

8th June 2023

Re: Community Pharmacy Financial Crisis

Dear Mr Matheson & Ms Minto,

I write in order to highlight the precarious situation in which the Community Pharmacies of Scotland are placed.

Community Pharmacies have long been at the very heart of delivering healthcare right where and when the people of Scotland need it. This was made abundantly clear during The Pandemic when our resilience and fortitude made us even more vital as other healthcare professionals closed their doors or restricted access.

It will not be a surprise to you to hear that Community Pharmacy is in financial trouble: the previous Cabinet Secretary for Health had to authorise an emergency cash flow payment in January this year to protect the network, Community Pharmacy Scotland has unanimously rejected an unsatisfactory offer as it was nowhere near sufficient to fund the current levels of service, and the issue has been raised at First Minister's Questions on 1st June this year.

Edinpharm is a not-for-profit organisation with the aim of protecting and promoting the growth of independent pharmacies. In Scotland, Edinpharm has 172 Scottish members who rely on Edinpharm for leveraging their collective buying power, promoting beneficial relationships with key stakeholders, and offering support and advice across a wide range of topics.

I thought it worthwhile to describe to you some of the stories behind the numbers and hope to help you understand the struggles facing the Community Pharmacies of Scotland.

The team at Edinpharm are receiving daily calls from members who are struggling to keep their pharmacy businesses functioning.

- All contractors have been forced to dispense some prescription items at a loss as the cost of generic medicines has spiralled – which I am sure you will agree, is not sustainable.
- There are many contractors who have seen their NHS receipts for the month fail to cover their medicine wholesaler bills.
- Some contractors have even had to borrow money to pay their medicine bills.

I would like to reinforce that ALL pharmacy services are underpinned by the medicine supply function. The Scottish network of Community Pharmacies dispenses around 9 million prescription items each

month and it is the revenue generated from this service that supports all of the other services enjoyed by patients and maintains their access to healthcare. An inappropriately funded Drug Tariff risks the world class range of pharmacy services available in Scotland.

As well as the huge rise in drug costs (a cost that pharmacies cannot pass on), Community Pharmacy teams have felt the same inflationary pressures as other businesses. The costs to open our doors, turn the lights on, staff our pharmacies safely, fuel our vehicles, and to continue to deliver the levels of service which the Scottish people have come to expect have all risen sharply.

Members are actively looking at ways to balance their books and should an appropriate increase to the funding package not be forthcoming, then pharmacies will be forced to cut some of their existing services. Edinpharm are aware that non-contracted services such as prescription deliveries and the packing of medicines into Compliance Aids (dosette boxes) would be the first elements under threat. A further action being actively discussed by many of our members is a reduction to their opening hours in line with local Model Hours schemes in each Health Board area, thus reducing access for patients.

It is worth noting that no contractor wants to reduce their levels of service. The universal hope is for a funding package that recognises the significant increase to the cost of medicines, understands the costs and benefits of brilliant services such as Pharmacy First, and appreciates the huge role every pharmacy plays in the towns, villages, cities, and communities across Scotland.

Community Pharmacy in Scotland has been admired and envied from many other countries - our members implore you to take decisive action not only to stabilise the network, but to build upon all the great work and progress already made.

For and on behalf of Edinpharm members.

Yours sincerely,



Alan Cameron
Chairman



Richard Stephenson
Managing Director