

Y Grŵp Iechyd a Gwasanaethau Cymdeithasol
Health and Social Services Group
Y Gangen Fferylliaeth a Rhagnodi
Pharmacy & Prescribing Branch



Llywodraeth Cymru
Welsh Government

To:

Community Pharmacy Contractors in Wales

Copy:

Local Health Boards:
Chief Pharmacists
Directors of Primary Care
Directors of Finance

Community Pharmacy Wales

21 December 2023

Dear Colleague,

Additional funding for community pharmacy in 2023/24

An agreement has been reached with Community Pharmacy Wales which will provide additional funding for the community pharmacy sector and ensure the reforms set out in [Presgripsiwn Newydd - A New Prescription \(gov.wales\)](https://gov.wales/presgripsiwn-newydd) maintain momentum and build on the achievements made since its introduction in April 2022.

Earlier this year, the Minister for Health and Social Services accepted the recommendations of the NHS Pay Review Body, resulting in a 5% increase in NHS pay for all NHS staff on Agenda for Change terms and conditions in Wales.

As independent contractors, the pay review recommendations do not apply to community pharmacy, however, in line with the commitment given during contract negotiations to review funding once the pay review was complete, the Minister has agreed to apply an uplift to the fees and allowances element of the CPCF.

Additional funding of £6.3 million per year will be available recurrently through the Community Pharmacy Contractual Framework (CPCF) from 2023-24. This builds on the additional £1.6m or 1% increase provided to the sector from April 2023. The additional investment increases CPCF funding from £158.8m in fees and allowances in 2023/24 (excluding any retained

medicines margin) to £165.1 million per year; an increase of £7.9 million or 5% and equivalent to the pay increase awarded to NHS employees.

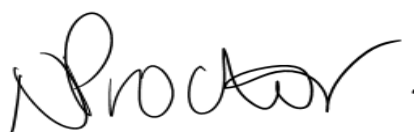
Negotiation with Community Pharmacy Wales has agreed priorities for the additional investment in line with our shared long term direction for community pharmacy as outlined in [Presgripsiwn Newydd - A New Prescription \(gov.wales\)](#) and recognises the current challenging financial position of public sector finances in Wales. The agreement reflects both immediate priorities and our longer term ambitions.

Annex A provides more detail on the agreed priorities.

Annex B provides a breakdown of CPCF funding for 2023/24 and projected indicative funding for 2024/25, 2025/26 and 2026/27.

Community pharmacies make an outstanding contribution to supporting patients and the NHS in Wales. The hard work and commitment of the community pharmacy workforce is appreciated by both the Welsh Government and NHS Wales. This additional investment will support the continued viability of the community pharmacy sector ensuring they are available to meet the healthcare needs of people across Wales.

Yours sincerely,



Emma Williams

Y Dirprwy Brif Swyddog Fferyllol
Deputy Chief Pharmaceutical Officer

Natalie Proctor

Pennaeth y Gangen Fferylliaeth a Rhagnodi
Head of Pharmacy & Prescribing

Annex A

Agreed priorities

It is imperative that the additional investment supports our shared long term direction and priorities for community pharmacy as outlined in [Presgripsiwn Newydd - A New Prescription \(gov.wales\)](#). However, we recognise the Community Pharmacy Wales (CPW) Board has placed priority on cash flow, dispensing volume, and costs associated with implementation of the electronic prescription service (EPS). We have therefore reflected both the immediate priorities and our longer term ambitions in the agreed offer.

Overall funding and distribution

This uplift will increase the CPCF baseline to £165.1m from 2023/24. Funding will be apportioned across elements of the CPCF that are subject to CFCF annual tripartite negotiations. In 2023/24, the majority of the funding increase will be distributed to contractors on the basis of dispensing volumes through an increase in practice payments.

The uplifted practice payments will be applied to prescriptions dispensed from 1 October 2023 to 31 March 2024, in the following manner:

- 52.2p per item dispensed during the period 1 October 2023 to 31 December 2023.
- 38.2p per item dispensed during the period January to March 2024.

