

March 2021

Briefing for MPs: Urgent support needed for community pharmacies

Community pharmacies have been providing critical medicines and NHS healthcare advice to patients and local communities throughout the COVID-19 pandemic. This has come at considerable financial cost, with pharmacies acting in good faith after promises that the NHS would receive everything it needed throughout the pandemic. HM Treasury now wants pharmacies to pay back some of the emergency cashflow loans they were granted at the start of the pandemic, but doing so will be impossible for many businesses, and could severely impact on patient care.

This briefing sets out some background financial information and explains why community pharmacies now urgently need the support of MPs to have these loans, which were critical in allowing them to keep their doors open to patients throughout the pandemic, written off or converted into grants. Without this, some pharmacies will be unable to continue offering critical health services to their local communities.

Action: MPs are asked to contact the Chancellor, the Rt Hon Rishi Sunak MP, and the Chief Secretary to the Treasury, the Rt Hon Steve Barclay MP, urging their financial support for community pharmacies.

For more information please email: jessica.ferguson@psnc.org.uk

Community Pharmacies and COVID-19

Community pharmacies have remained open throughout the COVID-19 pandemic, adapting to provide services in a COVID-secure way for their local communities and offering face-to-face advice and healthcare on a walk-in basis. As well as dispensing more than 1 billion prescription items, pharmacies have delivered healthcare advice at a rate of more than 48 million consultations per year¹ – they have been a buffer for the NHS, helping their local communities and reducing pressure on other NHS healthcare providers.

More than 600,000 people have sought advice from English pharmacies on medical symptoms each week, with a further 185,000 needing help with an existing medical condition¹. These pharmacy consultations mean that patients avoid needing nearly 500,000 GP appointments and 57,000 weekly A&E and walk-in centre visits every week¹. Provision of this advice is critical for patients and the NHS, but pharmacies receive no specific funding for it.

Pharmacy teams have also in the past year made adaptations to work in a COVID-safe way, and they have quickly implemented a new national service to support 'shielding' patients. The Pandemic Delivery Service helped to ensure that those 'shielding' at home were able to access their prescriptions without putting themselves at risk. As of February 2021, pharmacies are also working with local hospitals on a new service to help people manage their medicines properly when they are discharged from hospital, helping reduce confusion and improve patient safety.

Some community pharmacies are already up and running as COVID-19 vaccination sites. Pharmacies have a strong track-record in vaccinations and we know that patients value their accessibility and convenience. Pharmacies can make a significant contribution to the national COVID-19 vaccination efforts, but this too will be put at risk if they are not given adequate financial support: pharmacies cannot afford to subsidise the NHS.

¹ PSNC Pharmacy Advice Audit, September 2020

<https://psnc.org.uk/wp-content/uploads/2020/09/PSNC-Pharmacy-Advice-Audit-Final-Report-August-2020.pdf>

Financial pressures facing Community Pharmacies

Community pharmacies are a key part of NHS primary care: most earn more than 90% of their income from the NHS. The pharmacy sector has been underfunded since funding cuts in 2016, and the problems have been exacerbated in the past year when the COVID-19 pandemic has put a combination of sustained pressures, both operational and financial, on pharmacies. A huge amount of work has been required in dealing with the pandemic and costs to businesses have included increased staffing costs, PPE, cleaning, and social distancing measures. These have been significant and, coupled with a reduction in income from over-the-counter sales and services, this has left many pharmacies facing serious financial challenges.

The systemic underfunding of the community pharmacy sector combined with these pressures are putting many pharmacy businesses in a critical position. Many pharmacy owners are now using their own money to make vital changes to how they work, and some are having to reduce services, opening hours or staff levels to cut down on costs. Large pharmacy chains have also announced significant cost-cutting and reorganisation measures over the past year. A study of independent community pharmacies found that 28-38% were in financial deficit already, and that this would rise to 64-85% without a funding uplift².

We have also seen more than 400 net closures of pharmacies since funding cuts were introduced in 2016, with 613 true pharmacy closures. 327 of the closures have been in the 30% of most deprived areas, having a knock-on effect on local high streets and potentially contributing to growing health inequalities.³ It is counterintuitive that we should have pharmacies closing in the midst of a pandemic, but without funding support we expect more closures, which means more communities losing their primary link to the NHS.

In terms of support, pharmacies did receive £370m in emergency funding loans to help them to stay open during the pandemic in 2020, but that money has been spent on covering more than £400m of NHS costs, allowing pharmacies to continue offering vital patient services while keeping patients and staff safe. Cashflow modelling suggests many pharmacies cannot afford to pay back these emergency monies. In summer 2020 HM Treasury made an initial offer on reimbursing pharmacy costs throughout the pandemic but this was very constrained. Pharmacy's negotiator PSNC is calling for pharmacies' costs to be fully recompensed: writing off the £370m in emergency loans received by pharmacies last year against those costs would go some way towards achieving this.

Future roles for Community Pharmacies

Community pharmacies are a critical part of the NHS and they have much more to offer to benefit patients, local communities and local healthcare systems. They are already working with local GPs to roll out referrals from general practice so patients can get quick and convenient access to advice on minor illness from a community pharmacist, and with local hospitals to help people manage their medicines properly when they are discharged from hospital. Over the coming months and years pharmacies could also make real progress on:

- **Prevention:** Healthy Living Pharmacies can do much to help
- Levelling up **health inequalities**, particularly after the pandemic
- Identifying people with **undiagnosed high blood pressure** and other cardiovascular diseases
- Tackling **obesity** and other health factors that have contributed to the UK COVID-19 deaths
- Provision of **enhanced community and public health care**
- Ongoing provision of COVID-19 booster **vaccinations**
- Providing first port of call help to **support GPs** to return to pre-COVID activity

² EY Research for the National Pharmacy Association, September 2020

<https://www.npa.co.uk/news-and-events/news-item/pharmacies-under-funded-and-at-risk-of-closure-shows-new-research-2/>

³ PSNC analysis, January 2021

How can MPs help?

MPs can help their local community pharmacies and all the constituents that those pharmacies support by publicly backing pharmacies and pressing HM Government for additional financial support for the sector. In particular, MPs could write to the Chancellor asking that the £370m advance payments made to pharmacies last year be converted into grants to cover the sector's COVID-19 costs: this would help to relieve the immediate financial pressures on community pharmacies and to ensure that patients can continue to receive the health advice and support that they rely on from their local pharmacies.

MPs can also submit parliamentary questions calling for more support for community pharmacies, and for a longer-term boost to community pharmacy funding to allow the sector to do more to support local communities.

Finally, the All-Party Pharmacy Group (APPG), which has also called for pharmacies' COVID-19 loans to be written off, would welcome support from all MPs. Read their latest report at: <https://www.pharmacyappg.co.uk/news>

Further information

PSNC represents the 11,400 NHS community pharmacies in England. We are also responsible for negotiating the pharmacy contract with the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement (NHSE&I). For any queries with the content of this briefing including help with letters to Parliamentary Questions, or to be put in touch with NHS pharmacies in your constituency, please contact: jessica.ferguson@psnc.org.uk