

Annual report

Annual fitness to practise report

Annual accounts

2019/20

Annual report

Annual fitness to practise report

Annual accounts

2019/20

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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Our year at a glance

The register as at March 2020

57,651

pharmacists



23,705

pharmacy technicians



14,181

registered pharmacies



3,332 pharmacists and **2,909** pharmacy technicians on our temporary register as at 31 March during the COVID-19 emergency



172 GPhC staff moved to working remotely



2,892

pharmacies inspected in 2019/20

Started to publish pharmacy inspection reports on our new website



142 examples of notable practice in pharmacies published on our new knowledge hub

2,985 concerns raised about pharmacy professionals



Over **2,110** written responses received to **3** public consultations



Took part in

61

engagement events across Great Britain



Responded to over

68,900

calls and emails from registrants and the public



Over

9.2 million

visits to our website





Foreword

**from our chair, Nigel Clarke, and
our chief executive, Duncan Rudkin**

This past year will always be remembered as the year in which the coronavirus (COVID-19) pandemic began.

The pandemic has had a massive impact on all our lives, on the work we do and the way we do it.

Pharmacies have been at the frontline in supporting the healthcare needs of patients and the public during the pandemic, staying open to serve their communities in very difficult circumstances.

We have huge admiration for the way people working across pharmacy have risen to the significant challenges they have faced, including the unprecedented demand for medicines and advice during this time. We pay tribute to every member of their pharmacy teams for what they have done to support patients and the public, and especially pay tribute to those who have sadly lost their lives during the pandemic. We will remember their significant contribution, and we are confident that patients and the public will do the same.

Everyone in health and social care has had to work differently to meet the challenges of this pandemic, including us. This annual report explains the changes we began to make in March to allow us to follow government guidelines and protect our staff and others, while continuing to deliver our key regulatory functions as effectively as possible. These changes are continuing into 2020/21 and we are grateful to our staff, our Council and everyone we work with for their commitment, resilience and collaboration in the face of these extraordinary circumstances.

At a time when the pandemic is continuing to dominate our lives and our work, it is very easy to forget what happened before – and particularly our achievements over the last year. But it is important to look back and celebrate our achievements, as well as to look forward and think about our vision for the future.

This was also the year we began publishing inspection reports and launched our knowledge hub to share good practice across the pharmacy sector. Pharmacy professionals had to meet all of the requirements for revalidation for the first time. We strengthened our guidance for pharmacies providing online services, and took robust action against the pharmacies that were not following this guidance and were putting patients at risk.

During 2019/20, we developed our *Vision 2030*. This is an ambitious ten-year vision which will focus our efforts on the difference we want to make. Our strategic plan for 2020–25 summarises the work we plan to do in the next five years towards achieving this vision, and driving improvements in the delivery of pharmacy services and in the quality of pharmacy practice for patients and the public.

We cannot do that alone and we are committed to working closely with others to achieve our vision of safe and effective pharmacy care at the heart of healthier communities.



Nigel Clarke
Chair



Duncan Rudkin
Chief Executive



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, three of our council members finished their second term on 31 March 2020. We would like to thank Alan Kershaw, Digby Emson OBE (who also stepped down as chair of the Audit and Risk Committee) and Evelyn McPhail for their contribution.

We carried out a recruitment process during Autumn 2019 and three new council members have been appointed by the Privy Council. The new members, Rose Marie Parr, Selina Ullah and Yousaf Ahmad, started their term on 1 April 2020.

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

Our staff

In April 2019, Jonathan Bennetts joined as Director of Finance.

The register



The register as at 31 March 2020

All members of the public can check whether a pharmacist, pharmacy technician or pharmacy is registered in Great Britain, by looking at 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.

Temporary registration

In March 2020, we used our emergency powers to give temporary registration to 3332 pharmacists and 2909 pharmacy technicians who had left the register in the previous three years. This was to allow them to return to work during the COVID-19 (coronavirus) pandemic.

The pharmacy professionals on the temporary register can practise in Great Britain during the COVID-19 emergency. They have to meet the standards for pharmacy professionals, including working within the limits of their skills and competence.



Registration fees

From 1 July 2019, entry and renewal fees increased, for:

- pharmacists by £7 from £250 to £257
- pharmacy technicians by £3 from £118 to £121
- pharmacy premises by £21 from £241 to £262

This is the first time the GPhC has increased fees since 2015 and for pharmacy professionals the fees are still lower than those charged in 2011.

In January 2020, we launched a consultation to increase registration fees for pharmacy premises from £262 to £365. The proposed increase aimed to close the gap of £103 between the fees paid by pharmacies and the actual costs of regulating each pharmacy, based on 2018/19 figures.

We received over 1700 responses to the proposal, and are now considering our next steps, taking into account the current situation.

Our achievements in 2019/20

Making changes to the way we regulate and inspect registered pharmacies

This year we made significant changes to our approach to regulating and inspecting registered pharmacies. We used our enforcement powers, and started to publish inspection reports.

Making clear what we expect, and what the public can expect, from online pharmacy services

This year we published guidance for pharmacies providing services online. These clearly set out the measures they should have in place to make sure they are providing their services safely. We also published guidance for people using online pharmacy services to help them to get safe and effective care.

Continuing our work on new standards for pharmacy education and training

We continued our work to develop proposals and consult on a new set of standards for the initial education and training of pharmacists. This is part of our programme of work to review the standards for the education and training of the pharmacy team.

Introducing peer discussion and a reflective account to revalidation

Pharmacy professionals who were due to renew their registration by 31 October 2019 were the first group to submit peer discussion and a reflective account as part of their revalidation.

Improving the way we work

During 2019/20 we continued to build on our commitment to improving the way we work. This included:

- agreeing a ten-year vision for safe and effective pharmacy care at the heart of healthier communities, and
- making operational improvements, such as moving from paper-based to online applications for pharmacist and pharmacy technician registrations

Making changes to the way we regulate and inspect registered pharmacies

This year we made significant changes to our approach to regulating and inspecting registered pharmacies.

Carrying out inspections under the new approach

From April 2019, we began to inspect registered pharmacies using our new, refined approach. The principles of this approach are in the **inspections section of our main website**. Our new approach has involved:

- introducing different types of inspections, including:
 - routine inspections that are prioritised using ‘risk indicators’
 - intelligence-led inspections that allow us to respond quickly to information and intelligence we have received
 - themed inspections, where we visit a selection of pharmacies to focus on specific themes or issues in more depth
- having unannounced inspections as a general rule
- changing the range of inspection outcomes

- publishing inspection reports, and improvement action plans when relevant, on a new website
- requiring all standards to be met to receive an overall ‘standards met’ outcome
- sharing examples of notable practice

Inspections

- 2,892 pharmacies inspected in 2019/20
- 142 examples of notable practice in pharmacies published on our new knowledge hub
- 430 action plans agreed with pharmacies in 2019/20
- 82 per cent of pharmacies which had a re-inspection after 6 months had made the necessary improvements*

*The remaining 18 per cent is made up of pharmacies who had made initial improvements that showed they could meet the standards, but had not fully sustained these. Or, on re-inspection, they were found to have ‘not met’ a different standard to the ones that they did not meet at their first inspection. In all these cases, we have taken further action to make sure the pharmacies make the necessary improvements, in line with our enforcement policy. They will all have a further six-month re-inspection.

Publishing inspection reports

In September 2019, we launched our pharmacy inspections website, where we began to publish inspection reports.

Ahead of the launch, we updated the inspections section of our main website. We added resources to help make sure that pharmacy professionals and pharmacy owners were ready for the new inspection approach and the publication of inspection reports. We worked with a range of pharmacy representative bodies, including giving presentations and Q&A sessions. We also provided a set of resources for organisations to help them promote the new publication site to their members and networks.

We published our insights report *Learning from inspections* on the day we launched our new inspections publication site. This shared what we have learnt from carrying out over 14,000 inspections, covering every registered pharmacy in Great Britain since 2013. The report listed some key themes, patterns and trends which every pharmacy and pharmacy team can use to improve.

More than 1000 inspection reports were published live on the new site when it launched in September. These were from inspections carried out since April 2019. The site also features an **online 'knowledge hub'** for the pharmacy team. This has examples of excellent, good and poor practice identified by pharmacy inspections.

Engaging with patients and the public about pharmacy inspections

We gathered feedback from patients and the public to help design the website and make sure they could find relevant information about pharmacies quickly and easily.

We also contacted patient representative bodies to let them know about the new inspection site and the new information available. We supported this by producing a guide for members of the public about what to expect when visiting a pharmacy, and produced posters for pharmacies across Great Britain to display.

