



DEBATE PACK

Number CDP 2016-0199, 31 October 2016

Community pharmacies

Antonia Jones
Tom Powell

Summary

On 20 October 2016, the Government announced a new funding settlement for contractors providing NHS pharmaceutical services under the community pharmacy contractual framework. Compared to 2015/16 levels, the funding settlement includes a reduction of 4% in 2016/17 and a further 3.4% in 2017/18.

There will be an Opposition Day debate on community pharmacies on Wednesday 2 November 2016 in the Commons chamber.

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The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

1. Background

1.1 Introduction

NHS England is responsible for commissioning all NHS primary care services in England, including community pharmacy services. Clinical commissioning groups (CCGs) are free to commission further services from community pharmacies over and above those commissioned by NHS England, and local authorities are able to commission public health services from pharmacies. The large majority of NHS income for community pharmacies in England comes from payment from NHS England, through the NHS pharmaceutical services contract. The NHS England funding settlement for 2014/15 and 2015/16 was £2.8 billion.

On 20 October 2016 the Government announced that contractors providing NHS pharmaceutical services under the community pharmacy contractual framework will receive:

- £2.687 billion in 2016/17
- £2.592 billion in 2017/18

This represents a 4% reduction in funding in 2016/17 and a further 3.4% reduction in 2017/18.

The announcement also confirmed plans for some additional funding, including:

- A Pharmacy Access Scheme to ensure services in isolated areas. The Government has published a [list](#) of 1,356 pharmacies that will receive pharmacy access payments.
- A £75 million Quality Payment Scheme which will award pharmacies extra funding based on how well they perform against criteria set out by the Government. The criteria are set out on p.11 of the [Community pharmacy in 2016/16 and beyond: Final Package](#) published by the Department for Health.
- A Pharmacy Integration Fund to support closer working with other parts of the NHS. The fund will provide £42 million from 2016 to 2018.

The changes will be implemented from 1 December. Responding to a Parliamentary Question on 28 October 2016, Health Minister David Mowat said:

The Pharmacy Access Scheme will protect patient access in areas where there are fewer pharmacies with higher health needs, so that no area will be left without access to National Health Service community pharmaceutical services. Qualifying pharmacies will receive an additional payment, meaning those pharmacies will be protected from the full effect of the reduction in funding from December 2016, compared to others.

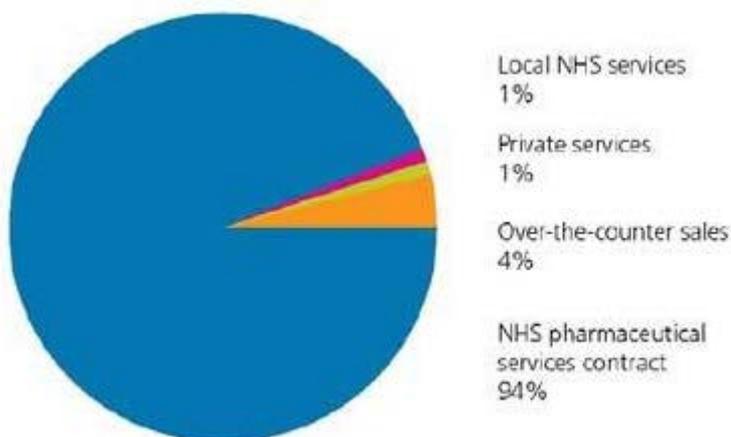
A quality scheme will be introduced so that, for the first time, we will be paying pharmacies for the quality of service they are providing to improve services to patients and public.

The Pharmacy Integration Fund will support community pharmacy as it develops new clinical pharmacy services, working practices and digital platforms to meet the public's expectations for a modern NHS community pharmacy service. The aim of the Fund is to support the development of clinical pharmacy practice in a wider range of primary care settings, resulting in more integrated and effective NHS primary care for patients.

1.2 Community pharmacy funding overview

Since April 2013 NHS England has held responsibility for commissioning NHS primary care services, including community pharmacy services. Clinical commissioning groups (CCGs) are free to commission further services from community pharmacies over and above those commissioned by NHS England, and local authorities are able to commission public health services from pharmacies.

The significant majority of income for community pharmacies in England comes from payment from NHS England, through the NHS pharmaceutical services contract. The NHS England funding settlement for 2014/15 and 2015/16 was £2.8 billion. The following breakdown of income for an average community pharmacy was produced by the British Medical Association (BMA)¹:



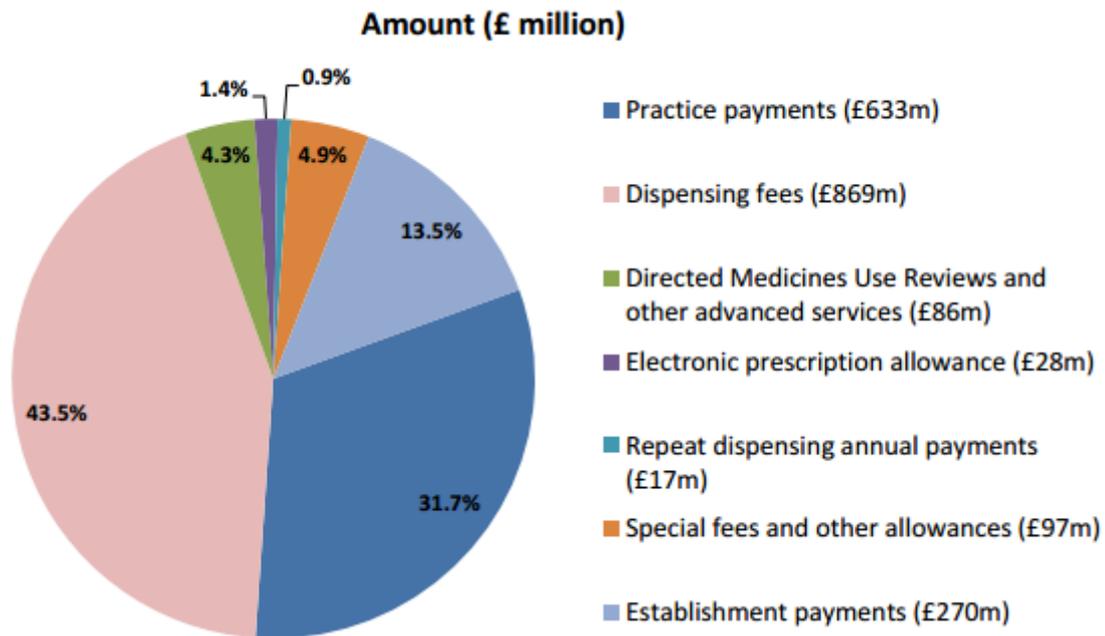
Clearly this will vary between different pharmacies, and the BMA notes that large high street and supermarket pharmacies may have a greater proportion of income from over-the-counter sales.

Payments through the pharmaceutical services contract are made up of a combination of fees (for provision of services), allowances and purchasing margin (the difference between the amount reimbursed by NHS England for prescription drugs and the often lower cost for pharmacies of purchasing these drugs from their wholesalers).

