

Agenda item no.

Report to: Executive Management Team

From: I/S / Judith Woolley

Subject: Medicines Management Strategic Plan

Date: 17th September 2009

1) EMT action required

- To fund the clinical pharmacy support which is required now, and will be needed whichever future option we choose
- To decide on the recommended in-house pharmacy having considering other options: partial outsourcing for supply by one provider, or continuation of the current partial schedules of service
- To agree to the exploration of the long-term business opportunities or partnerships that a robust pharmacy service could provide, and the potential advantages to the trust

2) Purpose of this report

This report is to provide an update from the documents supplied for the EMT meetings on July 3rd 2008 and September 25th 2008, with revised Information, timescales and costings to enable the executive team to make an informed decision about the future of medicines management for the Trust.

The papers for the previous meetings may be found on the corporate information drive in the medicines management folder.

3) Additional information attached

NORTH ESSEX PARTNERSHIP NHS FOUNDATION TRUST
STRATEGIC PLAN FOR MEDICINES MANAGEMENT AND PHARMACY SERVICES

2009-2012

Update on the previous plan presented to the Executive Management Team July 2008

1. PURPOSE

- To plan for the development of a clinical pharmacy team that will meet the needs of the Trust and the requirements of national bodies and commissioners
- To plan a pharmacy supply service which will provide consistent, reliable, good quality and bespoke care for our patients at best value across the Trust.
- To develop the business potential for supplying pharmacy services and advice to other organisations

2. UPDATE FROM THE PREVIOUS STRATEGIC PLAN

The strategic options for pharmacy support for medicines management were discussed at an EMT meeting on July 3rd 2008. The recommendation from the working group was that a single in-house pharmacy would best meet our needs. It was agreed at that meeting that there was an urgent need to address the current situation and make a decision on the way forward. More detail about the options was brought to the EMT meeting on September 11th, but it was not possible to be discussed in the time available, so it is being resubmitted now.

A short-term business case was approved on October 16th for funding for one pharmacist, one technician, and adequate funding to meet the costs of the schedules of service with the three acute Trusts for non-specialist supply and support.

Medicines management was given a rating of “substantial assurance” by Deloitte this year on the basis that there were plans in place, that funding would be available, and that the conditions of the Healthcare Commission document “Talking about Medicines (TAM) were met.

3. NATIONAL GUIDANCE

During the last year a number of documents have been added to the guidances in appendix 2 of the July 2008 plan, including the NICE PSG01 medicines reconciliation, which is mandatory, NICE CG Schizophrenia, NICE CG Medicines adherence and NPSA “Safety in doses”. These make additional specifications for improved medicines management and safety.

4. CURRENT POSITION

The current budget of £844,490 provides one Associate Director for Pharmacy, two Pharmacists, one technician, 0.4WTE clerical support and three schedules of service

The schedules of service have been agreed, valued and signed for North East Essex and Mid Essex. The schedule of service for West Essex has been agreed with the chief pharmacist, but the value has not been agreed and remains part of a large service level agreement with PAH, with a cost to the pharmacy budget of £206,421. This is not devolved from PAH to their pharmacy department.

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The services continue to be disparate and unpredictable across the Trust because of variations in the level of services each Trust is prepared to offer, pressures at the acute Trust which take input away from NEPFT services, and variable levels of clinical input and ward level support.

5. BENCHMARKING

The recommendations of the healthcare commission in "Talking about medicines" remain the same: for this Trust it would be 18 pharmacists and 15 technicians (specialists in mental health). Several other local Trusts have increased their clinical staff (Suffolk 2 extra pharmacists this year, SEPT will have 23 pharmacists and technicians by April 2010)

6. PATIENT SAFETY, QUALITY AND RISKS

Improvement of the use of medicines is a specific goal for this year's Quality Account Report. Medicines have the potential to harm patients and reduce their quality of life if they are not prescribed and reviewed with care. They remain one of the highest risks in our organisation and. Factors include:

| Issue | Action required |
|---|--|
| Evidence from the partial pharmacy reconciliation over the last 6 months which shows a very high risk, both for patients and for our position with the NHS-LA. because the recommendations of the NICE guidance have not been addressed. At least 46% patients with a pharmacy reconciliation had unexplained discrepancies in their prescribing on admission, and this only covered 1/3 of our inpatients. | Reconciliation by pharmacy staff throughout the Trust Training for medics and nurses Clarity of Trust policies Implementation of Trust policies |
| Our medicines errors and interventions have been very under-reported. | Recognition of errors by all staff Pharmacy staff to intervene |
| The data we are now beginning to capture provides information about serious issues and risks which demand attention. | Systems to process and address issues. Raising the profile of medicines as part of patient care |
| There have been a number of serious untoward incidents involving medicines. | Address action plans from reports. Improve pharmacy input to avoid future events |
| Lack of concordance and understanding of medicines leading to readmissions and continued ill-health. | Empowering all staff and patients with information and choice about medication. |
| The limited Deloitte assurance was conditional on the approval and implementation of the strategic plan. | Strategic plan |
| The commissioners have requested evidence of proposed action for medicines management. | Action plans and monitoring to be agreed and met. |