Online pharmacies

In April we strengthened our guidance for registered pharmacies providing pharmacy services at a distance, including on the internet. You can read more about this guidance in the Making clear what we expect from online pharmacy services section. We carried out a programme of priority inspections of online pharmacies to make sure they were meeting our standards in light of the strengthened guidance. This programme has been intelligence-led and used 'risk indicators'. And we used teams of inspectors including specialists with independent prescribing skills. This new approach has worked well to make sure we have the right skills mix and capacity on these inspections to reflect the nature and range of the services pharmacies provide.



Using our enforcement powers

This year we have used the **full range of our enforcement powers** in several cases, to make sure that registered pharmacies are meeting our standards. In particular, we have taken enforcement action against the owners of a number of online pharmacies who were supplying high-risk, habit-forming medicines without taking the appropriate steps to check that the medicine being prescribed and dispensed was clinically appropriate for the patient.

When our inspectors have found insufficient safeguards in place to manage risks to patients, we have served improvement notices, or put conditions on a pharmacy's registration. Usually, if the pharmacies were supplying high-risk medicines, the conditions imposed restrict the sale or supply of controlled drugs in line with our enforcement policy. We have also recently taken action against owners of registered pharmacies – as well as against individual pharmacy professionals involved in prescribing and supplying medicines – if their conduct may have fallen short of the professional standards we expect.

Enforcement actions in 2019/20

In 2019/20 we have used our enforcement powers to:

- issue improvement notices to six pharmacies
- impose conditions on 20 pharmacies
- issue one pharmacy with an interim order of suspension

Improving our capability to assess new clinical and technology supported pharmacy services

This year we carried out a review, across all pharmacy settings, of the range of clinical practice being carried out – including how technology was being used. We used this to build up a picture of the types of the clinical skills and knowledge we might need in the future to help us regulate effectively. This will allow us to build up a flexible pool of people with specialist skills, which we can draw on for inspections to start with, when needed. We have also started a pilot scheme using experienced practising independent prescribers to support our inspections when the pharmacy services provided are more clinical. This work will continue into next year

We also worked with the Royal Pharmaceutical Society (RPS) and the National Institute for Health and Care Excellence (NICE) to compare their best practice guidance with our standards for registered pharmacies. This gives us a useful reference source on how to apply the standards when we assess clinical practice.

Inspections and COVID-19

In March 2020 we suspended our routine inspection programme. This included stopping routine inspections of pharmacies and producing inspection reports. Instead, we have taken a supportive approach: still carrying out our role, but working differently with pharmacy owners and pharmacy teams.

Our inspectors gave help and advice to pharmacies on how to meet our standards and manage patient safety under challenging conditions. We also continued to act quickly on any information we received which suggested a risk to patient safety within a particular pharmacy.

Our inspectors have seen a range of good practice as pharmacies have found new and innovative ways of managing services during the pandemic. We have recently added a 'Covid-19' section to the knowledge hub to share these examples with the wider pharmacy sector.

Making clear what we expect from online pharmacy services


This year we published updated guidance for pharmacies that provide services online. These clearly set out the measures they should have in place to make sure they are providing their services safely. We also worked with other regulators to develop and publish a new guide for people using online pharmacy services, to help them to get safe and effective care.

Setting out key considerations for owners and pharmacy professionals

In April 2019, we published **updated guidance for registered pharmacies providing pharmacy services at a distance, including on the internet**. The guidance states clearly that selling and supplying medicines at a distance brings different risks which need to be appropriately managed to protect patient safety.

The guidance also makes it clear that some categories of medicines are not suitable to be supplied online unless extra safeguards have been put in place to make sure they are clinically appropriate for patients. These include medicines liable to abuse, overuse or misuse, or ones such as opiates and sedatives, where there is a risk of addiction and ongoing monitoring is important.

Our chief executive, Duncan Rudkin, **wrote to the owners of online pharmacies** asking them to provide information on the actions they have



taken to follow the new guidance, so that their patients receive safe and effective care. We have used this information to prioritise our inspection programme.

Taking action on the unsafe supply of high-risk medicines online

This year we took regulatory and enforcement action after identifying significant patient-safety concerns around the online supply of high-risk, habit-forming medicines – including opioid medicines. These concerns were raised through pharmacy inspections which looked at whether online pharmacy owners were meeting the standards for registered pharmacies and following the updated guidance.

Examples of the enforcement action we have taken include:

- putting conditions on a pharmacy's registration – for example, requiring an online pharmacy to stop providing certain services until it can show there are adequate systems in place to deliver them safely
- issuing an improvement notice to a pharmacy, setting out the improvements it must make if it has not met all the standards during an inspection
- investigating the fitness to practise of responsible pharmacists and pharmacist independent prescribers employed by the online pharmacy

Producing a joint guide for patients and the public along with other regulators

In March 2020 we launched a new guide to help people make sure that medicines or treatment they get online are safe and right for them. The guide was supported by nine other key UK

healthcare organisations. It was developed using lessons learnt from concerns raised by patients and the public about online healthcare services, as well as using direct feedback from patients and the public.

The guide includes six top tips for anyone going online for medicines or treatment:

- 1 Check if the online healthcare service and the healthcare professionals working there are registered with UK regulators.
- 2 Ask questions about how the service works.
- 3 Answer questions honestly about your health and medical history.
- 4 Find out your options for treatment and how to take any medicines you're prescribed.
- 5 Expect to be asked for consent for information to be shared with other healthcare professionals involved in your care.
- 6 Check what aftercare you will receive.

Online pharmacy services and COVID-19

We have continued to promote the guide to patients and the public during the COVID-19 pandemic. At this time more people are going online for medicines, and some unregulated websites may be offering fake medicines, unregulated testing kits or false information.

We are continuing to monitor how online pharmacy services are provided during the pandemic.

Continuing our work on new standards for pharmacy education and training

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

Consulting and engaging on the future education and training of pharmacists

In April 2019, we gathered together and analysed the feedback on our proposals for the initial education and training standards for pharmacists. The proposals reflected the changes in pharmacy in recent years – specifically a move to a more clinical, patient-facing role for pharmacists in a wider range of settings, and an increase in the range of services pharmacies offer.

We considered the feedback we received from over 600 written responses to the consultation, and from stakeholder events, conferences and meetings.

Overall, the feedback showed broad support for the principles of:

- closer integration of academic study and practical experience, and
- having one set of standards to cover the full period of education and training before initial registration as a pharmacist.

People and organisations responding to the consultation also raised a number of questions and issues, particularly about how the integration of academic and practical learning

would work. You can [read the consultation report on our website which shows what we heard](#).


In 2019/20 we carried out a second round of stakeholder engagement focusing on the key ideas arising from the consultation (further integration of academic and practice learning; selection and admission; science, technology and leadership). We invited representatives from schools of pharmacy, students, trainees, employers, funding bodies and professional bodies to join a working group to explore the practical options for closer integration of study and practical experience.

We are continuing to work closely with the key organisations involved in pharmacist education and training to help to finalise the standards for pharmacist initial education and training. We expect these to be agreed in 2020/21.

Updating the requirements for the education and training of pharmacy support staff

Support staff roles have expanded and developed in recent years. This reflects the changes in pharmacy, such as the greater use of technology and an increase in the range of services pharmacies offer. In April 2019 we gathered and analysed feedback about whether we should continue to set requirements for pharmacy support staff education and training – and if so, what these requirements should be.

The feedback that we received from the pharmacy sector, pharmacy support staff, pharmacy professionals, members of the public, and education and training providers clearly supported the idea that we should continue to set standards for support staff training.



Most of the people who responded agreed that by setting regulatory requirements for the education and training of support staff, and then checking these are met, we are providing assurance that everyone in the pharmacy team has the training they need to do these important roles safely and effectively.

Based on what we heard, we developed a revised set of education and training requirements. These reflected developments in pharmacy practice and in the workforce since the requirements were first introduced in 2005. These new requirements include core skills that all pharmacy support staff need to have, including communication skills for patient-centred care.

We tested these proposals with members of our accreditation and recognition panel and our inspections team. These are pharmacy professionals with direct experience of working with and supervising pharmacy support staff.

In December 2019, our governing council agreed the new education and training requirements, and learning outcomes, for all pharmacy support roles. Previously, these requirements only covered medicines counter assistants and dispensing assistants. We have now widened these requirements to include support staff engaged in a range of roles. These include: dispensing and supplying medicines and medical devices, and advising on their use, and assisting in the provision of pharmacy services.

The final requirements for the education and training of pharmacy support staff, and supporting guidance for course providers and employers, will be published in 2020/21.

Responding to COVID-19 in pharmacy education and training

The COVID-19 pandemic has had a significant impact on pharmacy education and training. We are working with education providers to support them to carry out course teaching and assessments effectively using new methods, so that students can continue their education. Accreditation visits were also put on hold, or carried out remotely, from March onwards.

Pre-registration trainee pharmacists and pharmacy technicians have played an important part in providing pharmacy services in exceptionally challenging circumstances.

We are working with employers, professional bodies, organisations representing students, and pharmacy education and training bodies in England, Scotland and Wales to help make sure that pre-registration pharmacists and pharmacy technicians can continue to train and prepare for registration during the pandemic.

