

Delivery plan and budget 2026/27

Delivering year 2 of the 2025–30 strategic plan



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Delivery plan and budget 2026/27: year 2 of the 2025–30 strategic plan

Purpose

This is the proposed 2026/27 delivery plan and budget, explaining how we will deliver Year 2 of the 2025–30 strategy. It summarises the key areas of delivery across our three strategic aims and provides a detailed budget breakdown.

The world we are operating in: delivery in 2026/27

Pharmacy practice is evolving rapidly. Pharmacist prescribing is expanding, pharmacy technicians are taking on broader responsibilities, and more services are being delivered through online pharmacies. These developments are improving access to care but also increase the scale and complexity of pharmacy regulation.

Demand across regulatory functions rose significantly during 2025–26 and is expected to continue in 2026/27. In response, our focus is on meeting increased demand while strengthening how regulation operates in practice. We will do this by reducing our backlog of investigations, increasing our capacity to make proportionate decisions, and improving the timeliness and performance of our fitness to practise function.

Key priorities in 2026/27

In 2026/27, we will focus on the areas where we need to strengthen delivery, improve performance and respond to emerging risks, by:

- publishing updated standards for superintendent pharmacists and strengthening guidance to support safe and effective practice, including for new registrants
- reviewing our regulatory approach to assuring education and training standards across pharmacy education and training.
- continuing to develop and refine our risk-based inspection model, building on improvements made last year in how we conduct and report on inspections
- improving the performance of our fitness to practise function by:
 - resolving our oldest investigations
 - removing unnecessary barriers to resolving cases in a proportionate and timely way
 - strengthening processes that demonstrate that we provide fair and proportionate case resolution as quickly as possible
- addressing priority gaps identified in the 2025–26 pharmacy business regulatory gaps review
- working with universities to take action on the MPharm awarding gap
- delivering targeted public campaigns to raise awareness of the safe use of pharmacy services, including online medicines
- improving IT systems and progressing the technology roadmap to support more efficient and effective regulation

- strengthening organisational capability and equality, diversity and inclusion, including through workforce data, development and inclusive leadership and driving forward agreed action from the Councils recent racism equity workshop

Budget

The proposed 2026/27 budget supports delivery of these priorities while maintaining core regulatory activity. It enables the organisation to meet rising demand across its statutory functions while investing in areas where performance and capability will have the greatest impact. The budget is based on current capacity and expected delivery within existing resources. It includes targeted investment and contingency funding, while recognising that some future pressures are not yet fully known.

Equality, diversity and inclusion

In 2026/27 we will strengthen equality, diversity and inclusion across regulatory decision-making, standards development and organisational practice. This includes ensuring regulatory processes operate fairly for all registrants, that standards and guidance support inclusive practice, and strengthening how we use data and insight to understand and monitor equality impacts.

Strategic aim 1

Empower pharmacists and pharmacy technicians to provide trusted, safe and effective pharmacy care

What is changing

Pharmacy professionals are taking on expanded clinical roles. Pharmacist prescribing is increasing, pharmacy technicians are taking on wider responsibilities, and more services are now delivered through digital and online pharmacy models.

What we will strengthen in 2026/27

We will strengthen regulatory standards, education routes and enforcement processes so these developments continue to support safe and effective patient care. This includes supporting new registrants to practise safely as prescribing responsibilities expand and improving the timeliness of our fitness to practise processes, so concerns are resolved more quickly and effectively.

Equality, diversity and inclusion

We will ensure our standards, education assurance and regulatory processes promote fairness across the pharmacy workforce.

Regulatory delivery in 2026/27

We will continue to deliver our statutory regulatory functions, by:

- maintaining the accreditation cycle for pharmacist, pharmacy technician and pharmacy support staff training courses
- delivering two Common Registration Assessment sittings for 5,000 trainee pharmacists.
- maintaining the statutory register of more than 65,000 pharmacists, 27,000 pharmacy technicians and 13,000 pharmacies
- maintaining and updating professional standards and guidance through a rolling review cycle, ensuring expectations support inclusive practice and address discrimination
- reviewing approximately 2,000 revalidation submissions
- providing advice, support and signposting, responding to around 26,000 calls and 26,000 emails each year.
- undertaking approximately 2,000 pharmacy inspections each year
- considering approximately 10,000 concerns and reaching a final resolution in approximately 500 cases

Targeted improvements in 2026/27

We will deliver targeted improvements to strengthen our regulatory approach, by:

- developing new education routes and standards, including for internationally trained pharmacists and publication of the Initial Education and Training Standards for Pharmacy Technicians (IETPT)
 - reviewing our regulatory approach to assuring education and training standards across pharmacy education and training
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- publishing new superintendent and responsible pharmacist standards and consulting on revised standards for pharmacy professionals and pharmacies, including to support safe prescribing practice from registration
- refreshing our Communication and Engagement Plan, including strengthening our work on equality, diversity and inclusion
- progressing registration modernisation through myGPhC, improving registration processes and strengthening premises data to support risk-based inspection
- continuing to develop and refine our risk-based inspection model, including how we target, conduct and report on inspections
- strengthening post-registration assurance through improvements to our revalidation model.
- increasing our case officer and hearing coordinator resource to progress more cases , more quickly.
- upskilling our experienced staff to support our internal decision writing capacity
- streamlining our statutory referral processes to remove blockages and reduce delay at each stage
- developing and piloting an alternative pharmacy complaints handling service to support earlier and proportionate resolution for appropriate fitness to practise concerns
- launching an annual survey of pharmacists and pharmacy technicians to strengthen insight.

