

CPCF SETTLEMENT 2026/27

OVERVIEW

- Community pharmacy funding to increase by 10.3% (£340m).
- One of the largest funding uplifts across the NHS – despite not being enough to close pharmacy’s funding gap.
- Net excess contract funding (margin) of up to £239m written off to help stabilise medicines supply.
- Government commitment to work in partnership on reforms for the sector.

KEY COMMITMENTS



Joint programme of reform to help develop future community pharmacy strategy, including funding, contract and reimbursement models.



Introduction of Independent Prescribing (IP) into NHS community pharmacy services.

FUNDING, MARGIN & PAYMENTS



- **The total CPCF funding for 2026/27 will be £3.636bn**
- This is for both the CPCF and Pharmacy First budgets which are being combined
- This is up 10.3% (£340m) from the previous year
- And compares with an overall NHS funding increase of 3%
- Single Activity Fee increases by 6 pence from £1.46 to £1.52 per item

- As part of the settlement, margin allowance will increase to £1.1 billion annually
- Net excess contract funding (margin) write-off (up to £239m) to support supply chain stability
- There will be a £20m Pharmacy Quality Scheme with 80% Aspiration payment payable on 1st September
- Agreement to allow late payment claims for Pharmacy First and NMS



We have been clear with Government that the sector is in a critical position, and that we now need urgent work on a sustainable long-term solution, including reform of the contract, funding and reimbursement model. As part of this deal Government have committed to work with us on this programme of work. That work will be difficult and will take time, but refusing this deal would have put more pharmacies — and the services they provide at greater risk.

Janet Morrison
Chief Executive
Community Pharmacy England





SERVICES

- Introduction of Independent Prescribing as part of Pharmacy First and the Pharmacy Contraception Service
- Infrastructure funding to support delivery of IP services

REGULATORY

- Caps on selected services to prevent disproportionate use
- Action on branded generics, including NHS guidance to discourage use for financial gain
- Review of the Pharmacy Access Scheme (PhAS)
- Measures agreed to tackle violence in pharmacies
- Pharmacies to be able to close for training for up to 4 hours a month



WHAT THIS MEANS



Immediate funding uplift provides some short-term support for pharmacies



Progress towards a more clinical, service-led future for community pharmacy via strategically important Independent Prescribing



A clear commitment to longer-term reform and sustainability, though further investment will still be needed



Stabilisation measures for medicines supply chain