

REPORT TO:	HEALTH AND WELLBEING BOARD 9 June 2023
SUBJECT:	Pharmaceutical Needs Assessment: Supplementary Statement
BOARD SPONSOR:	Rachel Flowers, Director of Public Health, Croydon Council
PUBLIC/EXEMPT:	

SUMMARY OF REPORT:

- The latest Croydon Pharmaceutical Needs Assessment was published in the Croydon Observatory in November 2022.
- Since its publication, Lloyds has notified the closure of three pharmacies in Croydon.
- The Board is required to explain the changes to the availability in pharmaceutical services in Croydon.
- Producing a new PNA for this purpose would be disproportionate. Therefore, the Board is recommended to publish a supplementary statement.

BOARD PRIORITY/POLICY CONTEXT:

Every Health and Wellbeing Board (HWB) in England has a statutory responsibility to publish and keep up to date a statement of the needs for pharmaceutical services of the population in its area, referred to as a Pharmaceutical Needs Assessment (PNA).

The purpose of the PNA is to plan for the commissioning of pharmaceutical services and to support the decision-making process in relation to new applications of change of premises of pharmacies.

Once the PNA is published, the HWB will be required to publish their next PNA within three years of the date on which the latest PNA was published.

The 2013 regulations require the HWB to produce a new PNA if it identifies changes to the need for pharmaceutical services, which are of a significant extent. The only exception to this requirement is where the HWB is satisfied that producing a new PNA would be a disproportionate response to the changes.

Supplementary statements are statements of fact; they do not make any assessment of the impact the change may have on the need for pharmaceutical services. Effectively, they are an update of what the pharmaceutical needs assessment says about the availability of pharmaceutical services. They are not a vehicle for updating what the pharmaceutical needs assessment says about the need for pharmaceutical services.

Primary Care Support England is responsible for notifying a range of organisations when:

- a pharmacy or dispensing appliance contractor opens new premises or relocates to new premises, and
- a change of ownership application takes place.

NHS England is responsible for notifying a range of organisations when:

- core and/or supplementary opening hours change,
- pharmacy or dispensing appliance contractor premises close permanently, and
- when a dispensing practice ceases to dispense either to a particular area or completely

NHSE holds the national contract for community pharmacy which is commissioned against "[The National Health Service \(Pharmaceutical and Local Pharmaceutical Services\) Regulations 2013](#)". Anyone who is listed on the pharmaceutical list can give notice to withdraw from the list.

FINANCIAL IMPACT:

- No financial impact of recommendations, estimated £5k to outsource a provider to produce a new PNA on behalf of the HWB if required.

RECOMMENDATIONS:

- The Board is required to explain the changes to the availability in pharmaceutical services in Croydon.
- Producing a new PNA for this purpose would be disproportionate. Therefore, the Board is recommended to publish a supplementary statement.

1. EXECUTIVE SUMMARY

- 1.1 This paper provides an update and summarises the process to explain changes to the availability of pharmaceutical services in Croydon.
- 1.2 The HWB published its latest PNA in the Croydon Observatory in November 2022.
- 1.3 Since the publication of the 2022 PNA, Lloyds has notified the closure of three pharmacies in Croydon.
- 1.4 Producing a new PNA to explain the changes in pharmaceutical services would be disproportionate. Therefore, the Board is recommended to publish a supplementary statement.

2. DETAIL

- 2.1 In January 2022, Croydon Council commissioned PHAST CIC (Public Health Action Support Team Community Interest Company) to produce the 2022 PNA on behalf of the HWB.
- 2.2 A steering group was established with representatives from the Croydon Council, South West London Integrated Care Board, Local Pharmaceutical Committee, Local Medical Committee, and Healthwatch Croydon. The function of the steering group was to oversee the production of the 2022 PNA for the London Borough of Croydon, reporting progress to the HWB.
- 2.3 As part of the PNA process, two surveys were conducted between May and July: (i) the Croydon Pharmacy Contractor survey was conducted to inform the PNA (80% response rate, or 58 of 73 pharmacies in Croydon.); and (ii) the Public PNA survey to gain views from residents about pharmacy services in Croydon (327 participants completed the survey, and more than 99% were Croydon residents).
- 2.4 The final phase consisted in a 60-days public consultation that took place from 31 August to 29 October 2022.
- 2.5 The final PNA was published in the [Croydon Observatory](#) in November 2022.
- 2.6 The 2022 PNA concluded that, in Croydon, the current pharmacy services are adequate and have a good geographical spread, particularly covering those areas of higher population density.
- 2.7 Since the publication of the 2022 PNA, Lloyds has notified the closure of three pharmacies in Croydon:
 - Lloyds Pharmacy, Crystal Palace in Sainsburys. Whitehorse Lane SE25 6XB
 - Lloyds Pharmacy, 60-66 Westow St, Upper Norwood SE19 3RW
 - Lloyds Pharmacy, 2 Trafalgar Way CR0 4XT
- 2.8 These pharmacies are in areas that are relatively well served and accessible by car and public transport. Residents have also access to four Distance Selling Pharmacies in the Croydon HWB area. A distance-selling pharmacy provides services as per the Pharmaceutical Regulations, 2013. It may not provide