Introducing peer discussion and a reflective account to revalidation

Each year when registrants renew their registration, we now expect them to carry out and record a peer discussion and reflective account as part of their revalidation.

Pharmacy professionals who were due to renew their registration by 31 October 2019 were the first group to submit these new types of records.

Revalidation requirements

We expect pharmacy professionals to carry out, record and submit six revalidation entries when they renew their registration:

- four CPD entries, at least two of which must be planned learning activities
- one peer discussion
- one reflective account

[Find out more in the revalidation framework](#)

A **peer discussion** is a learning and development activity that encourages professionals to engage with others in reflecting on their learning and practice. Research has shown that having another person's view can help professionals reflect on practice and reduce the potential for professional isolation. These discussions should be designed to aid a professional's development through an open and honest exchange with a trusted peer.

Reflection is a core part of revalidation for pharmacy professionals. The purpose of the **reflective account** is to encourage professionals to think about how they meet specific standards in their work, and how their work has benefitted the users of the services they provide.

Supporting pharmacy professionals to complete revalidation

We have continued to support pharmacy professionals in understanding the revalidation requirements and completing all their revalidation records. We have spoken at a large number of events, reaching over 4,500 pharmacy professionals. We have also published a range of resources, including examples of records and guidance to help people complete peer discussions and reflective accounts.

The benefits of reflective practice

In July 2019, we joined forces with eight other healthcare regulators to stress the benefits and importance of good reflective practice among professionals in the healthcare sector. Our revalidation requirements aim to give pharmacy professionals an opportunity to reflect on their practice, both individually and with their peers.



Our response to revalidation during COVID-19

We have postponed the revalidation submission date for registrants who are due to submit between 20 March and 31 August 2020 (inclusive). We made this decision because of the COVID-19 pandemic and the challenges and pressures this was putting on the pharmacy sector.

Registrants with a submission date between March and August 2020 will not have to submit their four CPD records, one peer discussion and one reflective account on their normal submission due date.

We will review the situation for registrants due to submit their revalidation records after 31 August 2020. We are communicating with registrants and stakeholders frequently on this subject by email, newsletters, social media **and our COVID-19 Q&A page.**

Improving the way we work

During 2019/20 we have continued to build on our commitment to improving the way we work.

This year, we agreed a ten-year vision for safe and effective pharmacy care at the heart of healthier communities.

The Vision 2030 sets out our commitment to:

- be a good-quality independent regulator of pharmacy for the public – setting standards for the quality expected for all aspects of pharmacy practice in all settings – and in doing so, improving health outcomes for the public.
- practise an anticipatory and proportionate approach to regulation – getting ahead of issues happening in the first place and trying to prevent or minimise their impact
- operate as a professional and lean organisation – working in a different way and being able to adapt quickly to future changes in pharmacy and the needs of the public, with a focus on working closely with others

This will guide our longer-term planning for the next ten years.

We will give more details about how we will achieve this vision and the outcomes we expect. We will be publishing two strategic plans, which will cover the first and second five-year periods of the term, together with supporting strategies and business plans.

This integrated approach to business and finance will help us to make sure that we remain

relevant and effective, are able to continue developing our regulatory approach, and are fit to deliver our aims successfully.

To help us plan for and deliver a sustainable financial position, we have continued to work on a longer-term financial strategy. This work includes a comprehensive review of costs and fee structures, and an accommodation review.

We have carried out more work on our organisational structure and continued our cultural change programme, making sure these are in line with our vision and key organisational strategies. We continue to monitor and review our progress on both these pieces of work, including through staff surveys.

We have continued with a major programme to improve the online services we provide for our current registrants, and for the people who are looking to register with us. In May 2019 we launched online applications for pre-registration training in time for the start of the 2019/20 training year. And in January 2020 we launched online registration applications for pharmacy technicians.

Reviewers can now also complete reviews of revalidation records online, giving feedback to registrants through the myGPhC system.

We have brought together data we have gathered through our regulatory work and from outside sources as we continue to work to improve:

- the quality and consistency of the data we hold
- our data infrastructure, and
- the efficiency of our reporting capability

During the year we continued to monitor our operating costs. We have used existing mechanisms where possible, such as our planning and budgeting process, to help make sure we are maintaining and improving our efficiency and effectiveness. This has allowed us to deliver our 3% structural savings target for the year. The Finance and Planning Committee will continue to report to our Council on our progress.

Working differently during the COVID-19 pandemic

In March, we had to close our offices in response to the COVID-19 pandemic and all of our office-based staff started to work from home. This presented us with a number of challenges, but we used technology to help us to keep our services running to a good standard of resilience and productivity. This included carrying out remote hearings using videoconferencing after an initial pilot scheme, and managing our customer contact centre remotely.



Integrating equality and diversity into the way we work

In 2019/20 we concentrated on becoming more strategic, maximising results and measuring the impact of our work in this area. We have continued to comply with the public sector equality duty as a regulator and to take forward our agenda for internal equality, diversity and inclusion.

We aim to ensure equality, diversity and inclusion (EDI) in all our work with:

- patients and the public
- people aspiring to become pharmacy professionals and those responsible for their education and development
- pharmacy professionals on our register
- pharmacies
- our own staff and associates

Developing an updated EDI strategy

Our commitment to EDI is ongoing and this has been a growing area of work. Our ambition is to operate with integrity, fairness and consideration for all interests through our regulatory and corporate activities. At the same time we will provide leadership and influence good practice across pharmacy and healthcare more widely.

We have carried out preliminary work for developing an EDI strategy. This will set out our strategic objectives and outcomes, and outline

how we will fulfil our statutory responsibilities as a regulator, public service provider and employer.

Training

We have carried out training on:

- disability awareness for staff
- unconscious bias for associates and partners
- our responsibilities under the Equality and Human Rights Acts, for managers and heads of functions
- mental-health first aid for a second group of interested staff (which now gives us a total of 14 mental-health first aiders)

Staff network programmes

The Black and Minority Ethnic (BAME) network has two co-chairs. It is open to all members of staff who identify as Black, Asian or ethnically diverse, and who want to support race equality as allies. Aims and objectives include:

- challenging and addressing discrimination and stereotyping
- running relevant awareness-raising campaigns and events, and
- building a solid reputation as an established stakeholder for communication and consultation within the GPhC, as well as with external parties

This year the network has organised initiatives on Black History Month, World Sickle Cell Day, and leadership and representation.

The women's network has two co-chairs and is open to all members of staff who identify as women. It provides a platform to network and

share experiences within a non-judgemental environment of mutual support. Aims and objectives include:

- challenging and addressing the stereotyping, barriers and discrimination that women may experience in their private and working lives
- incorporating intersectional* perspectives, and
- supporting the GPhC in addressing issues like the gender pay gap

This year the network has organised awareness raising on domestic abuse, intersectionality and International Women's Day.

* How people may be disadvantaged for a number of cumulative and overlapping reasons, including race, class, disability, sexual orientation and so on, which determine multiple forms of discrimination.

Inter-regulatory engagement

We are a member of three inter-regulatory groups: Inter-Reg LGBT+, Inter-Reg BAME Elevation (which was established in 2019), and the EDI Joint Healthcare Regulators Forum.

These inter-regulatory groups meet quarterly and include networks' co-chairs and representatives, as well as people carrying out their respective EDI functions. They share tips and good practice, and support each other on policy writing and review, activity planning and discussion on the latest developments in EDI practice.

In 2019, which marked the 50th anniversary of the Stonewall riots, the GPhC joined the parade at the London Jubilee Pride along with the NMC and GMC.

Other initiatives

Other EDI work through the year includes:

- quality assurance on equality impact analyses for new policies and procedures
- internal communications and awareness-raising campaigns alongside relevant EDI international days
- comprehensive support and advice to the business on education and revalidation, data and insight, customer service, fitness to practise, governance and human resources
- continued memberships of Stonewall and the Business Disability Forum

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 2019/20, we have continued to publish our key documents in Welsh, including standards, guidance and our guide for the public on what to expect when visiting a pharmacy. We have posted on social media in Welsh, to help promote this work to the Welsh-speaking public.

We have continued to use Recite Me, an accessibility tool which includes automated Welsh translation on our website, and have added it to our new inspections publication website.



Welsh language standards

The Welsh Language (Wales) Measure 2011 updated the legal framework covering the use of the Welsh language in delivering public services. The measure provides for the development of standards of conduct relating to the Welsh language. These will gradually replace the existing system of Welsh language schemes. We have, along with other healthcare regulators, continued to talk to the Welsh Government about the scope and extent of standards that will apply to us.

Looking to the future

We are in the first year of our strategic plan for 2020–25. This sets out what we will do in the next five years to achieve our ten-year vision of safe and effective pharmacy care at the heart of healthier communities.

Our work over the coming year will be organised under the following five strategic aims, set out in the plan.

