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Stephen Kinnock MP
Minister of State for Care
Department of Health and Social Care
39 Victoria Street
London
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04 September 2025

BY EMAIL

Re: Crisis in Community Pharmacy Finances

Dear Minister,

I am writing as Chief Executive of the Independent Pharmacies Association (IPA) to share with you the alarming outcomes of our latest survey and the deep disquiet of our members at the current funding deal for community pharmacies.

We represent thousands of community pharmacies on high-streets across England and Wales. We are proud to be the leading voice in the sector. Every day, our members deliver vital, face-to-face care to patients in the heart of their communities. We help relieve pressure on GPs and hospitals, boosting the government's drive for efficiencies across the NHS.

There can be no doubt that the sector is in deep crisis. These are the findings of our summer survey of our membership. Responses covered over 2,500 pharmacy branches across England and Wales:

- How would you rate the current NHS/Community Pharmacy funding deal in terms of sustainability for your business?

Very poor = 50%

Poor = 42%

Fair = 8%

- Do you feel optimistic or pessimistic about the future of the Community Pharmacy sector over the next 12 months?

Very pessimistic = 41%

Somewhat pessimistic = 40%

Neutral = 10%

Somewhat optimistic = 9%

- Do you feel adequately compensated for the services you deliver under NHS arrangements?

Yes = 4%

No = 96%

The survey showed that the consequences of this crisis have the potential to be very damaging for patients across the country. A shocking 50% of respondents said they have considered permanent closure of branches over the past year. There is no escaping the fact that the Government's fiscal policy choices are also having a severe impact on the sustainability of the sector:

- Have changes to National Insurance, tax policy and minimum wage had a negative impact on your pharmacy operations in the past 12 months?

Yes = 93%

No = 7%

Combined, the challenges mean that unless there is a change to the status quo, our members fear they won't be able to meet the Government's aim for them to take a greater role in public health:

- How confident are you in your pharmacy's ability to meet public health demands over the next year?

Very confident = 5%

Somewhat confident = 16%

Only with adequate funding = 64%

Not confident = 22%

We have also recently analysed the finances of a random selection of eight of the IPA's member pharmacy groups which represent 1500 numbers of pharmacies around the country.

Compared to last year, they have collectively had a 798% reduction from operating profit to an overall loss of £4.6 million. With statistics like this, it is no surprise that, already this calendar year, 48 pharmacy companies have either appointed liquidators or begun the process of appointing administrators, as listed in The London Gazette.

In compiling this data, the IPA has been struck by the uniformity of responses from pharmacies in different parts of the country and with different numbers of branches. These are just some of the things they told us:

- *"Community Pharmacies are meant to be the front door of the NHS but have too often been treated like the doormat. It's time for change."*
- *"The current model is unsustainable, with many pharmacies making losses on dispensing due to unfair reimbursement and persistent medicines supply issues."*

Clearly, this can't go on. If the sector does not get a fairer funder settlement, patients are going to be severely impacted.

Therefore, I am writing to request an urgent meeting to discuss solutions to the unsustainable finances throughout the sector, and on the eve of flu vaccination season, to discuss the pressing issue of the disparity in how community pharmacies are treated and remunerated for flu vaccinations compared to GPs.

There is also real anxiety that the lower service fee that pharmacies receive for each flu vaccination compared with GP practices, this, coupled with the blockages in the system, will stand in the way of moving more flu vaccinations into pharmacies, freeing up time in GP surgeries.

There can be no justification for GP's being paid more than pharmacies for administering the same jab. Nor is there any justification for the fee being frozen yet again when costs for pharmacies are sharply rising - not least with the increased NICS and Minimum Wage.

Again, our members are unanimous in their concern:

- *"Very limited opportunity for co-administration of both vaccines due to reduced COVID eligibility rules."*
- *"Contractors have had to place orders for flu vaccines blind of COVID eligibility."*
- *"Fee freeze for a 6th consecutive season. I think it was last year that they used co-administration as an excuse for freezing the fee."*

I look forward to hearing from your office to arrange a meeting at the earliest possible opportunity. As you will appreciate, this is a very urgent situation.

Kind regards,



Dr Leyla Hannbeck

CEO, Independent Pharmacies Association