



50 Broadway  
London SW1H 0DB

tel 020 7799 6666  
fax 0844 774 4319

enquiries@nhsemployers.org  
www.nhsemployers.org

06 March 2014

**Sue Sharpe**

Pharmaceutical Services Negotiating Committee  
Times House  
5 Bravingtons Walk  
London  
N1 9AW

Dear Sue,

**Outline offer for the 2014/15 Community Pharmacy Contractual Framework (CPCF)**

Following on from the meeting with NHS England and the Department of Health on 13 February 2014, below is an outline of the offer on which we wish to base negotiations for the 2014/15 CPCF.

The funding available for the coming financial year will be £2.8 billion. Of this, £2 billion will be for fees and allowances and £800 million for the medicines margin. Whilst we appreciate pharmacy contractors might be disappointed in the value of the overall package, there is a continued need for the NHS to seek additional value for patients and taxpayers in our contract negotiations with all of our primary care contracts.

In agreeing to the above funding arrangements, NHS Employers, on behalf of [s36] Allied to this the Department of Health would also wish to discuss and agree a number of changes through separate discussions (see bullets 3-8). These are as follows:

1. Extending the New Medicine Service (NMS) to run throughout 2014/15, subject to the outcome of the evaluation. Should the evaluation results fail to confirm a positive impact, the service may be terminated with a minimum of three months' [s43]
2. NHS England's objectives for health outcomes and resource utilisation, include improvements in medicines optimisation with the intention to reduce unnecessary prescribing costs, medication errors and associated

emergency admissions and to improve medication outcomes for patients.  
[s43]

In order to achieve this and future service improvements / developments, NHS England are keen to take initial steps to develop the infrastructure to record and report on more service information which will enable better measurement of service quality and ultimately reward service quality and patient outcomes.

3. [s36 & s43]
4. [s36 & s43]
5. [s36 & s43]
6. [s36 & s43]
7. [s36 & s43]
8. [s36 & s43]

At this point, I am not able to indicate what funding might be in future years beyond 2014/15. Clearly there is a challenging forward economic environment for all health services but NHS England is keen to see funding increasingly linked to wider service provision. This would facilitate community pharmacy playing a wider role in managing patient demand – as highlighted in the emerging findings of the NHS England Urgent and Emergency Care review. I also anticipate that the service benefits that can be offered by community pharmacy will be a key outcome of the NHS England ‘Call to Action for Community Pharmacy’

We will shortly be in touch to set up any meetings.

I look forward to your response to this letter, post your Committee Meeting on the 11 and 12 March and to our continued productive working together.

If you have any queries on the above, please do not hesitate to contact me or a member of my team.

Kind Regards

**Andrew Clapperton**  
Head of Primary Care Contracting  
NHS Employers Organisation