7. OPTIONS

1. **Provision by the three trusts through schedules of service with limited in-house clinical support. (do nothing)**

The issues outlined in the July 2008 report will remain a barrier to good quality care, and in addition the cost of the service has risen rapidly (from an estimated £230K in 2006 to 603.5K in 2009). The acute Trusts have implemented further technological and procedural developments in their pharmacies which are applicable to their own units, but detrimental to the service they provide to us. The new Mid Essex pharmacy (October 2010) will make their provision of external services very difficult. More clinical staff will be needed to meet standards, so if the contract values do not change the total service cost should be £62,781 over budget this year and £196.5K over budget in 2010 (annual total 2010-11 £1,034,257)

2. **Establishment of partial in-house pharmacy provision by NEPFT in collaboration with commercial pharmacy or one or more acute Trusts**

Lloyds or an external tender was considered to be a viable option in July 08: however, since then SEPT has been through the tendering process and the cost and conditions they have been offered by this route have been considered unacceptable. There were only two viable expressions of interest. SEPT are now planning an in-house pharmacy with 23 pharmacy staff, which must be in place by April 2010. An external contract would severely limit bespoke dispensing and flexibility, it would rule out electronic prescribing, ordering or discharge for the foreseeable future, and the cost could be dictated by the supplier. A specific estimate of cost would not be available until the 2nd or 3rd stage of the tender procedure.

The in-house staffing costs, once the contract was in place, would be £430,738 (£196.5K over staffing budget)

3. **Establishment of full in-house pharmacy provision by NEPFT (recommended option)**

This would be one pharmacy in a central location, which could be off-site, with pharmacy staff embedded in the multidisciplinary teams on wards and units to support medicines management and supply. This would

- a. **Give better value for money, with a reduced revenue cost for supply compared to external contracts.**
- b. Provide an integrated service which is dedicated to the needs of our patients
- c. Improve supply to inpatient and community units
- d. Enable us to plan for electronic prescribing, electronic stock control and supply
- e. Reduce waste
- f. Unify the systems throughout the Trust
- g. Be more responsive and flexible in medicines provision
- h. **Provide a business opportunity for pharmacy services to other organisations.** For more detail see "Business opportunities for pharmacy services" 24.6.08. on the corporate drive, medicines management.

There is a need to improve patient safety and quality. The clinical pharmacy team should be expanded to provide adequate support on the wards and units, including training and staff competency and monitor and address drug errors and interventions. This will be required for ALL options. If the pharmacy is off-site all outpatients will have to be supplied

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by FP10 prescription. Logistics will be key to success. It is hoped that by combining with other estates projects there may be savings and service improvements to be made. Unit dose robotic dispensing would be extremely useful for CRHT, long stay units, some elderly units and the prison, but less useful for acute inpatients because it does not empower self-administration for discharge. It should be included if we do have the prison contract or provide other long-stay units.

More detail about the sites to be covered, logistics, deliveries per day, staffing rosters, on call arrangements is given in appendix 1

8. RISKS OF THE PROJECT (IN-HOUSE OPTION)

| Risk | Action |
|---|--|
| There may be delays in treatment because the pharmacy is so far away | Two deliveries a day to acute units. Pharmacy staff in the teams on the units, anticipating need and ensuring prompt supply One-stop, emergency cupboards, better stock control |
| The pharmacy may be off-site so not available to outpatients | Use FP10s. This will mean we will not get the hospital discounts, we will pay dispensing fees per item, and we will not have close control, but we will save 17.5% VAT. For further savings we could consider reducing FP10 supply to 14 days instead of 1 month where practicable |
| We will not have economies of scale for procurement so drug costs may be higher | There are regional and national PASA contracts for many items. The Oxford Store, some companies and wholesalers offer discounts not related to bulk buying. Experience at Cambridge Mental Health showed that their smaller unit was able to buy more economically than Addenbrookes as it focussed on drugs for mental health, not just the very expensive oncology and X-ray items, and was more flexible |
| The staffing levels for such a small pharmacy will not cope with sickness and holidays. | This is a risk for all pharmacies and is built in to the staffing plans. For long-term sickness we would have to consider temporary staff, as the acute Trusts do. Holiday periods need to be planned for. Automation which would reduce acute need will be built into the pharmacy plans |
| On call | Pharmacists and technicians will need to be on an on-call rota. Its use should be minimised by forward planning, the use of emergency cupboards at key sites, use of patients own drugs, clear procedures for staff, and encouragement to use internet information sites. At Oxford Mental Health there is NO on-call supply, only information. South Essex plan a 1 in4 pharmacist only on-call, one week each. |
| Do we have the expertise to meet the legal requirements of our own pharmacy? | We need to register with the Pharmaceutical Society, who will ensure we meet their requirements before registration. The DoH provides advice. We need to recruit the expertise for SOPs and the attention to detail at an early stage so no crucial aspects are missed in the planning. |
| We may not be able to recruit the quantity and calibre of staff required | A number of able appropriate staff have approached us, but we have lost them because we have no posts available. We need to be able to headhunt as soon as possible, and appoint, so the finance needs to be available to ensure we do not lose opportunities It takes up to 5 months from advertising to the person taking up |

