From: Keith Thompson, Head of Pharmacy and Medicines Management

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By email:
To Community Pharmacy Contractors

Email: Date: 28 September 2026

Dear Colleague

Funding Update 2025/26 & 2026/27

I would firstly like to thank you for your ongoing commitment and to acknowledge the vital and extensive work that you and your staff do each day to ensure patients and the public benefit from safe, convenient and timely access to care in the heart of their communities. We have heard the concerns raised by Community Pharmacy NI (CPNI) and community pharmacy contractors in regards to medicines funding and reimbursement arrangements. This letter sets out the funding interventions that have been approved by the Department of Health ('the Department') for 2026/27.

A budget for 2026/27 has not yet been set by the NI Executive, and therefore the budgetary position for the Department is not yet final. However, this letter outlines the indicative position for 2026/27 and may be subject to change following finalisation of the 2026/27 budget.

2025/26 Inflationary Award

An inflationary uplift of 4% was awarded in respect to the Global and Non-Global Sum budgets. This equates to £4.72m. Contractors received 10/12^{ths} of this funding in February 2026 which related to the period April 2025 to January 2026. The remaining 2/12^{ths} were paid in March and April 2026 respectively.

As this uplift was agreed subsequent to the issue of the opening funding allocation letter for 2025/26 it has been included in the table below for completeness.

2026/27 Funding Position

The following recurrent funding interventions have been approved by the Department for 2026/27:

1. Increase to the Guaranteed Minimum Margin Threshold - A commitment to increase the guaranteed minimum margin by £7.5m from £34m in 2025/26 to £41.5m in 2026/27, with the condition that there is maintained commitment to ensure the timeliness of the margin survey reporting.

This increase in the guaranteed minimum margin threshold represents a significant uplift of 22% on the 2025/26 threshold, and reflects the same percentage uplift as applied by the Department of Health and Social Care to the target retained margin in England as part of the funding settlement for FY2026/27. Importantly, the proposed increase to £41.5m provides a guaranteed minimum threshold, with any excess achieved above this level retained by the community pharmacy network rather than recouped.

2. Pharmacy Services funding of £0.844m - This funding will be used to contribute to service costs including recurrent Pharmacy First Sore Throat service and Palliative Care (including recently enhanced Palliative Care Network).

3. Increase to Practice Allowance of £0.506m – The Practice Allowance will be increased to reflect, and is contingent upon:

- Service development enablement, supporting community pharmacists to maintain the training requirements associated with the delivery of clinical services; and
- Community pharmacy engagement via CPNI to support the development and refinement of proposed clinical governance legislation and supporting guidance, which will enable the expansion of clinical services anticipated through the implementation of the Neighbourhood Model. The Department is currently analysing responses from the recent consultation ‘Changes to the Terms of Service for Chemists – Introduction of Clinical Governance and Violent Patient Provisions’ and any final proposals for legislative change remain subject to consideration as part of this process.

These allocations provide an increase to the opening position of 2025/26 of circa £13.57m and are being made in advance of budget settlements. Whilst I acknowledge that the sector advocated a higher level of funding, this increase in funding of 8% represents the Department's continuing commitment to continue to invest in community pharmacy services against a backdrop of extremely challenging financial constraints, at a time when many other parts of the HSC are facing real term cuts to funding levels.

Opening Position 2025/26	**£158.7m**
Global & Non-Global Sum uplift 2025/26	£4.72m
Increase to Margin Threshold	£7.5m
Services Funding	£0.844m
Increase to Practice Allowance	£0.506m
Total	**£172.27m**
Increase	**£13.57m**

Impact on Global and Non-Global Sum Fees 2026/27

From April 2026 Prescriptions (May Payment), the 2025/26 Global Sum uplift outlined above was applied to Global Sum fees following agreement with CPNI as follows:

- Ordinary Dispensing £1.51 per item
- Instalment Dispensing £1.40 per item
- Practice Allowance £27,267 per year (Notes 1 & 2)

Note 1: This amount applies to those pharmacies who dispense in excess of 1,300 items per month. A sliding scale is in place for pharmacies who dispense less than 1,300 items per month.

Note 2: This amount does not include the £0.506m increase to Practice Allowance which will be applied and processed in due course

SPPG is liaising with CPNI to consider the application of the 2025/26 Non-Global Sum uplift going forward.

Any further increase to Global Sum & Non-Global Sum Fees in respect to 2026/27 inflationary uplifts, including DDRB, will be considered when 2026/27 budgets have been determined and SPPG will liaise with CPNI in this regard.

Yours sincerely,



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SPPG