



National Pharmacy Association

Autumn Budget 2025 Representation

Executive Summary

Community pharmacies are vital to the NHS and the health of the nation's workforce.

Community pharmacies offer walk-in access to medicines and clinical advice, and healthy living services in every neighbourhood that are already delivering some of the government's ambitions for prevention, workforce health, and neighbourhood care on the high street.

Development of already regulated professionals and premises, making full use of independent prescribing, would be the most cost-effective way to achieve the ambitions of the Ten-Year Health Plan.

Instead, we are at risk of losing this resource as they face a severe financial crisis. Core funding has fallen by over 40% in real terms over the last five years, leading to more than 1,200 pharmacies closing. Half of all community pharmacies are operating at a loss¹. Rising activity, costs, taxes, inflation, and medicine price volatility have left the sector at a breaking point.

By providing transformation and capital funding to stabilise the overall funding situation, and reforming the Community Pharmacy Contractual Framework, including expanding medicines optimisation services, the left shift to community care can be supported and billions in savings can be delivered, improving outcomes and relieving wider NHS pressures.

The NPA's Recommendations:

- **Stabilisation:** Urgent financial support, including business rates relief and sustainable workforce funding.
- **Contract reform:** Reform repeat management and supply through My Medicines, releasing GP capacity, Simplified block payments for essential services, outcome-based funding linked to prevention and long-term condition support, and medicines margin reform.
- **Medicines Optimisation:** Every £1 spent on the New Medicine Service generates £33 in back into the NHS, and discharging patients from secondary care into the Discharge Medicines Service can prevent hospital readmissions and reduce length of stay. Fully realising pharmacy's potential in medicines optimisation and

¹ NPA:63 per cent of pharmacies could close next year without further support (2025) – Access [here](#)

medicines monitoring for long-term conditions could save the NHS over £1bn while improving outcomes valued at billions more.

- **Work with Community Pharmacy to reduce sickness absences:** Recognise the role community pharmacy plays in the viability of the local economy and in keeping the working-age community in good health.

Introduction: The state of play for Community Pharmacy

Vital for local economies

Community pharmacies are vital to the NHS, government, local economy (*‘the High Street’*) and the nation’s workforce. There are more pharmacies in areas of higher deprivation and they and in many deprived communities they are the last health service standing. However, these numbers are declining².

In 2024, pharmacies provided 38 million appointments to those who could not secure a GP appointment³. The RCGP has already found that GPs in deprived areas are responsible for an average of 2450 patients each⁴.

These pharmacies offer walk-in access to a healthcare professional in every community for urgent care and self-care advice, they support patients and carers managing Long-Term Conditions, provide expert advice on medicines optimisation, and assist the public with healthy living interventions like vaccination and stop smoking services⁵.

Currently many are unsustainable as businesses

Community pharmacies are going out of business due to chronic underfunding with a decade of negative or zero growth whilst delivering considerably more activity both in terms of prescription items and clinical services like Pharmacy First, contraception and BP checks⁶.

During this time they have absorbed increases in business rates, rises in the National Minimum Wage and National Insurance Tax, volatility in medicine prices, and inflation. (Annual shop price inflation rose to 1.4% in September from 0.9% in August⁷). They also stepped up for the nation during the COVID-19 pandemic.

1,200 pharmacies have already closed. The 4% funding uplift in 24/25 and a 14% uplift in 25/26 has not fully addressed the impact of a real-term cut of at least 40% since 2015. More pharmacies are closing their doors and access to medicines is fast declining. NPA found that a significant proportion of pharmacies could close next year without further support².

Community pharmacies are facing a liquidity crisis which is causing patient access to medicines to decline, this is due to inability to borrow to purchase stock, not being able to buy

² The Pharmaceutical Journal: Decline in pharmacy access in most deprived areas four times greater than in least deprived, study results show (May 2025) – Access [here](#)

³ The Pharmaceutical Journal: Free pharmacy advice saves 38 million GP appointments a year, CPE audit finds (October 2024) – Access [here](#)

⁴ Royal College of General Practitioners: Patients in deprived areas face even harder struggle to see a GP in the future, warns College (January 2025) – Access [here](#)

⁵ NHS England: Pharmacy First Portal – Access [here](#)

⁶ NPA: 63 per cent of pharmacies could close next year without further support (2025) – Access [here](#)

⁷ The Guardian: Retailers say tax rises could further fuel inflation as shop prices jump (September 2025) – Access [here](#)

in bulk or at cheapest prices, only buying from wholesalers with whom they can get credit as well as pharmacy closures⁸.