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| | |
|--|---|
| | <p>the post so we need to be able to plan early. Part time and flexible hours must be considered. We need to have a good induction plan, management and SOPs so staff will stay. We need to involve staff in the development of the service (encourage ownership)</p> |
| If we separate Mental Health from acute pharmacies how will younger pharmacists get wider training and experience? | <p>Maintain links with the three acute trusts Make the time spent in mental health interesting and varied and useful so they want to come back Ensure pre-registration pharmacist rotation into NEPFT with the acute hospitals and retail Ensure well-planned postgraduate rotation into NEPFT with the acute Trusts Employ a student technician and encourage ATO staff to do the technician course.</p> |
| If we have an in-house pharmacy we will lose experience and expertise about other physical illnesses | <p>Maintain good links with acute Trusts. Include joint posts/rotating posts Ensure CPD includes other aspects of medicine Link the Medicines Information departments</p> |
| Change of government – NHS cuts | <p>The in-house option is the most cost-effective and appropriate pharmacy service for the Trust on the evidence available, with potential for income. If there were a merger with SEPT it would be best placed to provide an Essex-wide service.</p> |
| We will not attract any business opportunities | <p>We have already had strong expressions of interest from the prison, and the PCT. There is a nationally identified need for training and education for medicines in care homes.</p> |

9. TIMESCALE

The decision to go in-house needs to be made soon as we may not have the capital to invest after April 2011, even though this will give a revenue cost-saving. The staffing level in-house needs to be increased now to meet clinical needs, and further increases planned as the in-house pharmacy is developed. The severance of contracts with the two acute hospitals requires 6 months notice. West Essex is still bound up in a bulk contract, to be addressed by the Finance Department. The pharmacy computer system would have to go out to tender, and will take several months to install.

We would hope to open the pharmacy to Mid Essex units initially on **September 1st 2010** (before Mid Essex Hospital pharmacy moves), then North East Essex, then West Essex. A single-sheet version and a project spreadsheet are attached (Appendix 2).

10. FINANCE

The capital cost is estimated to be £230K-£643K across the financial years 2009 and 2010. The revenue costs when the pharmacy is up and running will be £947,348 which will largely be met by contract savings, but in the interim revenue costs will be higher.

- The anticipated **capital costs** of a pharmacy are attached, with a worked example of a leasehold pharmacy in Chelmsford (appendix 3). The project could be integrated with other changes in the Trust which would reduce the cost and

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improve efficiency for them all: for example, a transport depot, post room, medical records, CDAT, a training room/facility, estates maintenance.

The breast screening service will be moving to Broomfield late next year, so a pharmacy at C&E would be feasible and relatively inexpensive.

- **Revenue costs** See appendix 4 attached for detail
- **Drug cost savings from using an in-house pharmacy with clinical services**
 - Better control of prescribing and supply
 - Better use of patient's own medicines during the inpatient stay and at discharge
 - Improved procurement
 - Stock control, both at ward and pharmacy level
 - Reduction in waste medicines
 - Advice and training on the best use of medicines, available on the ward or unit
 - Referral to GPs for prescribing where appropriate
 - Possible VAT saving for community supply.

The current annual drug costs are just over 1.8M (a reduction from over 2M in 2004). It is estimated that the above measures, not including the VAT saving, could save 25-30% (approx. £450,000)

SUMMARY

This is an important development which will improve the ability of our Trust to deliver a fundamental aspect of care to our patients. This proposal will provide a minimum standard that will enable us to provide a better quality and safer service to patients. Without it medicines remain a high risk, and we will struggle to meet the standards required by the care commission and NHSLA, and requested by our commissioners. It does require capital investment, but in the longer term the revenue costs will be less, drug costs can be reduced and there is real potential for income from external business.

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Appendix 1 Details of in-house option I SITES TO BE COVERED