essential services face-to-face at the pharmacy premises and therefore provision may only be by mail order and/or the internet. As part of the terms of service for distance-selling pharmacies, provision of all their services must be offered throughout England. It is therefore likely that patients within Croydon will be receiving pharmaceutical services from a distance-selling pharmacy from outside the borough.

- 2.9 The community pharmacy budget was cut by £240m in 2013 and there has been no uplift since. This, in combination with inflation, drug shortages, and EU-exit are making these businesses increasingly unsustainable, leading contractors to make difficult decisions such as closing their premises.
- 2.10 The Local Pharmaceutical Committee (LPC) is working with pharmacies affected to ensure they have the support they need. Whilst the closure of pharmacies sits outside the gift of Croydon borough, pharmacy professionals at the Trust, ICB and LPC are working closely with each to support where they are able.
- 2.11 The local system is unable to procure or commission new pharmacies. The opening of new pharmacies would depend on contractors (pharmacists, or chain of pharmacies) coming forward and applying to open new premises. With the current market conditions, it is unlikely that contractors would have an appetite to submit new applications to NHSE.
- 2.12 The HWB is required to explain changes to the availability of pharmaceutical services in Croydon.
- 2.13 Producing a new PNA for this purpose would be a disproportionate response to those changes.
- 2.14 Producing a new PNA would have financial implications, including identifying a budget to outsource a provider through a competitive tender process to conduct a new pharmaceutical needs assessment on behalf of the HWB (estimated £5k); and identifying capacity within the organisation to support the procurement and commissioning process, and the monitoring and overseeing of the development of the new PNA.
- 2.15 Therefore, the Board is recommended to publish a supplementary statement.
- 2.16 Once published the supplementary statement becomes part of the pharmaceutical needs assessment and will therefore be referred to by NHS England and NHS Improvement when it determines applications for inclusion in a pharmaceutical list. It will also be referred to by NHS Resolution when it determines an appeal. Supplementary statements are therefore to be published alongside the pharmaceutical needs assessment.
- 2.17 The HWB is recommended to publish a supplementary statement to explain the changes to pharmaceutical services following the closure of three Lloyds pharmacies in Croydon (Appendix 1).

3. CONSULTATION

- 3.1 A 60-days public consultation on the draft PNA took place between 31 August to 29 October. The draft consultation can be found here: <https://www.getinvolved.croydon.gov.uk/pharmacy>

4. SERVICE INTEGRATION

- 4.1 PNAs provide a common structured framework within which commissioners and strategic planners can make decisions about pharmaceutical needs in a local area. They facilitate discussions between NHS England, local commissioners from the local authority and CCG, and local pharmacists around addressing local pharmaceutical needs, and provide a common framework for assessing activity and provision that should be in place to address these needs.

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 5.1 There are no financial implications. Any costs relating to risks that the board needs to consider can be met from within ringfenced public health grant. The PNA supports NHS England to make decisions about market entry. It has no direct cost implications to the Council or South West London ICS.

Comments approved by Lesley Shields, Head of Finance for Assistant Chief Executive and Resources on behalf of the Director of Finance. 19/06/23

6. LEGAL CONSIDERATIONS

- 6.1 The Health and Social Care Act 2012 transferred the responsibility to develop and update pharmaceutical needs assessments (PNAs) to HWBs from April 2013.

- 6.2 The current regulations which make provisions for the conduct of PNAs are The National Health Service (Pharmaceutical and Local Pharmaceutical Services) Regulations 2013.

- 6.3 The regulations require HWBs to publish a revised PNA within three years of its previous publication of its PNA.

