



THE VALUE OF COMMUNITY PHARMACY DISPENSING

2026

CONTENTS

| | |
|--|---|
| Foreword | 1 |
| Executive summary | 4 |
| Community pharmacy remains under pressure..... | 5 |
| Dispensing enables NHS transformation..... | 6 |
| The unseen value of dispensing..... | 7 |



Value of community pharmacy dispensing



Providing expert care



Access where it's most needed



Preventing harm



Saving taxpayers' money



EXECUTIVE SUMMARY

Medicines are the most common therapeutic intervention in healthcare. [1] The NHS in England prescribes 1.2bn medicines in primary care each year. Community pharmacy dispensing is therefore the cornerstone of accessible, safe, and equitable healthcare in England, yet it is under increasing strain.

There has been a 17% rise in prescription volume over the past decade. [2] Yet the Single Activity Fee has only increased by 21p between April 2017 and April 2025 [3], despite inflation rising by almost 35% over this period. [4] Additionally, workforce shortages persist, with more than 1 in 4 pharmacist roles vacant in some regions.

Dispensing is clinical, patient-focused care that underpins the NHS ambition to shift care into communities, prioritise prevention, and reduce reliance on hospitals.

Dispensing offers huge value to the NHS, the taxpayer, and the patient by:

- **Creating** regular patient contact to allow early interventions, opportunities for safeguarding, and personalised care.
- **Preventing 610,000 prescribing errors every year**, saving the NHS over £450 million every year and delivering nearly £550 million in societal value.
- **Ensuring access** to medicines, with over 90% of England's population within a 20-minute walk of a pharmacy.
- **Delivering over £750 million in annual taxpayer savings** through cost-effective procurement, ensuring the UK has some of the lowest-cost medicines globally.

Every dispensing encounter between pharmacy professionals and patients offers an opportunity to save lives, tackle health inequalities and reduce costs. Recent funding uplifts have helped reduce the deficit, but further investment is crucial to stabilise the sector and realise the NHS's vision for resilient, community-driven care.

To protect and improve the vital function of dispensing, the government must:

- 1 Secure the foundation:** Recognising the community pharmacy network as critical clinical infrastructure, and invest to ensure the long-term viability of the sector. The future of dispensing can only be secured through increased fees and retained margin.
- 2 Grow a skilled workforce:** Expand Independent Prescribing training and career pathways for pharmacists and technicians to strengthen clinical capacity. This will also attract more undergraduates into pharmacy professional roles.
- 3 Connect to protect:** Integrate real-time clinical data and digital tools to further enhance safety and coordination across care settings.



COMMUNITY PHARMACY REMAINS UNDER PRESSURE

Community pharmacy sits at the intersection of clinical care, accessibility to care, and medicines safety — but faces compounding pressures.

Funding uplifts have not kept pace with the significant growth in workload or inflationary cost pressures. **The number of prescription items dispensed has risen by 17% over the past decade** [2] now exceeding 1.15bn medicines a year in England alone. Increased workload brings increased costs, yet across the period from April 2017 to April 2025, **the Single Activity Fee rose by only 21p** [3] **despite inflation increasing by almost 35%**. [4]

Community pharmacies are being forced to pursue unrealistic efficiency savings to maintain essential services.

Around 85% of national pharmacy funding in England is directly tied to dispensing. Alongside huge increases in dispensing, pharmacies are being asked to deliver more clinical care, including contraception, blood pressure checks, same day urgent care, and independent prescribing.



These new roles provide greater clinical development opportunities for pharmacy professionals, and address access and capacity shortages within the NHS. They cannot, however, be used to cover the gap in funding for dispensing. Additional investment is urgently needed to support the government's desired change in practice and additional workload.

Pharmacy workforce shortages persist, with more than 1 in 4 pharmacist roles vacant in some regions. Despite increasing demand, the total size of **the full-time equivalent community pharmacy workforce decreased by 2% between 2017 and 2024**. [5] **Over the same period, the size of the NHS managed sector increased by over 28%**. [6] Without a stable foundation, pharmacies cannot remain operational or retain the workforce needed to meet the growing demand for dispensing and clinical care. It must also be recognised that a shortage of pharmacy professionals drives up the cost of the existing workforce, as providers compete to attract and retain staff. This only adds to the chronic underfunding of the sector.

