

Annual Report 2022/23

Comments from our Chair and CEO

Our Chair and CEO reflect on the past year, and what lies ahead.

Chair's comment

Everyone involved in community pharmacy knows just how crucial you are to so many people's lives, each and every day. The work you do is detailed, relentless, often exhausting, but too often overlooked. This is a strong theme in this annual report, particularly when looking at the stark results of our 2023 [Pressures Survey](#).

Yet you carry on. Day in and day out, breathing life into our high streets and offering a safe place for those in need of



Sue Killen, Chair

medicines or healthcare advice. You are one of the most inspiring sectors I have worked with – despite the increasing financial pressures as the cost-of-living soars and the realities of your ever-squeezed funding envelope bites, you keep going, delivering high-quality care to all those in need. This report also shows just how much pharmacies have achieved – yet you have so much more to offer.

The good news is that the Government and NHS are noticing this and starting to take some action to support you. Their commitment to additional funding this year – when all other sectors are also asking for more money, but few are getting it – shows we are beginning to win the argument. The dogged campaigning and analysis that we are doing about the value of pharmacies, about the risks if the current decline is allowed to continue, and about your potential to do so much more, are getting through.

It is not enough. And it is not fast enough. But it is a sign that as a sector we are doing and saying the right things, and we must continue to do so.

This progress is underpinned by the commitment and dedication of the committee at Community Pharmacy England. Our time together is intense as Committee Members – all pharmacy business owners or representatives

themselves – bring with them the voice of a sector in crisis, challenging themselves to find ways forward. Solutions are not easy – if they were, we would have them in place by now – and there are many obstacles in our way, but the Committee and Executive Team continue to bring creativity, grit and unparalleled expertise to the table and work ever more determinedly to improve things for all pharmacies.

We have also been looking at how we work, and I'm pleased that we are now progressing through our governance review making positive changes for the future. Now more than ever before we are working hard to be close to those we represent, to hear your voice and be open to constructive criticism, fresh thinking and new ideas.

Over the coming year we will continue this dialogue to share with you our progress and our struggles. When we say that something is a challenge or blocker, you can be assured we will be looking for ways around it; and if we say something is a win, we will mean that it has been a real battle to get to this point, and that it is a genuine step forwards. Working together as a sector, and with some of the other influential people that we have partnered with over the last twelve months, I hope we can take many more of these steps forward. This is our goal for the coming year, and our wider purpose, as Community Pharmacy England.

CEO's comment

For all those who own and work in community pharmacies, these past twelve months have been a time of intense pressure. The scale of the financial and operational challenges on pharmacies are unprecedented, and as demand for medicines and healthcare continues to rise, most pharmacy teams are working at well beyond full capacity – you have not once been able to catch your breath.

Yet once again pharmacy owners have shown their resilience and determination to push through whatever challenges come your way, guided by an unwavering commitment to your patients and local communities.



Janet Morrison OBE,
Chief Executive Officer

But enough is enough. And this is why throughout this last year we have ramped up our messaging and influencing work, telling Ministers and the NHS time and again that they simply cannot continue along this path of squeezing, and slowly destroying, community pharmacy businesses of all shapes and sizes.

We spent the year building on the bids we had put in for a funding uplift and for a fully-funded Pharmacy First service. In the autumn we secured a £100m margin write-off saving pharmacy owners from paying back funding that they desperately needed. And over the winter we joined forces with others to warn that the sector faced collapse, which would decimate primary care. We launched our political action plan for community pharmacy and built support for it across Parliament – MPs understand that the health of the nation is quite literally at stake.

We have been unrelenting in our campaigning efforts both in the public eye and behind closed doors, and have been more vocal than ever in the national media. And we told Ministers they could not afford to buy the new services they wanted to roll out from April 2023 and that they must introduce regulatory easements alongside further investment in the sector. But alongside these warnings we have also been highlighting to Government and the NHS the myriad solutions that community pharmacies have to offer, if they have the right support.

Just after the close of the financial year we received a glimmer of hope as the Government pledged a £645m investment into the sector which at the time of writing we are still concluding negotiations on. And our next phase of work will build on this, boosted by the independent and influential voices of the Nuffield Trust and The King’s Fund through work on the vision for community pharmacy which we commissioned.

We have also been taking a good look at ourselves as well, following the positive sector vote in support of the Review Steering Group’s proposals. Alongside preparing for our name change to Community Pharmacy England – giving us a stronger name to help us have more impact on your behalf – we have been looking at governance, supporting LPCs to make changes locally, thinking about how we can best represent the sector and support it through the unrelenting challenges, and developing a strategy to ensure that we are talking more often and more effectively with all the people that we represent.