- 6.4 The PNA must contain the prescribed information set out in Schedule 1 of the Regulations. This includes:

- a) a statement of the pharmaceutical services that are provided in the area and which are necessary to meet the need for pharmaceutical services (i.e., necessary services: current provision).

b) a statement of the pharmaceutical services that are not provided in the area but which the HWB is satisfied need to be provided (i.e., necessary services: gaps in provision).

c) a statement of the pharmaceutical services that are provided in the area and which, although they are not necessary to meet the need for pharmaceutical services in its area, nevertheless have secured improvements, or better access, to pharmaceutical services in its area (i.e., other relevant services: current provision).

d) a statement of the pharmaceutical services that are not provided in the area but which the HWB is satisfied need to be provided to meet a current and/or future need for pharmaceutical services, or pharmaceutical services of a specified type, in its area; (i.e., improvements and better access: gaps in provision).

e) a statement of any NHS services provided or arranged by a local authority, the NHSCB, a CCG, an NHS trust, or an NHS foundation trust to which the HWB has had regard in its assessment (i.e., other NHS services).

f) an explanation of how the assessment has been carried out:

- how it has determined what are the localities in its area.
- how it has considered (where applicable) the different needs of different localities in its area, and the different needs of people in its area who share a protected characteristic; and
- a report on the consultation that it has undertaken. (i.e., how the assessment was carried out); and

g) a map that identifies the premises at which pharmaceutical services are provided in the area (i.e., map of provision).

6.5 There is a consultation requirement that must be complied with before the revised PNA is completed and published. Regulation 8 “Consultation on pharmaceutical needs assessment” provides a list of bodies that HWB must consult about the contents of the revised assessment it is making. This includes any Local Pharmaceutical Committee, any Local Medical Committee, any persons on the pharmaceutical lists and any dispensing doctors list for its area, any Local Healthwatch organisation for its area, and any neighbouring HWB. They must together be consulted at least once during the process of developing the PNA. The bodies consulted must be given a minimum period of 60 days for making

their response to the consultation. Those being consulted can be directed to a website address containing the draft PNA but can, if they request, be sent an electronic or hard copy version.

6.6 Regulation 9 sets out the matters HWB must consider when developing their PNA. This includes:

- a) the demography of its area.
- b) whether in its area there is sufficient choice regarding obtaining pharmaceutical services.
- c) any different needs of different localities within its area.
- d) the pharmaceutical services provided in any neighbouring HWB which affect the need for pharmaceutical services in its area.
- e) any other NHS services provided in or outside its area which affect the need for pharmaceutical services in its area.

6.7 The HWB must also take account of likely future needs. This is intended to address and compliments the prescribed information in Schedule 1 at Paragraph 6.4 above.

6.8 HWBs are required to publish a revised PNA report sooner if significant changes are identified in the meantime about the availability of pharmaceutical services since the publication of the last PNA. This is unless the Board is satisfied that making a whole revised assessment would be a disproportionate response to these changes.

6.9 Pending the publication of a revised PNA, Supplementary Statements may be added. Supplementary Statements are a way of updating what the PNA says about which services are provided and where. They explain changes to the availability of pharmaceutical services since the publication of the existing PNA and then become part of the PNA (Regulation 3D (3)).

6.10A Supplementary Statement is issued where:

- a) the changes are relevant to the granting of Market Entry applications, but a revised assessment would be a disproportionate response to those changes, or,
- b) while producing a revised PNA, immediate modification of the current PNA is essential to prevent significant detriment to the provision of pharmaceutical services in its area.

Comments approved by Doutimi Aseh, Head of Social Care & Education Law on behalf of the Director of Legal Services and Monitoring Officer.

7. HUMAN RESOURCES IMPACT

7.1 There are no direct human resource impacts arising from the content of this report for Croydon Council employees or staff.

7.2 Approved by: Gillian Bevan, Head of HR, Resources and Assistant Chief Executives on behalf of the Chief People Officer.

8. EQUALITIES IMPACT

8.1 The purpose of any needs assessment, including the PNA, is to look at current and predicted future population needs for service provision or support. The PNA will identify the need for access to pharmaceutical services so that NHS England can approve or reject applications for additions to the pharmaceutical list. The PNA will also identify the need for locally commissioned services that local authority and CCG commissioners can respond to using relevant commissioning budgets.

8.2 As part of the PNA process, an “Equality Impact Assessment” (EIA) was completed and signed off.

8.3 There are no negative impacts regarding groups with protected characteristics identified in the EQIA.

8.4 The closure of pharmacies is outside of the power of the local authority. Such closures would be likely to have a negative impact on the disabled, the elderly and those with pregnancy and maternity characteristics. However, should the EQIA be updated, the council would have no power to offer mitigation to reflect such closures beyond the creation of a supplementary statement.

Approved By; Denise McCausland – Equality Programme Manager on 20/6/2023

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