

Directorate for Chief

Medical Officer

Pharmacy and Medicines

Division

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Mr Martin Green
Chairman
Community
Pharmacy Scotland
42 Queen Street
EDINBURGH
EH2 3NH

18 December 2017

Dear Martin,

FINANCIAL RESILIENCE TEMPORARY SUPPORT - WINTER 2017-18

Further to Circular PCA (P)(2017)15 and our ongoing discussions regarding contractor cashflow issues during the peak winter period and its impact on financial resilience for the remainder of the 2017-18 financial year, I am pleased to inform you that a further payment in the form of a temporary support allocation will be made to each contractor by Friday 22nd December 2017.

The total amount to be allocated is approximately £1.3 million and will be distributed to each contractor on a "fair shares" basis using contractors' dispensing activity for the month of December. This is in addition to the £1.2 million adjustment to Dispensing Pool payments made to contractors on 8th December.

As indicated above, this is a temporary support allocation for winter 2017-18 and the terms of which are directly related to the currently assessed underperformance of the (annualised) minimum guarantee sum of **£110m** from drug and appliance reimbursement. Monthly and quarterly pricing inquiry monitoring will continue to track closely performance against delivery of the minimum guaranteed sum and balancing adjustments will be made to future monthly contractor payments should pricing inquiry monitoring show performance deviate from the annualised amount.

I hope this confirms the content of our discussions for this temporary financial support measure and that the Board of Community Pharmacy Scotland supports the timely allocation to contractors under the terms summarised above.

Yours sincerely,



Dr Rose Marie Parr
Chief Pharmaceutical Officer and Deputy Director,
Pharmacy and Medicines Division