

Healthcare Confidence Index 2023

Pharmacy Overview

By the side of business



LLOYDS BANK

Overview



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Welcome once again to the Lloyds Bank Healthcare Confidence Index, which has been chronicling the experiences and aspirations of GPs, pharmacists and dentists since 2011.

The Index score runs on a scale of -100 to +100, with -100 meaning confidence is at its lowest and +100 indicating confidence is at its highest.

This year's index shows overall confidence has fallen, with a rebound among pharmacists not strong enough to counter declining confidence among dentists and GPs.

As a result, the overall index has fallen from -10 to -21.

After two years of falling confidence, pharmacists' outlook bounced back in 2023, rising by 13 points, though it remains in negative territory at -9.

Three in five (60%) pharmacists expect to grow profits in the year ahead, while over half (52%)

expect NHS services to patients to improve over the next five years.

Still, almost three quarters (74%) anticipate that financial pressures will increase over the next five years, with significant concerns over the rising price of drugs (76%) and growing staffing costs (65%).

There's no doubt that being a pharmacist has become much more challenging, with difficulties around underfunding, rising operating costs and staffing, but pharmacies are loved by the public.

Against that backdrop, expansion plans have declined slightly, with 55% considering or planning to acquire another pharmacy, down from 62% last year.

Profitability

£

60%

Almost two thirds of pharmacists expect profits to increase over the next 12 months.

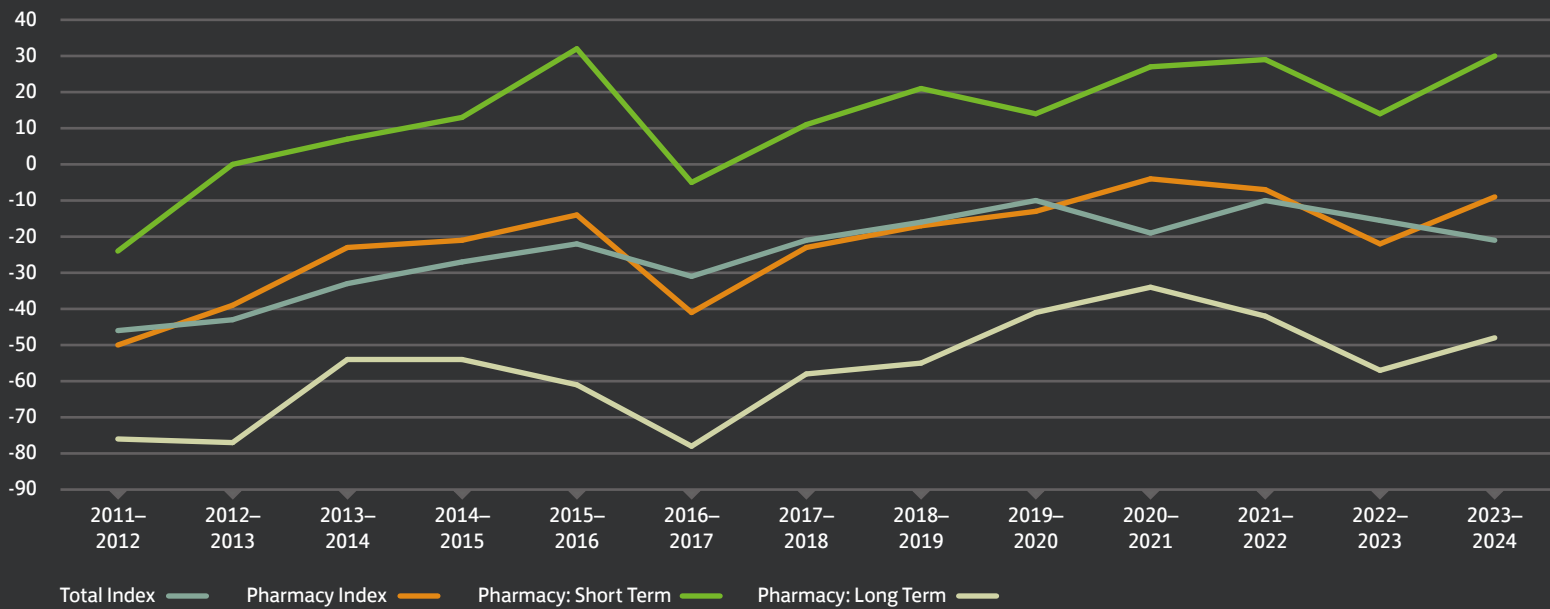
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74%

Almost three quarters of pharmacists expect financial pressures to increase in the next five years.

Overview (continued)

Confidence overview



Services



52%

Half of pharmacists expect NHS services to patients to improve over the next five years.