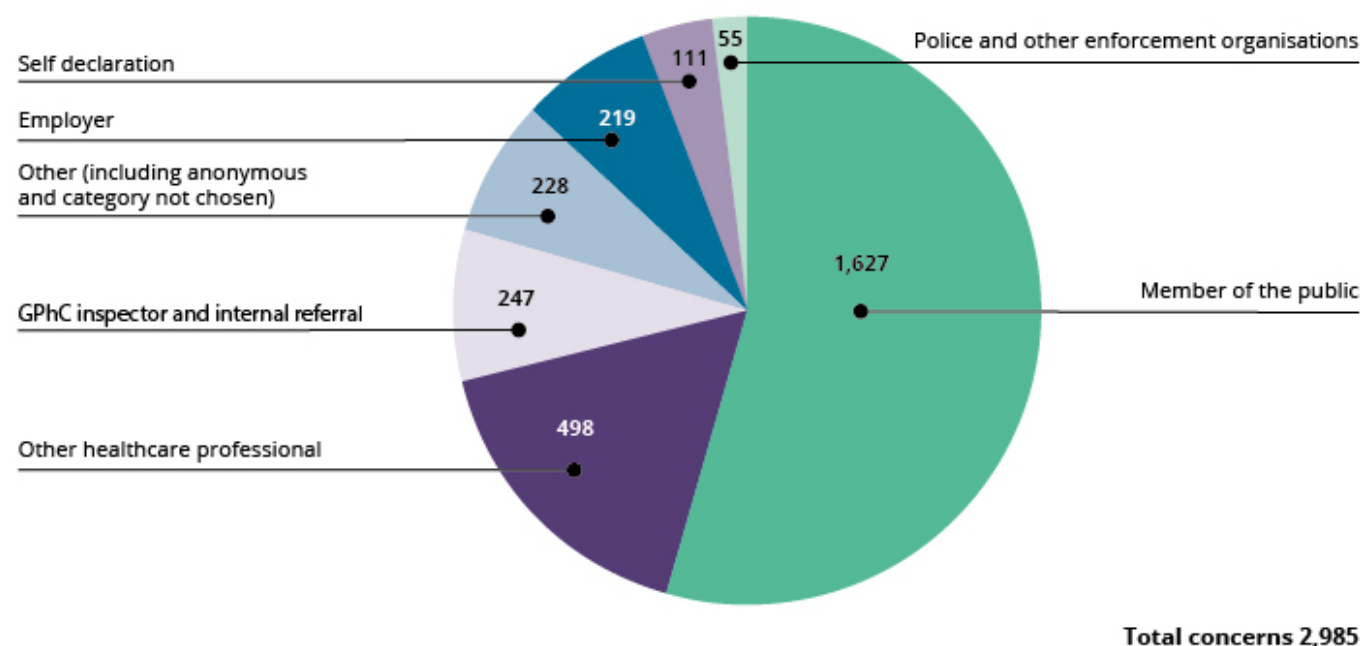
- 1 Deliver an adaptable standards framework that meets public and professional needs that are changing quickly.
- 2 Deliver effective, consistent and fair regulation.
- 3 Drive improvements in pharmacy care by modernising how we regulate education and training.
- 4 Shift the balance towards more anticipatory, proportionate and tailored approaches to regulating pharmacy.
- 5 Enhance our capabilities and infrastructure to deliver our vision.

We will need to keep our vision and strategic plan under close review over the next year and beyond, and reprioritise our work when needed, to make sure we are:

- adapting quickly to the challenges described, including COVID-19, and
- helping to bring about responsible innovation that is focused on safely delivering improved outcomes for patients

Annual fitness to practise report

How concerns came to us in 2019/20



What is 'fitness to practise'?

Fitness to practise is when someone has the skills, knowledge, character and health to do their job safely and effectively. A pharmacy professional may not be fit to practise for a number of reasons, for example if:

- their behaviour is putting patients at risk
- they are practising in an unsafe way, or
- their health may be affecting their ability to make safe judgements about their patients

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

When we receive a concern about someone's fitness to practise we check whether they are on our register and assess whether the concern should have a full investigation. This first check helps us decide what should happen next. The concern may be closed at this point because it is not within our powers to deal with it. When this is the case, we will point people towards other regulators when we can.

If we can take a concern further, we will start an investigation. This will usually be led by a case worker or an inspector. Following the investigation, we may decide to:

- take no further action
- issue a letter that includes guidance about the professional's future practice
- enter into a voluntary agreement with the registrant to manage the concern
- recommend that the evidence is considered by an investigating committee, or
- with the most serious concerns, refer it directly to the fitness to practise committee

Many concerns are closed at this first stage, often with guidance which tells the pharmacy professional involved what they must learn from the concerns raised. Only the most serious concerns are referred to the investigating committee or reach the fitness to practise committee.

The investigating committee (IC), which meets in private, can decide to:


- take no action
- agree 'undertakings' with a registrant (undertakings are promises by the registrant on things they will or will not do in the future, and may include restrictions on their practice or behaviour or the commitment to undergo supervision or retraining)
- issue a letter of advice
- issue a warning, or
- refer the case to a 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.

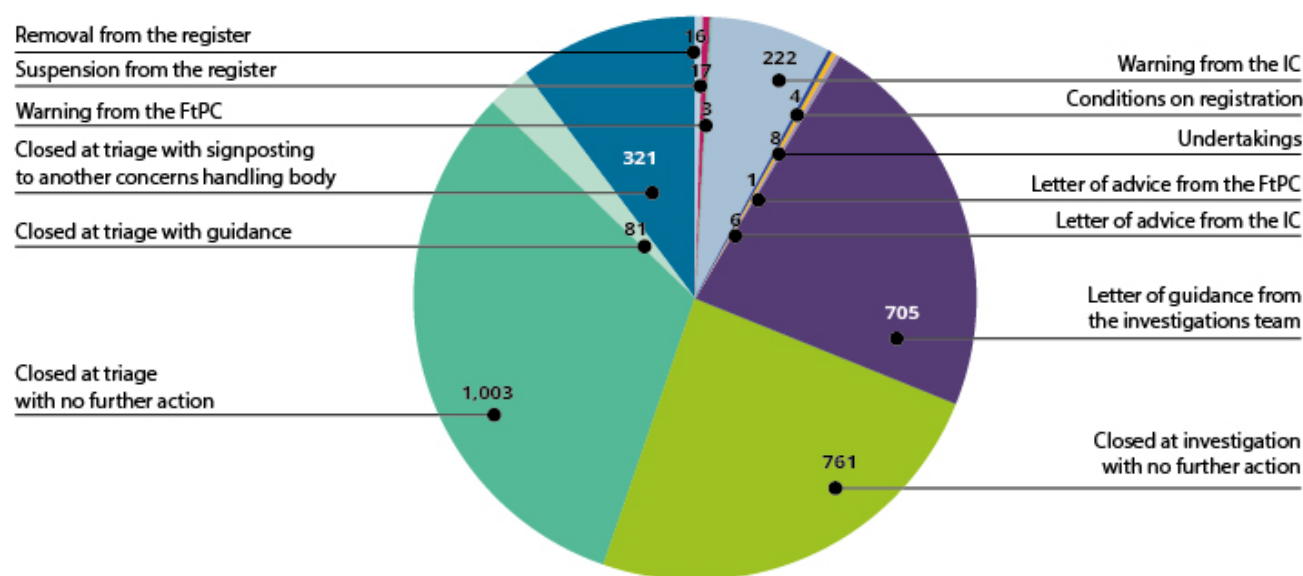
If it finds that they are not fit to practise, it can:

- issue a warning
- set conditions, or undertakings, that place restrictions for a period of up to three years on how the registrant can practise
- suspend them from the register for a period of up to 12 months, or
- remove them from the register



If we receive a concern where a pharmacy professional'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 for a pharmacy professional's registration to be suspended, or made subject to conditions, while we carry out our investigation.

Outcomes of cases closed in 2019/20



Total 2,949

Dealing with concerns in 2019/20

The number of concerns we received

This year the overall number of concerns raised with us increased. In 2019/20 we received 2985 concerns, 311 more than in 2018/19 and 656 more than in 2017/18. It is difficult to give reasons for the increase because there are many potential causes and there were no notable increases in any individual type of concern received.

Who raised concerns?

We have seen some small changes in the source of concerns. Members of the public continued to raise more than half the concerns we consider, and that number has slightly increased from last year. Concerns from employers have also increased. All other sources have decreased with the most notable


decrease in concerns from other healthcare professionals.

The outcomes of concerns

The outcome of the Professional Standard Authority's review of our performance against the fitness to practise standards is covered in the Governance Statement included in this annual report.

