

Council meeting 12 April 2012

04.12/C/08

Public business

Performance Monitoring

Purpose

To report to the Council on operational and financial performance to the end of February 2012.

Recommendations

The Council is asked to comment on and note:

- i. **performance across the customer services and fitness to practise functions;**
- ii. **the Board of Assessors' report on the September 2011 registration examination;**
- iii. **financial performance to the end of February 2012; and**
- iv. **closure of the 2011/12 business plan.**

1.0 Customer Services Team

1.1 Registrations

- a. As at the end of February 2012, the register was made up of:
 - 45,401 pharmacists
 - 20,703 pharmacy technicians
 - 13,842 registered pharmacies

1.2 Transitional (grandparented) pharmacy technician applications

- a. All of the outstanding pharmacy technician applications have been processed. However, at the end of February 2012, 471 applications were outstanding as follows:
 - 120 applications still awaiting outstanding documents. These have all been chased and will be closed if the documentation is not provided within the time specified in the reminder letter.
 - 160 applications are with external evaluators, and a further 170 applications require further information following the initial validation or external evaluation process.
 - 21 applications have outstanding fitness to practice declarations that require further investigation.
- b. We are now focused on processing applications through validation or evaluation by the end of May 2012.

1.3 Renewals

- a. Throughout January and February we continued to receive applications for restoration from registrants who were removed from the register for failure to renew during the peak 31 December 2011 renewal cycle (cycle 12B). As a result the following numbers were restored to the register:

Pharmacists:

Removed 01/01/12 – 1037

Restored – 340

Pharmacy technicians:

Removed – 158

Restored – 34

- b. We continue to remove and in some cases, restore small numbers of registrants at each renewal cycle. We have not removed any registered

- pharmacies.
- c. Renewal cycles on the rolling register are now open between March and July 2012.
 - d. CPD records are now being called at the higher figure of 1000 every two weeks, to ensure that we complete the 'call' part of the exercise in May as originally planned.
 - e. Key metrics for February are:
 - 1798 records requested (+ 800 requested in January).
 - 432 records reviewed.
 - 74 incomplete records notifications sent and 23 extension requests received.
 - 224 feedback forms sent.
 - 10,920 registrants made at least one CPD entry in the month using CPD Online.
 - f. We are now developing the process for administrative removal of Registrants who fail to submit or submit unsatisfactory CPD records, including the 30 cases referred into this process from the ftp process (referred to in section 2).
 - g. Progress on the June sitting of the registration examination appears as a separate agenda item. The board of assessors report on the September 2011 sitting of the examination is presented to the council at Appendix 3.

2.0 **Balanced scorecard – customer services**

- 2.1 The basic balanced scorecard approach considers three elements: cost, timeliness and quality.
- 2.2 We continue to meet current service standards for timeliness in straightforward cases. We do not currently have generic standards for dealing with more complex cases, largely because in virtually all of those cases further information is required from the applicant/registrant before progress can be made.
- 2.3 Our operating expenditure is within the re-forecast budget and the structure of the customer services team is now complete. As reported in the financial section of this paper, income from registrants exceeds forecast, largely due to the unexpected numbers of applications for restoration to the Register.
- 2.4 Now that the full management team is in place, we can begin to progress planned work to introduce formal internal quality assurance on a systematic basis in relation to the key regulatory functions. In the meantime, quality assurance is carried out through system-generated exception reports, regular one to one meetings, and random-sampling by managers. (Independent internal audit already provides information and assurance to management and, on

behalf of Council, to the Audit and Risk Committee.)

2.5 In addition, in February we received 11 complaints, almost entirely about the registration and renewals processes. We also received 5 compliments about our work, mostly in relation to the helpful approach taken by staff in the customer contact centre.

2.6 We continue to review this feedback for learning points at monthly directorate and team management meetings.

3.0 **Fitness to Practise**

3.1 **Figure 1** (Appendix 1) shows the overall caseload at February 2012, while **Figures 2 and 3** show the breakdown respectively of legacy and GPhC cases.

3.2 Headlines:

- a. There were 74 open legacy cases. (12.6% of the original total).
- b. There were 332 open GPhC cases, which is the lowest number of open cases since October 2011. This can be compared against the total receipt of 1157 cases since 27 September 2010 (71% of all GPhC cases have been disposed of).
- c. We closed 121 cases against a monthly average of 71 cases.
- d. We received 73 cases against a monthly average of 68 cases.
- e. 35 legacy cases had been scheduled or were being scheduled for hearing by the Fitness to Practise committee.
- f. There are 12 interim order cases.
- g. We have 87 cases that are older than 15 months, 74 of which are legacy cases.
- h. 3.9% of GPhC cases are older than 15 months.

3.3 The reduction in the overall caseload is due to procedural changes around how we deal with CPD cases, which accounted for 47 cases closed this month.

3.4 There was also a larger than usual number of cases closed because they fell out of jurisdiction, which accounted for 37 of the total number of closures, comparable to a monthly average of 22 cases.

3.5 A new case-handling process has been developed, the main aim of which is to streamline our approach, with better identification of routine and more complex complaints – and changing the way we deal with each. The process is currently being trialled in a small number of cases, which are being reviewed in order to make final refinements before full roll out of the new process on 1st May 2012.

4.0 **Balanced scorecard (fitness to practise)**

4.1 The basic balanced scorecard approach considers three key elements, resources, timeliness, and quality.

4.2 Timeliness:

- a. We are not achieving our target of disposing of cases within 12 – 15 months of receipt. However, the number of cases going over this target is decreasing. There are currently 119 cases over 12 months old, 74 of these are legacy cases. A number of operational changes, including enhancements to our database and the introduction of weekly monitoring of cases, mean we are now able to track cases more effectively at each stage of the process. Fortnightly case progressions meetings have also been introduced, to identify and resolve difficult issues and complex cases.
- b. We are on track to dispose of the majority of legacy cases by September 2012. As previously reported a small number of cases for which we are dependent on third parties in order to make progress are likely to go beyond this target date, although the numbers likely to fall outside of this deadline continues to decrease.
- c. A number of new performance measures are being developed in order to allow for better monitoring of cases at relevant stages, from receipt to case sign off. In addition to improving how we monitor cases we are also developing a range of indicators that will help inform us in terms of the effectiveness of our policies and achievement of key outcomes around fairness and proportionality.

4.3 Quality:

- a. We continue to operate a range of quality measures around ftp cases as previously reported.
- b. We are currently developing a range of quality measures to effectively monitor the quality of cases from point of receipt right through to primary hearing stage. These measures will include quality assurance around data entry, timeliness, quality of analysis and judgements, as well as efficiency of processes. It is our intention to introduce these measures in line with the introduction of our new ftp process.
- c. Our internal ftp hearings review group has identified a number of learning points for staff and committees. We have also received learning points from CHRE in regard to the hearings process and leniency of outcomes.
- d. To address these issues, we are working with the Chair of the

Appointments Committee on processes for offering appropriate feedback. We are also working with her to review the processes for appointing, performance management, identification of development needs, and training and development of committee members.

- e. We have reviewed staff training needs across the ftp function and are now rolling out a training programme.

4.4 Resources:

- a. We continue to forecast the volume of cases progressing through each stage of the ftp process, and our analysis indicates that we have the capacity to absorb some increase in our caseload. Recently we have re-modelled our analysis tool to better reflect current trends in terms of incoming work and closure rates.
- b. We will continue to review resource capacity requirements and recast the budget forecast, set out more fully in the report on financial performance at section 5.

5.0 Management Accounts – see Appendix 2

5.1 Operating surplus/deficit before interest and tax

- a. The operating result to the end of February is a surplus of £7.2m a favourable variance of £1m to forecast.
- b. This variance arises as a result of Income being £652K higher than forecast and expenditure being £331K lower than forecast. **Figure 1** (Appendix 2).

5.2 Income

- a. Income to the end of February was £652K higher than forecast (Actual £19.5m vs forecast £18.9m). **Figure 2** (Appendix 2).
- b. **Grant income** of £367K has been recognised in the period which was not forecast due to income matching the relevant expenditure. The income has been matched against the following projects:- IT Outsourcing, Website, Organisational Development and Accommodation.
- c. **Pharmacist income** was £101K higher than forecast, this in the main is due to restoration fees payable by those pharmacists who were taken off the register which we did not forecast.
- d. **Premises income** was £71K higher than forecast, which is mainly due to there being more premises on the register than forecast and also more applications to the register than forecast.
- e. **Pharmacy Technician** income was £87K higher than forecast, this is due to restoration fees payable by those pharmacy technicians who were

taken off the register, scrutiny fees and applications to the adjudicating committee being higher than were forecast.

