

Briefing 016/24: Community Pharmacy England Strategy

Early in 2024, the Committee considered the challenges ahead looking at what the strategy should be for both the community pharmacy sector and Community Pharmacy England. This briefing summarises our strategy and workplan for the coming year.

Vision

Community Pharmacy England is a committee of community pharmacy owners and their representatives from businesses of all shapes and sizes. Like all pharmacy businesses, Committee Members are directly impacted by the ongoing, extreme pressures on the sector, and finding solutions to ease these has been their only focus.

All parts of our strategy and workplans are geared towards delivering our vision:

To have a sustainable and ambitious future for community pharmacy, with the right funding and investment to deliver better health outcomes to patients and the public.

The Committee works to a clear strategic plan aimed at both making the case for immediate investment in community pharmacies and strengthening the position and outlook for community pharmacies in the long-term.

Background to the challenge

Critical Pressures

The state of the community pharmacy sector has reached a critical point after years of systematic cuts and worsening economic conditions, coupled with rising demand and rising NHS expectations for delivery and efficiency. It is no accident that the sector is now facing consolidations, cashflow crises and closures given that a shrinking contract sum can no longer sustain the current sector. Pharmacies have also been grappling with increasing instability in medicines supply and delivery of margin, with a punishing workforce market and rising costs of leases and cost of capital, energy and other supplies.



Yet despite all this, and work which is ongoing across the sector, it has been hard to get the necessary action from Government and NHS England – and this is now even more of a challenge given the overall state of public and NHS finances.

Other significant shifts are also having an effect with structural devolution of the NHS to integrated care systems and places, and continuing changes to commissioning, policy and personnel. The pressures on NHS funding have led to greater competition for resources with the crisis for community pharmacy sitting alongside crises in access to NHS dentistry, GPs, cancer diagnosis and care pathways and lengthening waiting lists for elective surgery.

Many pharmacies have sought to mitigate the current risks to their businesses by improving efficiency and medicines procurement, investing in robotics and other automation, streamlining staffing and growing private services where possible, as well as reducing their provision of free services like prescription deliveries and MDS. Others have reduced how many services they provide and focused on those that seem most cost effective or less dependent on external referrals.

The potential for further efficiencies is now largely exhausted and many pharmacies are uneconomic. All forecasts for the coming years, if there is no significant investment in core funding, are extremely gloomy with further contraction in the market on the cards.

[Access to health services](#)

Despite all this, there have been significant successes – driven by the commitment and enterprise of the sector despite the conditions set in the CPCF – particularly the massive contribution made by the sector during the pandemic, all of which led to the recent investment in Pharmacy First as a solution to the pressing problem of access to general practice.

It is clear that access to health services will continue to be a priority for the new Government and for the NHS. In our influencing and relationship building with political parties, Parliamentarians and those drafting the party manifestos, there has been significant support for community pharmacy and the role it can play in primary care services and communities. This was confirmed during the General Election campaign with community pharmacy featuring in all the main political parties' manifestos.



Finally, the *Vision for Community Pharmacy* developed by the King’s Fund and Nuffield Trust sets out ambitions for the sector as a fundamental part of the primary care system. Whilst continuing with the important role community pharmacies play in the medicines supply chain, purchasing and dispensing medicines, the Vision places especial emphasis on the growing role that community pharmacy could play in four dimensions:

- a. Preventing ill-health and supporting well-being
- b. Providing clinical care for patients
- c. Living well with medicines
- d. As part of an integrated primary care offer for neighbourhoods

The major opportunities and challenges facing the community pharmacy sector can be summarised as follows:

Opportunities	Threats
£645m is the first new investment in the sector for many years – and is a welcome vote for growth in community pharmacy’s role	The state of the economy and lack of public finances across all areas of Government
Pharmacy First has reset the relationship with DHSC and NHS England positively	NHS weakened and many competing priorities for taxpayer funding
Changing perception of the sector since the pandemic politically and with the public	Continuing pharmacy closures, collapse, cashflow constraint and degradation of service – lack of capacity to invest in the future
All political parties are interested in what community pharmacy can do	Increasing competition driven by financial pressures
Opportunity to re-set the dial with a new Government	Fracturing business models and emergent challengers
The Vision is a vote of confidence in the sector and its potential	Unfair practices and gaming undermining market entry and distribution of funding
Wider support from other stakeholders	New business owners’ skills and understanding of the challenges
Potential for new ways of working and efficiencies	

Increasing public and media awareness of the challenges – particularly around medicines supply

Understanding the changing NHS environment and emerging role of ICBs and their varying approaches to commissioning

Lack of resources to address local developments

Scope to attract Independent Prescribers to work in community pharmacy

Strategy and Objectives

Our mission is:

Community Pharmacy England and Local Pharmaceutical Committees champion community pharmacy across England – representing community pharmacy owners at national and local level, and giving them the support they need, negotiating the best deal with the Government and NHS, and influencing positive change because everyone in society needs thriving community pharmacy.

