


Agenda Item 8

		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:	18 January 2017
Subject:	Community Pharmacy 2016/17 and Beyond: The Final Package

Summary:

On 20 October 2016, the Government published *Community Pharmacy in 2016/17 and Beyond: The Final Package*, which set out the Government's response and decision on its consultation which closed on 26 May 2016, to which the Health Scrutiny Committee had responded on 27 April 2016.

Community Pharmacy in 2016/17 and Beyond: The Final Package is attached to this report. The report also includes the responses of the Local Government Association and three national pharmaceutical organisations to *Community Pharmacy in 2016/17 and Beyond: The Final Package*.

Steve Mosley, Chief Officer of the Lincolnshire Local Pharmaceutical Committee, will be in attendance to provide information on how the implementation of *Community Pharmacy in 2016/17 and Beyond: The Final Package* is affecting on local pharmacies.

Actions Required:

- (1) To consider and comment on the *Community Pharmacy in 2016/17 and Beyond: The Final Package* and receive information on how its implementation is impacting on community pharmacies in Lincolnshire.

1. Community Pharmacy 2016/17 and Beyond – Final Package

On 20 October 2017, the Government published *Community Pharmacy in 2016/17 and Beyond: The Final Package*. The document is attached at Appendix A to this report.

2. Responses of National Organisations to Community Pharmacy 2016/17 and Beyond: The Final Package

This section of the report sets out the responses of several national organisations to *Community Pharmacy 2016/17 and Beyond: The Final Package*.

Response of the Local Government Association

On 20 October 2017, the Local Government Association issued the following response to *Community Pharmacy in 2016/17 and Beyond: The Final Package*.

"Councils want every local area to have a strong community pharmacy network, particularly those in deprived areas with the greatest health needs, or rural communities with the furthest distance to travel. It is important that government ensures this is delivered through the Pharmacy Access Scheme.

"Older and frail people rely on their local chemist not just as a place to get medicines, but as somewhere they can go to for informal health advice and information. If this lifeline was removed, it would mean more people having to potentially travel longer distances to GP surgeries and adding to existing pressures.

"We accept community pharmacies need to change, but instead of funding for them being reduced, we would like to see pharmacies playing a bigger role in providing public health services, alongside their important existing roles of supplying medicines. Additional investment in community pharmacies could improve the prevention of disease and help take the strain off the NHS and social care.

"Pharmacies also have an important place in our local economy. They are vital to ensuring diverse and vibrant high streets, which can otherwise be dominated by betting shops, fast food outlets and payday lenders. Losing our pharmacies could leave gaps in high streets that may never be filled."

Response of the National Pharmacy Association

The response of the National Pharmacy Association to *Community Pharmacy 2016/17 and Beyond: The Final Package*, which represents independent pharmacies, is set out below:

"The Government's approach shows a complete disregard for the community pharmacy sector and the wellbeing of patients. This is slap in the face for hardworking pharmacy teams and for concerned patients.

"Millions of worried patients have asked the Department of Health to think again. Politicians from all parties are against the cuts. It is abundantly clear that the current policy approach is flawed and universally unpopular.

"Yet elements within Government seem determined to press ahead with this damaging experiment, deaf to the nationwide protests. It is clear that they believe there are too many pharmacies and want closures. In the long run, thousands are at risk, unless there is a change of mindset and a change of direction amongst Ministers and officials.

“What concerns us most is the idea that still exists in parts of government and NHS which views pharmacy as merely a distribution point for medicines. Local pharmacies are so much more than that – they are a vital health and social care asset at the heart of communities.

“The Minister’s statement to MPs today that services will improve as a result of these massive cuts flies in the face of logic. The Government is not listening to the common sense arguments.

“But this is far from over. We will fight on in the light of today’s announcement. What gives us grounds for hope is the unprecedented level of public awareness and active political support that has been generated over the past months. This will form the basis of an ongoing effort to fundamentally shift the direction of government policy, so that pharmacies are seen as a solution to deep-seated problems in the NHS, not as a problem.