- f. **Figure 3** (Appendix 2) illustrates how income has been derived.

5.3 Expenditure

- a. Total operational expenditure for the year was lower than forecast by £331K (Actual £12.4m vs forecast of £12.8m).
- b. Expenditure of £367K has been incurred in the year that was not forecast as explained earlier within Grant Income, this in turn means that total expenditure was actually £699K lower than forecast year to date.
- c. Marketing costs are £148K under spent year to date, this is mainly due to forecasting 4 pieces of guidance to be sent at a cost of £100K, the cost was actually £30K saving £70K. £28K was forecast for a benchmarking survey and a focus group for testing premises guidance, however both of these projects will now take place in the next financial year. £8K was forecast for new templates for the registered premises consultation, this work will be carried out in March. Finally the costs of Regulate year to date are £10K lower than forecast due to negotiating a better price with the printers.
- d. There are various positions that we had forecast to be in place by now however have started later than we anticipated, didn't start until February 2012 or have yet to be recruited, this has resulted in savings of £164K compared to forecast.
- e. Due to the delay in calling for CPD records savings of £127K have been realised within Regulatory Services, we did start calling for records at the end of January, however costs have yet to be incurred due to the bulk of the costs being charged once the calls are received by invigilators.
- f. Professional fees in relation to Fitness to Practise cases are £100K lower than forecast, this is due to the number of cases with external panel firms being lower than forecast as we have managed to deal with the cases internally.
- g. The contingency forecast located in the Chief Executive & Registrar's directorate has not been utilised over the last quarter saving £100K.
- h. Charges for payments made via credit and debit cards are £46K below forecast, this is due to charges from Worldpay and Streamline not being as high in the year as was expected, a total forecast of £158K has been set for the year which is broadly in line with last year however only £117K has been utilised to date, additional charges will be incurred however these will be minimal. The reason for this under spend is due to the number of registrants paying by credit card being lower than expected and this is presumably due to the 2% recovery that we are now charging for the use of credit cards.

- i. **Figure 4** (Appendix 2) shows the breakdown of each directorate costs compared to the total costs of the GPhC in percentage terms.

5.4 Balance Sheet

- a. The balance sheet shows total fixed assets of £151K which is made up of works carried out to the buildings (both 129 Lambeth Road and 3 Albert Embankment), new office furniture and computer equipment.
- b. Current assets of £30m are mainly comprised of monies held in bank accounts (£27m), other debtors which relate to payments on account for the SLA of £1.6m and quarterly direct debits of £521K , prepayments (£202K) and accrued income (£90K).
- c. Current liabilities of £20m are primarily made up of deferred income (£17m) which relates to monies received in relation to fee income and the working capital grants provided by the DH and accruals of £2.7m in respect of provisions made for outsourced services and other expenses awaiting invoices.

6.0 Equality & diversity implications

- 6.1 This report deals only with operational performance and therefore, in itself, has no equality and diversity implications. Any changes to policy or procedures flowing out of performance issues would need to be equality impact assessed.

7.0 Communications implications

- 7.1 The development and publication of this report is reflective of our commitment to openness and transparency concerning our performance. We have undertaken, and will continue to develop, specific communications on each of the areas of reported performance. This includes information on our website, wider communications through the media and direct through our own publications and communications materials. These activities are designed to reach all our key interest groups including patients and their representatives, pharmacy professionals and their employees, education providers and others.

8.0 Resource implications

- 8.1 Resource implications are addressed within the report.

9.0 Risk implications

- 9.1 Failure to maintain an accurate register, and/or deal with FtP issues efficiently and effectively could have implications on patient safety, and have a significant

impact on the reputation of the GPhC.

- 9.2 Failure to accurately forecast / budget for revenues and expenditure could lead to inappropriate or inconsistent fee policies which could have an adverse impact on the GPhC's reputation.

Recommendations

The Council is asked to comment on and note:

- i. performance across the customer services and fitness to practise functions;**
- ii. the Board of Assessors' report on the September 2011 registration examination;**
- iii. financial performance to the end of February 2012; and**
- iv. closure of the 2011/12 business plan.**

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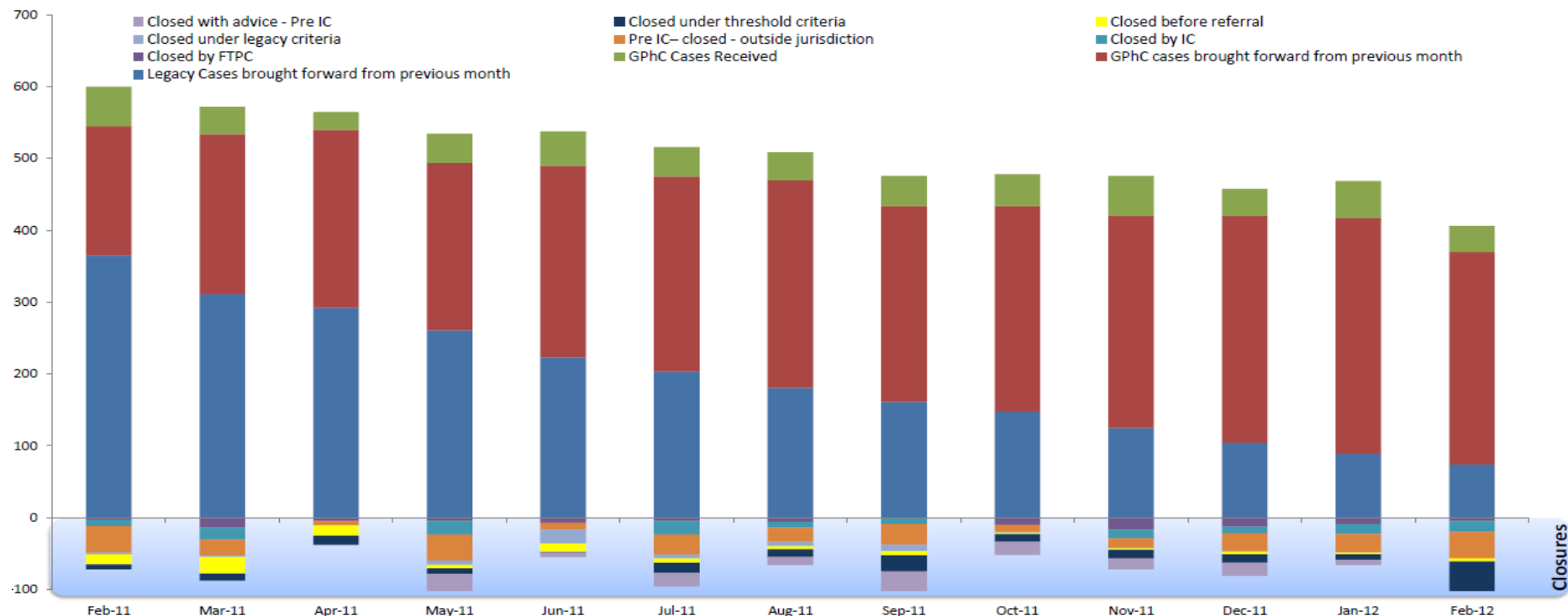
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28 March 2012

