Public business

Performance Monitoring

Purpose
To report to the Council on operational performance to end-February 2011.

Recommendation

The Council is asked:

i. to comment on and note the report.

1.0 Introduction

1.1. Council will note that the format of this report differs slightly from the template agreed by the Council in October. Rather than focusing only on data tables, we have presented the data graphically, supported by commentary and figures. We hope that this will give the Council the data needed, but also provide a visual depiction of the rate of receipts and closure of cases, together with the decision-maker (Registrar, Investigating Committee (IC) or Fitness to Practise Committee (FtPC)). The data shown is current as at the end of February 2011.

2.0 Operational performance to end-February 2011

Registration

The Register

2.1. At the end of February the Register was made up of:

- 43635 pharmacists
- 11079 pharmacy technicians
- 13556 pharmacy premises.
2.2. This compared with 43541 pharmacists, 10215 pharmacy technicians, and 13504 pharmacy premises at the end of January, as depicted in Figure 1.

Figure 1

2.3. As depicted in Figure 2, the Register is made up of 63.9% pharmacists, 16.2% pharmacy technicians and 19.9% premises.

Figure 2

Pharmacy technicians

2.4. The processing of all RPSGB legacy applications was completed by mid February. There are still a large number of applications requiring further information, evaluation of underpinning knowledge or requiring good character or health assessments where we are awaiting further information from applicants. In total these equate to 547 applications at the end of February. The breakdown, together with outstanding GPhC applications is shown in Figure 3.
2.5. The volume of GPhC applications received has significantly increased in the lead up to the expiry of the grandparenting arrangements at the end of June 2011. Expected volumes have been estimated to reach the anticipated total figure of 16000. Based upon our experiences in September 2010 we expect the vast bulk to be received at the last minute. The applications received at the end of February, with estimated volumes through to June 2011, are shown in Figure 4.

2.6. We expect to receive around 1000 additional pharmacy technician applications under the new mandatory registration arrangements following completion of training in June and July which will need to be processed immediately as these technicians will require to be registered to practise.

Figure 3

![Pharmacy Technician Applications](image)

Figure 4

![GPhC PharmTech Applications Received](image)
2.7. As indicated in the last report, the estimated bulk of transitional technician applications, with new technician applications will coincide with the influx of newly qualified pharmacists applying for registration and, the first renewals of registration under the rolling register and, from August, the start of the main cycle of the 2012 renewals exercise.

2.8. Following completion of a comprehensive analysis and appraisal of our options for the short and medium term, including looking at the feasibility, costs and risks of outsourcing some or all of the applications process to an external provider, and due to the current constraints on the further development of our main operating system Concept, we have concluded that the functions will remain in-house and are finalising a capacity plan covering all processing operations within Regulatory Services to determine resources needed to meet the combination of challenging demands. An update on this will be made to Council in the operational report in June.

Rolling register

2.9. The technical specifications for the rolling register have been agreed and are on track for delivery in June 2011. We will need to issue the first renewal notices under the rolling register in mid-June 2011.

Contact centre

2.10. Work continued throughout February on the development of the contact centre, which went live on Monday 14 March 2011.

Fitness to Practise

2.11. We are beginning to see the results of the enormous efforts put into ensuring the accuracy of data held across the fitness to practise (FtP) function. The graphs and data tables presented below attempt to show the movement of cases across the respective parts of the FtP process.

2.12. Figure 5 shows the overall caseload at the end of February 2011. There were 600 open cases. On average, since the GPhC became operational, we have received around 66 complaints per month. Between September 2010 and February 2011, we closed 384 cases, equating to an average of 64 cases per month. Although this represents a significant achievement, it does mean that we are not yet ‘breaking even’ in closing at least as many cases each month as we open, with the result that the total caseload has increased by eleven since September 2010.
2.13. There are a number of factors that have contributed to this. For example, overly complicated processes, with a lack of end-to-end visibility have enabled cases to become ‘stuck’ in the system. We are making significant efforts to drive those cases through to closure. Proper application of the just disposal policy (discussed as a separate item on the Council’s agenda) has also enabled us to take proportionate action in a number of cases.

