

Securing the future of community pharmacy

PSNC's

four point

action plan



The headlines

Community pharmacies play a vital role in primary care, **dispensing 1.1bn prescriptions a year**, providing unfunded expert health advice **65 million times a year**¹, administering millions of NHS vaccinations and supporting public health – all in convenient locations and, for the most part, without the need for appointments.

Since 2016, the funding pharmacies receive has **decreased by 25% in real terms**², despite significant increases in workload. This has pushed many into running at a loss, **withdrawing services from patients or even closing**.

With fair and sustainable funding, and help with workforce and other issues, community pharmacies could **extend the services they provide to the public** and do more to relieve pressure on General Practice. Evidence suggests that **increased investment in pharmacy in the short-term will save the NHS money in the long-term**.

PSNC (soon to be renamed Community Pharmacy England) has developed a four point action plan, setting out the solutions to these issues, and it is ready to work with the Government and the NHS to deliver it.

1. PSNC Pharmacy Advice Audit 2022: <https://psnc.org.uk/wp-content/uploads/2022/06/PSNC-Pharmacy-Advice-Audit-2022-A-summary-of-findings.pdf>

2. PSNC calculation

Pharmacy funding and operational challenges

PSNC represents all 11,000+ community pharmacies in England on all NHS matters. A five-year funding settlement, the Community Pharmacy Contractual Framework (CPCF), was set between PSNC, the Department of Health and Social Care, and NHS England in 2019. It was agreed that the funding for this would remain fixed at £2.592 billion per year, but annual reviews would test the progress of the deal, and pharmacies would be helped to ease capacity constraints.

Since 2019, the COVID-19 pandemic has placed significant additional pressures on pharmacies, and little progress has been made on releasing capacity within the sector. Costs and workload have continued to rise rapidly, with inflationary pressures that could never have been predicted when the funding deal was agreed, and pharmacies have also taken on a range of new services that support their patients. **Pharmacies are now facing immense, unsustainable operational and financial pressures. 92% of all respondents to a PSNC survey this year said that patients are being negatively affected by the pressures on their pharmacy³.**

The situation is now so severe that the pharmacy funding settlement is no longer fit for purpose and is letting patients down. The sector urgently needs a funding uplift combined with wider support.

Some of the pressures on pharmacies are as follows:

Underinvestment has led to financial breaking point: Since 2015, pharmacy funding has been cut by 25% in real terms, despite overall NHS spending growing by 3.4% per year. **Yet, 97% of pharmacy companies report that costs are rising³.** Wages are a main driver of cost increases, but also rising utility costs: some pharmacies are reporting energy bills that are ten times higher than in previous years. Unlike other businesses, pharmacies have no ability to pass any of these inflationary costs on to customers. **Our analysis of costs shows that the sector was underfunded by at least 13.7% in Years 1 and 2 of the five-year CPCF. If the current situation continues, we expect further deterioration in the service to patients, including more pharmacy closures.**

Increasing patient demand: The number of 'walk-in' patients who visit pharmacies for informal consultations has increased as access to the NHS gets more difficult; **pharmacies are now undertaking some 65 million informal consultations per year, none of which have specific funding attached to them.** As other clinical services also grow, we project that by 2024/25 overall service demand will be approaching 300% of the level it was before the implementation of the funding cuts. We estimate that pharmacies will have already **made efficiencies of between 37% and 50%²** from the period 2015/16 until 2022/2023.

A growing workforce crisis: A critical exacerbating factor is workforce pressures. In 2010, staff costs made up 53% of pharmacy business costs, but our mid-point estimate puts **staff costs at 84% of the current available funding envelope** by 2022/23. To fill vacancy gaps, pharmacies use **locum pharmacists, but locum costs now look to be around 50% higher than in 2019.** Lack of staff is increasingly leading to temporary closures of pharmacies: one in three people said their pharmacy had recently had to close **temporarily due to staff shortages³**, and in July 2022 there were **3,000 temporary pharmacy closures across England.**

3. PSNC Pharmacy Pressures Survey 2022: <https://psnc.org.uk/wp-content/uploads/2022/04/PSNC-Briefing-013.22-Summary-of-the-results-of-PSNCs-2022-Pharmacy-Pressures-Survey.pdf>

PSNC's four point action plan

1

Resolve the funding squeeze: Community pharmacy needs an **immediate funding uplift** to prevent collapse, as well as emergency business relief to get through this winter.

2

Tackle regulatory and other burdens: Pharmacies must be **protected from medicines market shocks, supported with their workforce crisis, helped to free up capacity and freed from red tape** that does not enhance patient care.

3

Help pharmacies to expand their role in primary care: Pharmacies could do **more to support the delivery of primary care** for example through offering clinical services for long-term conditions – like hypertension, diabetes and respiratory disease, supporting people to adopt healthier lifestyles and prevent the development of long-term conditions, medicines optimisation, and a **much wider variety of NHS vaccinations**.

4

Commission a Pharmacy First service: A **fully-funded pharmacy service** that allows patients to have walk-in consultations for minor conditions would provide accessible care and ease pressure on general practice.

More information on all of these points is included in the appendix at the end of this document.

We want to work with HM Government and the NHS on a plan for community pharmacy to ensure that best use is being made of this exceptional local healthcare resource, and that pharmacies have a sustainable future. Implementation of this plan would help avert a crisis in the pharmacy sector and protect services to patients and local communities.