The Department of Health (DH) produced the following chart to give an indication of how contract payments were subdivided for 2015/16²:

¹ BMA, [Funding for community pharmacies](#), August 2016

² Department of Health, [Community Pharmacy is 2016/17 and beyond – proposals](#), December 2015



Some local NHS services, such as minor ailments services, palliative care schemes or medicine optimisation services may be commissioned through community pharmacies by CCGs.³

1.3 Background and reaction to the community pharmacy proposals announced in December 2015

On 17 December 2015 the Department of Health and NHS England wrote to the Pharmaceutical Services Negotiating Committee (PSNC) setting out plans for the 2016/17 funding settlement for community pharmacy in England. This said that there would be a reduction in funding of around 6%, with £2.63 billion of funding for the sector in 2016/17, as compared to £2.8 billion in 2015/16. This reduction was in the context of plans in the NHS *Five Year Forward View* (October 2014) to deliver £22 billion in efficiency savings by 2020/21⁴ and the November 2015 Spending Review. The Government also announced plans for a Pharmacy Access Scheme to help maintain essential services, which will provide more NHS funds to certain pharmacies compared to others, considering factors such as location and the health needs of the local population.

The following organisations commented on the plans for funding reductions set out in the DH/NHS England letter of 17 December 2015:

- [Royal Pharmaceutical Society, RPS responds to DH letter on funding reduction for community pharmacy in 2016](#)
- [PSNC, Community pharmacy in 2016/17 and beyond](#)

³ Pharmaceutical Services Negotiating Committee, [Clinical Commissioning Groups](#), (last accessed 19 August 2016)

⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/486941/letter-psnc.pdf

- [National Pharmacy Association, New briefing document about 'efficiencies' in community pharmacy](#)

Following a meeting on 13 January 2016 between the All-Party Pharmacy Group and the then Minister of State for Community & Social Care, Rt Hon Alistair Burt MP, the group's Chair, Rt Hon Sir Kevin Barron MP said:

"This joint letter has far-reaching consequences and implications for community pharmacy and the Minister was straightforward with us about that. We are grateful to him for seeing us and having an open discussion.

The plans are not just about a 6% funding cut in the second half of the next financial year. Based on what we heard, that is not a one-off cut so there are implications for future years. We note from our meeting that phasing may be considered. But there is also much more to this picture than a cut in funding.

There is a clear intention to reduce the number of pharmacies. We don't yet know how that will be done but closures must not reduce access or quality. We also want to know whether there will be compensation for those who exit.⁵

After the January 2016 APPG meeting the Chair, Kevin Barron, had this to say about the Government's pharmacy integration proposals:

We have long been calling for more services to be commissioned from pharmacies. It is difficult to see how it will be achieved against the background of cuts in funding. The Pharmacy Integration Fund is only a modest £20 million next year. It is dwarfed by the scale of funding cuts.

We also need to know much more about how those pharmacists who are based in GP practices will interact with those in community pharmacies and how roles will be defined. As we've said before, we do not want to see duplication or turf warfare. Clarity is essential.⁶

A petition on the Parliament petitions website to "stop cuts to pharmacy funding" received a Government response in June 2016. This stated that in some parts of England there were "more pharmacies than are necessary to maintain good access", and that the reduction in funding should not compromise the quality of services or public access to them:

The Government believes these efficiencies can be made within community pharmacy without compromising the quality of services or public access to them. In some parts of the country there are more pharmacies than are necessary to maintain good access. 40% of pharmacies are in clusters of 3 or more meaning that two-fifths of pharmacies are within 10 minutes' walk of 2 or more other pharmacies. We will ensure that those community pharmacies upon which people depend continue to thrive and so are consulting on the introduction of a Pharmacy Access Scheme,

⁵ <http://appg.org.uk/news.php> during this meeting, the former Health Minister Alistair Burt was reported as saying that that up to 3,000 pharmacies could be affected (out of 11,674 in England) (see [HC Deb 24 May 2016 c515](http://www.parliament.uk/business/committees/committees-a-z/commons-select/health-committee/written-evidence/2016-17/20160524-hc-deb-24-may-2016-c515) for confirmation of this figure by the Minister).

⁶ <http://appg.org.uk/news.php>

which will provide more NHS funds to certain pharmacies compared to others, considering factors such as location and the health needs of the local population.⁷

Another petition from the [Support Your Local Pharmacy](#) campaign which was delivered to 10 Downing Street in May 2016 is reported to have gained more than two million signatures.⁸

The Government said it would be entering into detailed discussions with the PSNC on the 2016/17 funding settlement and would be seeking views on its proposals from across the sector and from patient groups. In April 2016 the PSNC published a counter proposal setting out:

how community pharmacy could use its unique skills, accessibility and contact with the public and patients to reduce NHS costs and improve quality.

PSNC's proposal includes a number of possible community pharmacy services which, if implemented together, could lead to savings worth at least as much as the Government's proposed £170m cut to community pharmacy funding. In this way community pharmacy could contribute to the efficiencies needed in the health service, as well as reducing the substantial levels of medicines waste, without the need for a blunt funding cut that will damage the services patients need and use.

PSNC's counter proposal sets out how community pharmacy could generate savings in two areas: The NHS prescribing budget; and Costs of out of hours GP services.⁹

Announcing its [Report of the inquiry into primary and community care](#), on 29 June 2016 the officers of the All-Party Pharmacy Group warned that "the Government and PSNC must reach a negotiated settlement on the community pharmacy contractual framework" and "that an imposed contract would send unhelpful signals to the sector and risks hampering its development."¹⁰

1.4 Phasing out establishment payments

Under existing arrangements, all community pharmacies receive an 'establishment payment' if they dispense over 2,500 prescriptions per month. Establishment payments are worth between £23,278 and £25,100 depending on the prescription volume dispensed by the pharmacy.

Under the new funding arrangements, establishment payments will be phased out, starting on 1 December 2016, when it will be reduced by 20% compared to 2015/16 levels. On 1 April 2017, it will be reduced by 40% compared to 2015/16 levels. Future reductions will be subject to further consultation, but it is anticipated that it will be fully phased out by the end of 2019/2020.

⁷ <https://petition.parliament.uk/petitions/116943>

⁸ The Pharmaceutical Journal, [Petition against pharmacy cuts reaches 2 million signatures](#), 30 June 2016

⁹ [PSNC's counter proposal to the Government's plans for community pharmacy in 2016/17 and beyond, Briefing 026/16, April 2016 PSNC](#)

¹⁰ <http://appg.org.uk/news.php>

1.5 Pharmacy Access Scheme

Full details regarding the rules and eligibility criteria of the Pharmacy Access Scheme (PhAS) are available in the Department of Health's document: Community Pharmacy in 2016/17 and Beyond: The Pharmacy Access Scheme. The document explains that the Pharmacy Access Scheme is intended to:

ensure that a baseline level of patient access to NHS community pharmaceutical services in England is protected. The PhAS will protect access in areas where there are fewer pharmacies with higher health needs, so that no area need be left without access to NHS community pharmaceutical services. Qualifying pharmacies will receive an additional payment, meaning those pharmacies will be protected from the full effect of the reduction in funding from December 2016.

A pharmacy is eligible for the PhAS if it meets **all** of the following criteria:

- The pharmacy is more than a mile away from the nearest other pharmacy (measured by road distance); and,
- The pharmacy is on the pharmaceutical list as at 1 September 2016; and,
- The pharmacy is not in the top 25% largest pharmacies by dispensing volume.

The 1,356 pharmacies on the PhAS list will receive around £11,600 in 2016/17 (£2,900/month December - March) and £17,600 in 2017/18 (£1,500/month full year). The exact payment received by a pharmacy will be based on the funding it received in 2015/16. Pharmacies on the PhAS list will still be expected to make an efficiency saving of 1% in 2016/17 and 3% in 2017/18, but this is substantially lower than those that are not on the list, which require savings of 4.6% in 2016/17 and 8.3% in 2017/18.

