

Community Pharmacy

South Yorkshire

Supporting Pharmacies. Building Healthier Communities.

Money Matters: Pharmacy Back to Basics

Welcome!

Agenda

- **7:00pm - Understanding Your FP34** - Dave Downham, Independent Financial Consultant
- **7:30pm - Pharmacy Funding: Minimising Losses & Maximising Income** - David Broome, Independent Contractor, CPE Committee Member & Regional Representative
- **8:30pm - Business Continuity Plans - Successful Implementation-** Joanne Lane, Chief Executive Officer, Community Pharmacy South Yorkshire

Housekeeping

- **Car Registraion**
- **Phones:** Please silence/set to vibrate
- **Questions:** Save for Q&A at the end of each section
- **Emergency Exits:** No planned fire alarm

Our Sponsors

Dermal Laboratories Ltd and Tradebridge have provided sponsorship to Community Pharmacy South Yorkshire towards the cost of the meeting.

The sponsors have had no influence over the meeting agenda, selection of speakers, or any arrangements.





Understanding your FP34

(also known as 'prescription return')

**Dave Downham, Independent
Financial Consultant**



Understanding your FP34 Dave Downham

Chartered Accountant

Community Pharmacy
Specialist (20+ years(!)
including DSPs, internet,
multiples, extended hours,
independents...)

Pharmacist Support Trustee...

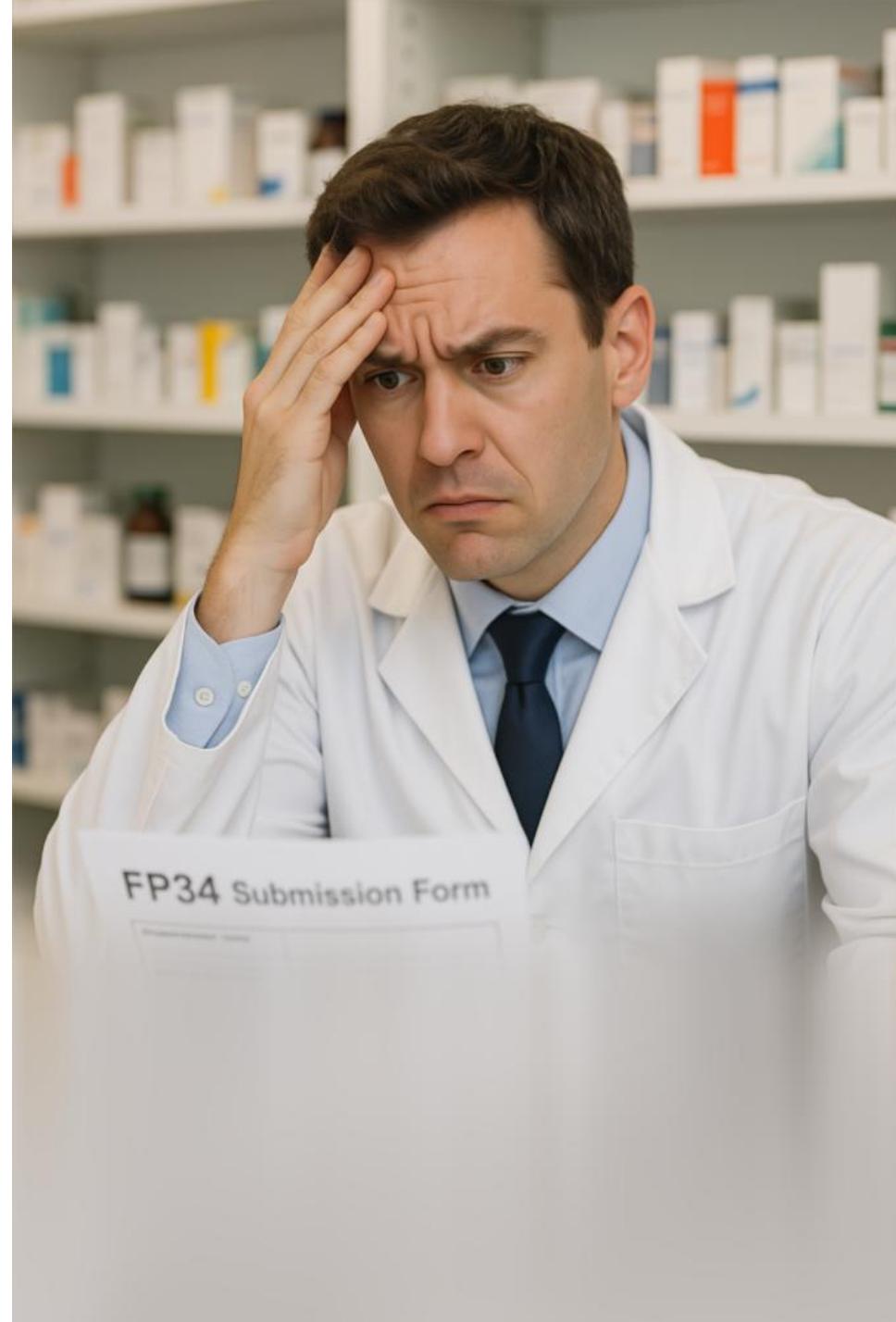
...and stock footage of “middle
aged man getting vaccinated”



First, the disclaimers

- I'm an accountant, not a pharmacist or other healthcare professional
- I'm not giving advice – if in doubt, please contact your own support network
- All views are my own, personal interpretations of regulations, data and other information and so I have not used much AI...

...apart
from this!



So...what is an FP34?

- Some of the older generation still call it a “PPD” or “PPA”...although the “Prescription Pricing Division” was renamed “NHS Prescription Services” several years ago and the PPA was abolished in 2006!
- So, I did ask AI: *“An FP34 is a NHS Schedule of Payments document that provides a detailed breakdown of the reimbursement amount a pharmacy contractor should expect for NHS prescriptions submitted in a given month. It includes costs for drugs and appliances, prescription fees, patient charges collected, and a summary of expensive items. Pharmacy contractors use the FP34 data to reconcile their monthly claims and receive payment from the [NHS Business Services Authority \(NHSBSA\)](#). ”*
- Interestingly, no mention of services

“A detailed breakdown of the reimbursement”

- Not sure if it does really!
- If you dispense 10,000 items, can expect c4,000 prescription forms – not including services - all titrated into 12 pages
- If you need granular detail, far better to access the “Prescription Item Report”

The screenshot shows the NHS Information Services Portal interface. At the top, there is a navigation bar with links for 'Home', 'My Account', 'Help', and 'Logout'. The main content area is divided into several sections. On the left, there is a '+ Report' button and a 'Broadcasts' section. The 'Broadcasts' section contains a news item dated '15 Apr' titled 'BNF drug data' with a link to 'BNF Code Information'. On the right, there is a search bar with the text 'Enter Search Criteria' and a 'Search' button. Below the search bar is a 'My Bookmarks' section. This section contains two bookmarked items: 'Prescription Item Report' (highlighted with a red circle) and 'Schedule of Payments'. Both items show a category of 'Payment Information'.

Back to NHS Prescription Services

Information Services Portal [Home](#) [My Account](#) [Help](#) [Logout](#)

Business Services Authc

Welcome

+ Report

Enter Search Criteria

Broadcasts

15 Apr **BNF drug data**
The BNF drug data hierarchy is now being ...
[BNF Code Information](#)

My Bookmarks

Prescription Item Report
Category: Payment Information

Schedule of Payments
Category: Payment Information

“Reconcile their monthly claims”

Do you check how close your submission on MYS is to your FP34?