The NPA and CPE found that nearly half of pharmacy owners have been forced to remortgage their homes or raid their personal savings in the last year to subsidise the cost of medicines for their patients⁹. As pharmacists can not put up fees to cover external price changes, this shows that core reform to the Community Pharmacy Contractual Framework is still needed to ensure both a fair rate for return for contractors and affordability for the NHS. The need for radical reform will be elaborated on later in our submission.

NHS Clinicians

Community pharmacies have quickly adopted new clinical services like minor illness and urgent medicine supply, vaccinations, contraception, blood pressure testing and Pharmacy First¹⁰. Community pharmacists are increasingly able to independently prescribe medicines and are providing private services but there is no nationally commissioned service that lets them utilise this skill for the NHS providing additional clinical capacity.

With new independent prescribing skills the community pharmacy workforce can provide NHS capacity and neighbourhood health services close to people's homes, supporting virtual wards and home care through Neighbourhood Health Services, complementing the big shifts from hospital to the community, analogue to digital and treatment to prevention outlined in the Ten-Year Health Plan. However, governance, clinical supervision, investment in premises and ongoing training is needed for the workforce to support this.

Pharmacy Workforce

The NHS Community Pharmacy Workforce Survey highlighted that community pharmacists are leaving the profession with a 4% total reduction since 2023 due to stress, abuse and unviability of their businesses. There was a rise in the number of Independent Prescribers. The highest vacancy rates being amongst Accuracy checkers (20%), Trainee dispensing assistants (17%), and Trainee medicines assistants, with 811 pharmacy technicians not joining the General Pharmaceutical Council's register after finishing training⁴ and highly trained staff leaving for better paid and lower stress jobs elsewhere such as in supermarkets.

Section One: Implementing the 10 Year Plan for Health

Implementing the Health Plan

The Department of Health and Social Care's Ten-Year Plan for Health was published after the Spring Spending Round and before the Autumn Budget. The NPA made the following suggestions for implementing the Plan in the long term.

- Expand community pharmacy's involvement in vaccine delivery and screening for the risk of cardiovascular disease and diabetes.
- Place weight loss service and support in community pharmacy, especially administering weight loss medicines.
- Community pharmacy support to help increase the nationwide uptake of HPV vaccines among young people who have left school.
- Expand Pharmacy First to treat minor conditions, taking the pressure off GPs.

⁸ NPA:63 per cent of pharmacies could close next year without further support (2025) – Access [here](#)

⁹ NPA:63 per cent of pharmacies could close next year without further support (2025) – Access [here](#)

¹⁰ NHS England: Pharmacy First Portal – Access [here](#)

¹¹ CPE: New Medicines Service Portal – Access [here](#)

- Community pharmacists should undertake medicine reviews and optimisation by integrating community pharmacies into patient pathways.
- Give community pharmacists full access to the phlebotomy pathway to help grow screening services⁷.

Neighbourhood Health Services -using pharmacies that are already regulated premises in local communities with regulated health care professionals to support transition of care closer to home would be the most cost-effective way to roll out access to neighbourhood health services. Pharmacies are already health hubs in their local communities and the first port of call. Financial and commissioning levers will be required to drive change so that community pharmacy are integrated into local health systems and care pathways. Change will not happen without this.

Routine Digital Referral

If pharmacies are to be paid on the basis of referral, then all eligible patients should be digitally referred to pharmacy as appropriate from the NHS digital front door, GP triage systems, urgent care and hospitals rather than relying on already overstretched health care professionals understanding the pharmacy contract and using clunky referral systems.

NHS App - My Medicines

There is an opportunity to design out failure demand identified by the Royal College of General Practice and the Royal Pharmaceutical Society in their Repeat Prescribing Toolkit commissioned as part of the work on overprescribing¹². GPs only need to authorise repeat prescriptions and pharmacies should be responsible for supply.

Prescription items growth will soon become both unsustainable for pharmacies and unaffordable to the NHS and therefore it is imperative that My Medicines designs in a better system where period of treatment and frequency of supply is also addressed. Commissioning this work is urgent for government, the NHS, the pharmacy sector and patients¹³.

NHS App - National Booking Platform for Pharmacy Clinical Services

A national booking platform is also essential, allowing patients to book clinical appointments with community pharmacies through the NHS App, which will help move pharmacy services from an analogue to a fully digital mode. Further efficiencies can be unlocked by extending the Electronic Prescription Service (EPS) to all parts of the system, including outpatients and discharge medicines¹⁴. This would allow community pharmacy to deliver care closer to home and keep patients from accessing care through both primary and secondary care. This requires addressing the VAT discrepancy between primary and secondary care to enable the financial shift.

