Procedure for dealing with change of ownership applications (Pharm14)
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Standard operating policies and procedures for primary care

Issue Date: June 2013

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Prepared by: Primary Care Commissioning (PCC)
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LEEDS

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NHS England
Procedure for dealing with change of ownership applications (Pharm14)

**Purpose of procedure**

1 NHS England is responsible for direct commissioning of services beyond the remit of clinical commissioning groups, namely primary care, offender health, military health and specialised services.

2 This document forms part of a suite of policies and procedures to support commissioning of primary care. They have been produced by Primary Care Commissioning (PCC) for use by NHS England’s area teams (ATs).

3 The policies and procedures underpin NHS England’s commitment to a single operating model for primary care – a “do once” approach intended to ensure consistency and eliminate duplication of effort in the management of the four primary care contractor groups from 1 April 2013.

4 All policies and procedures have been designed to support the principle of proportionality. By applying these policies and procedures, Area Teams are responding to local issues within a national framework, and our way of working across the NHS England is to be proportionate in our actions.

5 The development process for the document reflects the principles set out in *Securing excellence in commissioning primary care*¹, including the intention to build on the established good practice of predecessor organisations.

6 Primary care professional bodies, representatives of patients and the public and other stakeholders were involved in the production of these documents. NHS England is grateful to all those who gave up their time to read and comment on the drafts.

7 The authors and reviewers of these documents were asked to keep the following principles in mind:

- Wherever possible to enable improvement of primary care
- To balance consistency and local flexibility
- Alignment with policy and compliance with legislation
- Compliance with the Equality Act 2010
- A realistic balance between attention to detail and practical application
- A reasonable, proportionate and consistent approach across the four primary care contractor groups.

This suite of documents will be refined in light of feedback from users.

This document should be read in conjunction with:

- The NHS (Pharmaceutical and Local Pharmaceutical Services) Regulations 2013 and accompanying DH guidance
- Policy for determining applications received for new or additional premises under the NHS (Pharmaceutical and Local Pharmaceutical Services) Regulations 2013

**Procedure aims and objectives**

The purpose of this procedure is to ensure that change of ownership applications are dealt with in line with the NHS (Pharmaceutical and Local Pharmaceutical Services) Regulations 2013.

Applications are to be determined within 30 days of receipt unless NHS England has good cause to take longer e.g. a delay in completing the required fitness to practice checks.

**Background**

Persons wishing to provide pharmaceutical services in England must be included in one of the pharmaceutical lists held by NHS England. NHS England will hold pharmaceutical and dispensing doctor lists at health and well-being board (HWB) level.

Once included in a pharmaceutical list, contractors may sell their business and the new owner is required to apply to be included in the relevant pharmaceutical list regarding the premises. Such applications must include certain information and are to be processed and determined in accordance with the 2013 Regulations.

Decisions made by NHS England can generally be appealed to the NHS Litigation Authority’s Family Health Services Appeal Unit (FHSAU), although some appeals on fitness issues go to the First-tier Tribunal. If the 2013 Regulations make no provision for an appeal, or if someone is dissatisfied with a decision of the FHSAU, any challenge would need to be made through the courts. Robust audit trails will therefore be maintained for each application and all determinations will be fully reasoned.
Scope of the procedure

15 This procedure applies to applications from persons wishing to take over the premises of another contractor that are included in one of NHS England’s pharmaceutical lists.

Procedure for change of ownership applications

16 1. On receipt of a change of ownership application check the details have been added to the applications database. Ensure the database is updated as the application progresses.

2. Where the applicant is not already included in the relevant pharmaceutical list regarding other premises, fitness to practise checks will need to be completed. Liaise with the officer responsible for fitness to practise checks advising that the application is to be considered within 30 days.

3. Check that the application is fully completed and all relevant information, documentation and undertakings have been provided, including the relevant cheque or proof of payment. This is particularly important if the applicant has not used the national application form.

Where the application is fully completed and all relevant information, documentation and undertakings have been provided liaise with the officer responsible for fitness to practise checks (where the applicant is not already included in the relevant pharmaceutical list) to ensure that Pharm14 annex 2 can be sent. Where the applicant is required to provide enhanced services, include copies of the specifications for these services.