Our five-year strategy will contribute towards us achieving our ultimate purpose: **ensuring a sustainable and ambitious future for community pharmacy, with the right funding and investment to deliver better health outcomes to patients and the public.**

To do this, we are clear that we need to continue to make the case for the value and effectiveness of community pharmacy and the benefits of further investment in the sector. Our long-term strategy has been to promote a vision of what we can do to free up capacity in other parts of the NHS, maximising the professional capability of pharmacy teams to help patients and the public. The ambition is to build on the developing role of the sector in clinical services – leveraging the dispensing relationship and maximising the contribution of pharmacy teams' professional competencies to deliver better health outcomes for patients.

Until the introduction of Pharmacy First, the clinical services initiated in the five-year CPCF were relatively incidental to the overall funding and economics of the sector. However, Pharmacy First's introduction signals a foundational shift towards the development of our role in clinical services and the first step towards the Vision set out by the Nuffield Trust and King's Fund.



We will need to maximise the success of both Pharmacy First and the investment in the Hypertension Case-finding and Pharmacy Contraception services. And to ensure continuing investment in the sector and its capabilities, we also need to prioritise the pipeline of future clinical services that the sector would like to see developed, be confident of the associated economic model, and agree a way forwards with NHS England and DHSC.

Whilst the Primary Care Recovery Plan investment is a welcome strategic boost, as are the Vision's recommendations, they must be accompanied by an urgent injection of funds into the core contract to ensure that pharmacies can stay open and offer quality services to the communities they serve.

The five-year CPCF deal has come to an end, but scope for a refresh and re-write has remained limited by the continuation of the current Government Spending Review period until the end of March 2025. It remains unclear what duration the next Spending Review will cover – but all commentary following the General Election has been focused on the enormous fiscal challenges that the Chancellor now faces. We will continue to underline the pressures that community pharmacies face and the consequent catastrophic risk to the supply of medicines and to all of primary care should the sector be allowed to collapse.

Our over-arching purpose can be broken down into the following **key objectives**:

- a. **Objective 1: Deliver an improved Contractual Framework** to address the current funding crisis and secure a stable future for community pharmacies.
- b. **Objective 2: Drive the success of the Pharmacy First service, blood pressure and contraception service** to demonstrate their value and the potential for a greater role for community pharmacy in clinical services and the funding needed to achieve it.
- c. **Objective 3: Promote the role of community pharmacy** as a vital part of an integrated primary care system and as hubs for community health.
- d. **Objective 4: Build the investment case** for further expansion of clinical services that can be developed into major service interventions.
- e. **Objective 5: Lead future thinking** on the funding, commissioning and regulatory policies that will enable community pharmacies to deliver services effectively and sustainably and respond to changing Governmental/NHS England priorities.


- f. **Objective 6: Ensure that we continue to support the community pharmacy sector effectively** and that all pharmacy owners can feed into our thinking through communications and engagement, working closely with the LPC network and driving standards of management, governance, accountability and transparency.

In relation to Objective 4 (Build the investment case for further expansion of clinical services that can be developed into major service interventions), we have developed a set of priority service developments, working from the long list of future service development options contained within the Nuffield Trust and King’s Fund vision for the future of community pharmacy. The prioritisation process included consideration of the perspectives of the NHS, DHSC, patients and the public, other healthcare professionals, pharmacy owners and their teams, as well as community pharmacy references in the main political party General Election manifestos.

The priority service developments are set out below and have been shared with the new Government ministers to inform their thinking about what more community pharmacy could offer patients and the NHS, subject to them first also addressing the current underfunding of the sector.