Independent Prescribing

¹² Royal Pharmaceutical Society: New RPS and RCGP Repeat Prescribing Toolkit will improve safety and efficiency (October 2024) – Access [here](#)

¹³ NPA: Community Pharmacy: Indispensable to delivering the NHS Ten Year Health Plan for England (September 2025) – Access [here](#)

¹⁴ NPA: Community Pharmacy: Indispensable to delivering the NHS Ten Year Health Plan for England (September 2025) – Access [here](#)

Urgent developments in digital infrastructure, governance and workforce are needed to support the envisaged role of community pharmacy using independent prescribing to support management of long-term conditions, for example treating obesity, high BP and cholesterol¹⁵.

Prevention

Community pharmacy can readily implement prevention services providing stop smoking sexual health, vaccination, screening, weight loss, PrEP and naloxone services. Their role in women's health providing contraception including emergency contraception could also be built on to provide fertility, HRT and child health.

Single National Formulary

The implications of this on both the medicines supply chain and pharmacy contractor income need to be fully considered and the sector needs to be engaged in proposals to identify unintended consequences that may impact access to medicines.

Dispensing Efficiencies

The sector has made efficiencies beyond those of the rest of the NHS in recent years. Automation, robotics, machine learning, hub and spoke, supervision changes may support more efficiencies but transformation of business models and implementation come at a cost to the sector and whilst pharmacies continue to struggle to pay wholesaler bills, they are unable to transition to these models.

Pharmacogenomics

Community pharmacy could play a vital role in ensuring the medicines a patient receives are the ones the individual will get most benefit from. It is important to start planning for their future clinical role and embedding this information into care pathways.

Section Two: The NHS needs a viable community pharmacy business

Unsustainable businesses

47% of community pharmacies are operating at a loss¹⁶, and pharmacies have reached a breaking point. Financial liquidity within community pharmacy must be addressed if community pharmacy is to deliver on the ambitions of the 10 Year Health Plan as detailed in the recommendations above.

An independent Economic Analysis commissioned by the NHS found that NHS pharmaceutical services within community pharmacy are not financially sustainable in the short run for a large proportion of pharmacies and for a greater proportion in the long term¹⁷. The full economic cost (FEC) of delivering NHS pharmaceutical services in England in 2023/2024 was found to be >£5 billion (including OTC and health care products). This breaks down to £409K- £573K per pharmacy, depending on the type of pharmacy¹⁸.

¹⁵ NPA: Community Pharmacy: Indispensable to delivering the NHS Ten Year Health Plan for England (September 2025) – Access [here](#)

¹⁶ The Pharmaceutical Journal: *Funding gap: economic analysis paints dire picture of community pharmacy's sustainability* (May 2025) – Access [here](#)

¹⁷ Frontier Economics and IQVIA: Economic Analysis of NHS Pharmaceutical Services in England (March 2025) – Access [here](#)

¹⁸ Frontier Economics and IQVIA: Economic Analysis of NHS Pharmaceutical Services in England (March 2025) – Access [here](#)

If the current funding status quo continues, the full economic cost of providing NHS pharmaceutical services by March 2023 is estimated to be £8.106bn (when modelling clinical growth at twice the rate of dispensing growth, the resulting full economic cost will be £8.303bn)¹⁹.

This year's funding uplift is a step in the right direction. However, it remains clear that the government and NHS need to act urgently to retain access to medicines and the provision of other pharmaceutical services for the population of England and to manage the predicted growth in prescription items and associated costs by 2030.

Investment in devolved nations

We can learn from investment in Scotland where the left shift has already been made through Pharmacy First and Pharmacy First Plus and from the introduction of NHS independent prescribing in Wales and the [Community Pharmacy Premises Improvement Scheme](#).

Pharmacies as small businesses

Community pharmacies remain under pressure from business rates, the rise in national insurance and national minimum wage, and volatile changes in medicine prices set by wholesalers.

The NPA calls for Business Rates Relief to be implemented for independent community pharmacies to alleviate the extra financial pressures caused by the rise in NMW, NI, and medicine price volatility.

Section Three: Community pharmacy role in medicines optimisation

Pharmacists are experts in medicines and should be used more effectively to optimise their use, improving adherence, identifying overprescribing, preventing harm, admissions and waste.

The current system is not providing the support people need, for example in 2024 only 16% of people taking a potentially addictive medicine received a structured medication review through their general practice. This should be a never event²⁰.

