Minutes of the Council meeting held on **13 June 2013** at Novotel, Dickinson Street, Manchester, at 10.00am

*Minutes of the public session*

**Present**

- Bob Nicholls – Chair
- Sarah Brown
- Soraya Dhillon
- Gordon Dykes
- Mary Elford
- Tina Funnell
- Mohammed Hussain
- Ray Jobling
- Liz Kay
- Berwyn Owen
- David Prince
- Samantha Quaye
- Keith Wilson
- Judy Worthington

**In attendance**

- Duncan Rudkin (Chief Executive and Registrar)
- Paula Woodward (Council Secretary)
- Alison Readman (Interim Head of Governance)
- Hugh Simpson (Director of Policy and Communications)
- Bernard Kelly (Director of Resources and Customer Services)
- Claire Bryce Smith (Director of Inspection and Fitness to Practise)
- Vivienne Murch (Head of Organisational Development & People Strategy)
- Jane Robinson (Head of Communications)
- Lyn Wibberley (Head of Executive Office)

38. **Attendance and Introductory Remarks**

38.1 The Chair welcomed members and staff attending the meeting. The Chair also welcomed the public observers.

38.2 There were no apologies.

39. **Declarations of Interest**

39.1 The following interests were declared:

- Item 17: Council appointments 2014
  - Sarah Brown, Ray Jobling, Liz Kay and Gordon Dykes
- Item 20: MPharm accreditation report and decision
  Soraya Dhillon and Keith Wilson

40. MINUTES OF THE MEETING OF 11 APRIL 2013

40.1 The minutes of the meeting held on 11 April 2013 were agreed as a true record of the meeting, subject to the replacement of the word ‘prescribing’ with ‘dispensing’ in minute 5.2.

41. MATTERS ARISING

41.1 In relation to minute 21.1 Alison Readman (AR) reported that work to develop the behavioural framework had been completed and the framework circulated to Council members. The framework would be incorporated into the forthcoming performance review process for Council members.

42. PROPOSED LEGISLATIVE CHANGE FOR REGULATORY BODIES

42.2 AR introduced paper 06.13/C/01 which reported the Department of Health’s position on legislative changes for regulatory bodies.

42.3 The Council discussed public concern about the language skills of some healthcare professionals. Duncan Rudkin (DR) clarified why the government believed proposed changes to the GMC legislation could not be applied to the GPhC, namely the different way in which the wording of the two organisations’ respective legislation was framed. Hugh Simpson (HS) reported that the GPhC was working with other regulators to make representation to European institutions on the review of the relevant EU law, the Recognition of Professional Qualifications Directive.

42.4 In relation to the Council’s priorities set out in the paper at paragraph 1.1, DR reported that most of these would be covered by the Law Commission’s review of the regulation of health and social care professionals. DR also reported that it was hoped that the resulting bill would lead to greater consistency across the various regulatory bodies on matters such as fitness to practise.

42.5 The Council discussed the professional indemnity requirement set out at paragraph 2.4 of the paper. A member commented that there was no clear definition as to what constituted ‘practising’. DR reported that the intention was to ensure that indemnity covered activities where patient claims could arise.

42.6 The Council noted the paper.

43. MID STAFFORDSHIRE PUBLIC INQUIRY: UPDATE ON KEY ISSUES FOR PHARMACY REGULATION

43.1 DR introduced paper 06.13/C/02 and drew the Council’s attention to the draft policy statement set out in the paper at appendix 1. DR also reminded Council
members that the detail as to how the organisation would meet the challenges of the public inquiry would be developed over the coming months.

43.2 The Council supported the thrust of the paper and the draft position statement. During the discussion the Council noted that it was important to learn from near misses as well as incidents, and that better understanding of the patient experience, good and bad, was crucial to the development of improved services.

43.3 The Council noted the paper and agreed the position statement subject to consideration being given to the inclusion of the following:

i. the ‘frontline practitioner’ and their professionalism
ii. the role of education and CPD
iii. transparency and the development of a culture where concerns could be raised
iv. the core focus on patient safety

43.4 The Council also agreed that the Chair should approve the final version.

44. ANNUAL REPORT AND ACCOUNTS - APRIL 2012 TO MARCH 2013

44.1 DR introduced paper 06.13/C/03. DR reminded the Council that the annual report document would only be made public after it had been laid before Parliament so its contents should be treated as confidential until then.

44.2 Bernard Kelly (BK) drew the Council’s attention to the key points set out in the external auditors’ key issues memorandum. BK reported that the issues raised had already been dealt with or were being managed effectively and had not given the auditors cause for concern.

44.3 David Prince (DP), Chair of the Audit and Risk Committee, reported that the Committee had reviewed the annual report at its meeting on 30 May. DP reported that the external auditors had not found any significant issues. He also reported that the auditors had spoken to the Committee in private and had again raised no issues.

44.4 During the discussion, the Council noted that the report was well written and informative. A member commented that the ‘99% excellent’ figure in relation to CPD (p22 of the annual report) would benefit from some wording to provide a definition and some context. A number of other minor amendments were suggested for clarity and consistency.

