

**General  
Pharmaceutical  
Council**

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# Annual report

Annual fitness to practise report

Annual accounts

2017/18



# Annual report

Annual fitness to practise report

Annual accounts

2017/18

**Annual report and annual fitness to practise report presented to Parliament and the Scottish Parliament pursuant to Paragraph 8 of Schedule 1 to the Pharmacy Order 2010**

**Annual accounts presented to Parliament and the Scottish Parliament pursuant to Paragraph 7 of Schedule 1 to the Pharmacy Order 2010**

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# Foreword

## From our chair, Nigel Clarke, and our chief executive, Duncan Rudkin

In all our work over the past year, we have continued to focus on the outcomes we want to achieve on behalf of the people using pharmacy services. By focusing on outcomes, rather than strict rules, we can regulate in a way that is agile and responsive to the changing needs of patients and the public, and to the changes within pharmacy and healthcare. It also means we can give the people working in pharmacy the flexibility to innovate and adapt in a way that improves the quality of care they provide.

A key focus in the last twelve months has been to make sure the pharmacy team have the necessary knowledge, attitudes and behaviours they need for their current and future roles.

May 2017 was a significant milestone, with our new standards for pharmacy professionals coming into effect (pharmacy professionals are pharmacists and pharmacy technicians). The standards set out clear expectations for pharmacy professionals and promote professionalism and person-centred care.

These standards are at the heart of our new framework for revalidation, which was agreed by our Council in December 2017 and introduced on 30 March 2018. Revalidation is a significant step-change and will further enhance the public's confidence and trust that pharmacists and pharmacy technicians are maintaining, and continuing to improve, standards of practice.

Given the scale of the change being proposed, it was very encouraging to see the level of support and the positive feedback for our proposals, including during the consultation that we held in Spring 2017. What we heard through that consultation helped us to strengthen the framework, for example by providing more guidance about choosing a peer, to carry out the peer discussion with.

Organisations from across pharmacy have played a vital role in helping to develop the proposals and preparing for their implementation. This has demonstrated a shared commitment across pharmacy to support pharmacy professionals with reflection and learning throughout their careers.

We have also made significant progress this year in our programme of work to modernise standards of education and training for the pharmacy team. New standards for the initial education and training of pharmacy technicians have now been published. We have also asked for views on our proposals to modernise the education and training of pharmacist independent prescribers. Our work in this area will continue to be a priority in the year ahead.

As the regulator of both pharmacy professionals and registered pharmacies, we believe the environments in which health professionals work are vital for delivering professional, safe and effective care. As part of that, the environments in which health professionals work must enable



them to meet professional standards. In June 2017, we asked for feedback on proposed new guidance which sets out what pharmacy owners are expected to do to make sure everyone in the pharmacy team can provide safe and effective services to patients and the public. We also developed proposals to strengthen our regulation of pharmacies, which we will consult on and implement in 2018/19.

We expect the year ahead will be one of both challenge and opportunity. We are taking steps to make sure we are in a position to respond to the challenges ahead and to make good use of the opportunities that arise.

**Nigel Clarke**  
Chair



**Duncan Rudkin**  
Chief Executive  
and Registrar



# Our year at a glance

The register as at 31 March 2018



Implemented revalidation for pharmacy professionals 

Launched new standards for pharmacy professionals 

Finalised the new standards for the initial education and training of pharmacy technicians 

**4,066**   
pharmacies inspected

**402**   
action plans agreed with pharmacies

**98%** of these have made the necessary improvements\*  
\*The remaining two per cent is made up of plans where actions were not yet due, or where they had long lead times

**2,333** concerns raised about pharmacy professionals

 **23.5%** increase from 2016/17

 **10%** increase in open cases from 2016/17

Over **2,600** written responses received to 2 public consultations 

Participated in **103** engagement events across Great Britain 

Over **8 million** visits to our website 

Responded to over **66,000** calls and emails from registrants and the public 



# About us

## Who we are

We regulate pharmacists, pharmacy technicians and pharmacies in Great Britain.

We work to assure and improve standards of care for people using pharmacy services.

## What we do

Our role is to protect the public and give them assurance that they will receive safe and effective care when using pharmacy services.

We set standards for pharmacy professionals and pharmacies to enter and remain on our register.

We ask pharmacy professionals and pharmacies for evidence that they are continuing to meet our standards, and this includes inspecting pharmacies.

We act to protect the public and to uphold public confidence in pharmacy if there are concerns about a pharmacy professional or pharmacy on our register.

Through our work we help to promote professionalism, support continuous improvement and assure the quality and safety of pharmacy.

## Changes to...

### Our Council

This year the membership of our Council remained unchanged. GPhC Chair Nigel Clarke has been reappointed by the Privy Council for a second term, until March 2022, following scrutiny of the appointment process by the Professional Standards Authority.

You can **find out more about our Council members** in the 'About us' section of our website.

### Our staff

In 2017/18, we made changes to our organisational structure, to help us deliver our strategic aims more effectively.

We now have five directorates. Claire Bryce-Smith now leads the Insight, Intelligence and Inspection Directorate. Megan Forbes, Deputy Chief Executive and Director for Corporate Resources, joined us in June 2017 to lead the Corporate Resources Directorate. Francesca Okosi also joined in June 2017 and leads the People Directorate.

Matthew Hayday, our Head of Governance, and Mark Voce, our Head of Inspections, were appointed to lead the Fitness to Practise Directorate and the Education and Standards Directorate respectively on an interim basis in December 2017.

# The register

The register as at 31 March 2018



Anyone can find out if a pharmacist, pharmacy technician or pharmacy is registered in Great Britain, by checking information from the register on our website. You can also see any decisions we have made about whether pharmacy professionals are safe to practise pharmacy, and which pharmacists are also 'supplementary prescribers' or 'independent prescribers'.

To be able to practise in Great Britain, pharmacists and pharmacy technicians must satisfy us that they meet the standards for pharmacy professionals. Only then can they join the register. Similarly, anyone wanting to register a pharmacy or renew that registration must also meet our standards.

When a pharmacist or pharmacy technician renews their registration with us each year, they must make a declaration confirming that they meet all our standards.

Anyone who is not registered with us, but practises as a pharmacist or pharmacy technician, is breaking the law and can be prosecuted.

You can [search the online register](#) for details of pharmacists, pharmacy technicians and pharmacies.

## Registration fees

**In March 2018, our governing council decided that registration renewal fees for pharmacists, pharmacy technicians and pharmacy premises would continue to be £250 for pharmacists, £118 for pharmacy technicians and £241 for registered pharmacies for the financial year 2018/19.**

**These fees have stayed at the same level at the same level since October 2015.**



# Our achievements in 2017/18

## **Implementing new standards for pharmacy professionals**

New standards for pharmacy professionals, focusing on delivering person-centred care, came into effect on 12 May 2017. To support the new standards, in June 2017 we published new guidance to help pharmacy professionals when their religion, personal values or beliefs might affect their willingness to provide certain services, supporting them to make good decisions and provide person-centred care.

## **Introducing revalidation for pharmacy professionals**

We consulted on our proposals for revalidation and included what we heard in the final revalidation framework, which our Council agreed to implement from 30 March 2018. We helped pharmacy professionals to prepare for the introduction of revalidation by sharing a range of resources and supporting information.

## **Developing new standards for the education and training of the pharmacy team**

We continued our work to review the standards for the education and training of the pharmacy team. We finalised the new standards for the initial education and training of pharmacy technicians, and new criteria for registration as a pharmacy technician.

We launched a consultation on proposals to modernise the standards for training pharmacist independent prescribers. We also commissioned research and engaged with key stakeholders to help plan our future work to develop new standards for the initial education and training of pharmacists.

## **Developing our approach to regulating registered pharmacies to provide assurance and encourage improvement**

We continued to develop and refine our approach to regulating registered pharmacies. We asked for feedback from members of the public on how we propose to publish inspection reports, once we have the legal powers to do so. We also prepared for a consultation on our proposals to develop our approach, which will take place in 2018/19.

We also consulted on proposed new guidance which sets out what pharmacy owners are expected to do to make sure everyone in the pharmacy team can provide safe and effective services to patients and the public.

## **Improving the way we work**

During 2017/18 we have continued to improve the way we work and the services we provide. As part of this, we have developed a new version of the myGPhC website. Pharmacy professionals will be able to use this for a range of tasks, including renewing their registration and recording and submitting their revalidation records.

## **Integrating equality, diversity and inclusion into the way we work**

During 2017/18 we continued to build equality and diversity into the work we do as a regulator, a public service provider and an employer. This included introducing mental health awareness training across the organisation, and making sure that Equality Impact Assessments are completed for our Council to consider when making decisions about our work.

## **Implementing new standards for pharmacy professionals**

New standards for pharmacy professionals came into effect on 12 May 2017. The standards were developed using feedback from people using pharmacy services and from pharmacy professionals about the behaviours and attitudes they would want pharmacists and pharmacy technicians to demonstrate.

Among the key changes in the standards are a greater focus on person-centred care and more emphasis on demonstrating leadership and raising concerns.

All pharmacy professionals in Great Britain will have to meet the nine standards. These describe how safe and effective care is delivered and will help pharmacy professionals to demonstrate their professionalism and deliver person-centred care.

Pharmacy owners also have an important responsibility to make sure they are creating and supporting an environment in which the pharmacy professionals they employ can meet these standards.

We carried out a range of communications activities to promote the new standards to pharmacy professionals, patients and the public,

employers and others. This included launching the GPhC Standards app, providing materials for organisations and employers to promote the standards, and promoting the standards to members of the public through social media. GPhC staff spoke at over 22 events during 2017/18 including local pharmaceutical committee (LPC) meetings in England, Scotland and Wales, and larger events such as the annual Pharmacy Show.



*The standards for pharmacy professionals aim to promote professional decision-making*

## Guidance on religion, personal values or beliefs

To support the new standards, in June 2017 we published new guidance to help pharmacy professionals when their religion, personal values or beliefs might affect their willingness to provide certain services, supporting them to make good decisions and provide person-centred care.

The guidance covers standard 1: “Pharmacy professionals must provide person centred care”. We developed it to reflect the current legal framework and sets out the relevant factors that pharmacy professionals should consider to support their professional decision-making.

It includes key questions that pharmacy professionals should ask themselves when thinking about how they can make sure and demonstrate that they have provided person-centred care.

The new guidance includes feedback we heard through the consultation process from people using pharmacy services, as well as pharmacy professionals and other key stakeholders. For example, we heard from respondents to the consultation that the guidance would be relevant to a wide range of situations, and not just ones involving emergency hormonal contraception.

The guidance also emphasises the important responsibilities of employers for creating and maintaining a person-centred environment and ensuring the safe and effective delivery of pharmacy services, as well as creating fair working environments for employees.