Payment on account for

Jun (4573 items less 161 charges)

Payment for consumables

4688 @ 1.24 p

Payment for containers

PFCP VAT

Contraception VAT

Total of drug and appliance costs

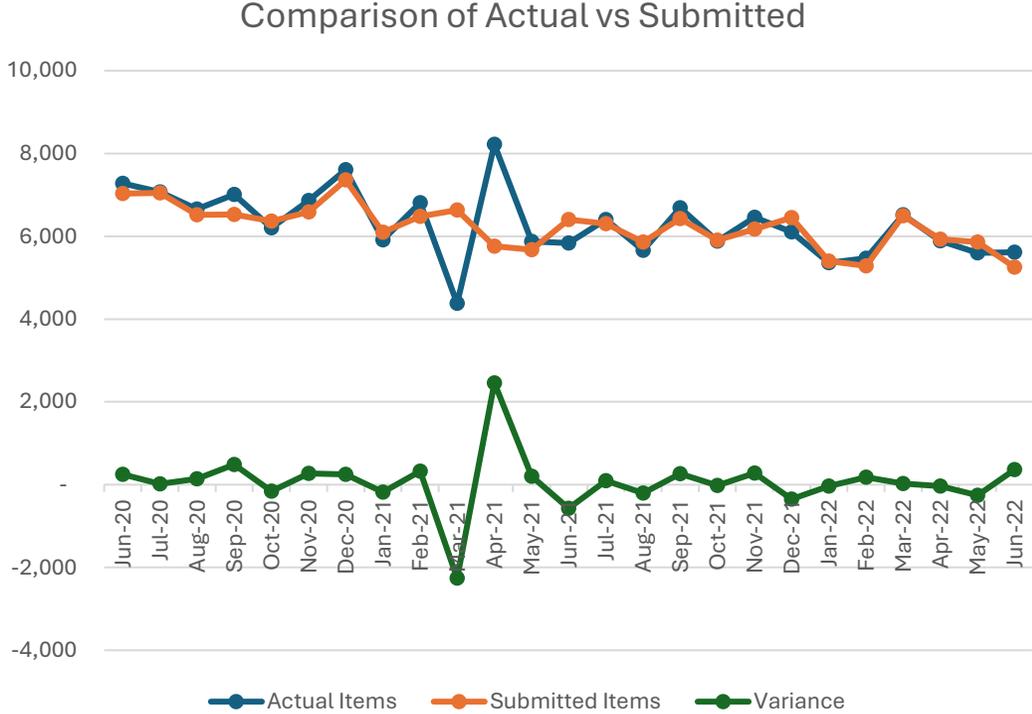
PRESCRIPTION FEES

Activity payment

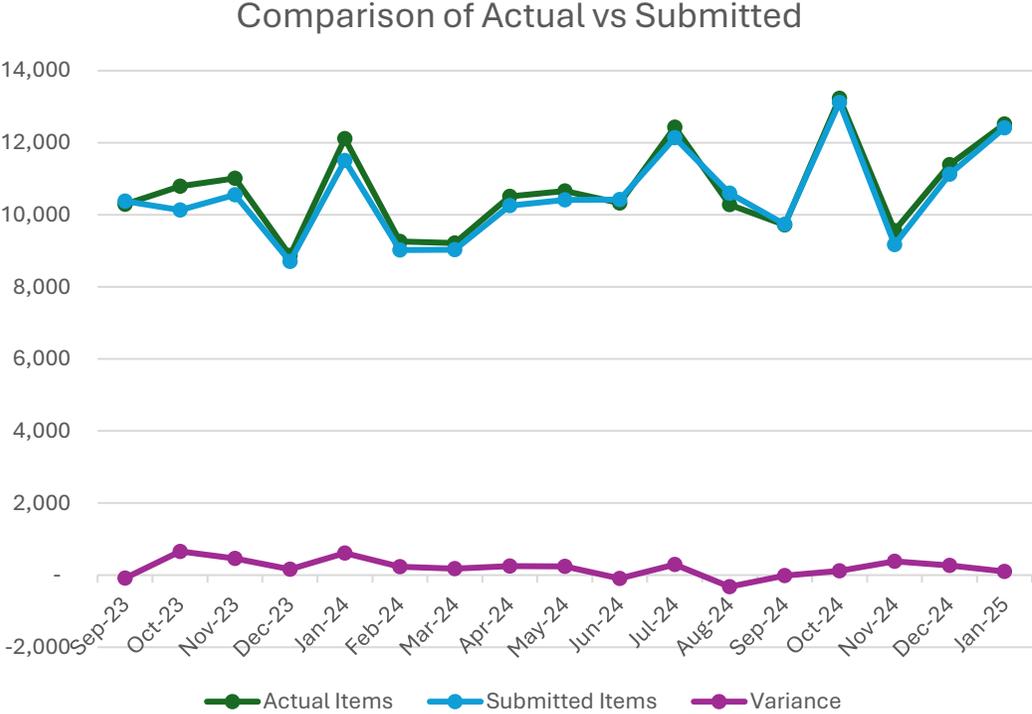
4682 @ 146 p

Worth looking at variances over the longer term

Sometimes easy to see anomalies...



...other times look at longer term trend



“A Summary of Expensive Items”

- Well worth reviewing and cross-referencing to PMR...

SUMMARY OF EXPENSIVE ITEMS

The total number of items reported may not always correspond with the number of "Expensive prescription fees" shown on the schedule of NHSBSA authorised payments. This is due to the fact that any information in this Expensive Item List is reported at drug code level. The basic price values in the table below do not take into account any broken bulk adjustments credited/debited in the total basic prices included under Drug and Appliance Costs above.

DESCRIPTION	NUMBER OF ITEMS	TOTAL BASIC PRICE £
Number of items over £ 100 and up to £ 300	142	23,364.05
Number of items over £ 300	16	13,051.84
Total of items over £ 100	158	36,415.89

DETAILS OF ITEMS WHICH HAVE A BASIC PRICE EQUAL TO OR OVER £ 100

FORM/ ITEM	DESCRIPTION	PACK SIZE	QTY	BASIC PRICE £
Z00940/4	CLONIDINE 50MICROGRAMS/5ML ORAL SOLUTION SUGAR FREE 100	100.00	1200	2,495.28
Z08326/3	CLONIDINE 50MICROGRAMS/5ML ORAL SOLUTION SUGAR FREE 100	100.00	1200	2,495.28
Z00686/1	ATORVASTATIN 20MG/5ML ORAL SUSPENSION SUGAR FREE 150	150.00	4	907.20
Z05213/2	MACROGOL 3350 ORAL POWDER 8.5G SACHETS SUGAR FREE 28	28.00	112	868.68
Z06414/1	NORDITROPIN FLEXPPO 10MG/1.5ML INJ PRE-FILLED PENS 1	1.00	4	850.80
Z08772/1	PAXLOVID 150MG/100MG TABLETS 30 5 X (4 TABLETS +	30.00	1	829.00
Z04795/2	PREDNISOLONE SODIUM PHOSPHATE 5MG SUPPOSITORIES 10	10.00	28	701.60

- ...particularly if there is big fluctuations in AIV
- One of my clients had quarterly fluctuations in AIV
- Average items c7,000
- One item was responsible for 32p AIV

FORM/ ITEM	DESCRIPTION	PACK SIZE	QTY	BASIC PRICE £
A00786/1	SAIZEN 8MG CLICK.EASY INJ VIALS 1	1.00	12	2,225.28

A word on AIV...

- Used to calculate the advance for a month's dispensing...
 - ...based on **2 month's prior** data, e.g. August advance will be based on AIV on June FP34
- ...Not to be confused with revenue/turnover/sales which you will only find out when you get the FP34 for that month
- So...why the difference?