| Function | East | Mid | West |
|--|---|---|---|
| Acute adult (2)* | Ardleigh Gosfield Peter Bruff | Finchingfield Galleywood | Chelmer Stort |
| PICU (2) | Cedar Maple (LS) | Christopher | Shannon |
| Acute older adult (2) | Henneage MacIntyre | Drake House Crystal unit | Kittwood Roding |
| Rehab adult (1) | Severalls House Rivendell 439 Ipswich Rd | | Cam Brian Roycroft |
| Non-acute older adult (1) | Bernard Lucas Tower Ward | J6 Crystal Unit | |
| CRHT (2) | ISS Lakes CRHT Martello Ct | NIC Witham | Eden |
| Day units When needed | Abberton (?) Defoe Martello Ct Freeland Ct Mayfield Clacton | Tillingham Redwoods St John's Cherry Trees Maldon Gables Braintree | Kittwood Epping forest |
| Community units Twice weekly or when needed | Assertive outreach Birchwood EIP Severalls CMHT Harwich CMHOA Harwich CMHOA Birchwood CMHT1 Oyster Ct CMHT2 Oyster Ct CMHOA Clacton CMHT E Tendring CMHT W Tendring | Assertive outreach NIC Witham EIP Pitfields CMHT N Chelm CMHT S Chelm CMHOA Drake Ho CMHOA Maldon CMHT Maldon CMHOA Gables CMHT Tabor Ho CMHT Witham CMHOA Witham CMHT Halstead | Assertive outreach EIP CMHOA Derwent CMHT N Latton B CMHT S Latton B CMHT Loughton CMHOA Loughton CMHT Regent Rd CMHT River Lea Ho CMHT N Uttlesford Saffron Walden CMHOA N Uttlesford CMHT S Uttlesford Great Dunmow |
| CDAT (1) | NEEDAS Herrick House Colch. | Changes Chelmsford | CDAT Aylmer Ho Harlow |
| CAMHS When needed | Longview Colchester Clacton | Rannoch L Chelm. Maldon White Lodge Btree | Harlow CAMHS Loughton CAMHS |
| Other When needed | Abberton OPD ECT Lakes Memory clinic Kingswood OPD Eaglehurst Occupational health | Linden OPD ECT Linden C | Derwent OPD ECT suite Memory clinic |

***number of deliveries per working day**

Appendix 1 DISPENSARY STAFF COVER

II

| | Monday | | Tuesday | | Wednesday | | Thursday | | Friday | |
|--|----------------|--------|-----------------|--------|------------------|----|----------------|------|--------------|--------|
| West Ph'cist | | | Reconciliation | | Reconciliation | | | | Dispensary | |
| West technician | | | Dispensary | | Clozapine clinic | MI | | | | |
| Mid Ph'cist | Reconciliation | | Dispen | Reconc | | | | | Dispen | Reconc |
| Mid technician | Clozap clinic | Dispen | | MI | | | | | | Dispen |
| Colch Ph'cist | | | Reconc | | Dispensary | | Reconciliation | | MI alt.weeks | |
| Colch tech | | | Clozap clinic | | | | Dispensary | | | |
| Clacton ph'cist | Reconciliation | | | | Reconc | | Dispensary | | MI alt weeks | |
| Clacton tech | Dispensary | | | | Clozap clinic | | | | | |
| 5th pharmacist | | | | | | | | MI | | |
| 3 Rotational AfC6 pharmacists | | | | | | | | | Peripatetic | |
| Chief Ph'cist | Disp | | | | | | | Disp | | |
| Clerical support/ Audit/FP10 | | | | | | | | | | |
| Dispensary manager | | | | | | | | | | |
| IT/Procurement lead | | | | | | | | | | |
| Pharmacy tech | | | | | | | | | | |
| Half MI/staff training/ Intervention/error monitoring | | | | | | | | | | |
| ATO | | | | | | | | | | |
| ATO | | | | | | | | | | |
| Student tech | | | Ch'ford college | | | | | | | |
| Prereg. Pharmacist 6 x 2-4 weeks per year | | | | | | | | | | |

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Appendix 1 Dispensary cover NOTES

III

- Coloured squares are staff in the dispensary building (brown-pharmacists, blue – technicians, pink – other) not necessarily dispensing
- Staff totals: 7 pharmacists including AD 6 technicians 4.5 other TOTAL 17.5
Excluding pre-registration pharmacist
- Number of items dispensed by hospitals based on available figures for 2007-8 are:

| | | |
|-------|------------------|----------|
| East | 12 745 items | £219 540 |
| Mid | 14 387 | £376 183 |
| West | Estimated 14 000 | £247 462 |
| Total | 41 132 | £843 185 |
- The above assumes an offsite pharmacy which will not provide outpatient services. These could continue to come on FP10 through community pharmacies.
- There must be at least one pharmacist at the dispensary 9-5 for supervision
- Technicians must include at least one ACT trainer and one NVQ levels 2 and 3 assessor
- All ward visiting techs should be registered with the Pharmaceutical society, and must have additional near patient tech training and current ACT accreditation, or be working towards it.
- Holiday and sickness cover will be provided in-house. This could mean a reduction in ward support.. If the situation is critical locum dispensary cover may be required.
- Full time hours are 37.5hr/week
- The pharmacy will be open from 9 am to 5 pm. Staff will arrive from 8 am and stay until 5.30 pm, weekdays only initially. External services may necessitate weekend opening.
- Prescriptions and stock orders will be faxed or sent electronically by pharmacy staff or nursing staff
- Deliveries will be made to all inpatient units and CRHTs once or twice daily and to community units at least weekly. There will be a locked secure room outside the pharmacy for collection of sealed packs of medicines by drivers out of hours, and for dropping off unwanted medicines and containers from units.
- Pharmacy technicians or pharmacists will be available for medicines reconciliation Mon-Fri. There will be no pharmacy reconciliation service at the weekend. Current numbers are:

| | | |
|---------------|---------------------|--------------------|
| East 216 beds | 918 admissions/year | Average 17.65/week |
| Mid 95 beds | 456 admissions/year | Average 8.77/week |
| West 82 beds | 467 admissions/year | Average 8.98/week |

ON CALL

- Robust arrangements will be in place to ensure essential stock is in place on main inpatient units and patients bring in their own drugs for use on the ward where possible.
- Additional secure emergency cupboards will be available.
- FP10s can be used where there are extended-hours community pharmacies.
- Healthcare staff will be encouraged to use electronic sources of information about medication, which will include patient information.
- All Pharmacists will be on an on-call roster for one week at a time.