“Our most urgent task now is to defend against the most damaging potential consequences of the cuts. We owe it to the millions of patients who have supported us to continue to safeguard the pharmacy services they rely on.

“This issue goes far beyond the funding cuts imposed for 2016/18 and is ultimately about keeping the ‘community’ in community pharmacy. We want to engage in a programme of investment and improvement which builds on the strengths of our sector rather than seeks to dismantle it. The Government has said it wants to see pharmacies do more in urgent care and long-term conditions – now they must prove that they mean it, by changing course and investing in the sector for the long term.”

Royal Pharmaceutical Society

The Royal Pharmaceutical Society is the professional membership body for pharmacists and pharmacy in Great Britain. Its response to *Community Pharmacy in 2016/17 and Beyond: The Final Package* is as follows: -

“Community pharmacists will need support from the Royal Pharmaceutical Society and other organisations following the announcement by the Department of Health that they will reduce total funding for community pharmacy, both this year and next.

“The profession has spoken with one voice on this issue. We have consistently asked how the Government’s aspiration for the future of community pharmacy to be at the heart of the NHS can be squared with large reductions in funding.

“We recognise the NHS is under huge financial pressure, with colleagues in public health and hospitals at the sharp end of squeezed budgets too. There is a broader case for all of us in health to make about investment in a service that is dealing with unprecedented demand and expectations.

“Today we have heard more detail about the pharmacy access scheme, with some additional funding for pharmacies in deprived communities. It remains to be seen if this scheme will lessen the impact on opening hours and staffing levels in these vital community pharmacies.

"The pharmacy integration fund, originally set at £300 million over five years, has now been reduced to £42 million over 2 years, with years 3, 4 and 5 yet to be confirmed. We are committed to working with NHS England on best use of this fund but are dismayed there is now less certainty about the long term status of this work.

"We know that many pharmacists, whether they own a pharmacy or work for a pharmacy business will be hugely concerned about the future. We have been very clear about our opposition to funding reductions, but we know that the profession needs more from us at this time. The Royal Pharmaceutical Society will also make sure we offer pharmacists practical support to plan for the change that will begin on 1 December 2016."

Pharmacy Voice

Pharmacy Voice is an association of trade bodies which brings together and speaks on behalf of community pharmacy contractors. Its response to *Community Pharmacy in 2016/17 and Beyond: The Final Package* is as follows:-

"We have only just seen the Government's response to the PSNC today but, on first inspection, it doesn't appear that the Department of Health has been listening. We have spent the last 10 months explaining to them the value of community pharmacy, the pressure we take off other parts of the NHS and the money we save the Government by keeping patients out of GP surgeries and A&E.

"The public have made it clear to them that they expect their local pharmacies to expand their role in the community and MPs from every party have outlined how cuts will harm the interests of their constituents. Yet, despite this opposition, the Government appears hell-bent on pressing ahead with this incoherent, self-defeating and wholly unacceptable policy".

*"Despite the announcement, Pharmacy Voice is determined to ensure the long-term sustainability of community pharmacy and vital patient care is not put at risk. We will now redouble our work to promote the positive vision set out in the *Community Pharmacy Forward View* and will work closely with national and local partners to demonstrate how implementing it can deliver savings and improve health across the country*

"At the same time, we will build on the enormous good-will we have generated within Parliament, amongst the public and with NHS and Local Government colleagues in support of an expanded role for pharmacy within primary care and public health."

3. Previous Health Scrutiny Committee Consideration

On 20 April 2016, the Committee considered the consultation document on *Community Pharmacy in 2016/17 and Beyond* and received information from the Lincolnshire Local Pharmaceutical Committee.

