Council meeting 9 June 2011

Public business

Performance Monitoring

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

Recommendations

The Council is asked:

i. to note performance across the registration and fitness to practise functions; and

ii. to note financial performance.

1.0 Introduction

1.1. This paper reports on performance in the registration and fitness to practise functions and includes the financial statements as of the end of April 2011. Appendix 1 contains statistical registration and fitness to practise information. Appendix 2 contains financial statements.

2.0 Operational performance to end-April 2011

2.1 Registration

The Register

2.1.1 At the end of April the Register was made up of:

- 43,761 pharmacists
- 12,907 pharmacy technicians
- 13,615 pharmacy premises.
2.1.2 This compared with 43,650 pharmacists, 11,994 pharmacy technicians, and 13,567 pharmacy premises at the end of March, as depicted in Figure 1.

Figure 1

The Register

2.1.3 As depicted in Figure 2, the Register is made up of 62.3% pharmacists, 18.4% pharmacy technicians and 19.4% premises. This compared with 63.1% for pharmacists, 17.3% for pharmacy technicians and 19.6% for premises at the end of March.

Figure 2

Apr 2011 Register
Pharmacy technicians

2.1.4 Currently, we are processing applications received in March 2011 and at the end of April 2011, around 1300 applications had yet to be processed. In addition, 487 applications had been ‘pended’ for further information, evaluation of underpinning knowledge, or requiring good character or health assessments. Although the receipts in April were down on previous months, probably due to the bank holidays, we lost productivity for the same reason and because the database went down over one weekend and could not be restored until fairly late on the following Monday.

2.1.5 35% of new applications validated during April were incomplete in some respect. The technician registration communications plan which is being implemented includes the importance of “getting it right”

2.1.6 The volume of GPhC applications received continues to significantly increase in the lead up to the expiry of the grandparenting arrangements at the end of June 2011, although April figures for technician applications received appear lower due to the reduced number of working days as a result of public holidays. We continue to expect the vast bulk of outstanding applications to be received on or shortly before 30 June. Estimates have been revised for May and June in line with current trends, suggesting a slight increase in the final estimate of 16000 grandparenting applicants/registrants to circa 16300.

2.1.7 The applications received at the end of April, with estimated volumes through to June 2011, are shown in Figure 3.

Figure 3

![GPhC PharmTech Applications Received](image)

2.1.8 As indicated in the last report, 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. 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.

2.1.9 As previously reported, following completion of a comprehensive analysis and appraisal of our options for the short and medium term, we are currently increasing our resourcing to meet the demands of processing these applications together with our other traditional “summer peak” activities by recruiting fixed term contract members of staff. Although we have increased staff resources across registration and pre-registration functions, in line with a capacity and resource plan, allowing for existing staff to provide training for new staff, we would not yet have expected to see a significant uplift in throughput.

2.1.10 In part to help manage continuing peaks in activity and to give Registrants an opportunity to familiarise themselves with the new CPD Rules, we have decided to put CPD call and review on hold until November 2011. When we resume in November, as all other registration operations will be outside of peak activity, we will be able to increase the number of records called. We will use this year as a pilot, but unless any unforeseen adverse consequences ensue, we may well decide routinely to phase call and review activity around seasonal operational peaks.

Rolling register

2.1.11 The technical specifications for the rolling register have been delivered and tested in line with project timescales. An ‘end to end’ user acceptance testing (UAT) exercise is planned for mid May. The project is on track to go live in June 2011, when the first rolling register renewal notice will be sent.

Contact centre

2.1.12 The Contact Centre continues to perform well. It has met its service standards almost every week since opening in mid-March 2011. Close monitoring demonstrates that the contact centre may well be over-stretched when we move into the combined peaks of registration activities over the summer. We are exploring how best to manage that, ideally by providing high quality information both in our direct communications with Registrants and on our website. Our Contact Centre Manager is leading the set up of a customer service network amongst the health professions regulators, which we see as a useful way of sharing best practice and doing some informal benchmarking.
2.2 **Fitness to Practise**

2.2.1 Figure 4 shows the overall caseload at the end of April 2011. There were 565 open cases. We received markedly fewer complaints in April than in previous months, which resulted in the monthly average complaints falling to 61, since the GPhC became operational. Between September 2010 and April 2011, we closed 513 cases, equating to an average of 64 cases per month. Cases closed in April were down on previous months, but this is also partly attributable to Bank Holidays and the loss of the case management system for nearly three days, resulting in lost productivity. However, Council members will note that the closure rate very marginally exceeds the rate of receipts.