As you read this report, I hope Community Pharmacy England’s dedication to advocating and campaigning for all community pharmacies shines through. Our resolve to fight for a better future for all pharmacies has never been stronger.



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The year in review

2022/23: A year of milestones for Community Pharmacy England and the sector.



Engagement with Community Pharmacy England this year

3.19M

visits to
our website

29.4K

interactions
with our
Twitter account

17.4K

subscribers to
our newsletters

81

pieces of national
press coverage

336

pieces of pharmacy
press coverage

107

mentions
in Parliament or
MP meetings.



Championing community pharmacy

We're advocating and campaigning for all community pharmacies.

Over the past year we have significantly stepped up our influencing work. This is in line with our wider goal – supported by the sector – to build a stronger national voice for community pharmacy, with increased investment being covered by our reserves.

In Autumn 2022, we undertook a tender process for expert political influencing advice. Since then we have built strong support for pharmacy across Parliament, including helping to secure the recently announced £645m investment for the sector. Across the year we held numerous Parliamentary events to educate, inform and build support amongst Parliamentarians. At one such event, close to 40 attendees from across the political spectrum had their blood pressure checked to promote the new community pharmacy service. Other events focused on pharmacy pressures and our asks for the future.

We launched two linked Parliamentary influencing campaigns – one based on our four point action plan for pharmacy, and one using the Save Our Pharmacies identity developed with the other national pharmacy organisations. We have remained in regular communication with Ministers, Parliamentarians and both DHSC and NHS officials to ensure they understand the unique challenges pharmacies are experiencing along with the policy changes we want for the

sector. This included building relationships with numerous new Ministers during the period of Governmental upheaval over the summer of 2022.

Our Four Point Action Plan

1. Resolve the funding squeeze
2. Tackle regulatory and other burdens
3. Help pharmacies to expand their role in primary care
4. Commission a Pharmacy First service

Our influencing tactics have included coordinating a number of letters to senior leaders at NHS England and to Ministers – some signed by pharmacy colleagues, and others by multiple MPs – seeking urgent support with the unsustainable pressures facing pharmacies. We have also supported MPs and Peers resulting in a great number of pharmacy-focused questions during Prime Minister's Questions and Health Questions in both the House of Commons and the House of Lords.

We responded to three Parliamentary inquiries over the past year covering prevention, Integrated Care Systems and digital transformation. We have also supported several pharmacy-focused Parliamentary debates, as well as developing many MP briefings on key topics such as pharmacy pressures, pharmacy funding and the potential for a Pharmacy First service.