1.6 Quality payments scheme

Some pharmacies that are not on the PhAS list will be eligible for funding under the £75 million quality payments scheme. In order to qualify for the scheme, pharmacies must meet ALL of the following gateway criteria:

- provision of at least one specified advanced service; and
- NHS Choices entry up to date; and
- ability for staff to send and receive NHS mail; and
- ongoing utilisation of the Electronic Prescription Service.

If they meet this criteria, they are eligible to receive a quality payment. The amount they will receive will be decided by a weighted criteria system set out by the Government in the [Final Package](#) document (on page 11). More information about the scheme is due to be published on 1st December 2016.

1.7 Pharmacy Integration Fund

A new Pharmacy Integration Fund (PhIF) was announced in the 17 December 2015 letter, and is intended to:

support the development of clinical pharmacy practice in a wider range of primary care settings, resulting in a more integrated and effective NHS primary care patient pathway. In particular, the PhIF will drive the greater use of community pharmacy, pharmacists and pharmacy technicians in new, integrated local care models.

The Government announcement on 20 October stated that the Pharmacy Integration Fund will provide up to £42 million between 2016 and 2018 “to improve how pharmacists, their teams and community pharmacy operates within the NHS as a whole”. It had been reported previously that the fund would be set at £20 million in 2016/17 and to have provided £300 million in total by 2020/21.¹¹

Initiatives already slated under the PhIF include:

- 1 Two work streams aimed at integrating community pharmacy into the NHS’ national urgent care system, to run in parallel from December 2016 to April 2018: the urgent medicines supply service and the urgent minor illness care work with NHS 111.
- 2 Health Education England has been commissioned to produce a workforce plan for pharmacy professionals in primary care to be able inform the workforce development needs for pharmacy across the health care system linking with the work they have already done in secondary care. We expect this to be ready by Spring 2017
- 3 From April 2017: deployment of pharmacy professionals in care homes and funding workforce development for pharmacists who work in care homes including a prescribing qualification.
- 4 From April 2017: there will be funding for pharmacists working in urgent care clinical hubs, such as NHS 111, integrated urgent care clinical hubs or GP out of hours services, and again this will include a prescribing qualification.
- 5 There will be educational grants for community pharmacists to access postgraduate clinical pharmacy education and training courses up to diploma level from April 2017.
- 6 Also from April 2017, a programme of pharmacy technician clinical leadership development.
- 7 An agreed priority will be to evaluate the impact of digital technologies on the health care system to improve efficiencies and modernize.¹²

¹¹ See [HC Deb 23 Feb 2016 c60WH](#)

¹² NHS England, [“Pharmacy Integration Fund of £42 million announced”](#), 20 October 2016

2. Press Articles

ITV news, 20 October 2016

[Fears thousands of high-street community pharmacies could close as funding is slashed](#)

There are fears thousands of pharmacies could close after the Government announced their funding is slashing their funding by more than 7% over the next two years.

PharmaTimes online, 21 October 2016

[Govt announces cuts to community pharmacy budget](#)

The Pharmaceutical Services Negotiating Committee has rejected the funding offer which, it claims, is "damaging to the sector" and "will adversely affect the ability of pharmacies to provide patient care".

The Pharmaceutical Journal, 27 October 2016

[Stakes are too high for a wait-and-see approach](#)

The UK government's documents on funding cuts for community pharmacy are inconsistent and lack evidence.

Chemist and Druggist, 24 October 2016

[Will Wales follow England's lead with pharmacy funding cuts?](#)

Cuts to funding in England provides the Welsh government an "opportunity to reflect" on its own investment in community pharmacy, a health minister has said.

Chemist and Druggist, 21 October 2016

[NPA to look into 'legal avenues' over pharmacy funding cuts](#)

The National Pharmacy Association (NPA) is "urgently" seeking safeguards against the impact of the cuts, after the government's confirmation of a 12% drop in funding.

Chemist and Druggist, 24 October 2016

[APPG to 'scrutinise' government's funding reforms](#)

The all-party pharmacy group (APPG) will "investigate" and "scrutinise" the government's planned cut to community pharmacy funding, it has announced.

The Telegraph, 17 October 2016

[Cuts to subsidies will force 1,600 rural pharmacies to shut](#)

More than 1,600 pharmacies in rural areas face closure because they will not benefit from a promised government financial package, leaked documents indicate.

3. Parliamentary material

3.1 Statement

[The Parliamentary Under-Secretary of State for Health \(David Mowat\)](#)

With permission, I would like to make a statement on the future of community pharmacy. In December 2015, the Government set out a range of proposals for reforming the sector. Our intent was to promote movement towards a clinically focused pharmacy service that is better integrated with primary care and makes better use of pharmacists' skills. I now wish to update the House on the outcome of this consultation and the measures we intend to take forward.

Let me be clear at the outset. The Government fully appreciate the value of the community pharmacy sector. There are now more than 11,500 pharmacies, an increase of over 18% in the past decade. Indeed, the overall pharmacy spend has increased by 40% over the past decade and now stands at £2.8 billion per annum. However, we do not believe that the current funding system does enough to promote either efficiency or quality; nor does it promote the integration with the rest of the NHS that we, and pharmacists themselves, would like to see.

The average pharmacy receives nearly £1 million per annum for the NHS goods and services it provides, of which about £220,000 is direct income. It includes a fixed-sum payment—the establishment fee—of £25,000 per annum which is paid to most pharmacies, regardless of size and quality. This is an inefficient allocation of NHS funds when 40% of pharmacies are now in clusters of three or more, which means that two fifths are within 10 minutes' walk of two or more other pharmacies. There are instances of clusters of up to 15 pharmacies within a 10-minute walk of each other. When the overall NHS budget is under pressure and we need to find £22 billion in efficiency savings by 2020, it is right that we examine all areas of spend and look for improvements.

The measures that we are bringing forward today have at their heart our desire more efficiently to spend precious NHS resources. Community pharmacy must play its part as the NHS rises to this challenge. I am today announcing a two-year funding settlement. In summary, contractors providing NHS pharmaceutical services under the community pharmacy framework will receive £2.687 billion-worth of funding in 2016-17 and £2.592 billion in 2017-18. That represents a 4% reduction in 2016-17 and a further 3.4% reduction in 2017-18. Every penny saved by this re-set will be reinvested and reallocated back into our NHS to ensure the very best patient care.

Furthermore, separately commissioned services by NHS England, clinical commissioning groups and local authorities will not be affected by this change. I want to see this commissioning of services to continue to grow. From 1 December, we will also simplify the outdated payments structure; introduce a payment for quality so that for the first time we will be paying pharmacies for the service they provide, not just for the volume of prescriptions they dispense; and relieve pressure on other

parts of the NHS by properly embedding pharmacy for the first time in the urgent care pathway.

As we continue the path of reform, we will be informed both by the review of community pharmacy services being carried out by Richard Murray of the King's Fund and by other stakeholders such as the Royal Pharmaceutical Society. NHS England is investing £42 million in a pharmacy integration fund for 2016-17 and 2017-18, which will facilitate the movement of the sector faster into value-added services.

Last week, for example, I announced two additional initiatives to improve our offer to patients. First, those who need urgent repeat medicines will be referred by NHS 111 directly to pharmacists—not to out-of-hours GPs as at present. Secondly, NHS England will encourage national roll-out of the minor ailment schemes already commissioned by some CCGs. This is expected to be complete by April 2018.

