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Mr. Ronnie Fraser
Primary Care Division
Scottish Executive
St Andrews House
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24th February 2003

Dear Mr. Fraser

I am writing to you on the subject of the OFT report on its investigation into NHS pharmacy regulations. The report recommends the abolition of the control of entry regulations and I am writing to make you aware of my concerns. I own and run a community pharmacy in Forres, which employs four people.

The OFT had no remit to look at NHS services, only competition issues, and therefore failed to recognize that pharmacists principal focus is the provision of pharmaceutical services or to recognize pharmacists as NHS healthcare professionals. In my case 80% of turnover derives from NHS services and I believe the national average is 80-90%. Pharmacists are mainly NHS service providers and as such it is right and proper that the local NHS board manages where these are sited.

If the regulations are abolished the Scottish Executive may not be able to implement its pharmacy strategy, *The Right Medicine*. This strategy, which offers a great opportunity for pharmacy to extend its roles and its services to the public, can only be delivered from a position of stability within pharmacy. Another outcome would be the large increase in numbers of pharmacists required to staff the new pharmacies and as there is a shortage of pharmacists at the moment this problem would be exacerbated, also adding to the difficulty in implementing *The Right Medicine*.

The OFT argues that the current regulations '*restrict consumer choice and convenience*' in terms of opening hours and location of pharmacies. With regard to opening hours we are open an average of 52 hours a week, always with a pharmacist present, along with procedures for an out of hours service. In terms of location a recent survey by the Scottish Consumer Council, commissioned by the Scottish Executive, showed that 90% of people were happy with the location of their local pharmacy. Another argument in the report in favour of abolishing the regulations is the increase in competition bringing down the price of pharmacy medicines. As I stated earlier 20% of the average pharmacy turnover is not directly from NHS services and only a small part of this 20% is derived from pharmacy medicines. Independent pharmacies and the national chains are heavily

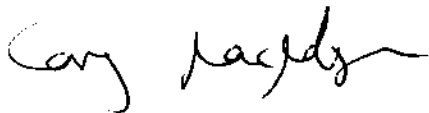
involved in promoting 'own brand' medicines, which are much better value than the higher priced medicines that the estimated savings are based on. I feel that for this reason the savings on pharmacy medicines will be considerably lower than quoted.

The long-term outcome of abolishing the regulations would be, after an increase in pharmacy openings initially, some businesses becoming non-viable and closing. This would lead to the pharmacies that are left being located due to commercial reasons i.e. near health centres and in supermarkets, rather than what is in the best interest of the patient. The current regulations have created a stable network of community pharmacies, which are largely rationally distributed. Looking from a local point of view if any of the three NHS pharmacies in Forres were forced to move or close this would add to the erosion of the High Street already under increased pressure from the new enlarged Tesco.

If the regulations are abolished there will be along period of uncertainty and instability in pharmacy. After the initial opening of new pharmacies and eventual closing of existing ones those left would be very reluctant to invest in their business, with the possibility of someone opening beside them or a new supermarket being built nearby. This lack of investment can only lead to poorer healthcare services and facilities for the public.

In conclusion I cannot see the public gaining any advantage in the significant dilution of pharmacy services that will occur if the deregulation goes ahead. I feel strongly that the OFT report is flawed and its implementation can only have a negative effect on pharmacy. I trust my views will be considered.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Gary Macfadyen', with a stylized, cursive script.

Gary Macfadyen