National media spotlight

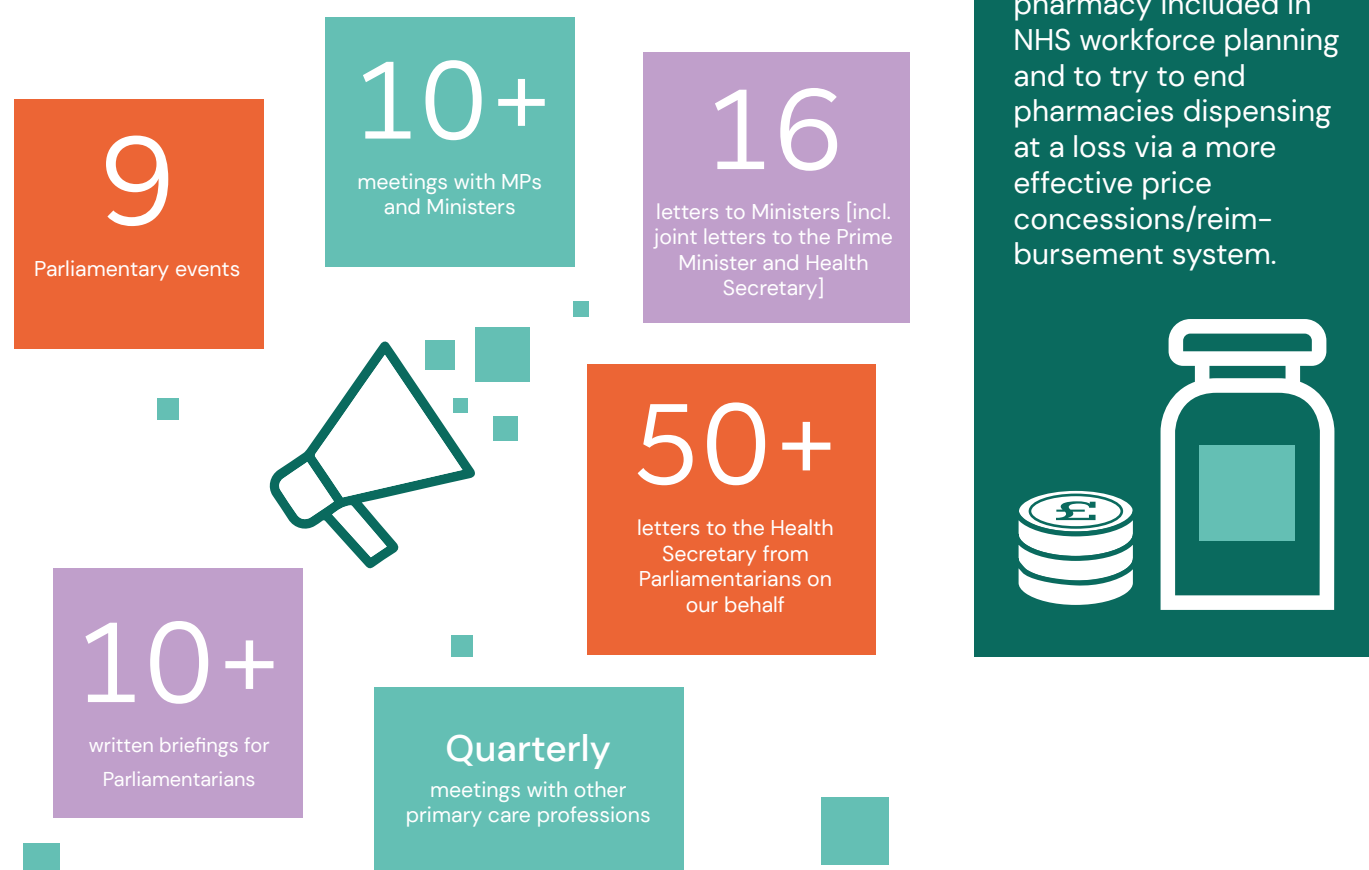
With over 80 pieces of national press coverage this year, we haven't shied away from grabbing the attention of national media during crucial moments. We intensified our media efforts to spotlight the challenges facing our sector and call for action. In December 2022, our CEO, Janet Morrison, appeared on [BBC Radio 4's Today programme](#) to discuss the antibiotic supply disruption and its severe impact on

community pharmacies. Janet's thoughts on the matter were also covered by the [Sunday Times](#), [Financial Times](#), [Mail on Sunday](#), [Evening Standard](#), and [The Telegraph](#).

We worked hard to put increasing pressure on the government to support pharmacies amidst the funding crisis plaguing our sector. We took all opportunities to raise awareness about the critical strain on community pharmacy patient services and the urgent need for more funding. Our efforts secured coverage on [Sky News](#), where Janet was interviewed on this topic.

In March 2023, the [Daily Express](#) also published results from the YouGov polling that we commissioned which highlighted that the public overwhelmingly backed the idea of a fully funded Pharmacy First service.

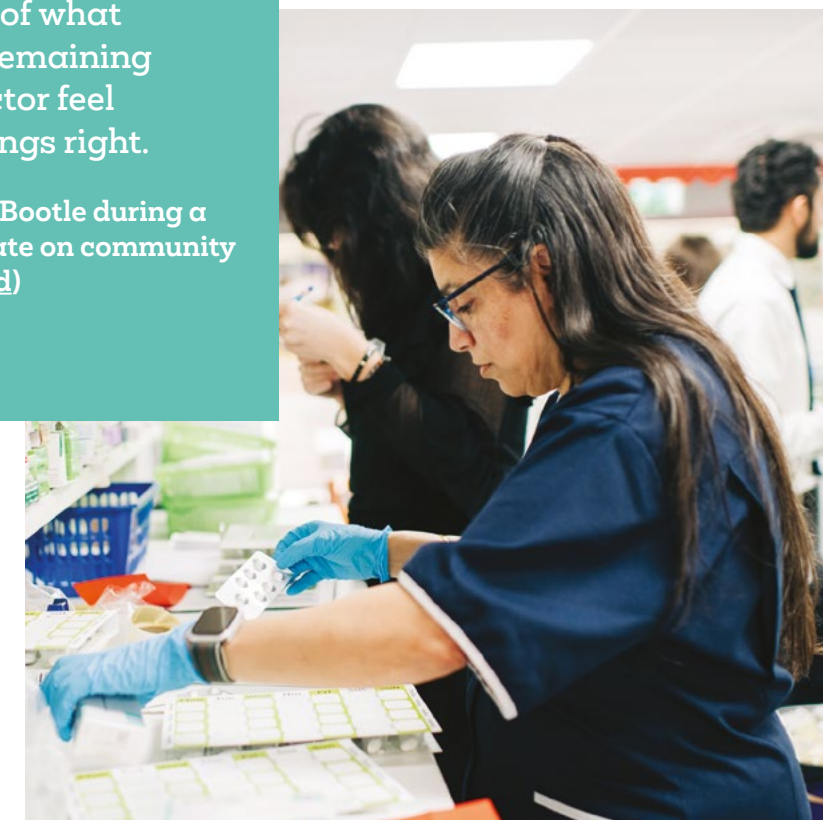
Over the past year we have organised and arranged:



