

Pharmacy Settlement 2024/25 and 2025/26

Overview



- **Community pharmacy funding uplift of over £800 million**
- **Largest uplift** in funding across the whole of the NHS
- **Government recognition** of funding gap as indicated by the Economic Analysis
- Firm Government commitment to **work towards a sustainable funding and operational model** for community pharmacies



Funding

- The total funding available for the CPCF will be **£3.073 billion** in 2025/26.
- Much of this will be delivered to pharmacies through an increase of 19 pence in the **Single Activity Fee** – this fee is paid per item dispensed, and it will rise to **£1.46**.
- **£215 million** of additional services funding is also allocated for pharmacies to earn through services: **Pharmacy First, blood pressure checks, and contraception**.
- However, there remains a funding gap. The independent Economic Analysis shows that the **costs of providing pharmaceutical services have outgrown the available funding**.
- The difference between the funding available and the economic costs as shown by the analysis is over **£2 billion**.

Services



- **Pharmacy First, Blood Pressure Checks and Contraception services all continue, as does the New Medicine Service.**
- **Antidepressants will be added to the New Medicine Service** from October 2025.
- **Emergency contraception** will be added to the Contraception service from October 2025.
- Work to improve coordination, and to uplift medicines margin, which are small steps in the right direction towards addressing medicine supply issues.

Pharmacy Settlement 2024/25 and 2025/26

Regulatory



- Significant progress has been made on regulatory matters, including giving pharmacies more scope to amend core opening hours.
- Government has also agreed to review margin distribution – to help improve equity of access to this core part of community pharmacies' funding.
- And Government has committed to looking at the timing of payments, to help ease the cashflow squeeze at the start of every month.
- Need for patients who pay NHS charge to sign prescriptions **will be removed**

What this means



Step-change for the sector



Vote of confidence in its potential from new Government



Recognition of the scale of the funding gap and taking a **first step towards sustainability**

Key commitments



Government **recognition** of funding gap



Pledge to review funding delivery and margin system



Commitment to working towards a sustainable funding and operational model



Adoption of appropriate actions arising from the [RPS Medicines shortages: Solutions for Empty Shelves](#) report.



*With the highest funding uplift across the NHS, this settlement is a welcome first step towards sustainability and will bring some positive clinical service extensions for patients. But it does not fill the full pharmacy funding gap. **Crucially, the settlement comes with a firm commitment from Government to work towards a sustainable funding and operating model for the sector, and we will continue to work with Government to ensure that this happens.***

Janet Morrison
Chief Executive
Community Pharmacy England