**Figure 4**

2.2.2 Figures 5 and 6 show, respectively, the breakdown of legacy and GPhC cases. Council members will note that in September 2010, there were 589 legacy Closures
cases, which had reduced to 292 cases by the end of April 2011, equating to a 50% reduction in the legacy caseload in the first seven months of operation. Work continues on the review by the Legacy Determination Group and the Registrar to complete the review of pre-IC legacy cases by the end of August 2011.

2.2.3 The volume of GPhC cases grew to 273 by the end of April 2011. The low throughput of cases is concerning. Although it is clear that we need to increase staff resources in the investigations team within the fitness to practise team, as discussed at the last Council meeting, we need to take a more radical look at the thresholds for investigating cases and referring cases to the Investigating Committee.
Figure 5

Combined Legacy Case Load

<table>
<thead>
<tr>
<th>Sep-10</th>
<th>Oct-10</th>
<th>Nov-10</th>
<th>Dec-10</th>
<th>Jan-11</th>
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<th>Mar-11</th>
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<td>469</td>
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<td>393</td>
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<td>Total cases closed in month</td>
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<td>393</td>
<td>365</td>
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</table>
Figure 6

Combined GPhC Case Load

2.2.4 Figure 7 shows the age profile of legacy matters. These are split into three categories: pre-IC, at IC (i.e. waiting for IC meeting) and post-IC. Of the latter category, the number of cases (totalling 21) scheduled for final hearing are shown on the curved line. The number of cases dating back to 2008 has reduced from 93 cases at the end of February, to 67 cases by the end of April and we continue to focus on those cases to progress them to closure as quickly and fairly as possible.

2.2.5 21 cases have been scheduled for hearing. In addition to these, a further 22 cases are now ready to be listed; in 18 cases, we are waiting for the Registrant to serve his or her case (within the time limits required by the 2007 Rules or case management directions under the 2010 Rules) and in a further 18 cases, for the Council to serve its case (within the 2007 or 2010 Rules).
Resource and capacity plan

2.2.6 During April we developed a forecast and capacity plan and a resource model showing the resources needed to progress all legacy cases to closure while simultaneously progressing GPhC cases to closure in line with quality, timeliness and cost objectives. Our aim is to close all legacy cases by end-September 2012, although recognising that there may be some cases where, for reasons peculiar to the cases and outside of our control, this proves impossible. The model is also based on an assumption that we will bring the volume of GPhC cases to an acceptable ‘steady state’ by the end of 2012, with an initial target thereafter of closing all cases within 12 months of receipt.

2.2.7 The forecasts are based on trends over the last seven months and must therefore be treated with a degree of caution – ideally we would want to use data stretching back between 12 and 24 months. We have also made some
assumptions on our ability to deal with GPhC cases adopting a similar approach to that taken when dealing with legacy cases, with a focus on remediation wherever possible and bringing cases to Hearing as a last resort. As mentioned at the last meeting, we have confirmed the need to increase capacity in the investigations team and will progress that as quickly as possible. We have also made assumptions on the number of hearings needed to achieve our aims for disposal of cases and costs associated with that.

2.2.8 We will review ‘actuals’ against ‘forecast’ in arrears and looking forward, on a monthly basis to enable us to re-calibrate the resources needed to progress the caseload. However, based on prudent budgeting assumptions, we are confident that we have sufficient budget in 2011/12, and in 2012/13 to enable us to achieve our aims. In future performance reports, we will provide progress reports to Council on actual against forecast spend in FtP cases and what impact, if any, that has had, or might have on the anticipated total spend for 2011/12 or 2012/13.

2.3 Management Accounts

Operating surplus/(deficit) before interest and tax

2.3.1 The operating result to the end of April is a surplus of £487K a favourable variance of £569k to budget.

2.3.2 This variance arises as a result of Income being £197k higher than budget and expenditure being £372k lower than budget.

Income

2.3.3 Income to the end of April is £1.54m vs a budget of £1,34m, a favourable variance of £197k.

2.3.4 Income from Pharmacists was £32k higher than budget, primarily because there were 83 more registrants on the register than budgeted, there were also 49 more applications to the register than budgeted.

2.3.5 Premises income is £52k favourable to budget, this was primarily due to there being an additional 50 new premises applications than budgeted.

2.3.6 Technician income is £73K favourable to budget, this is due to there being 512 additional applications to the register than were budgeted, and there were also 111 additional Technicians on the register than budgeted.
2.3.7 Fee income from the RPSGB was £30k higher than budget, this is due to the pre-registration element of the monies received from the RPS not being budgeted for.

2.3.8 DH Grant income was £14k higher than budgeted. £12k of this is due to costs incurred in relation to the Office move and external consultancy costs which are covered by the working capital grants. Grant money is recognised in the accounts as and when expenditure is incurred. No income or expenditure was budgeted due to the uncertainty of the timing of these costs.

2.3.9 Other income is £10k lower than budget due to there being fewer accreditation events in the month than were budgeted.