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Pharmacies... are a crucial part of the NHS ecosystem. However, the PSNC says that some businesses are reaching the limits of what is possible in terms of remaining viable. Those in the sector feel that it is time to put things right.

Peter Dowd, MP for Bootle during a parliamentary debate on community pharmacy ([Hansard](#))



Fostering a united voice

We continue to take a collaborative approach to influencing. We initiated and worked on the 'Save our Pharmacies' campaign with the other national pharmacy bodies. This included a patient petition which attracted close to 100,000 signatures. A3 posters were also sent to pharmacies across the country, as well as other digital and social media resources. Next steps for the campaign are being considered by the national pharmacy bodies.

We also expanded our work with the other primary care professions as we believe that all of primary care needs prioritisation and additional investment, not just a rearrangement of the deckchairs. And we continue to provide financial support for the Pharmacy All-Party Parliamentary Group which also held several events throughout the past year.

We are proud to have strengthened relationships with the network of 58 local pharmaceutical committees (LPCs) throughout the country, helping to better coordinate local and national influencing for community pharmacy. We hold regular fortnightly meetings with LPC representatives, to not only provide updates on pressing issues, but also to facilitate shared learning and promote best practice amongst the wider networks. We also host an LPC conference annually to bring local community pharmacy leaders together for more in-depth discussions.

Fighting for funding

Record extra £645m investment in pharmacies and £100m margin write-off achieved.

Our influence on pharmacy funding in 2022/23:

£645m investment secured via the Delivery Plan for Recovering Access to Primary Care (announced in May 2023)



£100m excess margin write-off won in autumn 2022, following our bid for an urgent £500m funding injection

£131m worth of corrections and adjustments secured in the Margin Survey



1,700+ price concessions obtained worth £324.1m across 12 months

£18m a year in savings for pharmacy owners achieved through additions to the Discount Not Deducted (DND) list



43 products successfully re-classified as special containers

Throughout another very difficult year for community pharmacies – with sustained and severe financial and operational pressures – we have been in constant discussions with the Government and NHS to ensure fairer funding for the sector.

During an intense period of negotiations in 2022 we fought hard for extra financial support, and following these discussions we launched a new influencing programme which ultimately helped to secure the biggest commitment to invest in community pharmacy for years.

CPCF funding for years 4 and 5

In spring 2022 we commenced negotiations on the Community Pharmacy Contractual Framework (CPCF) for 2022/23 and 2023/24. As part of this we put in a detailed funding bid (outlining the many inflationary and other cost rises that pharmacies were facing) alongside a bid for a fully-funded Pharmacy First service.

Critically, in these negotiations we secured an extension of the Transitional Payment to recognise ongoing financial pressures, and a one-off £100 million excess margin write-off. This hard-won margin concession meant Drug Tariff prices remained higher and prevented pharmacy owners from having to pay back a significant sum to the Government, which simply would not have been affordable.

The deal also included commitments to commission an independent economic review of community pharmacy businesses – which should help to show the scope and scale of the unsustainable pressures on pharmacies – and to review the implementation of the Price Concession system to make improvements for pharmacy.



Seeking regulatory easements to help pharmacies

In 2022, with increasing workforce and funding pressures, temporary closures of pharmacies increased.

We proposed more than 30 measures to help, including:

- Notified rest breaks and (pharmacy owner led) coordinated closures
- Unlimited closed door working
- A 30% reduction in opening hours for all pharmacies
- A review to consider more flexibility, longer-term with opening hours
- Removal of requirements like exemption checks and health campaigns

Negotiations continued into 2023 and while we could not accept what was offered, changes were imposed including notified rest breaks and coordinated closures via 'local hours plans' (Integrated Commissioning Board led), reduced opening hours for 100-hours pharmacies, and minimum business continuity arrangement requirements.

Some of the measures we proposed are still being discussed in ongoing workstreams, such as supervision and original pack dispensing; some of the smaller easements were offered.

Funding crisis deepens

By February 2023, the tough winter period had taken a toll on pharmacies with the worsening economic pressures now being exacerbated by spiralling workforce costs, dispensing at a loss, inflation and rising demand from patients. In reviewing proposals from DHSC and NHS England on price concessions and relief measures, our Committee rejected both as being insufficient to meet the sector's needs.