DISPENSING ENABLES NHS TRANSFORMATION

The NHS remains one of the most significant pillars of our society, defined by its principle of being free at the point of access. A growing and aging population means there is an ever-increasing demand (and cost) to meeting health needs. Addressing these persistent challenges requires ongoing reform.

There have been several strategic reviews and plans from and for the NHS, that have been intended to address these pressures. This government's recent 10-Year "Fit for the Future" Health Plan outlines three core ambitions:

- to deliver more care in the community and reduce reliance on hospital-based services.
- to leverage technology for process efficiency and patient empowerment
- to shift the system's focus from treatment to prevention

Within this vision, community pharmacy is expected to transition from a focus on dispensing toward delivering more clinical care. However, the current funding model is at odds with this ambition and undervalues the essential role that dispensing plays in delivering NHS objectives.



In the *NHS Long Term Plan (2019)*, the ambition to promote prevention and personalised care was to be achieved through dispensing interactions that support adherence and condition monitoring for early intervention. The *Fuller Stocktake (2022)* sought to streamline access to care, which dispensing provides with timely access to prescribed medicines. In the latest *10 Year Health Plan for England (2025)* dispensing plays a pivotal role in prevention and community care. Through routine interactions, it creates the foundation for like Pharmacy First, hypertension checks, lifestyle support, and vaccinations to succeed.

THE UNSEEN VALUE OF COMMUNITY PHARMACY DISPENSING

Dispensing is underpinned by strong governance procedures ensuring safe and effective care. It creates a critical point of contact that supports patients, linking healthcare directly to the heart of communities. These qualities underpin its core values:

1. Providing expert care
2. Preventing harm
3. Ensuring access where it's most needed
4. Saving taxpayers' money

Providing expert care

All NHS-contracted community pharmacies provide dispensing services. These involve supplying medicines and medical appliances, giving patients advice on how to safely use their valuable medicines, and how to get the best outcomes from them, and for maintaining accurate records.

Dispensing over 1.15 billion items annually demands that pharmacy professionals deliver high-quality and efficient care. The safe and effective supply of medicines by pharmacies is regulated by the General Pharmaceutical Council (GPhC). Pharmacy professionals are required to meet core standards, underpinned by the following key themes.

Patients visit community pharmacies up to 12 times more frequently than their GPs. [7]

Relationships fostered through these repeated touchpoints provide insights into patient lived experiences. Moreover, these touchpoints can be used to identify ways to improve patient care and outcomes.



Image 1: GPhC Standards for Professionals

For instance, pharmacy teams can identify changes in patient behaviour or take action if a patient fails to collect their regular medications. Relationships built over time create an opportunity to identify, address or support underlying issues such as difficulty managing

complex regimens or compliance concerns. Where needed, pharmacy teams play a key role in safeguarding by escalating concerns about vulnerability or neglect with wider social care services.



“...regulated practice, structured training, and human connection makes dispensing a vital, person-centered service.”

The combination of regulated practice, structured training, and human connection makes dispensing a vital, person-centred service.

Medicine not taken offers no value at all to a patient or the NHS. Indeed, it is a waste of taxpayers' money. The expertise and accessibility of pharmacy teams also make them ideally placed to support patients to take their medicines. This might be as simple as clarifying instructions following a GP appointment or helping to establish a routine for compliance that suits their

individual needs. Pharmacy teams are well equipped in assessing the patient's needs - evaluating dexterity, visual impairment and understanding to create an action plan. As a result, pharmacies may supply physical aids, such as reminder charts or, if no other measures are appropriate, supplying medicines in monitored dosage systems.

This approach lays the groundwork to support the NHS in delivering greater person-centred care. By recognising societal values and cultural contexts, pharmacy teams help patients engage with their medicines more effectively - through actions such as:

- Providing **counselling** for new medicines such as clarifying dosages and timings.
- Demonstrating the **correct technique** when using devices (such as inhalers).
- Overcoming medicines shortages that impact supply to patients by **sourcing alternatives** or **liaising with prescribers** for suitable replacements.
- Sourcing medicines appropriate for **dietary and religious needs** (halal, kosher, vegan).
- Providing **safe disposal of unwanted medicines**.
- Checking **interactions** and appropriateness of over-the-counter medicines for safety.

