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By email

15 January 2016

Dear Will and Keith,

Community Pharmacy in 2016/17 and beyond

PSNC has now had an opportunity to consider the letter to me from you and Keith Ridge, published on 17th December 2015 ('the letter'). Since receiving that letter I have had two meetings with Deborah Jaines and Jeannette Howe on December 22nd and January 5th, and a third meeting with you, also attended by Liz Woodeson, Jeannette and Deborah, on January 11th.

The letter refers twice to the need for a 'clinically focussed community pharmacy service', but is entirely silent on how this would be achieved, and you have confirmed that there are no plans to consider further service development in 2016/17 that could make progress towards this ambition, which of course has been our aim for many years, and was integral to the structure of the CPCF in 2005. When we met you referred me to the two paragraphs in your letter, headed 'Pharmacy at the heart of the NHS'. I have re-read these and they contain nothing whatsoever that contributes positively to driving forward a clinically focussed community pharmacy service.

There is reference to the proposed Pharmacy Integration Fund. This will not be specifically for community pharmacy and given the current drive to develop the role of pharmacists working in General Practice we expect that this will overwhelmingly be directed towards increasing opportunities for those other than community pharmacies. The two paragraphs in the letter indicate that the government is ignoring entirely the substantial evidence we and others have put forward to show the value to the NHS of commissioning community pharmacy services. You have also told me that the size of the Fund will be just £20m in 2016/17, although you expect it to grow in future years.

The professed ambition to develop a more clinically focussed community pharmacy service is entirely incompatible with the cut in funding of £170m specified in your letter. The impact of cutting funding would be to reduce pharmacy's ability to move in the direction you say you want. The only short term measure by which pharmacies can reduce costs in the light of a reduction in funding will be to cut staffing levels, and the damage to the confidence and

stability of the sector resulting from the extraordinary measures you have taken can only impair pharmacies' contribution to keeping people well and out of GP and urgent care settings.

You stated in the course of the meeting that the reason you decided to publish the letter was to make it clear that the figure for funding for 2016/17, a reduction of £170m, will not change. You raised my prior request for the community pharmacy figures in the NHS allocations for subsequent years and said you were seeking consent from the Secretary of State to making those figures available for PSNC's meeting on January 12 and 13. We heard nothing subsequently, and as I anticipated, when it met PSNC felt it was being deprived of information essential for it to have a proper consultation. Contractors have noted your intention to implement the funding cuts from October 2016, ostensibly to give "pharmacies time to prepare for this change". We fear you aim for a cut far larger than the 6% stated in the letter, in 2017/18. You will understand how this withholding of material highly relevant to our ability to consider and understand the government's aims further erodes PSNC's confidence, and that of the contractors we represent, in the process.

The letter makes clear, in the section headed "Making efficiencies", that the government is intending to reduce the number of community pharmacies. Neither you nor Jeannette or Deborah in previous meetings have been prepared to elaborate to allow us to understand your proposals or the rationale for them. You referred to analysis and modelling but have not made this available to us, so PSNC could not examine your plans. Nor will you state how many pharmacies you expect or intend will close. You did however proffer the view that your Pharmacy Access Scheme has been very carefully developed with lots of underpinning analysis, and will apply to "many hundreds of pharmacies".

I have been able to elicit that the aim is to seek to reduce the number of low dispensing pharmacies and to reduce the number of pharmacies "in a cluster". No evaluation of the care provided by a pharmacy should be based on such a crude measure as dispensing volume, but there has been nothing to suggest you have examined the levels of advice or other elements of the pharmacy service provided by these pharmacies, such as provision of compliance aid dispensing and support for self-care. It seems clear that you are proposing to drive ahead to radically change the market with a real paucity of knowledge essential for good decision making.

You will be aware that PSNC has proposed changes that would remove the unintended impediment in the regulations to closures and mergers, but to date no action has been taken to address this. We do not oppose in principle any reshaping of the market, and we know that the consequence of the ill-advised introduction of partial deregulation in 2005 led to a substantial increase in pharmacy numbers. However we still have fewer pharmacies per capita than most countries in Europe.

We do not oppose the further development of online pharmacy services provided they are offering adequate professional care, and as I indicated to you when we met, as soon as general practice is able to make online prescription ordering convenient for large numbers of patients we will support and enable pharmacies to offer this service. We suspect however that this is not your aim, and that your intention is to drive patients to a commoditised supply service, which bypasses the access to the support and advice available in their local pharmacy, thus further reducing the viability of anything resembling the current network.

This is, I believe, at the heart of the policy underpinning your letter. The policy does not appear to have been formulated advised by expertise in community pharmacy. And there is an assumption that the care, advice and support community pharmacies give to their patients can be provided by pharmacists in general practices. This is wrong.

Turning now to the proposal to increase the duration of prescriptions, expressed in your letter as “steps to encourage the optimisation of prescription duration”. Have you undertaken any assessment of the impact of this on an increasingly fragile supply chain and the consequent risk to patients of pharmacies being unable to supply prescribed medicines? If so, we would like to see it because we believe this is a very damaging consequence of this limb of your policy. Our belief is that the policy has been driven only by an ill-considered push to cut costs, coupled with ignorance about the damage and consequences that follow. In this context the letter speaks of avoiding medicines waste. Do you have any analysis to suggest there will not be an increase in waste flowing from the implementation of longer prescribing periods? If so, we need to see it and understand why it differs from the studies known to us.

As you know, PSNC has always sought to work collaboratively with the government, and has been able to do so for many years. But that collaboration is challenged by what seems very clearly to be ill-informed policy driven by an equally ill-informed view that there is surplus funding that can be extracted from the sector. Following the PSNC meeting I advised Jeannette and Deborah that we cannot agree to commence negotiations before we have had an opportunity to understand fully your plans and the analysis underpinning them. We believe we are entitled to this material but it has not been forthcoming.

The government appears to have a settled intention to proceed on a course of action that will run counter to its stated ambition to develop a clinically focussed pharmacy service, and be damaging to patient care. It will miss the opportunity to develop the community pharmacy offer through well-evidenced service developments we have put forward, that will bring real value and cost-effectiveness to the NHS and support integrated working in primary care. We will not accept this.

Yours sincerely,



Sue Sharpe
Chief Executive

Copy: Jeannette Howe, Department of Health
Deborah Jaines, NHS England