This was swiftly followed by our warning that Year 5 CPCF services could not go ahead without a funding uplift.

Our influencing programme made good headway with Ministers and other decision-makers. And we were clear that without an urgent injection of funds into the sector, any development of the role of community pharmacy would be a pipedream. Our 2023 Pressures Survey confirmed the worsening situation for community pharmacies, with 96% of pharmacy owners reporting that their operating costs had continued to rise and more than three-quarters were extremely concerned about their business' finances.

We publicly shared documents detailing our latest funding analysis and proposed regulatory easements that had previously been submitted to NHS England and DHSC. We urged policymakers to prioritise supporting community pharmacies and to introduce a fully-funded Pharmacy First scheme for enhanced patient care, and much-needed funding for the work that many pharmacy teams are already doing.

Our unrelenting campaigning work – both in public and behind closed doors in negotiations and wider discussions – continued, and shortly after the financial year-end, on 9th May 2023, the Government and NHS committed to a record £645 million investment into community pharmacy – the biggest investment in pharmacies for many years. The final outcome of this is subject to negotiations with the Government and NHS.

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Pharmacy businesses are on the brink of collapse, so it makes no sense whatsoever to add any further services or requirements for 2023/24 without additional funding. The Government simply has not put enough money into the contract and there isn't the capacity within the sector to deliver them.

DHSC and NHSE need to decide what sort of a pharmacy sector they want in the future: do they want to build on our success during the pandemic and deliver the Prime Minister's vision for a community pharmacy sector playing a greater role in primary care, or do they want to preside over the decimation of the sector as we know it?

Janet Morrison,
CEO of Community Pharmacy England

Fairer reimbursement

Our Funding and Reimbursement Team work hard to ensure that pharmacy owners are being paid fair prices for medicines, that prescriptions are processed accurately, and that the sector receives all of the purchase margin that it is allowed to earn.

With medicine market instability at an all-time high, nearly 200 price concessions were granted in December 2022 alone, and over 1,700 in 2022/23. The situation was exacerbated by antibiotic shortages following a Strep A outbreak, and we pressed DHSC to urgently issue more communications about the situation to help resolve the issues, and to consider allowing pharmacists more freedom to change strengths.

Having raised concerns that the price concession system was no longer fit for purpose, we secured a commitment from DHSC to review and make much-needed improvements to it. This led to the development of a package of measures, including removing discount deduction from concession products, allowing a roll-forward for products requested late in the month, and perhaps most importantly, working on a retrospective correction mechanism for prices subsequently demonstrated to be wrong.

Following years of frustration in the sector about how discount deduction is applied to products, new discount arrangements were introduced to improve equity of access to margin and to help manage the distortions created by branded medicines.

As a result of our Pricing Audit Team's efforts, £131 million worth of corrections and adjustments were made to the Margin Survey. The 2023 Spring Budget extended the VAT exemption for healthcare to include services carried out by staff directly supervised by pharmacists, and indicated that the Government will also extend the zero rate on prescriptions to medicines supplied through Patient Group Directions.

Our team reviewed thousands of products at an individual level to seek to ensure that DHSC concession pricing meant that pharmacy owners were not dispensing at a loss. We successfully pushed for retrospective price adjustments for products such as Aptamil, Venofer, Ferinject, Promethazine, and lifesaving medicine EpiPen. Meanwhile, our applications led to 158 products joining the Discount Not Deducted (DND) list – including Dexcom appliances – while 43 products received special container status.

Our commitment to patient safety, as well as to making life for pharmacies easier, led us to collaborate with the Neonatal and Paediatric Pharmacists Group (NPPG) and the Royal College of Paediatrics and Child Health (RCPCH), advocating for standardising strengths of select Part VIII B specials.



Changing for the better

Delivering on the mandate for change from pharmacy owners.

Following the publication of the independent review into PSNC (as we were called at the time) and LPCs, the Review Steering Group (RSG), established by PSNC in discussions with LPCs, worked to assess the feasibility of the recommendations and propose a path to change for PSNC and LPCs as representatives of pharmacy owners both nationally and locally.

In April 2022 the RSG published its proposals for change, and in June 2022 it announced that the thresholds for its contactor vote on the future of PSNC and the LPCs had been met.

Overwhelming vote in support of RSG Proposals

68.3%

of the sector (owners representing 7,601 pharmacy premises) took part in the vote

88.6%

of those voting (6,732 votes) did so in support of the RSG's proposals

This set a clear mandate for change at PSNC, including for the name change to **Community Pharmacy England**.