Triage outcomes

Overall, there were 1405 concerns closed at this stage in 2019/2020 (47% of all concerns raised). This compares with 1,027 in 2018/19 (39% of all concerns raised) and 791 in 2017/18 (34% of all concerns raised). The number of concerns closed with no further action almost doubled. These increased from 567 to just over 1000, and



those concerns we closed with advice at this stage increased by 50%, increasing from 39 to 81.

While we are closing more concerns with no further action, most of these additional concerns are not about patient safety and don't raise regulatory issues that we are able to deal with. We do however keep a record of information received. We use this intelligence to plan our inspection programme and we can take it into account if we receive further concerns about particular professionals or premises.

In the last quarter of 2018/19, we introduced more senior oversight of how we managed concerns at triage. We evaluated this change during 2019/20 and found that it has improved our decision-making, making sure we use the full range of our regulatory options to bring a concern to the right conclusion. The extra assurance it gives us means more concerns are concluded at this stage when it's appropriate to do so, contributing to the increase in concerns closed at the first stage this year. We will continue to analyse our data to look for trends and understand the nature of the concerns we conclude early in the process. We will share this information more widely to help people wanting to raise a concern understand what we can and cannot deal with.

Investigation outcomes

The outcomes of our investigations are largely in line with those we reported last year. Following an investigation we closed 705 cases with guidance and 761 with no further action. This is compared with 736 cases closed with guidance and 765 closed with no further action in 2018/19.

Investigating committee and fitness to practise committee outcomes

We have seen a reduction in the number of concerns referred to the investigating and fitness to practise committee stages. In total, 76 concerns were referred to independent committees in 2019/20, a significant decrease on the 125 referred in 2018/19.

The total number of concerns concluded at an investigating committee fell from 62 in 2018/19 to 34 in 2019/20. The number of concerns where an investigating committee issued advice or undertakings is roughly similar to the previous year. However, we have seen a fall in the number of cases concluded with a warning, from 40 in 2018/19 to 22 in 2019/20.

The total number of hearings fell from 63 in 2018/19 to 40 in 2019/20. Outcomes at a fitness to practise committee for removal, warning, and conditions are roughly similar to the previous year. However, we have seen a fall in the number of cases concluded by way of a suspension from the register – from 37 in 2018/19 to 17 in 2019/20.

Responding to COVID-19 in fitness to practise

The recent COVID-19 crisis placed significant pressure on health services to provide the necessary level of resources to care for those most in need. This, with the restrictions put in place to counter COVID-19, had implications for how we delivered our regulatory activities, including fitness to practise. We had to be more flexible in our approach to investigating and concluding concerns, and contacting pharmacy professionals. We held some hearings remotely. Our inspectors moved away from doing routine

inspections and focused on providing a more supportive role for frontline services. Towards the end of quarter four we received a significant increase in concerns, at least in part due to COVID-19 related 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 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 to 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.

This year, three of our council members finished their second term on 31 March 2020. We would like to thank Alan Kershaw, Digby Emson OBE (who also stepped down as chair of the Audit and Risk Committee) and Evelyn McPhail for their contribution.

We carried out a recruitment process during Autumn 2019 and three new council members have been appointed by the Privy Council. The new members, Rose Marie Parr, Selina Ullah and Yousaf Ahmad, started their term on 1 April 2020.

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.

Equality, diversity and inclusion in council member recruitment

In 2019/20, we produced a diversity action plan. This was to support the process of recommending council appointments, and to demonstrate how we meet our equality obligations at all stages of the planning and implementation of the appointments process. The action plan is designed to help us identify the practical steps and actions that we can take to attract a broad, diverse range of suitably qualified candidates.

To produce the plan, we reviewed the findings from a range of external reports including the Lord Holmes Review, *Opening up public appointments to disabled people*. We wanted to make sure that insights and learning were incorporated into our process, and drew on learning, insights and feedback from the previous appointments round.

Council members' pay and attendance

April 2019 to March 2020

This table records council members' attendance at regular formal meetings only. Council members also take part in other meetings and events. This has included working on assurance and advisory groups, and working with our stakeholders by attending engagement events across Great Britain.

Name	Registrant or lay member	Pay ¹ £	Council meetings attended ²	Council workshops attended	Committee meetings held or attended
Nigel Clarke ³	Lay	56,000	9 out of 10	10 out of 10	FPC* 4 out of 4
Aamer Safdar	Pharmacist	12,500	10 out of 10	10 out of 10	ARC** 4 out of 4
Alan Kershaw	Lay	12,500	9 out of 10	9 out of 10	RemCo*** 1 out of 2
Ann Jacklin	Pharmacist	12,500	9 out of 10	9 out of 10	RemCo 1 out of 2
Arun Midha	Lay	12,500	8 out of 10	8 out of 10	Not applicable
Digby Emson ⁴	Pharmacist	15,000	9 out of 10	9 out of 10	ARC 4 out of 4
Elizabeth Mailey ⁵	Pharmacist	15,000	9 out of 10	9 out of 10	RemCo 2 out of 2
Evelyn McPhail	Pharmacist	12,500	10 out of 10	10 out of 10	FPC 4 out of 4
Jayne Salt	Lay	12,500	9 out of 10	9 out of 10	ARC 4 out of 4
Joanne Kember	Pharmacist	12,500	9 out of 10	9 out of 10	RemCo 1 out of 2
Mark Hammond ⁶	Lay	15,000	9 out of 10	9 out of 10	FPC 4 out of 4
Neil Buckley	Lay	12,500	7 out of 10	7 out of 10	FPC 3 out of 4
Rima Makarem	Lay	12,500	9 out of 10	9 out of 10	ARC 2 out of 4
Penny Hopkins	Pharmacy technician	12,500	10 out of 10	10 out of 10	FPC 3 out of 4

Notes to the Council members' pay and attendance table

* Finance and Planning Committee

** Audit and Risk Committee

*** Remuneration Committee

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 and task groups and do the relevant preparation. They do not receive extra payment for these.
3. Chair of the Council.
4. Includes £2,500 for chairing the Audit and Risk Committee.
5. Includes £2,500 for chairing the Remuneration Committee.
6. Includes £2,500 for chairing the Finance and Planning Committee.

Council members expenses

April 2019 to March 2020

Council member	Travel	Accommodation	Subsistence	Total (£)
Nigel Clarke	567.94	0.00	0.00	567.94
Aamer Safdar	43.80	0.00	0.00	43.80
Alan Kershaw	249.15	365.64	58.84	673.63
Arun Midha	1,871.54	750.00	134.56	2,756.10
Ann Jacklin	0.00	0.00	0.00	0.00
Digby Emson	2,088.70	0.00	4.50	2,093.20
Elizabeth Mailey	601.40	0.00	0.00	601.40
Evelyn McPhail	3,980.75	352.00	4.55	4,337.30
Jayne Salt	999.75	1,090.00	0.00	2,089.75
Joanne Kember	856.85	2,030.90	0.00	2,887.75
Mark Hammond	1,222.70	0.00	0.00	1,222.70
Neil Buckley	424.40	148.50	0.00	572.90
Penny Hopkins	1,138.58	736.00	24.10	1,898.68
Rima Makarem	37.60	0.00	0.00	37.60

Non-statutory committees

Non-statutory committees

The Council has decided that non-statutory committees should be kept to a minimum to help limit bureaucracy and make sure responsibilities are clearly defined. The GPhC has four non-statutory committees: audit and risk, remuneration, assurance and appointments, and finance and planning. The membership of the Council's non-statutory committees is reviewed every twelve months through an agreed process.

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 and he continued to serve as chair throughout 2019/20, having been re-confirmed in the position by the Council on 7 March 2019.

The committee also has an independent member, Helen Dearden. Helen took up the appointment on 1 April 2017 and continued to serve as independent member throughout 2019/20.

The Audit and Risk Committee met four times in the year: in May, July and October 2019, and in February 2020.

The committee reports once a year to the Council and you can see these reports on the GPhC website.

Finance and Planning Committee

The Finance and Planning Committee was set up by the Council in April 2019. It replaced the Efficiency and Effectiveness Assurance and Advisory Group (EEAAG), which had been in operation since 2015. The committee continues the EEAAG's overview of strategic and financial planning, but also supports the Council by overseeing and monitoring the development and implementation of the GPhC's investment strategy and policy.

The committee is made up of five Council members, including the chair of the committee, Mark Hammond, who previously chaired the EEAAG.

The committee also has an independent member, Andrew McLaren. Andrew took up the appointment on 1 September 2019, to support the committee's new enhanced investment role.

The committee met four times in the year: in May, September and November 2019, and in January 2020.

The committee will report to the Council once a year and you can see these reports on the GPhC website.



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. It also sets the remuneration and expenses policy for associates, and monitors our work on the gender pay gap, our culture and staff surveys.

The committee is made up of four council members including the chair of the committee, Elizabeth Mailey, who took the chair on 1 April 2019. The committee also has two independent members, Rob Goward and Janet Rubin.