How we will measure progress

The high-level strategic metrics and key performance indicators for this aim are set out below:

Strategic metrics

- All pharmacists and pharmacy technicians meeting revalidation requirements
- All registered pharmacies meeting all our standards on inspection

Key performance indicators

- Complete 2,000 pharmacy inspections
- Review 2.5% of revalidation submissions to assure ongoing competence
- Consider up to 10,000 concerns in an average of less than five weeks
- Reduce our open caseload to less than 1,000
- No more than 100 cases open over two years from receipt
- Resolve all cases older than four years from date of concern
- Most investigations completed within 40 weeks, Investigating Committee decisions within 50 weeks
- Increase the number of Fitness to Practise Committee hearings by 50%
- More than 85% of scheduled hearings proceed to conclusion at their first listing

Strategic aim 2

Protect patients and the public by working with other people and organisations

What is changing

Pharmacy regulation increasingly operates within a wider healthcare system involving multiple regulators, healthcare organisations and professional bodies.

What we will strengthen in 2026/27

We will strengthen collaboration, intelligence sharing and engagement with patients, the public and system partners to ensure emerging risks are identified and addressed early, including working with partners to identify and address regulatory gaps and ensure our powers are used to full effect.

Equality, diversity and inclusion

We will work with partners to better understand and address the awarding gap in pharmacy education and training, including through shared data, evidence-based action and ongoing monitoring.

Regulatory engagement and collaboration in 2026/27

We will continue to deliver our regulatory engagement and collaboration by:

- working with partner regulators and professional bodies to identify and address regulatory gaps
- engaging with UK and devolved governments, NHS partners, regulators and professional bodies across Great Britain, including organisations like the Medicines and Healthcare products Regulatory Agency
- engaging with patients, the public and the pharmacy sector to understand emerging risks and inform regulatory priorities
- providing regulatory advice and input to consultations, policy development and legislation affecting pharmacy practice

Targeted improvements in 2026/27

We will deliver targeted improvements to strengthen engagement and collaboration by:

- reviewing our use of regulatory powers to ensure they are used to full effect and address any regulatory gaps
 - addressing priority regulatory gaps identified in the 2025–26 pharmacy business regulatory gaps review
 - delivering targeted patient and public campaigns on online medicine safety and what to expect when using pharmacy services
 - strengthening horizon scanning and analysis of emerging issues in pharmacy practice.
 - convening an anti-racism roundtable bringing together relevant bodies with the aim of agreeing shared principles and actions
 - working with universities to implement evidence-based actions and introduce a monitoring framework to address the MPharm awarding gap
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How we will measure progress

The high-level strategic metrics and key performance indicators for this aim are set out below

Strategic metrics

- Number of PSA Standards of Good Regulation met
- Elimination of the MPharm degree awarding gap and the registration assessment attainment gap by 2030

Key performance indicators

- Maintaining 17 PSA Standards of Good Regulation in 26/27
- Effectiveness of collaboration with partner organisations on regulatory issues
- Use of stakeholder insight to inform regulatory priorities and decisions
- Awarding gap action plans in place across all universities and a monitoring framework agreed

Strategic aim 3

Build a skilled, agile and inclusive organisation to regulate effectively and efficiently

What is changing

Delivering effective regulation requires skilled people, strong governance and reliable technology and data.

What we will strengthen in 2026/27

We will strengthen organisational capability, technology and financial management to support effective and efficient regulation.

Equality, diversity and inclusion

We will strengthen equality, diversity and inclusion across the organisation, including through workforce data, pay gap reporting and inclusive leadership.

Organisational delivery in 2026/27

We will deliver core organisational services to support effective and efficient regulation, by:

- delivering people services, including wellbeing support and the staff survey
- delivering equality, diversity and inclusion activity, including organisational inclusion initiatives
- maintaining effective information governance, including data protection
- maintaining secure and reliable IT systems, including public-facing services and cyber security
- providing data, research and analysis to support regulatory insight and decision-making
- delivering financial planning and oversight, including budgeting, forecasting and reporting
- supporting delivery through planning and Project Management Office (PMO) oversight

Targeted improvements in 2026/27

We will deliver targeted improvements to strengthen organisational capability, technology and financial management, by:

- modernising people policies and embedding the new performance and development review framework
 - strengthening equality, diversity and inclusion through workforce pay gap reporting, Disability Confident accreditation, updated EDI training and development of the EDI Strategy 2027–32
 - delivering priority phases of the technology roadmap, including improvements to myGPhC and introducing paperless Direct Debit payments for registrants
 - reviewing IT architecture and applications to ensure the IT function is set-up to support effective delivery across the organisation
 - delivering the next phase of the data reporting project to strengthen use of regulatory data
 - piloting priority AI use cases to support regulatory insight and operational efficiency, including in revalidation, with governance in place to evaluate impact and inform future adoption
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- delivering the Finance Improvement Plan and fee strategy, including cost savings and strengthened financial insight and cost control

How we will measure progress

The high-level strategic metrics and key performance indicators for this aim are set out below.