This continuity of care is not built through one-off interventions, but through relationships fostered over time - traditionally through regular, face-to-face contact, but increasingly through newer, alternative models. The sector has transformed over the past decade to meet patient need, providing online/remote and home delivery services supporting those with limited access, complex lifestyles, or different preferences. Across all settings however, the quality, safety, and continuity of care remain uncompromised.

An elderly patient, living on their own and known to the pharmacy team as they enjoyed stopping for a chat after their weekly shop, recently had new medicines added to their regimen. This led to confusion about timings, and the patient admitted their eyesight was deteriorating.

The pharmacy team suggested increasing the label print for all medications, and the pharmacist counselled the patient on the purpose and correct timing of each medicine, reinforcing this on the larger labels. A note was added to the patient's medical record to ensure all future medicines would be dispensed with large print. The pharmacist also arranged a follow-up call a week later to check how the patient was managing, which the patient greatly appreciated. This tailored support helped empower them to maintain their independence, demonstrating how expert care is delivered through dispensing.

Preventing harm

Community pharmacies have a key role in maintaining patient safety and preventing harm.

Research has found that as many as 1 in 20 prescriptions, [8, 9] issued in general practice contain a prescribing error. These errors range from minor (incorrect dosage or missing instructions) to potentially more significant (an inappropriate medicine or dosage). The patient impact varies but each has the potential to cause harm.

With 1.15 billion items dispensed in 2025 there was **as many as 58 million prescriptions with errors** being sent to pharmacies. A core part of pharmacy’s role is identifying these errors and taking appropriate action.

Not all these prescriptions require action, but the impact is significant. Evidence [10] shows that **at least 610,000 prescribing errors were prevented last year.**

| Intervention | Estimated Cost/Avoided Cost |
|---|-----------------------------|
| Cost per pharmacist intervention (2015) | £5.57 |
| Cost of avoided GP appointment (2015) | £45.00 |
| Cost of avoided hospital admission (2015) | £1,565.00 |
| Total NHS savings (2015) | £466.1 million |
| Wider societal value (2015) | £542.4 million |

Table 1: Estimated Costs and Avoided Costs from Community Pharmacy Interventions
(The value of community pharmacy – 2016)

As well as preventing harm, identifying errors saves the NHS money. When an error is identified, every £1 spent on a pharmacist intervention, avoids £281 in hospital admission costs or £8 in relative GP costs. Research has shown that avoiding these incidents **prevented nearly £500 million in NHS costs in 2015 – equivalent to around £600 million in today’s prices.** [11]

Pharmacists constantly assess risks and potential errors, and this responsibility is not limited to when a prescription is presented. Sometimes harm can occur when there is no prescription for continued supply — for example, when a patient is without prescribed medication on a weekend while on holiday. In these situations, pharmacists use their clinical judgement to provide emergency supplies and maintain continuity of care, preventing harm.

In the future, with more pharmacists qualified as independent prescribers (IPs), they can be empowered to ‘fix the problems in front of them’ by making direct changes to prescriptions where appropriate. Independent prescribing should allow pharmacists to correct simple errors without needing to contact the GP – speeding up action for patients and reducing the burden on GPs, whilst also maintaining the highest standards of safety.

Pharmacy teams also take proactive patient care measures as a key part of dispensing. For example, pharmacy teams routinely support patients with high-risk medicines. They may check pregnancy prevention programmes when taking sodium valproate, or confirming up-to-date blood tests with Warfarin, Lithium or Methotrexate.



Despite financial pressures from underfunding, community pharmacy continues to demonstrate remarkable resilience and adaptability. Innovation is seen as a necessity, not a luxury. As workloads have increased and efficiency demands have intensified, technology-driven solutions have been embraced to reduce human errors in prescribing and supply. For example, pharmacy businesses are investing in hub-and-spoke

dispensing, automation and barcode verification processes that enhance safety, efficiency, and resilience. This reflects a strong commitment to progress while keeping patient safety at the core.

More innovation is needed to deliver future-ready dispensing services. Community pharmacy is ready to meet evolving patient needs with embracing advances like personalised medicines and pharmacogenomics. However, sustained funding support is essential to unlock this potential and enable even better care.

Access where it's most needed

Dispensing through community pharmacies is one of the most equitable and accessible healthcare interactions. Over 90% of people in England live within a 20-minute walk of a pharmacy, and pharmacies are twice as likely to be in areas of higher deprivation, [12] therefore ideally placed to help tackle health inequalities.

