

# Protect Your Dispensing Rights!

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# Introduction

- This is probably the most important subject for Practice Managers, Partner GPs and Dispensary Managers to understand.
- You must take action following this webinar to assess the threats to your Dispensing Rights and consider ways to protect them.
- **BE PROACTIVE NOT REACTIVE**



# Summary

- Know your practice area and the statistics
- Read your area's PNA
- Make business planning a key activity for your practice
- Engage with professional consultancy to evaluate the facts. [DON'T Save money now and lose money later]
- Doing nothing is not an option!

# What is a Pharmaceutical Needs Assessment?

A **Pharmaceutical Needs Assessment (PNA)** is a detailed review of pharmacy services in a specific area, aimed at determining whether the current provision meets local needs. It is a **statutory document** produced every three years by Health and Wellbeing Boards to inform NHS commissioning decisions regarding pharmacy services. The PNA supports the market entry system for new pharmacies and is essential for assessing applications for new pharmacy premises. [cpe.org.uk](https://cpe.org.uk) +4

# What Should You be Looking For in a PNA?

The PNA helps identify whether there are any gaps in the provision of pharmaceutical services across Cornwall and the Isles of Scilly which means identifying if any new services, improvements or better access to existing services, are needed. The PNA considers the demographics of the Cornwall and Isles of Scilly population, its health priorities, as well as how pharmaceutical services can contribute to improving the health of Cornwall and Isles of Scilly residents now and in the future.

The final [Cornwall and Isles of Scilly Pharmaceutical Needs Assessment 2021/25](#) concludes:

- the current provision is suitable to meet the needs of residents
- there is sufficient capacity in the system to meet the needs of the population over the next 3 years



Were you  
Consulted or  
Sent the Most  
Recent Draft  
PNA?

- There **SHOULD** be a new recent PNA - worthwhile checking that someone in the practice has this under control.



# Have You Reviewed Your Latest PNA?



particularly if there are omissions, additions or any general comments that can be made.

The draft PNA can be found in the documents section on this page.

The survey opens at 10am on Wednesday 9 April 2025 and the deadline to submit your responses is 10pm on Sunday 15 June 2025.

A new PNA will be published by 1 October 2025.

**To provide your feedback, please complete this survey.**

# Introduction

Email chain summary:

A query to me about PNAs and the practice assumes they are safe from a community pharmacy application [for various reasons].

BUT it turns out they have a patient population which **almost** makes a pharmacy viable in their location!



# Dispensing Regulations

- Dispensing of medicines is one of the last protected commercial operations and is based around the need for all patients to have easy access to medication
- Pharmacy Applications are **generally** only a worry ***if*** there is a recognized and documented need in the ***Pharmaceutical Needs Assessment***.



# What Should You be Looking For in a PNA?



## Gaps in Provision

### Identifying Gaps in Current and Future Provision

Current Gaps in provision in the PNA are defined as:

- Geographical gaps in the location of premises
- Geographical gaps in the provision of services
- Gaps in times and/or days services are provided

Future gaps in provision considers developments such as planned dwellings, relocation of services, regeneration projects etc in respect to the three variables mentioned.

This approach is suggested in the Department of Health and Social Care guidance 2021

(<https://www.gov.uk/government/publications/pharmaceutical-needs-assessments-information-pack>)

# What Causes a Gap in Provision?

- By definition your previous PNA, if it showed a gap in provision would more than likely have prompted a community pharmacy application
- **House Building/Expansion of an Urban Area**
- **Closure of Community Pharmacies**

