

What to look out for when buying a pharmacy

When buying a business, there are many important legal considerations to take into account and lots of pitfalls to look out for—even more so when buying a pharmacy. This is because the pharmacy industry is highly regulated, and pharmacy owners are legally bound to protect the wellbeing of patients and the public in the way they run their business.

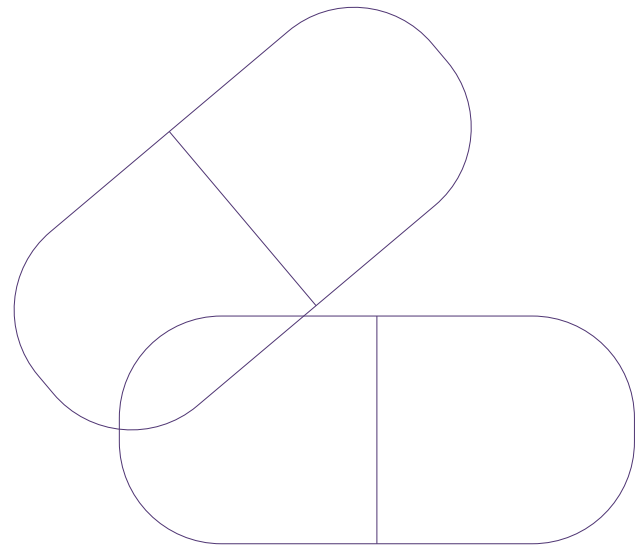
Complying with the GPhC

Certain key factors must be carefully examined before taking ownership of a pharmacy, each of which must comply with the standards of the UK's General Pharmaceutical Council (GPhC). If a pharmacy is not compliant with all GPhC regulations, bringing it up to scratch will be costly and time-consuming; non-compliance could also result in the pharmacy's registration being suspended or revoked.

As such, it is critical to thoroughly investigate the target pharmacy's operations as part of due diligence, and ensure full compliance before completion of the purchase.

Governance arrangements

The first factor of the GPhC regulations that must be considered for compliance concerns governance arrangements. This does not typically pose a problem for pharmacists buying a pharmacy as a sole trader, as they are responsible for the pharmacy's governance. On the other hand, limited companies that do not already own a pharmacy premises must nominate a superintendent pharmacist to run the pharmacy in order to comply with GPhC regulations. The regulations also require the GPhC to approve the nomination of the superintendent pharmacist.



Employees

When purchasing a pharmacy, you must ensure that all employees are competent and suitably qualified in accordance with GPhC regulations. Staff must also show full compliance with confidentiality and health and safety regulations, as well as the GPhC's continuing professional development (CPD) stipulations.

Pharmacy premises

The pharmacy premises must meet all GPhC health and safety standards. Additionally, prospective buyers must verify that the property has planning consent from the local authority to be used as a pharmacy, and that all legally required insurance policies are up-to-date and in the correct name. Note that securing local authority consent to use the property as a pharmacy will incur high costs and take a substantial amount of time, so the purchase agreement should be conditional upon this approval.

Management and storage of medicines and medical devices

Pharmacies must store and manage all medicines and medical devices safely and in line with GPhC regulations. Before finalising the purchase, you should therefore verify that staff follows the proper storage and management procedures, and that pharmaceutical waste is being disposed of in accordance with environment and waste legislation. Lastly, ensure that everything is in place for you to continue operating with these procedures after completion of the transfer.

Equipment and facilities

According to GPhC regulations, all pharmaceutical equipment and facilities must be safe and suitable for pharmacy use. All pharmacy equipment and maintenance and repairs records should therefore be checked by an appraiser. Any insurance policies, loans taken against equipment, or equipment leases should also be thoroughly examined.

Contracts

In addition to complying with the above GPhC requirements, buyers should also carefully review all contracts held by the pharmacy, including NHS contracts, commercial agreements with suppliers and surgeries, service agreements for CCTV and waste disposal, as well as contracts for any other necessary aspects of business operations.

Confidentiality infrastructure

The buyer must verify whether the pharmacy is registered with the Information Commissioner's Office, as this is a legal requirement. The need to protect patients' information also means that certain technical features must be in place, such as firewalls, anti-virus software, and a secure data-backup system. The business's IT infrastructure should therefore also be examined before completion of the transfer.

Getting the right guidance

With so many regulations to consider, buying a pharmacy can be a daunting prospect. However, with proper legal guidance, purchasing a pharmacy can be as straightforward as purchasing any other business.

For more information, or for expert advice on business or personal legal issues, call us on +44 (0)20 3475 6751 or via email at info@carterbond.co.uk

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“This is a firm that walks with you and holds your hand all through the process. Get an answer to any queries at anytime!”

Anthony Fatusin, Antonees Limited Pharmacy

HIGHLIGHTS

Over the last few years, we have assisted over 800 pharmacy owners to either buy or sell a pharmacy business