Minutes of the Council meeting held on 14 June 2012 at 129 Lambeth Road, London SE1 7BT at 9.45 am

Present

Bob Nicholls - Chair  Tina Funnell
Cathryn Brown       Ray Jobling
Sarah Brown         Liz Kay
Celia Davies        Lesley Morgan
Soraya Dhillon      Peter Wilson
Gordon Dykes        Judy Worthington
John Flook

In attendance

Duncan Rudkin (Chief Executive & Registrar)
Bernard Kelly (Director of Resources and Corporate Development)
Christine Gray (Head of Governance)
Elaine Mulingani (Head of Private Office)
Francesca Chittenden (Council Secretary)
Hilary Lloyd (Director of Regulatory Services)
Hugh Simpson (Director of Policy and Communications)
Viv Murch (Head of Organisational Development)

ATTENDANCE AND INTRODUCTORY REMARKS

634 The Chair welcomed everyone to the Council meeting including Steve Acres, President of APTUK.

Apologies for absence were received from Keith Wilson.

DECLARATIONS OF INTEREST

635 All members declared an interest in item 8, Council member appointments - person specification. The eight Council members whose term of office will end in 2013 declared a direct interest, the remaining six Council members declared an indirect interest.
Gordon Dykes and Elizabeth Kay declared an interest in item 5, Summary report on the GPhC consultation 'Modernising Pharmacy Regulation' as a pharmacy owner and a superintendent pharmacist respectively.

All registrant members declared an interest in item 6, Fees Rules 2012.

MINUTES OF THE LAST MEETING

636 The minutes of the meeting held on 17 May 2012 were agreed as a true record of the meeting.

MATTERS ARISING

637 Under minute 626 Duncan Rudkin (DR) confirmed that the Law Commission consultation response had been submitted.

SUMMARY REPORT ON THE GPhC CONSULTATION ‘MODERNISING PHARMACY REGULATION’

638 Hugh Simpson (HS) introduced paper 06.12/C/01, including a summary report on the responses received, as well a non-exhaustive list of issues identified as requiring further consideration before a final consultation report and draft standards could be presented to Council in September for approval. HS reported that a thorough and wide ranging consultation process had been undertaken and a high number of responses had been received. DR reported that in addition to the full consultation report and draft standards being brought to Council in September, it was anticipated that an outline timetable for implementing the standards and making the rules would be set out in relevant papers at the same meeting. Council welcomed the summary document and commended the consultation process.

638.1 HS drew attention to the issues for consideration set out in the covering paper and Council requested that an analysis of issues raised by patients and the public including confidentiality and access to premises and services should be provided.

638.2 Council noted the stakeholder interest in the future inspection model. Hilary Lloyd (HL) confirmed that elements of the developing new model for inspection would be tested from the Autumn and included in the implementation plan.

638.3 Council highlighted the importance of identifying more specifically who responses had come from and what that means in terms of implementation.
HS confirmed that the responses had been coded in such a way as to enable identification and analysis. Quite properly even weight had been given to each response as a matter of policy, although it was recognised that a fuller understanding of concerns and issues on the part of different stakeholders and groups of stakeholders would be helpful in terms of further targeted communications planning.

638.4 Council discussed the feedback in relation to the drafting of the standards and suggestions from some respondents that they were, in parts, ‘vague’. HS confirmed that all such feedback would be considered and whether further action was required such as revisions to the drafting or whether concerns could be addressed through supporting material, such as communications material, further guidance or compliance indicators.

DR noted continued support from Council and from the consultation responses for an outcomes-focussed approach to standards, but confirmed that more specificity could be set out in relation to a particular standard if the evidence suggested it would be necessary. HS also confirmed that the GPhC was keeping other organisations engaged with its thinking as the proposals are developed.

639 The Council agreed

- the summary consultation document for publication; and

- the list of issues for further consideration in advance of the Council’s consideration of revised standards and the full consultation report for approval, subject to noting the need to take account of patient issues concerning confidentiality and access to services

FEES RULES 2012

640 Bernard Kelly (BK) introduced report 06.12/C/02 reminding Council that the consultation had been agreed in February and the proposals had fed in to the budget and corporate plan. He indicated that the context in relation to the economy and the financial position of the GPhC had not changed significantly since then. He reported that GPhC revenues in the current year were likely to be slightly lower than expected but that savings continued to be made.

