



ACT NOW

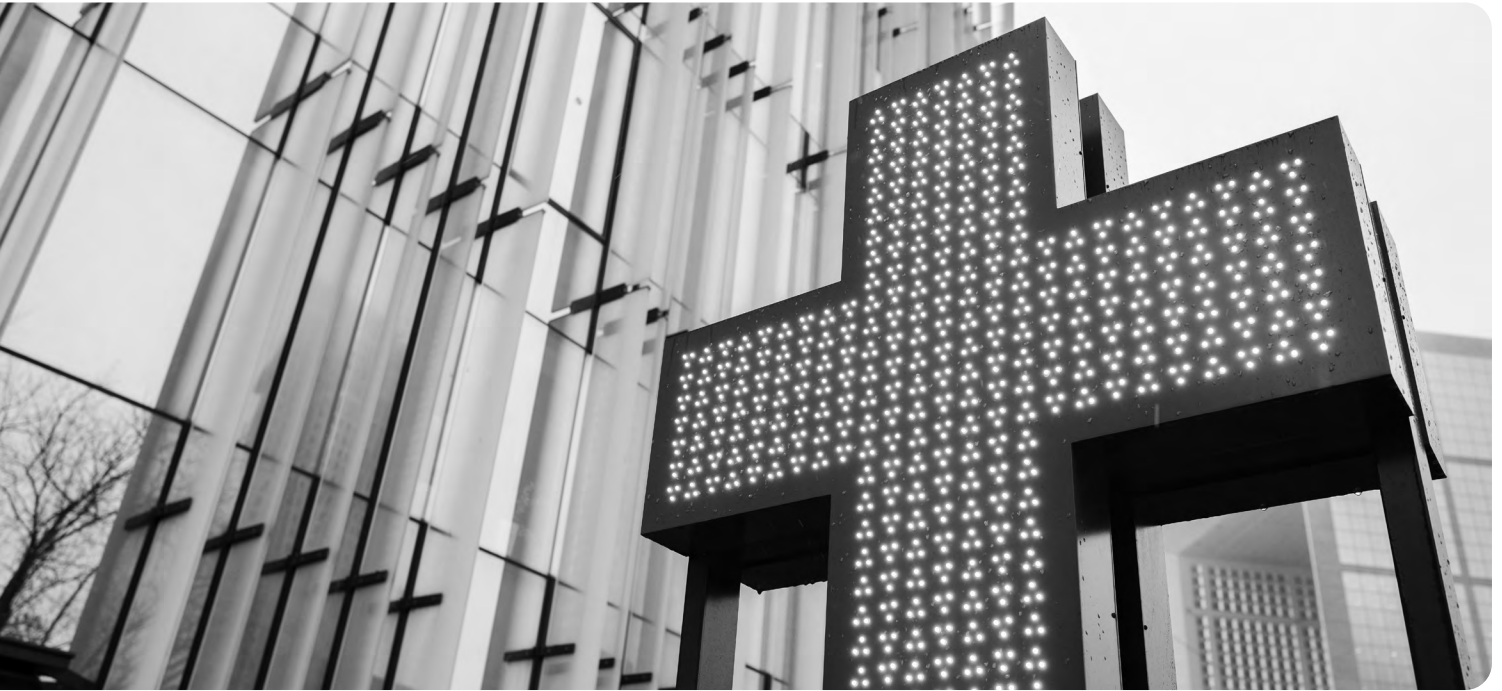
Hub and Spoke Is Coming



Centred Solutions™

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Introduction

The Government recently announced it is moving forward with hub and spoke legislation which allows dispensing between different legal entities, levelling the playing field and reducing workload pressures.

Currently hub and spoke dispensing is only available for pharmacies in the same legal entity. Model One will level the playing field for smaller and independent pharmacies, allowing them to use a hub and spoke model of their choice to create capacity for clinical services.

Next steps will involve a Statutory Instrument being laid before Parliament, a form of legislation which allows an Act of Parliament to be altered without the need for Parliament to pass a new Act. It is expected that the proposal will be debated in the House of Commons and Northern Ireland Assembly before it becomes law later this year.

For many working in community pharmacy, these changes can't come soon enough, with many community pharmacies looking for ways to transform their businesses with hub and spoke, but currently restricted from doing so. Equally there are a number of pharmacies who have never considered hub and spoke who should now be looking at the opportunities this provides. This guide has been designed to support all community pharmacies explore the possibility of hub and spoke.

The Need to Act Now

Transformation of pharmacy workflows is more important than ever following the recent community pharmacy funding announcement for 2025/26 which, on its own, is not enough to sustain community pharmacy.

It is clear that the Government believes reform is needed alongside the funding. Hub and spoke is one such reform as it allows community pharmacies to streamline dispensing services while maintaining, and even increasing, item volumes. At the same time it creates capacity in pharmacy branches to deliver revenue generating services – NHS or private.