49%

Almost half of pharmacists expect the proportion of script-related income in their business will increase over the next five years.

I hope you find this report informative. We have also produced similar reports for GPs and dentists. You can view these at lloydsbank.com/healthcare-index

If the reports raise any questions, please get in touch with your Lloyds Bank Relationship Manager, who will be happy to help.

Expert opinion



Dr Leyla Hannbeck
Chief Executive,
Association of Independent
Multiple Pharmacies

Pharmacy has been having a tough time over the past few years, so it is reassuring to see pharmacists' confidence increase in this year's survey.

It comes at a time when many pharmacies are shutting their doors for good, due to years of underfunding, rising operating costs and staffing issues.

In my experience, many pharmacies are fighting to keep their heads above water, though it is true that pharmacy contracts are better in Scotland, where 16% of respondents are located.

Just over half (52%) think NHS services will improve over the next five years, which reflects the introduction of the Pharmacy First Service. The service is designed to empower community pharmacists to use their clinical skills more and be the first point of call for patients in relation to 7 common conditions.

Pharmacy First Service has already proved a success in Scotland and Wales and launched in England at the end of January.

The public profile of pharmacists is also strong and the public know they can rely on pharmacies to deliver high-quality care.

That is likely influencing the three in five (60%) pharmacists who anticipate growing profits in the year ahead.

Almost half (49%) of pharmacists said they expect the proportion of script-related income in their business to increase. This is partly because of the number of pharmacists that are closing are driving up demand at remaining branches.

But pharmacists have to deal with the same economic headwinds as other businesses, including the increasing Minimum Wage and energy costs, so almost three quarters (74%) also expect financial pressures to increase.

It's no surprise that they report that the biggest financial pressures are currently the cost of drugs (76%), staffing costs (65%) and energy bills (28%).

We're still seeing global supply issues impacting the availability and cost of drugs. The way that pharmacists are reimbursed for the medicines they supply is unnecessarily complicated, too slow and ripe for reform.

Locum rates have also soared lately, but we can expect that to stabilise as more pharmacies close and more trainees come through, boosting supply.

The proportion of pharmacists who are looking to acquire another pharmacy has fallen from 41% to 28%. I think this reflects the challenging environment, with pharmacists choosing to sit tight and weather the current storm.

76%

of pharmacists said the biggest financial pressures are currently the cost of drugs.

Expert opinion (continued)

There's no doubt that being a pharmacist has become much more challenging, but pharmacies are loved by the public.

Decision makers must take the opportunity to look again at the current NHS Community Pharmacy Contractual framework, which is not fit for purpose and is the root cause of many issues that pharmacists are currently facing.

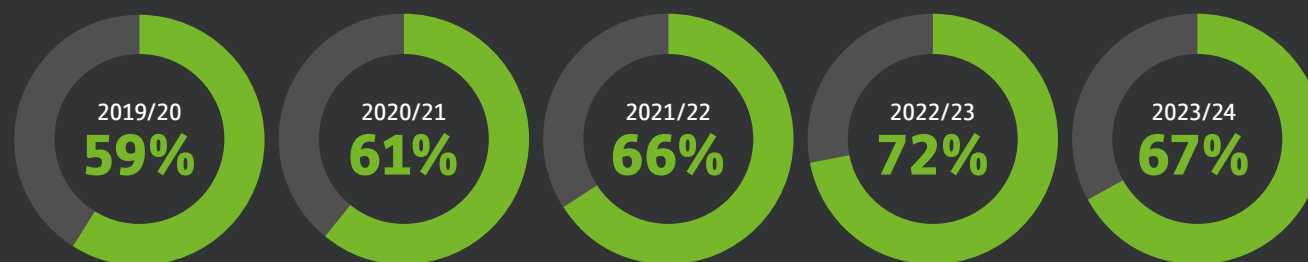
For more of the latest insights into the issues affecting GPs and dentists, you can read the full series of Lloyds Bank Healthcare Index 2023 sector reports at lloydsbank.com/healthcare-index



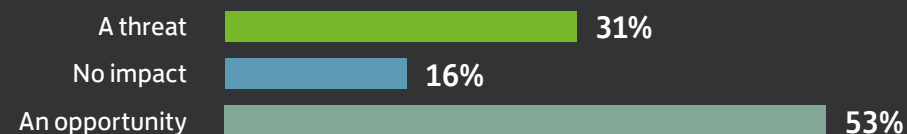
What key challenges do you anticipate in 2024?



I would encourage friends or family to consider a career as a pharmacist



Do you consider the reforms underway in primary care as a threat or an opportunity for your business?



Important information



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