## Introducing revalidation for pharmacy professionals

In April 2017, we launched a consultation on our proposals for revalidation for pharmacy professionals.

We developed the proposals using what we had learnt from almost three years of research, piloting and testing.

We set up an advisory group in 2014, to advise and provide feedback on the revalidation development work and the proposals. The group was chaired by Lord Kirkwood of Kirkhope, and was made up of representatives from more than thirty organisations and a patient representative. It helped us to develop all aspects of the work.

The advisory group's insights have significantly influenced the proposals over the course of the development programme. You can **[find out more about the advisory group](#)** on our website.

The proposals we made in the consultation for what pharmacy professionals must do each year were:

- make declarations that they continue to meet our standards and remain fit to practise
- undertake, record and submit four CPD activities

- undertake, record and submit a peer discussion
- undertake, record and submit a reflective account against one of our standards for pharmacy professionals

During the consultation, from 24 April to 17 July 2017, we attended 40 events, and spoke to:

- 3610 pharmacy professionals
- 100 students and trainees
- 112 patients and members of the public

The events included focus groups held with members of the public in England, Scotland and Wales and workshops at a range of pharmacy conferences.

Most of the 1858 respondents supported the overall proposals and comments were generally very positive. The overall approach was seen to be more robust and structured and an improvement on the present system. The new requirements were seen as being more fit for purpose and as providing more flexibility in how registrants complete their revalidation. There was also general agreement that the new approach would give greater assurance to people using pharmacy services that pharmacy professionals remain fit to practise throughout their careers.

## The impact of the proposals

The concerns and queries we received through the consultation focused on specific elements or steps in the revalidation process. We took these into account in the final framework and implementation. For example, some registrants who responded raised questions about choosing a peer, to carry out the peer discussion with. They wanted to know more about who might be appropriate to choose as a peer, and how we would help to make sure they could choose their peer independently.

In response, we have provided more guidance in the revalidation framework about choosing a peer. And we will provide specific guidance about carrying out the peer discussion for both the registrant and their peer.

We will also make sure that pharmacy professionals are aware that they have the responsibility and right to select their own peer, by asking them to make a declaration when they submit their revalidation records.

**86% of organisations and 70% of individual respondents thought that the changes will help to support registrants in their practice and provide assurance that pharmacy professionals remain fit to practise**

We carried out a range of communications activities to help make sure pharmacy professionals were ready for revalidation and understood what they would need to do.

Two months before revalidation was implemented, we sent an email to all registrants. This included a personal 'timeline' explaining

what they would need to do and when, based on the date they needed to renew their registration. We updated our website with an overview of the requirements, the revalidation framework itself, and the supporting resources. We also included the answers to frequently asked questions about revalidation which we gathered from some of the 22 speaking events we attended during 2017/18.

We promoted the resources on social media, answering questions and pointing people to their personal timeline. We also spoke to 1450 pharmacy professionals and 350 students and trainees as part of the engagement to promote revalidation implementation up until March 2018.

You can **[find out more about revalidation and how we used feedback from patients and the public, registrants, and other stakeholders](#)** on our website.

## Developing new standards for the education and training of the pharmacy team

We continued to take forward our programme of work to review the standards for the education and training of the pharmacy team.

### Standards for the initial education and training of pharmacy technicians

In October 2017 we published new standards for the initial education and training of pharmacy technicians. The new standards are aligned to the standards for pharmacy professionals. They put a clear emphasis on making sure that pharmacy technicians have the necessary knowledge and skills to demonstrate their professionalism and deliver person-centred care from day one of their practice.

We developed the standards using what we learned from extensive consultation with people and organisations interested in pharmacy technician education. We heard from 76 organisations and 281 individuals through our online consultation survey. Also 320 people came to events which we held in England, Scotland and Wales about the proposed standards, and changes to the criteria for registration as a pharmacy technician. The events included focus groups held with members of the public in England, Scotland and Wales.

Courses using the new standards are expected to be designed from 2018. We expect all training providers to offer courses based on the new

standards by 2019. Until new courses are ready, trainee pharmacy technicians can still enrol on existing ones, which will remain accredited by the GPhC for registration purposes.

We have also developed an evidence framework to support the creation of courses that will meet the standards.

### Changes to pharmacy technician registration criteria

Our governing council also agreed two key changes to the registration criteria for pharmacy technicians:

1. To allow the training of pre-registration trainees to be overseen and directed by a pharmacy technician or a pharmacist
2. To remove the option that current or recently registered pharmacists in Great Britain or Northern Ireland are able to register as a pharmacy technician automatically

The new criteria will come into effect on 31 August 2018.

### Consultation on standards of education and training for independent prescribers

We launched a consultation in March 2018 on proposals to modernise the standards for training pharmacist independent prescribers. The changes aim to make sure that courses are fit for purpose and that the learning outcomes in them will help prepare pharmacist independent prescribers for their current and future role, as it continues to broaden and develop.

The proposals in the consultation have used feedback from a wide range of stakeholders. This included using a survey of pharmacist prescribers, pre-consultation meetings with

course providers and a **discussion paper on the supervision of trainee pharmacist independent prescribers** published last year.

The consultation will close in June 2018 and the new standards are expected to be approved by our Council in 2018/19.

## Developing our approach to regulating registered pharmacies to provide assurance and encourage improvement

During 2017/18 we inspected 4066 pharmacies and continued to use inspections as a way of supporting continuous improvement in pharmacy practice.

All of the 402 pharmacies which were judged 'poor', or 'satisfactory' but did not meet all the standards, had to complete an improvement action plan to improve their services to patients and the public.

You can **find out more in the Inspection section of our website**.

In 2018-19 we plan to publish a report of what we have learnt from our inspections, including sharing examples of notable practice. This will include examples of good and excellent practice as well as examples of practice that falls below the expected standard.

### Developing our approach to regulating registered pharmacies

During 2017/18 we have been preparing to consult on proposals to further develop our approach to regulating and inspecting registered pharmacies and to publishing inspection reports.

This work has been taking place before the of the Pharmacy (Premises Standards, Information Obligations etc) Order 2016 comes into force,

which is expected in 2018. This makes changes to the Pharmacy Order 2010, including giving the GPhC powers that enable us to publish the outcomes of inspections of registered pharmacies.

To help us develop our proposals on how we would publish inspection reports, we asked for feedback from members of the public through a series of focus groups. We used what we heard through those focus groups to develop our proposals, which we plan to consult on in Summer 2018.

### **Consulting on guidance to ensure a safe and effective pharmacy team**

In July 2017 we asked for feedback on proposed new guidance which sets out what we expect pharmacy owners to do, to make sure everyone in the pharmacy team can provide safe and effective services to patients and the public.

The proposed guidance for pharmacy owners covers both registered and unregistered staff, including managers who are not registered pharmacy professionals.

We received 831 responses to our online survey and held patient focus groups and roundtables with training providers, pharmacy stakeholders and awarding bodies in England Scotland and Wales. Our Council has carefully considered the feedback we received and is expected to agree the final guidance in Summer 2018.

- **4,066 pharmacies inspected in 2017/18**
- **402 action plans agreed with pharmacies in 2017/18**
- **98 per cent of these have made the necessary improvements\***

**\*The remaining two per cent is made up of plans where actions were not yet due, or where they related to issues such as building works on premises that take longer to complete.**



## Improving the way we work

During 2017/18 we have continued to build on our commitment to efficiency and effectiveness to make sure they are an essential part of all the work we do.

We have carried out an organisational restructure and started a cultural change programme. This will be regularly monitored and reviewed, including through a programme of staff surveys, so that we understand our progress.

We started a major programme to transform how we operate our services. In March 2018, we launched our new online service for registrants, (including the supporting IT infrastructure) as part of the introduction of the revalidation framework.

The new myGPhC system went live in March 2018. It replaces both the old version of myGPhC which registrants used to renew their registration, and uptodate.org which they used to record their CPD. Pharmacy professionals will use the new system to record and submit their revalidation records and renew their registration.

The new system will help us to manage our data more efficiently, by improving the quality of the information we hold, and making its collection more secure. It will also help us to keep to the new General Data Protection Regulation (GDPR) requirements which apply from May 2018.

In 2018/19 we will design and build more parts of the system to deal with more processes- such as

applications to join the register- for applicants, pre-registration trainees and registrants. We continue to work to improve the quality and consistency of the data we hold, bringing together data from across our regulatory functions and from outside sources. We have started work to develop our insight and intelligence strategy during 2018/19. We have also continued work to make sure we keep to the GDPR when it comes into force in May 2018.

We continue to monitor our operating costs. Even with extra investment in developing our services we have still been able to keep our fees at their present levels for the 2018/19 financial year. We will continue to develop and review our long-term financial strategy to make sure this supports our work.

We will monitor our work to move to more efficient and effective ways of working through our management processes, including through the Efficiency and Effectiveness Assurance and Advisory Group (EEAAG) and continue to report to our Council on progress.

## Integrating equality, diversity and inclusion into the way we work

During 2017/18 we continued to build equality, diversity and inclusion (EDI) into the work we do as a health professions regulator, a public service provider and an employer.

As an organisation with a public duty, the GPhC has a number of general legal equality duties under the Equality Act 2010. We want to set an example as an organisation in how we approach equality, diversity and inclusion (EDI).

To support our aims, this year we have:

- developed equality impact assessments for changes to our standards, guidance or policies to help understand the potential equality and diversity implications. For example, when developing the guidance on religion, personal values and beliefs, we engaged with diverse groups including organisations and groups representing those with protected characteristics. Through that engagement process we heard feedback and suggestions that were later incorporated into the new guidance. This included expanding the guidance for employers to help mitigate risks of discrimination or harassment against pharmacy professionals in the workplace due to their religion or belief, or perceived religion or belief
- introduced Headtorch mental health awareness training across the whole

organisation, as part of a developing health and wellbeing strategy for the GPhC, with 82 members of staff completing the training

- helped the associates team to attract strong applicants for GPhC committee roles from underrepresented groups, by contributing to recruitment campaigns. We will provide a detailed update on the outcomes of this recruitment campaign, including in relation to EDI, to the Council in September 2018.
- worked closely with the LGBT Foundation and Age UK to highlight how pharmacy professionals can demonstrate person-centred professionalism in a variety of situations, including for LGBT people and for older people, through joint articles in our e-bulletin, Regulate
- continued with our programme of general awareness raising with events for staff and our inclusive agenda for 'Bringing your whole self to work'. We have worked closely with the newly formed Lesbian, Gay, Bisexual and Transgender (LGBT) cross-regulatory network, InterReg, hosted by staff at the GPhC
- established a GPhC black and minority ethnic (BAaME) staff network

The EDI leadership group has carried out the role of monitoring the EDI objectives closely linked with the GPhC business plan.