The committee met twice in the year: in April and September 2019. Following discussion in September 2019, the committee recommended that there should be no increase to the remuneration rates for the chair and members of the Council. It also recommended that the discretionary payments for the council members who chaired the non-statutory committees should stay as they were. These recommendations were agreed by the Council in November 2019.

The committee reports to the Council once a year and you can see these reports on the GPhC website.

Assurance and 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. All senior leaders and directors are involved in aspects of strategy, policy operations and regulatory development. This strengthens integrated working and improves our regulatory effectiveness.

There are five directors, leading teams across the organisation as follows:

- Education and Standards, led by Mark Voce
- Fitness to Practise, led by Carole Auchterlonie
- Insight, Intelligence and Inspection, led by Claire Bryce-Smith
- People, led by Francesca Okosi, and
- Finance, led by Jonathan Bennetts

Jonathan Bennetts was appointed to lead the Finance and Procurement functions in April 2019.

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 is an independent statutory body, accountable to Parliament and the Scottish Parliament. 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, spending, recognised gains and losses, and cash flows for the financial year.

Number and types of complaints

We received 82 complaints about our services in 2019/20 (having received 80 in 2018/19 and 106 in 2017/18). 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. More detailed information about complaints is reported to the Council through regular performance monitoring.

When dealing with complaints, we aim whenever possible to put into practice what we learn from them. For example, we received complaints about the process of voluntary removal. Following these, we have now changed myGPhC notifications to make sure that people who have requested voluntary removal do not receive reminders about revalidation. We have also made the information clearer in the letters confirming voluntary removal.

Complaints received in 2019/20

Issue	Total 2019/20
GPhC process	15
Outcome of a concern/GPhC decision	25
Information and data	1
myGPhC	16
Staff conduct	2
Equality and diversity	0
Standards and assessment	7
Fees	3
Other	13
Total	82

How we meet freedom of information and data protection legislation

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

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

As a registered data controller under the Data Protection Act 2018 (DPA), we collect, store and use personal data. We use this data for, for example, updating the register, dealing with concerns, compiling statistics and keeping our stakeholders up to date with information about the GPhC. We 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.

During the year we continued to update our policies and working practices to keep to data protection legislation. In August 2019, our auditors carried out an audit of our practices against the requirements of the General Data Protection Regulation (GDPR). They gave us an assessment of 'reasonable assurance'. Our employees and associates took part in annual training on data protection and information security.

We reported three personal data incidents to the Information Commissioner's Office in the year. One of these involved the accidental disclosure of sensitive personal data to another

person. The Commissioner took no action in any of these cases, but we have taken steps to improve our processes so that similar incidents do not happen in future.

In 2019/20, we received 241 information requests under the Freedom of Information and Data Protection Acts (we received 225 in 2018/19). We responded to all requests, apart from one, within statutory deadlines. The delay with that request, received in March 2020, was because our data team were deployed on essential COVID-19 related work.

Information request type	Number in 2019/20
FOI	153
DPA*	61
Subject access**	27

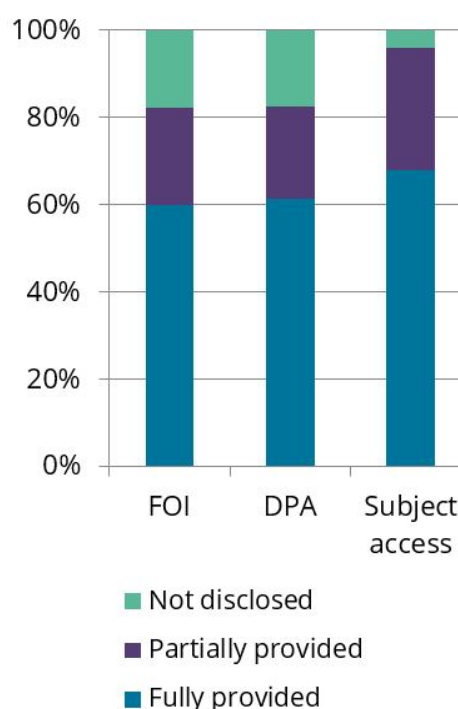
* DPA cases are ones when a third-party organisation makes a request for the personal data of an individual and we consider disclosure under the provisions in the Data Protection Act.

**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.

In 17 cases we did not hold the information requested. When we held the information, we disclosed it, either in full or in part, in 84% of our responses to requests. Most cases where we did not disclose information concerned the personal data of other people. We received five requests to review a decision we had made about disclosure and the **Information Commissioner's Office** assessed three complaints about our responses during the year. The Commissioner took no further action after reviewing our responses.

We also received three requests under other rights in the new data protection legislation.

Disclosure rates 2019/20





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 protected ('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 increase confidence among people raising the concern that their disclosures are taken seriously.

As a prescribed person we have to report in writing every year on protected disclosures made to us. This is the report for the period beginning 1 April 2019 and ending on 31 March 2020.

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
- we may be able to take regulatory action on the disclosure

If we are unable to take regulatory action because the disclosure is outside our scope, we will refer the disclosure to an appropriate organisation.

From 1 April 2019 to 31 March 2020 we received 22 qualifying disclosures of information.

Of these disclosures we concluded our enquiries on 18, with a further four still under review. We also concluded seven qualifying disclosures that were raised during the previous reporting period.

The action we took included a full investigation through established fitness to practise processes and follow-up action through our inspection network. The former can result in any available outcome under the fitness to practise process. The latter can include guidance, a follow-up visit or an unexpected inspection.

Eleven concerns were investigated and concluded with no further action. Five cases were signposted to another organisation. The remaining two cases were investigated and resulted in guidance from fitness to practise, inspection or education colleagues.

Of the seven concerns from the previous reporting period, five were concluded with no further action. The remaining two cases were investigated and concluded with guidance from fitness to practise, inspection or education colleagues.

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

Governance statement 2019/20

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.

Apart from the changes to the Senior Leadership Group as described earlier in this report, the governance framework has been in place at the GPhC for the year ended 31 March 2020 and up to the date of approval of the annual report and statement of accounts.

The governance framework

At the end of 2019, we agreed a ten-year vision for 'safe and effective pharmacy care at the heart of healthier communities. This vision guides our longer-term planning, including the first of our two new five-year strategic plans, along with supporting strategies and business plans. These provide more of the detail of how the vision will be delivered and the outcomes expected.

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 project 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, in the *GPhC committees'* section 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 are responsible for developing and maintaining 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 appointed TIAA as GPhC's new internal auditors in June 2019. 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.

TIAA replaced the previous internal auditor provider, BDO (previously Moore Stephens) following a full procurement exercise earlier in the Spring. The handover process between the two auditors included a transition discussion at the September 2019 ARC meeting. As part of TIAA's induction a series of introductory meetings were carried out between TIAA, GPhC directors and the Chair of the ARC. The actual transition between internal audit providers, had

no practical or other significant impact on the ability to conduct effective internal audit work.

To reflect the transition between internal audit providers the annual audit plan was reviewed and updated using a combination of professional judgement and risk evaluation. At the same time the following two years of the 2020-22 three-year internal audit strategy was also reviewed and updated to ensure that both current and future audit plans remained relevant and up to date. To make sure the review of effectiveness has a wide enough scope, 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.

Overall, 8 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:

- GDPR Compliance – Reasonable Assurance
- Procurement – Limited Assurance
- Core Finance Review (AP/AR/Payroll) – Substantial Assurance
- Integrity of the Register – Substantial Assurance
- Review of key governance documents – Advisory
- Review of Covid 19 Business Continuity Arrangement - Advisory

- Implementation of the Health and Safety Action Plan – Reasonable
- Fitness to Practice Process – Threshold Criteria – Green Amber*

*The *Fitness to Practice Process – Threshold Criteria internal audit* was conducted by the previous internal audit provider, BDO, prior to the handover. The rating for this audit was classed as ‘Green-amber’, which is defined as: ‘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.

Explanation of the ratings

Substantial assurance: There is a robust system of internal controls operating effectively to ensure that risks are managed, and process objective achieved.

Reasonable assurance: The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed, and process objectives achieved.

Limited assurance: The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed, and process objectives are achieved.

No assurance: There is fundamental breakdown or absence of core internal controls requiring immediate action. 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.

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

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 that the General Pharmaceutical Council has reasonable and effective risk management, control and governance processes in place.

Whilst the overall internal audit opinion is that reasonable assurance can be given the internal audit opinion also highlights there is “some weakness in the design and or inconsistent application of controls which could put achievement of particular objectives at risk”.


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 or additional actions are outlined below.

Significant governance issues

Governance issue: improving the procuring, managing and value for money gained from third party contracts via more effective and proactive procurement.

