



# MP briefing: Outlook for pharmacies in 2026

*2026 will be a make-or-break year for community pharmacies and their patients — pharmacy businesses are in real economic peril, and without further Government and NHS support, we can expect more pharmacy closures, reduced access and increased pressure on other NHS services*

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## Pharmacies are in economic peril

Despite the significant investment announced last year, [independent economic analysis](#) shows community pharmacy still faces a funding gap of **more than £2 billion annually**. Many pharmacies are worse off than a year ago, despite the 2025 funding uplift, which has been swallowed by inflation, tax changes and operational pressures. Pressures are mounting, and there are clear signs of deterioration across the network:

- The network faces a structural £2bn+ funding deficit, leaving many businesses **losing money every month**.
- Pharmacy **opening hours have fallen dramatically**, with 75,000 fewer hours per week since mid-2023 and an 88% collapse in late evening provision.
- Statutory accounts filed at Companies House continue to show the perilous financial position that many pharmacy companies are in, **typically with high levels of loss-making, borrowings and net current liabilities**.
- The number of pharmacies continues to reduce. **There are 800 fewer pharmacies now than in 2021**.
- In our polling, **82% of pharmacy owners said they were concerned about their pharmacy business** going into this winter season, with a further 2.6% 'very concerned'.
- Drug Tariff changes [announced last month](#) are another blow, further **destabilising medicines supply**. Pharmacies are increasingly **unable to cover the costs of sourcing and supplying essential NHS medicines** — creating an unsustainable and deeply destabilising financial pressure.

“Community pharmacies have entered 2026 in real economic peril and urgently need a roadmap to recovery. Many businesses are now losing money and accumulating debt, while pharmacies continue to struggle operationally, with rising demand from patients and the public. Last year’s funding uplift did not undo a decade of chronic underfunding, and unless the upcoming negotiations deliver decisive progress towards sustainability, we will see further impacts on patient access, NHS performance and the health of high streets across England.”

Janet Morrison, Community Pharmacy England Chief Executive



## Pharmacies' vital role must be protected

Despite the immense challenges they are facing, community pharmacies are continuing to play a central role in supporting the nation and the wider health service through another difficult winter. Pharmacies remain vital to delivering care closer to home, managing demand during peak winter months, and reducing pressure on GPs, NHS 111 and urgent care services. Recent data shows that pharmacies are continuing to take on more NHS work:

- **Pharmacy First** activity continues to grow, with strong patient demand and robust delivery from pharmacy teams. Since the service first started in February 2024, and up until September 2025, there have been over **4 million consultations**.
- **Prescription volumes** remain at historic highs, reflecting long-term growth in population need. Pharmacies in England dispense **over 1.1bn prescription items per year**.
- **Strong uptake of flu vaccinations** has been seen in community pharmacies again this winter, with detailed 2025/26 figures due later in January. Last season, pharmacies delivered over **4 million flu jabs** — the highest number outside the COVID pandemic.

This is all alongside unfunded work such as providing millions of episodes of informal clinical advice that relieve pressure on other NHS services. The upward trends in pharmacy workload are expected to continue into 2026 — this rising demand must **be matched with sufficient capacity and sustainable funding**.

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## Upcoming pressures and ongoing uncertainty

Upcoming changes are expected to add millions in extra costs for community pharmacies, which they simply cannot absorb:

- **National Living Wage rises** will increase staffing costs significantly, costing the community pharmacy sector an additional **£69–£94m per year** from April 2026.
- **Employer National Insurance contributions will also increase overall staffing costs**, adding further pressure to pharmacies already struggling to recruit and retain staff.
- **Volatility in medicine prices** will continue to strain pharmacy finances.
- **Business rates changes** and other operating costs will disproportionately affect pharmacies compared with other primary care providers who can claim relief from them.
- There is **no confirmed funding settlement beyond April**, leaving the sector unable to plan with confidence.



While sectors like hospitality have received targeted relief to help offset these rising costs, no equivalent support has been offered to community pharmacies – despite their critical role in providing NHS services and supporting patient access. Read more [here](#).

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## Negotiations: what community pharmacies need

Community Pharmacy England is preparing for upcoming funding negotiations which are expected to begin soon. We are clear that to support a sustainable pharmacy network these must deliver:

- A **plan to close the £2bn+ funding gap** with proper indexation for activity (reflecting the growing volume of NHS work that pharmacies are doing) and inflation.
  - A **roadmap for the future**, aligned with NHS 10-Year Plan ambitions for community pharmacy: the 2025 investment must not be a one-off for community pharmacy.
  - A **margin reset** and continued write-off of over-delivery.
  - Progress towards a **Community Pharmacist Prescribing Service** (in so far as this is achievable for the sector within the funding available).
  - Reforms to aid efficiency and **reduce red tape**.
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## How MPs can help their local pharmacies

- **Write to the Health Secretary** to highlight pressures facing pharmacies in your constituency and call for urgent action on funding, workforce costs and medicine supply.
  - **Apply for a Westminster Hall Debate** to raise pharmacy sustainability and access issues on the Parliamentary record and to press for support for the sector.
  - **Ask a pharmacy related question at Health Oral questions** such as on medicine shortages, Pharmacy First, funding pressures or local closures. We are happy to support drafting.
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## Further information

Community Pharmacy England represents all approximately **10,400** community pharmacies in England. We champion community pharmacy and negotiate on their behalf with Government and the NHS. For further information, please get in touch: [comms.team@cpe.org.uk](mailto:comms.team@cpe.org.uk)