Where there is missing information and/or documentation in the application, complete and send Pharm14 annex 3. Refer to the policy for determining applications received for new or additional premises under the NHS (Pharmaceutical and Local Pharmaceutical Services) Regulations 2013 regarding the amount of time given for submission. Liaise with the officer responsible for fitness to practise checks (where the applicant is not already included in the relevant pharmaceutical list).
If the applicant requests a review of the request, forward this to the pharmacy contracts manager for a decision. If the outcome is that the information/documentation is to be provided move to the next paragraph. If the outcome is that the information/documentation is not to be provided move to the second next paragraph.

Diarise the date for the missing information and/or documentation to be submitted. Upon receipt send Pharm14 annex 4. Where the applicant is required to provide enhanced services, include copies of the specifications for these services. If the missing information and/or documentation aren’t received by the due date liaise with the officer responsible for fitness to practise checks (where the applicant is not already included in the relevant pharmaceutical list) and send Pharm14 annex 5 and return the cheque or arrange for a refund where payment was made by BACS.

Where there are missing undertakings in the application, complete and send Pharm14 annex 6. Refer to the policy for determining applications received for new or additional premises under the NHS (Pharmaceutical and Local Pharmaceutical Services) Regulations 2013 regarding the amount of time given for submission. Liaise with the officer responsible for fitness to practise checks (where the applicant is not already included in the relevant pharmaceutical list).

Diarise the date for the missing undertakings to be submitted. On receipt, send Pharm14 annex 7. Where the applicant is required to provide enhanced services, include copies of the specifications for these services. If they aren’t received by the due date liaise with the officer responsible for fitness to practise checks (where the applicant is not already included in the relevant pharmaceutical list) and send Pharm14 annex 8 and return the cheque or arrange for a refund where payment was made by BACS.

4. While the fitness to practise checks are being completed, where relevant, ensure that payment has cleared. If payment hasn’t cleared send Pharm14 annex 9 to the applicant. Diarise the date for when payment is to be received and hold the application until payment has cleared. If payment does not clear send Pharm14
annex 10 to the applicant.

5. On receipt of the fitness to practise recommendation/decision, where relevant, prepare and send a report (Pharm14 committee report) on the application to the pharmacy contracts manager.

6. After the meeting prepare the relevant decision letters (Pharm14 annexes 11–15) based on the pharmacy contracts manager’s reasoned decision. Remember to refer to the policy for determining applications received for new or additional premises under the NHS (Pharmaceutical and Local Pharmaceutical Services) Regulations 2013 with regards to third party rights of appeal. When completed, send to the officer responsible for signing decision letters. Complete as far as possible the notice of commencement where the application is approved. Once the decision letters are signed distribute to the applicant and interested parties enclosing the notice of commencement where relevant with the applicant’s letter.

7. Diarise the latest date for appeals to be made.

8. If notice of an appeal is received advise the pharmacy contracts manager and assist in producing a response.

9. If the NHS Litigation Authority grants or confirms the grant of the application, complete and send a new notice of commencement and Pharm14 annex 16 to the applicant. Include a copy of the banking mandate.

10. If no appeal is made and NHS England granted the application, advise the pharmacy contracts manager and send Pharm14 annex 17 to the applicant. Include a copy of the banking mandate.

11. Diarise the latest date by which the template notice of commencement can be submitted.

12. On receipt of a completed notice of commencement ensure it was submitted in time. Where it was, send Pharm14 annex 18.

Complete the relevant NHS Prescription Services form (PPA305)
and send to NHS Prescription Services with the applicant's completed mandate. Advise the applicant of their contractor number when received from NHS Prescription Services.

Diarise the date that the applicant is to be included in the relevant pharmaceutical list. On that date update the list and remove the previous contractor from it in relation to the premises. Advise the relevant HWB.

13. Where the notice of commencement was not submitted in time, ie it was submitted less than 14 days before the grant expired, send Pharm14 annex 19.

14. Ensure the applications database has been kept up to date and enter the outcome of the application. Advise the officer dealing with the fitness to practise checks of the outcome. Update other NHS England databases as appropriate and inform the usual parties including the company that collects and disposes of unwanted medicines.

