

**REGIONAL DRUG AND THERAPEUTIC CENTRE
MEETING OF THE MANAGEMENT BOARD**

**Seminar Room, 24 Claremont Place, Newcastle upon Tyne
Friday, 22nd July at 2pm**

PRESENT: Sir Michael Rawlins, Professor of Clinical Pharmacology,
Wolfon Unit, (Chair)
Dr SHL Thomas, Medical Director, RDTTC
Mrs J Wood, Service Manager, RDTTC
Ms Sue Brent, Acting Director of Pharmacy, RDTTC
Ms P McDougall, Chief Executive, North Tyneside PCT
Mr S Grant, Pharmaceutical Adviser, North Bradford PCT
Mr R Smith, Chief Executive, Gateshead PCT
Mr A Young, Durham and Chester-le-Street PCT
Dr Mark Williamson, Medical Director, West Hull PCT

In attendance: Miss Mary McKiernan

1. APOLOGIES FOR ABSENCE:

Mr D Sellers, Assistant Finance Director, Newcastle Hospitals NHS Trust

2. MINUTES OF LAST MEETING

The minutes of the meeting held on Tuesday 30 November 2004 were accepted as a correct record.

3. MATTERS ARISING

a) North East Lincolnshire and North Lincolnshire PCTs

SB reported that the RDTTC had been close to agreement with North East Lincolnshire PCT for the provision of RDTTC services. However, it had not been possible to complete. ST commented that North East Lincolnshire had not been part of the former Northern and Yorkshire Region and that there was no historical budget. SB confirmed that no services were being provided by the RDTTC to either of the above PCTs.

b) West Cumbria PCT

JW reported that West Cumbria PCT had been omitted from the individual PCT contribution sheet, but that they had subsequently been invoiced for the required contribution and that the Trust had confirmed receipt of payment on 8 June 2005.

c) Stakeholder Event

It was reported that last year's event in York had been reasonably well received. Feedback from the event had been varied but revealed the requirement for a more active forum to engage specific topics. Arrangements for a stakeholder forum were being finalised. MW said such forums could be used as marketing events to attract future business as well as retaining existing business. MR offered NICE representation at such an event.

d) Cost Comparison Chart

SB said these had been updated, completed and had been well received.

e) Signing off SLAs

JW confirmed that SLAs were complete for Durham and Chester-le-Street, Gateshead and North Bradford as lead purchasers for their respective SHAs. The SLA for the North East Lincolnshire and North Yorkshire PCT's had not been signed off. MW assured the board that the documentation was with the relevant person and waiting to be signed.

f) New Business Opportunities

SB reported that she had been asked to produce an option appraisal of new business opportunities in response to work gained from Greater Manchester PCTs. The paper contained three options, with recommendations around one of them – Option 2.

OPTION 1

New business should only be offered in line with the existing SLA between the RDTC and former NY PCOs. New funding should be added immediately to the global sum and per capita funding reduced across all commissioning organisations.

OPTION 2

New business should be negotiated with organisations requesting support which may substantially differ from existing core services. Initial funding should be in addition to existing income streams whilst specific services are developed. New services developed in this manner will be rolled out across all organisations where appropriate. A review of funding requirements should be undertaken once service established with a view to rationalisation across all commissioners and a reduction in per capita costs sought and agreed by the RDTC Executive Board.

OPTION 3

New business should be accepted which may be substantially different from core SLA. Funding streams will be kept separate.

ST commented that these services were not mutually exclusive. As a general principal, core funding for the Centre from Northern and Yorkshire PCTs should not be used to subsidise new business from other areas. However, the RDTC should pursue new business where able. It was agreed that the RDTC could be more flexible in regard to phasing in funding. PCTs wanting to buy into services, who could not fund the whole cost immediately, could work up to the full contribution over a period of time. New business could be brought in to enhance existing services or reduce costs to existing commissioners. MR commented that the RDTC might consider offering a cut price to new commissioners. ST added that new work for other commissioners could be undertaken and then rolled-out for the benefit of the existing commissioners. AY said that the RDTC should not offer organisations such as the Lincs PCTs a “loss leader” as they should either be in out of the SLA.