640.1 John Flook (JF) as Chair of the Audit & Risk Committee endorsed BK’s comments and highlighted that in light of the changes to the scope of regulation and uncertainty around this that there was a need to be cautious.
640.2 In response to a member question BK confirmed that a 3 year financial plan had been prepared but highlighted the difficulty in making assumptions where there was uncertainty around the future cost of regulation, particularly in relation to registered pharmacies and pharmacy technicians.

640.3 BK confirmed that the Professional Standards Authority levy was still to be agreed and that an allowance for the levy had been included within the budget.

640.4 With regard to the consultation report Christine Gray (CG) highlighted the encouraging level of support for the proposals. Members commented on the number of responses that were given as ‘unsure’ and requested that further detail regarding fees for premises be included in future consultation documents.

641 The Council
- approved the draft report of the fees rules consultation for publication subject to minor drafting amendments,
- made the General Pharmaceutical Council (Registration and Renewal Fees) Rules 2012, and,
- agreed that the GPhC’s Corporate seal be affixed to these rules.

ANNUAL REPORT AND ACCOUNTS – APRIL 2011 TO MARCH 2012

642 DR introduced report 06.12/C/03 for approval, setting out that the three sections; annual report, annual accounts and annual fitness to practise report were requirements set out in legislation. DR informed Council that a shorter, general communications document was available on the website and would be updated following publication of the 2011/12 annual report.

642.1 With regard to the External Auditors Key Issues Memorandum (KIM) that was tabled, BK brought two issues to the Council’s attention. Firstly he confirmed that the letter from Investec which was shown as outstanding in the KIM had now been received. Secondly, he informed Council that Grant Thornton would not undertake the final review of the financial statements until they received a signed copy of the accounts; however, BK assured Council that no issues were expected and that the Council could consider the report as finalised and in order. BK undertook to review this procedure with Grant Thornton.

642.2 John Flook (JF) as Chair of the Audit & Risk Committee confirmed that there was no reason for the Chair of Council not to sign the accounts on behalf of the Council. The external auditors’ unqualified opinion could then
be incorporated in the annual report. JF also confirmed that the Audit & Risk Committee had at their meeting on 29 May reviewed all relevant areas within the combined report and that the Committee recommended to Council that the Annual Report and Accounts be approved.

642.3 Council requested a number of minor drafting amendments and congratulated the staff involved in preparing the report on producing such a clear understandable document.

643 The Council
- agreed the combined annual report, annual accounts and annual fitness to practise report
- authorised the Chair to sign the annual accounts on the Council’s behalf.

COUNCIL MEMBER APPOINTMENTS – PERSON SPECIFICATION

644 CG introduced paper 06.12/C/04 explaining that the draft person specification had been informed by previous specifications used for council member vacancies and non-statutory committee vacancies, guidance from the Appointments Commission and the CHRE and in light of the skills required to meet future needs.

644.1 Council debated the wording of the criteria and suggested a number of drafting amendments in order to attract a wider range of applicants. It was requested that experience of patient engagement or advocacy be included as a desirable quality. Council also debated the need to secure a diverse range of candidates and CG confirmed that advice on this would be sought.

645 The Council requested a number of drafting amendments and authorised the Chair of Council to sign off the person specification that will be used to inform the recruitment of Council members to take office in March 2013.

ESTABLISHING AN INVESTMENT POLICY FOR THE GPhC

646 BK introduced report 06.12/C/05 setting out principles for an investment policy which had been prepared in consultation with Deloitte consultants.

646.1 In response to a member question BK confirmed that the policy would be reviewed on an annual basis and that the Audit & Risk Committee would review the application of the policy via internal and external audits.

646.2 In discussing all available investment options BK reminded Council that the investment policy is a by product of establishing a reserve and the need to
preserve value for the future and of the need to take a safety first approach to ensure the funds entrusted in the organisation are secure.

