

		THE HEALTH SCRUTINY COMMITTEE FOR LINCOLNSHIRE	
Boston Borough Council	East Lindsey District Council	City of Lincoln Council	Lincolnshire County Council
North Kesteven District Council	South Holland District Council	South Kesteven District Council	West Lindsey District Council

Open Report on behalf of Richard Wills, the Director responsible for Democratic Services

Report to	Health Scrutiny Committee for Lincolnshire
Date:	20 April 2016
Subject:	Community Pharmacy in 2016/17 and Beyond – Views of the Lincolnshire Local Pharmaceutical Committee

Summary

On 17 December 2015, the Department of Health began a consultation with the Pharmaceutical Services Negotiating Committee on how services would be delivered to meet the £2.63 billion funding cap set by the Department of Health for 2016/17.

The Health Scrutiny Committee is requested to consider the potential impact of the funding reductions on community pharmacies in Lincolnshire.

Steve Mosley, the Chief Officer of the Lincolnshire Local Pharmaceutical Committee, is due to attend for this item and present the views of Lincolnshire Local Pharmaceutical Committee, which are also contained within this paper.

Actions Required:

To consider the information presented on the Government consultation *Community Pharmacy in 2016/17 and Beyond* and to consider the potential impact on pharmacies in Lincolnshire, as presented by the Lincolnshire Local Pharmaceutical Committee.

1. Background

Introduction

On 17 December 2015 the Department of Health began a consultation with the Pharmaceutical Services Negotiating Committee (PSNC), a national organisation which promotes and supports the interests of all NHS pharmacies in England. The consultation, entitled *Community Pharmacy in 2016/17 and Beyond*, took the form of an open letter from

the Director General of Innovation, Growth and Technology at the Department of Health and the Chief Pharmaceutical Officer at NHS England, to the PSNC. Other national pharmacy bodies such as the Royal Pharmaceutical Society and the General Pharmaceutical Council were also copied into the letter, which is attached at Appendix A to this report.

Consultation Period

Originally the closing date for all responses to the consultation was 24 March 2016. The Department of Health has extended the closing date for the consultation on the Drug Tariff determinations to 24 May 2016. The consultation date for the Pharmacy Integration Fund element of the consultation closed on 24 March.

Further information on the consultation is available at the following link:

<https://www.gov.uk/government/publications/putting-community-pharmacy-at-the-heart-of-the-nhs>

Content of Letter

The letter advised that under the funding settlement for 2016-17 community pharmacies would receive no more than £2.63 billion, which represents a £170 million reduction (6.1%) from the £2.8 billion allocated in 2015-16. The reduction would be delivered through Drug Tariff amendments in the six months from October 2016.

Views of the Lincolnshire Local Pharmaceutical Committee

The impact on community pharmacy services across Lincolnshire will be significant, if they pass as described in the letter. Lincolnshire is under-served by community pharmacies compared to England as a whole. With 11,724 pharmacies across England in April 2015, there is one pharmacy per 4,600 population. In Lincolnshire, it is closer to one pharmacy per 6,100. Despite the fact that 40% of Lincolnshire residents are served by dispensing doctors due to the rural nature of the County, the 121 pharmacies that we do have dispense approximately 50% more prescription items than an average pharmacy in England. This means an arbitrary funding cut delivered via Drug Tariff adjustment will have a more punitive impact on Lincolnshire community pharmacies than the average pharmacy. Using the information in the letter and subsequent briefing documents published by the Department, the Lincolnshire Local Pharmaceutical Committee estimates that the average financial impact for a community pharmacy in England will be approximately £14,500. For a pharmacy in Lincolnshire this is likely to be £22,000.

That is a significant loss of funding for any small business to endure, especially being delivered across the six months of autumn and winter, typically the period of time NHS services are under their greatest strain. It will land not as a 6.1% cut, but a 12.2% cut just as pharmacies will be asked by their colleagues across primary care to support the winter pressures that traditionally arise. Lincolnshire Local Pharmaceutical Committee contends that the Department of Health should be actively investing in community pharmacy to take pressure of GPs, A&Es, Minor Injury clinics and Out-of-Hours Services.

The community pharmacy network in England costs the equivalent of £1, per person, per week and is the most accessible source of healthcare advice available to the public. The 121 pharmacies in Lincolnshire provide access to highly quality healthcare advice for 112 out of the 168 hours in a week, with no appointment needed. Commissioners of health and social care services need to build on that network and use it to provide services closer to peoples homes, utilising the expertise of the pharmacy team. By commissioning services to support urgent care, long term condition management, medicines optimisation and reduction of medicines waste we believe that community pharmacy can deliver savings to the NHS that equal or exceed those the Department seek to deliver through the proposed funding cuts.

3. Consultation

This item does not refer to direct consultation with the Health Scrutiny Committee for Lincolnshire. **This item provides information on a consultation undertaken by the Department of Health with the Pharmaceutical Services Negotiating Committee, and other representative organisations, which in the view of the Lincolnshire Local Pharmaceutical Committee is likely to have impacts on the level of pharmacy services in Lincolnshire.**

4. Appendices – These are listed below and attached at the end of the Report.

Appendix A	Letter from the Department of Health to Chief Executive of the Pharmaceutical Services Negotiating Committee – 17 December 2015.
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5. Background Papers - No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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