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Appendix 2 Project summary of timescale and spreadsheet

I

NOTE: The estimated staffing levels are based on a minimum level of service, not those that will meet the recommendations of "Talking about medicines TAB" (33 specialist pharmacists and technicians)

| April 2009 Actual | September 2009-10 Planned | April 2010 | September 2010-11 | April 2011 | Sept 2011-2012 |
|---|--|--|--|--|--|
| | | | Open pharmacy for Mid Essex 1.9.10 For NE Essex 1.12.10 | Pharmacy fully open | Consider external services |
| 1 AD for pharmacy 2 pharmacists 1 technician 0.4WTE clerical | 1 AD for pharmacy 3x pharmacists 3x technician 0.4 Clerical support | 1 AD for pharmacy 4x pharmacists 3x technicians 0.4 clerical support 1xIT/procurement technician | 1 AD for pharmacy 5x pharmacists 5x technicians 1x clerical support 1xIT/procurement technician Dispensary manager 2 ATO 1 rotational basic grade | 1 AD for pharmacy 5x pharmacists 5x technicians 1x clerical support 1xIT/Proc tech Dispensary manager 2 x ATO 2 rotational basic grade 1xstudent tech 0.5x information pharmacist | 1 AD for pharmacy 5x pharmacists 5x technicians 1x clerical support 1xIT/Proc tech Dispensary manager 2xATO 3 rotational basic grades 1xstudent tech 0.5x information pharmacist 1 prereg pharmacist |
| 0.5 pharmacist in CRHT team | 0.5 pharmacist in CRHT team | * | 1 x driver(estates) | 1 x driver(estates) | 1x driver(estates) Additional staff if required for external contracts |
| £244,971** | £303,752 | | £573,180 | | £776,366 |
| 3 hospital SLAs signed £603 519 | | 3 Hospital SLAs £422 722 | | No hospital SLAs | |
| TOTAL £844,490 | £907,271 | | £1,050,902 | | £891,366 |
| BUDGET Including Trust board support £844,490 | | £844,490 (£206,412 over budget) | | £844,490 (£46,876 over budget) | |

* CRHT pharmacist to be managed by AD for Pharmacy instead of ISS

** See spreadsheet appendix 4 for financial details

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| ACTION | Sep-09 | Oct-09 | Nov-09 | Dec-09 | Jan-10 | Feb-10 | Mar-10 | Apr-10 | May-10 | Jun-10 | Jul-10 | Aug-10 | Sep-10 | Oct-10 | Nov-10 | Dec-10 | Jan-11 | Feb-11 | Mar-11 | Apr-11 |
|--------------------------------------|--------|--------|------------------------|--------|---------|--------|--------|----------------|--------|--------|--------|--------|-------------|--------|--------|--------|--------|--------|--------|--------|
| EMT decision | y | | | | | | | | | | | | | | | | | | | |
| Board decision | | y | | | | | | | | | | | | | | | | | | |
| Appointment of project manager | | y | | | | | | | | | | | | | | | | | | |
| identification of site | | | y | | | | | | | | | | | | | | | | | |
| outline planning for site | | | y | | | | | | | | | | | | | | | | | |
| Lease of site | | | | | y | | | | | | | | | | | | | | | |
| detailed planning | | | | y | y | y | | | | | | | | | | | | | | |
| building work on site | | | | | | y | y | y | y | | | | | | | | | | | |
| computer specifications planned | | | y | | | | | | | | | | | | | | | | | |
| tender for computer | | | | y | y | | | | | | | | | | | | | | | |
| computer commissioned & installed | | | plan | | | | order | | | instal | | | | | | | | | | |
| burglar alarm system | | | | plan | | | order | | instal | | | | | | | | | | | |
| emergency cupboards on wards | | | | | | | | | | | | | | | | | | | | |
| Notice to acute providers | | | covering intent letter | | | | MEHT | | CHUFT | | | PAH | | | | | | | | |
| Bring FP10s in-house | | | | | | | | | | | | | | | | | | | | |
| Registration with Pharm. Soc. | | | | | | | | | | | | | | | | | | | | |
| Wholesaler dealers licence | | | | | | | | | | | | | | | | | | | | |
| transport logistics planned | | | | | | | | | | | | | | | | | | | | |
| Mid essex transport in place | | | plan | | | | | appoint driver | | | | | | | | | | | | |
| appointment of 1 ph'cist and 2 techs | | advert | interview | | in post | | | | | | | | | | | | | | | |
| appointment of clerical support | 0.6WTE | | | | | | | | | | | | | | | | | | | |
| move CRHT ph'cist into ph'cy budget | | | | | | | | | | | | | | | | | | | | |
| appoint IT technician | | | | | | | | | | | | | | | | | | | | |
| appoint pharmacist for Clacton | | | | | | | | | | | | | | | | | | | | |
| appoint technician for Clacton | | | | | | | | | | | | | | | | | | | | |
| appoint pharmacist for Mid Essex | | | | | | | | | | | | | | | | | | | | |
| appoint dispensary manager | | | | | | | | | | | | | | | | | | | | |
| appoint procurement technician | | | | | | | | | | | | | | | | | | | | |
| open pharmacy for Mid Essex | | | | | | | | | | | | | OPEN Mid | | | | | | | |
| open pharmacy for NE Essex | | | | | | | | | | | | | | | | NEE | | | | |
| open pharmacy for West Essex | | | | | | | | | | | | | | | | | | | | West |