Priority community pharmacy service enhancements for patients, the NHS and Government

Expanded Pharmacy First		Prevention / Public Health		Women’s health		Ind Prescribing and LTCs	
*Open access to the current service	Supply of OTC meds for low-income individuals	*Expanded vaccination services	Smoking / nicotine cessation service (open access)	*Addition of LARC to Pharmacy Contraception Service	Emergency Contraception service	Amendment of prescriptions and deprescribing	Management of single LTCs (hyp, lipids, asthma, dermatology)
*Additional Pharmacy First conditions: <ul style="list-style-type: none"> Lower resp tract infections Acne Minor skin infections Eczema Psoriasis Acute otitis externa Bacterial conjunctivitis Oral thrush in infants 		Case-finding & referral service, e.g. COPD	Add AF detection to Hyp service	*Menopause advice service (incl. supply of HRT)		Structured medication review	* All services which involve the supply of a prescription medicine use independent prescribing instead of PGDs, where the pharmacist is an IP.
	Health checks for specific target groups		Weight management				





Our 2024/25 workplan is set out in the Annex. Progress against the elements of the workplan are monitored by our subcommittees and you will find updates on the workplan in subcommittee agenda papers.

Progress made in 2023/24

In the past year the most substantive community pharmacy negotiations were focused on Pharmacy First and the funding pledged to the sector as part of the Primary Care Recovery Plan.

Alongside extensive work to get the best outcome for the sector from those formal negotiations, our work was focused on:

- **Building relationships of influence across Government** – positioning community pharmacy for the future, including working with Ministers and the Labour and Liberal Democrat teams in anticipation of a 2024 General Election.
- **Building economic evidence** – ongoing data gathering and financial analysis to continue to press for a funding increase and wider support measures.
- **Influencing the next Government Spending Review** – we commissioned an economic project from independent consultants to help influence future funding.
- **Building leverage** – playing off the enormous value that pharmacies offer, their essential role in local communities, and the importance of Pharmacy First.
- **Presenting a strong solutions-focused case** – using the Vision to drive policy ideas and discussion, along with financial analysis and pressures data.

Further information on this work and the impact that it had will be published in the upcoming 2023/24 Annual Report.

Next Steps

Ahead of the general election, negotiations on the CPCF for 2024/25 were ongoing with our Negotiating Team – which includes pharmacy owners – arguing strongly for:

- **Significant realignment of the Contract Sum** to match costs



- **No unfunded increase in activity:** the NHS cannot afford more services without more investment
- **Write-off of cumulative retained margin owings**
- **Re-establishment of the principle of indexation for activity and inflation**
- **A full review of retained margin delivery**
- **A full review of the wider medicine supply chain**

At time of writing this briefing, we have written to new Ministers and expect to meet with them soon: we are ready to recommence these critical discussions as soon as they are. Public affairs work is also underway to quickly rebuild a strong network of Parliamentary supporters for community pharmacy in the new Parliament, working closely with LPCs.

Other workstreams, including to ensure the success of Pharmacy First and seeking to protect the £645m investment for community pharmacy on an ongoing basis, is also underway.

Progress will be reported on an ongoing basis through our regular communications, summaries of Committee Meetings, engagement events and our annual reports.

Further information on the negotiations will be published as soon as it becomes available.



Annex: 2023/24 Workplan for Community Pharmacy England

Objective 1: Deliver an improved Contractual Framework to address the current funding crisis and secure a stable future.

- a. Monitor the impact of the PCRIP investment and the 2024/25 contract to ensure effective delivery, sustainability and capacity and generate learning to inform future CCPF negotiations.
- b. Build closer understanding with DHSC/NHS England, reviewing the effectiveness of previous negotiations and sharing principles for the development of the next CCPF.
- c. Evaluate the overall social and economic value of investment in the CCPF and the elements within it.
- d. Evaluate pipeline services and implications for the future funding model.
- e. Consider alternative funding mechanisms that will enable sustainability and investment for the future and drive quality outcomes for patients, including a review of retained margin.
- f. Deliver negotiation training for the Committee and Negotiating Team and secure independent professional support to develop the negotiation strategy/tactical support.
- g. Design a network for the future that can deliver within the current funding contract (caveat regarding our capacity and dependency on Government/NHS England policy direction).

Objective 2: Drive the success of the Pharmacy First service, blood pressure and contraception services to demonstrate their value and the potential for a greater role for community pharmacy in clinical services.