Cash vs Turnover

- The Advance is estimated based on 2 months out of date AIV data and whatever the pharmacy claims for
 - (If the pharmacy claims a lower number than actual, then they are potentially out of pocket for 7 weeks).
- The true value of revenue is only revealed when you get the FP34

Worked Example

Excerpt from Jul '25 MYS

EPS prescriptions:

Exempt Forms 2167, Exempt Items 5096

Paid Forms 162, Paid Items 188

Paper prescriptions:

Exempt Forms 336, Exempt Items 665

Paid Forms 6, Paid Items 8

\Rightarrow *Total items = (5,096+188+665+8) = 5,957*

\Rightarrow *Total Paid items = (188+8) = 196*

Excerpt from May '25 FP34

Average item value

9.13

Excerpt from June '25 FP34

Payment on account for

Jul (5963 items less 197 charges)

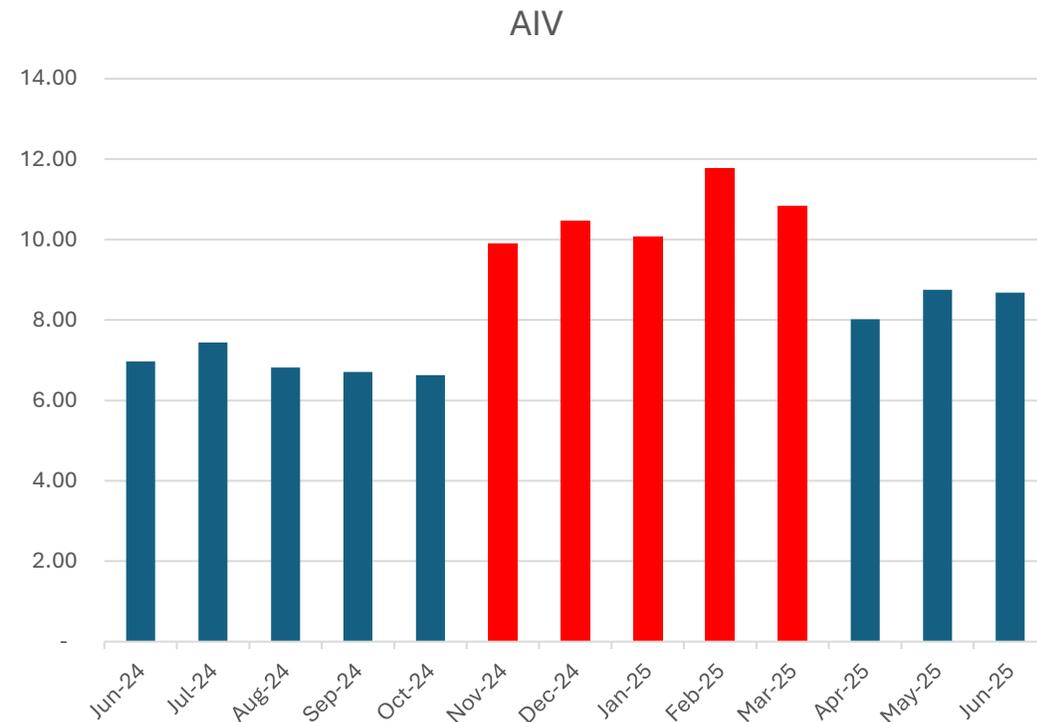
52,491.89

I.e. 5,963 items at 9.13 less 197 charges at £9.90 = £52,491.89

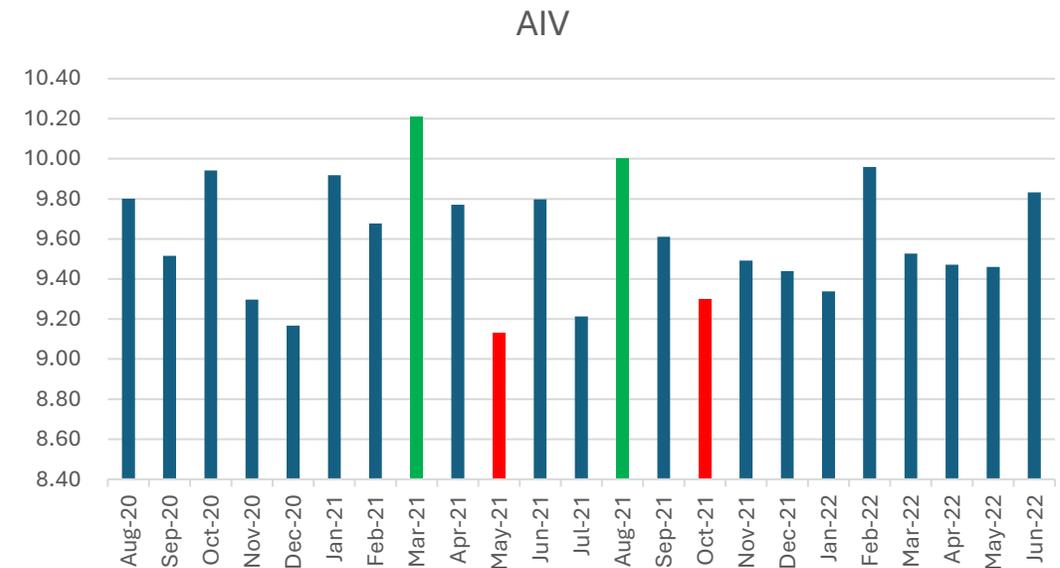
(...hang on a minute!)

What could possibly go wrong?

Variation of AIV due to changes in prescribing



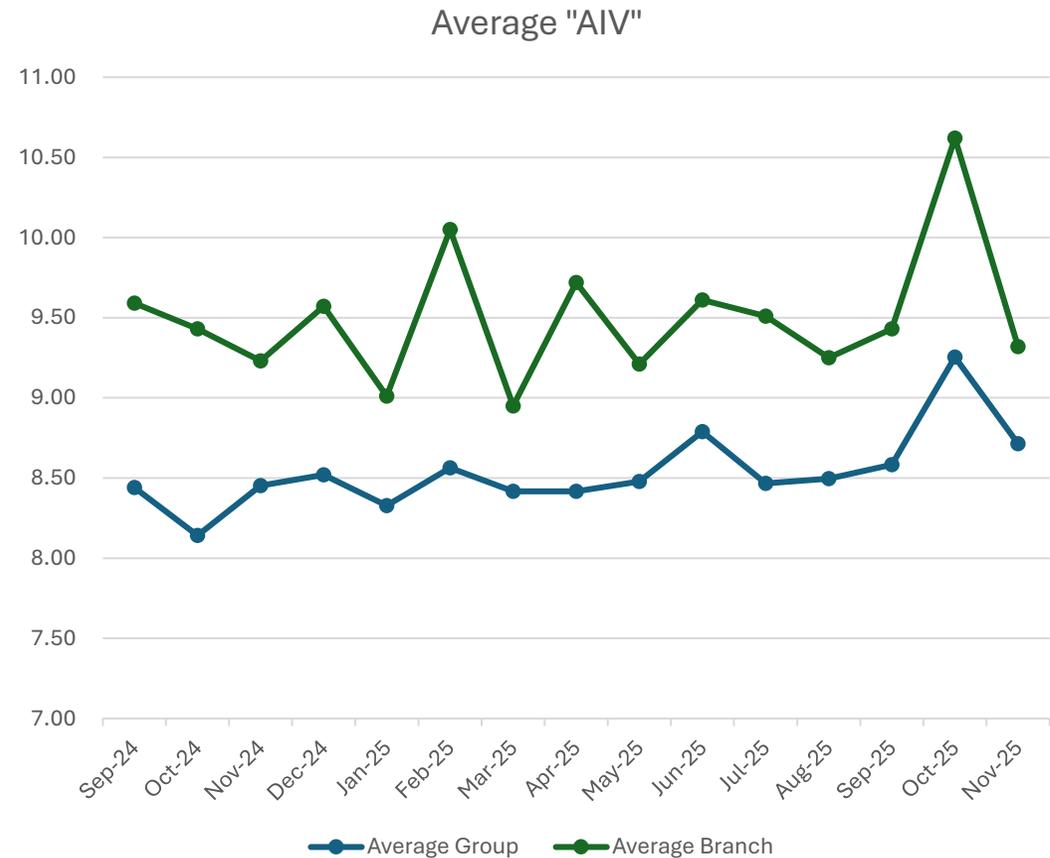
Variation of AIV due to cyclical dispensing



Standard deviation of 30p on an average of £9.60 means that you can only be confident 95% of the time that you are **+/- 6.25%**

Could be a nasty shock at the end of February...