This is particularly important as the NHS transitions to digital-first services, an ambition in the 10 Year Health Plan. Digital innovations often increase access but may not be accessible to all. **Over 5 million UK adults (around 10%) have never used the internet, and 22% lack the essential digital skills needed for everyday tasks.** [13] Those excluded are often older, disabled, on low incomes, or from marginalised backgrounds

"Over 90% of people in England live within a 20-minute walk of a pharmacy"

The strength of the community pharmacy network comes from its diversity in format, scale and location. There are online providers (offering online support and national deliveries), small physical premises in health centres or on high streets, through to large 'out-of-town' locations often with extended opening hours.

This accessibility (often without appointment) is a crucial part of healthcare. Regardless, of whether patients are on holiday, without a fixed address, or away from their regular providers they can speak to registered healthcare professionals in any pharmacy. The support provided can range from simple advice in case of a missed medicine dose, to referrals for urgent welfare checks if there are safety concerns.

The walkable, local access of community pharmacies is crucial for those without transport or isolated areas. Community pharmacy provides accessible care in several different ways. Common examples include:

- Home delivery to those unable to attend in person,
- Extended hours
- Language and translation support for those with limited comprehension of English,
- Private and confidential access to medicines in shared or unsafe home environments,
- Signposting support, such as guidance on local services for wellbeing, lifestyle, and social care needs.



Dispensing in community-based pharmacies provides a critical, trusted touchpoint that provides patients with access to care. It helps reduce errors, improves compliance and outcomes, can address isolation, safeguard vulnerable individuals, and offers an alternative route for support in an increasingly digital NHS.

Saving taxpayers’ money

Community pharmacies are responsible for dispensing over 90% of all medicines in England. Pharmacies deliver exceptional value to taxpayers by buying (and dispensing) medicines on behalf of the NHS. Central to this is **the structure of the Drug Tariff**, which incentivises pharmacies to buy medicines at the lowest possible cost.

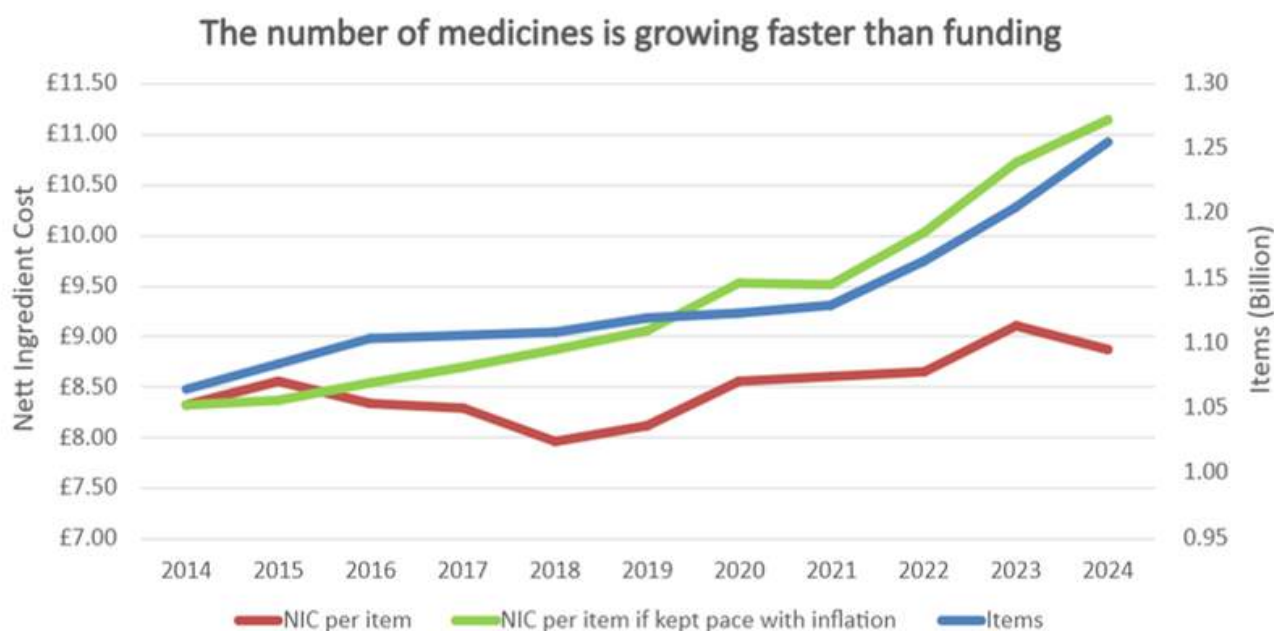
The Drug Tariff and retained margin system has historically accounted for over £750 million in annual savings to the NHS. [14] This is despite a notable rise in medicine expenditure, volume, and per-person usage from 2014 to 2024 [1] as seen in the table below.