Strategic metrics

- GPhC staff survey feedback demonstrating that our culture is in line with our values and with the ambitions set out in this strategic plan
- Delivering a balanced budget over the course of the five-year strategic plan and successfully implementing our cost efficiency plan

Key performance indicators

- Staff engagement score maintained or improved
- Reduce both gender and ethnicity pay gaps (%)
- Forecast year-end variance to budget within 2.5%
- Achieving cumulative £1.1m in cost savings
- Core regulatory systems availability maintained at $\geq 98\%$

Budget supporting delivery

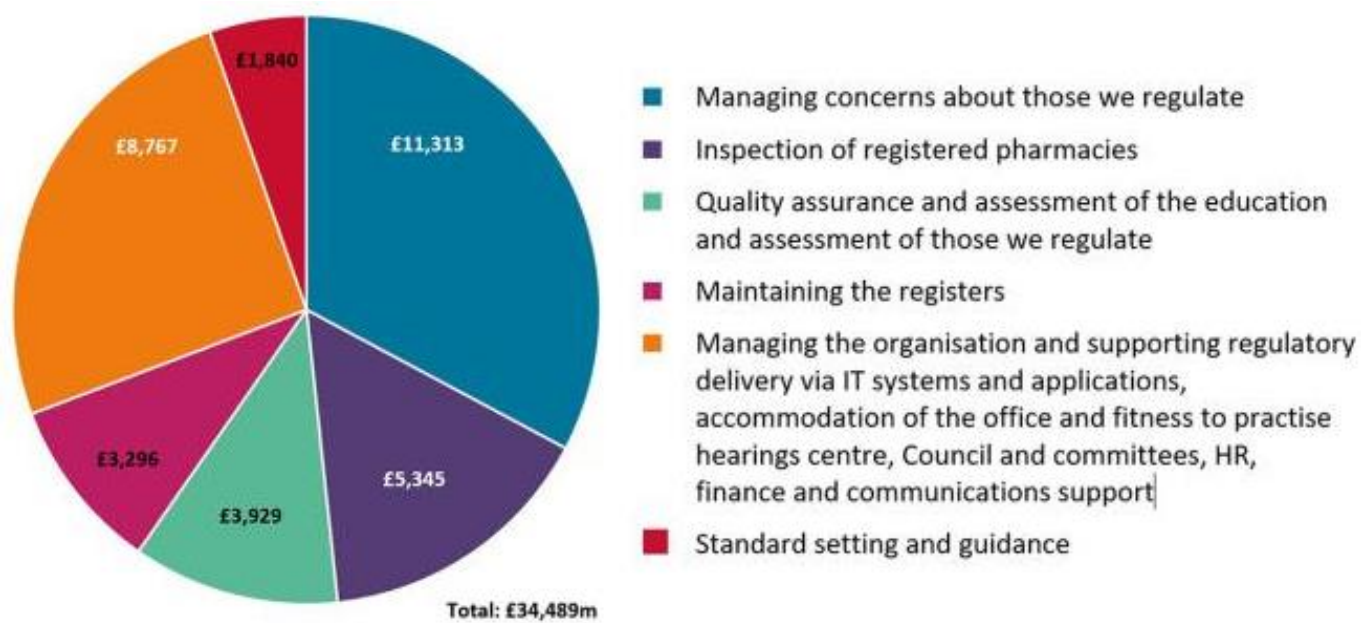
Delivering year 2 of our strategy requires maintaining core regulatory activity while investing in the systems, processes and capability needed for modern, effective regulation. The 2026/27 budget supports this by ensuring the organisation can continue to carry out its statutory regulatory functions effectively while investing in priority improvements identified in the delivery plan.

Most expenditure supports core regulatory activity. This includes managing the register of pharmacists, pharmacy technicians and pharmacies, inspecting pharmacy premises, investigating concerns and progressing fitness to practise cases. Alongside this, the budget includes targeted investment in areas identified in the delivery plan to strengthen regulatory processes, systems and organisational capability.

Our expenditure and what we do

The chart below shows how we will spend our £34.5m budget in 2026/27 across our regulatory activities.

Figure 1: Our expenditure and what we do- our 2026/27 budget (in £ million)



The largest areas of expenditure reflect the core work required to regulate pharmacy effectively. Most spending supports fitness to practise processes, pharmacy inspections, managing the register and assuring education and training.

Where we are investing to strengthen regulation

The 2026/27 budget reflects the increasing scale and complexity of pharmacy regulation and the growing demand for our regulatory work as pharmacists, pharmacy technicians and pharmacies take on wider roles and deliver more services across the healthcare system.

Expenditure is rising in areas directly linked to regulatory demand, including enforcement activity, inspection, regulatory hearings, registration and legal costs. The budget also includes investment in the concerns diversion service to support a more proportionate and efficient approach to managing lower-level concerns.

Investment also continues in technology, data and organisational capability to support modern, efficient regulation. Alongside this, we will continue to improve efficiency and value for money through our cost improvement programme.

Budget 2026/27

Executive summary

The 2026/27 budget supports the delivery of the priorities set out in the delivery plan while maintaining financial resilience in a fast-changing regulatory and healthcare environment. It reflects the transition into the second year of the 2025–30 strategy.

