pharmacy sales & consultancy

Distance Selling Pharmacy (“DSP”) sales and relocations

Distance Selling Pharmacy ("DSP") sales and relocations

As many people will be aware, the route for applying for new NHS distance selling / internet pharmacies closed in England on 23rd June 2025. No new applications could be submitted after that date.

Remarkably there are still a few new DSP applications yet to be decided more than a year later due to appeals being lodged against either their approval or refusal. The Primary Care Appeals committee at NHS Resolution have been kept particularly busy with these over the last few months.

There was a huge spike in new DSP applications being made in the run-up to the deadline, so many applicants are sitting on granted contracts that are yet to open. In some cases, successful applicants are looking to sell those contracts, often with an expectation that a buyer will relocate the contract to more suitable premises when they buy it. As a result, we have received a lot of enquiries from potential buyers asking questions about these transactions.

This short briefing is intended to answer some of the questions we are commonly asked about the regulatory considerations when buying and / or relocating a DSP contract.

Considerations when a DSP contract has been granted

- Unlike most other types of new contract applications, applicants for new DSP contracts were required to provide a specific address for those pharmacies at the time of making the application. That address cannot be amended after the application has been granted, so the pharmacy must initially open at that address.

- Once an application for a new DSP has been granted, the applicant has a maximum of 12 months to submit a notice of commencement providing a date when the pharmacy will open. It is possible to request a 3-month extension to this period, but it is at the discretion of the ICB whether to agree to this. The date provided for commencement must be no more than 60 days after the end of the 12-month period (or 60 days after the 3-month extension period if granted). It is possible, therefore, that the DSP could open as late as 17 months after the application was granted.

Unless the successful applicant is able to open the pharmacy at the named address within the necessary timescales, the application will lapse.

Once opened, the pharmacy is contractually obliged to open for the core hours listed on the application form. Failure to do so, without good cause, can result in a breach notice being issued by the ICB. Ongoing failure to open can result in increasing sanctions including ultimately the removal of the NHS contract.

Changing ownership of a DSP

- Firstly, it is important to be aware than an application for change of ownership cannot be submitted before the pharmacy opens. The pharmacy must be already included on the pharmaceutical list (i.e. be open), before any change of ownership application will be considered.

  It is not possible, therefore, to sell an unopened new contract as an asset sale. It may be possible to agree terms where the buyer initially opens the pharmacy and runs it under a 'management agreement' on behalf of the seller but the sale cannot be completed until the change of ownership to the buyer has gone through.

- Secondly, the information that must be provided with a DSP change of ownership application is far more extensive than that needed for a 'bricks and mortar' change of ownership application. The applicant (new owner) must provide detailed information about how the pharmacy will comply with the specific regulatory requirements for DSPs. Essentially this is the same information what would have been needed for the initial new contract application.

- Applications that are not properly completed will be rejected, delaying the sale and purchase of that pharmacy, so it is important to take specialist advice if you are looking to buy or sell a DSP, whether that is a trading business or an unopened contract.



Relocating a DSP

- In a similar vein to changing ownership, a relocation application cannot be submitted for an unopened contract. It is not possible to apply to relocate that contract to new premises before it has opened for the first time. If the owner of the new contact was not actually able to secure the premises named in the application then the contract will lapse because it will not be able to open before the deadline.

  If the pharmacy is open, a relocation application can be submitted and, if appropriate, this can be combined with a simultaneous change of ownership application, so both take effect at the same time.

- It is generally possible to relocate a DSP further than a standard pharmacy because, by definition, these pharmacies do not provide NHS Essential Pharmacy Services to patients face to face. Dispensed medication is generally delivered by van or by post. A relocation to different premises would not, therefore, affect the ability of patients to access their services.

  However, the relocation distance is constrained by a limit set within the regulations that the new premises must be within the same, or adjacent, Health and Wellbeing Board (HWB) area. These are the same areas to which Pharmaceutical Needs Assessments (PNAs) apply.

- In large HWBs (such as Cornwall) it can still be possible to relocate a DSP a long way, i.e. anywhere in Cornwall or the adjacent HWB (which is Devon). However, in more urban areas such as London, HWB areas are geographically much smaller, so relocation distances will be shorter.

- As with DSP change of ownership applications, it is necessary to provide detailed information about how the pharmacy will comply with the specific regulatory requirements for DSPs.

  Additionally, with any relocation application, it is also necessary to discuss the matters of patient groups and why they will not find the new location significantly less accessible. Whilst this may seem obvious for a DSP relocation, it is still important to provide sufficient information to satisfy the ICB that the regulatory requirements have been complied with. We are able to prepare applications for clients that meet these requirements

GPhC requirements

Whether buying or relocating a DSP it will be necessary to make an application to the GPhC. This will either be to change the ownership of the pharmacy or to register the new premises it will be relocating to.

Where you are notifying the GPhC of a change of ownership, they request that the forms are submitted after the change of ownership has actually taken place, but no later than 28 days afterwards.

Where you are applying to register new premises, the relocation cannot take place until those premises have been registered, and the GPhC request that the application is submitted 8-12 weeks before the planning opening date.

In both cases there are unique requirements when it comes to GPhC registration. In addition to demonstrating that the pharmacy will meet all GPhC general standards, there are specific additional requirements for DSPs. These include having a fully functioning website **before the application is submitted** and often additional risk assessments will be needed as well.

It is essential, therefore, to make early plans for GPhC registration when buying or relocating a DSP. PSC can assist with making these GPhC applications, as well as providing general advice on the matters discussed in this briefing. Please contact us for more information.

Get in Touch

For more information please contact:

Kevin Harrall

Director

Tel: 01256 636121
Mob: 07771 513159
email: kevin@pscpharmacy.co.uk
Web: www.pscpharmacy.co.uk

Emma Griffiths

Consultant

Mob: 07525 852828
email: emma@pscpharmacy.co.uk
Web: www.pscpharmacy.co.uk