Transforming pharmacy representation

Our committee met early in July 2022 – two weeks after the outcome of the RSG vote was announced – and agreed to take forward a comprehensive new programme of work to address the 21 RSG proposals that were directed at our organisation. Alongside that, the Committee reaffirmed its commitment to supporting LPCs through the proposed changes for them, and to working together with LPCs through to 2024/25 on the ten joint proposals.

We set up the Transforming Pharmacy Representation (TAPR) Programme, whose overall progress has been overseen by the full Committee, to ensure that the changes pharmacy owners voted for are delivered. This was with the ultimate aim of ensuring that pharmacy owners have a better relationship with (and more oversight of) our organisation, helping us become a stronger national negotiator.



Work to take forward the programme through eight key areas from July 2022 to 2024/25 began including:

- 1. Vision and Strategy:** Covering the development of a new shared vision for community pharmacies which can be used to inform wider pharmacy influencing work and negotiations: Nuffield Trust and The King's Fund were commissioned to develop this vision.
- 2. Influencing and Negotiation:** To strengthen our negotiating capacity and to influence effectively ahead of the next round of CPCF negotiations. We launched an impactful new political influencing campaign in late 2022.
- 3. Governance:** The RSG made wide-reaching proposals to strengthen governance at PSNC and the LPCs, and this workstream started to deliver governance enhancements to address these. An independent review into the governance of Community Pharmacy England was also launched.
- 4. Finance and Levy:** The RSG proposed a redirection of a greater proportion of pharmacy owner levies towards national work, so new LPC levies were calculated.
- 5. LPC Support:** We committed to the production of a toolkit to support LPCs to consider the proposed changes for them and worked with LPCs on the joint proposals throughout the year.
- 6. Engagement and Joint Working:** Exploring how we could improve engagement with pharmacy owner, giving more oversight of our activities, as well as the ongoing relationship with LPCs including through the proposed Forum, and wider joint work. This work is ongoing, with Community Pharmacy England's new sector engagement plan having now launched.
- 7. Branding and Visual Awareness:** Work to rename (and rebrand) PSNC as Community Pharmacy England has been completed.
- 8. Communications:** Ensuring communication of progress on all of the above workstreams on a regular basis, including via status reports.

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Community pharmacy contractors have made very clear through the recent contractor vote that they want to see a step-change at PSNC and the LPCs. A change in how we negotiate and make decisions on their behalf; how we communicate and enable them to hold us to account; and a change in how we work together for the benefit of the whole sector. These are the principles underpinning our new TAPR programme of work.

Janet Morrison,
CEO of Community Pharmacy England



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At our July (2022) meeting, PSNC Members showed how keen we are for a fresh start in some key areas of our work: we agree that our governance needs strengthening, we have long wanted to have the resources and capacity needed to do things like building more evidence, and we are excited about improving our dialogue with contractors and the wider sector. We believe this TAPR programme of work – while it is not all going to happen at once – will ultimately lead to all those things.

Bharat Patel, former Vice-Chair (2016-2023) and an independent pharmacy owner



Other Committee and governance highlights

In September 2022 the Committee progressed work to enhance its negotiating capacity, strengthen its governance, develop plans for a new vision and strategy for the sector, and more, in line with the TAPR work programme.

Committee Members considered and voted on improvements to our Constitution and to reduce the Committee size to have a more effective structure, including consolidating PSNC regions to more closely align with the NHS.

Between January and March 2023 elections were held to appoint a new committee for a term of office between 2023–2027. This included new independent and multiple representatives to govern the work of the organisation on behalf of pharmacy owners, providing leadership and vision, and representing views of pharmacy owners and LPCs in England.

Steps were also taken to increase our influencing capacity, with the appointment of a political campaigning agency following a tender process. This work began to support the case for increasing in funding, a common conditions service, while also putting community pharmacy in a stronger position ahead of future Community Pharmacy Contractual Framework (CPCF) negotiations.

Community Pharmacy England is also changing the way in which it engages with the wider sector, with opportunities for all pharmacy owners to input directly into our Committee Meetings via polls, a more comprehensive schedule of engagement events, and better communications – such as our recent guide to negotiations.

LPC changes

Our Director of LPC and Member Support worked with LPCs and pharmacy owners in implementing LPC proposals to increase the efficiency and outcomes across the network of LPCs in England. This included the provision of specialist hands-on guidance, facilitating support for LPC members and officers, to promote implementation of the RSG proposals, best practice and challenging the status quo.

We spent much of 2022/23 supporting the network of LPCs to undergo the changes, through the provision of a new model constitution, three transformation toolkits and the commissioning of standardised employment policies, procedures and advice.