We are confident that these measures can be implemented without jeopardising the quality of services. In fact, we believe the changes will improve them. To safeguard patient access, we will be introducing a pharmacy access scheme in areas with fewer pharmacies and higher health needs. We are today publishing the list of pharmacies that will be eligible for funding from this scheme. Copies are available on gov.uk and from the Vote Office. The list includes all pharmacies that are more than 1 mile from another pharmacy. Those pharmacies will be protected from the full impact of the reductions.

In addition, we will have a review process to deal with any unforeseen circumstances affecting access, such as road closure. We will also review cases where there may be a high level of deprivation, but where pharmacies are less than a mile from another pharmacy, if that pharmacy is critical for access. This will cover pharmacies that are located in the 20% most deprived areas in England, are located 0.8 miles or more from another pharmacy and are critical for access. Additional funding over and above the base settlement will be made available as needed.

We have already announced NHS England's proposal significantly to increase the number of pharmacists working directly in general practice. A budget of £112 million has been allocated and will deliver a further 1,500 pharmacists to general practice by 2020.

As Members will know, the Government consulted the Pharmaceutical Services Negotiating Committee and other stakeholders, including patient and public groups. I am grateful for the responses that we received, which reinforced the value of community pharmacy and confirmed its front-line role at the heart of the NHS. The consultation also confirmed that there was a potential for the sector to add even more value. However, we are disappointed by the final response from the PSNC. We endeavoured to collaborate and listened to the committee's many suggestions over many months, but in the end, sadly, we were unable to reach agreement. Ultimately, the committee's role is to represent the business interests of its members, and I respect that.

My role is to do the right thing for the taxpayer, the patient and the NHS.

Let me end by stating my firm belief that the future for community pharmacy is bright. These vital reforms will protect access for patients, properly reward quality for the first time, and integrate care with GP and other services in a far better way. That is what the NHS needs, what patients expect, and, I believe, what the vast majority of community pharmacists are keen to deliver.

20 Oct 2016 | Ministerial statements | House of Commons | 615 cc969-980

3.2 Written questions

[Pharmacy](#)

Asked by: Godsiff, Mr Roger

To ask the Secretary of State for Health, how his Department intends to ensure that (a) no community in England will be left without a pharmacy and (b) that access to pharmacies will improve following funding changes to pharmacies.

Answering member: David Mowat

The Pharmacy Access Scheme will protect patient access in areas where there are fewer pharmacies with higher health needs, so that no area will be left without access to National Health Service community pharmaceutical services. Qualifying pharmacies will receive an additional payment, meaning those pharmacies will be protected from the full effect of the reduction in funding from December 2016, compared to others.

A quality scheme will be introduced so that, for the first time, we will be paying pharmacies for the quality of service they are providing to improve services to patients and public.

The Pharmacy Integration Fund will support community pharmacy as it develops new clinical pharmacy services, working practices and digital platforms to meet the public's expectations for a modern NHS community pharmacy service. The aim of the Fund is to support the development of clinical pharmacy practice in a wider range of primary care settings, resulting in more integrated and effective NHS primary care for patients.

28 Oct 2016 | Written questions | 50166

[NHS: Drugs](#)

Asked by: Brake, Tom | **Party:** Liberal Democrats

To ask the Secretary of State for Health, what assessment he has made of the potential merits of making savings in the pharmaceutical supply chain instead of reducing funding to community pharmacies.

Answering member: David Mowat | **Party:** Conservative Party |
Department: Department of Health

The Department introduced the Health Service Supplies (Costs) Bill on 15 September. This Bill is intended to enable my Rt. hon. Friend the Secretary of State to make regulations to obtain information from across the supply chain to assure itself that all parts of the supply chain provides value for money to the National Health Service and the taxpayer. We expect everyone in the NHS and the supply chain should play its part in achieving efficiency savings.

25 Oct 2016 | Written questions | 49183

[Chemists' Shops: Closures](#)

Asked by: Madders, Justin | **Party:** Labour Party

To ask the Secretary of State for Health, with reference to the consultation on the community pharmacy contractual framework, what estimate he has made of the number of pharmacies he forecasts will close.

Answering member: David Mowat | **Party:** Conservative Party |
Department: Department of Health

Community pharmacy is a vital part of the National Health Service and can play an even greater role. In the Spending Review the Government re-affirmed the need for the NHS to deliver £22 billion in efficiency savings by 2020/21 as set out in the NHS's own plan, the Five Year Forward View. Community pharmacy is a core part of NHS primary care and has an important contribution to make as the NHS rises to these challenges. The Government believes efficiencies can be made without compromising the quality of community pharmacy services including public access to medicines. Our aim is to ensure that those community pharmacies upon which people depend continue to thrive and so we have a Pharmacy Access Scheme, which will provide more NHS funds to certain pharmacies compared to others, considering factors such as location and the health needs of the local population. Our reforms are about improving services for patients and the public and securing efficiencies and savings. A consequence may be the closure of some pharmacies but that is not our aim.

The Government announced the package of reforms for the community pharmacy in 2016/17 and beyond on 20 October 2016. This included full details of how the Pharmacy Access Scheme will operate, as well an impact assessment for the package of reforms. This can be found at:

<https://www.gov.uk/government/publications/community-pharmacy-reforms>

21 Oct 2016 | Written questions | 49102

[Pharmacy: Finance](#)

Asked by: Howlett, Ben | **Party:** Conservative Party

To ask the Secretary of State for Health, what assessment he has made of the potential effect of reductions in pharmacy funding on the availability of essential medicines.

Answering member: David Mowat | **Party:** Conservative Party |
Department: Department of Health

The Government's proposals for community pharmacy in 2016/17 and beyond, on which we have consulted, are being considered against the public sector equality duty, the family test and the relevant duties of my Rt. hon. Friend, the Secretary of State for Health, under the National Health Service Act 2006.

Our assessments include consideration of the potential impacts on the adequate provision of NHS pharmaceutical services, including the dispensing of prescriptions and supply of medicines.

An impact assessment will be completed to inform final decisions and published in due course.

Our proposals are about improving services for patients and the public and securing efficiencies and savings. We believe these efficiencies can be made within community pharmacy without compromising the quality of services or public access to them.

Our aim is to ensure that those community pharmacies upon which people depend continue to thrive. We are consulting on the introduction of a Pharmacy Access Scheme, which will provide more NHS funds to certain pharmacies compared with others, considering factors such as location and the health needs of the local population.

20 Oct 2016 | Written questions | 48430

[Pharmacy](#)

Asked by: Dugher, Michael | **Party:** Labour Party

To ask the Secretary of State for Health, (a) on how many occasions during the most recent negotiation period Ministers and officials of his Department met with representatives from the Pharmaceutical Services Negotiating Committee and (b) when he plans to announce a funding package for community pharmacy for 2016-17.

Answering member: David Mowat | **Party:** Conservative Party |
Department: Department of Health

Since 9 September 2016, when a revised package of measures was put to the Pharmaceutical Services Negotiation Committee (PSNC), the Department, supported by NHS England, has met the PSNC on four occasions. I have met PSNC three times since 30 August 2016, including on 6 October 2016.

Ministers are still in a process of considering a proposed package for the community pharmacy sector and are expecting to make an announcement shortly.

18 Oct 2016 | Written questions | 48605

[Pharmacy: Finance](#)

Asked by: Madders, Justin | **Party:** Labour Party

To ask the Secretary of State for Health, what assessment he has made of the likely effect of proposed changes to pharmacy funding on home delivery of NHS prescriptions.

Answering member: David Mowat | **Party:** Conservative Party |
Department: Department of Health

The Government's proposals for community pharmacy in 2016/17 and beyond, on which we have consulted, are being considered against the public sector equality duty, the family test and the relevant duties of my Rt. hon. Friend, the Secretary of State for Health, under the National Health Service Act 2006.