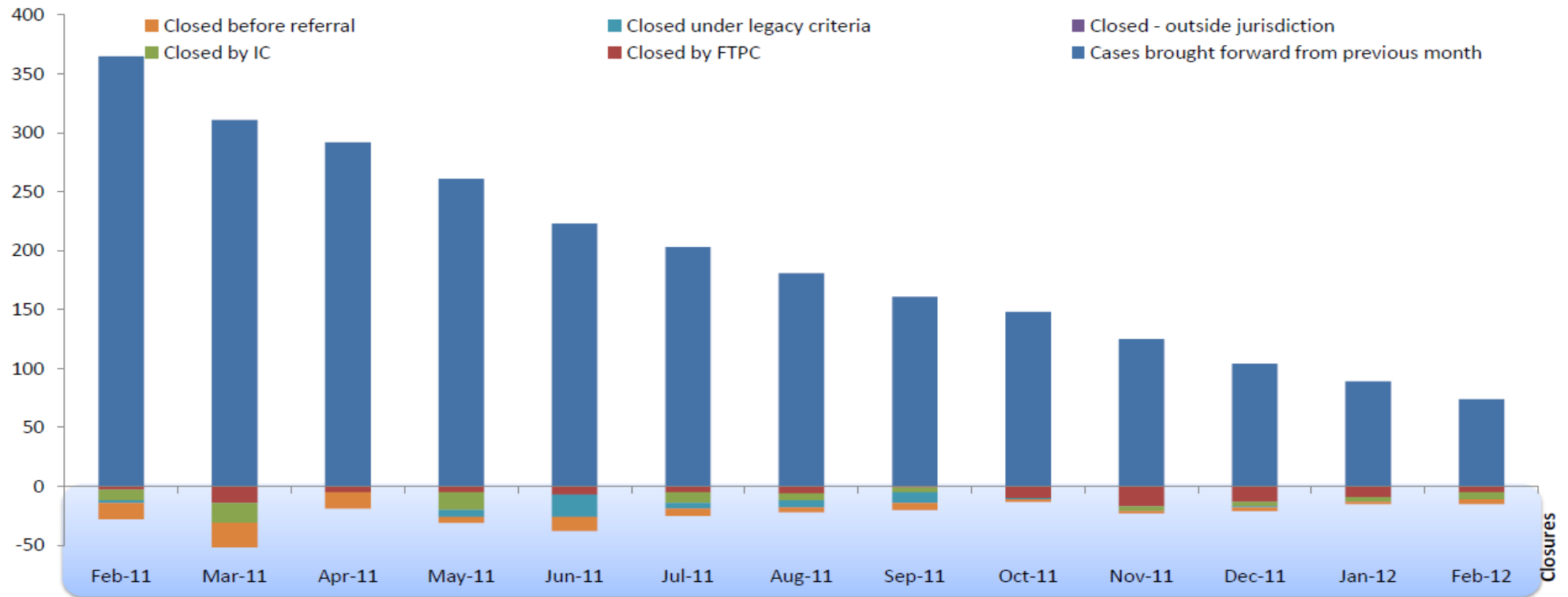
Appendix 1

Total Case Load



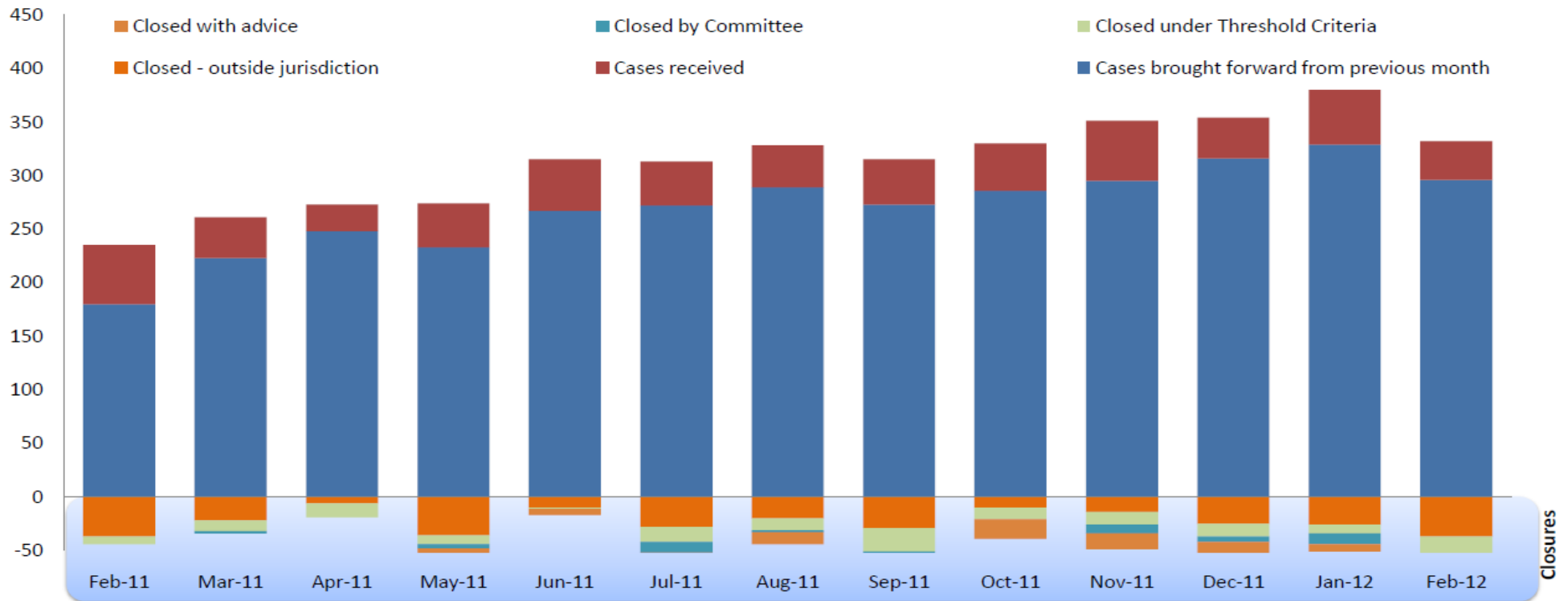
	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12
Legacy Cases brought forward	393	365	311	292	261	228	203	181	161	148	125	104	89
GPhC cases brought forward	187	235	261	273	274	315	313	328	315	330	351	354	380
GPhC Cases Received	92	60	31	77	58	69	59	71	54	70	63	77	73
Total cases closed in month	72	88	38	107	55	96	66	104	52	72	81	66	136
<i>Closed by FTFC</i>	3	14	5	5	7	5	6	1	10	17	13	8	5
<i>Closed by IC</i>	9	17	0	19	0	19	8	8	0	12	9	13	15
<i>Pre IC- closed - outside jurisdiction</i>	37	22	6	36	10	28	20	29	10	14	25	26	37
<i>Closed under legacy criteria</i>	2	2	0	6	19	5	6	9	1	0	1	0	0
<i>Pre IC - closed before referral</i>	14	23	14	5	12	6	4	6	2	2	3	2	4
<i>Pre IC - closed under threshold criteria</i>	7	10	13	8	1	14	11	22	11	12	12	8	59
<i>Pre-IC - Closed with advice</i>	0	0	0	28	6	19	11	29	18	15	18	7	16
Total open cases carried forward to next month	600	572	565	535	538	516	509	476	478	476	458	469	406

Combined Legacy Case Load



	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12
Cases brought forward from previous month	393	365	311	292	261	228*	203	181	161	148	125	104	89
Total cases closed in month	28	54	19	31	38	25	22	20	13	23	21	15	15
<i>Closed by FTPC</i>	3	14	5	5	7	5	6	1	10	17	13	9	5
<i>Closed by IC</i>	9	15	0	15	0	9	6	4	0	4	4	4	6
<i>Pre IC- closed - outside jurisdiction</i>	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Pre IC- closed under legacy criteria</i>	2	2	0	6	19	5	6	9	1	0	1	0	0
<i>Pre IC - closed before referral</i>	14	23	14	5	12	6	4	6	2	2	3	2	4
Total open cases carried forward to next month	365	311	292	261	223	203	181	161	148	125	104	89	74

Combined GPhC Case Load



	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12
Cases brought forward from previous month	187	235	261	273	274	315	313	328	315	330	351	354	380
Cases received	92	60	31	77	58	69	59	71	54	70	63	77	73
Total cases closed in month	44	34	19	76	17	71	44	84	39	49	60	51	121
<i>Closed - outside jurisdiction</i>	37	22	6	36	10	28	20	29	10	14	25	26	37
<i>Closed under Threshold Criteria</i>	7	10	13	8	1	14	11	22	11	12	12	8	59
<i>Closed by Committee</i>	0	2	0	4	0	10	2	4	0	8	5	10	9
<i>Closed with advice</i>	0	0	0	28	6	19	11	29	18	15	18	7	16
Total open cases carried forward to next month	235	261	273	274	315	313	328	315	330	351	354	380	332