- Graph shows average AIV for a chain of pharmacies in the North of England and a separate high volume pharmacy (c17,000 items)
- Q: Why was “AIV” so high in October?
- A: Cost of flu vaccines is now included in the calculation of AIV
- Advance for *December* calculated using *October* AIV
- Calculated overpayment of c67p for the group and £1.25 for the branch per item hitting December FP34s due 27 February



Why looking at margin based on *AIV could* be a waste of time and effort

- Mrs B lives in Barncaster and has Amlodipine 10mg 1 a day on a 7 day script
- DT is 62p, so would receive
 - 80% of $(7/28) \times 62\text{p} + \text{£}1.46 + 1.24\text{p} + 10\text{p} = \text{£}1.70$
- Cost of a box of is, say, 40p
- => Gross margin is;
 $(\text{£}1.70 - 40/4) = \text{£}1.60$ (**94%**)

- Mr D lives in Castlefract and has Amlodipine 10mg 1 a day on an 84 day script
- DT is 62p, so would receive
 - 80% of $(84/28) \times 62\text{p} + \text{£}1.46 + 1.24\text{p} = \text{£}2.96$
- Cost of a box of is, say, 40p
- => Gross margin is;
 $(\text{£}2.96 - 40 \times 3) = \text{£}1.76$ (**59%**)

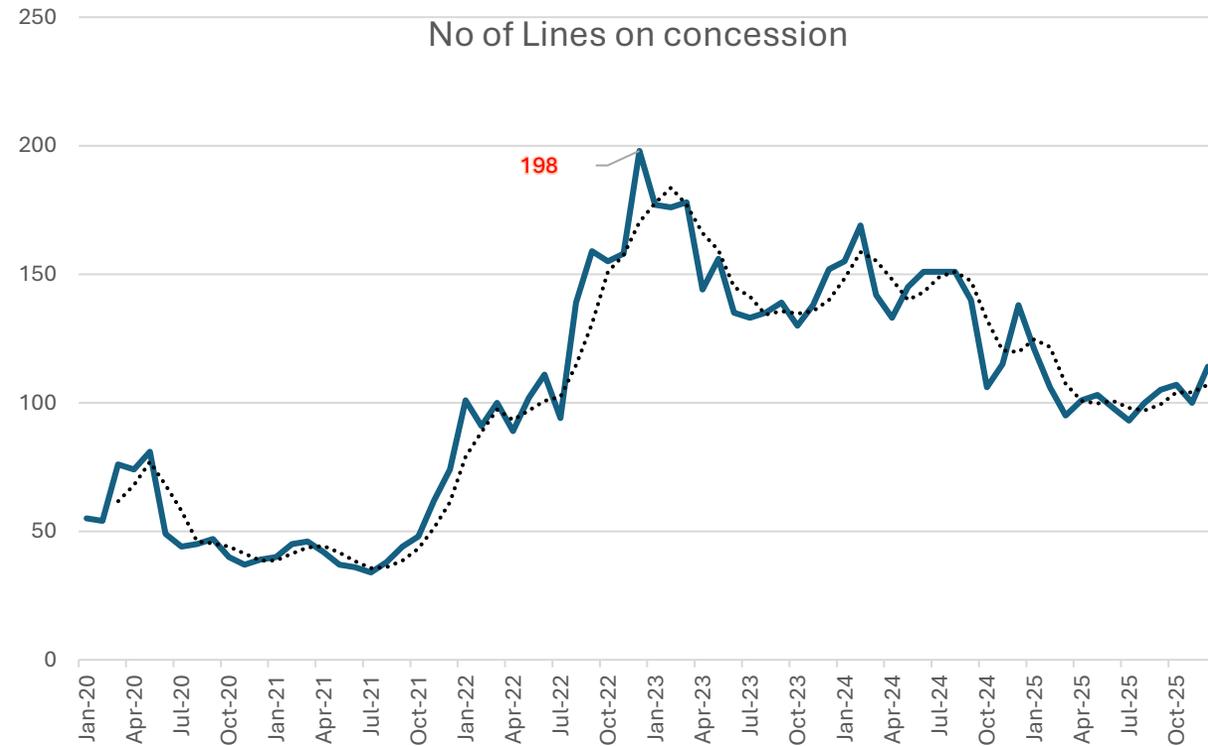
Might be more useful to look at underlying buying margin

- Mrs B lives in Barncaster and has Amlodipine 10mg 1 a day on a 7 day script
- DT is 62p, so would receive *excluding fees*
 - 80% of $(7/28) \times 62\text{p} = 12.4\text{p}$
- Cost of a box of is, say, 40p
- => Buying margin is;
 $(12.4\text{p} - 40/4) = 2.4\text{p}$ (**19.4%**)

- Mr D lives in Castlefract and has Amlodipine 10mg 1 a day on an 84 day script
- DT is 62p, so would receive *excluding fees*
 - 80% of $(84/28) \times 62\text{p} = \text{£}1.488$
- Cost of a box of is, say, 40p
- => Gross margin is;
 $(\text{£}1.488 - 40 \times 3) = 73.8\text{p}$ (**19.4%**)

Is it “profitable” dispensing “at a loss”?

- Represents, at best, an unappetising pill to swallow
- We know it's frustrating when terms of service require us to supply when the reimbursement fee doesn't cover the cost.
- It's hard to go through the month not knowing if the concession price will be granted later in the month?
- Over 600 drugs in Category M, but (too?) high strike rate with concessions



Macro data

- In 2024/25, Net ingredient cost of items dispensed was £11,151m*
- This was generated from 1,261m* items
- Per the CPCF, we are supposed/allowed to retain a margin of £900m
- => Suggests an “acceptable” underlying buying margin % of $\text{£900m}/\text{£11,151m} = \mathbf{8.1\%}$
- => Alternatively, $\text{£900m}/1,261\text{m} = \mathbf{71\text{p}}$ *buying* margin per item, which would suggest you would expect to make c£2.20-£2.25
 - **Not hard and fast, but useful fag packet statistics**

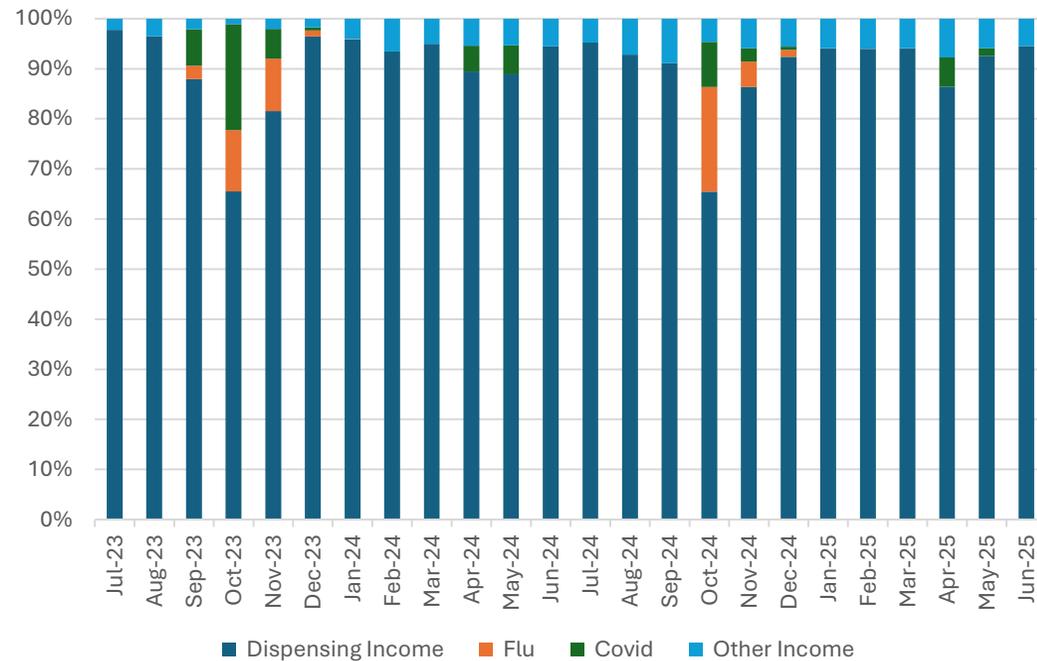
* As per NHSBSA Prescription Cost Analysis

Service income is growing over time, but the dispensing fees are still the significant proportion?