Letter from the Chairman to the Secretary of State for Health

Following the meeting of the Committee on 20 April 2016, the Chairman submitted the following response to the Secretary of State for Health on behalf of the Committee: -

"I have been authorised by Health Scrutiny Committee for Lincolnshire to respond to the Community Pharmacy in 2016/17 and Beyond Proposals, as the Committee is concerned that these proposals could lead to 30 fewer community pharmacies in Lincolnshire. This reduction will lead to patients putting pressures on the NHS, either at GP surgeries, out-of-hours services or at Accident and Emergency.

"The Health Scrutiny Committee for Lincolnshire is concerned that the consultation on Community Pharmacy 2016/17 and Beyond was launched on 17 December 2015 and was in the form of a letter to the Pharmaceutical Services Negotiating Committee, which was copied to other national organisations. There was a complete failure on the part of your Department to involve or approach any local authority health overview and scrutiny committees or any health and wellbeing boards. In the case of the latter, I would draw your attention to their responsibility for developing and approving the local pharmaceutical needs assessments, which form the basis for decisions locally on where pharmacies may be established.

"There are 122 community pharmacies in Lincolnshire, serving a population of 740,000. As the county is rural in nature, 40 per cent of Lincolnshire residents are served by dispensing GP practices. As a result, the 122 pharmacies dispense approximately 50 per cent more prescription items than an average pharmacy in England. I understand that the proposed funding reduction via the drug tariff adjustment will have a more serious impact on Lincolnshire community pharmacies than the average pharmacy. I understand from information provided by the Lincolnshire Local Pharmaceutical Committee that the average financial impact for a community pharmacy in England will be approximately £14,500. I understand that for a pharmacy in Lincolnshire this impact could be as high as £22,000.

"According to Rt Hon Alistair Burt MP, the Minister of State for Community and Social Care, there are 11,674 community pharmacies in England. Mr Burt has estimated that between 1,000 and 3,000 pharmacies could close in England. If 3,000 pharmacies were to close, this would represent a reduction of 25 per cent. In Lincolnshire a 25 per cent reduction in the 122 community pharmacies would lead to the closure of 30 pharmacies, leaving only 82 pharmacies in the county.

"I would at this point draw your attention to provisions in the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013. Under Regulation 23, when commissioners of NHS-funded services make a proposal for a substantial development of the local health service or a substantial variation in the provision of such service, they are obliged to consult with their local health overview and scrutiny committee. The Health Scrutiny Committee for Lincolnshire believes that a reduction 30 pharmacies would constitute a substantial development or variation. "I understand that as Secretary of State you are outside the ambit of these regulations, but I would

argue that if a local NHS commissioner were seeking a 25 per cent reduction in service, they would be required to present robust arguments to the Health Scrutiny Committee for Lincolnshire. The closure of 30 pharmacies in Lincolnshire will have an extensive impact on services available to Lincolnshire residents and would be a matter of utmost concern to the Health Scrutiny Committee for Lincolnshire.

"Furthermore, I understand that any pharmacy closures would not be planned or co-ordinated, but would depend on the financial viability of each pharmacy. Clearly a factor in this is the extent to which national chains would be able to absorb any reduced income. This option is not available to smaller independent pharmacies and they would be more likely to be affected. The piecemeal closure of pharmacies could lead to gaps in provision across the county, leaving communities without access to prescription medicine and professional advice.

"For those pharmacies that remain there will be pressures on staff and this could mean the pharmacies are less able to provide advice and support to patients. Without this, patients are more likely to seek appointments with GPs, out-of-hours services or attend Accident and Emergency.

"I would urge you to reconsider these proposals to ensure that local communities in counties such as Lincolnshire are not affected."

Response from Minister of State for Community and Social Care to the Chairman's Letter – 10 June 2016

On 10 June 2016, the Rt Hon Alistair Burt MP, the Minister of State for Community and Social Care responded as follows:

"Thank you for your letter of 11 May to Jeremy Hunt about community pharmacy services.