Our assessments include consideration of the potential impacts on the adequate provision of NHS pharmaceutical services, including the supply of medicines, access to NHS pharmaceutical services, supplementary hours, non-commissioned services, individuals with protected characteristics, impacts on other NHS services, health inequalities, individuals with restricted mobility and access to healthcare for deprived communities.

An impact assessment will be completed to inform final decisions and published in due course.

Our proposals are about improving services for patients and the public and securing efficiencies and savings. We believe these efficiencies can be made within community pharmacy without compromising the quality of services or public access to them.

Our aim is to ensure that those community pharmacies upon which people depend continue to thrive. We are consulting on the introduction of a Pharmacy Access Scheme, which will provide more NHS funds to certain pharmacies compared with others, considering factors such as location and the health needs of the local population.

We want a clinically focussed community pharmacy service that is better integrated with primary care and public health in line with the Five Year Forward View. This will help relieve the pressure on general practitioners and accident and emergency departments, ensure better use of medicines and better patient outcomes, and contribute to delivering seven day health and care services.

The Chief Pharmaceutical Officer for England, Dr Keith Ridge has commissioned an independent review of community pharmacy clinical services. The review is being led by Richard Murray, Director of Policy at The King's Fund. The final recommendations will be considered as part of the development of clinical and cost effective patient care by pharmacists and their teams.

NHS England is also setting up a Pharmacy Integration Fund to support the development of clinical pharmacy practice in a wider range of primary care settings, resulting in a more integrated and effective NHS primary care patient pathway.

The rollout of the additional 1,500 clinical pharmacists announced by NHS England will help to ease current pressures in general practice by working with patients who have long term conditions and others with multiple medications. Having a pharmacist on site will mean that patients who receive care from their general practice will be able to benefit from the expertise in medicines that these pharmacists provide.

13 Oct 2016 | Written questions | 47871

[Health Services and Pharmacy: Productivity](#)

Asked by: Sherriff, Paula | **Party:** Labour Party

To ask the Secretary of State for Health, what assessment he has made of relative levels of productivity in community pharmacy and secondary care in each year since 2005.

Answering member: David Mowat | **Party:** Conservative Party |

Department: Department of Health

We have made no assessment of productivity in community pharmacies.

13 Oct 2016 | Written questions | 47790

3.3 Urgent question

Community Pharmacies – 17 October 2016

Michael Dugher (Barnsley East) (Lab)

[\(Urgent Question\)](#): To ask the Secretary of State for Health if he will make a statement on the budget for community pharmacies in 2016-17 and 2017-18.

The Parliamentary Under-Secretary of State for Health (David Mowat)

Members will have seen media coverage over the weekend about our consultation on the community pharmacy contractual framework. I shall set out the current position, the process going forward and how the final decision will be announced to the House.

In December 2015—10 months ago—the Government set out a range of proposals for reforming the community pharmacy sector. Our intent was to promote the movement of the sector towards a future based on value-added services, together with much stronger links to the general practitioner sector.

We proposed ways in which to make a reduction to the £2.8 billion currently paid to the sector. Part of the rationale was the increase of 40% in the budget and an increase of 18% in the number of establishments in the past decade or so. Each establishment now receives an average £220,000 of margin over and above the cost of drugs disbursed. Many of the establishments are in clusters.

The 2015 spending review reaffirmed the need for the privately owned community pharmacy sector to make a contribution to the publicly owned NHS efficiency savings that we need to deliver. We are confident that the changes proposed will not jeopardise the quality of services required or patient access to them, but some services will be delivered differently, which is why we have set aside £112 million to recruit a

further 1,500 pharmacy professionals to be employed directly by the NHS in GP practices.

The Government have consulted on the reforms since December 2015. On 13 October this year, the Pharmaceutical Services Negotiating Committee rejected our proposed package and sent a list of remaining concerns. We are now in the process of considering its final response, and expect to be in a position to make an announcement to the House shortly.

Michael Dugher

Thank you, Mr Speaker, for granting this urgent question. Community pharmacies play a vital role in frontline healthcare. Nearly 12,000 communities in England provide free advice to patients, and more than 1 billion items were dispensed in the community last year—an increase of 50% on 2005. Reports in recent days, however, make it clear that the Government are determined to press ahead with massive cuts to community pharmacies in this and the next financial year.

Serious questions remain about the impact of those cuts. When will Ministers finally publish an impact assessment of the proposed plans? How many pharmacies will close? Which regions will lose the most? Will they be in clusters or not? What will be the rate of loss in urban, as opposed to rural, areas? Will the Minister confirm that only about one in 10 community pharmacies will be helped by the pharmacy access scheme?

Community pharmacies and the cuts to them are a complete false economy for the NHS. They can only add further pressures to our already overstretched A&E units and GP surgeries. What is the Minister's assessment of the downstream costs to other parts of the NHS as a result of cuts to the community pharmacy budget, especially given the evidence from Pharmacy Voice that one in four people who would usually visit a pharmacy for advice would instead make a GP appointment if their local pharmacy was closed? In areas of higher deprivation, such as those in my constituency, the numbers are much higher.

We have seen massive opposition to these cuts, not just from pharmacies and voices on both sides of the House, but from the 2.2 million people who have signed the biggest petition in healthcare history. To conclude, Ministers have, to be frank, been all over the place. We have had mixed messages and false hope. The Government announced a pause to the cuts. Is not there now a compelling case for that pause to be made permanent?

David Mowat

The hon. Gentleman has not had any mixed messages from me. A pause was announced because the original consultation gave the intent to go ahead with this on 1 October. Given the change of Government and of Prime Minister, and given the new Chancellor and new Ministers, we took the opportunity to look at it again, to make sure that we get it right for patients, the NHS and the pharmacy sector itself, and that is what we intend to do.

The hon. Gentleman asked several questions, but first he said that the pharmacy sector is vital, and we agree with him. In some instances, however, there are as many as a dozen pharmacies within half a mile of

each other. That is not an isolated occurrence. Each of those pharmacies receives £25,000 per annum, and it is our job to consider whether that money could be better spent in other parts of the NHS.

I am not in a position today to announce the final format or shape of the GP access scheme.

Michael Dugher

It is in the newspapers.

David Mowat

That is speculation. We continue to look at the most recent communication that we have received from the negotiating body of the PSNC. I remind the House that 60% to 65% of these pharmacies are owned by public companies or private equity. The fact of the matter is that the Government have a responsibility to make sure that that money is spent effectively, and that is what we are going to do.

Finally, the hon. Gentleman said that GP access needs to remain good. I confirm and repeat the point that I made earlier: 1,500 additional pharmacists will be recruited into the GP sector by 2020. That is a massive investment, and it will make a big difference.

Anna Soubry (Broxtowe) (Con)

I should declare that Boots has its headquarters partly in my constituency and partly in Nottingham South. May I gently say to the Minister that there is great concern about the proposals? If there was ever a time to argue to increase the role of pharmacies, it is now. They perform a hugely powerful job in making sure that people do not, to be frank, **bother** their GPs and A&E with matters that are best dealt with by pharmacies because they are of a minor nature. The Minister makes a good point about clustering, but he has to get this right, because, if he damages pharmacies, there will be fewer of them, not just in poorer areas, but in remote rural areas. I urge the Government to take a hard good look at the issue, to make sure that this is the right approach as the pressures on the NHS increase.