Discussion followed regarding RDTC business opportunities. It was suggested that the NHS might not necessarily be the best home for the RDTC. It was suggested that if the RDTC was detached from the NHS the Centre would have a more robust position. There were a raft of potential customers that might take the business in a different direction. ST acknowledged that the Centre's expertise could be used to generate increased activity but felt little enthusiasm to follow such a route. He stated that staff were all NHS employees working for the Newcastle Hospitals NHS Trust and that we are embedded in the NHS ie our "raison d'être" is to share and focus expertise/resources for a region. He was keen to add to the Centre's core function, but not to compromise that. MR acknowledged that in the short-term this was correct, but stated that the NHS was becoming pluralistic and the Government were keen to see "fee for service" relationships. RS said that relationships with the host organisation could change and over the next five years there could be new entrants in the Primary care markets, which would change the customer base and provide NHS funded care. New people were entering the primary care market, and independent funders were supporting the NHS. All of these agencies were potential customers.

It was suggested that Option 2 allowed the most flexibility and maintained relationships with existing customers. As the RDTC's business grew and it's customer-base increased and took a share of the overheads, PCT commissioner's subscriptions would decrease. ST stated the RDTC was lacking in commercial expertise, the provision of which would require venture capital and commented on the expense of getting a commercial organisation up and running as a major barrier. MR said that it was a moderate problem of getting venture capital up and running and that there would be more enthusiasm from Government for privatisation across the board for public services. MW stated that the RDTC had a good reputation and would likely to be held in high regard.

It was suggested that options had been presented against an environment that was changing, and that these changes should be built into the paper produced. When this had been done, an assessment of the options available might be different. The Centre was on the periphery of current market organisational change which would either take customers away or bring them in. The Board agreed to Option 2 with the proviso that Option 3 should not be dismissed.

The Board requested that the Centre undertake market research to review current SLA to ensure the needs of Commissioning organisations are met.

MR concluded that we should revisit the options in one year.

4. BUSINESS PLANNING CYCLE AND REVIEW

a) RDTC Implementation Plan

ST and SB reported that the Implementation Plan was on schedule and was up to date with ongoing work.

MR asked if there would be a draft business plan ready in November for next year.

ACTION: SB/ST to draft updated business plan

b) Outturn 2004/05

A document was tabled. ST reported that RDTTC budgets were being rebuilt to ensure that an appropriate contribution to the overheads was made from the Poisons budget. He confirmed that underspend from both budgets were retained by the Trust, but that the Trust also carried the risk of overspend from the RDTTC. Underspends have been developed due to staff vacancies and the time taken to reappoint specialist staff. Directors had explored the option with the Trust to raise the vacancy factor.

MW said that such underspends could be used as a lump sum expenditure ie to finance marketing surveys on the RDTTC services. SG commented that NHS departments usually were warned of a potential underspend which allowed them to utilise this. AY suggested the RDTTC should spend on marketing or make the case for employment of a marketing manager, and let the Trust carry the risk of overspend. MR expressed the opinion that it was disappointing that no representative of the Trust was present. He agreed to write to Mr Fenwick with regard to the lack of representation from the Trust to discuss such matters.

Accounts were noted. Finalised accounts to be circulated to the Board as soon as possible.

**ACTION: MR to write to Mr Fenwick
JW to circulate finalised accounts**

c) SLAs for 2005/06

It was reported that correspondence had been circulated to Board members regarding the inflationary uplift proposed by the Trust. It was agreed that the SLA for 2004 be accepted de-facto for this year and the content of the SLA for 2006/07 should be informed by market research.

ACTION: ST/SB to instigate research

5. FINANCE

Uplift including Agenda for Change

Discussion took place regarding the inflationary uplift figure of 6.15% which had been proposed by the Trust. Information obtained from the Trust indicating how this figure had been calculated had been previously circulated to Board members. There was some discussion regarding how inflationary uplifts are built and about the provision for Agenda for Change. AY said that discussion with colleagues suggested that the figure should be 3.2%, however, MW said that colleagues from his area were to happy to accept the proposed uplift. RS suggested that the Lead Commissioners and the Trust needed to have a meeting to discuss the uplift and the budget for the RDTTC. RS and AY agreed to arrange a meeting with Duncan Sellers, Assistant Finance Director at the Trust. MR agreed that the Centre needed confirmation of the percentage uplift, but stressed that they must be able to live within the budget set.

ACTION: RS / AY to arrange meeting with Trust

6. ACCOMMODATION

ST advised the board that all RDTc staff were now housed in 24 Claremont Place, Prescribing Support having moved on 22nd July 2005. He confirmed that there was an agreement with the University to extend the lease for a further 3 years until 2008. He advised that the University had a long term plan to dispose of 24 Claremont Place and that he had ensured the lease of 24 Claremont Place was concurrent with the lease on 16/17 Framlington Place so that the RDTc could move to Framlington if the University decided to end the lease on 24 Claremont Place.