Appendix 2

**General
Pharmaceutical
Council**
Management Accounts February 2012

	February 2012			Year to date			Total Forecast to 31/03/12
	Actual	Forecast	Variance	Actual	Forecast	Variance	Full Year
	£	£	£	£	£	£	£
Income							
- Pharmacist Income	967,690	1,013,714	(46,024)	11,404,820	11,304,063	100,757	12,318,262
- Fee income from the RPSGB	0	0	0	89,865	89,865	0	89,865
- Premises Income	298,142	273,342	24,800	3,161,295	3,090,735	70,560	3,364,615
- Technician Income	272,884	266,514	6,370	3,184,245	3,097,129	87,116	3,326,604
- Pre-Registration Income	30,327	39,397	(9,070)	930,439	941,172	(10,733)	980,569
- Other Fee Income	29,303	5,745	23,557	142,722	95,333	47,389	101,078
- DH Grant Income	49,341	0	49,341	367,407	0	367,407	0
- Other Income	42,060	38,667	3,393	222,667	232,944	(10,277)	260,867
Total Income	1,689,746	1,637,378	52,368	19,503,461	18,851,241	652,219	20,441,860
Expenditure							
- Chief Executive	(23,631)	(48,255)	24,624	(254,951)	(380,079)	125,128	(428,334)
- Policy & Communications	(193,905)	(262,083)	68,178	(2,078,139)	(2,294,638)	216,498	(2,638,396)
- Regulatory Services	(497,366)	(638,317)	140,951	(5,897,357)	(6,161,596)	264,239	(6,790,489)
- Resources & Corporate Development	(184,958)	(117,948)	(67,009)	(1,581,556)	(1,324,162)	(257,393)	(1,462,827)
- Council & Governance	(45,631)	(47,006)	1,376	(522,715)	(511,653)	(11,061)	(556,688)
- Transition Expenditure	0	0	0	16,254	0	16,254	0
Total Directorate Costs	(945,491)	(1,113,610)	168,120	(10,318,463)	(10,672,128)	353,665	(11,876,735)
- Service Level Cost	(131,832)	(131,832)	0	(1,492,468)	(1,492,468)	(0)	(1,624,299)
- Rent	(36,844)	(28,259)	(8,585)	(320,422)	(306,207)	(14,215)	(334,467)
- Service Charge	(18,407)	(14,679)	(3,728)	(165,228)	(159,058)	(6,170)	(173,737)
- Rates	(15,234)	(8,995)	(6,238)	(105,187)	(98,949)	(6,238)	(107,944)
- Utilities	(3,927)	(3,700)	(227)	(38,828)	(39,215)	387	(42,915)
- Insurance	2,701	(1,600)	4,301	(12,819)	(16,714)	3,895	(18,314)
Total Occupancy & Service Level Costs	(203,543)	(189,066)	(14,478)	(2,134,951)	(2,112,610)	(22,342)	(2,301,675)
Total Expenditure	(1,149,034)	(1,302,676)	153,642	(12,453,415)	(12,784,738)	331,323	(14,178,410)
Net Operating Surplus/(Deficit) before interest & tax	540,713	334,702	206,010	7,050,046	6,066,504	983,543	6,263,450
- Interest Receivable	29,445	13,000	16,445	184,674	144,008	40,666	157,008
Net Operating Surplus/(Deficit) before tax	570,158	347,702	222,456	7,234,721	6,210,511	1,024,209	6,420,458
- Corporation Tax Payable	(6,181)	(2,730)	(3,451)	(37,278)	(30,242)	(7,036)	(32,972)
Net Operating Surplus/(Deficit) after tax	563,977	344,972	219,005	7,197,442	6,180,270	1,017,173	6,387,486

General Pharmaceutical Council	Management Accounts February 2012 - Breakdown by cost type						
	February 2012			Year to date			Total Forecast to 31/03/12
	Actual £	Forecast £	Variance £	Actual £	Forecast £	Variance £	Full Year £
Income							
- Pharmacists	967,690	1,013,714	(46,024)	11,404,820	11,304,063	100,757	12,318,262
- Fee Income from the RPSGB	0	0	0	89,865	89,865	0	89,865
- Premises	298,142	273,342	24,800	3,161,295	3,090,735	70,560	3,364,615
- Technicians	272,884	266,514	6,370	3,184,245	3,097,129	87,116	3,326,604
- Pre-Registration	30,327	39,397	(9,070)	930,439	941,172	(10,733)	980,569
- Other	120,703	44,412	76,291	732,796	328,277	404,520	361,945
Total Income	1,689,746	1,637,378	52,368	19,503,461	18,851,241	652,219	20,441,860
Costs							
- Employee Costs	(719,531)	(785,490)	65,959	(7,632,900)	(7,723,330)	90,430	(8,520,319)
- Property Costs	(17,210)	(21,495)	4,285	(149,739)	(161,171)	11,432	(171,050)
- Office Costs	(37,777)	(21,958)	(15,819)	(257,742)	(229,890)	(27,852)	(251,848)
- Professional Costs	(76,579)	(106,795)	30,216	(898,108)	(898,943)	834	(1,034,288)
- Event Costs	(18,371)	(58,543)	40,173	(222,762)	(269,645)	46,883	(321,456)
- Marketing Costs	(16,249)	(39,231)	22,983	(520,704)	(668,825)	148,121	(777,076)
- Financial Costs	(14,605)	(12,340)	(2,265)	(182,101)	(223,504)	41,403	(234,210)
- Grant Costs	(8,800)	(6,667)	(2,133)	(18,482)	(15,733)	(2,749)	(22,400)
- MIS Costs	(32,027)	(34,009)	1,982	(396,973)	(329,448)	(67,525)	(365,271)
- Other Costs	(4,344)	(27,081)	22,737	(38,923)	(151,611)	112,687	(178,787)
- Occupancy & Service Level Costs	(203,543)	(189,066)	(14,478)	(2,134,981)	(2,112,640)	(22,342)	(2,301,705)
Total Costs	(1,149,034)	(1,302,676)	153,642	(12,453,415)	(12,784,738)	331,323	(14,178,410)
- Corporation Tax	(6,181)	(2,730)	(3,451)	(37,278)	(30,242)	(7,036)	(32,972)
- Interest Receivable	29,445	13,000	16,445	184,674	144,008	40,666	157,008
Surplus / (Deficit)	563,977	344,972	219,005	7,197,442	6,180,269	1,017,173	6,387,486

Management Accounts February 2012 - Income breakdown

	February 2012			Year to date			to 31/03/12
	Actual £	Forecast £	Variance £	Actual £	Forecast £	Variance £	Full Year £
Pharmacist Income							
Practising Registrant Fees	945,971	1,004,458	(58,487)	10,831,200	10,870,000	(38,800)	11,874,943
Low Income Registrant Fees	0	0	0	0	0	0	0
Application & Upgrade Fees	9,282	2,550	6,732	298,080	337,024	(38,944)	339,574
Independent Prescriber Fees	660	1,566	(906)	17,029	19,176	(2,147)	20,742
Registrant Administration Fee	5,460	3,080	2,380	43,029	33,204	9,825	36,284
Scrutiny Fee - Pharmacist	(1,736)	2,060	(3,796)	35,333	34,973	360	37,033
Pharmacist Restoration Fee	8,053	0	8,053	180,149	9,686	170,463	9,686
Total Pharmacist Income	967,690	1,013,714	(46,024)	11,404,820	11,304,063	100,757	12,318,262
Premises Income							
Premises Retention Fee	265,865	254,552	11,313	2,791,984	2,771,288	20,696	3,026,378
Premises Registration Fee	30,357	17,040	13,317	341,560	276,405	65,155	293,445
Premises Administration Fee	1,520	1,500	20	23,301	21,006	2,295	22,506
Premises Restoration Fee	0	0	0	0	0	0	0
Premises Internet Pharmacy Logo	400	250	150	4,450	22,036	(17,586)	22,286
Total Premises Income	298,142	273,342	24,800	3,161,295	3,090,735	70,560	3,364,615
Technician Income							
Practising Technician	212,040	212,079	(39)	2,058,041	2,058,471	(430)	2,274,311
Low Income Technician	0	0	0	0	0	0	0
Application Fees	78,144	51,000	27,144	924,420	921,581	2,839	931,781
Scrutiny Fee Technician	(29,784)	0	(29,784)	40,276	1,743	38,533	1,743
Adjudicating Committee Fee	10,992	3,435	7,557	109,216	80,362	28,854	83,797
Technician Overseas	(290)	0	(290)	28,306	28,596	(290)	28,596
Technician Restoration Fee	1,782	0	1,782	23,986	6,376	17,610	6,376
Total Technician Income	272,884	266,514	6,370	3,184,245	3,097,129	87,116	3,326,604
Pre-Registration Income							
Pre-Registration Training Fee	33,418	39,397	(5,979)	319,810	319,860	(50)	359,257
Pre-Registration Exam Fee	(2,679)	0	(2,679)	594,125	609,752	(15,627)	609,752
Pre-Registration Admin Fee	(412)	0	(412)	16,504	11,560	4,944	11,560
Total Pre-Registration Income	30,327	39,397	(9,070)	930,439	941,172	(10,733)	980,569
Fee Income from RPSGB	0	0	0	89,865	89,865	0	89,865
Other Fee Income	29,303	5,745	23,557	142,722	95,333	47,389	101,078
Total Fee Income	1,598,346	1,598,711	(365)	18,913,386	18,618,297	295,089	20,180,993
Inspectorate Income	9,288	2,500	6,788	32,514	30,486	2,028	32,986
Accreditation Income	32,472	35,767	(3,295)	187,946	200,658	(12,712)	225,681
Data Subscription Service Income	300	400	(100)	1,033	1,800	(767)	2,200
Controlled Drug Monitoring Grant Income	0	0	0	0	0	0	0
Transition Grant Income	0	0	0	24,859	0	24,859	0
Working Capital Grant Income	49,341	0	49,341	342,549	0	342,549	0
Other Income	0	0	0	1,174	0	1,174	0
Total Income	1,689,746	1,637,378	52,368	19,503,461	18,851,241	652,219	20,441,860