It has established its key aims of:

- focusing on mental health, to support the 2018/19 planned work programmes in this area in the Fitness to Practise and People directorates
- building on our data, information, intelligence and insight capability by working

in partnership with the Data and Insight Team

- offering extra support internally on the use of the equality impact analysis tool at an earlier stage in the project and planning process

### **Communicating with the Welsh-speaking public**

We are committed to making sure that Welsh-speaking members of the public are able to understand and get involved in our work, as set out in our **Welsh language scheme**.

During 2017/18 we continued to publish key public documents in Welsh, such as our new standards for pharmacy professionals, our strategic plan and this annual report. We are including Welsh-language requirements as part of a project to decide the specification for a new website platform in 2018/19.

### **Welsh-language standards**

The Welsh Language (Wales) Measure 2011 updated the legal framework covering the use of the Welsh language in delivering public services. Under the measure, standards of conduct are being developed covering how the organisations affected communicate using the Welsh language. These will gradually replace the existing system of Welsh language schemes. We have, along with other healthcare regulators, continued to engage with the Welsh Government about the scope and extent of standards that will apply to us.



# Looking to the future

We are in the second year of **our strategic plan for 2017–20**. This says how we will achieve our key aim of supporting and improving the delivery of safe, effective care and upholding trust in pharmacy, by making sure that:

- the pharmacy team have the necessary knowledge, attitudes and behaviours
- registered pharmacies deliver safe, effective care and services
- pharmacy regulation is efficient and effective

And we will continue to work through the second year of our business plan for 2017-20, which sets out our six priorities for the next three years.

## **Building on our data, information, intelligence and insight capability**

In 2018/19 we will:

- develop a phased insights and intelligence strategy to improve our capacity and capability to report on our work more efficiently; to share insights we gain from the data we hold, and to use the data to make effective regulatory interventions
- improve the quality and consistency of the data we hold and of our data infrastructure
- continue to update our data approach and procedures to make sure we keep to the General Data Protection Regulation
- carry out and share the results of a public perceptions survey about pharmacy to promote an improved understanding of public expectations
- share with others what we learn through our work

## **Developing our approach to fitness to practise**

In 2018/19 we will:

- commission an external review of the links between our fitness to practise process and the mental health implications for the people involved, including registrants, complainants and witnesses
- assess the extent to which a more 'restorative' approach towards pharmacy professionals may contribute to improved care and services for the public

## **Securing assurance and promoting improvement in registered pharmacies**

In 2018/19 we will:

- agree with the UK government a timetable for commencing our new powers to publish inspection reports, and share learning to promote improvement
- consult on and implement our approach to publishing inspection reports and our updated proposals on pharmacy inspection
- implement new enforcement powers to ensure our standards are met in registered pharmacies
- build understanding among our stakeholders of our powers and of the tools we use, for regulating both individual members of professions and pharmacy owners, and explore how we can use them most effectively

- issue guidance to pharmacy owners to support safe and effective care by all staff within the pharmacy team

### **Improving standards of care through regulating education and training**

In 2018/19 we will:

- implement our new revalidation framework to provide assurance that pharmacy professionals continue to meet the required standards of professionalism throughout their careers
- implement new standards for the initial education and training for pharmacy technicians, and work with course developers and providers to implement these
- consult on, review and agree new standards for pharmacist independent prescribers followed by implementation activities with course developers and providers
- start to review and consult on initial education and training for pharmacists so that the initial education provided will meet the future needs of the public in relation to pharmacy services

### **Transforming our organisation, our services and processes**

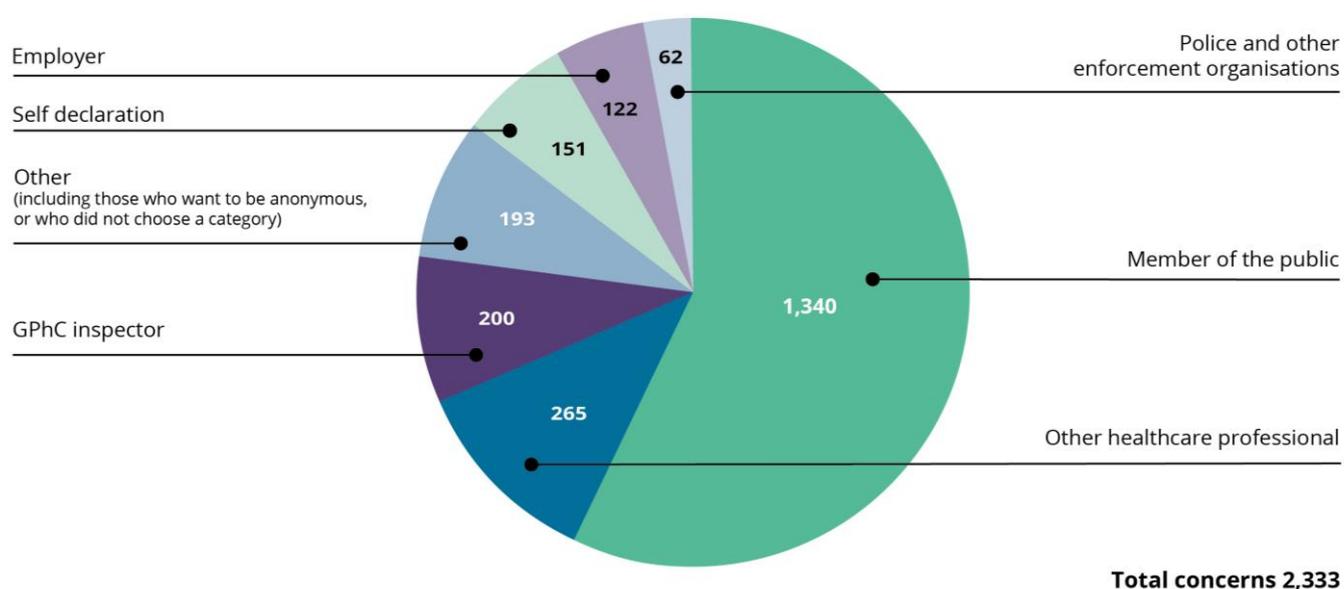
In 2018/19 we will:

- improve online services so that registrants can complete and review their revalidation records online

- improve online services for application, registrations and renewals in phases throughout the year
- embed equality, diversity and inclusion in both our role as a regulator and employer
- carry out a survey of our registrants to identify areas for further improvement
- invest in updating our culture, ways of working and means of holding ourselves to account, so that we have the right staff with the right skills and attitudes to adapt to the evolving world of regulation and pharmacy professionals
- continue to invest in our IT infrastructure and applications by moving to cloud-based solutions, to provide a flexible and robust foundation for future needs
- align our risk-management approach to the ISO 31000 standard

# Annual fitness to practise report

## How concerns came to us in 2017/18



### What is fitness to practise?

We describe fitness to practise (FtP) as a person's suitability to be on our register without restrictions.

Dealing effectively with fitness to practise concerns is at the heart of our commitment to protecting patients and the public, and maintaining public confidence in pharmacists and pharmacy technicians.

If you are concerned that a pharmacist or pharmacy technician registered with us is not fit to practise, you can [report your concern to us](#).

You can find out more about [how we deal with fitness to practise concerns](#) on our website.



## How we deal with concerns

We carefully review and assess every concern we receive. This initial review will help us decide what should happen next.

The review may result in a concern being closed at this point because it is not within our powers to deal with it (it is 'outside our jurisdiction'). For example, this could be a concern purely about customer service issue, or a concern about a pharmacy outside Great Britain.

If we can deal with a case, we will start an investigation. This will be led by an inspector or a specialist case worker, or – if it is a complicated case – both. Following the investigation, we may decide to:

- take no further action, because we are satisfied that there is no case to answer
- issue a letter including guidance
- recommend that the evidence is considered by the Investigating Committee

Many cases are closed at this point, often with guidance which tells the pharmacy professional involved what they must learn from the concerns raised. We keep a copy of this letter on our records. Serious cases, which meet the relevant legal tests are referred to either the Investigating Committee or the Fitness to Practise Committee. You can **[find out more about the committees and the issues they consider](#)** on our website.

The Investigating Committee (IC), which meets in private, can decide to:

- take no action
- agree 'undertakings' with a registrant, which may include restrictions on a registrant's practice or a commitment to

practise under supervision or to undergo retraining

- issue a warning or a 'letter of advice', or
- refer the case on to the Fitness to Practise Committee for a hearing

The Fitness to Practise Committee (FtPC) is a panel which operates independently of the GPhC, and is usually made up of three members.

The FtPC, which usually holds hearings in public, decides if a pharmacy professional is fit to practise.

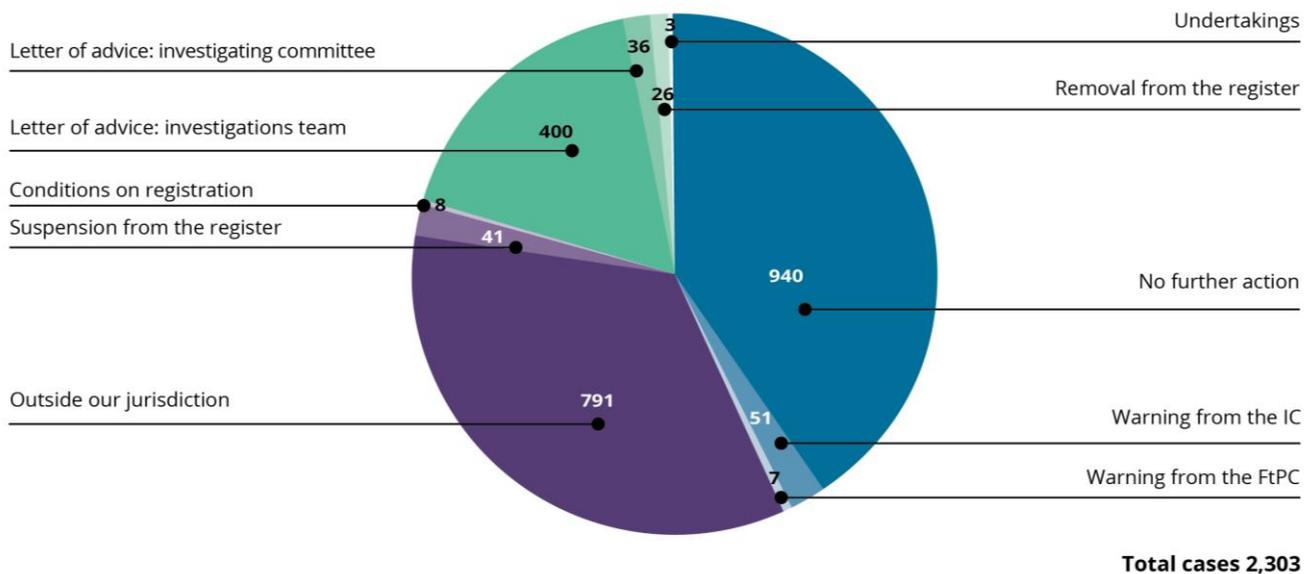
If it finds that they are not fit to practise, it can:

- give them a warning
- set conditions that limit how they can practise
- suspend or remove them from the register

If we receive a concern where a registrant's behaviour or practice presents a serious continuing risk to patient safety, or if they have a health condition which means that they are a risk to themselves or the public, we can apply to the Fitness to Practise Committee for an 'interim order'. Interim orders allow us to suspend a pharmacy professional's registration, or make it subject to conditions, while we carry out our investigation.