7. POISONS SERVICE

ST told the Board that income from the Poisons Service was a major part of the RDTcs budget and that the Poisons Services had undergone a formal review by the HPA in 2004 in an attempt to make the national service more cost effective. Previously the RDTc had been open 24 hours per day but was now sharing responsibility for out of hours service and were open 8.00 am – 8.00 pm every day, 8.00 am – 11.00 pm on a one in three basis and 24 hours on a one in three basis. ST explained that there were implications for Medical Information Services in that the Centre can no longer provide a 24 hour Medicines Information Service. He stated that this was a concern, but not a major one as the demand for medicines information non-poison enquiries had been low. No other region in the country provides a medicines information service.

ST informed that the board that the RDTc are now in the process of negotiating an SLA with the HPA and he explained that the HPA were being asked to meet the full costs for the commission of services and that cross-subsidisation was not acceptable e.g. secretarial/accommodation services.

ST informed the Board the London Centre had been unable to agree terms of with the HPA in both financial and clinical governance terms. London's withdrawal meant that the NPIS was currently operating a 1 in 3 model and if terms could not be agreed, more staff would be needed in the 3 existing Centres. SG queried the amount of additional staff that would be needed for a 1 in 3 model. ST said there would be an approximately 2 extra staff needed. MW asked if the Poisons Service was telephone or web-based ST explained that it was primarily web based but if the enquirer was not satisfied, then customers could telephone for further information. ST explained that as a consultant he could receive 2 to 3 enquiries per night.

8. DIRECTOR OF PHARMACY REPLACEMENT

SB informed the Board that the Job Description and Person Specification were complete but that RDTc needed to consider the A4C impact on evaluation. The Trust would not allow the advertisement of this post until it had been evaluated and A4C. RS replied that all the PCTs were undergoing A4C and that they were still advertising vacancies. The importance correct banding to attract a top quality field was emphasised. The completed documents would need to be submitted to the Trust's Workforce Development Group and the Vacancy Panel as well as the Agenda for Change team for banding.

**ACTION: SB to lead on Agenda for Change formatting
JW to submit documentation to Workforce Development Group
and Vacancy Panel**

9. DIPLOMA IN THERAPEUTICS

ST explained that this was a university course which provided training for GPs and Pharmacists, and had been heavily subsidised by the RDTC for 10 – 12 years. The Centre had also provided secretarial support for this course. ST said that around 200 people had been trained in this way and he felt that although there had been cross-subsidisation, the course had been good for NHS staff.

Over the last 3 – 4 years there has been a decline in numbers, largely because GP's now do not have to get PGA points. Because of the dwindling numbers the University had undertaken a formal review and suggested that the course would be financially viable if numbers could be increased to the 15 to 25 range. ST had put forward the possibility of targeting new groups e.g. Non-medical Prescribers. ST asked the board if the lead purchasers happy to continue with such cross-subsidisation?

SG said that it was a marvellous course and agreed that the RDTC should continue to run such a course. P McD asked ST whether the PCTs could help increase numbers by marketing the course and ST said the marketing of the course could be aimed at GPs, hospital doctors and all prescribing groups. There was some discussion centred around PCTs paying University fees as well as funding the Centre. AY said that he had never seen any marketing for this course but that the Strategic Health Authorities could use it for workforce development. It was suggested that PCT Chief Executives should be sent advertising and course information. Board members were supportive of the RDTC continuing to support the Diploma in Therapeutics Course.

ST said that the course could possibly run in a modular version ie people come in at different levels e.g. Nurse Prescribers would start at a lower level. SG said that there could be a "taster" session" and ST agreed saying such a session might perhaps give people points towards their certificate.

ACTION: PCT Chief Executives to be sent advertising / course information

10. ANY OTHER BUSINESS

A letter from NUTH Trust Chief Executive, Mr Len Fenwick regarding cost improvement had been tabled, along with an initial response from the Centre seeking further clarification. The Trust levies a 5% overhead contribution and had previously been levied a 1% cost reduction on top. During rebuilding of the budgets, the two figures were amalgamated to show a 6% overhead contribution. It is unclear from Mr Fenwick's letter whether an additional charge has been levied. MR stated that this should be immediately clarified with the Trust. ST concluded that the Board need to note the letter as the RDTC cannot refuse to pay the Trust as the Trust control the budget of the RDTC.

11. DATE AND TIME OF NEXT MEETING

To be arranged