Overall financial position

The proposed budget expects income of around £33.2m and expenditure of around £34.5m, resulting in an operating deficit of £0.6m after interest and tax in 2026/27. While short-term deficits can be managed, sustained operating deficits are not sustainable over the medium term and would lead to a gradual erosion of reserves.

Financial strategy

Demand for regulatory activity has grown significantly as pharmacists, pharmacy technicians and pharmacies take on wider roles and deliver new services. This has increased both the volume and complexity of the work required to regulate the sector effectively.

Subject to Council decision at the March Council meeting, a proposed 6% fee increase has been incorporated in the budget effective from September 2026 to address the immediate deficit created by these pressures. Without this adjustment, the deficit for 2026/27 would rise to £1.0m, with continued deficits projected across the remainder of the planning period. The increase forms part of a wider financial strategy in which future rises are expected to be more modest, based on normalised inflation assumed around 2.5% per year. Under this approach, the financial position is expected to stabilise, with small surpluses emerging and reserves gradually returning to the target range. This provides a more secure financial footing overall, although it limits flexibility to deliver additional commitments over the longer term.

Cost improvement plan

Alongside the fee strategy, the organisation continues to pursue efficiencies through the cost improvement plan. Following more than £700k of structural savings delivered in 2025/26, a further £400k savings target has been set for 2026/27. Ongoing work to optimise resourcing, streamline processes and improve value for money remains essential for maintaining financial sustainability.

Reserves, risks and emerging pressures

Reserves remain stable and within the adjusted policy range. However, without the agreed fee increases, reserves would come under increasing pressure as deficits persist. Some delivery plan initiatives are still being developed and not yet fully costed. The budget therefore includes provision for contingency and anticipated investment, while delivery will need to be managed within available resources if costs increase or demand is higher than anticipated.

1. Context

The proposed 2026/27 budget has been developed alongside the delivery plan to support delivery of the organisation's strategic priorities while maintaining core regulatory activity. It reflects the second year of the 2025–30 Strategy and includes a planned operating deficit of £0.6m, which is an improvement on earlier projections and shows early progress from the financial strategy.

The pharmacy and healthcare landscape continues to evolve rapidly, with new services, technological change and rising regulatory expectations increasing demand for regulatory work. At the same time, inflationary pressures and wider economic conditions continue to influence the organisation's cost base. The budget therefore focuses on strengthening regulatory capacity, managing costs and maintaining financial sustainability while delivering the strategy.

2. Budget summary

Table 1 shows the projected financial position under the current fee structure. A full breakdown of the budget is provided in Annex A.1.

Table 1. Budget projection summary

	2025/26 Forecast £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m	2029/30 Forecast £m
Income	30.9	33.2	35.5	37.3	38.9
Expenditure	31.3	34.5	35.4	36.7	38.1
Interest and tax	0.8	0.7	0.7	0.7	0.7
Operating surplus/(deficit)	0.4	(0.6)	0.8	1.3	1.5

Under these assumptions, the organisation would expect to return an operating deficit of £0.6m in 2026/27, compared with the £0.4m expected surplus position for 2025/26. While short-term deficits can be managed, sustained operating deficits are not financially sustainable over the medium term and would lead to a gradual erosion of reserves.

Assuming the 2026 increase is agreed, Income is expected to increase by £2.3m in 2026/27. This reflects the remaining impact of the 2025 fee increase, which is recognised in 2026/27 due to the timing of the fee increase and payments, the initial impact of the 2026 increase, alongside continued growth in registrant numbers, particularly for individual registrants.

Expenditure is expected to increase to £34.5m 2026/27, with a rise in employee costs due to more of the establishment roles being filled, professional services around key deliverables such as the registration assessment, increased associates' costs with the growing amount of regulatory activity and the continuation of the planned investment in enforcement activity to reduce the aged caseload.

3. Income and fees

Annual income for 2026/27 is expected to reach £33.2m, an increase of £2.3m (7.4%) compared with 2025/26. This reflects the timing of recent fee increase and anticipated growth in registrant numbers.

These trends will continue to be monitored to ensure forecasts remain robust.

Table 2: Income forecast

Income type 26/27	Amount (£000s)
Pharmacist income	21,184
Pharmacies income	5,857
Pharmacy technician income	4,111
Pre-registration income	1,589
Accreditation income	338
Other income	141
Total income	33,220

Table 3: Year on year (YoY) growth (in percent)

Fee group/growth (%)	22/23	23/24	24/25	25/26*	26/27*	27/28*	28/29*
Pharmacists	2.5%	2.7%	2.1%	2.2%	2.4%	2.8%	2.4%
Pharmacy technicians	1.5%	2.9%	3.3%	3.1%	3.0%	3.0%	3.0%
Pharmacy premises	(0.3%)	(3.7%)	(0.7%)	0.4%	0.0%	0.0%	0.0%
Total	1.9%	1.9%	2.1%	2.2%	2.3%	2.5%	2.3%

***Projected growth**

We anticipate a small £0.1m increase in income from chargeable accreditation events with continuation of events around support staff and university courses.

The second year of the planned 6% fee increase, to be applied from September 2026, is subject to Council approval and is assumed in developing this budget. Fees must be set at a level that enables the organisation to deliver its regulatory duties effectively and meet its statutory obligations for public and patient safety.