44.5 Responding to a member’s question on the diversity profile of those involved in fitness to practise cases, Viv Murch (VM) reported that mechanisms were being developed to ensure that these would be available in future reports.

44.6 The Council noted that a policy on the appointment of internal and external auditors would be developed by management in due course and reviewed by the Audit and Risk Committee.
44.7 The Council agreed the combined annual report, annual accounts and fitness to practise report for 2012-13. The Council also agreed that the Chair would approve any final amendments to the narrative text.

44.8 The Council approved the reappointment of the external auditors, Grant Thornton for the year to March 2014.

45. **DIRECT DEBIT INDEMNITY SCHEME SIGNATORIES**

45.1 Bernard Kelly (BK) asked the Council to agree to the withdrawal of the item from the meeting. On reflection and following discussions with the Chair of the Audit and Risk Committee, management would consider whether the requirements of the direct debit indemnity scheme could be provided in some other way.

45.2 The Council agreed that the item should be withdrawn.

46. **REVISED STANDING FINANCIAL INSTRUCTIONS (SFIs)**

46.1 Bernard Kelly (BK) introduced paper 06.13/C/05 by reporting that the Audit and Risk Committee had reviewed the revised SFIs at its meeting on 30 May 2013 and agreed to recommend them to Council for approval. He reported that the revised version incorporated an observation of the internal auditors regarding the number of tenders sought during tendering exercises.

46.2 The Council approved the revised Standing Financial Instructions.

47. **STATUTORY COMMITTEE PERFORMANCE MANAGEMENT**

47.1 VM introduced paper 06.13/C/06 by setting out the key findings of the external review. VM reported that, in conclusion, the review had found the processes to be sound and had offered some minor suggestions for improvement, such as refresher training and a review of the appraisal process.

47.2 During the discussion, some members suggested that a periodic external review, including examining a sample of hearings, would help the organisation take an objective look at its processes. This would be considered; however, the Council also noted that fitness to practise processes were already subject to external scrutiny by the Professional Standards Authority.

47.3 DR commented that a report would be presented to the Audit and Risk Committee in due course providing further information about implementation of the report’s suggestions.

47.4 The Council noted the paper.

48. **THE REMUNERATION OF ASSOCIATE WORKERS**

48.1 VM introduced paper 06.13/C/07 by drawing the Council’s attention to the key points, for example to the one-off increase from £223 to £300 for statutory committee members. The Council was informed that the figures set out in the
recommendations illustrated that current fees were falling behind those offered by comparator regulators.

48.2 Liz Kay, Chair of the Remuneration Committee, reported that the Committee had examined the matter in some detail at its meeting in April before recommending the increased fees.

48.3 The Council discussed the paper and noted that it was important to set fees at a level that would encourage high calibre candidates to apply. However, the Council also recognised that the higher level of fees offered might deter some individuals, particularly those who were qualified but who may view the role as a significant ‘step up’. VM reported that efforts would be made during any recruitment process to ensure that potential candidates were encouraged to apply, whatever their background.

48.4 VM reported that since the last Remuneration Committee meeting some internal anomalies had been identified such as those relating to Investigating Committee chairs and deputy chairs. This issue was being brought to the June meeting of the Committee.

48.5 The Council agreed that:

i. the fee for members of the GPhC’s statutory committees, Appointments Committee, Board of Assessors and accreditation teams should be increased by £77 from £223 to £300 a day;

ii. The fee for Fitness to Practise Committee and Registration Appeals Committee deputy chairs should be increased by £18 from £468 to £486;

iii. the fee for Fitness to Practise Committee and Registration Appeals Committee chairs should be increased by £6 from £583 to £589.

49. **CHIEF EXECUTIVE AND REGISTRAR’S REPORT**

49.1 It was agreed that this item would be taken out of turn.

49.2 DR introduced paper 06.13/C/08 which set out recent meetings and developments.

49.3 Regarding the Inspection Development Assurance Group (IDAG), DR reported that the first draft of the Rules had been shared with the Department of Health and that clarity regarding the timetable had been requested.

49.4 Regarding the Education Learning Outcomes Review Group, the Council asked that membership of the group be reviewed to ensure that there was pharmacy technician representation on the group as well as patient representation. Later in the meeting, Hugh Simpson reported to the Council that the group included a pharmacy technician and that a patient representative would also be included.
49.5 The Council expressed the view that as an organisation committed to involving patients and the public in shaping policy, groups such as this should always include patient and public representation unless there were good reasons not to.

49.6 The Council noted the report.

50. PERFORMANCE MONITORING

50.1 DR introduced the report (paper 06.13/C/09) by drawing the Council’s attention to some of the key points. He circulated a revised graph showing ethnicity profile statistics in place of that shown on page 15.

50.2 The Council requested that explanations for the delays for the older fitness to practise cases be provided in future (2.5 – 5 years), as previously requested in minute 9.3 of the April 2013 meeting. In relation to the fitness to practise figures, Claire Bryce-Smith (CBS) confirmed that all cases over 15 months were tracked meticulously. She reported that while there had been an increase in those cases, the majority of these were progressing towards a hearing with 15 out of 19 scheduled for a principal hearing. However, a small number of more complex cases remained. The reasons for the delays varied but could include third party involvement such as coroners’ inquests or the need for additional information from other organisations. She undertook to bring back the key messages of the Lean Review at a later date.