Sanctions may be imposed by the Fitness to Practise Committee, and can include a pharmacy professional being suspended or removed from the register. Sanctions are not about punishing past conduct. Rather, they reflect the interests of the public – either to ensure public safety, to maintain public confidence in the profession, or to maintain proper standards of behaviour.

## Outcomes of cases closed in 2017/18



## Dealing with concerns in 2017/18

This year the overall number of concerns raised with us increased. In 2017/18 we received 2,333 concerns, 444 more than in 2016/17.

Although concerns have increased there is no single reason we can see to explain this increase. Proportionally, the nature of concerns and who we receive them from are similar to the previous reporting period.

We are committed to the continuous improvement of our operational processes. To meet this commitment, we introduced a new case-tracking system in September, with final delivery in March 2018. This included a new IT system covering the entire fitness to practise

process and replaced previous separate case-management systems.

Having consulted on proposals and worked closely with a number of stakeholders, in February 2018 we introduced new threshold criteria. These criteria are at the centre of our decision-making process in relation to investigations. They will help us to act in a more efficient, effective and proportionate way and to decide whether the case should be referred to the Investigating Committee or if another regulatory action is more appropriate or fairer. We will refer a case if the evidence as a whole suggests that at least one of the conduct, performance or health aspects are met and it is in the public interest. We are undertaking a review of the number of concerns closed both at triage and investigation to help understand what the impact of the revised criteria will be.



The number of concerns we received has increased by 23.5 per cent. Despite this increase our 'open' caseload (the number of cases we are working on at any one time) is, as of 31 March 2018, 755 cases. This means that our caseload has only increased by 10.2 per cent when compared with 2016/17.

As of 31 March 2018, 81 per cent of our open caseload is less than 12 months old, with 60.8 per cent being between zero and six months old. Last year this figure was 56.0 per cent, an improvement of 4.8 per cent.

We have also continued to focus on reducing the number of cases older than 12 months. As at 31 March 2018 we had 143 cases over the age of 12 months compared with 160 cases in 2016/17; an 11 per cent difference. When compared to the overall caseload we are able to report a decrease of cases over 12 months by 4.5 per cent. Our number of cases over 15 months has also decreased overall by 2.9 per cent.

We will continue our work to make further measurable progress in 2018/19 to resolve concerns about the fitness to practise of pharmacy professionals as quickly as possible. As part of this work we will be continuing to focus on older cases but also on cases that can be resolved quickly with more proportionate, outcome focussed investigations and local resolutions. We will continue our work to make further measurable progress in 2018/19 to resolve concerns more quickly about the fitness to practise of pharmacy professionals.

Occasionally, an appeal is made against the outcome of a Fitness to Practise Committee decision. This is done by lodging an appeal in court. Across the course of this year, four appeals which had been brought to the High

Court were concluded. All the appeals were dismissed by the High Court, apart from one case, where the sanction of removal was referred back to the Fitness to Practise Committee for a new hearing.

We have also continued to bring criminal prosecutions against people practising as a pharmacist or pharmacy technician while not on our register, when it is in the public interest. Practising without being registered can cause significant risk to patients, is illegal and is dealt with by the criminal courts. During 2017/18 we brought three criminal prosecutions, all of which have resulted in convictions.

We continue to work closely with other healthcare regulators such as the Care Quality Commission and Medicines and Healthcare Regulatory Authority to share information and help to deal with broader healthcare issues.

### **How do I find out about fitness to practise hearings?**

**Fitness to Practise Committee hearings are usually held in public at our Pharmacy Hearings Centre and members of the public are welcome to attend.**

**Some Fitness to Practise Committee hearings are held in private if, for example, there are matters involving a registrant's health.**

**You can [find out about upcoming hearings](#), and about [decisions the fitness to practise committee has made on our website](#).**

# Our reporting requirements

Under the Pharmacy Order 2010 there are certain items we have to report as part of demonstrating our accountability to parliament.

We have to publish annual reports and accounts, and provide them to the Privy Council Office for laying in the UK and Scottish Parliaments.

We have to publish:

- an annual report on how we have carried out our work, including the arrangements we have that make sure we follow good practice in relation to equality and diversity
- a statistical report which shows the efficiency and effectiveness of our arrangements to protect members of the public from registrants whose fitness to practise is impaired. The report includes a description of the arrangements and the Council's comments on the report
- annual accounts, in a form set by the Privy Council
- our external auditors' report on our accounts

This report is published to meet these requirements.

The Privy Council has issued an 'accounts determination', setting out what we must include when preparing our annual accounts. The accounts determination is in appendix 1 to our financial statements. Our accounts have been produced in line with this determination.

As a body funded by registrants' fees and independent of government, we are not covered by the treasury guidance on managing public money. But we want to follow best practice, both in being transparent and in communicating with members of the public, who are our main stakeholders. We have therefore aimed to keep our reporting as clear and straightforward as possible, with the least amount of duplication.

We have provided a governance statement by the chief executive and registrar. This covers the systems we have to support the Council's strategy and objectives, while safeguarding the organisation's assets. The statement also includes the chief executive's review of the effectiveness of our systems of internal control.



# How we govern ourselves

The Council is the GPhC's governing body and is appointed by the Privy Council. It sets the strategic direction and objectives for the organisation, in line with its statutory objectives.

It monitors the organisation's performance, and that of the senior leadership group. It also safeguards the organisation's assets and makes sure its financial affairs are run properly.

The GPhC's Council has 14 members: seven lay members and seven registrant members. There is at least one member who lives or works in each of England, Scotland and Wales.

There were no changes to the Council membership during the year. Two Council members' terms ended on 31 March 2017, and the Council was pleased to welcome, from 1 April 2017, Elizabeth Mailey and Jayne Salt as new members.

The Privy Council has re-appointed Nigel Clarke as chair for a period of four years from 1 April 2018 to 12 March 2022. Nigel has served as chair of the GPhC since March 2014 and was re-appointed by the Privy Council following scrutiny of the appointment process by the Professional Standards Authority.

The Council has agreed a structure of pay and expenses for its members that is in line with the Nolan Committee's standards in public life. It avoids features that would undermine good governance.

## Council development

**The Council is committed to appraising its members' performance, and its own performance as a governing body, every year. Council members are appraised by the chair of Council each summer. The chair also receives feedback from an external consultant following a '360-degree' appraisal. The Council considers its own performance as a governing body each year.**

## Council members' pay and attendance April 2017 to March 2018

This table records Council members' attendance at regular formal meetings only. Council members do take part in other meetings and events. This has included, for example, working on assurance groups and attending engagement events across Great Britain.

Name	Registrant or lay member	Pay <sup>1</sup> £	Council meetings attended <sup>2</sup>	Council workshops attended	Committee meetings held or attended
Nigel Clarke <sup>3</sup>	Lay	48,000	9 out of 9	9 out of 9	2 out of 2 (RemC)
Alan Kershaw	Lay	12,000	9 out of 9	9 out of 9	2 out of 2 (RemC)
Arun Midha	Lay	12,000	8 out of 9	7 out of 9	
Berwyn Owen <sup>4</sup>	Pharmacist	14,000	7 out of 9	7 out of 9	2 out of 2 (RemC)
David Prince	Lay	12,000	9 out of 9	9 out of 9	
Digby Emson <sup>5</sup>	Pharmacist	14,000	9 out of 9	9 out of 9	4 out of 4 (A&RC)
Elizabeth Mailey	Pharmacist	12,000	8 out of 9	8 out of 9	1 out of 2 (RemC) <sup>6</sup>
Evelyn McPhail	Pharmacist	12,000	7 out of 9	7 out of 9	
Jayne Salt	Lay	12,000	8 out of 9	9 out of 9	3 out of 4 (A&RC) <sup>7</sup>
Joanne Kember	Pharmacist	12,000	9 out of 9	9 out of 9	
Mark Hammond <sup>8</sup>	Lay	12,000	8 out of 9	9 out of 9	3 out of 4 (A&RC)
Mary Elford	Lay	12,000	8 out of 9	8 out of 9	
Mohammed Hussain	Pharmacist	12,000	8 out of 9	7 out of 9	2 out of 4 (A&RC)
Samantha Quaye	Pharmacy technician	12,000	9 out of 9	9 out of 9	

**Key:** A&RC = audit and risk committee, RemC = remuneration committee



## Notes to the Council members' pay and attendance table

1. Council members' pay is given as a gross figure.
2. The attendance figures cover both formal meetings and informal workshops of the Council, and committee attendance. All Council members must take part in other events such as strategy days, stakeholder meetings, interview panels and task groups and do the relevant preparation. They do not receive extra payment for these.
3. Chair of the Council.
4. Includes £2,000 for chairing the Remuneration Committee.
5. Includes £2,000 for chairing the Audit and Risk Committee.
6. The schedule for the non-statutory committees was set before the new members took up office, with both missing the first committee meeting of the financial year as a result.
7. As above.
8. The efficiency and effectiveness assurance and advisory group was established as a permanent advisory group to the Council in October 2017. In line with Council policy Mark Hammond, the group chair, will receive the annual chairing allowance of £2,000 (paid pro-rata for 2017/18: £1,000). This will be paid in 2018/19 and has been accrued in the 2017/18 accounts.

## Council members' expenses

### April 2017 to March 2018

Expenses directly and solely related to GPhC business are paid in line with the relevant GPhC policy. Members have received different amounts of expenses because they attended different numbers of events outside our formal meetings and live in different parts of Great Britain. This affects the distances they travel and whether they need accommodation.

Expenses for Council members are covered by a PAYE settlement agreement with HM Revenue & Customs.

Name	Travel	Accommodation	Subsistence	Total
Nigel Clarke	920.26	274.00	136.77	1,331.03
Alan Kershaw	74.66	0.00	0.00	74.66
Arun Midha	2,099.16	1,047.90	171.48	3,318.54
Berwyn Owen	2,347.09	1,520.00	269.10	4,136.19
David Prince	550.95	0.00	8.99	559.94
Digby Emson	2,341.60	0.00	0.00	2,341.60
Elizabeth Mailey	822.95	85.00	10.50	918.45
Evelyn McPhail	3,216.18	767.00	48.00	4,031.18
Jayne Salt	702.80	1,246.00	125.51	2,074.31
Joanne Kember	804.55	2,233.00	294.60	3,332.15
Mark Hammond	1,249.50	137.50	10.50	1,397.50
Mary Elford	64.70	0.00	0.00	64.70
Mohammed Hussain	1,988.84	302.00	30.00	2,320.84
Samantha Quaye	114.90	0.00	0.00	114.90



## GPhC committees

### Statutory committees

Under the Pharmacy Order 2010 there are three statutory committees: investigating, fitness to practise and appeals.