A study by the NPA and the York Health Economics Consortium examined how community pharmacy can contribute to medicine optimisation and found that pharmacist interventions resulted in fewer hospital admissions and reduced follow-up time with clinical staff²¹.

Our York Report is based on the understanding that it is vitally important that medicines use is optimised through shared decision-making conversations to maximise benefit, reduce harm and minimise costs across all-levels of the health system.

The report found that community pharmacy-led medicines optimisation also reduced medication-related adverse outcomes, greater discontinuation of unnecessary medications,

¹⁹ NPA: Money's too tight to mention (April, 2025) – Access [here](#)

²⁰ NPA: Economic Analysis of Expanding the Role of Community Pharmacy Services in Medicines Optimisation (October 2025) – Access [here](#)

²¹ NPA: Economic Analysis of Expanding the Role of Community Pharmacy Services in Medicines Optimisation (October 2025) – Access [here](#)

and greater cost savings for the health system, with the NPA and York Economists modelling a potential £1.2bn of savings²².

We calculated other large-scale benefits, driving a further £2.7bn of value in health outcomes for the NHS. These include helping people stay healthier, avoiding unnecessary hospital admissions, which drives up secondary care spending, and saving money through deprescribing medicines that are no longer required²³.

Key findings and recommendations of our report include:

- The New Medicine Service already delivers £661m of savings to the NHS, and improvements in patient outcomes equivalent to 204,982 Quality Adjusted Life Years (QALYs)
- **Increasing the number of patients receiving the New Medicine Service (NMS) could deliver a further £371m of net savings and an additional 115,236 QALYs. Based on NICE's willingness to pay threshold, the QALY gains are valued at around £2.3bn**
- For every £1 spent on the New Medicine Service (NMS) in community pharmacy, there is a cost saving of £4.60 for the NHS and a health gain valued by NICE at £28.57. **This makes the total Return of Investment from the NMS £33 for every £1 spent by the NHS.**
- If all hospitals increase their referrals to the Discharge Medicines Service (DMS) to the highest level, it could result in a reduction in hospital admissions **saving almost 1 million hospital bed days**
- Introducing a new “10 or medicines” prescribing review in community pharmacy could result in **net savings for the NHS of £620m**
- **New community pharmacy services providing personalised asthma action plans and COPD disease education could deliver** hundreds of millions of pounds of savings and improve patient outcomes
- **Maximising the uptake of existing medicine optimisation services and introducing the new services reference in this report could save the NHS over £1bn and deliver better health outcomes valued at billions²⁴**

Our study found that all seven medicines optimisation interventions assessed in UK primary and community care are cost-saving. Services like the New Medicines Service (NMS) and Discharge Medicines Service (DMS) could deliver even greater savings if used more effectively. This could also help free up GP appointments and pressures on primary care (*The Front Door of the NHS*), in turn supporting the ambitions of the 10 Year Health Plan and patient health outcomes.

With more pharmacist Independent Prescribers coming into the workforce and upcoming legislative changes, such as greater pharmacist flexibility to substitute medication for different doses and formulations, community pharmacies well placed to meet this demand. However, the sector needs funding to move with care and ensure integration within the broad NHS health system with additional support and investment through a robust community pharmacy contractual framework and funding model.

²² NPA: Economic Analysis of Expanding the Role of Community Pharmacy Services in Medicines Optimisation (October 2025) – Access [here](#)

²³ NPA: Economic Analysis of Expanding the Role of Community Pharmacy Services in Medicines Optimisation (October 2025) – Access [here](#)

²⁴ NPA: Economic Analysis of Expanding the Role of Community Pharmacy Services in Medicines Optimisation (October 2025) – Access [here](#)

Section Four: Community Pharmacies as hubs for delivering the economy

As mentioned earlier in our representation, community pharmacy keeps the nation's workforce healthy and active.

The NPA has maintained our position since the publication of our report '*Heartbeats on the Highstreet*' which highlighted the 'social capital' of community pharmacies has a 'people-centred and place-based network embedded in local communities'²⁵.

The current sickness absence rate remains at 2%, with an average of 4.4 days lost per worker. The highest rates of sickness absence include women, older workers, part-time workers, and those with long-term health conditions²⁶

Minor illnesses accounted for 30% of all occurrences, which could be counteracted through extra funding to community pharmacy, Pharmacy First and the Minor Ailment Services, allowing workers to recover sooner and return to their jobs²⁷. Respiratory conditions accounted for 7.3% of sickness absence. This could be tackled through further funding and autonomy being given to allow community pharmacies more power to optimise asthma medicines.