These changes will be reflected in the Drug Tariff January 2024

Details of the revised apportionment in 2023/24 are in the table at annex A which also reflects changes to the quality and safety, and collaborative working schemes we agreed previously but which were not reflected in health board allocations published earlier this year (the changes ensure the agreed changes are reflected in practice payments going forward).

In future years, the additional funding will be apportioned to clinical services in a phased manner over the three year period 2024/25 to 2026/27. Alongside this, we have reflected on current and anticipated growth in the independent prescribing service and adjusted downwards the indicative allocations for the service set out in the table in Presgripsiwn Newydd. Details of the indicative apportionment over this period are in the table at annex B.

Electronic Prescription Service

Through discussions, the CPW Board have raised the issue of printing costs associated with EPS. Our position remains that pharmacy system suppliers should be seeking to develop paperless solutions. We are aware all suppliers already have, or are developing, paperless approaches and the Pharmacy Innovation Fund is available to support other suppliers who

wish to do so. We maintain pharmacy contractors, who determine which system supplier they use, need to exert pressure on their suppliers to realise the efficiency and environmental benefits of EPS. However, we recognise during the transition period only, it would be helpful to allocate funding directly to support meeting printing costs associated with EPS. We will therefore allocate approximately £0.75m (equivalent to 1p per prescription) to printing costs from April 2024 for two years.

We will provide an additional £750 per pharmacy for three years, 2023/24 2024/25 and 2025/26, to support delivery of EPS subject to the pharmacy meeting milestones for delivery of EPS. The £750 per year, for three years, will be funded from within CPCF.

Additionally, the Digital Medicines Transformation Portfolio has agreed a one-off payment of £1,250 per pharmacy for additional EPS costs payable on submission of the first EPS prescription and subject to certain conditions necessary for EPS to go live. This will be funded outside CPCF.

Service developments

In accordance with our agreement, over time we expect clinical service funding to be fully utilised either from growth in existing or new services. The additional funding will support this through the apportionment we propose in annex B.

Specifically, we expect this additional funding to support our plans to extend the national common ailments service to a wider range of conditions including urinary tract infections (including consumable costs), the development of clinical services to meet local needs which could include the development of sexual health services for HIV and other blood borne viruses, and the supply of antiviral medicines for COVID-19.

In addition, we propose the funding will also support piloting medicines optimisation services from community pharmacies and we will establish a task and finish group to explore potential community pharmacy led medicines optimisation services in early 2024/25 with a view to pilots beginning in the following year.

Annex B - Summary of CPCF funding distribution 2023/24 to 2026/27

Note: 2024/25, 25/26 and 26/27 are indicative only and aligned with the long term ambitions of Presgripsiwn Newydd - A New Prescription (gov.wales). Final apportionment will be subject to CPCF agreement annually.

	2023/24 £(m) (agreed)	2024/25 £(m) (indicative only)	2025/26 £(m) (indicative only)	2026/27 £(m) (indicative only)
Total	165.1 ¹	165.1	165.1	165.1
Professional Fees	80.8	82.5	82.5	81.75
Establishment Payment (dispensing)	9.0	9.0	9.0	9.0
Terms of service payment	5.1	5.1	5.1	5.1
Practice payment	23.2 ¹	9.7	3.8	0.9
Clinical services (inc CCPS)	16.6	21.6	23.5	24.5
Independent Prescribing services	8.2	12.8	16.8	20.8
Establishment Payment (CCPS)	9.0	13.7	13.7	13.7
Independent Prescribing set up costs	0.2	0.2	0.2	0.2
Continuity payments	4.7 ¹	0	0	0
Collaborative working scheme	0.8	1.6	1.6	1.6
Quality and safety scheme	2.1 ¹	3.2	3.2	3.2
Primary Care Cluster Leads	0.1	0.3 ²	0.3 ²	0.3 ²
Choose pharmacy	0.4	0.4	0.4	0.4
Consumables	0.1	0.2	0.2	0.2
Workforce incentive	4.3	4.3	4.3	4.3
EPS Transition Payment	0.5 ¹	0.5	0.5	0

¹ Agreed changes to the allocations for 2023-24

² Core funding for cluster leads to remain at £0.1m. Additional funding within the community pharmacy cluster leads allocation will be made available for collaborative working with a specific medicines optimisation focus.