4. Expenditure

Expenditure for 2026/27 is budgeted at £34.5m (see Annex A.3 for a detailed breakdown). The vast majority of this spend is committed to the delivery and support of core regulatory functions, and the remainder is directed toward change and improvement activities that enable us to modernise, strengthen capability and respond to emerging demands.

Key areas where we anticipate changes in expenditure are set out below.

4.1 Employee costs

The budgeted headcount establishment is expected to increase by around 4% in 2026/27, reflecting the reorganisation of key functions and the development and transition of skills needed to support delivery.

This growth is accompanied by a continual review of roles to ensure alignment with the cost improvement plan and to maximise the effectiveness of existing capacity.

The increase in establishment headcount is intended to strengthen organisational resilience, enabling core delivery duties to be maintained at a time of rising regulatory demand and increasing complexity in the external environment.

Table 4: Headcount comparison

Measure	Forecast 2025/26	Budget 2026/27
Establishment headcount	318	331
Average headcount	294	323
Income	£30.9m	£33.2m
Expenditure	£31.3m	£33.5m
Surplus/deficit (after interest and tax)	£0.4m	(£0.6m)
Employee costs	£19.5m	£20.8m
Employee Costs as % of annual expenditure	62%	60%

As part of our budget setting, we include a vacancy-saving provision to reflect that roles will not be filled at all times. Following the changes implemented in 2025/26 and the progress made across key workstreams, we have seen more active and timely filling of roles. For 2026/27, we have therefore set a 2.5% vacancy provision, recognising the improved recruitment position while still allowing for a realistic level of turnover. This provision also reflects the need to manage periods of sickness and other forms of leave within existing resources.

For 2026/27, the budget includes an assumption of 2.5% provision for pay and reward changes, subject to agreement by the People and Culture Committee.

4.2 Enforcement activity

We are now in the second year of the two-year cost plan designed to expand our resources and strengthen our processes to reduce the aged caseload and manage the increasing complexity of new cases.

Much of the foundational work began in 2025/26, and due to the phasing of this programme, a significantly higher volume of activity is expected in 2026/27. The focus is on improving the timeliness and consistency of fitness to practise decision-making, progressing concerns and reducing the number of older cases. Delivering these improvements requires targeted investment in enforcement capacity and supporting functions.

£0.3m is also being invested in developing and piloting an alternative pharmacy complaint handling service to manage the rapidly expanding number of complaints received by the organisation at a much earlier stage and allowing resources to focus on key regulatory activities. Legal costs are expected to increase by £0.2m in 2026/27 due to the higher volume and the need for additional external advocacy to progress complex matters.

4.3 Committee and associate costs

Costs are expected to increase by £0.2m in 2026/27, reflecting a higher number of hearing days as we continue to progress older cases and manage a growing volume of complex matters. This requires additional committee and associate capacity to support hearings, case management and related regulatory processes.

Costs will also increase by £0.1m due to a higher volume of accreditation activity planned for 2026/27, aligned with university cycles and the continued development of accreditation activity for support staff courses.

4.4 Registration assessment

There has been a £0.3m increase in the cost of facilitating the registration assessment. A new contract was tendered during the year, reflecting the delayed impact of inflationary increases. This is combined with the growing number of candidates expected to sit the assessment and the need to accommodate a higher volume of adjustments.

4.5 Professional services

Professional services cover the cost of external expertise and specialist support the organisation requires. This includes things like consultancy for non-recurring or project-specific work, audit and assurance activity, and professional subscriptions such as legal services.

As outlined in the strategic plan, new areas of work will also begin during the year, including development of an alternative pharmacy complaints handling service, planned audits, further work on understanding differential attainment in the registration assessment.

4.6 IT costs

A small rise in IT costs £0.1m is expected, as this area remains particularly exposed to supplier price increases and higher licensing and development support requirements linked to system changes. However, IT expenditure is a key focus of the 2026/27 cost improvement plan, and we anticipate that savings will be identified as part of this work.

The IT roadmap for the coming year includes several major programmes of work. These include transitioning to a new network supplier, upgrading network infrastructure, strengthening cyber security and data protection measures, and improving digital services such as MyGPhC and online payments. Investment will also continue in the organisation's data and reporting capabilities and the transition to a modern CRM platform.

4.7 Other costs

The remaining categories show minimal variance when compared with the 2025/26 expected forecast position. However, this does not reflect the significant work undertaken to avoid cost increases and to manage higher volumes within existing expenditure envelopes.

4.8 Depreciation

Depreciation costs are also expected to increase by £0.5m. This reflects a shift after several years of limited capital investment, with new systems and infrastructure now moving into delivery and becoming operational. Cost is expected to substantially increase over the coming years as we complete projects aligned to the IT roadmap.

Table 5: Cost impact of the existing and proposed capital projects

Capital project	Cost £000's	To FY2026 £000's	2026/27 £000's	2027/28 £000's	2028/29 £000's
Tangible fixed assets (currently being depreciated)	6,387	4,681	621	544	541
Development projects (currently being depreciated)	535	267	191	47	30

Projects as per IT roadmap	3,764	4	620	1,339	1,802
Total depreciation			1,433	1,929	2,373

5. Cost improvement plan (CIP)

Reducing costs remains a key element of the GPhC financial strategy. As part of the 2025–30 financial strategy, a minimum savings target of £1.5m was set across the plan period. In the first year of the plan, over £700k in structural efficiencies were identified, exceeding the annual target of £400k. These permanent reductions were achieved through a review of roles and headcount managed through natural turnover, renegotiation of contracts to improve value for money, and process improvements that created greater efficiency across the organisation.

