

2nd February 2023

Steve Brine MP
Health and Social Care Committee
House of Commons
London
SW1A 0AA

Dear Mr Brine

Many thanks for your letter dated 26th January 2023 in response to our announcement that LloydsPharmacy is withdrawing pharmacy services from all Sainsbury's branches following a strategic review of its operations.

This decision has not been an easy one and we understand that the Health and Social Care Committee may have questions and we are happy to provide you with some more context.

There wasn't one factor that led to the business arriving at this decision and it is a result of various challenges these businesses have been facing. Workforce pressures, increased inflationary costs and funding have all contributed to us reassessing our business model and reviewing the estate.

Firstly we are facing some real challenges from a workforce point of view. In particular, pharmacists have been recruited into new roles in primary care and this has led to a drain on the community pharmacy population. There have also been some changing working practices post pandemic which have added to the problem.

Community pharmacy has been experiencing increased vacancy rates and is having to rely on the wider use of locums. As a result of the demand, the rates locums are charging has increased considerably (in the order of 70-90% increase).

Around half of our pharmacies in Sainsbury's operate for 100 hours per week and contractually pharmacies must have a pharmacist present for the full trading hours, even if there is minimal patient demand. With the higher vacancy rates and increased locum charges this has led to increased strain on these businesses, and considering the sector works within a constrained budget, then these increases have intensified the commercial pressure.

Workforce challenges are also wider than the availability of pharmacists, and it has become increasingly challenging to recruit staff into other roles, alongside increased expectations on salary rates. Again, due to the longer opening hours of the pharmacies in Sainsbury's this has added to the commercial pressure.

As with all businesses, the additional inflationary increases have also added to the pressure and, combined with the 5-year flat community pharmacy funding, these factors have led us to this decision.

LloydsPharmacy is committed to helping patients easily find a suitable alternative provision and our team will ensure patients are informed of the need to nominate a new pharmacy to dispense their medications.

Information on how patients and customers can continue accessing pharmacy services is available at the LloydsPharmacy website. Customers can also go online to the NHS website or use the NHS App to find out more details.

If you have any other questions, please feel free to contact me.

Your sincerely

Kevin Birch
Chief Executive Officer, LloydsPharmacy