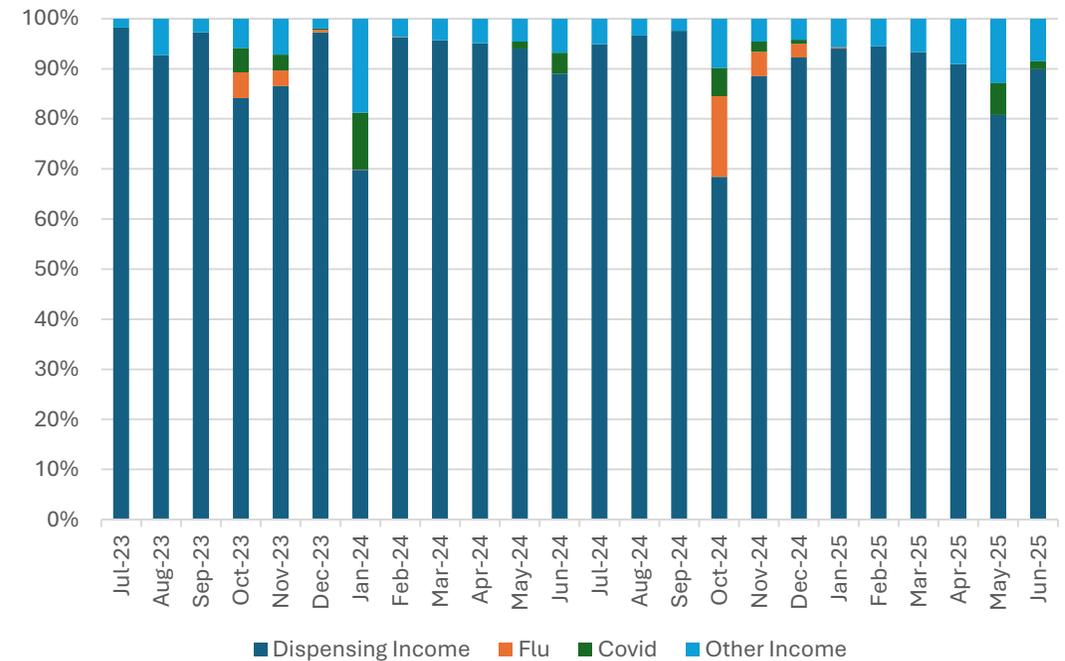
It's important, but still dispensing is key for large pharmacies (21,000 items)

...and also smaller pharmacies (7,000 items)

FP34 Revenue Split



FP34 Revenue Split



Beware!

Caps that can result in services not paid for

NMS is capped based on NMS items, not Total items

- Cap for this month based on 7,458 NMS items was **140**
- “Only” received $140 \times \text{£}14 = \text{£}1,960$ – 10 were unpaid

PFCP caps are *currently* based on the average consultations delivered in the 3 months starting 6 months prior

- E.g. September ‘25 cap is based on average April-June
- ...so any sudden uplift may result in consultations being unpaid

Total of items, for which a fee is paid
 Average item value
 Referred back items
 Referred back forms
 FP57 forms declared
 Appliance use reviews carried out at patients home declared
 Appliance use reviews carried out at premises declared
 New medicine services undertaken
 New medicine service items

7995
 8.75
 5
 2
 2
 0
 0
 150
 7458

Pharmacy First Consultations (PFCP)
 Pharmacy First Items supplied (PFCP)
 Pharmacy First Consultation Cap (PFCP)

44
 22
 32

Look for things that are clearly wrong!!

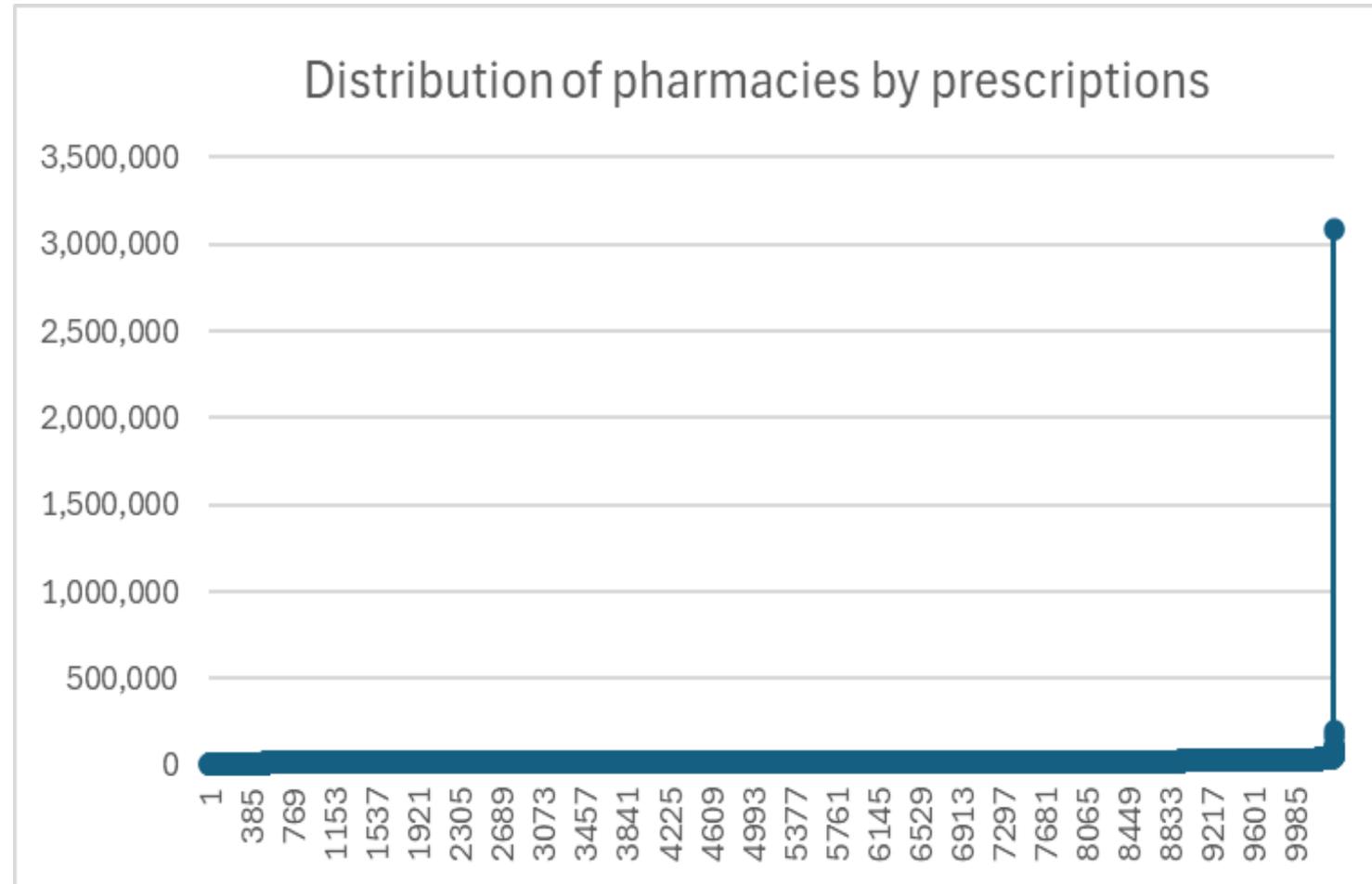
- A client could not understand why he seemed to have an extra £65,000 in his bank account
- A nice problem to have, but I encouraged her not to spend it all at once!
- I asked her to look at the letters advising of the advances – unfortunately, these had been binned
- ...and then the FP34 arrived 7 weeks later