Management Accounts February 2012 - Expenditure Breakdown

	February 2012			Year to date			to 31/03/12
	Actual £	Forecast £	Variance £	Actual £	Forecast £	Variance £	Full Year £
Expenditure							
Chief Executive & Registrar							
- Chief Executive & Registrar	(23,631)	(48,255)	24,624	(254,951)	(380,079)	125,128	(428,334)
Total Chief Executive & Registrar	(23,631)	(48,255)	24,624	(254,951)	(380,079)	125,128	(428,334)
Policy & Communications							
- Director	(8,714)	(12,975)	4,262	(217,211)	(152,649)	(64,562)	(165,624)
- Standards & Fitness to Practise Policy	(20,717)	(20,752)	36	(207,490)	(207,037)	(453)	(227,789)
- Education & Registration Policy							
- Education & Registration Policy Operations	(8,485)	(7,976)	(508)	(115,782)	(117,262)	1,480	(140,838)
- Quality Assurance (Accreditation)	(27,257)	(46,703)	19,446	(355,242)	(398,319)	43,078	(459,070)
- CPD & Revalidation Policy	(4,118)	(6,988)	2,870	(48,086)	(57,520)	9,434	(65,180)
- Exam Quality Assurance	(21,586)	(17,091)	(4,495)	(114,502)	(99,347)	(15,155)	(118,898)
Total Education & Registration Policy	(61,445)	(78,757)	17,312	(633,611)	(672,448)	38,837	(783,985)
- Regulatory Development & Policy Planning	(21,583)	(27,513)	5,929	(95,500)	(118,415)	22,916	(145,928)
- Communications	(70,970)	(108,043)	37,073	(884,808)	(1,093,192)	208,383	(1,250,130)
- Director for Scotland	(4,903)	(5,777)	873	(31,344)	(34,366)	3,023	(40,143)
- Director for Wales	(5,573)	(8,266)	2,693	(8,176)	(16,531)	8,355	(24,797)
Total Policy & Communications	(193,905)	(262,083)	68,178	(2,078,139)	(2,294,638)	216,498	(2,638,396)
Regulatory Services							
- Director of Regulatory Services	(19,164)	(26,050)	6,886	(317,590)	(302,368)	(15,222)	(328,419)
- Quality & Case Management Pharmacy	0	0	0	0	0	0	0
- Quality & Case Management Legal	0	0	0	(0)	0	(0)	0

Management Accounts February 2012 - Expenditure Breakdown cont...

	February 2012			Year to date			to 31/03/12
	Actual £	Forecast £	Variance £	Actual £	Forecast £	Variance £	Full Year £
- Customer Services							
- Customer Services Operations	(18,461)	(22,551)	4,090	(352,384)	(393,928)	41,544	(416,879)
- Call Centre	(19,840)	(14,816)	(5,024)	(175,081)	(161,533)	(13,548)	(183,479)
- Application Team	(40,801)	(27,291)	(13,510)	(694,431)	(635,113)	(59,318)	(662,075)
- Technical Support	(23,228)	(37,677)	14,450	(107,798)	(177,031)	69,233	(212,497)
- CPD	(15,960)	(51,562)	35,602	(295,817)	(423,083)	127,266	(468,645)
- Exam	(1,186)	0	(1,186)	(220,805)	(188,172)	(32,633)	(188,172)
Total Customer Services	(119,475)	(153,897)	34,422	(1,846,316)	(1,978,861)	132,544	(2,131,747)
- Investigations & Case Management							
- Investigations & Case Management Operations	(12,596)	(16,460)	3,864	(54,210)	(70,871)	16,661	(87,332)
- Case Progression	(46,201)	(68,174)	21,973	(484,498)	(599,208)	114,709	(664,752)
- Investigations	(42,881)	(38,378)	(4,503)	(492,823)	(481,303)	(11,521)	(519,681)
- Quality Assurance	0	0	0	0	0	0	0
- Monitoring	(4,157)	(2,513)	(1,644)	(14,339)	(10,052)	(4,287)	(12,565)
Total Investigations & Case Management	(105,835)	(125,525)	19,690	(1,045,871)	(1,161,434)	115,563	(1,284,329)
- Inspections							
- Inspection Operations	(2,986)	(15,418)	12,432	(32,594)	(68,183)	35,589	(83,601)
- Inspectors	(145,518)	(147,117)	1,599	(1,601,983)	(1,638,439)	36,457	(1,808,557)
- Quality Assurance	0	0	0	0	0	0	0
Total Inspections	(148,505)	(162,535)	14,030	(1,634,577)	(1,706,623)	72,046	(1,892,158)
- Legal Advice & Hearings Management							
- Legal Advice & Hearings Management Operations	(55,280)	(54,010)	(1,271)	(426,098)	(412,525)	(13,573)	(449,988)
- Appointments Committee	(1,128)	(1,200)	72	(13,961)	(13,833)	(128)	(15,033)
- Fitness to Practise Committee	(42,058)	(110,126)	68,068	(564,303)	(542,488)	(21,816)	(640,377)
- Investigating Committee	(5,920)	(4,974)	(946)	(48,639)	(43,465)	(5,175)	(48,438)
- Appeals Committee	0	0	0	0	0	0	0
Total Legal Advice & Hearings Management	(104,387)	(170,309)	65,923	(1,053,002)	(1,012,310)	(40,691)	(1,153,837)
Total Regulatory Services	(497,366)	(638,317)	140,951	(5,897,357)	(6,161,596)	264,239	(6,790,489)

**Management Accounts February 2012 -
Expenditure Breakdown cont...**

	February 2012			Year to date			to 31/03/12
	Actual £	Forecast £	Variance £	Actual £	Forecast £	Variance £	Full Year £
Resources & Corporate Development							
- Director of Resources & Corporate Development	(26,942)	(31,523)	4,581	(476,078)	(404,658)	(71,420)	(436,181)
- Finance	(20,165)	(19,534)	(632)	(247,761)	(229,310)	(18,451)	(270,844)
- HR	(29,298)	(13,883)	(15,415)	(235,973)	(177,334)	(58,639)	(191,217)
- Business Planning & Improvement	(34,508)	(22,143)	(12,365)	(391,253)	(371,559)	(19,694)	(393,702)
- IT	(34,040)	(14,710)	(19,329)	(87,994)	(61,753)	(26,241)	(75,180)
- Facilities Management	(40,005)	(16,156)	(23,849)	(142,496)	(79,548)	(62,949)	(95,703)
Total Resources & Corporate Development	(184,958)	(117,948)	(67,009)	(1,581,556)	(1,324,162)	(257,393)	(1,462,827)
Council & Governance							
- Governance	(20,787)	(22,449)	1,662	(248,762)	(249,823)	1,061	(273,272)
- Council	(24,214)	(23,428)	(786)	(266,098)	(256,399)	(9,700)	(277,781)
- Audit & Risk Committee	(531)	(1,053)	522	(2,957)	(4,288)	1,331	(4,415)
- Remuneration Committee	(98)	(77)	(22)	(4,897)	(1,144)	(3,753)	(1,221)
Total Council & Governance	(45,631)	(47,006)	1,376	(522,715)	(511,653)	(11,061)	(556,688)
- DH Grant Expenditure	0	0	0	16,254	0	16,254	0
Total Divisional Costs	(945,491)	(1,113,610)	168,120	(10,318,463)	(10,672,128)	353,665	(11,876,735)