Mitigating/proposed action: We are establishing an up to date contract register to



help provide more planned and effective procurement of existing contracts. The contract register will also be aligned to the GPhC's annual plan to ensure that newly planned activity can also be effectively captured from a procurement perspective alongside managing the replacement and or renewal of existing contracts. In addition, the GPhC is also reviewing its current approach to Procurement which will consider the correct strategy and process going forward. The outcome of a lessons learnt review which is being conducted into a previous procurement process will feed into and shape the revised procurement approach. A standing agenda item covering procurement has been included in ARC meetings for the foreseeable future to provide ongoing updates to the committee on the progress being made in this area. This agenda item will include providing updates on progress against recommendations identified through TIAA's internal audit report.

Governance issue: Meeting the PSA Standards of Good Regulation

In addition to our system of internal control, the Professional Standards Authority scrutinises our performance against its Standards of Good Regulation on an annual basis. In 2018/19 the PSA found that the GPhC met 20 out of 24 of the Standards of Good Regulation in 2018/19, including all of the standards relating to guidance and standards, education and training and registration.

Following a targeted review and audit of 63 fitness to practice cases closed between 1 March 2018 and 28 February 2019, the PSA identified four out of ten of the fitness to practise standards were not met. Although the PSA did not consider that the concerns assessed through the audit had resulted in incorrect decisions being made, the PSA report highlighted several areas requiring improvement. These included improving record keeping, updating internal guidance, and improving timeliness in progressing fitness to practise cases, reasoning for decisions and communications with people involved in cases.

We are committed to using this feedback and we have put in place an action plan to make sure that these improvements are taken forward as a priority and embedded over the longer term. We will regularly review our progress against the action plan and report on this to our Council.

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
11 June 2020

Financial statements for the year ended 31 March 2020

Review of business activities

In parallel to delivering our regulatory responsibilities as a healthcare regulator, we focus our work in the year 2019/20 on the five strategic themes set out in the annual plan: 1) Building our data and insight capability, 2) Developing a proportionate and restorative approach to fitness to practise, 3) Implementing our approach to regulating registered pharmacies, 4) Setting and upholding standards, 5) Operating as a professional, lean organisation.

Income


Income is mainly derived from renewal fees from pharmacists, pharmacy technicians and premises, which is recognised in the accounts over the length of the registration year in compliance with the accounting principles. Therefore, actual monies received for the year does not reflect the income recognised from renewal fees for the financial year.

Main income sources

Registrant group	2019/20 registrant numbers	2019/20 income (£m)	2018/19 registrant numbers	2018/19 income (£m)
Pharmacists	57,651	15.1	56,288	14.7
Pharmacy technicians	23,705	3.0	23,387	2.9
Registered pharmacies	14,181	3.7	14,314	3.7

The figures above include annual renewal fees, initial registration and application fees.

Our total income for the year was £23.2m (2018/19: £22.7m), a 2.2% increase from the previous year. This is due to the impact of the 2019 fee increase and the increase in the number of pharmacists and technicians, offset by a smaller reduction in the number of registered pharmacies.

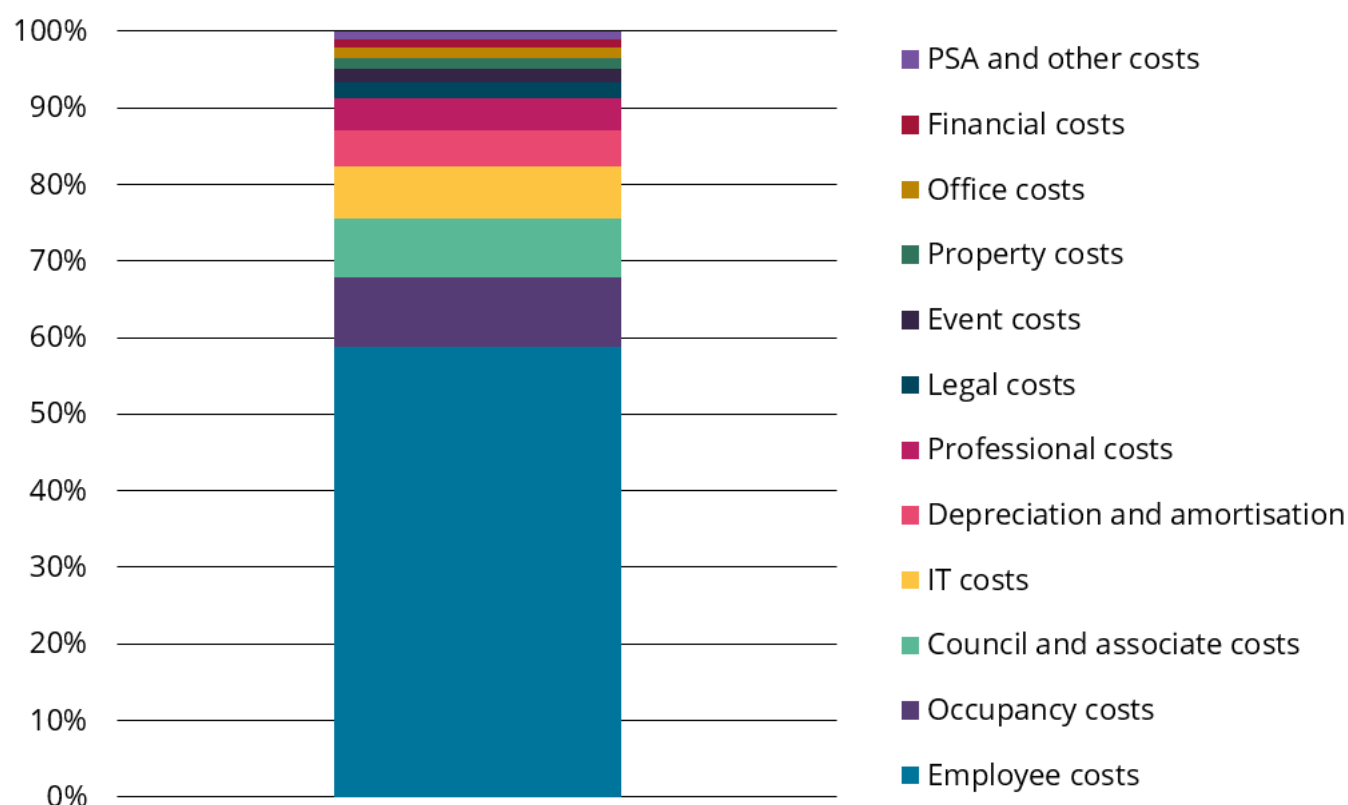


Pre-registration income, which consists of exam fees and pre-registration application fees was £1.1m for the year, (2018/19: £1.1m). There was a decrease of £31k from the previous year due to a fall in the number of new pre-registration applicants. This was expected as there was a drop in the number of university students entering the degree course in 2015.

A total number of 4,016 students took the exams in June and September 2019 (2018/19: 3,786), an increase of 6.0% from the previous year. This in part was due to the June pass rate being lower than expected, leading to an increase in the numbers for the September sitting.

In support of the healthcare needs during the COVID-19 pandemic, a combination of 6,241 pharmacists and pharmacy technicians joined the register on a short-term basis without any fees being charged.

Actual expenditure 2019/20




Expenditure

Expenditure for the financial year was £23.1m (2018/19: £23.8m), a decrease of 2.9% from the previous year, which includes achieving the 3% efficiency saving's target set in the 2019/20 budget.

Employee costs stood at £12.7m (2018/19: £12.6m), a minor increase compared to last year. Increases in this area were minimised as part of the efficiency savings objective by small reorganisations in some departments. More emphasis was also placed on recruitment to reduce the use of more expensive temporary resources to cover vacant posts.

Other employee costs amounted to £2.4m (2018/19: £3.2m). There are several contributing factors for the reduction in spend when compared to the previous year. Council and Associate costs were down by £0.23m because decreased volumes in Fitness to Practice hearings days, Associate and Partners training and accreditation events. We also made a significant reduction in the financial year on staff recruitment costs, 2019/20 £0.19m (2018/19: £0.39m) by having a lower reliance on external agencies.

Expenditure on depreciation and amortisation for the year was £1.0m (2018/19: 0.8m) an



increase of 25%. Amortisation expense is now being recognised for various development projects such as registration online services, the inspections publication site and the revalidation portal, as these systems became useable during the financial year.

IT costs totalled £1.6m for the year (2018/19: £1.3m), up by 23 % from previous year. The increase is due to some IT services being in a transitional period and maintaining existing systems while moving services on-to the cloud.

Occupancy costs includes the designated space for FtP hearings, which amounted to £2.1m (2018/19: £2.1m), a £14k increase from the previous year. A significant amount of work was undertaken to successfully keep the mid-point rent increase to a minimum level. A collaboration of all the tenants reviewing the service charges led to a refund of some costs from the landlord, which mitigated some of the impact of the rent increase.

Surplus/deficit for the year

Overall the actual result for the financial year is a surplus of 0.3m (2018-19: £0.9m deficit). This result reflects progress in achieving the GPhC's financial strategy aimed at delivering a financially stable organisation that can effectively fund the cost of regulation going forward.