For 2026/27, a further savings target of £400k has been set. With many opportunities already realised and regulatory demand continuing to grow, identifying additional structural savings is becoming increasingly challenging. Progress against the cost improvement plan will continue to be monitored by the Finance and Planning Committee.

6. Reserves, cash and investments

6.1 Reserves

Our reserves policy is to maintain a level of general reserves equivalent to 4–6 months of operating expenditure. By the end of 2025/26, we expect reserves to be around 4.6 months of operating expenditure (see Annex A.4 for further detail).

Reserves are a key measure of our financial sustainability and provide essential protection against a range of risks and challenges. They enable us to:

- fund future spending needs, including capital investment aligned to our IT and infrastructure plans
- respond flexibly and at pace to opportunities, challenges or emerging initiatives
- manage working capital to support business continuity
- absorb unexpected events that may increase expenditure or reduce income, including timing delays in the recognition of fee changes

The reserves strategy includes a temporary lowering of the minimum reserves level to no lower than two months at any point, with an average target of three months while we work to eliminate deficits and strengthen financial stability.

With the implementation of the financial strategy, reserves are expected to remain within the adjusted policy range over the plan and return to just above the minimum required level by 2029/30.

The baseline financial projection showed sustained deficits and full depletion of reserves over the medium term. However, by progressing the initial phases of the financial strategy, we have reduced the scale of the deficits and strengthened the reserves position, placing us on a more stable footing. This improvement is positive but not sufficient on its own; continued delivery of the next phases of the strategy will be essential to ensure our financial resilience in a period of fast-paced sector growth and rising demand.

6.2 Cash and investments

With the application of the 2025 fee increase the cash balance is expected to increase over the 2026/27 financial year in comparison to the prior year. This in turn will also see a direct increase deferred income liability. The balance will reduce over the year due to the phasing of receipts against spending; however,

the pattern will remain consistent with previous trends. The GPhC expects to maintain an appropriate level of cash and the balance is not expected to fall below £19m. (please see Annex A.5).

The GPhC started a £15m investment portfolio over five years comprised of corporate bonds, sovereign bonds, and equities through our investment partner. The objective being to maximise the effectiveness of funding over the longer term. The fixed portion of the investment has provided stable returns to date; however, the value of the market investments has been less predictable but has seen a fair performance recently after the initial peaks and lows.

To date we have recognised a net gain on the investment of £1.4m, due to the limited nature of this income. This amount has been assigned to a designated reserve and has been allocated to fund one off improvement projects which include the development of the data lake to maximise our data insights work and to help manage the operational aspects of the change in worker status for associates.

Entering into the 2025-2030, the aim is to reduce down the balance of the investment fund to £10m to further diversify our capital at a time of decreasing interest rates and volatile capital market. This will be a phased approach as the bonds mature.

The net impact of any changes will be reflected in the GPhC's year-end financial position and are managed through the GPhC reserves. The performance will be closely monitored and subject to review via the finance and planning committee. Any extremes will be proactively managed.

7. Assumptions, risks and uncertainties

The budget has been developed using a set of key assumptions about activity levels, income and cost, including delivery within current capacity, fee income and provision for contingency and anticipated investment.

It is also subject to a number of risks and uncertainties, particularly in the context of rising demand, cost pressures and wider changes across the pharmacy and healthcare landscape. The key assumptions and risks are set out below

Table 6 - Summary of the key underlying assumptions for the 2026/27 budget

State	Assumption
Included	Planned work can be completed with current capacity
Included	6% Fee increase from September 2026
Included	2.5% pay provision
Included	2.5% vacancy saving
Included	Provisional fee increases at 2.5% for September 2027-2029
Included	300k in general contingency including investment following education and IT application reviews
Included	£250k contingency for unforeseen events
Included	£400k in structural cost reduction target
Not Included	Funding for any developments that might be needed in business regulation
Not Included	New CEO in post and may require funding for initiatives they want to take forward
Not Included	Further/faster growth in regulatory activity

Table 7 - Risk and opportunities

Risks and opportunities	Likelihood	Impact	Total risk
Unexpected increases in volume of operational activities such as in fitness to practice	4	4	High
Unplanned or unexpected activities driving increased costs including restructure activities	3	4	High
Reserves maintaining appropriate level of reserves	2	4	Medium
Inflation leading to increased costs being passed on from suppliers	4	3	High
Delays to capital projects: reducing risk for the current year by pushing costs further down the line to a different period (though it could be more expensive to complete if costs go up)	4	2	Medium
Wider government decisions on healthcare may generate cost risk	3	4	High
Responding to wider pharmacy issues (Pharmacy ownership, weight management etc)	4	4	High
Investment: unpredictable and volatile market leading to lower returns	4	3	High

These assumptions and risks will be actively monitored and managed throughout the year.