David Mowat

I agree with my right hon. Friend. Boots makes a big contribution. It owns 1,724 pharmacies and is the biggest of the big four, which between them own 40% of all pharmacies. The Government's position is that community pharmacists make a big contribution, but I repeat that the number of locations has increased by nearly 20% over the past decade, and each one gets £25,000 per annum just for being open and for being a pharmacy. One consequence is that we have seen a great deal of clustering, and 40% of pharmacies are within half a mile of three others. It is right that the Government look at that and make a judgment.

Jonathan Ashworth (Leicester South) (Lab)

I congratulate my hon. Friend the Member for Barnsley East (Michael Dugher) on securing this urgent question and on his exceptional

campaigning on the issue. He is, no doubt, as disappointed as I am by some of the Minister's replies.

Ministers appear to be intent on pushing ahead with the cuts that have been outlined, under which thousands of community pharmacies could close and patients could lose out on essential medical services. The Pharmaceutical Services Negotiating Committee has described the Government's proposals as "founded on ignorance" and warned that they will do "great damage". The National Pharmacy Association says that the proposal is a "dangerous experiment" that "shows a complete disregard for the well-being of patients."

Is that not an absolute indictment of the Government's handling of this matter? The Minister has said that he will make an announcement shortly. Given the concern among Members from across the House, including Conservative Members, can he be more specific and tell us when he will give us a final decision? Will he also be negotiating a solution with the Pharmaceutical Services Negotiating Committee? As the Minister knows, his predecessor talked of the potential for up to 3,000 pharmacies to close. Is that correct, in the Minister's judgment? If not, can he tell us how many pharmacies he thinks will close, and how many of those will be in deprived areas?

Has the Minister had a chance to study the PwC report that describes the cash savings that community pharmacies bring to the NHS? What will be the financial impact on the NHS of more patients presenting themselves at A&E departments and GP surgeries because pharmacies have closed?

Is not the real reason why Ministers are pressing ahead with these cuts the complete mismanagement of NHS finances? Hospitals ended last year £2.45 billion in the red. We have had continual warnings from experts in the NHS, and over the weekend we learned from the Prime Minister that there is no more money for the NHS. The Secretary of State and the Prime Minister would be wrong to continue to ignore the advice of experts and pretend that everything is going to be okay. Unless the Government get a grip of the funding crisis facing the NHS, I fear that these cuts are just the start and that there is worse to come.

David Mowat

The Government spend more than the OECD average on the NHS. We spend more than the commitments made by the Labour party before the last election. That does not mean that we do not have a duty to spend that money as effectively as we can, however, and that is exactly what we intend to do. The money that may be saved by the measures we are consulting on will not go to the Treasury; it will be recycled back into NHS England. That is what NHS England wants to happen.

The hon. Gentleman mentions the excellent PwC report, which reaffirmed the value of community pharmacists to this country. PwC did not consider whether that same value could be still provided after some savings to the network. That is what we are looking at, and it is reasonable and responsible for the Government to do so. To say that that is not the case is simply incorrect.

The hon. Gentleman mentioned that the previous Minister talked about 3,000 pharmacies closing. We do not believe that the number will be anything like that big. In some areas, there are 10 or 11 pharmacies within half a mile of each other. [Hon. Members: "Where?"] Leicester, Birmingham—we can talk more about this. It is quite possible that at

the end of the review, some of those pharmacies will merge. If that happens, it will not mean that provision has been reduced. We do not believe that patient provision will suffer at all from the changes that we are considering.

Rebecca Pow (Taunton Deane) (Con)

Community pharmacies play a very important role locally. Many of them have taken on useful services, such as eye tests and hearing tests, which definitely help to reduce the workload of GPs and of the NHS. Does my hon. Friend agree that we need a community pharmacy service that is better integrated with primary care and public health in line with NHS England's five-year forward view?

David Mowat

It will not surprise the House to learn that I agree. Last Thursday night, I announced to over 1,000 pharmacists at their annual dinner that we are moving ahead with an urgent access scheme. From the beginning of December, all 111 calls for repeat prescriptions will go directly to pharmacists, not to the out-of-hours GP service. That is a tangible difference. We will do just the same with a minor ailments scheme, which will be commissioned right across the country so that, by April 2018, pharmacists will be paid—over and above any money that comes out of this settlement—for minor ailments work on things such as earache and so on. Those are exactly the sort of sensible steps that need to be taken to integrate pharmacy more closely into GP practice, and that is what we are doing.

Dr Philippa Whitford (Central Ayrshire) (SNP)

In Scotland, we already have a national minor ailments scheme within our community pharmacies, and it has had a huge impact. The Scottish Pharmacy Board estimated at the beginning of the project that 10% of those making GP visits and 5% of those making A&E visits could be seen in community pharmacies, so our investment has been in completely the opposite direction—in that of developing and strengthening such pharmacies. On top of minor ailments, one of the big areas that has made a difference is in chronic disease management. For people on repeat prescriptions, the pharmacist requests their next prescription and has it ready, while for housebound people, they deliver it, as they do with blister packs.

The concern about these changes is that pharmacists are afraid it will be a case of cutting and then seeing who survives. If it is felt that there are too many pharmacies in one place, reducing their number needs to be done in a planned way, otherwise rural and deprived areas will end up without one. The Government should be making sure that community pharmacy is a real part of the NHS, not slashing it.

David Mowat

The hon. Lady made several points. On her last point, the access scheme on which we are currently consulting will protect pharmacies in rural and deprived areas. That is precisely the point of the scheme.

The hon. Lady's first point was that Scotland has moved ahead on minor ailments, and we agree. I am on the record as saying that the pharmacy

first scheme in Scotland is a good model. We want the profession to move away from just dispensing towards more value-added activities, such as services. That is precisely why we are putting into effect the minor ailments scheme that has been piloted. It will be implemented right across the UK—right across England, I should say—from April 2018.

Kit Malthouse (North West Hampshire) (Con)

In the lee of Watership down in my constituency, the village of Kingsclere was so alarmed by the Government's plans that it raised a petition, possibly for the first time in its history, in support of its precious local pharmacy. Will the Minister confirm that, notwithstanding the consultation, the idea of protecting the dwindling number of rural pharmacies will come out at the end of the consultation as part of the access scheme?

David Mowat

Yes, I will confirm that. I am not in a position to announce today precisely how the access scheme will work, but I agree with my hon. Friend that a central part of it will be to make sure that everybody has a baseline distance to travel to get to a pharmacy and that everybody in the country will be able to access pharmacies within a reasonable time.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op)

NHS England's five year forward view stresses how important prevention is. Community pharmacies, which are anchored in the communities they serve, are vital in keeping people out of their GP surgeries and out of accident and emergency. The Minister talks about distance. What will the distance be? If I reflect on my own constituency, where the millionth signature of the petition was signed, my constituents really value each and every one of our community pharmacies. How many will he be cutting and how far does he expect people to travel to access one?

David Mowat

The hon. Lady mentions the five year forward view. If she reads the "General Practice Forward View", she will see that central to it is the recruitment of 2,000 pharmacists into GP practices across the country by 2020. That is how we will embrace the pharmacy profession and link it much more closely to GPs. I am not in a position, because we have not yet announced it, to discuss in detail today the final form of the access scheme and how it will work. Let us be very clear, however, that we do not expect people to have appreciably more of a journey to any pharmacy. We are talking about tens of metres, if any. The fact is that we will protect the pharmacies that need to be protected, so that everybody in the country has access within a reasonable time.

Alex Chalk (Cheltenham) (Con)

Where sensible savings can be made, it is absolutely right that they should be explored, particularly if they are ploughed back into the

health service. However, at a time when people in Cheltenham are turning increasingly to expert pharmacists for minor ailment support, can the Minister assure me that no changes will take place that undermine the welcome trend of going to pharmacies and not GPs?