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Appendix 3 Capital cost estimates

Timescale: Funding, Outline Planning permission, design, planning and building regs, building, commissioning. Intend to open September 1st 2010

Options for provision: Traditional build, Modular build (25 year life)(3-4 months quicker than traditional), Portacabin (3yr life), Lease of existing building e.g. on industrial estate, on/in existing NEPFT property

| Item/description | Cost | Comment |
|---|---|--|
| Dispensary for up to 12 people, floor area 79 sq.m | £417 000 | Modular build £3 000/m Traditional build £2 300/m Refit of premises £600/m Total area 139m |
| Procurement office 10 sq.m | £320 000 | |
| Clinical Office 20 sq m | £83 000 | |
| Vestibule for transport collection and delivery, outside main burglar alarm system (include room for a fridge) 6-9 sq m | | |
| Two toilets+sink (cloakroom) 6 sq m | | |
| Patient/staff waiting area 15 sq m | | |
| Vehicular access for fairly large lorries | | |
| Burglar alarm system | £4 000 | |
| Climate control | £12 000 | |
| Computer system hardware | £10 000 | |
| Computer software | £80 000 | |
| Computer installation costs | £1 500 | |
| Dispensing benches and cupboards | £10 000 | |
| Shelves | | |
| 2 fridges (one small, one large with display door) | £3 500 | |
| Sloping open drawer system(s) for dispensary | £4 000 | |
| Controlled Drug cupboard | £785 | |
| Individual dispensing robot | £121,000 | |
| Deblisterer and etc for robot, and interface | £22,000 | |
| Transit CD boxes and bags | £3 000 | 33 x 5 envopaks and 25 lockable boxes |
| Transit stock boxes and wheels | £1 000 | 30 |
| Phones (4) and faxes (3) | £1 000 | |
| Photocopier | £1 000 | |
| Chairs/stools 2+6+6+4+15 | £1 500 | |
| Sack barrow | £50 | |
| Episys handheld printers for ward level labels x 3 | £2 000 | |
| Mobile phones x 5 | | |
| | | |
| Pharmfast www.tribalgroupp.co.uk | ? | Can track prescriptions, medicines over multiple sites Improves monitoring and audit, security in transit, human error |
| TOTAL | £2 20,000- £550,000 (£693,000 inc. robot) | See provision document of 23 rd Sept 08 for a cost based on refit of premises, which includes more facilities than just pharmacy. |
| Training room 40 sq m - optional | | This could be used as a training room by others, or a meeting room |
| Transport and estates depot- optional | | |
| Medical records - optional | | |

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REFERENCES

NHS Estates Health Building Note 29

Design for patient safety – a guide for the design of the dispensing environment Edition 1 11/2007

Design for patient safety - a guide to the design of dispensed medicines Ed 1 11/2007

www.pharmacy-equipment.com 01863 348 123

www.hbdirect.co.uk hire and sale of ex-hire modular healthcare buildings 0845 840 4545

www.ascribe.com Computer systems 0870 053 4545

www.firstdatabank.co.uk JAC pharmacy computers and electronic prescribing systems

www.thebarcodewarehouse.co.uk hand held data collection and download facility

www.episys.com hand-held labeller with database for drugs and capacity to download to main computer system.

www.connectingforhealth.nhs.uk I/S

EXAMPLES OF IN-HOUSE PHARMACY PLANS FOR A LEASEHOLD PROPERTY IN CHELMSFORD

Introduction

The paper taken to the EMT Meeting in July 2008 called for a further investigation with regards to the provision of pharmacy services directly by NEPFT and called for some further analysis of options. The Estates and Facilities Directorate was asked to look at potential building options and provide capital costs for the provision of a pharmacy service located centrally of the NEPFT area and likely to be in, or around, the Chelmsford area.

Whilst the original assumptions with regards to the space requirements of a dispensing pharmacy was centred around an area of approximately 150 square metres, some consideration has to be given with regards to the provision of transport arrangements for the dispensing of pharmacy items to all NEPFT sites. Therefore the space required for a pharmacy and transport service would equate to approximately 200-220 square metres in area.