#### Investigating Committee

This committee considers concerns about a registrant's fitness to practise, or a person's suitability to run a community pharmacy business. The committee decides whether to refer a concern to the fitness to practise committee for a full hearing.

#### Fitness to Practise Committee

This committee makes decisions about whether a registrant's fitness to practise is impaired because of their conduct, professional performance or health. The committee also makes decisions about whether a person should be disqualified from running a community pharmacy business.

#### Appeals Committee

This committee considers appeals about registration and education matters.

### Non-statutory committees

The Council has decided that any other, non-statutory, committees should be kept to a minimum to help limit bureaucracy and make sure responsibilities are clearly defined. The GPhC has three non-statutory committees: audit and risk, remuneration and appointments.

### Audit and Risk Committee

The Audit and Risk Committee supports the Council by reviewing the GPhC's internal and external audit arrangements. It also reviews the arrangements for managing risks. It provides assurance to the Council that risks are being identified and managed. This includes advising the Council on the assurances provided in respect of risk and internal controls.

The committee is made up of four Council members including the chair of the committee, Digby Emson. Digby's appointment began on 1 April 2017, replacing David Prince, who stepped down from the committee on 31 March 2017 after chairing it for four years. David continues to serve as a Council member.

The committee also has an independent member, Helen Dearden. Helen took up the appointment on 1 April 2017, replacing Hilary Daniels, who stepped down from the committee after serving for six years.

The Audit and Risk Committee met four times in the year: in May, July and October 2017, and in January 2018.

The committee continues to focus on risks to the GPhC's ability to achieve its strategic objectives. The committee has reviewed the GPhC's management of risk at each meeting and its reviews have been used as part of the Council's scrutiny of the chief executive and registrar's reports on risk management.

The annual internal audit plan is based on the three-year internal audit strategy agreed with internal auditors Moore Stephens. Under the strategy there is a systematic and prioritised review of policies, procedures and operations, and the focus of internal audit is on higher-risk areas.

Overall, ten assignments were carried out by our internal auditors and reviewed by the committee during the year, of which two were advisory in nature and another following up previous recommendations:

Report	Assurance rating
Core financial controls	Green
Cost metrics	Amber
Education and standards projects and programmes (Phase 1)	Amber
Education and standards projects and programmes (Phase 2)	Green/amber
Follow up	Green
Hearings process	Green/amber
Inspection process	Green/amber
Integrity of the register	Amber
IT security review	Green
Risk management strategy	Green/amber
Transformation – project assurance	Amber

### Explanation of the ratings

**Green:** overall, there is a sound control framework in place to achieve system objectives, and the controls to manage the risks audited are being consistently applied. There may be some weaknesses but these are relatively small or relate to achieving higher or best practice standards.

**Green-amber:** generally a good control framework is in place. However, some minor weaknesses have been identified in the control framework, or there are areas of non-compliance which may put the achievement of system or business objectives at risk.

**Amber:** weaknesses have been identified in the control framework or there is non-compliance, and this puts the achievement of system objectives at risk. Some remedial action will be needed.

**Amber-red:** significant weaknesses have been identified in the control framework or there is non-compliance with controls, and this puts the achievement of system objectives at risk. Remedial action should be taken promptly.

**Red:** fundamental weaknesses have been identified in the control framework or there is non-compliance with controls, and this leaves the systems open to error or abuse. Remedial action is needed as a priority.

**Advisory:** these reports do not have a formal assurance rating as they are a review of work areas that are ongoing and not complete.



### ***Appointment of external auditors***

The current external auditors Crowe, Clark and Whitehill were appointed by the Council on 12 October 2017, following the recommendation of the Audit and Risk Committee tender panel.

### **Remuneration committee**

The Remuneration Committee has the power, delegated from the GPhC's governing council, to approve or reject the pay framework for GPhC employees and the packages for the chief executive and directors. The committee advises the Council on the remuneration (pay) policy for Council members and on the expenses policy for Council members and staff. The committee is also responsible for setting the remuneration and expenses policy for associates.

The committee is made up of four Council members including the chair of the committee, Berwyn Owen, appointed in April 2017, Alan Kershaw, who was also appointed to the committee in April 2017, Nigel Clarke, Chair of Council and Elizabeth Mailey, who joined the Council in April 2017.

The committee has two independent members, Rob Goward and Janet Rubin. The committee met twice in the year: April and September 2017. Over the year the committee considered the pay of the chief executive and registrar, directors and employees. The committee's other work in this area focused on the implementation of the revised performance development review process and the staff survey. The committee recommended changes to Council member remuneration from 1 April 2018. At the Council's meeting in November, the recommendations were approved.

### **Efficiency and Effectiveness Assurance and Advisory Group (EEAAG)**

The chief executive and the chair of the Council established the group to provide assurance to the chief executive that the GPhC's efficiency and effectiveness programme is progressing and delivering the desired outcomes. The committee members include five Council members, including the chair of the committee, Mark Hammond, and meets four times a year.

The group became a non-statutory committee during 2017/18.

### **Appointments Committee**

This committee is responsible for recruiting and appointing statutory committee members. It also oversees arrangements for their training and for reviewing their performance. The committee reports to the Council, but no Council members serve on the committee. It also has an independent chair, Elisabeth Davies. This is an important part of making sure there is a proper separation of tasks between the Council and the statutory committees

## Chief executive and registrar and directors

The GPhC's staff is headed by the chief executive and registrar. This year, a new structure and leadership model was introduced, and new people brought into the leadership team. With all senior leaders and directors encompassing aspects of strategy, policy operations and regulatory development, the changes were designed to strengthen integrated working and enhance regulatory effectiveness.

At 1 April 2017, the GPhC was organised around four directorates:

- **Inspection and fitness to practise:** Claire Bryce-Smith, director
- **Operations:** vacant
- **Strategy:** Hugh Simpson, director
- **Organisational development and equality, diversity and inclusion:** Vivienne Murch, director

On 30 April 2017, Vivienne Murch retired and was succeeded by Francesca Okosi on 5 June 2017. Hugh Simpson left the organisation in Summer 2018. Megan Forbes was appointed to the Director of Operations post and at the same time became Deputy Chief Executive, taking up the role on 5 June 2017.

The new organisation structure was launched on 1 December 2017, based around five directorates. To ensure stability, vacancies have been initially filled on an interim basis with recruitment to substantive roles to take place in 2018/19:

- **Corporate Resources:** Megan Forbes, deputy chief executive

- **Insight, Intelligence and Inspection:** Claire Bryce-Smith, director
- **Education and Standards:** Mark Voce, director - interim
- **Fitness to Practise:** Matthew Hayday, director - interim
- **People:** Francesca Okosi, director

### Senior leadership group

The senior leadership group has been set up by the chief executive and registrar as a way of carrying out a number of key executive governance responsibilities. The senior leadership group is made up of the chief executive and registrar, the directors, and the chief of staff, Laura McClintock.

You can find more information about our structure on our website.

### Accounting requirements

The GPhC must, under the Pharmacy Order 2010, prepare annual accounts in a form set by the Privy Council. We must prepare accounts for each year in line with UK accounting principles and the disclosure requirements prescribed in the United Kingdom Generally Accepted Accounting Practice (GAAP). The accounts must be prepared so they give a true and fair view of the state of affairs of the organisation, and of its income and spending, recognised gains and losses, and cash flows for the financial year.

### Number and types of complaints

We received 106 complaints about our services in 2017/18 (160 in 2016/17). Some complaints were about more than one issue so we have set them out in the table according to the main



theme of the complaint. We will be reporting to the Council on the underlying reasons for this reduction, as part of ongoing performance monitoring.

<b>Issue</b>	<b>Total 2017/18</b>
GPhC process	68
Outcome of a concern/GPhC decision	14
Information and data	3
myGPhC	1
Staff conduct	11
Equality and diversity	0
Standards and assessment	3
Fees	0
Other	6
<b>Total</b>	<b>106</b>

## How we meet freedom of information and data protection legislation

Under the Freedom of Information Act 2000 (FoI), anyone can ask to see GPhC records. You can **[find out how to do this on our website](#)**.

Our publication scheme – the ‘model publication scheme’, revised and approved by the Information Commissioner (ICO) in 2014 for all health regulators – commits us to publishing information routinely.

As a registered data controller under the Data Protection Act 1998 (DPA), we collect, store and use personal data. We use this data for, for example, updating the register, dealing with complaints, compiling statistics and keeping our stakeholders up to date with information about the GPhC.

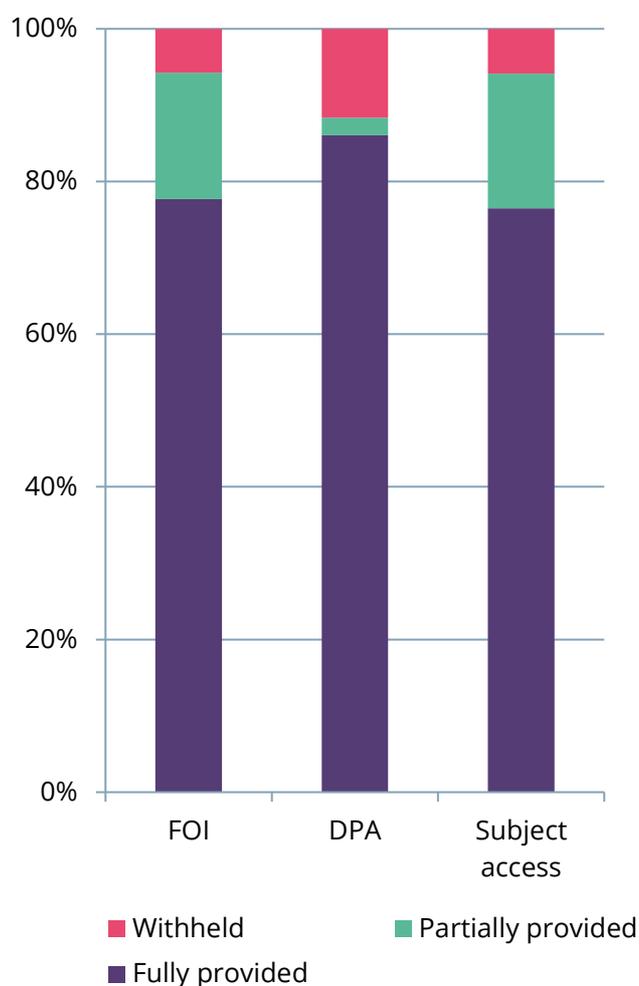
We may share personal data with other organisations in the public interest and to support our statutory role and responsibilities. You can find out more about **[how we use and protect personal data and the organisations we work with](#)** on our website.

