

2,500 post office closures announced — how will that affect pharmacy?

Last week the Government announced that almost one fifth of post offices are to close. This will impact on pharmacy services in an estimated 750 locations. Hannah Pike finds out why

Almost one fifth of post offices are to close, it was announced last week. According to Government figures about 1,600 post office branches are now serving fewer than 20 customers per day and a strategic shake-up is needed make the post office network financially viable. The National Pharmacy Association estimates that the new proposals will impinge on pharmacies in 750 locations across the UK, some but not all in rural areas.

Importance to local businesses

Raj Nutan, pharmacy business manager at the NPA, says that research has shown three businesses to be most important to the local economy. These are: a source of cash (often a post office), a health centre and a pharmacy. Other businesses are often built up around the underpinning infrastructure of these core businesses, he says. In many cases, the reduction in footfall that would come about if a post office were to close would have a significant impact on other local businesses, including pharmacies. This is particularly true in rural areas where customers may be forced to go into towns to access post office services, possibly taking their prescriptions with them. "Pharmacies have already got downward pressures on margins from large shopping centres, but it is important that local shops prosper," says Mr Nutan.

Pharmacies and other businesses may also deposit their weekly takings at the post office, especially in areas where there is not a local bank. Having to travel into town to a bank is inconvenient in terms of time and could be more of a security risk.

Dual ownership

According to the NPA, an estimated 113 members have a pharmacy with a post office located in the same premises. Mr Nutan says that many of these post offices are only able to stay open because of current Government subsidies, but the increased footfall is highly beneficial to the pharmacy business.

Daniel Agyeman, an independent pharmacist from West London, runs a post office which is located in his store on the Fulham Road. "In this area we have three post offices within a one-mile radius," he explains, "So it is likely that one will be closed." He estimates that if his post office were to close he could lose up to 50 per cent of his pharmacy

business, possibly to a competitor at the other end of the high street which is located opposite another post office.

However, there is also the possibility that his prescription volumes will increase, should one of the other post offices close. He describes how efforts have been made to make both the pharmacy and post office attractive and accessible to customers, including a recent refit which includes installation of a "combi-counter" where customers can access both services.

Mr Agyeman feels confident that his post office will survive, but says that if it were to close he would consider setting up a chiropody or physiotherapy service in its place. However, he added that it could take several years to get such services well established.

Ajit Shah, an independent pharmacist from Whetstone, North London, owns a pharmacy in a small parade of shops in a residential area. He is also subpostmaster for the instore post office, which he says is almost certainly threatened with closure. "They are looking to close all small post offices, I don't think they are being selective," he says.

Mr Shah estimates that 250–300 people use his post office each day, bringing a considerable volume of business into his pharmacy. Although this may sound like a busy post office, Mr Shah explains that the Government uses a points system to measure post office business, and people queuing up to post parcels generate fewer points than those making business deposits, for example.

Mr Shah estimates that 75 per cent of his prescriptions are brought into the pharmacy by pensioners who come to collect their pension at the instore post office. If the post



office closes, these customers will have to use services on the high street, which is a mile and a half away from the residential area, and they will probably take their prescriptions into town with them.

Turning to how he could make his pharmacy business survive, Mr Shah says: "I could offer any number of extra services as I will have the space available, but how can I do that if I do not have the patients?"

He adds that his business is not the only one to be threatened. "The entire parade relies on the two essential services — the pharmacy and the post office," he said. "If we go, everyone will suffer and some will have to close."

Mr Nutan says that he would encourage pharmacists to discuss any proposed closures at their local retailers' forum. In this case it is important to work together with other businesses, rather than viewing them as competition, he says.

Consultation

Post Office Ltd is to hold a series of consultations on the proposals, in 50–60 local areas. Each local area consultation will run for six weeks. The changes are to be implemented over 18 months from this summer, and local people will be invited to give their views. The NPA says it would also like to see local businesses consulted on the proposed closures.

What has been announced?

- The existing network of over 14,000 post offices is unsustainable and is losing £4m per week
- 2,500 post offices are expected to close
- The Government has announced a strategy to preserve a national post office network
- Post Office Ltd will be holding a series of local consultations over the next six weeks to draw up plans for each area. Local people will be invited to give their views
- National access criteria must be met including that 99 per cent of the population must be within three miles of a post office outlet and 90 per cent within one mile

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