

MP Briefing: Community Pharmacies in 2026/27

Overview

A funding settlement for community pharmacies in 2026/27 is being implemented from May 2026 after negotiations between Community Pharmacy England, the Department of Health and Social Care (DHSC) and NHS England.

The settlement will see the community pharmacy funding budget increased by **10.3%** in this financial year to **£3.636 billion**, alongside the introduction of **Independent Prescribing** into some pharmacy services later in the year. It also includes measures aimed at helping to stabilise the **increasingly volatile medicines supply chain**.

While the funding uplift is welcome, many community pharmacies will remain in financial peril. Pharmacies' workload will rise over the next year as prescription volumes continue to grow and service changes are introduced, and their costs are also rising every year due to inflation and other pressures. This settlement **will not address community pharmacy's £2 billion funding gap** as identified by an **independent economic analysis** undertaken for NHS England.

Recognising this, Community Pharmacy England is pleased that Government has committed to **working with us on a programme of reform**. This work will be challenging, but critically important to set the future strategy for community pharmacy and put the sector on a long-term sustainable footing.



This settlement opens the door to pharmacist prescribing – a further step towards making fuller use of their clinical expertise, and a welcome move for patients. It also includes an important commitment to a programme of reform for the community pharmacy sector, on which we must start work now. After a decade of underfunding, the funding uplift won't be enough to stabilise the community pharmacy sector: pharmacies, and by extension the communities who rely on them, need long-term sustainable solutions, and we're looking forward to working with Government on those.

Janet Morrison OBE, Chief Executive, Community Pharmacy England



Funding & the Future

Community pharmacies will receive a 10.3% (£340m) increase in funding in 2026/27 as compared to last year. This means their core NHS payment – the Single Activity Fee – **will increase by just six pence this year**. While this is welcome, and clearly shows Government’s commitment to the sector, with rising prescription volumes, costs and service expectations, pharmacies will remain under pressure.

Over the next year we expect pharmacies to dispense **32 million more prescriptions than in 2025/26, and to provide 3.2 million more clinical consultations**. At the same time, they will need to absorb rises in costs such as the National Living Wage and increases to Business Rates. This all means that providing their commissioned activity will absorb the majority of the £340m uplift, so in practical terms **this will not close the sector’s £2 billion funding gap**.

Many pharmacy businesses will remain in financial crisis – we expect pharmacies to face ongoing cashflow issues (many are now struggling to pay their monthly wholesaler bills), closures to continue and a degradation in service levels will be inevitable.

Given the scale of the issues, as evidenced by our annual Pressures Surveys, financial monitoring, and independent economic analysis, we welcome Government’s commitment to work with us on a **programme of reforms**. Work on a sustainable long-term solution, including reform of the contract, funding and reimbursement model, must start now.

Independent Prescribing

Community Pharmacy England strongly supports the principle of making best use of the clinical skills within community pharmacies – this is good for patients, improving access to care closer to home, and it helps to reduce pressures elsewhere in the NHS.

Healthcare professionals, like pharmacists, who have an independent prescribing qualification are able to assess patients and prescribe medicines directly in certain circumstances. The move to introduce **Independent Prescribing** into two pharmacy services – Pharmacy First and the Pharmacy Contraception Service – is therefore very welcome and a **strategically important step forwards for the sector**. It builds on the range of high-quality clinical services that community pharmacies already offer their communities.

But pharmacies remain under intense pressure – and given the limited funding available, **not all of them will be in a position to take this step forwards in the coming year.** To ensure that Independent Prescribing is the success that we and patients need it to be, we will need to see **further, predictable investment** to make this an economically viable option for all pharmacies for the long-term.

Impact on patients and the wider NHS

Community pharmacies provide critical health services across England, ensuring patients can access medicines when they need them, and providing health advice and services. In principle, the introduction of Independent Prescribing should enhance this offer, allowing patients to access even more care from their community pharmacy, and we support this.

But for many pharmacies, the reality at the moment is one of permanent crisis, as operational and financial pressures continue to have a very serious impact. Pharmacies will remain under **sustained economic pressure** over the coming year, despite the funding uplift. Their patients can expect to see **ongoing medicines supply disruption, deteriorating service levels and pharmacies continuing to take steps such as reducing their opening hours.** More pharmacy closures will be unavoidable – putting patients at increased risk of harm.

Medicines Supply

The medicines supply chain is extremely volatile – month after month we are seeing record numbers of medicines pricing issues; pharmacy teams are having to spend many hours trying to source the medicines their patients need; and pricing volatility is increasingly **forcing pharmacies to make a financial loss when they dispense medicines**, which is totally unviable. **Many thousands of patients are already being impacted negatively.**

The settlement includes some welcome steps to try to stabilise medicines supply – including increasing the amount of margin that pharmacies earn, as part of their core funding, on medicines purchases. While this is welcome and helps put a little extra money into a very constrained system, ultimately the UK remains at the low end of medicines prices, meaning **we don't expect medicine supply issues to be resolved.**

Work will need to continue to further enhance the resilience of medicines supply and we will be monitoring this situation very closely.



Government has once again taken welcome steps to support community pharmacies, but it is clear that pressures on the sector will remain. These will impact on pharmacies, on all those who work in them, and on the patients and public who rely on them. We will continue to press for the long-term sustainable solution that community pharmacies, and everyone they serve, needs, and for specific measures such as to improve medicines supply resilience, prevent pharmacies from having to dispense at a loss, and for further investment to support Independent Prescribing. We want to begin what will be complex and challenging work on a programme of reforms quickly, working together with Government towards a sustainable future for pharmacies.

Janet Morrison OBE, Chief Executive, Community Pharmacy

Call to Action

We are very grateful to MPs and others for their ongoing support for community pharmacy and ask that this continues as we work towards a long-term sustainable future for community pharmacy.

In particular, we would be grateful if MPs could consider taking some of the following actions:

- Continue to support pharmacies through parliamentary activity (WPQs, OPQs, Westminster Hall debates) which CPE can support you with.
- Visit your local pharmacies on constituency days, including over the Summer recess, which CPE can facilitate.
- Sign up to join the All-Party Parliamentary Group for Pharmacy at: pharmacyappg.co.uk
- Attend future Community Pharmacy England events (including our upcoming Neighbourhood Health Event on **15th June 2026**)

For more information or support please contact comms.team@cpe.org.uk