We reported one personal data incident to the ICO in the year because sensitive personal information about two registrants was sent to the wrong person, who was in this case a registrant. We also notified the affected registrants. We have taken steps to reduce the risk of this happening again and the ICO took no further action.

We have been working to update our policies and practice to meet the new data protection legislation that comes into force in May 2018.

In 2017/18, we received 312 information requests under the Freedom of Information and Data Protection Acts (we received 212 in 2016/17).

### Disclosure rates 2017/18





Information request type	Total 2017/18
FoI	197
DPA*	88
Subject access**	27

\* DPA cases are those when a third-party organisation makes a request for the personal data of an individual and we consider disclosure under one of the exemptions in the Data Protection Act.

\*\*Subject access requests are when someone asks us to disclose to them the information we hold about them. We aim to be as transparent as possible in these cases, but may not be able to provide all the information they ask for. For example, we may 'redact' (edit or remove) information that contains the personal data of other people.

## Whistleblowing disclosures to us as a 'prescribed person'

The Small Business, Enterprise and Employment Act created a power for the Secretary of State to require 'prescribed persons' to produce an annual report on 'whistleblowing' disclosures made to them by workers. The aim of this duty is to increase transparency in the way that these disclosures are dealt with and to raise confidence among people raising the concern that their disclosures are taken seriously.

As a prescribed person we have to report in writing annually on whistleblowing disclosures made to us. This is the report for the first reporting period. It began on 1 April 2017 and ended on 31 March 2018.

Our role as a prescribed person is to provide workers with a place to make their disclosure to an independent body when the worker does not feel able to make a disclosure directly to their employer and where we may be in a position to take regulatory action on the disclosure. Where we are unable to take regulatory action because the disclosure is outside the scope of our functions, we would refer the disclosure to an appropriate organisation.

From 1 April 2017 to 31 March 2018 we received six qualifying disclosures of information.

Out of the disclosures made we took further action on five with one still under review.

Regulatory action was taken in five cases. This included a full investigation through established fitness to practise processes and follow-up action through our inspection network. The latter can include a follow-up visit or an unexpected inspection.

None of the disclosures had an impact on our ability to perform our functions and meet our objectives.

Three cases were investigated through established fitness to practise processes and concluded with no further action. The remaining two cases were concluded with advice from an inspector.

None of the disclosures had an impact on our ability to perform our functions and meet our objectives, which are set out in the *About us* section at the beginning of this report.



# Governance statement 2017/18

## Scope of responsibility

As chief executive and registrar, I am accountable to the Council for maintaining a sound system of internal control that supports the Council's strategy and objectives, while safeguarding the GPhC's assets. I am also responsible for making sure that GPhC business is conducted in line with the law and proper standards.

In carrying out this overall responsibility, I am responsible for putting in place proper arrangements for the governance of the GPhC's affairs and for making sure it carries out its functions effectively. This includes arrangements for risk management.

## The purpose of the governance framework

Governance is about the GPhC making sure it is doing the right things, in the right way, for the right people, and in a timely, inclusive, open, honest and accountable manner.

The governance framework is made up of:

- the systems, processes, culture and values by which the GPhC is directed and controlled, and
- the GPhC's activities, through which it engages with registrants, the public and other stakeholders

The framework allows the GPhC to monitor the achievement of its objectives and to consider whether those objectives have been met in an effective and efficient manner.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to deliver policies, aims and objectives. Therefore it can only provide reasonable (and not absolute) assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise these risks, to evaluate the likelihood and possible impact of those risks being realised, and to manage them effectively, efficiently and economically.

The governance framework has been in place at the GPhC for the year ended 31 March 2018 and up to the date of approval of the annual report and statement of accounts.

## The governance framework

Our vision for pharmacy regulation is set out in the **GPhC strategic plan 2017-20**. Our key streams of work which will help us achieve our strategic aims are explained in the **GPhC business plan 2017-20**. Both documents are on the GPhC website.

Our business plan gives our senior leadership and staff a clear focus. It gives us a framework we can use to monitor what we are doing to achieve our priorities, so that we can assess our progress and performance in implementing the strategic plan. In turn, key streams of work are supported by more detailed team plans, which are also regularly monitored and reviewed.

You can find more information about the governance framework, including organisational structure and the workings of our committees, on pages 31-33 of this annual report.

## Review of effectiveness

As chief executive and registrar, I am responsible for reviewing the effectiveness of the GPhC's governance framework, including the system of internal control. The review of effectiveness is supported by:

- the work of the executive managers within the GPhC, who have responsibility for the development and maintenance of the governance environment
- the head of internal audit's annual report, and
- comments received from the external auditors and other review agencies

The Council has appointed Moore Stephens as our internal auditors. As in previous years, an annual audit plan was compiled using professional judgement, risk evaluation, and reference to the three-year internal audit strategy 2014–17. To make sure there is sufficient breadth of coverage, the adequacy and effectiveness of the system of internal control has been assessed in relation to main service delivery areas, the management systems that enable us to deliver them, and to our core processes.

We have continued to work with internal audit to make sure our system of internal control is fit for both the present and future. Last year, we highlighted the transformation programme which was intended to improve key services. In their annual report for 2017/18, the head of internal audit has acknowledged that the transformation programme has many parts, covering areas such as organisational development, culture and leadership, delivery of key projects and reporting mechanisms. Internal audit has highlighted progress in many areas

including the revalidation portal and registrant online services. However, we need to be clearer about the purpose and scope of our work in the future. We discuss this in more detail below.

I have been advised on the implications of the result of the review of effectiveness of the governance framework by the audit and risk committee, and advised that generally the arrangements continue to be regarded as fit for purpose within our governance framework.

In making this statement, I have noted the internal audit opinion which states that there is an adequate and effective system of governance, risk management and internal control to address the risk that management's objectives are not fully achieved.

I know that there is some risk that our objectives may not be fully achieved in certain respects and that improvements are required to address those risks.

The areas we have already addressed and those to be specifically addressed with new actions are outlined below.

## Significant governance issues

**Governance issue: defining the precise purpose of the transformation programme and its links to regulation more widely**

**Mitigating/proposed action:** We are continuing our work to improve our organisation, our services and processes, as set out in our annual plan. We are now taking a much broader and more joined-up approach to this than was originally planned when the 'transformation programme' was developed, and are proposing to make significant changes to how we develop and implement our strategy. We are working with our Council to develop a new strategy for



the organisation and recently held an all-day strategic workshop with our Council to begin this work. We are also developing a new financial strategy and applying the insights from our internal audit to our work.

**Governance issue: improving the governance structure for our education standards work programme and the links to our wider organisational priorities**

**Mitigating/proposed action:** We are continuing with our ambitious programme of work to review and modernise the standards for the education and training of the pharmacy team. Internal audit has highlighted a number of key improvements that we have already made in this area, including the establishment of a new Education Programme Board and terms of reference, dedicated delivery team and ongoing engagement with appropriate stakeholders. However, we will be working closely with staff across the organisation who are involved in business development and project resourcing to identify more clearly the success factors and how this will be monitored and evaluated in the future.

**Summary**

I propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. I am satisfied that these steps will address the need for improvements that were identified in our review of effectiveness, and I will monitor their implementation and operation as part of my next annual review.

**Duncan Rudkin**  
**Chief Executive**  
**7 June 2018**

# Financial statements for the year ended 31 March 2018

## Review of business activities

During 2017/18 we began our plan of work to make processes better for our registrants and other stakeholders. We continued to build on our commitment to efficiency and effectiveness in the face of the changing needs of patients and the public.

## Income

Our total income for the year 2017/18 was £22.5m (2016/17: £22.6m).

Our income was mainly made up of:

£14.5m from the 55,258 pharmacists on the register (2016/17: £14.0m income from 53,967 pharmacists),

£2.9m from the 23,367 pharmacy technicians on the register (2016/17: £2.9m from 23,318 pharmacy technicians), and

£3.8m from the 14,348 registered pharmacies on the register (2016/17: £3.7m from 14,403 registered pharmacies).

These figures include annual renewal fees, initial registration and application fees.

Income received from renewal fees for pharmacists, pharmacy technicians and registered pharmacies has been recognised in the accounts over the length of the registration year, with the balance shown on the balance sheet as deferred income. Therefore, the income recognised during the financial year from renewal fees does not reflect actual monies received during the year.

Income received from the pre-registration assessment exam and the pre-registration year was £1.1m (2016/17: £1.1m). A total of 3,648 students took the exams in June and September 2017 (2016/17: 3,469).

## Expenditure

Expenditure increased by 1% (2016/17: £22.5m). Much of the focus and resource continues to be directed at delivering the aims set out in the 2017-20 strategic plans.

Employee costs increased by £0.9m (2016/17: £10.9m), a number of vacant posts have been filled during the year primarily in the support functions. We have also seen a rise in FtP headcount with a growing case monitoring function and a rise in the number of concerns received. The organisation underwent a restructure on 1 December 2017 to enable us to deliver improved services and to support the delivery of the objectives. Several new posts were added after the restructure including the creation of the Insight, Intelligence and Inspections directorate.

Other staff costs were £2.7m (2016/17: £2.4m). Temporary staff costs were £0.3m higher in 2017/18 due to an increase in the number of contractors used to cover permanent posts such as FtP advocacy lawyers. There was also a rise of £0.2m on staff training which included organisation-wide training around mental health awareness. Council and associates costs were down £0.2m compared to 2016/17 with a lower number of accreditation and training events.



Expenditure of £2.3m on professional costs remained at a similar level to 2016/17. There was a £0.2m reduction in the level of expenditure on consultants and professional fees with more being carried out internally. This has been offset by an increase in external legal costs with a tranche of complex cases being dealt with externally while staff worked on development projects.

Depreciation on fixed assets decreased by £0.8m (2016/17: 1.6m), due to accelerated depreciation against the IT capital project of £0.6m in 2016/17.

IT costs have reduced by £0.1m compared to last year as we drive forward efficiencies in our service contracts.

Please see Note 3 for more details on expenditure.

### **Surplus/deficit for the year**

The budget approved by the Council for 2017/18 authorised a planned deficit of £0.9m to be funded out of existing reserves. The actual result is a deficit of £0.1m (2016/17 £0.3m surplus).

Actual income for 2017/18 was £0.3m below budget with growth in the number of pharmacists and pharmacy technicians being marginally lower than predicted.