Vanessa Clarke, Principal Finance Officer
General Pharmaceutical Council

A1. Income and expenditure

	2025/26 Budget £000's	2025/26 Reforecast 3 £000's	2026/2027 Budget £000's	2027/2028 Projection £000's	2028/2029 Projection £000's	2026/27 Variance £000's	2026/27 Variance %
Income							
Pharmacist income	19,296	19,806	21,184	22,899	24,178	1,379	7.0%
Premises income	5,449	5,588	5,857	6,161	6,327	269	4.8%
Pharmacy technician income	3,756	3,846	4,111	4,416	4,738	265	6.9%
Pre-registration income	1,209	1,312	1,589	1,665	1,706	276	21.0%
Other income	483	373	479	389	353	106	28.6%
Total income	30,192	30,925	33,220	35,531	37,303	2,295	7.4%
Expenditure							
Total employee costs: Payroll	19,599	19,538	20,813	21,236	21,761	(1,275)	(6.5%)
Total employee costs: Other	942	953	836	934	814	116	12.2%
Total employee costs	20,541	20,491	21,649	22,170	22,576	(1,158)	(5.7%)
Total committee and associate costs	2,824	2,595	3,091	2,909	2,811	(495)	(19.1%)
Total professional services	1,159	893	1,429	1,379	1,394	(536)	(60.0%)
Registration assessment facilitation	957	880	1,181	1,181	1,181	(302)	(34.3%)
Total legal costs	1,312	836	1,026	976	976	(190)	(22.8%)
Total IT costs	2,288	2,215	2,320	2,417	2,520	(105)	(4.7%)
Total event costs	119	58	107	111	112	(49)	(85.4%)
Total office costs	134	123	91	93	95	32	25.8%
Total property cost	408	383	385	410	415	(1)	(0.4%)
Total building cost	1,521	1,380	1,455	1,481	1,508	(74)	(5.4%)
Total financial cost	210	192	180	204	198	12	6.4%
Total depreciation	1,115	956	1,433	1,929	2,373	(478)	(50.0%)
Total other costs	62	40	32	33	34	7	18.2%
PSA levy costs	255	255	261	270	278	(5)	(2.1%)
Efficiency savings	393	-	(400)	(400)	-	400	-
Contingency			250	250	250	(250)	-
Total expenditure	33,298	31,296	34,489	35,414	36,721	(2,943)	(9.4%)
Interest and tax	875	778	720	720	720	(58)	(7.4%)
Net operating surplus/(deficit) after interest and tax	(2,231)	406	(550)	837	1,301	(956)	(235.3%)
Change in market value on investments	-	-	-	-	-		
Surplus / deficit for the period	(2,231)	406	(550)	837	1,301		

Average registrant numbers					
Pharmacist	66,680	67,205	68,827	70,762	72,435
Premises	13,207	13,268	13,268	13,268	13,268
Pharmacy technicians	27,682	27,774	28,610	29,472	30,359

A2. Income breakdown

	2025/26 Budget £000's	2025/26 Reforecast £000's	2026/27 Budget £000's	2026/27 Variance £000's	2026/27 Variance %
Pharmacist Income					
Practising Registrant Fees	18,267	18,507	19,873	1,366	7.4%
Application & Upgrade Fees	349	368	387	19	5.2%
Independent Prescriber Fees	259	305	316	11	3.5%
Registrant Administration Fee	45	46	48	2	3.5%
Scrutiny Fee - Pharmacist	-	-	-		
Pharmacist Restoration Fee	84	96	104	8	8.7%
Adjudicating Committee Fee	291	483	456	(27)	(5.6%)
Total Pharmacist Income	19,296	19,806	21,184	1,379	7.0%
Premises Income					
Premises Retention Fee	5,177	5,297	5,562	265	5.0%
Premises Registration Fee	169	213	213	0	0.0%
Premises Administration Fee	61	55	61	6	11.0%
Premises Restoration Fee	39	25	21	(4)	(15.7%)
Premises Internet Logo Fee	3	- 2	-	2	(100.0%)
Total Premises Income	5,449	5,588	5,857	269	4.8%
Pharmacy Technician Income					
Practising Pharmacy Technician	178	232	216	(17)	(7.1%)
Application Fees	3,548	3,588	3,862	275	7.7%
Scrutiny Fee Technician	-	-	-		
Pharmacy Technician Restoration Fee	30	26	33	6	24.0%
Total Technician Income	3,756	3,846	4,111	265	6.9%
Pre-Registration Income					
Pre-Registration Training Fee	425	484	520	37	7.6%
Pre-Registration Exam Fee	784	828	1,068	240	28.9%
Total Pre-Registration Income	1,209	1,312	1,589	276	21.0%
Total Fee Income	29,709	30,552	32,740	2,188	7.2%
Other Income					
Room Hire Income	-	-	-		
Data Subscription Income	36	34	36	2	6.8%
Prison Visits	14	18	16	(2)	(11.6%)
Accreditation Income	382	223	338	115	51.6%
Grants					
Other Income	50	98	89	(9)	(9.1%)
Total Other Income	483	373	479	106	28.6%
Total Income	30,192	30,925	33,220	2,295	7.4%