- a. Support pharmacy owners, their teams and LPCs to implement the services, providing advice, information and tools and troubleshooting emerging challenges and feedback issues into ongoing co-management with DHSC/NHS England.

- b. Support the ongoing monitoring and management of the PCRIP investment, identifying blockages and operational implications and work with DHSC and NHS England to identify solutions.
- c. Support, with others, plans for IT/digital integration for community pharmacies across the NHS.

Objective 3: Promote the role of community pharmacy as a vital part of an integrated primary care system and as hubs for community health.

- a. Promote the vision for community pharmacy and the piloting, development, assessment and roll-out of clinical services through the whole commissioning value chain – from local to national commissioning.
- b. Manage stakeholder relationships with Government and Parliament, health bodies, commissioners, patient groups and think tanks and deliver an ongoing influencing strategy to promote the role of community pharmacies in the health system.
- c. Build the relationships with key decision makers and influencers to support the role of community pharmacy and its value to communities – across Government, Parliament, the health sector, primary care, patient groups and charities.
- d. Build new relationships of influence with political decision-makers after the General Election (where applicable) and present the Vision for community pharmacy and proposals for implementation.
- e. Monitor the health and scope of the community pharmacy sector and convey this intelligence to political decision-makers via an investment in data collection and monitoring, briefings and campaigns, where necessary.
- f. Promote horizon scanning, innovation and new thinking about the future of community pharmacy (including international comparison).

Objective 4: Build the investment case for further expansion of clinical services that can be developed into major service interventions.

- a. Evaluate the options for pipeline services – their scope, impact and value for future inclusion in the CPCF or local commissioning.
- b. Monitor the development of the IP pathfinder, using the learnings and evaluation to develop options for the deployment of IPs within community pharmacy commissioned services.
- c. Support LPCs in the development of locally commissioned services and their evaluation for scaling across regions and as part of a pipeline for national services.
- d. Support, with others, plans for IT/digital integration for community pharmacy across the NHS.

Objective 5: Lead future thinking on the funding, policy and regulatory policies that will enable community pharmacies to deliver services effectively and sustainably and respond to changing Governmental/NHS England priorities.

- a. Funding:
 - i. Support the programme of economic review and potential for economic regulation of the medicine supply chain.
 - ii. Monitor delivery of purchase margin, fees and Drug Tariff to ensure the best possible scheme for contractors to plan and manage their businesses.
 - iii. Monitor the impact of the Discount Deduction Scheme to ensure it is consistent with objectives.
 - iv. Price concessions – negotiate with Government to relieve short term urgent issues and enable longer term reform.
 - v. Respond to proposals for Reimbursement reform to ensure fair application and sustainability.

b. Services:

- i. Annual service negotiations (flu vac, health campaigns, clinical audit) and monitoring service delivery including Flu and COVID-19 vaccinations.
- ii. Monitor the development of NHS England service pilots and the roll-out of CPCF services.
- iii. Support and monitor the delivery of IT and digital infrastructure and interoperability.

c. Regulatory reform:

- i. Input to the programme of reform with regards to Hub & Spoke, Supervision and Skill mix, Original Pack Dispensing, Period of Treatment etc.
- ii. Support a programme of regulatory reform and improvement to support multi-disciplinary working, supervision and new roles for community pharmacy teams and monitor the impact of the regulatory environment and respond to proposals for changes to it.
- iii. *Address issues and proposals that could undermine the provision of pharmacy services, including market entry-related issues and different terms of service for different types of pharmacy.*
- iv. *Consider relevant NHS sustainability and net zero initiatives that impact the sector.*

Objective 6: Ensure that we continue to support the community pharmacy sector effectively through communications and engagement, working closely with the LPC network and driving standards of governance, accountability and transparency.

- a. Ensure all of our work is informed by pharmacy owners' views and interests through regular opinion polling and engagement.
- b. Use a multi-platform communications and engagement strategy with pharmacy owners and their teams through provision of regular updates, briefings, events and resources.



- c. Continue LPC network support through ongoing communication with CLOT, at LPC AGMs and contractor meetings, the Annual Conference of LPC Representatives and via the LPC Chairs Forum.
- d. Review the CPE organisational structure and key areas for investment of the levy to enhance capacity and support implementation of the Strategy.
- e. Ongoing development of governance reform and monitoring implementation of the final TAPR reforms.