**GPhC Balance Sheet as at
29 February 2012**

	<u>January 2012</u>	<u>February 2012</u>
	<u>£000</u>	<u>£000</u>
Fixed Assets		
- Tangible Assets	51	151
	51	151
Current Assets		
- Trade Debtors	37	46
- Other Debtors	2,241	2,271
- Prepayments	158	202
- Accrued Income	44	90
- Bank & Cash	27,760	26,918
	30,240	29,527
Current Liabilities		
- Trade Creditors	223	404
- Corporation Tax	0	0
- Other Creditors	0	0
- Other Taxes & Social Security	0	0
- Deferred Income :-		
Working Capital	2,311	2,261
Contingency	0	0
Ring Fenced Grant	76	76
DH Grants	110	110
Fee Income	15,754	14,455
Other Income	3	3
- Accruals	2,715	2,706
	21,192	20,015
Net Current Assets / (Liabilities)	9,047	9,512
Total Assets less Current Liabilities	9,099	9,663
Long-Term Liabilities		
	0	0
Net Assets	<u>9,099</u>	<u>9,663</u>
Funds Employed		
- Accumulated Fund b/fwd.	2,466	2,466
- Surplus/(Deficit) in Year	6,633	7,197
Total Funds	<u>9,099</u>	<u>9,663</u>

Figure 1

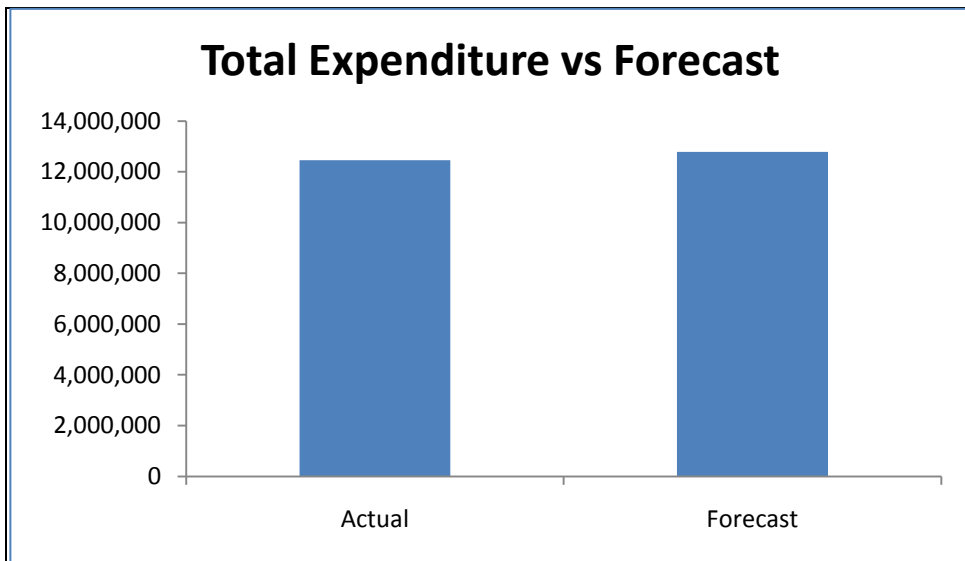


Figure 2

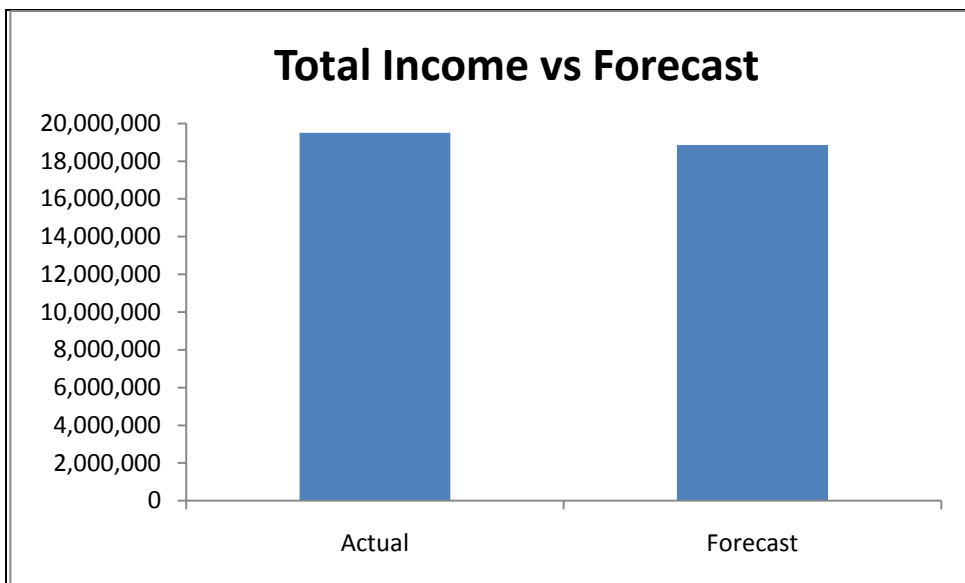


Figure 3

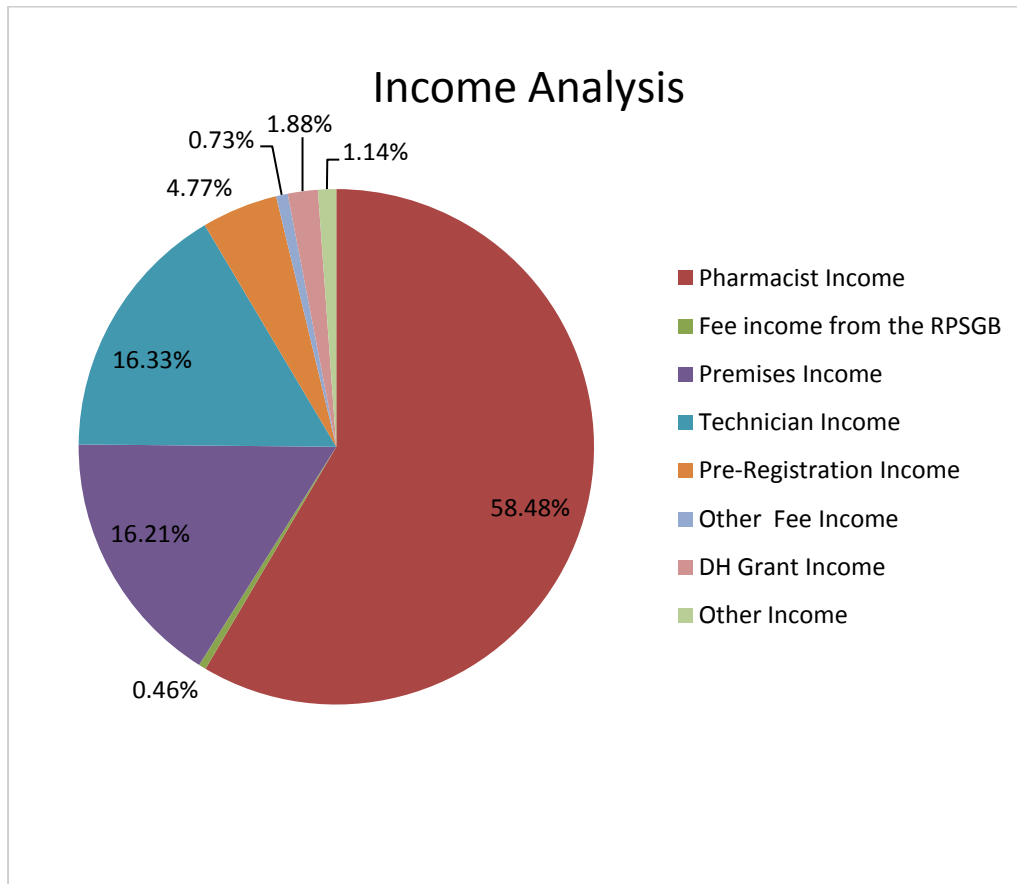
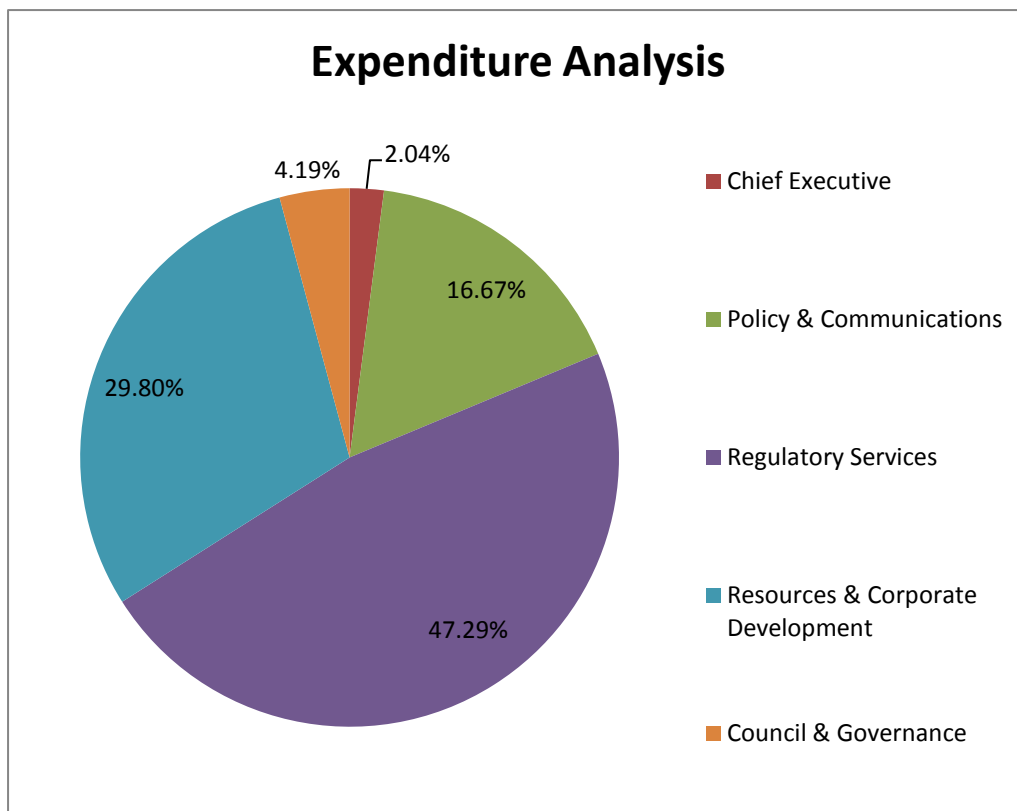