A3. Expenditure by department

	2025/26 Budget £000's	2025/26 Reforecast 3 £000's	2026/27 Budget £000's	2026/27 Variance £000's	2026/27 Variance %
Governance	466	452	353	(98)	(21.8%)
Chief Executive & Registrar Executive Lead	1,071	1,092	1,084	(8)	(0.7%)
Council	383	549	380	(170)	(30.9%)
Chief Executive Officer	<u>1,921</u>	<u>2,093</u>	<u>1,817</u>	<u>(276)</u>	<u>(13.2%)</u>
Professionals Regulation	2,370	2,311	3,060	749	32.4%
Hearings Management & Committee Costs	2,125	2,161	2,419	258	11.9%
Initial Assessment	1,253	966	1,114	147	15.3%
Professional Regulation Team Legal	1,402	1,309	1,466	157	12.0%
Chief Enforcement Officer Executive Lead	999	677	1,185	508	75.1%
Chief Enforcement Officer	<u>8,150</u>	<u>7,424</u>	<u>9,244</u>	<u>1,820</u>	<u>24.5%</u>
Associates & Partners	287	329	332	2	0.7%
Application Development & Support	943	902	1,114	212	23.5%
Associate COF -Technology Department Head	147	320	389	69	21.6%
Infrastructure Development	847	820	1,092	272	33.2%
IT Service Delivery	1,882	1,834	1,849	15	0.8%
Facilities	2,618	2,452	2,493	42	1.7%
Business Planning	631	596	507	(89)	(14.9%)
Human Resources	1,629	1,834	1,625	(209)	(11.4%)
Chief Operating Officer Executive Lead	199	198	204	6	2.8%
Registration and Customer Services	2,205	1,865	2,111	246	13.2%
Assurance and Information Governance	390	311	370	59	18.9%
Finance and Procurement	1,411	1,379	1,401	22	1.6%
Chief Operating Officer	<u>13,190</u>	<u>12,841</u>	<u>13,487</u>	<u>646</u>	<u>5.0%</u>
Clinical Advisors & Inspectors	413	382	396	13	3.5%
Data and Research	749	565	649	85	15.0%
Inspection	3,667	3,494	3,617	124	3.5%
Chief Pharmacy Officer Executive Lead	377	329	440	110	33.5%
Chief Pharmacy Officer	<u>5,206</u>	<u>4,770</u>	<u>5,102</u>	<u>332</u>	<u>7.0%</u>
Chief Standards Officer Executive Lead	417	446	531	86	19.2%
Communications	990	891	1,061	170	19.1%
Policy and Standards	405	309	341	32	10.3%
Quality Assurance of Registration Exam	1,971	1,753	2,158	405	23.1%
Education Policy	277	275	288	13	4.6%
Quality Assurance of Accreditation	812	628	868	240	38.3%
Chief Standards Officer	<u>4,872</u>	<u>4,301</u>	<u>5,246</u>	<u>945</u>	<u>22.0%</u>
Efficiency savings	(40)	(133)	(407)	(274)	206.1%
Total Expenditure	<u>33,298</u>	<u>31,296</u>	<u>34,489</u>	<u>3,193</u>	<u>10.2%</u>

A4. Balance sheet

	Actual		Projected			
	Mar-24 £000's	Mar-25 £000's	Mar-26 £000's	Mar-27 £000's	Mar-28 £000's	Mar-29 £000's
Fixed assets						
Tangible assets	6,073	5,459	4,681	4,788	4,177	3,570
Intangible assets	432	370	311	1,634	1,804	1,371
Fixed assets	6,505	5,829	4,992	6,422	5,981	4,941
Investments	16,897	15,018	15,495	15,495	15,495	15,495
	23,402	20,847	20,488	21,918	21,476	20,437
Current assets						
Debtors	2,476	3,024	2,814	2,814	2,814	2,814
Bank and cash	16,146	18,150	20,013	17,837	18,919	21,064
	18,622	21,174	22,827	20,651	21,733	23,877
Creditors: amounts falling due within one year	(18,592)	(20,480)	(20,736)	(20,736)	(20,736)	(20,736)
Net current assets	30	694	2,091	(85)	997	3,142
Total assets less current liabilities	23,432	21,541	22,579	21,832	22,473	23,578
Creditors: amounts falling due after more than one year	(1,908)	(1,734)	(1,685)	(1,488)	(1,292)	(1,096)
Provision for liabilities	(393)	(234)	(161)	(161)	(161)	(161)
Total net assets	21,131	19,573	20,733	20,184	21,020	22,322
Funds employed						
Accumulated surplus						
-General Reserve	11,129	13,744	11,961	9,981	11,259	13,600
-Designated Reserve	2,000	2,000	2,000	2,000	2,000	2,000
-Accommodation (net)			477	477	477	477
-Investment	1,497	1,800	1,303	1,303	1,303	1,303
-Fixed Asset Reserve	6,505	5,829	4,992	6,422	5,981	4,941
Total funds employed	21,131	19,573	20,733	20,184	21,020	22,322
Monthly Operating Expenditure	2,407	2,558	2,608	2,874	2,951	3,060
Months of operating	4.6	5.4	4.6	3.5	3.8	4.4
Expenditure	28,888	30,700	31,296	34,489	35,414	36,721

A5. Cash balance

Figure 2: 2026/27 projected cash balance v 2025/26 (£m) (Excludes investment with Goldman Sachs)

