional working meetings with LPCs and pharmacy owners. LPC Chairs and Chief Officers are being invited to observe the work of the committee on a rotational basis by region.
8. **Branding:** investment was made in a new organisational name and branding which were designed by branding experts to be more impactful, helping us make a stronger and more authoritative case for the sector. The re-brand has already reaped benefits in helping to



build awareness and relationships with political stakeholders. A sibling brand identity for each LPC to use was developed, helping us to promote a ‘joined up’ image to the outside world, and serves as a visual reminder of the interdependencies between the local and national level.

- 9. **Communications:** employment of an additional communications professional has increased our national media output and helped to deliver more regular and informative communications to the sector.

Update on spending priorities as set out in October 2022

Investment Priority	Update
Independently commissioned Vision and Strategy for the sector	Project commissioned from Nuffield Trust and The King’s Fund – two leading and influential think tanks. Project reported in September 2023 and was launched at a House of Lords event with multiple key stakeholders from across the political and third sectors attending.
Influencing and engagement strategy	Luther Pendragon commissioned to deliver a political influencing campaign and support following a competitive tender process involving multiple agencies. Programme of work is ongoing and has included a campaign on the 4-point plan, extensive Parliamentary work, a PR Week Award-winning campaign, work to influence party manifestos and now post-election advocacy work.
Economic and funding research to support the strategy	Employed an additional financial analyst to increase analytical output in our funding team. Funding bids and costed Pharmacy First bids put to Government in 2023, followed by significant further cost analysis in 2024 to influence the Government’s spending review and investment case for community pharmacy. Inputting into the NHS commissioned Independent Economic Review project through the Advisory Board, working and technical groups.
Reviewing negotiating skills, strategy and structures	PA Consulting commissioned to provide negotiation training to all Committee Members as well as supporting a review of the negotiating strategy and approach and assessing NHS policy priorities and service opportunities.

<p>Improve governance, transparency and accountability</p>	<p>An external governance expert was commissioned to undertake a full review of our Governance frameworks and structures. The review has led to changes including refreshed terms of reference and delegation arrangements across the Committee and Subcommittees and the creation of a new Governance and People subcommittee which includes LPC Members, who are independent of the Committee and bring relevant external perspective and knowledge.</p> <p>To clarify the role and function of each subcommittee we have adopted a structure whereby each subcommittee is placed in one of two streams: Governance or Policy and Advisory. There are various working groups of the committee, the main being the Negotiating Team (NT). The Terms of Reference for the subcommittees now allow for external (non-voting) input to widen participation and bring additional insight and skills.</p> <p>Our engagement strategy has also delivered improvements in transparency and accountability as set out below. IE Brand were commissioned following a competitive tender process to deliver a rebrand to Community Pharmacy England with the aims of strengthening connections with the wider sector and helping us to make a stronger and more authoritative case to Government and the NHS.</p>
<p>Actively engage with the contractor base</p>	<p>Employed an additional communications team member to support implementation of the new engagement strategy which has seen regular sector polling allowing the sector to feed into all Committee Meetings, a stand at the Pharmacy Show, digital engagement events, more transparency of Committee Meetings and in summer 2024, a series of regional events for LPCs and pharmacy owners to talk directly to the Executive Team and Committee Members.</p>
<p>Support the LPC network to engage with the transformation agenda</p>	<p>The LPC network has been supported to make changes through the provision of facilitation, guidance, toolkits, a new model constitution and election resources.</p>



	<p>The number of LPCs in England has reduced from 69 to 54, with further consolidation expected by April 2025 to a network of 48 local organisations. The changes mean there is better alignment between LPCs and the 42 NHS Integrated Care Systems in England, who have taken on the responsibility for commissioning pharmaceutical services delegated by NHS England.</p> <p>We have employed additional LPC and local policy support staff to increase the support available to LPCs, to build awareness and support for pharmacy, and investment in the sector in line with the Vision, across the 42 ICBs.</p>
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Next steps and planned spending for 2024/25

The planned workstreams and activities in the second half of 2022/23 and in 2023/24 accounted for £903,000 of investment which was funded by our reserves in 2022/23, and the majority of the first year of the levy uplift. The vast majority of these sums were spent on the TAPR-driven activities as outlined in the table above, as well as the 2022/23 annual report and the upcoming 2023/24 annual report.

The TAPR programme was overseen by members of the Committee at each meeting and this remains the case for the strategy and workplan in 2024/25, to ensure that all work remains contractor-led and in addition to all the engagement work, has significant input from contractors from all the main parts of the sector. By the end of 2024/25 funding from LPCs will have increased by £1.5m, with the planned spend on TAPR-driven activities in 2024/25 of £520,000.

The Committee has overseen the budgeting process, with priority investment areas for this year being in:

a) Laying the foundation for negotiating the next contractual framework, including influencing and negotiations strategy.

Following a review of their performance, Luther Pendragon will continue to provide a political influencing campaign, with a particular focus on building political support through and following the General Election. PA Consulting will also continue to support the approach and will work with us on an economic project to look at the base funding requirements for the sector, cost benefit analysis of the value delivered, and the business case for future investment in the sector. We will also commission another Advice Audit to assess the informal healthcare consultations taking place in pharmacies.

b) Implementing the changes in governance and transparency.

Investment in staffing will continue to support the Governance changes including the new Governance and People Subcommittee – which is reviewing concerns about sector composition – the ongoing communications work and LPC support, and the introduction of the LPC Forum. CPE has limited HR support so we will also commission a high-level review of the organisation, its structure and processes to ensure any risks are identified and ensure a clearer structure and approach if any further recruitment is required.

c) Continuing the active engagement work with pharmacy owners.

Investment in staffing and also events costs will continue to support engagement with the sector including the regular sector polling and the series of summer regional events with LPCs and pharmacy owners. Investment in data has also been set aside to build a solid foundation for our data on the sector. This will include a reliable and up to date contractor database and the ability to undertake more sophisticated modelling of service delivery and funding models.

d) Continuing to support LPCs through the remainder of their transformation and beyond into knowledge sharing, local service development and vision influencing.

Investment in staffing will continue to further support LPC engagement and the delivery of the LPC Forum, with a planned addition to the Services Team to support the development of potential National Enhanced Services (NES) and to support LPCs with their work on local service commissioning.

In addition to this, there will be an inflationary impact on core spending, some ongoing TAPR-driven spend (such as on the ongoing political influencing work), and the inclusion of, additional roles in the funding team to increase financial analysis capacity.