Recovery of advance payment	-59,388.30
Recovery of advance payment in respect of a late registered batch	-64,731.92

They had received an advance
and an advance payment for a
late batch

Some data analysis

- Per NHS data in September, there were 10,566 pharmacies
- ...however, 109 of these dispensed 0 items...
- ...and a further 166 did less than 150 (Band 1 threshold for PQS 25/26)...
- ...so I'm going to assume that there are 10,291 pharmacies for the purpose of this analysis (303 identifying as South Yorkshire ICB – 2.9%)
- Any guesses in the largest one?



So...I'm going to exclude the larger local DSP as well!

- Average items per pharmacy is 9,369
- Note this is significantly higher than what is considered the average (7,500-8,000), but I feel gives a better representation
- Median pharmacy in England is 8,206, i.e. half are smaller, half are larger
- Average items per pharmacy in South Yorkshire is 10,372, so significantly higher than national average, with the median 9,436

		West Yorkshire ICB	South Yorkshire ICB
<i>Items</i>	National		
<i>Top Decile (10%)</i>	15,650	15,913	16,436
<i>Top Quartile (25%)</i>	11,621	11,796	12,336
<i>Median</i>	8,206	8,450	9,436
<i>Bottom Quartile</i>	5,695	6,031	6,992

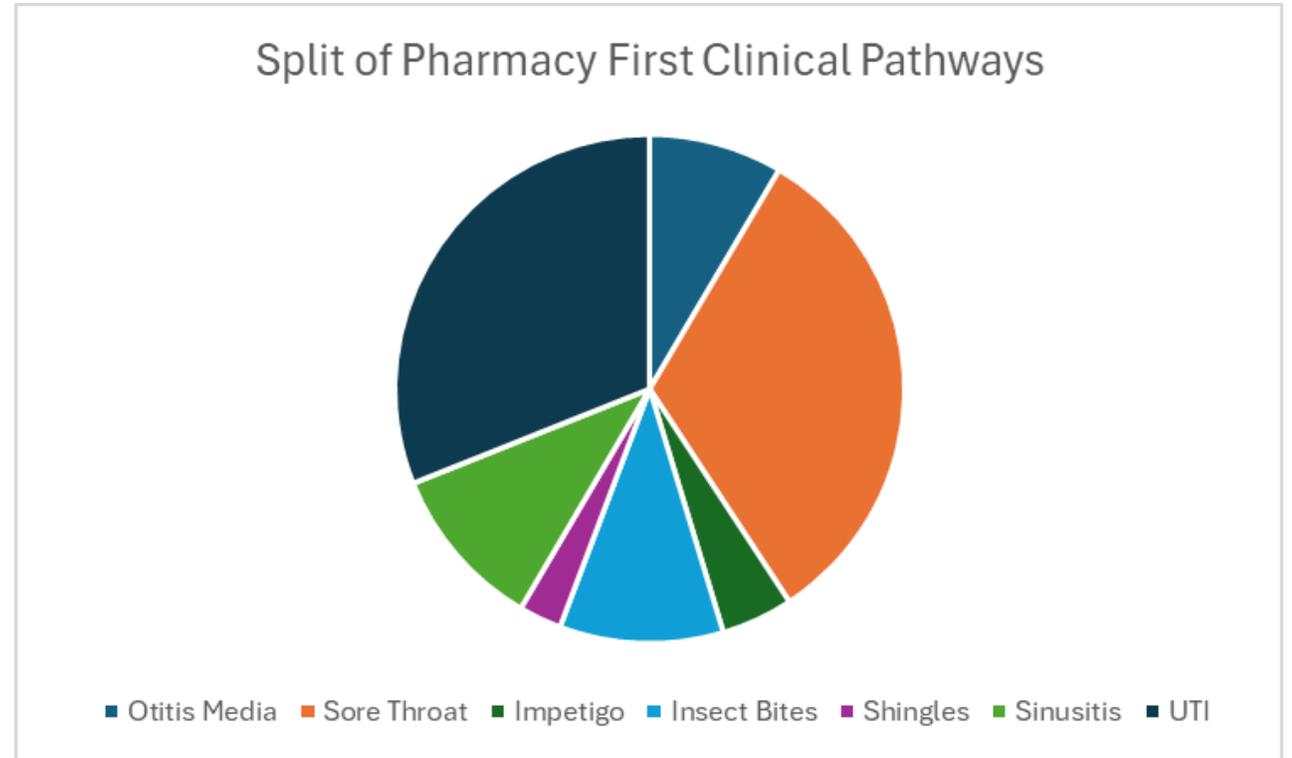
Hypertension Clinics

- With the changes in payment from April came new descriptions and placements on the FP34
- “CVD Hypertension check and ABPM fee” was split – more usefully – between “Hypertension Clinic Consultation Fees” and “Hypertension ABPM Consultation Fees” and from September FP34 under the new heading “Pharmacy fees”
- BP Number nationwide is consistently 260,000 even after the reduction in fee from April

		West Yorkshire ICB	South Yorkshire ICB
BP Checks	National		
<i>Top Decile (10%)</i>	61	67	65
<i>Top Quartile (25%)</i>	33	36	38
<i>Median</i>	13	12	19
<i>Bottom Quartile</i>	2	-	4
		West Yorkshire ICB	South Yorkshire ICB
ABPM	National		
<i>Top Decile (10%)</i>	7	7	7
<i>Top Quartile (25%)</i>	3	3	4
<i>Median</i>	1	1	2
<i>Bottom Quartile</i>	-	-	-

PFCP

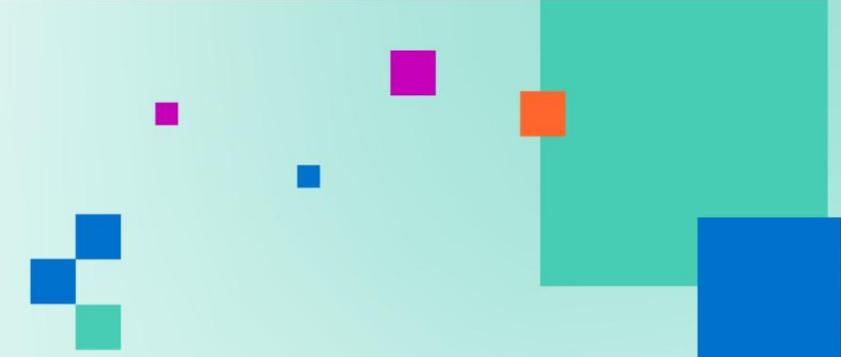
- 250,331 consultations in September (241,840 consultations in May) so no significant growth
- Nearly a third were for Acute Sore Throats and a similar number for Uncomplicated UTIs
- 4,163 pharmacies (40.5%) hit the 30 consultation threshold for £1,000 with a further 1,770 in the range 20—29 (17.2%)
- In South Yorkshire, equivalent statistics were 108 (35.6%) and 58 (19.1%), so slightly lagging the nation



Thank you for your attention

We have highlighted:

- Importance of Knowing Your Numbers
- Whistlestop tour of some key items to look out for on your FP34
- A few broadbrush metrics to apply to your business
- Benchmarking where your business is compared to your peers

A cluster of decorative squares in various colors (blue, green, orange, purple) in the top right corner of the slide.