**Monitoring and review of procedure**

17. This procedure will be reviewed regularly, with frequency determined by NHS England. There are robust arrangements for the maintenance and storage of all records, minutes, and reports associated with the procedure to ensure a clear audit route through the procedure for each contractor. NHS England may instigate an internal audit, or be required to submit information to an external body for scrutiny.
### Annex 1: abbreviations and acronyms

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>A&amp;E</td>
<td>accident and emergency</td>
</tr>
<tr>
<td>APHO</td>
<td>Association of Public Health Observatories (now known as the Network of Public Health Observatories)</td>
</tr>
<tr>
<td>APMS</td>
<td>Alternative Provider Medical Services</td>
</tr>
<tr>
<td>AT</td>
<td>area team (of NHS England)</td>
</tr>
<tr>
<td>AUR</td>
<td>appliance use reviews</td>
</tr>
<tr>
<td>BDA</td>
<td>British Dental Association</td>
</tr>
<tr>
<td>BMA</td>
<td>British Medical Association</td>
</tr>
<tr>
<td>CCG</td>
<td>clinical commissioning group</td>
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<tr>
<td>CD</td>
<td>controlled drug</td>
</tr>
<tr>
<td>CDAO</td>
<td>controlled drug accountable officer</td>
</tr>
<tr>
<td>CGST</td>
<td>NHS Clinical Governance Support Team</td>
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<tr>
<td>CIC</td>
<td>community interest company</td>
</tr>
<tr>
<td>CMO</td>
<td>chief medical officer</td>
</tr>
<tr>
<td>COT</td>
<td>course of treatment</td>
</tr>
<tr>
<td>CPAF</td>
<td>community pharmacy assurance framework</td>
</tr>
<tr>
<td>CQC</td>
<td>Care Quality Commission</td>
</tr>
<tr>
<td>CQRS</td>
<td>Calculating Quality Reporting Service (replacement for QMAS)</td>
</tr>
<tr>
<td>DAC</td>
<td>dispensing appliance contractor</td>
</tr>
<tr>
<td>Days</td>
<td>calendar days unless working days is specifically stated</td>
</tr>
<tr>
<td>DBS</td>
<td>Disclosure and Barring Service</td>
</tr>
<tr>
<td>DDA</td>
<td>Disability Discrimination Act</td>
</tr>
<tr>
<td>DES</td>
<td>directed enhanced service</td>
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<tr>
<td>DH</td>
<td>Department of Health</td>
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<tr>
<td>EEA</td>
<td>European Economic Area</td>
</tr>
<tr>
<td>ePACT</td>
<td>electronic prescribing analysis and costs</td>
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<tr>
<td>ESPLPS</td>
<td>essential small pharmacy local pharmaceutical services</td>
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<td>EU</td>
<td>European Union</td>
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<tr>
<td>FHS</td>
<td>family health services</td>
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<tr>
<td>FHS AU</td>
<td>family health services appeals unit</td>
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<tr>
<td>FHSS</td>
<td>family health shared services</td>
</tr>
<tr>
<td>FPC</td>
<td>family practitioner committee</td>
</tr>
<tr>
<td>FTA</td>
<td>failed to attend</td>
</tr>
<tr>
<td>FTT</td>
<td>first-tier tribunal</td>
</tr>
<tr>
<td>GDP</td>
<td>general dental practitioner</td>
</tr>
<tr>
<td>GDS</td>
<td>General Dental Services</td>
</tr>
<tr>
<td>GMC</td>
<td>General Medical Council</td>
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NHS England
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GMS General Medical Services
GP general practitioner
GPES GP Extraction Service
GPhC General Pharmaceutical Council
GSMP global sum monthly payment
HR human resources
HSE Health and Safety Executive
HWB health and wellbeing board
IC NHS Information Centre
IELTS International English Language Testing System
KPIs key performance indicators
LA local authority
LDC local dental committee
LETB local education and training board
LIN local intelligence network
LLP limited liability partnership
LMC local medical committee
LOC local optical committee
LPC local pharmaceutical committee
LPN local professional network
LPS local pharmaceutical services
LRC local representative committee
MDO medical defence organisation
MHRA Medicines and Healthcare Products Regulatory Agency
MIS management information system
MPIG minimum practice income guarantee
MUR medicines use review and prescription intervention services
NACV negotiated annual contract value
NCAS National Clinical Assessment Service
NDRI National Duplicate Registration Initiative
NHAIS National Health Authority Information System (also known as Exeter)
NHS Act National Health Service Act 2006
NHS BSA NHS Business Services Authority
NHS CB NHS Commissioning Board (NHS England)
NHS CfH NHS Connecting for Health
NHS DS NHS Dental Services
NHS LA NHS Litigation Authority
NMS new medicine service
NPE net pensionable earnings
NPSA National Patient Safety Agency

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Annexes 2 to 19

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Version control tracker

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<td>June 2013</td>
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