

HEALTH AND SOCIAL CARE ACT 2008

EXPLANATORY NOTES

BACKGROUND AND SUMMARY

Part 5 – Miscellaneous

Pharmaceutical services

38. There are two different sources of finance which pharmacies receive for providing community-based NHS pharmaceutical services in England. One of these is the funding held centrally by the Department, known as the ‘Global Sum’. The other source of finance, which also funds the cost of drugs and medicines, is currently included in the sums allocated to PCTs annually to meet the general expenditure incurred in discharging their functions (‘the baseline allocations’). The proposed amendment refers to the Global Sum funding only.
39. The Global Sum funding pays fees and allowances for services such as dispensing prescriptions. It also pays for other essential pharmaceutical services such as advice on medicines, and pays the fees and allowances for appliance contractors who provide medical appliances.
40. The Department proposes that this central funding should be devolved to PCTs and be included in their baseline allocations, and published the consultation document “*Modernising financial allocation arrangements for NHS pharmaceutical services 2007*” on this proposal in July 2007. The current funding arrangements are provided for by sections 228 to 231 of, and Schedule 14 to, the NHS Act 2006. Amendments to these parts of the NHS Act 2006 are required in order to move the Global Sum to the baseline allocations of the PCTs in England.
41. The way that funding for the provision of pharmaceutical services in Wales operates mirrors the current system in England. The Welsh Ministers hold centrally the funding that pays fees and allowances for services such as dispensing prescriptions and the provision of advice to patients, which is also referred to as the ‘Global Sum’. The Welsh Assembly Government proposes that this centrally held funding should be devolved to Local Health Boards and be included in their baseline allocations. The current funding arrangements are provided for by sections 174 to 177 of, and Schedule 8 to, the National Health Service (Wales) Act 2006 (‘NHS (Wales) Act 2006’). Amendments to these parts of the NHS (Wales) Act 2006 are required in order to move the Global Sum to the baseline allocations of the Local Health Boards in Wales.
42. [Section 140](#) introduces Schedule 12, which contains the changes to the NHS Act 2006 that are needed to move funding for pharmaceutical services to PCTs and to allocate funding by reference to the PCT of the prescriber. These changes bring the management of funding for pharmaceutical services in line with funding for other community-based health services. Section 140, by introducing Schedule 12, also makes the changes necessary to the NHS (Wales) Act 2006 to move the funding for pharmaceutical services to Local Health Boards, and also to introduce the allocation of funding by reference to the Local Health Board of the prescriber.

*These notes refer to the Health and Social Care Act 2008
(c.14) which received Royal Assent on 21 July 2008*

43. The Secretary of State has committed to continue to set the levels of fees and allowances for nationally agreed services provided by community pharmacies in negotiation with the Pharmaceutical Services Negotiating Committee and in discussion with the NHS, and similarly for nationally agreed services provided by appliance contractors. An equivalent commitment has been given in respect of the setting of fees and allowances for pharmaceutical services in Wales. However, if in the future the Secretary of State decides to appoint PCTs or other persons to determine the funding for essential services, section 141 requires the instrument of appointment to be made in regulations, and likewise for Wales.