"I appreciate your concerns and I want to reassure you that the Government believes that community pharmacy is a vital part of the NHS. We need a clinically focused community pharmacy service that is better integrated with primary care and public health in line with the Five Year Forward View.

"Our proposals are about improving services for patients and the public, and about securing efficiencies and savings. A consequence may be the closure of some pharmacies but that is not our aim. We believe these efficiencies can be made without compromising the quality of services or public access to them.

"We are consulting on the introduction of a Pharmacy Access Scheme, which will provide more NHS funds to certain pharmacies, considering factors such as location and the health needs of the local population. The proposal is for a national formula to be used to identify those pharmacies that are the most geographically important for patient access.

"We are not able to assess which pharmacies may close because we do not know the financial viability of individual businesses nor the extent to which they

derive income from services commissioned locally by the NHS or local authorities, or have non-NHS related income.

"At the outset it was agreed that the Department of Health would lead the consultation rather than NHS England. We have been in discussion with the Pharmaceutical Services Negotiating Committee (PSNC), the body recognised under Section 165(1)(a) of the NHS Act 2006 as representing all community pharmacies providing NHS pharmaceutical services in England on changes to the contractual framework for 2016/17 and beyond. The PSNC is the body we are required to consult with on NHS community pharmacy funding. Alongside this, we have also engaged with other organisations including the Local Government Association and representatives of patient groups.

"I hope this reply is helpful, and I can assure you that your correspondence has been passed to the officials who are looking at the consultation response."

Chairman's Letter to the Minister of State for Community and Social Care –
21 June 2016

On 21 June 2016, the Chairman wrote to the Minister of State for Social Care, as follows: -

"I have advised the Health Scrutiny Committee for Lincolnshire of the proposed Pharmacy Access Scheme and the Committee hopes that the Scheme will protect pharmacies in rural areas, so that patients can avoid putting additional pressure on their local GP surgery, out-of-hours services or Accident and Emergency.

"I am grateful that you have confirmed that the Department of Health has fulfilled its statutory obligation by consulting with the Pharmaceutical Services Negotiating Committee and has further extended the consultation by involving other national pharmaceutical organisations and the Local Government Association. However, I would suggest that in future local authority overview and scrutiny committees are also directly consulted for their views on any such potential change in funding arrangements, as these could impact on local health provision.

"The Health Scrutiny Committee for Lincolnshire understands that community pharmacies are not commissioned in the same way as most other health services and the financial viability of each individual pharmacy largely determines whether a pharmacy might close or remain open. As I stated in my letter of 11 May 2016, this could lead to the piecemeal closure of pharmacies unless they are protected by the Pharmacy Access Scheme. Any gaps in provision across the county would leave communities without access to prescription medicine and professional advice.

"The Health Scrutiny Committee for Lincolnshire has asked me to reiterate its position that the closure of up to 30 pharmacies in Lincolnshire would constitute a substantial development or variation in health service provision in the county. This is clearly outside the ambit of the health scrutiny regulations, as it would clearly be illogical for the Committee to refer Secretary of State's proposals to the Secretary of State himself. However, I would repeat my previous assertion

that if a local NHS commissioner were seeking a 25 per cent reduction in services, they would be expected to present robust arguments to their local health overview and scrutiny committee.

"I would strongly urge the Department to make sure that the Pharmacy Access Scheme ensures that rural areas are not left without community pharmacies. "

4. Conclusion

The Committee is invited consider *Community Pharmacy in 2016/17 and Beyond: The Final Package* and receive information on how its implementation is impacting on community pharmacies in Lincolnshire.

5. Consultation

A response was submitted on behalf of the Health Scrutiny Committee on 27 April 2016, and this item provides information on the outcomes of the consultation and the implementation of the Government's decision.

6. Appendices – These are listed below and attached at the end of the report

Appendix A	Community Pharmacy in 2016/17 and Beyond – Final Package (<i>Department of Health – 20 October 2016</i>)
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7. 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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