Expenditure for the year was £1.0m below budget expectation. Contributing to this was a £0.4m cost below budget in professional costs due to IT projects starting later than expected, and more work being covered internally. IT cost was £0.5m below budget, during 2017/18 IT

project costs have been assessed under FRS 102 and the result was that the development cost should be capitalised. Employee costs were £0.3m above budget with increased expenditure on temporary resources. This has been offset by a £0.2m reduction in Council and associates costs due to a lower number of events taking place during the year than planned.

## Statement of the Council's responsibilities for the preparation of financial statements

The Council is responsible for preparing the General Pharmaceutical Council's report and the financial statements in accordance with applicable law and regulations.

Under the Pharmacy Order 2010, Council members must prepare financial statements for each financial year. Under that law, the Privy Council has directed the GPhC to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standard and applicable laws) including Financial Reporting Standard 102. Council members will not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and the surplus or deficit of the GPhC for that period. In preparing these financial statements, the Council members must:

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, and disclose and explain any material departures from these in the financial statements
- prepare the financial statements on a 'going-concern' basis unless it is inappropriate to assume that the GPhC will continue its activities

Council members are responsible for keeping adequate accounting records. These must be adequate to show and explain the GPhC's transactions, and disclose with reasonable

accuracy – at any time – the financial position of the GPhC. They must enable the Council to ensure that the financial statements keep to the Pharmacy Order 2010. Council members are also responsible for safeguarding the assets of the GPhC and therefore for taking reasonable steps to prevent and detect fraud and other irregularities.

By the order of the Council

**Nigel Clarke**  
**Chair**  
**7 June 2017**



# Independent auditor's report to the Council members of the General Pharmaceutical Council

## Opinion

We have audited the financial statements of the General Pharmaceutical Council for the year ended 31 March 2018 which comprise the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in funds and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Council, as a body, in accordance with Schedule 1 of the Pharmacy Order 2010. Our audit work has been undertaken so that we might state to the Council's member's those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the Council as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Council's affairs as at 31 March 2018 and of its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Council members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Council members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Council's' ability to continue to adopt the going concern basis of accounting for a period of at least twelve

months from the date when the financial statements are authorised for issue.

### **Other information**

The Council members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of the Council**

As explained more fully in the Council members' responsibilities statement the Council members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council members determine is necessary to enable the preparation of financial statements that are free from

material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council members are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going-concern basis of accounting unless the Council members either intend to liquidate the General Pharmaceutical Council or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Crowe Clark Whitehill LLP**  
**Statutory Auditor**  
**London**  
**7 June 2018**

## Statement of comprehensive income for the year ending 31 March 2018

	Note	2018 £000	2017 £000
Income	2	22,530	22,595
Expenditure	3	(22,800)	(22,490)
<b>Operating (deficit) / surplus</b>		<u>(270)</u>	<u>105</u>
Interest receivable and similar income	4	163	194
<b>(Deficit) / surplus on ordinary activities</b>	5	<u>(107)</u>	<u>299</u>
Taxation	6	(31)	(33)
<b>Total comprehensive income for the year</b>		<u>(138)</u>	<u>266</u>

## Statement of financial position as at 31 March 2018

	Note	2018 £000	2018 £000	2017 £000	2017 £000
<b>Fixed assets</b>					
Tangible assets	7		3,804		4,273
Intangible assets	8		482		-
Investments	9		12,500		12,500
			<u>16,786</u>		<u>16,773</u>
<b>Current assets</b>					
Debtors	10	1,737		1,646	
Bank and cash	11	13,814		14,463	
		<u>15,551</u>		<u>16,109</u>	
Creditors: amounts falling due within one year	12	(15,964)		(15,947)	
<b>Net current assets</b>			<u>(413)</u>		<u>162</u>
Total assets less current liabilities			16,373		16,935
Creditors: amounts falling due after more than one year	13		(2,886)		(3,310)
Provision for liabilities	14		(1,412)		(1,412)
<b>Total net assets</b>			<u>12,075</u>		<u>12,213</u>
<b>Funds employed</b>					
Accumulated surplus					
- General Reserve			7,789		7,940
- Fixed Asset Reserve			4,286		4,273
Total funds employed			<u>12,075</u>		<u>12,213</u>

The financial statements were approved, authorised for issue and signed on behalf of the Council by:

**Nigel Clarke**  
Chair  
7 June 2018

## Statement of cash flows for the year ended 31 March 2018

	Note	2018 £000	2017 £000
<b>Cash flows from operating activities</b>			
Surplus / (deficit) for the financial year		(270)	105
Adjustments for:			
Depreciation and amortisation	3	735	1,588
Release of lease incentive	13	(453)	(310)
Taxation		(39)	(44)
(Increase) / decrease in trade and other debtors		(91)	65
Increase / (decrease) in trade and other creditors		54	(207)
<b>Net cash (used in) generated by operating activities</b>		<b>(64)</b>	<b>1,197</b>
<b>Cash flows from investing activities</b>			
Purchases of tangible fixed assets	7	(247)	(79)
Purchases of intangible fixed assets	8	(501)	-
Interest received	4	163	194
<b>Net cash (used in) / provided by investing activities</b>		<b>(585)</b>	<b>115</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(649)</b>	<b>1,312</b>
Cash and cash equivalents at the beginning of the period		14,463	13,151
Cash and cash equivalents at the end of the reporting period		<b>13,814</b>	<b>14,463</b>
		<b>£000</b>	<b>£000</b>
Cash in hand		1,226	275
Notice Deposits (less than 3 months)		12,588	14,188
<b>Total cash and cash equivalents</b>		<b>13,814</b>	<b>14,463</b>

## Statement of changes in reserves for the year ending 31 March 2018

	Note	General Reserve £000	Fixed Asset Reserve £000	Total £000
At 1 April 2016 (as previously stated)		7,577	5,782	13,359
Retrospective restatement	14	(1,412)	-	(1,412)
At 1 April 2016 (as restated)		6,165	5,782	11,947
Total comprehensive income		1,854	(1,588)	266
Transfers between reserves		(79)	79	-
At 1 April 2017		7,940	4,273	12,213
Total comprehensive income		597	(735)	(138)
Transfers between reserves		(748)	748	-
At 31 March 2018		<b>7,789</b>	<b>4,286</b>	<b>12,075</b>

The accumulated fund has been segmented into a General Reserve and a Fixed Asset Reserve. The fixed asset reserve represents functional assets that are used operationally. The general reserves represents the balance of the GPhC's accumulated reserves.



# Notes to the financial statements for the year ended 31 March 2018

## 1. Accounting policies

The General Pharmaceutical Council (GPhC) was established by the Pharmacy Order 2010 and is domiciled in the United Kingdom. The principal place of business is 25 Canada Square, Canary Wharf, London E14 5LQ.

### 1.1 The format of the accounts

The General Pharmaceutical Council is required to prepare annual accounts in a form as determined by the Privy Council. The Privy Council is required to lay the certified accounts before each House of Parliament and the Scottish Parliament. The statutory purpose of the GPhC is to protect, promote and maintain the health, safety and wellbeing of members of the public by upholding standards and public trust in pharmacy.

These financial statements have been prepared on a going-concern basis in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – ‘The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland’ (‘FRS 102’). The financial statements have been prepared on the historical cost basis.

The comparatives have been restated to reflect the GPhC’s obligation to make good the fit out of the Canada Square premises in 2015. Further details are provided in Note 14.

The financial statements are presented in Sterling (£).

### 1.2 Critical accounting estimates and judgements

To be able to prepare financial statements in accordance with FRS 102, the General Pharmaceutical Council must make certain estimates and judgements that have an impact on the policies and the amounts reported in the annual accounts. The estimates and judgements are based on historical experiences and other factors including expectations of future events that are believed to be reasonable at the time such estimates and judgements are made. Actual experience may vary from these estimates.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

#### *Depreciation and amortisation*

The General Pharmaceutical Council accounts for depreciation and amortisation in accordance with FRS 102. The depreciation and amortisation expense is the recognition of the decline in the value of the asset and allocation of the cost of the asset over the periods in which the asset will be used.

Judgements are made on the estimated useful life of the assets which are regularly reviewed to reflect the changing environment.

### ***Dilapidation***

Provisions for property dilapidation costs are assessed where the costs can be reasonably estimated. These are reviewed on an annual basis.

### **1.3 Tangible fixed assets**

Tangible fixed assets include leasehold properties and equipment. All assets in these categories with a value of £1,000 or more have been capitalised (including the cost of implementation). Fixed assets are valued at cost less depreciation. Depreciation is calculated on a straight line basis.

The principal useful economic lives of assets are as follows:

- Short leasehold improvements – term of the lease

- Office furniture – five years

- Computer software – three years

- Computer hardware (excluding PCs and laptops) – three years

- PCs and laptops – one to four years

### **1.4 Intangible fixed assets**

Intangible fixed assets comprise of internally developed computer software and systems. All assets in this category with a value of £1,000 or more have been capitalised. Amortisation is calculated on a straight line basis over 3 years.

### **1.5 Impairment**

At each balance sheet date, the GPhC reviews the carrying amounts of its assets to determine whether there is any indication the assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is charged to the statement of comprehensive income immediately.

### **1.6 Expenditure**

Expenditure is accounted for on an accrual basis when either the goods have been received or the service performed. Irrecoverable VAT is included with the item of expense to which it relates.

### **1.7 Income**

All fees from registrants and premises are shown in the statement of comprehensive income for the period to which they relate being from the month an individual is entered onto the register. Income attributable to future periods is included in creditors under deferred income.

Interest on loans and deposits is accrued as earned.



Government grants are recognised based on the accrual model and classified either as a grant relating to revenue or a grant relating to assets.

All other income is shown in the statement of comprehensive income when entitlement is earned.

### **1.8 Operating lease rentals**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the entity. All other leases are classified as operating leases. Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

### **1.9 Pensions**

The GPhC has a defined benefit pension scheme and a defined contribution scheme. Contributions to both schemes are charged to the statement of comprehensive income as they fall due.

### **1.10 Provisions**

A provision is recognised when an obligation exists at the reporting date as a result of a past event, it is probable that the GPhC will be required to transfer economic benefits and the obligation can be reliably measured.

### **1.11 Management of liquid resources and investments**

The GPhC has one main current account from which all day-to-day transactions take place. The balance of this account is kept to a minimum to ensure that surplus funds are placed on short- to medium-term deposits. The policy in managing cash is to maximise returns while minimising risk. The element of cash and deposits held for long term return in excess of 12 months are recorded within investments.

### **1.12 Financial instruments**

The GPhC only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost.