| Metric | 2014 | 2024 | Change |
|---------------------------------------|--------------|--------------|--------|
| Total spend on medicines (£) | 8.9 billion | 11.1 billion | 25% |
| Volume of medicines | 1.06 billion | 1.25 billion | 17.90% |
| Average medicines per person per year | 18 | 21 | 3 |

Table 2: Growth in Medicines Use and Spending: 2014–2024 (NHSBSA)

Despite increased spending and medicine volumes, effective procurement by community pharmacies has constrained cost growth.

A key measure is understanding changes to Net Ingredient Cost (NIC). NIC is the average cost of a medicine as a proportion of the total spent on medicines. This is illustrated in the graph below.



In 2014, NIC was £8.32, rising to £8.86 per item in 2024 (a 6.4% increase). Inflation alone should have seen the NIC rise to £11.14. [15] This difference represents **a 27% real terms reduction in the cost of medicines.**

Pharmacies efficiently procure medicines, keeping costs down for the taxpayer, but **this system now urgently requires reform.**



Recent prices have reached such low levels that prices are no longer economically sustainable for global manufacturers nor are they viable for the longevity of pharmacy owners. A continued downwards pressure on prices is contributing to current medicines shortages.

Operating under sustained downtrends and rising inflation is simply not viable, as reflected in the 15% reduction (1,589 closures) of pharmacies over the past 10 years. [16]



“A continued downwards pressure on prices is contributing to current medicines shortages”

SUMMARY

Community pharmacy's role in clinical care is growing. But dispensing remains the core that sustains this, bringing expertise and delivering social and economic value for patients and the health system. Yet, is often seen as an operational task - counting tablets, labelling boxes, and handing out prescriptions.

It is central to the ambition of shifting care into communities, ensuring accessible care for those with the greatest need. To protect and strengthen this core function of pharmacy the government must:

Secure the foundation

- **Increase funding** for dispensing services in community pharmacies, recognising both increasing costs and volumes, and the growing complexity of providing high-quality care.
- **Review the prices the NHS pays** for medicines so the UK can compete effectively in a global market. This should also include an **increase to the retained margin** available to pharmacies.
- **Invest** in pharmacy to safeguard the access it offers patients.



Grow a skilled clinical workforce

- **Take advantage of new skills** (such as Independent Prescribing) to empower pharmacists to proactively resolve prescription errors. This will reduce harm, minimise impact on general practice workload, and promote system efficiency.
- Consider how **'flexibilities'** can be used to allow pharmacists to make minor changes to resolve challenges with medicine shortages.
- Rapidly **introduce changes to supervision**, allowing pharmacy technicians to oversee many of the functions of an effective dispensing process.



Connect to protect

- Provide pharmacists with **access to a single patient record**, supporting informed decisions - especially when identifying and resolving prescription errors. Changes or interventions should then be visible to other healthcare providers to ensure a complete record of care.
- **Make better use of pharmacy data** feeding pharmacy insights (such as non-adherence, advice provided, or potential overuse) into a single patient record.
- Investigate frameworks that would **facilitate the use of digital tools and AI** that support clinical assessment of dispensing.



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WHO WE ARE

COMPANY CHEMISTS' ASSOCIATION

Established in 1898, the CCA is the trade association for multiple pharmacy operators in England, Scotland and Wales. The CCA membership includes ASDA, Boots, Lincolnshire Co-op, Morrisons, Pharmacy2U, Rowlands Pharmacy, Superdrug, Tesco, and Well, who between them own and operate around 4,000 pharmacies across England, Scotland and Wales. CCA members deliver a broad range of healthcare and wellbeing services, from a variety of locations and settings, as well as dispensing 400 million NHS prescription items every year. The CCA represents the interests of its members and brings together their unique skills, knowledge, and scale for the benefit of community pharmacy, the NHS, patients and the public.



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