

Rt Hon Wes Streeting MP  
Secretary of State  
Department of Health and Social Care  
39 Victoria Street  
London  
SW1H 0EU

28<sup>th</sup> November 2024

Dear Secretary of State,

As leaders of the representative bodies for community pharmacies in England, we are writing to impress upon you the urgent need to shield community pharmacies from the increased costs and measures in the Budget on National Insurance and the National Living Wage.

The 10,450 community pharmacies in England see more patients each day than any other part of the NHS yet are facing extreme financial pressures after a decade of real-terms cuts, combined with ever-increasing costs. Pharmacies have already absorbed significant NHS activity increases against this backdrop. They are still waiting for a settlement for this financial year, even though we are now in November.

Even before the Budget announcements, community pharmacies required a substantial real terms uplift, merely to prevent further damage to the network. Imposing very significant additional costs through higher employers' National Insurance Contributions and increasing the National Living Wage – which will add circa £50 million and £115-152 million in costs to the sector respectively – will further undermine the already perilous position facing the pharmacy network.

You will know about pharmacy closure rates: we fear that, without mitigation, these additional costs will push many more towards insolvency. More community pharmacies will be forced to cut opening hours and services, or even close their doors entirely, which will increase pressure elsewhere in the NHS and reduce access and care for the patients we all want to serve.

As you will know, around 90% of the income for an average community pharmacy comes from providing NHS services: they are no ordinary private businesses and cannot raise their prices for patients. But unlike other parts of the NHS, they have to exist in a commercial environment and balance the books in order to survive.

We wholeheartedly agree with the Government's ambition to move care into communities, increase prevention and promote healthy living and we know that community pharmacies can move at pace to make these ambitions a reality.

However, the sector needs to be put on a sustainable financial footing to achieve this. A settlement in the current year that does not cover the increased costs community pharmacies are facing, including measures outlined in the Budget – and address the ongoing recovery of margin – will

hinder the reform the Government wants to achieve and instead see community services facing further decline. We must prevent this from happening.

We very much want to work constructively with you to help deliver your mission for the NHS. We look forward to hearing from you soon regarding this pressing matter.

Yours sincerely,

Nick Kaye, Chair of the National Pharmacy Association  
Malcolm Harrison, Chief Executive of the Company Chemists' Association  
Janet Morrison, Chief Executive of Community Pharmacy England  
Leyla Hannbeck, Chief Executive of the Independent Pharmacies Association

Copied to:

The Rt Hon Rachel Reeves MP, Chancellor of the Exchequer  
The Rt Hon Darren Jones MP, Chief Secretary to the Treasury  
Stephen Kinnock MP, Minister of State, Department of Health and Social Care