

## Briefing: NHS winter pressures: How are community pharmacies coping and what more could they do to help?

### We need your help

The winter season presents an extremely challenging time for pharmacies who, like all parts of the health service, are extremely pressurised. This winter, we are calling on MPs to recognise and support the following points:

1. **A commitment to working with the sector to create a fair and fit for purpose core funding model** that ensures sustainability and properly rewards pharmacies for what they do.
2. **Effectively implement and develop the Pharmacy First service** to allow patients to have walk-in consultations for minor conditions, providing accessible care and easing pressure on general practice.
3. **Build on other clinical service areas** such as vaccinations, women's health, and long-term conditions management. Pharmacy can do much more to contribute to key NHS priority areas and to help to get the health service back on a sustainable footing.

**We would like to ask MPs to sign a letter to encourage Ministers to work with us to action these three points.**

The £645 million of new funding for the sector included in the recent *Delivery Plan for Recovering Access to Primary Care* in May 2023 is welcome. We have now agreed how the Pharmacy First service will be rolled out and what services it will provide to patients throughout the country. Whilst this investment is very welcome, we have been clear that more support is urgently required.

### Pressures on community pharmacies are still at breaking point

Community pharmacies are funded according to a contractual framework agreed by Community Pharmacy England, the NHS and Government. **This framework accounts for around 90% of pharmacies' income.**

In 2019, a five-year deal was agreed for pharmacies following three previous years of cuts. The deal funds the core medicines supply services and a range of other national services. The funding for these national services is 'flat' – at £2.592bn each year – until the end of March 2024. This means real terms funding for pharmacies is reducing year on year, as substantial inflationary increases are not being taken into account and cannot be passed onto the



customer. This means that since 2016, the **funding received by community pharmacies has declined by 30% in real terms.**

This has pushed pharmacies to withdraw some services, reduce their opening hours, and in some cases, close permanently. Analysis shows that there have been **approximately 1400 pharmacy closures since 2016**, taking place disproportionately within the most deprived areas. Current pressures on community pharmacies include:

- Workforce pressures have been significant. Since the introduction of the Additional Roles Reimbursement Scheme (ARRS) in 2019, 6,400 pharmacists have been recruited into GP surgeries and PCNs. Worsened by a trend of fewer pharmacists working full time, the cost of locum pharmacists has gone up 80% between 2022–2023 and forecast to be 100% this year.
- Rises in the National Living Wages (NLW) are having a significant financial impact on pharmacies. The NLW has risen by 40% since the start of the current contract in 2019. We estimate that the additional cost of implementing the recent uplift will be between £150m – £195m. Pharmacies cannot pass these costs on, unlike other sectors.
- We estimate that pharmacies will have already made efficiencies of between 37% and 50% from the period 2015/16 until 2022/2023.
- Analysis of costs shows that the sector was underfunded by at least 13.7% in Years 1 and 2 of the five-year CPCF.
- Pharmacies are having a greater financial squeeze applied to them than other NHS services. While pharmacy funding has remained flat since 2015/16, the NHS as a whole has benefited from an annual funding growth rate of 3.4%.
- Community Pharmacy England's 2023 Pharmacy Pressures survey found that **97% of pharmacy owners reported being unable to source medicines for patients and 81% said they were unable to spend as much time with patients.**

### Community pharmacy needs fair and sustainable funding

- Pharmacies are now facing unsustainable operational and financial pressures.
- Community pharmacy could continue to grow its role in clinical care delivered in every neighbourhood and reaching all parts of the population, reducing pressure on frontline NHS services. But in order to do so there needs to be a stable, long-term and sustainable funding commitment which will enable pharmacies to invest for the future.
- This means a fundamental review of the Community Pharmacy Contractual Framework (CPCF) with alignment of care pathways and incentives within the wider primary care system.

### Medicine supply issues

Community pharmacies in England dispense over 1 billion prescription items every year, with patients relying on access to these medicines for their health and wellbeing, and very often to save their lives. But we are increasingly seeing disruption in the supply of medicines with



problems both accessing them and procuring them cost effectively, and this a cause for great concern.