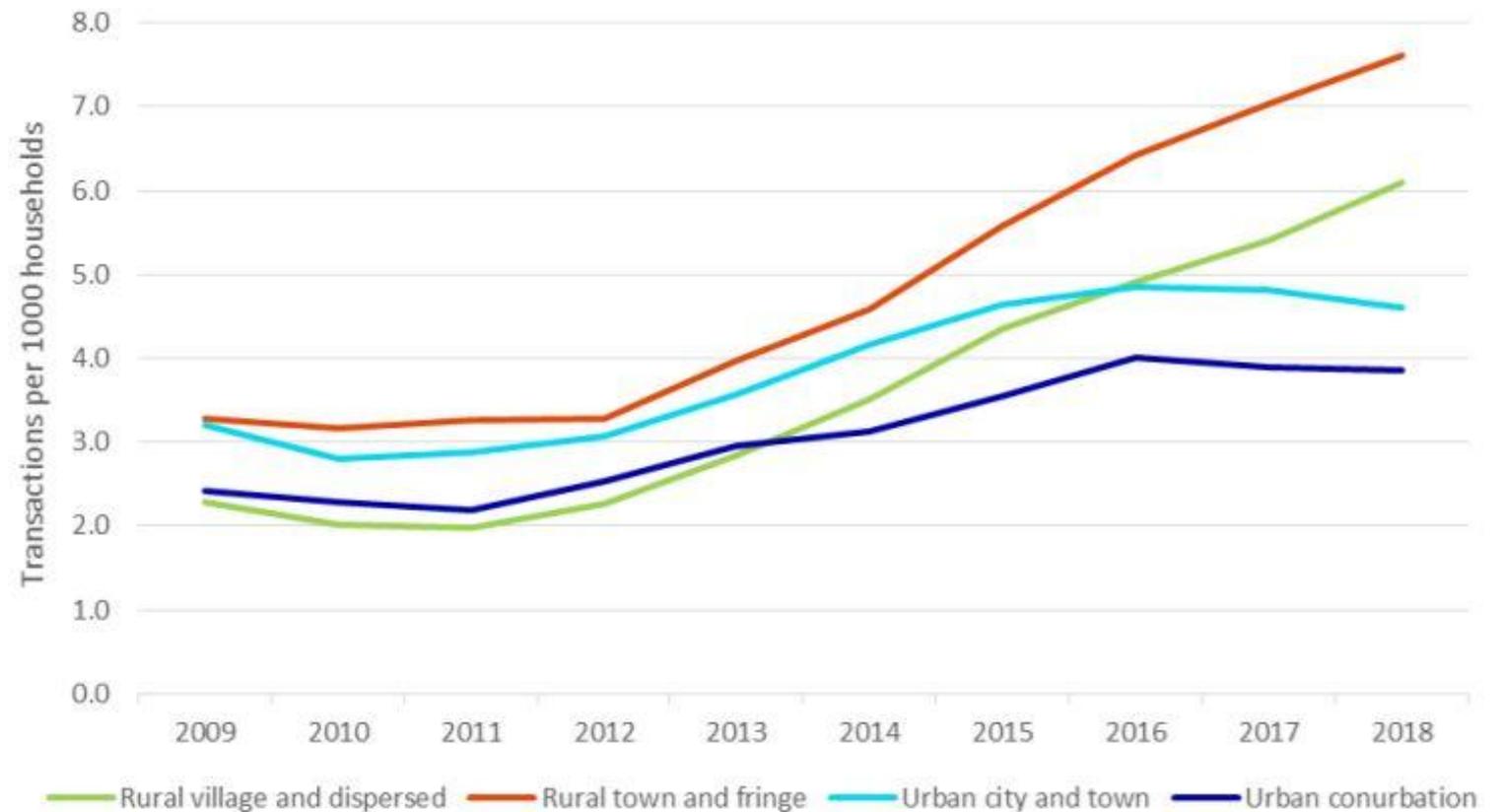
## Why the increased interest?

- Over the last 5 years Government Policy has been to boost the number of new houses being built.
- Falling short of target in the last few years, but in year 2018 to 2019 – 247,000 more new homes were built in England & Wales than were demolished.
- Hiatus seen during the last 18 months but construction is now in recovery
- Increasing rural house prices – only affordable by older generations? Increasing healthcare demands?
- Focus on established settlements with suitable infra-structure e.g.
  - Schools
  - Medical practice
  - Road network
- **Population increase to above 2,750 within a radius of 1.6km from a central location = Potential Pharmacy Contract Application**

Why the increased interest?

- Consider where are the new houses being built:

**Total number of residential transactions of new-builds, per 1,000 households, by Middle Super Output Area rural-urban classification, in England, 2009 – 2018**



## Why the increased interest?

- People [generally] would prefer to live in rural areas
- **Population**
- The key findings from the [Population](#) section, as of May 2025, are as follows:
  - Around 10 million people live in rural areas, and since mid-2020, the population has been growing faster than in urban areas.
  - **The more rural the area, the higher the average age, and the faster this average age is increasing. [see next slide]**
  - Net internal migration within England tends to be towards majority rural authorities, and in 2023 the rate of this migration was higher than in 2013; the exception to this are 15- to- 19-year-olds for which there is net migration from majority rural authorities.
  - 5.9 million people lived in majority rural local authorities in mid-2023 (10% of England's population); 37% of these lived in authorities where the majority of the population resided further from a major town or city.
  - Around 9.5 million people lived in rural settlements at Census 2021..



Ref: [Key findings, Statistical Digest of Rural England - GOV.UK](#)

Why the  
increased  
interest?

- **The more rural the area, the higher the average age, and the faster this average age is increasing.**
- ***A more elderly population = more items per prescription = less patients can lead to a viable Community Pharmacy proposition***



# What if There IS a Gap in Provision?

- Time to consider the implications and have a full on team meeting
- Philosophical considerations [more on this later]

# Philosophical Considerations

- What would a pharmacy application in your practice area mean to your practice?
  - Loss of dispensing patients
  - Reduced business turnover & profit
  - Potential staff reductions and redundancies



# Philosophical Considerations

- What are your options?
- Do Nothing
- Consider your OWN Pharmacy Application
- Consider having your OWN Pharmacy Application ready to go if you get a notification
- Contact us!



