

**North Yorkshire County Council
Scrutiny of Health Committee
27 January 2017**

**Funding of Community Pharmacies – update on discussions at Mid Cycle Briefing
on 16 December 2016**

Purpose of Report

This report provides members with details of discussions that took place at the Scrutiny of Health Mid Cycle Briefing on 16 December 2016 regarding changes to the Government funding of Community Pharmacies. This was in response to a Notice of Motion that was put to County Council on 9 November 2016.

Background

1. A new contract for community pharmacies was imposed by the Government in October 2016, despite widespread opposition from professional bodies, including the Pharmaceutical Services Negotiating Committee. In 2016/17, Government funding has been cut by 4% and 2017/18 will see a reduction of 3.4%. Further cuts are expected thereafter.
2. Whilst there are no planned closures of community pharmacies at this stage, it is anticipated that the services that they provide will change, as funding is reduced. If the reduction of Government funding continues, then there is a risk that a number of community pharmacies will be forced to close over the next 3 to 5 years.

Notice of Motion

3. A Notice of Motion was discussed at County Council on 9 November 2016, as below:

Motion 4 – North Yorkshire County Council notes that 121 Pharmacies in North Yorkshire offer a range of services such as dispensing prescriptions, disposal of unwanted medicines and supporting self-care. Pharmacies play an important role in promoting wellbeing such as healthy eating, smoking cessation, exercise, flu vaccination, sexual health, falls supervised consumption and more. Advice and support services are also available to care homes North Yorkshire County Council is greatly concerned about Government imposed threats to pharmacies as a result of cuts in the budget of £170m nationally to take effect from October 2016. This is a 6% cut in cash terms but could effectively mean a cut of 12% during the financial year which could potentially close up to a quarter of pharmacies, with an increased focus on warehousing dispensary and online services.

Service cuts in pharmacies put more residents at risk as well as putting pressure on GPs and on hospital services and therefore increasing NHS costs. A fully funded community pharmacy service is cost effective and is in the interest of patients and carers.

North Yorkshire County Council:

agrees to write to the Secretary of State for Health, NHS England and Hambleton, Richmondshire and Whitby, Harrogate and Scarborough and Ryedale Clinical Commissioning Group detailing the concerns and demanding an immediate reversal of these proposals.

Proposed by County Councillor David Billing
Seconded by County Councillor Eric Broadbent

4. The Notice of Motion was discussed and the decision was taken to refer the matter to the North Yorkshire Scrutiny of Health Committee for investigation.

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5. Jack Davies, Chief Executive Officer, Community Pharmacy North Yorkshire (LPC) gave a presentation to the Mid-Cycle Briefing outlining the changes to funding that had been introduced by the Government and the potential impacts.
6. The potential short term and long term impacts of the changes to community pharmacy funding that were discussed are summarised, as below:
 - Around 23 pharmacies will be protected from the full effect of funding reductions for the first two years but there is uncertainty about what level of protection will be in place thereafter.
 - At this stage, there are no planned closures of community pharmacies but the services that they provide are likely to change, as funding is reduced. Concerns have been raised that some community pharmacies will have to:
 - Reduce opening hours and staffing levels
 - End free services, such as the home delivery of medicines
 - Reduce investment in facilities and services
 - Reduce stock held on the premises, with the result that people may not be able to get the medicine they need then and there.
 - There is also likely to be an impact upon GPs and A&E, as patients who would have previously used their community pharmacy end up being forced to go elsewhere.
 - It is likely that over the next 3 to 5 years a number of community pharmacies in North Yorkshire will either be merged or close. The concern is that this will be in the more deprived or rural areas of the county.
7. In response, Members raised the following issues:
 - Community pharmacies are businesses and as such a degree of competition is to be expected and encouraged.
 - In some areas of the county there are a number of community pharmacies all on the same street. As such, it may make sense for there to be some rationalisation of provision and a re-distribution of funding.
 - There is a concern is that any closures or mergers will be in the more remote areas of the county or those that are more deprived.
 - The reduction in free services may have a significant impact upon both patients and carers.
 - The consequent reduction in the provision of tests and screening, as part of a national programme of prevention and early intervention, could lead to increased costs to the NHS in the longer term.
 - The funding cuts seem to run contrary to previous NHS advice focussed on encouraging people to use community pharmacies, instead of going to the GP or A&E.
8. The Mid Cycle Briefing resolved:
 - To maintain a watching brief on the impact of Government reductions to community pharmacy funding over the next 2 years, with regular updates to the Scrutiny of Health Committee.

- To work with Public Health and other agencies and organisations to consider ways in which the potential impact of the reductions in funding can be better understood, in particular:
 - The impact upon GPs and A&E
 - The impact upon vulnerable people
 - The impact upon people living in the more deprived areas of the county.

Responding to the Notice of Motion

9. The details of the discussions at the Mid Cycle Briefing and the actions that Members resolved to take will, subject to committee approval, go to the Executive at their meeting of 28 March 2017. From there, they will go to the County Council at their meeting of 17 May 2017, as part of the Executive Report.

Recommendation

1. To maintain a watching brief on the impact of Government reductions to community pharmacy funding over the next 2 years, with regular updates to the Scrutiny of Health Committee.
2. To work with Public Health and other agencies and organisations to consider ways in which the potential impact of the reductions in funding can be better understood, in particular:
 - The impact upon GPs and A&E
 - The impact upon vulnerable people
 - The impact upon people living in the more deprived areas of the county.

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