Annual accounts 2022/23

Income and expenditure account

Year ended 31 March 2023

	£	2023 £	£	2022 £
Income				
Levies from Local Pharmaceutical Committees received and outstanding		3,342,214		3,342,198
Review Steering Group – contribution to costs		-		90,000
		<u>3,342,214</u>		<u>3,432,198</u>
Exceptional income				
Insurance claim:				
Reinstatement building costs		247,207		
Content		17,897		
Compensation for business interruption		<u>30,521</u>		
		<u>295,625</u>		
Exceptional expenditure				
Reinstatement building costs 247,207	247,207			
Temporary rental office space/Meeting room costs	30,071			
		<u>(277,278)</u>		
		<u>3,360,561</u>		<u>3,432,198</u>
Administration				
Staff employment	2,321,053		2,255,787	
Rent, rates, other property costs and interest	115,678		98,640	
Printing, stationery, postage and telephone	50,414		45,655	
Travelling and meeting expenses	126,054		95,888	
Sundry expenses	847		1,077	
	<u>2,614,046</u>		<u>2,497,047</u>	
Finance				
Audit fees	10,500		9,840	
Depreciation	124,183		122,141	
	<u>134,683</u>		<u>131,981</u>	
		<u>(2,748,729)</u>		<u>(2,629,028)</u>
		<u>611,832</u>		<u>803,170</u>
Service				
Professional fees	209,932		356,742	
Communication				
Public relations	139,148		80,010	
PSNC News	-		2,256	
Conferences	19,673		12,244	
	<u>158,821</u>		<u>94,510</u>	
		<u>(368,753)</u>		<u>(451,252)</u>
Operating surplus carried forward		243,079		351,918
Review Steering Group (RSG) expenditure				
RSG member expenses	2,608		17,136	
RSG legal & consultancy costs	25,209		266,102	
RSG conference room & equipment hire	-		1,670	
RSG communication costs	7,585		32,397	
		<u>(35,402)</u>		<u>(317,305)</u>
		<u>207,677</u>		<u>34,613</u>
Transforming Pharmacy Representation (TAPR) expenditure				
Staffing expenses	80,651		-	
Consultancy costs	236,573		-	
Communication costs	5,875		-	
		<u>(323,099)</u>		<u>-</u>
Surplus on ordinary and exceptional activities		<u>(115,422)</u>		<u>34,613</u>
Other income				
Interest receivable				
		<u>7,457</u>		<u>174</u>
Surplus before tax		<u>(107,965)</u>		<u>34,787</u>
Tax charge				
		<u>(1,417)</u>		<u>(33)</u>
Surplus after tax		<u>(109,382)</u>		<u>34,754</u>

Balance sheet

as at 31 March 2023

	£	2023 £	£	2022 £
Fixed assets				
Tangible assets		3,760,839		3,809,402
Investments		2		2
		<u>3,760,841</u>		<u>3,809,404</u>
Current assets				
Debtors	59,161		55,477	
Cash at bank and in hand	1,388,719		1,473,840	
	<u>1,447,880</u>		<u>1,529,317</u>	
Current liabilities				
Creditors: Amounts falling due within one year	(608,412)		(553,998)	
Net current assets		<u>839,468</u>		<u>975,319</u>
Total assets less current liabilities		<u>4,600,309</u>		<u>4,784,723</u>
Creditors: Amounts falling due after one year		<u>(1,600,701)</u>		<u>(1,675,733)</u>
Net assets		<u>2,999,608</u>		<u>3,108,990</u>
General fund				
Balance at 1 April 2022		3,108,990		3,074,236
Surplus for the year		(109,382)		34,754
		<u>2,999,608</u>		<u>3,108,990</u>
Balance at 31 March 2023				
		<u>2,999,608</u>		<u>3,108,990</u>

Cash flow statement

Year ended 31 March 2023

	2023 £	2022 £
Cash flows from operating activities		
Surplus for year before tax	(107,965)	34,787
<i>Adjustments for:</i>		
Depreciation	124,183	122,141
<i>Changes in:</i>		
Trade and other debtors	(3,684)	(1,056)
Trade and other creditors	51,982	(77,333)
Cash generated from operations	<u>64,516</u>	<u>78,539</u>
Tax paid	(1,417)	(33)
Net cash from operating activities	<u>63,099</u>	<u>78,506</u>
Cash flows from investing activities		
Purchase of fixed assets	(75,620)	(30,468)
Net cash used in investing activities	<u>(75,620)</u>	<u>(30,468)</u>
Cash flows from financing activities		
Repayment of bank loans	(72,600)	(70,168)
Net cash from financing activities	<u>(72,600)</u>	<u>(70,168)</u>
Net decrease in Cash and Cash Equivalents	<u>(85,121)</u>	<u>(22,130)</u>
Cash and Cash Equivalents at Beginning of Year	<u>1,473,840</u>	<u>1,495,970</u>
Cash and Cash Equivalents at End of Year	<u>1,388,719</u>	<u>1,473,840</u>