Options

The building options considered for the provision of a pharmacy service is as follows:

Option 1 -Temporary accommodation (Portakabin) located on an existing NEPFT site (Linden Centre?)

Option 2 - Modular or traditional construction located on an existing NEPFT site (Linden Centre?)

Option 3 - Leased accommodation within an industrial unit on an industrial site somewhere in Chelmsford area.

After discussion with the Associated Director Of Pharmacy, the favoured option has been expressed as the lease of an industrial unit within the Chelmsford area. It can be seen from the current market place that this would appear to be an appropriate time to acquire a small industrial unit as the current lease values being experienced at present would be favourable to the Trust.

Proposal

The provision of a stand alone pharmacy service could be located within an area of c. 150 square metres, but as mentioned earlier would probably require c. 220 square metres with

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the integrated transport arrangements within the same building. This exercise should be fairly straightforward and a cost has been worked through in *Example 1* within the finance section of this paper.

However, in light of the forthcoming Six Facet Survey to be carried out across a number of NEPFT properties, which is likely to highlight some dilapidations and shortcomings in the existing property portfolio, it would be fair to say that this would be a relevant time to look at packaging some other services into the same building. Therefore consideration should be given to the co-location of some non clinical and other support services along side the new pharmacy dispensing unit in one industrial unit to achieve economies of scale and efficiency within operations. A cost has also been worked through in *Example 2* within the finance section of this paper.

Therefore the services that could be co-located may be as follows:

- Pharmacy dispensing unit – *provision of an NEPFT pharmacy unit*
- Medical records – *relocation of the medical records in the mid area (Rowans, The Linden Centre) and any central records storage area for “dead records”, CAMHS medical records. This would also replace a number of ad-hoc arrangements currently in place across the patch and mean that the current area occupied within the Linden Centre for Medical Records could be redistributed as prime clinical space.*
- Transport section – *re-location of the post room and postal services from Birchwood and augmentation of the transport services for transport of post, pharmacy products and medical records rather than providing a dedicated pharmacy transport service*
- Estates and Facilities – *a requirement for basing small Estates and Facilities team to cover the mid and west area (currently maintained from Colchester)*
- Provision of central training room facility – *to replace existing ad-hoc arrangements at Colchester and Chelmsford and to provide suitable training rooms for staff training needs (C&R training etc)*
- Central Storage area – *potential requirement for central storage area for the trust which could include central equipment library*

There are, of course, a number of considerations to be given with each of the above suggestions, not least the issue of medical records at The Linden Centre. An opportunity exists by the leasing of an appropriate size industrial unit (circa 400 square metres) within the Chelmsford area to re-locate the medical records unit from The Linden Centre and possibly either back fill that area with prime clinical services currently housed elsewhere (possibly in dilapidated buildings), or indeed it may be possible to reduce the overall size of the new low secure unit at The Linden Centre using the space freed up by the re-location of medical records. Other considerations for the potential backfilling of the medical records area could be the occupation of EIP and Family consultation services (which have been earmarked for Pitfields), and the sale of Pitfields as surplus to requirements. This again would have a direct financial impact on the business case for the pharmacy/non-clinical support services co-location into one unit.

Buildings

After inspecting a number of industrial units based around the Witham and Chelmsford area, two units of a differing size are potential options. Number 8 Buckingham Court is approximately 250 square metres and would be ideally located to provide a stand alone pharmacy service and transport service together (Example1). The location of the unit is close to the A12 and although situated on a busy industrial park provide suitable accommodation and parking for staff. The current lease costs for the unit is approximately

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£19,500 per annum and the unit is currently vacant with the rental costs negotiable at this stage.

Whereas Units 2&3 on the Robjohns Road, Widford Industrial Estate in Chelmsford would be suitable accommodation for all of the above mentioned services (Example 2). Each unit was circa 446 square metres in area with both car parking at the front and a small car parking yard at the rear of both units. The location of these units on the Widford Industrial Estate means that access to and from the main A12, A414 etc is easily reached and both units appear to be in reasonable condition, but will require a full condition survey should the Trust wish to occupy them.

Each unit occupies 4800 square feet (446 square metres) with a high ceiling area that could accommodate a mezzanine floor to enable all of the fore-mentioned services to be housed together (probably with training rooms on the upstairs mezzanine floor. The current lease costs for each unit are approximately £30,000 per annum with no service charges. Both units are currently vacant and the rental costs are negotiable at this stage. It is not envisaged that the trust would have a requirement to occupy both units, but until such time as work around the co-location of some services is completed, it should be ruled out.

An illustration of the potential layout of the Robjohns Unit for the fore-mentioned services is attached as Appendix 1.