Figure 4

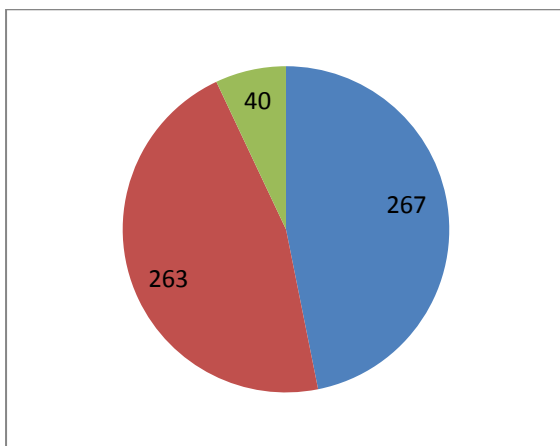


Appendix 3**Report to the General Pharmaceutical Council's Council
Registration Assessment September 2011****1.0 Introduction**

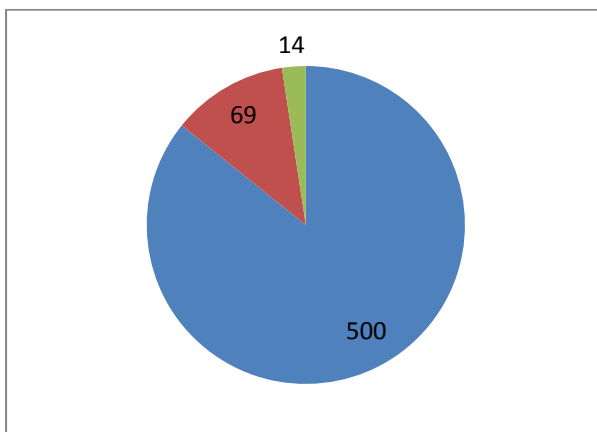
- 1.1 The initial education and training of pharmacists in Great Britain is:
- an accredited four-year MPharm degree; then
 - 52 weeks of pre-registration training; and
 - the GPhC's Registration Assessment.
- 1.2 For non-EEA pharmacists the route to registration in Great Britain is:
- an accredited one-year postgraduate diploma (an overseas pharmacists' assessment programme – an OSPAP); then
 - 52 weeks of pre-registration training; and
 - The GPhC's Registration Assessment.
- 1.3 During pre-registration training, trainees are signed-off on four occasions by their tutor – at 13, 26, 39 and 52 weeks. Trainees must have been signed off as 'satisfactory' or better at 39 weeks to be eligible to enter for a sitting of the Registration Assessment.
- 1.4 Candidates with a specific need may ask for an adjustment to be made in the conduct of the assessment. Candidates with specific needs may sit the assessment in a separate adjustment room.
- 1.5 The Registration Assessment is a multiple choice questions examination with two papers: a morning closed book paper and an afternoon open book paper. In the closed book paper, no reference sources can be used; in the open book paper, specified reference sources can be used. Calculators are not permitted.
- 1.6 There are 90 questions in the closed book paper, to be answered in one hour 30 minutes, and 80 questions in the open book paper, to be answered in two hours 30 minutes.
- 1.7 Most candidates sit for the first time in June. In September a smaller number of students sit for the first time and most candidates who failed in June resit in September. Unusually, in this sitting there was an equal number of first time sitters and second time sitters.
- 1.8 The September sitting is much smaller than the June sitting and is run in two centres not eight, as is the case in June.
- 2.0 Reporting to Council**
- 2.1 The Board of Assessors produces two reports for Council annually, one after each sitting of the Registration Assessment.

3.0 September 2011 statistics

<i>1. Candidate numbers</i>	
Number of candidates who sat	570
Number of first sitting candidates	267 (47%)
Number of second sitting candidates	263 (46%)
Number of third sitting candidates	40 (7%)
Number of fourth sitting candidates (to be discontinued in 2013)	0



<i>2. Candidate performance</i>	
Passes	500 (87%)
Fails	69 (12%)
Withdrawals	14 (1%)
Nullifications granted	1



3. Appeals	
Number of appeals	12
Number of appeals upheld	0
Number of appeals not upheld	12
Note: Appeals are heard by the Board of Assessors	

4. Adjustment requests	
Number of adjustments requested	30
Number of adjustments granted	27
Number of adjustments refused	3
Note: Adjustment requests are considered by the Board's Adjustments Panel, which includes an external Adjustments Advisor	

5. Candidate numbers by centre	
London	465
London (adjustments room)	24
Edinburgh	81

4.0 Summary of issues from the September 2011 sitting

- 4.1 The September 2011 sitting presented no major problems. The Assessment started and finished on time in both centres and there were no significant incidents during the sitting. Senior members of GPhC staff attended both venues to observe the conduct of the Assessment and a time and motion study of the registration process was commissioned from the GPhC's internal auditors, Deloitte. The results of the audit have been fed into the planning process for 2012 sittings.
- 4.2 As is always the case, the performance of all questions and papers was analysed after the sitting and all questions and papers performed as expected. No questions were removed and the pass mark was not adjusted. There were no valid appeals so none were upheld.
- 4.3 In previous years the pass rate for the September sitting has been significantly lower than in June, because the September sitting has been dominated by second attempt candidates (i.e. candidates who have failed once already). The pass rate in June 2011 was 85.2% - a very similar figure to the September 2011 percentage pass. It is likely that this was due to a larger than usual number of first attempt sitters and, possibly, the c.60 candidates whose June 2011 attempt

was set aside: these students had the benefit of having sat the Assessment just several months before, should have been more familiar with it and better able to pass it as a result. (The additional sitting was allowed on the basis of appeals against fails based on a procedural irregularity – a late start – not because there was any evidence of underperformance.)

- 4.4 First attempts in September seem to be increasing year on year: the Board is not entirely sure why this is but it could be because the GPhC requires candidates to pass their MPharm degree or OSPAP before entering pre-registration training¹, which means that students who have failed their finals have to wait for the outcome of their re-sit examinations (usually in September/October) before starting training. In turn, this means they cannot complete enough of their training to sit in June but can complete enough of it to sit in September. Previously, students were allowed to start training without having passed their degree if they intended to re-sit (and subsequently passed their re-sit), which meant that more of them could sit for the first time in June.