## 2. Income

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Pharmacists	14,487	13,997
Premises	3,757	3,695
Pharmacy technicians	2,889	2,901
Pre-registration	1,094	1,080
Grant income	16	625
Other income	287	297
<b>Total income</b>	<b>22,530</b>	<b>22,595</b>

## 3. Expenditure

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Employee costs: payroll	11,828	10,856
Other employee costs	2,754	2,411
Property costs	322	278
Office costs	431	357
Professional costs	2,293	2,335
Event costs	458	489
Marketing costs	94	106
Depreciation and amortisation	735	1,588
Financial costs	137	134
Research costs	28	102
IT costs	1,438	1,573
Other costs	240	236
Occupancy costs	2,042	2,025
<b>Total expenditure</b>	<b>22,800</b>	<b>22,490</b>

### Employee costs

Employee costs including directors were made up as follows:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	9,750	9,059
Employer's National Insurance	1,116	1,009
Pension costs	770	739
Redundancy	192	49
	<b>11,828</b>	<b>10,856</b>

### 3. Expenditure (continued)

The average number of staff employed during the year ended 31 March 2018 was 234 (222 at 31 March 2017).

Detailed below is a schedule showing numbers of staff, including directors, who are earning above £60,000 (excluding redundancy payments):

	<b>2018</b>	<b>2017</b>
£60,001 – £70,000	9	5
£70,001 – £80,000	5	10
£80,001 – £90,000	3	2
£90,001 – £100,000	3	1
£100,001 – £110,000	1	1
£110,001 – £120,000	1	1
£120,001 – £130,000	1	-
£160,001 – £170,000	-	1
£170,001 – £180,000	1	-
	<u><b>24</b></u>	<u><b>21</b></u>

Under FRS 102, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. This includes the chief executive and registrar and the directors.

Remuneration in respect of key management personnel for the year ended 31 March 2018 was £821,031 (£560,590 at 31 March 2017).

Expenses for key management personnel are as follows:

<b>Name</b>	<b>Travel</b>	<b>Accommodation</b>	<b>Subsistence</b>	<b>Total</b>
Duncan Rudkin	814	541	-	1,355
Megan Forbes	309	-	-	309
Claire Bryce-Smith	768	315	86	1,169
Mark Voce	402	-	-	402
Matthew Hayday	346	-	21	367
Hugh Simpson	208	-	46	254
Francesca Okosi	192	-	-	192

Vivienne Murch did not claim any expenses during the year.

### 3. Expenditure (continued)

<b>Council members' pay and expenses</b>	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Total pay, Council members	208	208
Total expenses paid to Council members	26	26
	<b>234</b>	<b>234</b>

### 4. Interest receivable and similar income

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Interest receivable	163	194
	<b>163</b>	<b>194</b>

### 5. Total comprehensive income

This is stated after charging:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Operating lease rentals: motor vehicles	118	151
Operating lease rentals: photocopiers	18	18
Operating lease rentals: buildings	1,231	1,202
Depreciation of tangible fixed assets	716	1,588
Amortisation of intangible fixed assets	19	-
Auditor's remuneration: audit services – Crowe	21	-
Auditor's remuneration: audit services – Grant Thornton	-	25

### 6. Taxation

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
UK corporation tax at 19% (2017: 20%) in the year	31	33
	<b>31</b>	<b>33</b>

Corporation tax is only payable on interest receivable and data subscription income, net of attributable costs, in the year.

## 7. Tangible fixed assets

	Short leasehold improvements £000	Office equipment £000	Total £000
<b>Cost</b>			
As at 1 April 2017	5,607	2,097	7,704
Additions	-	247	247
<b>As at 31 March 2018</b>	<b>5,607</b>	<b>2,344</b>	<b>7,951</b>
<b>Depreciation</b>			
As at 1 April 2017	1,499	1,932	3,431
Charge for the year	580	136	716
<b>As at 31 March 2018</b>	<b>2,079</b>	<b>2,068</b>	<b>4,147</b>
<b>Net book value</b>			
<b>As at 31 March 2018</b>	<b>3,528</b>	<b>276</b>	<b>3,804</b>
As at 31 March 2017	4,108	165	4,273

## 8. Intangible fixed assets

	Computer software and systems development £000
<b>Cost</b>	
Balance at 1 April 2017	-
Additions	501
<b>Balance at 31 March 2018</b>	<b>501</b>
<b>Amortisation</b>	
Balance at 1 April 2017	-
Amortisation charge for the year	(19)
<b>Balance at 31 March 2018</b>	<b>482</b>

## 9. Investments

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Cash Deposits	12,500	12,500
	<u><b>12,500</b></u>	<u><b>12,500</b></u>

Surplus cash is currently invested in cash deposits, with no more than 20% of cash in any one institution, in line with our cash management policy.

## 10. Debtors

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	3	48
Registrant direct debits to be collected	241	239
Other debtors	103	100
Prepayments and accrued income	1,298	1,200
Debtors (due in more than one year)		
Trade debtors	92	59
	<u><b>1,737</b></u>	<u><b>1,646</b></u>

## 11. Bank and cash

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Current accounts	1,226	275
Deposit accounts	12,588	14,188
	<u><b>13,814</b></u>	<u><b>14,463</b></u>

Money is moved from deposit accounts into the current account as and when needed. This ensures a maximum return is earned from money on deposit. The GPhC maintain 6 months of operating expenditure as an operating liquidity reserve (OLR) to be held in liquid funds for the day to day running of the organisation.

## 12. Creditors: amounts falling due within one year

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	920	845
Corporation tax	32	39
Other taxation and social security	439	279
Other creditors	44	13
Accruals	739	913
Deferred income	13,790	13,858
	<b>15,964</b>	<b>15,947</b>

Deferred income is made up of the following:

Deferred income from registrants and premises	13,660	13,737
Other deferred income	34	11
Deferred capital grant	96	110
	<b>13,790</b>	<b>13,858</b>

All deferred income from registrants and premises is released to income in the subsequent year.

## 13. Creditors: amounts falling due after more than one year

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Balance at 1 April	3,310	3,591
Reserve built up during the year		
-Rent increase accrual	29	29
Reserve released during the year	(453)	(310)
<b>Balance at 31 March</b>	<b>2,886</b>	<b>3,310</b>
Split of rent reserve:		
Reserve reversing in one year	471	465
<b>Current obligations</b>	<b>471</b>	<b>465</b>
Reserve reversing within two to five years	1,885	1,858
Reserve reversing more than five years	530	987
<b>Non-current obligations</b>	<b>2,415</b>	<b>2,845</b>
<b>Total</b>	<b>2,886</b>	<b>3,310</b>

The lease on 25 Canada Square in Canary Wharf is for 15 years with a lessee-only break-clause after 10 years. The GPhC has benefitted from a capital contribution of £4.1m, by way of landlord incentive, towards the fitting-out of the premises. This and other incentives are being spread over the ten-year lease period to offset the annual rental costs.

## 14. Provisions

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Dilapidation	1,412	1,412
	<u><b>1,412</b></u>	<u><b>1,412</b></u>

Following review of the lease for 25 Canada Square and after taking professional advice, the GPhC have made a provision for dilapidations. The potential liability has arisen as a result of the original fit out of the office in 2014 and so there has been no change to the provision during the current or previous year.

## 15. Commitments

As at 31 March 2018 the GPhC's future minimum operating lease payments are as follows:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Within one year		
motor vehicles	93	127
property	791	791
equipment	3	18
	<u><b>887</b></u>	<u><b>936</b></u>
Between one year and five years		
motor vehicles	99	93
property	3,162	3,162
equipment	-	3
	<u><b>3,261</b></u>	<u><b>3,258</b></u>
Later than five years		
property	889	1,679
	<u><b>889</b></u>	<u><b>1,679</b></u>

## 16. Related parties

Remuneration and expenses paid to Council members shown in note 3 (Council members' pay and expenses).



## 17. Financial risk management

The GPhC has a formal risk management framework for which the Council is accountable. The GPhC has exposure to liquidity risk. The objective of the GPhC in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The GPhC expects to meet its financial obligations through operating cash flows. Given the availability of cash, the GPhC is in a position to meet its commitments and obligations as they come due. Funds are placed with investment grade institutions.

## 18. Pensions

### NHS Defined Benefit Pension Scheme

The GPhC participates in the NHS Pensions Scheme in respect of 99 employees (2017: 100 employees). The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. The pension charge for the year includes contributions payable to the NHS Pension scheme of £682,033 (2017: £663,366) and at the year end £57,425 (2017: £0k) was accrued in respect of contributions into the scheme.

The last published full actuarial (funding) valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012 and published in June 2014. The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account their recent demographic experience), and to recommend contribution rates payable by employees and employers. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The latest actuarial valuation of the NHS Pension Scheme confirmed an employer contribution rate of 14.38% from 01 April 2017.

The next actuarial valuation is being carried out as at 31 March 2016. This will set the employer contribution rate payable from April 2019.

### Defined contribution scheme

The GPhC also operates a defined contribution scheme. The total contributions paid into this scheme for the year ended 31 March 2018 were £87,243 (2017: £75,519) in respect of 120 employees (2017: 103 employees)

Employees' participation is voluntary, although all staff are initially required to be opted in. Where an employee chooses to be a member, the GPhC will contribute as follows:

<b>Employee contribution</b>	<b>Employer contribution</b>
3-5%	3-5%
6%	12%
7%	14% max

From April 2019 employer and employee minimum contributions will be rising to 5%.



## Appendix 1: General Pharmaceutical Council Accounts Determination given by the Privy Council under the Pharmacy Order 2010

Their Lordships make the following determination in exercise of powers conferred by Schedule 1 (7) of the Pharmacy Order 2010.

This determination has effect from 13 March 2010.

### Interpretation

1. In this determination –

“the accounts” means the statement of accounts which it is the Council’s duty to prepare under section 2 Schedule 1 (7) of the Pharmacy Order 2010

“the Council” means the General Pharmaceutical Council.

### Determination

2. The Council must prepare the accounts for each calendar year in compliance with the accounting principles and disclosure requirements prescribed in the Generally Accepted Accounting Practice (GAAP).
3. The first accounts will be prepared for the financial year 2010-2011, and will incorporate any residual accounts declaration from the financial year 2009-2010.
4. The accounts must be prepared so as to:
  - give a true and fair view of the state of affairs as at the end of the calendar year and of the income and expenditure, total recognised gains and losses (or, as appropriate, recognised gains and losses), and cash flows of the Council for the calendar year then ended; and
5. Compliance with the requirements of the GAAP will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view of the state of affairs for the financial year in question.
6. If there are such exceptional circumstances and compliance with the requirements of the GAAP would give rise to the preparation of accounts which were inconsistent with the requirement for those accounts to give a true and fair view of the state of affairs at the end of that year, the requirements of the GAAP should be departed from only to the extent necessary to give a true and fair view of that state of affairs.
7. In cases referred to in paragraph 5, informed and unbiased judgement should be used to devise an appropriate alternative treatment which is consistent with both the economic characteristics of the circumstances concerned.
8. Any material departure from the GAAP should be discussed, in the first instance, with the Privy Council Office in any event.
9. This determination is to be reproduced as an appendix to the published accounts.

Signed by the authority of the Privy Council