- In 2023 community pharmacy owners rated medicines supply instability as being the **most severe pressure facing their businesses**.
- **NHS and the Government must take action to steady the UK medicines supply chain, and to protect community pharmacies and their patients from the ongoing volatility in the market.**
- Pharmacists and their teams are having to spend significant amounts of time sourcing medicines: in Community Pharmacy England's [Pressures Survey](#), 93% of pharmacy owners told us their **staff were spending longer than ever before on medicines procurement**. Pharmacies sometimes have to deal with deliveries that do not arrive or to manage minimum order surcharges or quotas. And they are often on the receiving end of patient frustration, with **84% of pharmacy owners saying they had experienced aggression from patients due to medicine supply issues**.
- When there are supply issues, pharmacies also have to spend time explaining the issues and reassuring patients, liaising with prescribers, and in some case putting **Serious Shortage Protocols (SPPs)** into operation. SSPs can be activated by the Secretary of State as a way of helping to mitigate shortages by allowing pharmacies to dispense specific alternatives for patients, and while this is helpful, operationalising them can be complex and time-consuming for pharmacies. **With the volatility in medicines prices, pharmacy businesses are also having to take huge risks – often procuring medicines with no guarantee that their reimbursement will adequately cover their costs. Pharmacies simply cannot afford to dispense medicines and make a financial loss.**

We would like to see the following steps being taken to help resolve the ongoing issues being faced by community pharmacies and their patients:

1. **Reform of Serious Shortage Protocols (SSPs):** We want to see greater flexibility for pharmacists to carry out simple changes, such as quantity, strength and formulation changes, without the need for prescriber authorisation or an SSP. Pharmacists are eminently qualified to do this.
2. **Generic Substitution:** Pharmacists should be allowed to supply any equivalent generic medicine against a prescription requesting a brand which may be in short supply. Generic substitution is commonplace in many countries across Europe, and allows pharmacists to help manage supply without having to trouble prescribers.
3. **Overhaul the concessions system:** Pharmacy businesses cannot subsidise the NHS medicines bill and while the concessions system is designed to help prevent this, the system is no longer coping with the current price volatility in the market. While some reforms have been made to the system, further improvements are needed.



## Realising the potential of community pharmacies

There is so much more that community pharmacy could offer. Pharmacies have consistently proved themselves a vital vaccines provider during winter flu campaigns and throughout the Covid-19 pandemic. We want to do even more to support women's health, improve and increase prevention services, expand public health, support more patients with long-term conditions, and to take pressure off General Practice and other parts of the health service.

To realise the potential that community pharmacies can offer, we are calling for:

- **Effectively implement and develop the Pharmacy First service** to allow patients to have walk-in consultations for minor conditions, providing accessible care and easing pressure on general practice.
- **Build on current clinical service areas** such as vaccinations, women's health, long-term conditions management such as asthma and diabetes. Pharmacy can do much more to contribute to key NHS priority areas and to help to get the health service back on a sustainable footing.
- **Reform of the funding arrangement framework** to enable more flexibility regarding sector funding, giving pharmacies a long-term, sustainable funding agreement.
- **Reform to the medicines market and other regulatory burdens** to avoid the situation we are now in, where pharmacists are dispensing medicines at a loss and patients are facing delays for medicines, from happening again.
- **The development of a plan for the community pharmacy workforce** that ensures pharmacies can keep their doors open and keeps community pharmacists in local pharmacies by reducing recruitment into PCNs.

## Vision and strategy for the #PharmaciesOfTomorrow

Community Pharmacy England commissioned The King's Fund and Nuffield Trust to develop an independent Vision for Community Pharmacy, which suggests innovative ways that pharmacies can go even further to maintain good health and support patients.

The Vision sets out four dimensions to the future of community pharmacy:

- Preventing ill health and supporting wellbeing.
- Providing clinical care for patients.
- Living well with medicines.
- Being part of an integrated primary care offer for neighbourhoods.

The Vision seeks to detail ambitions for community pharmacy to Government and commissioners on the vital and potentially growing role for pharmacies in primary care, while uniting the sector and the NHS behind shared goals.

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