2.14. Although, averaging out the last five months, we have been able to close as many cases as we have received, given the large legacy caseload, it is apparent that resources were inadequate and/or inadequately managed. We now have better control of this and through careful forecasting and resource planning will be much better placed to identify future resource requirements. However, to ensure that we bring the work in progress down to a more acceptable level, we are likely to need to increase capacity on a temporary basis.
2.15. Figures 6 and 7 show, respectively, the breakdown of legacy and GPhC cases. Council members will note that in September 2010, there were 589 legacy cases, which had reduced to 365 cases by the end of February 2011. All post-Investigating Committee (IC) cases have now been reviewed under the just disposal policy, and attention is now focused on pre-IC cases.

2.16. The volume of GPhC cases has grown to 235 at the end of February 2011. This is not surprising, in view of the time needed to investigate information to determine whether there is evidence of impairment of FtP. However, we need to begin to see a real increase in cases closed or referred to IC as investigations are completed.

Figure 6

Combined Legacy Case Load

<table>
<thead>
<tr>
<th></th>
<th>Sep-10</th>
<th>Oct-10</th>
<th>Nov-10</th>
<th>Dec-10</th>
<th>Jan-11</th>
<th>Feb-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cases brought forward from previous month</td>
<td>589</td>
<td>544</td>
<td>516</td>
<td>469</td>
<td>422</td>
<td>393</td>
</tr>
<tr>
<td>Total cases closed in month</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closed by FIP C</td>
<td>45</td>
<td>28</td>
<td>47</td>
<td>47</td>
<td>29</td>
<td>28</td>
</tr>
<tr>
<td>Closed by IC</td>
<td>5</td>
<td>1</td>
<td>6</td>
<td>0</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Pre IC - closed - outside jurisdiction</td>
<td>7</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Pre IC - closed under legacy criteria</td>
<td>0</td>
<td>7</td>
<td>11</td>
<td>20</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Pre IC - closed before referral</td>
<td>33</td>
<td>18</td>
<td>21</td>
<td>19</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Total open cases carried forward to next month</td>
<td>544</td>
<td>516</td>
<td>469</td>
<td>422</td>
<td>393</td>
<td>365</td>
</tr>
</tbody>
</table>

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1 Some cases closed in September 2010 were closed prior to the transfer of regulatory responsibility on 27 September – it was not possible to provide exact data for that month.
2.17. Figures 8 and 9 show respectively, the age profile of legacy and GPhC complaints. These are split into three categories: pre-IC, at IC (ie. waiting for IC meeting) and post-IC. Of the latter category, the numbers of cases (totalling 29) scheduled for final hearing are shown on the curved line. Council will share management concern that as many as 93 cases date back to at least 2008. Managers across the FtP function have met to discuss those cases and will focus increased effort and scrutiny on their progress to closure.

2.18. The data shown in Figure 9 is currently unremarkable, but we would expect to see increasing numbers of cases progressing to closure or IC over the next three months.
Next steps

2.19. As indicated at the last Council meeting, during April, we will develop a forecast and capacity plan. From this we will develop a model showing the resources needed to progress all legacy cases to closure by, at latest, the end of 2012 while simultaneously progressing GPhC cases to closure in line with quality, timeliness and cost objectives.
**Management Accounts**

**Operating surplus/(deficit)**

2.20. The operating result to the end of February is a surplus of £2.1m a favourable variance of £944K to that forecast.

2.21. This variance arises as a result of Income being £589K higher than forecast and expenditure being £355K lower than forecast.

**Income**

2.22. Income to the end of February is £9.1m vs a forecast of £8.5m, a favourable variance of £589K.

2.23. Income from pharmacists was £205K higher than forecast, primarily because of the higher number of new applications to the register and the fees for restoration to the register from those who did not renew by the required date. There were also a higher number of pharmacists (236 over budget) remaining on the register than anticipated.

2.24. Premises income is £171K favourable to forecast due to an additional 516 premises than forecast being registered while an additional 234 new premises registered for the first time creating a £151K favourable variance.

2.25. Pharmacy technician income was £250K higher than forecast as a result of processing 3,134 new applications inherited as part of the backlog at the time of transfer of regulatory responsibility to the GPhC. At the time of the forecast it had been anticipated that these applications would have been received later in 2011. Thus an additional £159K of application fees and £27K of registration fees were recognised in the period.