646.3 It was requested that the more detailed cash management policy be brought to a future Council meeting.

647 The Council approved the establishment of an Investment Policy for the GPhC based on the following principles:

i. Security and the preservation of the capital value of any funds invested is the first and most important consideration of any investment decision.

ii. Liquidity and access to the funds invested when required must be considered when any investment decision is made.

iii. Yield is important but has to be considered only after the first two principles have been considered.

iv. The potential for loss to occur through default must be minimised.

The Council noted that the cash management policy would be considered at a future meeting of the Council.

PERFORMANCE MONITORING

648 DR introduced report 06.12/C/06 highlighting the inclusion of areas previously requested by the Council and the aim to offer more comprehensive coverage. He reiterated that the report continued to be an evolving document and that comments and suggestions of where members would like to see targets and success indicators would be welcomed.

648.1 Council welcomed the new format and the content of the report. It was proposed that a group of Council members and staff meet to focus on what further information was necessary to fully enable the Council to develop targets which could be used to assess and monitor the organisation’s performance. The Chair invited members to express interest in contributing to this work.

648.2 Council members requested clarification on a number of points within the document and noted issues for the task group to consider including the possible inclusion of additional inspection data, information regarding the time taken to register individuals and data regarding the diversity of Associates in addition to employees.

648.3 In relation to the closure of legacy cases HL informed Council that reasons
for the 10-16 cases which are likely to be outstanding at September were
due to factors outside of our control. In relation to registration HL confirmed
that additional resources were being brought in to manage the process
during the annual peak periods.

649 The Council noted the performance monitoring report.

STRATEGIC REVIEW OF RISKS

650 DR introduced report 06.12/C/07. He drew Council’s attention to the
potential risk of key audiences losing confidence in the GPhC as a result of
failing to provide detailed guidance following a move to outcome-focussed
standards. He set out that the target completion of July 2012 had been set
on the assumption of the standards having been agreed which had not yet
occurred and that review would be continuous following implementation of
the standards.

650.1 JF confirmed that the Audit & Risk Committee were assured that there was
evidence that risk management was becoming embedded in the
organisation. He drew Council’s attention to a risk identified by the Audit &
Risk Committee in relation to IT security and information governance. In
response DR confirmed that the organisation would be undertaking a
comprehensive review of information assurance and data security. BK
confirmed that a report on actions to take in the short term would be taken
to the next meeting of the Audit & Risk Committee and assured Council that
mechanisms to identify risks and protocols to guard against risks were in
place.

650.2 In response to a question regarding potential disruption during the Olympic
games HL confirmed that there should be no issue in relation to anticipated
levels of activity in regulation and registration. DR confirmed that
reasonable steps were being taken to minimise disruption and mitigate risks
facing the organisation as a whole.

651 The Council noted and discussed the risk review summarised within
the paper.

INVESTIGATING COMMITTEE ANNUAL REPORT

652 HL introduced report 06.12/C/08 which was welcomed by the Council.

652.1 HL reminded Council that if the proposed amendments to the Rules,
currently being consulted upon, were made, the Investigating Committee
Annual report would be incorporated into the annual fitness to practise report.

653 **The Council noted the Investigating Committee’s annual report.**

**CHIEF EXECUTIVE & REGISTRAR’S REPORT**

654 DR introduced report 06.12/C/09. He informed Council that distribution of the Regulate magazine had been deferred to a date following the Jubilee weekend.

655 **The Council noted the report.**

**UNCONFIRMED MINUTES OF THE AUDIT & RISK COMMITTEE**

656 JF introduced report 06.12/C/10 setting out the unconfirmed minutes of the 29 May 2012 meeting of the Audit & Risk Committee for noting.

656.1 JF drew Council’s attention to minute 130.4 and the need to agree the standard which the GPhC would adopt for its annual reporting requirements in the future. He confirmed that the Audit & Risk Committee would be considering the options available at its meeting in October.

656.2 JF asked that consideration be given to future annual reports of the Audit & Risk Committee being presented to June meetings of the Council to coincide with the review of the GPhC Annual report.

657 **The Council noted the unconfirmed minutes of the Audit & Risk Committee.**

**ANY OTHER NOTIFIED BUSINESS**

658 There being no further public business, the public meeting closed at 2.05pm.

Date of next meeting – 13 September 2012 - London