David Mowat

As I said, that is our intention. Our belief is that the package in its entirety, which we will announce shortly, will actually enhance the role of pharmacies in providing services.

Emma Reynolds (Wolverhampton North East) (Lab)

How many community pharmacies will close as a result of these cuts?

David Mowat

We do not believe that any community pharmacies will necessarily close as a result of these cuts. That will depend on a number of factors. [Interruption.] I will answer the question, which is fair. It depends on the margin they make from their pharmacy activities and on the additional margin they make from their retail activities. Given that 65% of all pharmacies are owned by public companies or private equity, it depends on the position those organisations take to their businesses. That is very hard to predict.

Tom Pursglove (Corby) (Con)

Will the Minister say a little more about how he sees these plans tying in with the agenda to better integrate health services? In Weldon in my constituency, GP and pharmacy services work very well together for local patients under the leadership of Dr Sumira. What best practice is out there and what attention is the Government giving to it?

David Mowat

As I said, we are recruiting an additional 2,000 pharmacists into general practice by 2020. We will also link community pharmacists into the NHS 111 system in a way that has never been done in England, so that repeat prescriptions will go direct to pharmacists and not to out-of-hours GPs. By 2018, pharmacists will receive additional payment for looking after minor ailments.

Kevin Barron (Rother Valley) (Lab)

I declare an interest as the chair the all-party pharmacy group. In February this year, the Minister's predecessor, the right hon. Member for North East Bedfordshire (Alistair Burt), said there would be an impact assessment. In answer to a parliamentary question I tabled last week and the Minister answered, you also said that an impact assessment will be published, so that it would inform the final decision. Can the Minister tell us when that will be published? Will it be shared with representatives of community pharmacists?

Mr Speaker

I did not say anything about any impact assessment, but the Minister might have done for all I know. I have a feeling we are about to learn about it.

David Mowat

As my predecessor said, an impact assessment is being produced, and when these proposals are published in their entirety, that will be published at the same time.

Jason McCartney (Colne Valley) (Con)

On Thursday, my local clinical commissioning group will announce whether it is going to press ahead with plans to downgrade A&E at the Huddersfield royal infirmary. Can the Minister not see that when our A&Es are under so much pressure, we need community pharmacies and GP surgeries to see patients on the front line? I appreciate what he says about clustering, but having seen the last bank branches close in my rural communities, I am sorry but I just do not have confidence in it.

David Mowat

All I can do is repeat the point that I made earlier. The Government completely agree that we need community pharmacies. The Government completely agree that they have a vital role to play in keeping patients away from GPs and, potentially, from A&E as well. That, however, is not the same as saying that the 11,800 pharmacies that we have at the moment are precisely the right number, or that the clustering is at precisely the right number as well. It is right for the Government to review this and to establish whether or not the £25,000 of NHS money that every pharmacy receives every year is money well spent.

Sue Hayman (Workington) (Lab)

As we have heard, pharmacies have the potential to help the NHS become more efficient and community based. Community pharmacies are an integral part of the integrated care communities that the success regime in Cumbria is promoting in order to take the pressure off our overstretched GPs and A&Es. We are really struggling to recruit doctors in Cumbria, so any loss of community pharmacies is a serious loss to our community. Can the Minister assure me that these wider health challenges are being taken into account?

David Mowat

Yes, I can assure the hon. Lady that we fully understand the issues in places such as Cumbria. To an extent, the access scheme is designed to make sure that large rural communities are properly protected. I can only repeat that we value the services that pharmacies provide and that we do not believe that there will be a substantial detriment to them as a result of a bit less clustering.

Mr David Nuttall (Bury North) (Con)

Given that as part of the Greater Manchester devolution deal, the Greater Manchester health and social care partnership has taken control of the £6 billion a year health budget, will Greater Manchester be treated differently? If not, is there not a case for the area to be allowed to determine for itself how best to make use of community pharmacies?

David Mowat

It is my belief that the devolution deal does not include pharmacists, so the responsibility for that sector remains in the Department of Health. The proposals that we shall shortly outline will therefore include proposals for pharmacies that will apply equally to Greater Manchester.

Tom Brake (Carshalton and Wallington) (LD)

The Minister may not know how many pharmacies are going to close, but Reena Barai, an award-winning community pharmacy in my constituency, estimates that one out of four pharmacies in the London borough of Sutton, which is 11 pharmacies in total, will be closed. These will predominantly be the independents—not Boots or Superdrug. Why does the Minister think that, for years, successive Governments have encouraged people to visit their pharmacies for certain conditions or tests, instead of GP surgeries and A&E? Was it not because it was better for their health and cheaper?

David Mowat

I can only repeat that we value, and can see the value, in community pharmacies. We do not believe that any reductions will be skewed towards the independent sector; nor do we believe that the sector's position overrides our duty to look at clustering and to make sure that the money we spend in this sector—£2.8 billion—is spent most effectively and cannot be spent better on other parts of the NHS.

Mr Philip Hollobone (Kettering) (Con)

As far as residents in the Kettering constituency are concerned, community pharmacies are a good thing. They relieve the pressure on the overburdened A&E at Kettering general hospital, and they are the only place to go when people cannot get an appointment at their local GP surgery. Can we please make more use of the community pharmacies that we have? If the Minister is right, and he suspects that not many community pharmacies will close, let me tell him in all candour that the process he is going through is completely cack-handed, because it is spreading fear among the community pharmacy community up and down the country?

David Mowat

The current process began in December last year, and will be brought to an end shortly. I do not know about the specifics of the pharmacy scene in Kettering, but I repeat that we regard pharmacies as vitally important to the NHS. One of the proposals that we shall announce shortly is a

proposal for an integration fund of £300 million, which will be used entirely to provide services and pay for pharmacies to provide them. It will be informed by the review that is being conducted by Richard Murray of the King's Fund, and Kettering will benefit from those services in just the same way as other parts of the country.

Keith Vaz (Leicester East) (Lab)

May I enthusiastically endorse the comments made by the hon. Member for Kettering (Mr Hollobone)? Community pharmacies are an underused resource. We currently spend £10 billion a year on diabetes treatment, 80% of which is spent on treating avoidable complications. Instead of cutting pharmacies, why do we not get them to do more to help with diabetes prevention, and to identify the 1 million people who have diabetes and do not know about it?

David Mowat

We intend to do more to help pharmacists to help with diabetes prevention. Diabetes is one of several long-term conditions that the Murray review is examining. There are ways in which pharmacies can be used to avoid repeat or ad hoc GP appointments, which is precisely what we want to happen, but that is not the same as not keeping under review the amount of money that we pay pharmacists for dispensing, and ensuring that we are getting a good deal. The right hon. Gentleman said that he agreed with the hon. Member for Kettering (Mr Hollobone). The density of the United Kingdom's pharmacy network is approximately double the density of networks in Holland, Sweden and Denmark. No one thinks that it should fall to the same level as theirs, but there are opportunities for us to review clustering and ensure that the NHS is receiving value for money, and that is our duty.

Mr Peter Bone (Wellingborough) (Con)

I congratulate the hon. Member for Barnsley East (Michael Dugher) on his urgent question, although I am slightly sorry for the excellent Minister, who is having to deal with the question before the Government are prepared to make an announcement. I agree with my hon. Friend the Member for Kettering (Mr Hollobone) that community pharmacies are very important in Northamptonshire, given that the rest of the national health service in our area is under such pressure. If the amount saved is really going to be so small, I urge the Minister to say, "Actually, let's drop this. It is just not worth the battle."