Notes on the accounts

- The 2022/23 PSNC Financial Statements were once again audited and prepared by our Chartered Accountants Sawin & Edwards LLP. The above summarises PSNC's performance and financial position.
- The flat levy from LPCs continued, however, LPCs were informed that an increase in levies would commence from the following financial year, with LPCs' levies being calculated through an updated method.
- We have continued to focus on cost control with the Committee again challenging the office with a negative budget. This was overachieved in most areas, with substantial savings primarily through an underspend on service costs, in particular legal/professional fees due to fewer specialised consultancy services, and lower communication costs due to fewer events and conferences throughout the year. Our main source of income remained levies from LPCs, and the largest item of expenditure was administration costs.
- Within the accounts there is a significant exceptional expenditure related to reinstatement works required at Hosier Lane due to flooding at the end of the last financial year. Additional costs were incurred for renting temporary office space and meeting rooms during the restoration period.
- This area of exceptional expenditure was offset against exceptional income which consisted of the two successful insurance claims, for buildings, contents and business disruption costs.
- Our balance sheet has weakened due to a deficit being achieved at the year-end of (£109k) compared with a surplus that was accomplished of £35k for 2021/22. The drop was due to the considerable increase in expenditure for TAPR costs.
- TAPR expenditure was offset against the significant departmental savings from the reasons mentioned above. Debtors remained virtually unchanged; all levies were collected in full prior to the year end. Current liabilities had increased predominantly due to further accrued TAPR costs. consultancy provisions being included within this set of year-end accounts.
- The basement and ground floor had been fully reinstated during the financial year and our rebrand was completed within the first quarter of 2023/24.

Safeguarding pharmacy's future

Dedicated to securing the support, resources and funding needed to safeguard pharmacy's future.

Throughout 2022/23, alongside the immediate negotiations on the CPCF, we have been working to lay the ground for subsequent negotiations. This included work to influence the Primary Care Recovery Plan – which led to a commitment to a £645m investment in community pharmacy. We also campaigned jointly with other bodies on pharmacy pressures and have been preparing for the next round of negotiations on the CPCF. These will be for the 2024/25 contract – after the 5-year deal ends – and will be influenced by the 2023 Spending Review.

The next General Election will influence any future negotiations so engaging with all political parties is a key priority for the year ahead, as is working with GPs and others to jointly make the case for more investment into primary care. The NHS economic review, which we are working to influence, will also come into play.

At the time of writing, the Committee has been exploring potential asks for the 2024/25 CPCF, including seeking the views of the wider sector via opinion polls. We will be asking for an uplift to the baseline contract sum, higher fees for existing services and an uplift to the allowed medicines margin. We

are continuing to build our evidence base around economics and value, alternative funding mechanisms, inflationary impacts and margin, to help support all of this.

The constraints on public finance and the state of the wider NHS will not make these easy negotiations – GP negotiators believe no new money is coming. But our Committee are thinking strategically about how we can further make our case for investment, warning about the consequences of closures, whilst still positioning the sector as a solution to some intractable NHS challenges.

The independent vision from Nuffield Trust and The King's Fund has provided a compelling vote of confidence in the sector as well as its potential. It will help inform Community Pharmacy England's strategy and be key to how we build the case for developing a contractual framework fit for the future. Initial planning work has already begun on the development of the Community Pharmacy England strategy and developing this will be a key priority for the coming months, as well as looking at how to strengthen our own governance and functions through the ongoing independent governance review.



Laying the ground for negotiations

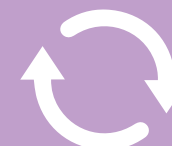
The sector is facing **severe financial challenges** and has had a punishing declining contractual settlement for the last 5 years



It is critical that we **re-set the dial** and we have been laying the foundations for the next contractual framework



We need a fundamental rethink of how pharmacies are funded so they can plan for the **future sustainably**



Vision work with Nuffield Trust and The King's Fund gave **independence, objectivity and ambition**, showing the solutions that pharmacy can offer and **helping us make the case for a better deal**



In our influencing work we are talking to decision makers in terms that speak to their objectives, showing that we are **forward thinking, ambitious and patient focused**.



This is all part of our strategy to identify and build support for pharmacy's ambitions **well before we get into the negotiation room**



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