Health inequalities remain stark nationwide. As highlighted earlier, in 2024, pharmacies provided 38 million appointments to those who could not secure a GP appointment. The RCGP has already found that GPs in deprived areas are responsible for an average of 2450 patients each¹. This is where community pharmacy can help support the government's ambitions in tackling late cancer diagnosis and inequalities.

Pilots and studies in deprived areas such as Liverpool have shown a strong preference for screening and treatment within the community. The current smoking rate in Liverpool is 17% above the national average (12%), with the local council describing smoking as a major cause of health inequalities in the region²⁸. A recent heart screening event in partnership with Pumping Marvellous and the University of Liverpool invited members of the public for heart failure and lung checks. Of the 1085 attendees, 27 patients underwent a spirometry test based on their screenings to assess their lung function.²⁹

This highlights the importance of community pharmacy in underserved areas and presents an opportunity for the government to collaborate with community pharmacies to provide accessible screening and health care within the community and close to home, in turn, keeping the nation's workforce fit and healthy.

The need for radical reform of the Community Pharmacy Contractual Framework

The underfunding of community pharmacy, leading to closures and a reduced pharmacy workforce, could have wider consequences for the health system.

For example, a 2022 report by Professor David Taylor of University College London and Dr Panos Kanavos from the London School of Economics and Political Science describes the threat of thousands of community pharmacy closures as an emergency that puts NHS services

²⁵ NPA and Respublica: Heartbeats on the Highstreet (2017) – Access [here](#)

²⁶ ONS: Sickness absence in the UK labour market: 2023 and 2024 (June 2025) – Access [here](#)

²⁷ ONS: Sickness absence in the UK labour market: 2023 and 2024 (June 2025) – Access [here](#)

²⁸ Professional Liverpool: EitC's Breathlessness Hub Detects 30 Potential Heart Failure Cases (August 2024) – Access [here](#)

²⁹ Professional Liverpool: EitC's Breathlessness Hub Detects 30 Potential Heart Failure Cases (August 2024) – Access [here](#)

at risk⁵. The report highlights that rising inflation, combined with years of static funding, increases the likelihood of widespread pharmacy closures if measures are not taken to safeguard the pharmacy network in England. The report warns that a dramatic drop in pharmacy numbers would disrupt NHS medicines supply, increase pressures on other primary care services, and hinder the community's development of extended clinical services. Such a collapse would also, inevitably, widen health inequalities³⁰.

The Community Pharmacy Contractual Framework consultation period between the Department of Health and Social Care and Community Pharmacy England is expected to resume this November. The current contractual status quo is becoming unsustainable for community pharmacy.

Within a fixed envelope community pharmacy has delivered more and more activity both in terms of dispensing and clinical services for less and less. There are more requirements in essential services and terms of service and huge increase in demand for self-care advice, sourcing medicines and short supply and acting upon ever growing numbers of MHRA Alerts.

Core funding for 2025/26 needs to be delivered equitably and not be dependent on the action of other health providers, which can pit GPs and community pharmacists against each other in terms of seeking funding. There is still a need for a clear roadmap to reform the way the sector is paid and to align this with other providers.

Our members want to see more radical reform to the contractual framework than was delivered earlier this year. Urgent action is needed on transformation and underpinning infrastructure is to deliver the ambition of the Ten Year Health Plan.

Consideration should be given to:

- **Reform of the community pharmacy contract** in parallel to that of the GP and dental contracts so they incentivise working together for better clinical outcomes for patients
- **Transformation & capital funding** – supporting journey to new neighbourhood model - investment in premises, robotics, hub and spoke, automation, robotics
- **Simplified block contract** to cover essential services, clinical governance, medicines shortages workload, regulatory burden.
- Volume of **self care** activity recognised in payment structure.
- **Year of care payment** /capitation payment for some patient groups (starting with those on complex medicines regimens).
- **Quality incentives** integrated with neighbourhood contracts.
- **Payment for outcomes** IP LTCs, aligned with GP contract.
- Review **actual distribution of medicines margin** and clawback and act on evidence.
- Practice **research and workforce development** – new care models pharmacogenomics etc.

³⁰ The Pharmaceutical Journal: Thousands of pharmacies at risk of closure without additional government funding, warns report (September 2022) – Access [here](#)

The National Pharmacy Association (NPA) would be happy to play its part in helping design a payment structure that is sustainable into the future for business and affordable to the NHS.