David Mowat

I can only repeat that we value the contribution that community pharmacies make, and that the savings that we shall propose shortly are needed for other parts of the NHS. We believe that provision will not be affected, and that other parts of the package, including the integration fund and the hiring of an additional 2,000 pharmacists for the GP sector, will make this sector work better than it does at present.

Paula Sherriff (Dewsbury) (Lab)

Does the Minister agree that should one in four community pharmacies close, the effect on the elderly, the vulnerable, the poor and those with long-term conditions could be very serious indeed, and potentially catastrophic?

David Mowat

We do not believe that the proposals that we will be announcing shortly will do anything to the detriment of any of those patient groups.

Graham Jones (Hyndburn) (Lab)

Community pharmacies play a vital role in primary care, and there is a very important relationship between them and our constituents and their patients and customers. My constituency contains a healthy living pharmacy that provides added value. Is not the Minister's reductionist proposal about price rather than quality, and should we not be looking at the quality of pharmacy provision? Healthy living pharmacies in Hyndburn, and in Lancashire generally, provide an exceptional service, and should not be under the dark cloud that is hanging over them as a result of the Minister's proposal.

David Mowat

The hon. Gentleman has made a good point. A large part of the value added from pharmacies is related to quality, and we need to reward the pharmacies that are trying harder than others to provide it. The hon. Gentleman mentioned healthy living pharmacies, and there are many examples. Part of our package will address the quality issue, which is one of the issues that the Pharmaceutical Services Negotiating Committee asked us to consider.

Bill Esterson (Sefton Central) (Lab)

If the Minister wants to make the savings that he has talked about, he should work with the pharmacists and listen to what they have to say, because they have the ideas about how to make those savings. In my constituency, they talk to me about the potential for reducing repeat prescriptions, among other ideas. If he does that, he will play a role in looking after the heart of our community, which is what pharmacists are, and the heart of our NHS, which is also what they are. They also play an incredibly important role in every community in providing much needed footfall for other local businesses.

David Mowat

We have been talking to the Pharmaceutical Services Negotiating Committee for 10 months. We have tried to incorporate, in the proposals that we are going to make, some of the points it has put to us. I can only again tell hon. Members, as I have already said to many others, that we value the contribution that the pharmacy sector can make. We wish to see that move over and above what it is now, in terms of dispensing, into more value-added services dealing with minor

ailments, repeat prescriptions and long-term conditions. We want to do all those things, and we will.

Nic Dakin (Scunthorpe) (Lab)

The Minister should tread with great care. I have visited many community pharmacies in my constituency, and in each and every one I saw lots of value-added activity—preparing medicine trays, delivering medicines or whatever—and a keenness to be involved in wider activities. There is a real danger that the Minister, in seeking savings, will cost the health service and communities more.

David Mowat

That would be a danger, had we not spent time over the past 10 months to try to get this right. We are confident and believe that we have done so.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op)

May I give some advice to the Minister? If he wants reforms—I think that the feeling on both sides of the House is that we need a high-performing, innovative pharmacy sector, which is at the heart of every community, urban and rural—and if he wants to generate enthusiasm in the workforce, he should not demoralise them at the very beginning. His predecessor was the person who said, “Let us cut 2,000 pharmacies.” That is the truth. The Minister should not just reach out to pharmacies at posh dinners—he should come to Huddersfield, which is more exciting than Kettering, and talk to our pharmacies.

David Mowat

The hon. Gentleman makes a good point: I should not just reach out to pharmacists at posh dinners. In the past three weeks, I have visited a number of pharmacists. I have even opened a new pharmacy. I bow to no one in my view of the value that they can add, but they agree, and I think most Members in the House agree, that the community pharmacy network must move from a model based on dispensing to a model based more on services. We are going to help pharmacies to do that, and these proposals in the round will achieve that.

Karin Smyth (Bristol South) (Lab)

As we have said, primary care is the cornerstone, indeed the foundation, of the NHS, and pharmacies represent a successful public-private model. This proposal does seem to be a totally counter-intuitive. When I, on the Public Accounts Committee, questioned the chief executive of the NHS last month about the Department of Health accounts, he expressed surprise that there may be a reprieve for pharmacies, because the reality is that this is an in-year cut that is already happening; it is part of NHS England’s delivery of savings this year. Can the Minister clarify the reports over the weekend—what are the figures we are talking about? The reports were that the cuts would be £113 million in 2016-17 and £208 million in 2017-18. Are those the correct figures?

David Mowat

The figures to which the hon. Lady refers were announced in the consultation in December 2015. The only change since those figures were announced in that consultation in 2015 is that, because of the delay in looking at this again, the in-year saving this year is likely to be lower.

Stephen Pound (Ealing North) (Lab)

Those of us who wish the Minister well would probably best describe his performance at the Dispatch Box this afternoon as “courageous”. I feel that he has been sold a hospital pass on this one. He is responsible for a policy that lurches from the inchoate to the indefensible; that talks on the one hand about recruiting thousands of pharmacists and on the other about closing thousands of pharmacies. I am sorry, but we cannot keep loading, even on to the willing shoulders of the community pharmacies, more and more responsibility while we are draining away the financial lifeblood. Would the Minister care to become the most popular Minister on the high streets of our nation by saying that he is going to have another look at this nonsense?

David Mowat

I am always keen to be popular, but I am also keen to do the right thing. Nobody is talking about thousands of pharmacies closing and I do not believe that will happen, but we have talked about hiring 2,000 more pharmacies in the GP sector. That is true, but that is not incoherent; that is the right thing to do.

I just say this to the House: we all need to differentiate at times between the pharmacy profession, which we need and will nurture and help to grow and that can produce all these added values, and those people who own the pharmacy shops, 65% of which are public companies and private equity. The House should just reflect on that.

Toby Perkins (Chesterfield) (Lab)

It really is possible that the centre-ground in British politics is changing. Here we have a Conservative Minister coming to the Chamber to say, “I’m going to put hundreds of small firms out of business, but don’t worry; I’m going to get them all working for the Government.” It is absolutely bizarre, and the Minister is now trying to convince us by saying, “Don’t worry, they’re all hedge funds anyway.” We know it is not the Boots in the centre of Chesterfield that is going to be shutting; it is the community pharmacies in each of our communities. So will the Minister at least give us the commitment that no community will be left without a pharmacy and that no doctors’ surgery will be allowed to have a pharmacy close on its doorstep?

David Mowat

I will give the hon. Gentleman the commitment that no community will be left without a pharmacy.

Kate Green (Stretford and Urmston) (Lab)

I cannot impress strongly enough on the Minister the danger of these proposals. In my constituency the pressures on primary care are such that GP surgeries cannot recruit GPs and many practices are now not meeting Care Quality Commission standards because they are in old premises that are unsuitable. The thought that on top of that we would reduce the possibility for people to attend their local community pharmacy for simple healthcare needs is frightening. When the Minister publishes the impact assessment, will it provide any sort of reassurance and clarity that those complex primary care factors have been properly taken into account?

David Mowat

We have talked all afternoon about the need to protect access to GPs, and I repeat the point I made earlier: our proposals in the round should increase the degree to which pharmacists are linked into GP practices. The hon. Lady says that many practices are getting poor-quality assessments, but the fact is that over 80% of them are getting good-quality assessments, and we need that to continue. The proposals we are setting out in the round are expected to make pharmacy access better than it is now, and the orientation of the pharmacy profession towards services and away from just dispensing should happen more quickly.

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