5.0 **The future work of the Board**

- 5.1 The Board agreed to establish a development group. Primarily, the Board's motivation for doing so is twofold:
1. the possible impact on the Assessment of Modernising Pharmacy Careers' proposals for pharmacy education in England; and
 2. the possibility that some reference sources may not be available in hard copy in the future and the impact that might have on the open book paper.
- 5.2 The Board will develop a full forward programme of work in the next six months. More generally, the Board will keep the format of the Assessment under review to ensure it is always fit for purpose.

The Board of Assessors
7 February 2012

¹ The exception is University of Bradford MPharm degree sandwich students, who start their first six months of pre-registration training before they have completed their MPharm degree. They do, however, have to be in good standing with the University before entering training.

Appendix 4**2011/12 Business Plan Closure Report****1.0 Introduction**

1.1 The Council approved the business plan for 2011/2012 in February 2011. The following provides an overview of progress against that business plan.

1.2 Five areas of action were identified for 2011/12, which were:

1. Developing our organisation
2. Dealing with fitness to practise legacy
3. Registration
4. Development of Standards
5. Review interim policies

2.0 Business Plan 2011/12**2.1 Developing our organisation**

a. The directorate structure that has been established internally has given us a resilient and flexible platform for building on that will be adjusted as we move forward and seek to improve our efficiency and effectiveness

- The new organisational structure has been successfully implemented.
- An employee engagement survey received an excellent 78% response and was followed by a well-received staff conference on 30th September 2011.
- A Training and Development Strategy has been produced to include core training modules for all staff and management training initially focusing on performance management, staff engagement and coaching and mentoring. Alternative methods of delivery, such as e-learning, are being explored. Proposals are currently being drafted for a management development programme.
- A staff consultation on a proposed reward and grading structure is underway.
- A new Performance Development Review has been piloted in Policy and Communications and Private Office. The results of this pilot are currently being reviewed.
- A programme of training days for statutory committee members is nearing completion. Two of these training days were attended by

committee members from the General Dental Council.

b. We will seek to ensure that our approach to pharmacy regulation is joined up and makes coherent sense across all our areas of responsibility. We will therefore bring the development of standards alongside our broader policy development and communications activities

- Please refer to the Development of Standards section.

c. Excellent customer service and improved efficiency and cost effectiveness will be at the centre of our interface with the public, registrants and other stakeholders. This will involve changes to ways of working and the use of relevant technology

- The new organisational structure has included the establishment of a Customer Service Team which supports our strategic objective to deliver excellent customer service. This has included the expansion of the customer contact centre which continues to provide a front line service for those contacting the General Pharmaceutical Council, as well as providing support and assistance to other teams within the organisation.
- There are currently a number of initiatives and projects underway across the Customer Service Team with a view to managing business as usual activity more efficiently and effectively and to plan better for peak periods of activity.
- A post-implementation review of the 2010/11 renewals process was conducted. Lessons learned and improvements identified have been implemented where practicable.
- The Customer Service Team is currently developing means to capture baseline application process data and identify future process improvements and performance against service level agreements.
- One of our priorities was to ensure that good research and evidence underpins all our work on engagement and policy development which will help inform new proposals for the ways in which we engage with registrants, the public and other stakeholders. A Senior Research Officer is now in post to take this work forward.
- We commissioned a review of our current Information and Communications Technology (ICT) environment and are in the process of outlining a programme of work to deliver more improved and effective ICT which will support the strategic aims of the organisation. In the meantime, considerable work has gone into the current registration system to allow the GPhC to run a rolling register which has been operational since June 2011, quality assurance of the system, minor

enhancements to the online portal and creation of new functionality such as a data subscription service allowing external subscribers to securely access register extracts and a reports centre on the intranet.

- Over the past year we have had a series of discussions with other regulators to explore areas, such as recruitment, training, panellist pools, premises and systems etc where closer working might be beneficial. One of the positive outcomes of this so far is that in January 2012, as previously highlighted, we extended our panellist training to panellists from the GDC, and we have done the same with equality impact assessment training for staff from the NMC and GDC. This has proved very useful in terms of cross-regulatory learning as well as being beneficial from an efficiency perspective, and we are in discussions with other regulators about developing further EDI and PPI training tools.

2.2 Dealing with the fitness to practise legacy

a. To demonstrate that we are an effective regulator, we must address the legacy case load we have inherited

- We have continued to follow through on all the actions in respect of dealing with the fitness to practise legacy including continuing to provide performance reports on progress, both for the legacy and GPhC cases, at each Council meeting. The most up-to-date report can be found in the main body of this paper at Fitness to Practise (Section 3).

2.3 Registration

a. The maintenance of an accurate and up to date register is core to our regulatory activities

- Standard operating procedures have been produced to ensure a consistent service delivery.
- Renewal notices, covering letter and other communications have received numerous revisions following feedback from registrants and staff.
- On 27 September 2010 we had 9127 pharmacy technicians on the register. As at the end of February 2012 we had 20,703. This is as a result of the closure of the 'grandparenting' period in June 2011 and the mandatory registration of pharmacy technicians.
- Regular performance reports and information on the maintenance of the registers are received by Council. The most up-to-date report can be found in the main body of this paper at Customer Services Team (Section 1).

b. Development of Standards

We will ensure that education and training standards for pharmacists and pharmacy technicians continue to be fit for purpose, upholding consistent standards on a Great Britain-wide basis. We will take the same approach in relation to standards for registered pharmacy premises

- Twenty-six universities currently offer an MPharm degree. Each university must undertake reaccreditation to the new education standards when their current accreditation expires. The first university was accredited to the new standards in June 2011. Eight more will be reaccredited to the new standards during the 2011-2012 accreditation cycle, with a further six in 2012-2013, four in 2013-2014 and the remainder in the following years. Three additional universities are working towards accreditation of a MPharm and are at the early stages. Their courses will be accredited to the new standards.
- Five universities currently offer an OSPAP course. One is undergoing accreditation during the 2011-2012 cycle, and three are undergoing reaccreditation to the new education standards for non-EEA pharmacists. The remaining universities will be reaccredited to these new standards in 2012-2013.
- There are three awarding bodies for pharmacy technician qualifications (knowledge and competence). The Scottish Qualifications Authority (SQA), City & Guilds and EdExcel. The SQA was recognised against the new Pharmacy Technicians standards in July 2011. The recognition event for City & Guilds took place in January 2012 at which point they were approved for recognition subject to conditions. The recognition event for EdExcel is to be scheduled during summer 2012.
- There are two organisations accredited to offer Pharmacy technician qualifications – Buttercups and National Pharmacy Association (NPA). Both were accredited to the new pharmacy technician standards in June 2011.
- Council has received regular updates on the progress of work relating to the regulation of registered pharmacies. The consultation on the regulation of registered pharmacies is now underway (until 7 May 2012). A number of well attended engagement events have been held with further events planned throughout the consultation period. Details can be found at <http://registeredpharmacies.org/events>.
- We have continued to conduct cyclical inspections and, as Council is aware, we will be developing a new model of inspection as part of the registered pharmacies project.

- We have published four pieces of guidance on the following topics:
 - Guidance on consent
 - Guidance on maintaining clear sexual boundaries
 - Guidance on raising concerns
 - Guidance on patient confidentiality
- Directors for Scotland and Wales have been appointed to ensure that we engage constructively with the policy-making process in England, Scotland and Wales, to ensure that the independent national regulatory perspective informs the continuing development of appropriate standards and education and training arrangements in pharmacy.

2.4 **Review interim policies**

- a. The review of former RPSGB policies adopted by the GPhC, according to the schedule agreed by the Council in December 2010, remains on track to be completed in September 2012.
- b. Other assumptions or information carried over from the RPSGB which may have influenced Council decisions continue to be reviewed when the relevant decisions arise e.g. fee levels were reviewed in February 2012 for consultation purposes.

3.0 **Other ongoing activity included in the 2011/2012 Business Plan**

- 3.1 A review of the alternative arrangements for the continued occupancy of 129 Lambeth Road has led us to make a decision to extend our occupancy until 2014 while we determine a longer-term accommodation strategy.
- 3.2 We continue to unwind our support arrangements in respect of IT and Finance and are reviewing our options in relation to HR support.