Finance

Example 1 - The approximate capital costs for the refurbishment of an industrial unit of 250 square metres (8 Buckingham Court) for the provision of a pharmacy and transport unit only is as follows:

Building area 250sq.m –
based upon refurbishment (build) costs of £600.00/sq.m = £150k
Professional/legal/planning fees (@15%) = £22.5k
Contingency = £20k

Total costs = £192.5K (excl VAT, IM&T costs etc)

Example 2 - The approximate capital costs for the refurbishment of Robjohns Road for the provision of a pharmacy, medical records, transport, estates and facilities, central training room and Central storage area co-located into one area is as follows:

Building area 446sq.m –
based upon refurbishment (build) costs of £600.00/sq.m = £268k
Professional/legal/planning fees (@15%) = £41k
Contingency = £25k
Sub Total costs = £334k (excl VAT)
Construction of mezzanine floor to provide training area = £150k
Professional/legal/planning fees (@15%) = 22.5k
Contingency = £10k

Total costs = £517k (excl VAT, IM&T costs etc)

PDF of proposed floor plans on corporate website, medicines management
Ref: 080923 Pharmacy plans Robjohns Rd

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Appendix 4 Revenue costs April 2009 to March 2012

| Financial year → | | 2009-2010 | | 2010-2011 | | 2011-2012 | | 2012-2013 |
|---|----------|--------------------|--------|-----------|--------|-----------|--------|-----------|
| Item or staff | AfC band | April 2009 Actual | Sep-09 | Apr-10 | Sep-10 | Apr-11 | Sep-11 | |
| AD for pharmacy | 8d | 78,904 | | 81,217 | | 84,686 | | 88,925 |
| Lead Pharmacist West | 8b | 67,412 | | 67,341 | | 67,341 | | 67,341 |
| Lead pharmacist Mid | 8a | 49,765 | | 51,770 | | 49,765 | | 51,770 |
| Lead Tech Mid and East | 6 | 39,511 | | 40,609 | | 40,609 | | 40,609 |
| PA/Clerical support 0.4WTE to 0.6WTE | 4 | 9,379 | 2345 | 7,258 | | | | |
| Lead Pharmacist East | 8a | | 24,882 | 49,765 | | 51,770 | | 54,083 |
| Specialist tech East | 6 | | 17,461 | 34,922 | | 36,119 | | 37,317 |
| Specialist Tech West | 5 | | 14,093 | 28,187 | | 29,009 | | 30,016 |
| Specialist Pharmacist West | 7 | | | 41,808 | | 43,155 | | 44,650 |
| Specialist Pharmacist East | 7 | | | 41,808 | | 43,155 | | 44,650 |
| IT/Procurement senior tech | 6 | | | 34,922 | | 36,119 | | 37,317 |
| Dispensary manager (technician) | 7 | | | | 20,904 | 41,808 | | 43,155 |
| Technician | 4 | | | | 11,723 | 23,447 | | 24,195 |
| Technician | 4 | | | | 11,723 | 23,447 | | 24,195 |
| Dispensary support (ATO) | 3 | | | | 10,002 | 20,004 | | 20,603 |
| Dispensary support (ATO) | 3 | | | | 10,002 | 20,004 | | 20,603 |
| Rotational basic grade Pharmacist | 6 | | | | 17,496 | 34,992 | | 36,119 |
| Clerical support/PA | 4 | | | | 11,723 | 23,447 | | 24,195 |
| Rotational basic grade Pharmacist | 6 | | | | | 34,992 | | 36,119 |
| Student technician | 3 | Reg.fund available | | | | 20,004 | | 20,603 |
| Information pharmacist/research 0.5WTE | 7 | | | | | 20,904 | | 21,577 |
| Rotational basic grade pharmacist | 6 | | | | | | 17,496 | 36,119 |
| Pre-registration pharmacist (?rotational) | 5 | Reg.fund available | | | | | 14,093 | 28,187 |

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| Total number of staff | | 5 | 8 | 11 | 17 | 20 | 22 | 22 |
|--------------------------------------|--|---------|---------|---------|-----------|---------|---------|---------|
| TOTAL SALARIES | | 244,971 | 303,752 | | 573,180 | | 776,366 | 832,348 |
| Mid Essex SLA | | 199,058 | | 82,941 | | 0 | | |
| East Essex SLA | | 194,040 | | 129,360 | | 0 | | |
| West Essex SLA | | 206,421 | | 206,421 | | 0 | | |
| Training budget | | | | 10,000 | | 15,000 | | 15,000 |
| Premises and IT | | | | | 25,000 | 50,000 | | 50,000 |
| Transport | | | | | 20,000 | 40,000 | | 40,000 |
| Other overheads | | | 4,000 | 4,000 | | 4,000 | | 4,000 |
| Dispensing robot sundries and maint. | | | | | | 6,000 | | 6,000 |
| TOTAL | | 844,490 | 907,271 | | 1,050,902 | | 891,366 | 947,348 |
| Budget available | | 844,490 | | 844,490 | | 844,490 | | 844,490 |
| Additional resource required | | Nil | 62,781 | | 206,412 | | 46,876 | 112,858 |

NOTES

- Salaries increased for incremental points
- The West Essex SLA is a risk because it is part of the PAH bulk contract
- Additional resource in 20010-11 is funding for parallel running of services for one year
- Regional funding is currently available for student technicians and pre-registration pharmacists