Pharmacy Funding(CPCF) Minimising Losses and Maximising Income

Mr David Broome

Independent Contractor

A cluster of decorative squares in various colors (purple, orange, blue) in the bottom left corner of the slide.

Community Pharmacy England Committee Member

Yorkshire and Humber Regional Representative CPE

General

- PMR and making the most of it
- Make sure you are paid for what you do before trying to do more.
- Don't leave money on the table

Receipt of script

Payment.

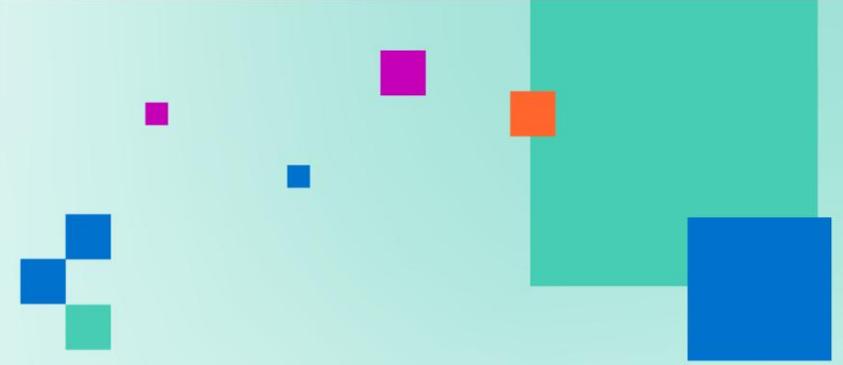
Prescription receipt FP57.

- Prescription prepayment.

- RTEC.

- Signed scripts.

In Dispensary



Efficiencies.

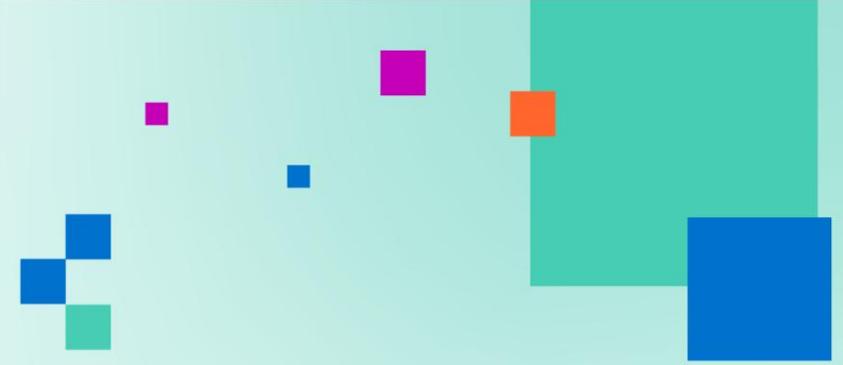
Workflow.

- Staffing.

- Paperless.

- Correct supply against script.

Claiming



Correct endorsement

Correct time period

- Full information

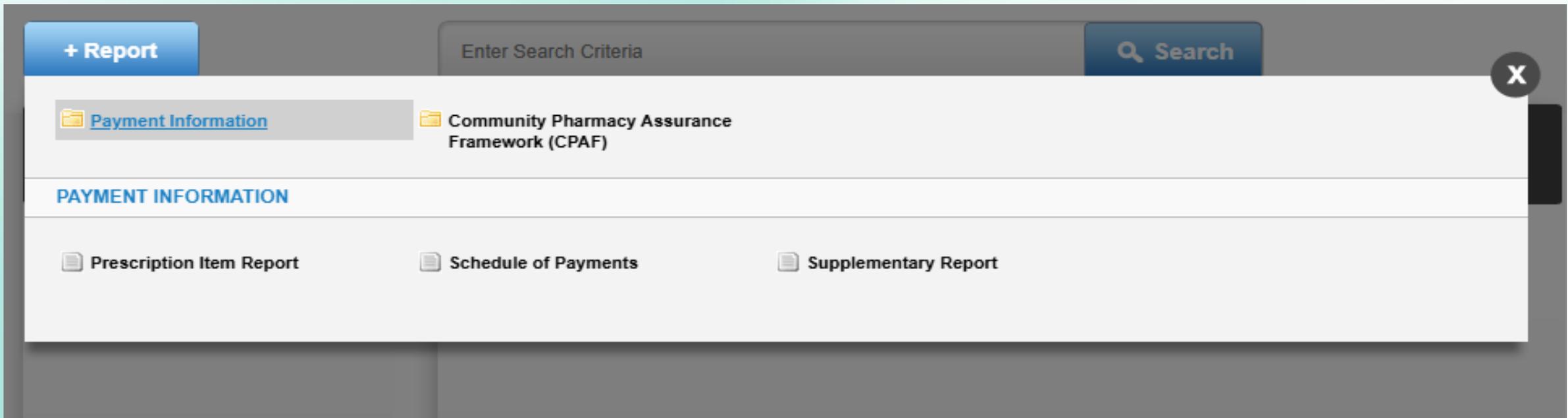
- Exemption status

- Submit?

PPV yours and theirs!

MYS

NHSBSA Information services portal



The screenshot shows the NHSBSA Information services portal interface. At the top left is a blue button labeled '+ Report'. To its right is a search bar with the placeholder text 'Enter Search Criteria' and a 'Search' button. Below the search bar is a navigation menu with two items: 'Payment Information' (highlighted) and 'Community Pharmacy Assurance Framework (CPAF)'. Under the 'Payment Information' section, there are three report options: 'Prescription Item Report', 'Schedule of Payments', and 'Supplementary Report'. A close button (X) is visible in the top right corner of the interface.

PPV yours and theirs!

Prescription Item Report

Schedule of payment

API and services

Clinical Pathway Banding.

Pharmacies are placed in bands depending on past 3 months* average number of clinical pathway (CP) consultations.

In this example, a pharmacy previously doing around 10 -12 Clinical Pathway consultations per month, significantly increases activity from June due to receiving more surgery referrals:

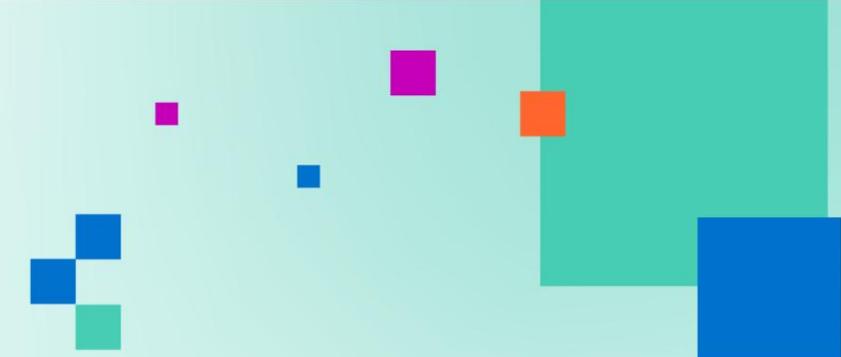
Current month	Clinical Pathways (CPs) delivered	Banding based on number of CPs delivered in:	Example				Banding**	Cap**	Over cap?
			Monthly CPs			Average			
June	35	January, February, March	10	10	11	11	1	32	Yes
July	35	February, March, April	10	11	12	11	1	32	Yes
August	35	March, April, May	11	12	10	11	1	32	Yes
September	35	April, May, June	12	10	35	19	2	42	No
October	35	May, June, July	10	35	35	27	3	56	No