**Expenditure**

2.3.10 Total team expenditure for the year was lower than forecast by £390k (Actual £834k vs forecast of £1.2m).

2.3.11 Professional fees were under budget by £142k, this is mainly due to the number of hearings being lower than were budgeted which in turn has also resulted in employee costs being lower. in addition to this the number of cases that are with external solicitors is not as high as was expected as no cases have been referred to external firms since the GPhC took full regulatory responsibility.

2.3.12 The budget for contingency costs of £59k (£25K within the Chief Executive & Registrar’s office which was set for the organisation overall and £33k within the Director of Regulatory Services cost centre for any spend not budgeted in respect of the legacy case project) was not utilised within the month.

2.3.13 There was a budget of £33k within the Communications team for the production of a newsletter to all registrants, however this has not yet been produced.

2.3.14 The number of employees is 7 lower than was forecast as can be seen from the headcount analysis. Permanent recruitment for many vacant positions is currently on hold pending the outcome of the consultation however the number of temporary staff is due to increase in May to fill those positions that have become vacant during the consultation and to assist with the Technician application peak and the Pre-Registration team where activity has increased due to the new academic year approaching.

2.3.15 Service level costs are higher than budget in the month, this is due to recognising the cost of an additional payment that may be paid to the service provider dependent on them achieving a required level of service.
Balance Sheet

2.3.16 The balance sheet shows total fixed assets of £53K which is made up of PC’s and works carried out on the building.

2.3.17 Current assets of £20m are mainly comprised of monies held in bank accounts (£19m), other debtors (£644k) and accrued income (£77k). Other debtors relates to those registrants who paid via quarterly direct debit and represents the two outstanding payments due in May and August 2011.

2.3.18 Current liabilities of £17m is primarily made up of deferred income (£15m) which relates to monies received in relation to fee income and the working capital grants provided by the DH and accruals of £1.6m in respect of provisions made for outsourced services and other expenses awaiting invoices.
3.0 **Equality and diversity implications**

3.1 There are no new equality and diversity implications arising from this 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.

4.3 We need to ensure that learning from FtP cases and the proportionate approach to FtP issues taken by the GPhC is communicated effectively to Registrants, representative organisations and wider stakeholder groups.

5.0 **Resources implications**

5.1 The resource model for FtP work indicates that, based on our assumptions and aims for addressing the caseload, we have sufficient budget in 2011/12 and (subject to decisions on fees for 2012) in 2012/13. We need to increase staff resources in FtP on a temporary basis, which can be achieved within existing budget.

5.2 We have recruited additional temporary support into registration and pre-registration team to deal with peaks in activity in 2012 from within existing budget.

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.

6.2 The inability to deal in a timely and effective manner with legacy and GPhC cases could have adverse reputational issues for the GPhC.

6.3 The inability to deal proportionately with FtP cases could give rise to the need to increase fees beyond an acceptable level.

7.0 **Development of our performance reporting**

7.1 Now that we have overcome the immediate challenge of establishing some useful information in relation to the core risk areas of fitness to practise and registration, we plan to develop our performance reporting further, in line with
preparatory work undertaken in 2010, with a view to (a) streamlining the operational performance data and analysis, (b) widening the scope of our report, to bring in key performance measures relevant to other areas of our work and organisation, and (c) establishing some form of “dashboard” or “balanced scorecard” to enable highly visible and accessible monitoring of the most significant indicators.

Recommendations

The Council is asked:

i. to note performance across the registration and fitness to practise functions; and

ii. to note financial performance.

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17 May 2011
## Register & Fitness to Practise

### The Register

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<th>Dec-10</th>
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### Fitness to Practise

#### Total case load

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<td>554</td>
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#### Combined legacy case load

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<th>Dec-10</th>
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<td>516</td>
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<td>393</td>
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<td><strong>393</strong></td>
<td><strong>365</strong></td>
<td><strong>311</strong></td>
<td><strong>292</strong></td>
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**Combined GPhC case load**

| Cases brought forward from previous month | 0 | 8 | 42 | 92 | 132 | 187 | 235 | 261 |
| Cases received | 8 | 57 | 79 | 54 | 105 | 92 | 60 | 31 |
| **Total cases closed in month** | **0** | **23** | **29** | **14** | **50** | **44** | **34** | **19** |
| Closed - outside jurisdiction | 0 | 23 | 27 | 10 | 48 | 37 | 22 | 6 |
| Closed under Threshold Criteria | 0 | 0 | 2 | 4 | 2 | 7 | 10 | 13 |
| Closed by IC | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 |
| **Total open cases carried forward to next month** | **8** | **42** | **92** | **132** | **187** | **235** | **261** | **273** |
For financial statements please see attached spreadsheets.