# Philosophical and Practical Considerations

- Do you want to open your own Pharmacy?
- Do you have space to open your own pharmacy? [on site]
- Are there possible locations where you could open a pharmacy? [off site]



# Pharmacy Contract – The Advantages

## Potential Pros:

- Protects your overall dispensing business – Future-proofing
- Increased script volume
- Creates future “Goodwill” value as a Pharmacy Business – thus saleable entity
- Opportunity to sell other OTC medicines and associated products



# Pharmacy Contract – The Advantages



## Potential Pros:

- Ability to provide other pharmaceutical services – nationally or locally commissioned
- **Pharmacy services**
- [NHS Lateral Flow Device \(LFD\) Tests Supply Service: Advanced Service](#)
- [Pharmacy First](#)
- [NHS Discharge Medicines Service](#)
- [NHS New Medicine Service](#)
- [NHS Community Pharmacy Blood Pressure Check Service](#)
- [NHS Community Pharmacy Smoking Cessation Service](#)
- [NHS Pharmacy Contraception Service](#)

# Pharmacy Contract – The Advantages

Opportunity to combine existing dispensing and new Pharmacy Contract into a “Hybrid Pharmacy”

- Operation under same premises with existing teams
- Pharmacist supervision and clinical governance
- Wholesaling Dealers Authorisation required to allow for the most profitable purchasing between dispensing and pharmacy accounts
- Highly profitable business



# Pharmacy Contract – The Disadvantages

## Potential Cons:

- Need to set up a Limited Company
- Requires more space and ideally a separate entry so that pharmacy can operate independently of the host premises
- Need to appoint a Superintendent Pharmacist
- Need a Responsible Pharmacist available/on duty for all the opening hours of the pharmacy [higher wage bill due to pharmacist wages]

# Pharmacy Contract – The Disadvantages

## Potential Cons:

- Separate Pharmacy Contract has lower profitability in dispensing
- Pharmacy business needs to be actively managed
- Needs a robust Shareholders Agreement
  - Ideally that matches the GP Partnership
  - “One in – All in”!
  - Retirement from both partnership and Limited Company

# What You Should Be Doing

Your dispensing is a business that needs to be looked at separately from General/Primary Medical Services

Review your local area and consider:

- The current Pharmaceutical Needs Assessment
- Populations statistics
- Housing developments
- **Previous pharmacy applications [Five year Rule]**

Look just outside your practice area – Could changes on the periphery change the dynamics of the population and its needs? **[Is your area now part of an urban expansion?]**



# Dispensing Regulations The Five Year Rule

## Five Year Rule – what does it mean?

- If your area is still designated as “rural” by NHS England, this potential protection exists
- If a Pharmacy Contract Application has been refused within the previous 5 years, then a new application should not be considered.
- Only where there has been “significant and relevant change” in the locality can a new Pharmacy Contract Application be considered
- What is “significant and relevant change”?
  - Substantial housing and population growth
  - Changes to the demographics of your population that may need additional pharmaceutical services
  - Changes to the dispensing services within the locality

# The Pharmacy Contract Application Process



- Controlled by PCSE on behalf of NHS England
- Online process now
- Application can be from a Corporate Body, Partnership or Sole Proprietor
- Latter 2 groups must be GPhC Registered Pharmacists
- Route for General Practice = Corporate Body i.e. Limited Company
- Recruit and establish a Superintendent Pharmacist
- First Step – Fitness to Practice with NHS England
- Second Step – Fitness to Practice for General Pharmaceutical Council
- Third Step – Consideration / Challenge to the rurality as defined
- Fourth Step – Pharmacy Application consideration

# The Pharmacy Contract Application Process



## Pharmacy Contract Approval:

- Decisions based around your Health & Well-Being Board's Pharmaceutical Needs Assessment (PNA)
- HWB has representation from local council, CCG and public health
- PNA establishes every 3 years what the current and the predicted future pharmaceutical needs will be for the population in the area
- PNA is based on information available at the time of writing and may now be significantly out of date
- New Pharmacy Contract Applications need to prove that the intended provision is both necessary and expedient within the given area
- If the Pharmacy Contract is approved, there must be no detriment to Primary Medical Services in that area

# The Pharmacy Contract Application Process

## Pharmacy Contract Approval:

- Not as easy as it once was
- Application fees – contact us for more details
- Advise the use of professional experts
- Advise the use of Confidentiality Agreements
- Be prepared to fail = Potential 5 years protection from other applications
- Beware of “Unforeseen Benefits” applications outside of this protection



# Summary

- Know your practice area and the statistics
- Read your area's PNA
- Make business planning a key activity for your practice
- Engage with professional consultancy to evaluate the facts.
- Doing nothing is not an option!

# Questions & Contact details

- Further questions:

[contact@dispensingdoctorexerts.co.uk](mailto:contact@dispensingdoctorexerts.co.uk)