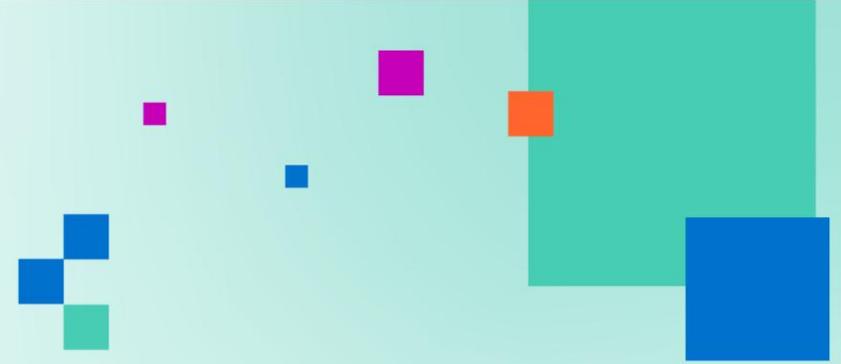
Links

<https://cpe.org.uk/digital-and-technology/systems-apps/real-time-exemption-checking-rtec/>

<https://cpe.org.uk/dispensing-and-supply/supply-chain/ssps/>

[supply-chain/ssps/](https://cpe.org.uk/dispensing-and-supply/supply-chain/ssps/)

- 
- <https://cpe.org.uk/funding-and-reimbursement/monthly-payments/interactive-fp34/>
 - <https://cpe.org.uk/wp-content/uploads/2021/03/Dispensing-Factsheet-How-to-access-your-Prescription-Item-Reports.pdf>
- 



- <https://cpe.org.uk/wp-content/uploads/2019/06/Schedule-of-Payments-Webinar-slide-deck.pdf>
- <https://www.nhsbsa.nhs.uk/pharmacies-gp-practices-and-appliance-contractors/dispensing-contractors-information/payment-information>
- <https://www.nhsbsa.nhs.uk/sites/default/files/2022-12/pharmacy-transparency-standard-user-guide%20v1.pdf>



Q&A Session

Mr David Broome

Business Continuity: Keeping the pharmacy open when 'normal' stops!

Joanne Lane, Chief Executive Officer
Community Pharmacy South Yorkshire

Quick reality check

Hands up if your pharmacy has experienced disruption in the last 12 months:



- Staff absence
- IT / PMR issues
- Supply problems
- Premises issues



What do we mean by Business Continuity?

The ability to continue delivering safe services when something unexpected disrupts normal working.

Usually caused by:

- People
- Systems
- Premises

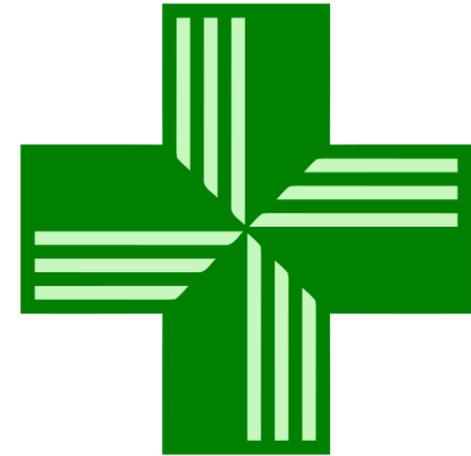


The contractual reality

From 31 July 2023, Business Continuity Planning is a terms of service requirement.

Every NHS community pharmacy owner must:

- Have a Business Continuity Plan
- Cover temporary suspension or closure
- Action the plan when needed



Don't start from scratch

You already have support in place:

- National guidance
- Local tools

Today is about using what exists, not creating new paperwork.

National Guidance: Community Pharmacy England



Sets out what a Business Continuity Plan should include.

Links directly to contractual expectations.

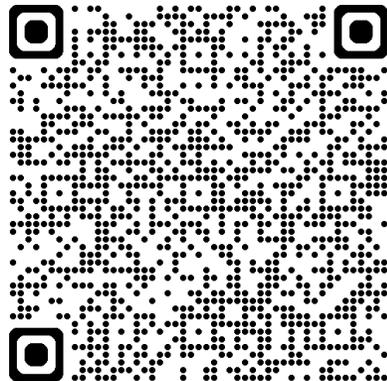
Acts as the national reference standard for commissioners.



CPSY's Role

CPSY working with the ICB has created an *Implementation Checklist* to help pharmacies:

- Confirm the plan is implemented
- Confirm it is accessible
- Confirm staff understand their role



Pharmacy Business Continuity Plan (BCP)

Implementation Checklist

Purpose: To help pharmacy contractors confirm that the Business Continuity Plan is implemented, accessible, and understood by all staff.

Action	Yes	Action Required
Staff Awareness & Training		
All staff have seen, read, and understood the Business Continuity Plan Staff know what the BCP is, why it exists, and what their role is if something goes wrong.		
The BCP is included in staff onboarding/induction process New starters are shown the BCP and told where to find it, rather than just being told it exists.		
Staff awareness is refreshed regularly (recommended annually) This could be through a team meeting, short briefing, or annual reminder.		
Record kept of staff training/acknowledgement This could be a sign-off sheet, training log, or meeting notes.		
Access to the Business Continuity Plan		
Staff know where to access a hard copy <i>outside</i> the pharmacy For example, on a shared drive or personal device if the pharmacy cannot be entered.		
Staff know how to access an electronic copy <i>outside</i> the pharmacy This ensures access if the building is closed or computers are unavailable.		
Staff know where to access a hard copy <i>inside</i> the pharmacy e.g. in the SOP folder or business continuity file.		
Staff know how to access an electronic copy <i>inside</i> the pharmacy So they can quickly refer to it during an incident.		
Secure Storage of Key Documents		
The BCP is saved in a secure cloud or shared drive So it can be accessed remotely if needed.		
Standard Operating Procedures (SOPs) are stored securely online So it can be accessed remotely if needed.		
An up-to-date emergency contacts list is stored securely and can be accessed remotely Including staff, GP practices, ICB, CPSY, wholesalers, and other support services.		
Passwords or access instructions are stored securely and can be accessed if required Only by authorised staff and in line with information governance.		
Staff know how to access these documents remotely		
NHS Systems & Digital Access		
All relevant staff can access the NHS shared mailbox		
Staff can access the NHS shared mailbox on personal devices if required For example, if pharmacy computers are unavailable.		
Staff know how to update the NHS Profile Manager remotely Including from a personal device if required.		
Staff understand they must update the Profile Manager daily if the pharmacy is closed. This is a terms of service requirement and must be done for each day that the pharmacy is closed.		



Where plans usually fail

Common reasons Business Continuity Plans don't work:

- Staff don't know where the plan is
- Only one person understands it
- Authority to act is unclear
- Plans are too complicated



60-Second Scenario

Monday morning:

- Pharmacist calls in sick
- PMR is running slowly
- Phones are ringing



Discuss:

What's the first decision, and who makes it?

Owners and Teams: shared responsibility

Owners / Superintendents:

- Accountability and external decisions

Teams:

- Early warning and safe escalation



CPSY Implementation Checklist

Helps confirm:

- Who decides
- Who communicates
- What continues, reduces or stops



Why this matters for 'Money Matters'

Effective business continuity:

- Avoids unnecessary closures
- Reduces emergency locum costs
- Protects service claims
- Maintains commissioner confidence



One action to take away

Write down one thing you'll check or change this month:

- Where the plan is stored
- Who can access it
- Who decides in a crisis



CPSY Support

CPSY will continue to:

- Share practical tools
- Support learning from incidents
- Escalate system issues
- Represent pharmacy collectively



CPSY Support Working with General Practice



Shammi Khosla, Advanced Services Project Lead

Contact: shammi@cpsy.org.uk



Contact Us

For any queries, please email info@cpsy.org.uk Your email will be directed to a member of the team who will be happy to help.

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