2.26. DH [Grant Income](#) is £70K higher than forecast. Grant income is recognised as costs are incurred but not forecast as the net effect in any period is nil. The accounting for the grant income from the DH is being wound down with only a small amount of costs for the development of education standards and research into the future development of revalidation to be incurred over the coming months. Matching grant income is held to offset these costs when they are incurred.

2.27. Other income is £39K higher than forecast. Of this, £74K arose from the awarding of legal costs following challenges to decisions of the Fitness to Practise Committee, £5K from the continuation of the Scottish drug testing which had been anticipated to finish in December but continued to March 2011.
This is slightly offset by lower income from the recovery of costs from accreditation visits (£43K) which is anticipated will now take place later in the year.

**Expenditure**

2.28. Total expenditure for the year was lower than forecast by £355K (Actual £6.0m vs forecast of £7.4m).

2.29. Of the net variance of £364K, £139K arose from lower employee related costs due to there being 22 fewer Committee days than expected (panel members are paid through the payroll and therefore recognised as employee costs though their relationship with the GPhC is not that of employee and employer) and savings in recruitment costs (£20K) in the Governance team. A further £170K arose from lower professional fees as fewer cases are being referred to external panel firms than were anticipated, also to date there have been no fees incurred in relation to legal cases at the High Court due to the GPhC winning the cases as mentioned above in other income.

2.30. As we finalise the accounting for the DH grants, certain costs relating to the development of Concept and promotional materials relating to the transfer of regulatory responsibilities have been recognised which have not been matched to grant income, thus resulting in a variance of £290K from forecast for the year to date. In future years such costs will be recognised within the appropriate directorate accounts.

**Balance Sheet**

2.31. The balance sheet shows total fixed assets of £35K which is made up of PCs and works carried out on the building.

2.32. Current assets of £22m are mainly comprised of monies held in bank accounts (£21m), other debtors (£669K) and accrued income (£225K). ‘Other debtors’ relates to those registrants who pay by quarterly direct debits and represents the two outstanding payments due later in the year.

2.33. Current liabilities of £20m are primarily made up of deferred income (£18m) which relates to monies received in relation to fee income and the working capital grants provided by the DH and accruals of £1.7m in respect of provisions made for rent, rates and outsourced services, this will reduce in March as the lease has now been signed and the majority of outstanding payments will be made in March.
Headcount

2.34. Total headcount at the end of February was 130 vs a forecast of 130. There are 6 new employees (all of whom are on short term contracts and) working in the Contact Centre within the Director of Regulatory Services team who were not originally forecast. Registration’s headcount is also 4 higher than forecast due to a high number of fixed term contractors who were originally recruited to help with the renewal process and are now helping to clear the backlog of pharmacy technicians’ applications. This has been offset by the delayed recruitment of staff within the Policy & Communications area (actual headcount of 13 vs 18 forecast) and various other teams having lower staff than originally estimated including the Inspectorate and Case Manager teams.
Expenditure Analysis

Income Analysis
3.0 **Equality and diversity implications**

3.1. The Council needs to have a full understanding of the make-up of its Register and applicants for registration, by gender, age, ethnicity etc. From this, the Council will want to monitor whether any group is disproportionately represented in, for example, refusal to register and if appropriate, any underlying reasons for this.

3.2. Similarly, the Council will want to know more about the extent to which the proportions of registrants with specific characteristics are in line with the proportions of registrants with those characteristics who experience FtP procedures. However, the performance report is not the appropriate mechanism for such reports, this will be included in the Annual Report.

4.0 **Communications implications**

4.1. For the purposes of transparency and openness, this report is publicly available.

4.2. During this period of increased number of pharmacy technician applications, we need to ensure that we communicate effectively with the public and other stakeholders about how we plan to deal with these challenges.

5.0 **Resources implications**

5.1. As indicated in the report, the forecast and capacity plan will be developed during April. This will set out the resources needed to progress all legacy FtP cases to closure by, at the latest, the end of 2012.

6.0 **Risk implications**

6.1. The lack of robust management information surrounding the fitness to practice legacy caseload continues to carry risks around data quality.

**Recommendation**

The Council is asked:

i. to comment on and note the report

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24 March 2011
Appendix A

For Registration, Fitness to Practise and Financial statements please see attached spreadsheets.