Hub and spoke is coming and those pharmacies who don't act now risk getting left behind. Community pharmacies will continue to struggle to meet the service expectations placed upon them if they insist on keeping the pharmacy dispensing process as it is in store. Attempting to do so will simply result in one of two potential outcomes:

- a) The pharmacist will remain knee-deep in the dispensing process with no time for services
- b) The pharmacist will fall significantly behind in the dispensing process as they try and juggle the impossible task of delivering both dispensing and services.

Community pharmacies need to start exploring hub and spoke options now to understand the opportunities it opens up. Those who start to plan now will be ahead of the game and will be able to hit the ground running when the legislation is implemented.

The process to establish in law the changes to hub and spoke dispensing will come round quickly and we estimate they could be in place by as early as September/October 2025. The chances of the changes not being “made” law are slim with the last affirmative statutory instrument not to receive Commons approval dating back to 1978. Change is coming – it's time to embrace it.

There are a number of hub and spoke style options now available for community pharmacy to consider and it is important to explore each of them to find the right solution. This process of evaluation will take time and then once the right solution has been identified, it is important to factor in lead and installation times.



The Benefits of Hub and Spoke:

For many years it has been claimed that a hub and spoke model of dispensing has the ability to create capacity within pharmacy branches. But there has also been a lot of skepticism about this claim. What has been missing is the evidence to back that theory up.

Centred Solutions are hub and spoke specialists and have been providing hub and spoke solutions to a range of pharmacy groups for over three years now. This put Centred Solutions in a unique position to evaluate the true effectiveness of hub and spoke models in different environments. Using this data alongside national data we found:



Hub and spoke can deliver an **81%** reduction in payroll costs per item from 99p per item in a pharmacy compared to 19p per item in a hub.



Moving to a hub and spoke model will take a minimum of **50%** of total dispensing volumes (70-80% of repeat dispensing) out of branch creating much needed capacity.



An average stock reduction in year one of **50%** per pharmacy branch that moves to a hub and spoke model of dispensing.



A hub and spoke model frees up a minimum of **4 hours** of pharmacist time per branch on average. This time can be redirected into delivering revenue-generating clinical services.



It also frees up **8 hours** of dispenser/technician time per day in an average pharmacy. This time can also be used to deliver an increasing number of services under the new contract.

A FLOWRx hub and spoke solution from Centred Solutions will deliver a return on investment within two years. The return on investment, from setting up a hub and all operational costs excluding transport, can come from either re-directing time saved into delivering services, resource efficiencies or a combination of both.

The Benefits of Hub and Spoke:

Using a conservative model for an average 8,000 item pharmacy, with 50% of the pharmacist's time freed up for services and 27% of freed up technician hours, the service potential when using FLOWRx original pack dispensing automation is:

Group of *five pharmacies* dispensing 8,000 items each



Profit per year *after year one*
£234,597



Profit over *five years*
£909,712

Group of *ten pharmacies* dispensing 8,000 items each:



Profit per year *after year one*
£521,930



Profit over *five years*
£2,176,251

Group of *twenty pharmacies* dispensing 8,000 items each:



Profit per year *after year one*
£1,189,605



Profit over *five years*
£4,993,745

* Profit takes into account capital expenditure and operating costs incurred with setting up a hub.
* Potential pharmacy service revenue based on English Pharmacy Contract

Why Choose Hub and Spoke Experts



FLOWRx Hub and InStore, by Centred Solutions, is the only solution on the market which was designed specifically to be used for a centralised dispensing hub with branch spokes for the UK community pharmacy market.

It has been designed and built by pharmacy hub and spoke experts who have poured their years' of expertise and knowledge into creating a best in class solution that can scale. As well as expertise in hub and spoke technology, Centred Solutions is also an expert in hub and spoke workflows, data management and governance. This is important as hub and spoke is so much more than a system. It's a completely different way of working that requires significant expertise.

FLOWRx is the only solution with an automated labelling unit that can label up to 1500 packs an hour with a single line or 3000 with a double line. No manual labelling process can come close – even with an automated workflow. This is one of the biggest efficiencies. It is also the only solution with a sortation station as well as on-screen sorting. Guiding light and RFID functionality offers an enhanced layer of patient safety meaning baskets cannot get mixed up and medicines cannot be put into the wrong basket without being flagged. The automated bagging solution saves time with bagging and bag labelling and the automated handheld toting solution ensures the right medication for the right patient is sent to the right store.

FLOWRx is one seamless system which tracks the prescription through the entire fulfilment process and records an audit trail of who did what at each stage of the process. It can be used with a manual picking process or automated picking solution. It is important to remember that the FLOWRx solution is so fast and efficient when it comes to labelling, many of our customers find it quicker to pick fast moving lines by hand as many robotic dispensing systems struggle to keep up with the demand.

For smaller groups of pharmacies there is the option to start with a manual version of the hub which allows you to start small and then scale if required as your business grows. By creating your own hub or a co-operative hub, rather than using a third party provider, you will ensure you keep full control of your own business. This includes any cost savings brought about by centralised purchasing and no ongoing provider fees for a hub service.

To learn more about FLOWRx Hub solutions visit our website at www.centredsolutions.co.uk