50.3 Responding to a question relating to the report on inspections, CBS reported that the new inspection model, with its associated information systems, would be introduced in the autumn. As data collected over time, this new system would facilitate more detailed analysis of inspection findings. In the meantime it was not cost-effective to provide a thematic analysis of the data.

50.4 With regard to complaints, it was agreed that rolling quarterly figures would be provided in future to complement the comparison with prior periods already provided.

50.5 In relation to financial performance, Bernard Kelly (BK) highlighted that the peak of cash at the end of the year was the result of the bulk of renewal fees being paid.

50.6 The Council noted the report.

51. STRATEGIC REVIEW OF RISKS

51.1 DR introduced paper 06.13/C/10 and reminded the Council that the corporate risk register was presented to the Council annually at the March workshop. Following discussions at the Audit and Risk Committee, the intention was to provide the Council with the risk register at an earlier stage in the annual planning cycle (eg November) so as to improve the business planning process and to give the Council more effective oversight.
51.2 DR reported that the Committee had noted a number of external risks, such as those relating to patient safety, that were not explicitly highlighted in the corporate risk register. As a result of these comments, consideration was being given to a thorough updating of the risk register to better reflect the organisation as it evolved from a being a new entity (and so more concerned with internal risks) to becoming an established regulator focussed on external risks. The Council discussed the contribution it should make to this updating of the risk register. The Council noted that it was important for risks to be discussed openly so its presentation at a Council workshop was appropriate.

51.3 The Council commented that there were a number of projects coming up that were heavily dependent on the management team and suggested that risks around capacity should be more clearly expressed.

51.4 A discussion took place regarding whether the Council should see the risk register more frequently; however doing this would detract from the work of the Audit and Risk Committee. Furthermore, discussing the corporate risk register at meetings held in public might inhibit a full discussion of the risks. The Council also noted that the Audit and Risk Committee reviewed the corporate risk register at each of its meetings and therefore provided valuable oversight of the management of risks.

51.5 The Council noted the paper.

52. AUDIT AND RISK COMMITTEE ANNUAL REPORT TO COUNCIL

52.1 DP introduced paper 06.13/C/11 by stating that the aim of the Committee’s annual report was to provide the Council with a number of key assurances. DP reported that the Committee had given some thought to the structure and content of next year’s report and it would flow from the Committee’s terms of reference. He also reminded the Council of the changes to the Committee’s membership over recent months.

52.2 In relation to internal audit, DP reported that the internal auditors provided a good level of assurance for a relatively new organisation with internal audit actions and management’s response tracked at each meeting. However, the Committee had noted that some timescales for completion of actions had proved to be over-ambitious and had been pushed back. Responding to a member question on the number of limited assurance verdicts given by the internal auditor, DP informed the Council that this was not an unusual result from an internal audit. The Committee had considered the issues raised and found that most issues were minor points and being dealt with effectively. However, where more substantial matters were raised, these were being dealt with through discussions between the internal auditors and the management, with oversight by the Committee. DP emphasised the Committee’s commitment to reviewing progress made by the executive, and challenging where required, in relation to the information security project.

52.3 The Council noted the report.
53. **UNCONFIRMED MINUTES OF THE AUDIT AND RISK COMMITTEE**

53.1 DP introduced paper 06.13/C/12 and informed the Council that it provided a summary of the discussions and decisions taken at the Committee meeting on 30 May 2013, since the minutes had not been ready when the papers had been circulated. Formal unconfirmed minutes of that meeting would be provided to the Council at its next meeting in September.

53.2 **The Council noted the report.**

54. **COUNCIL APPOINTMENTS 2014**

54.1 Sarah Brown, Ray Jobling, Liz Kay and Gordon Dykes declared interests in this item.

54.2 Judy Worthington (JW) introduced paper 06.13/C/13. She reported that the appointments procedure was currently under way. However, some concern had been raised about how the Council’s views as the client could be expressed given that no Council members sat on the Selection Panel. The Chair reminded the Council that he had announced his intention not to seek reappointment after the end of his current tenure. This removed any direct conflicts of interest and meant that he would be able to act as a link point between the Council and the Selection Panel. AR would also be the guardian of the process.

54.3 AR commented that the paper stated in paragraph 2.3 that the process had been approved by the Professional Standards Authority (PSA). In fact, the PSA had confirmed that it had no further comments on the process at that stage. The Council noted that scrutiny would continue in the usual way until the appointments process had run its course.

54.4 **The Council noted the report.**

55. **COUNCIL BUSINESS SCHEDULE**

55.1 The Council noted the business schedule set out in paper 06.13/C/14.

56. **ANY OTHER BUSINESS**

56.1 The Chair confirmed that the meeting was moving into confidential business since some matters to be discussed named individuals and were commercial in confidence.

56.2 **There being no further business, the part of the meeting that was held in public closed at 2.10pm.**

**DATE OF NEXT MEETING**

Thursday 12 September 2013