Further information and how Parliamentarians can help

We are asking that MPs and Peers help their local community pharmacies by pledging their support for this four point action plan on social media and helping us to raise the urgent issues with Government. Key actions to take could be:

1. **Visit a local pharmacy** to see first-hand the challenges that pharmacies are currently experiencing, and to hear about how they could be addressed and what they want to do in the future. We can help organise this.
2. **Pledge your support** for community pharmacy on social media or in the local media. Make sure to use **#PharmacyPressures**
3. **Join the All-Party Pharmacy Group** and work with them to highlight the impact that pressures are having on pharmacies and patients in your constituency, and to safeguard pharmacies in the future.
4. **Raise the matter in Parliament** via questions and EDMs, and by writing to Ministers and the Secretary of State.

About PSNC

(soon to be renamed Community Pharmacy England)

The Pharmaceutical Services Negotiating Committee (PSNC) represents the owners of all 11,000+ NHS community (high-street) pharmacies in England. In 2023 we will be renamed as Community Pharmacy England. We negotiate with the Department of Health and Social Care (DHSC) and with NHS England on behalf of pharmacy owners and represent them on all NHS and regulatory matters. We are working with Nuffield Trust and The King's Fund to explore some of the issues outlined in this briefing, and input from Parliamentarians would be very gratefully received.

For more information or support please contact

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Appendix: PSNC's four point action plan

- 1. Resolve the funding squeeze:** Pharmacies rely on NHS funding for some **90% of their income**, but the total available funding for community pharmacy has been the same since cuts were made in 2015. **This means that since 2015, pharmacy funding has been cut by 25% in real terms**, despite overall NHS spending growing by 3.4% per year.

The sector has been **squeezed to breaking point** and we are already seeing the effects of this as services and support for patients are withdrawn, and temporary and permanent closures happen. A survey we conducted earlier this year showed **that two-thirds of pharmacies had had to reduce services and over half of all owners were fearful about the financial state of their business³**. If we did the survey now it would be much worse.



As well as emergency funding relief for the coming winter, we are seeking a funding uplift that recognises the inflationary and other pressures on community pharmacies and a new funding agreement that is flexible enough to allow for further increases as needed. **This will prevent further deterioration in the service to patients, including any more pharmacy closures.**

- 2. Tackle regulatory and other burdens:** Community pharmacies are being subjected to a range of pressures and shocks which are outside of their control and having a detrimental effect on businesses. They need help with:
 - **Medicines supply:** Pharmacy teams routinely spend hours trying to source some medicines and many are subjected to abuse from patients where there are delays³. Pharmacy businesses can also lose money on dispensing certain medicines. We have called for an **urgent overhaul of price concession system⁴** to help to protect pharmacies from medicines pricing issues.
 - **Workforce: Pharmacist vacancy rates have doubled since 2017** and recruitment of clinical pharmacists by Primary Care Networks has also exacerbated the workforce pressures on community pharmacy. We need the NHS to stop poaching community pharmacy staff and, as recently recommended by the Health and Social Care Committee⁵, community pharmacy needs a **funded and integrated workforce plan**.
 - **Regulatory easements:** To help them to manage the critical staffing situation, pharmacies need more flexibility around opening hours and closed door working, and we would like to see some red tape – such as on data reporting – removed.

4. <https://psnc.org.uk/our-news/psnc-demands-price-concession-fix-and-wider-help-for-contractors/>

5. <https://publications.parliament.uk/pa/cm5803/cmselect/cmhealth/115/report.html>

3. Help pharmacies to expand their role in primary care: Pharmacies have shown time and again their ability to provide a range of clinical services and, throughout the COVID-19 pandemic, they demonstrated their resilience, adaptability and willingness to step up and help deliver on urgent Government priorities including: taking on deliveries for vulnerable patients, distributing over **27m lateral flow tests and administering 22 million COVID vaccinations**. We want to build on this success, and to extend the services that pharmacies can offer to support their core dispensing and advice functions in the following areas:

- **Vaccinations:** Community pharmacies could offer a much wider range of NHS vaccinations. Their vaccination services are well-established, popular with patients and help reach deprived communities.
- **Women's health:** Building on the introduction of the new Pharmacy Contraception Service⁶, which provides oral contraception to eligible patients, pharmacies could offer emergency contraception, long-acting contraception, such as implants, and HRT supply and support.
- **Medicines optimisation and adherence:** Pharmacies could do much more to help address polypharmacy, and we would like to widen the scope of the New Medicine Service and Discharge Medicines Service.
- **Long term conditions management:** Pharmacies could have a greater role in helping to manage diabetes, hypertension, asthma and other respiratory disease, and pain management, through provision of annual checks and further monitoring. This and other roles could be supported by independent prescribing, with all newly qualified pharmacists registering from 2026 onwards automatically being independent prescribers.
- **Prevention:** Pharmacies are ideally placed to offer an expanded NHS Health Check service, weight management and smoking cessation services, and case-finding services such as for Atrial fibrillation and some cancers.

4. Commission a Pharmacy First service: As a first step towards expanding pharmacy's role, **a national and fully funded 'Pharmacy First' service should be commissioned**, giving the public direct access to healthcare on every high street and meeting the Government's objective to ease pressure on GP practices. The service would see pharmacies delivering self-care advice and information, and treatment for minor conditions such as Urinary Tract Infections and minor skin infections, with rapid referral onwards where required.

Fully funding this new service could **help to put the sector on a more sustainable footing**, while also making significant cost savings for the NHS. The cost to provide 40 million minor ailments GP appointments per year is £1.2 billion, but the cost to transfer these to pharmacies would only be £560 million, resulting in a **53% cost reduction**. For every one million appointments transferred, the NHS would make a net saving of £16 million. **This service could save the NHS £640 million over the course of one year.**

6. <https://psnc.org.uk/national-pharmacy-services/advanced-services/pharmacy-contraception-service/>