Expenditure for the year was £1.5m (6.4%) below budget expectation. Throughout the year there were a few areas that had an underspend against the budget: Council and Associates costs were down by £0.6m because of a lower

number of hearings than anticipated, several Associates training events did not go ahead as planned and fewer accreditation events occurred than expected. Legal costs were £0.2m lower than budget as we had a reduced number of cases being sent to external legal firms. IT costs were under by £0.5m as various pieces of work had been carried out in-house and a higher-than- expected amount of savings were achieved as part of the move to the cloud.

COVID-19

Whilst the pandemic influences the way we work currently and the in the near future, there has been a minimal effect on this year's expenditure and no impact on income. Work is currently underway to adapt the 2020/21 annual plan and budget to accommodate the priorities that are surfacing due to the pandemic.

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
11 June 2020



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 2020 which comprise the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in reserves 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 members, 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 members 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 General Pharmaceutical Council and the Council members 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 General Pharmaceutical Council's affairs as at 31 March 2020 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 General Pharmaceutical 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 General Pharmaceutical 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 statement of Council members' responsibilities 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 General Pharmaceutical 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. This description forms part of our auditor's report.

Crowe U.K. LLP, Statutory Auditor
London, 12 June 2020

Statement of comprehensive income for the year ending 31 March 2020

	Note	2020 £000	2019 £000
Income	2	23,187	22,707
Expenditure	3	(23,116)	(23,822)
Operating surplus / (deficit)		71	(1,115)
Interest receivable and similar income	4	249	211
Surplus / (deficit) on ordinary activities	5	320	(904)
Taxation	6	(47)	(38)
Total comprehensive income for the year		273	(942)

Statement of financial position as at 31 March 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
Fixed assets					
Tangible assets	7		2,508		3,132
Intangible assets	8		627		746
Investments	9		12,500		12,500
			15,635		16,378
Current assets					
Debtors	10	1,882		1,247	
Bank and cash	11	13,569		12,610	
		15,451		13,857	
Creditors: amounts falling due within one year	12	(16,281)		(15,228)	
Net current liabilities			(830)		(1,371)
Total assets less current liabilities			14,805		15,007
Creditors: amounts falling due after more than one year	13		(1,987)		(2,462)
Provision for liabilities	14		(1,412)		(1,412)
Net assets			11,406		11,133
Funds employed					
Accumulated surplus					
- General Reserve			8,271		7,255
- Fixed Asset Reserve			3,135		3,878
Total funds employed			11,406		11,133

The financial statements were approved, authorised for issue and signed on behalf of the Council by Nigel Clarke, Chair, on 11 June 2020

Statement of cash flows for the year ended 31 March 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Surplus / (deficit) for the financial year		71	(1,115)
Adjustments for:			
Depreciation and amortisation	3	1,060	847
Release of lease incentive	13	(453)	(453)
Taxation		(40)	(30)
(Increase) / decrease in trade and other debtors		(635)	490
Increase / (decrease) in trade and other creditors		1,024	(706)
Net cash provided by (used in) operating activities		1,027	(967)
Cash flows from investing activities			
Purchases of tangible fixed assets	7	(32)	(29)
Purchases of intangible fixed assets	8	(285)	(423)
Profit on disposal		-	4
Interest received	4	249	211
Net cash (used in) investing activities		(68)	(237)
Change in cash and cash equivalents in the reporting period		959	(1,204)
Cash and cash equivalents at the beginning of the period		12,610	13,814
Cash and cash equivalents at the end of the reporting period		13,569	12,610
		£000	£000
Cash in hand		748	857
Notice Deposits (less than 3 months)		12,821	11,753
Total cash and cash equivalents		13,569	12,610

Statement of changes in reserves for the year ended 31 March 2020

	Note	General Reserve	Fixed Asset Reserve	Total
		£000	£000	£000
At 1 April 2018		7,789	4,286	12,075
Total comprehensive income		(82)	(860)	(942)
Transfers between reserves		(452)	452	-
At 1 April 2019		7,255	3,878	11,133
Total comprehensive income		1,332	(1,059)	273
Transfers between reserves		(316)	316	-
At 31 March 2020		8,271	3,135	11,406

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 reserve represents the balance of the GPhC's accumulated reserves.



Notes to the financial statements for the year ended 31 March 2020

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 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 Council have considered the financial position as at 31 March 2020, potential impact of Covid-19, and forecasts and budgets for future years. The Council are satisfied that the GPhC is a going concern and the financial statements have therefore been prepared on that basis. 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

After taking professional advice, the GPhC has 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.

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 £10,000 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

	2020 £000	2019 £000
Pharmacists	15,120	14,668
Premises	3,716	3,704
Pharmacy technicians	3,017	2,920
Pre-registration	1,112	1,125
Grant income	16	16
Other income	206	274
Total income	23,187	22,707

3. Expenditure

	2020 £000	2019 £000
Employee costs: payroll	12,732	12,554
Other employee costs	2,384	3,232
Property costs	331	278
Office costs	317	410
Professional costs	2,039	2,082
Event costs	47	467
Marketing costs	27	62
Depreciation and amortisation	1,060	847
Financial costs	221	172
Research costs	19	60
IT costs	1,578	1,327
Other costs	256	240
Occupancy costs	2,105	2,091
Total expenditure	23,116	23,822

3. Expenditure (continued)

Employee costs

Employee costs including directors were made up as follows:

	2020 £000	2019 £000
Wages and salaries	10,352	10,454
Employer's National Insurance	1,184	1,182
Pension costs	992	879
Redundancy	204	39
	12,732	12,554

The average number of staff employed during the year ended 31 March 2020 was 231 (248 at 31 March 2019).

Detailed below is a schedule showing numbers of staff, including directors, who earned above £60,000 (excluding redundancy payments) during the year:

	2020 £000	2019 £000
£60,001 – £70,000	11	10
£70,001 – £80,000	10	11
£80,001 – £90,000	3	1
£90,001 – £100,000	2	3
£100,001 – £110,000	1	-
£110,001 – £120,000	4	2
£170,001 – £180,000	1	1
	32	28

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.

3. Expenditure (continued)

Remuneration in respect of key management personnel for the year ended 31 March 2020 was £903,603 (£803,657 at 31 March 2019). A breakdown of their salary and benefits is as follows:

Name	Job title	Pay (stated in £10K bandings)	Benefits in kind* (to the nearest £100)
Duncan Rudkin	Chief Executive	£170,000 - £180,000	-
Claire Bryce-Smith	Director of Insight, Intelligence & Inspection	£110,000 - £120,000	-
Francesca Okosi	Director of People	£110,000 - £120,000	£400
Carole Auchterlonie	Director of Fitness to Practise	£110,000 - £120,000	£100
Mark Voce	Director of Education and Standards	£100,000 - £110,000	-
Jonathan Bennetts	Director of Finance	£90,000 - £100,000	£600

*Benefits in kind include private healthcare and subsidised gym membership.

Expenses for key management personnel are as follows:

Name	Travel	Accommodation	Subsistence	Total
Duncan Rudkin	993	162	15	1,170
Claire Bryce-Smith	1,691	-	21	1,712
Francesca Okosi	1,609	147	-	1,756
Carole Auchterlonie	1,537	130	-	1,667
Mark Voce	235	-	-	235

Jonathan Bennetts did not claim any expenses during the year.

3. Expenditure (continued)

Remuneration of highest-paid director as a multiple of median remuneration:

	2020 £	2019 £
Mid-point of band of highest-paid director's total remuneration	175,000	175,000
Median total remuneration	40,760	38,776
Remuneration ratio	1:4	1:5

Council members' pay and expenses:

	2020 £000	2019 £000
Total pay of council members	226	227
Total expenses paid to council members	20	31
	246	258

4. Interest receivable and similar income

	2020 £000	2019 £000
Interest receivable	249	211
	249	211

5. Total comprehensive income

This is stated after charging:

	2020 £000	2019 £000
Operating lease rentals: motor vehicles	99	116
Operating lease rentals: photocopiers	12	9
Operating lease rentals: buildings	1,238	1,231
Depreciation of tangible fixed assets	656	688
Amortisation of intangible fixed assets	404	159
Auditor's remuneration: audit services – Crowe	22	22

6. Taxation

	2020 £000	2019 £000
UK corporation tax at 19% in the year	47	38
	47	38

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
Cost			
As at 1 April 2019	5,607	2,197	7,804
Additions	-	32	32
Disposals	-	(72)	(72)
As at 31 March 2020	5,607	2,157	7,764
Depreciation			
As at 1 April 2019	2,661	2,011	4,672
Charge for the year	581	75	656
Disposals	-	(72)	(72)
As at 31 March 2020	3,242	2,014	5,256
Net book value			
As at 31 March 2020	2,365	143	2,508
As at 31 March 2019	2,946	186	3,132

8. Intangible fixed assets

	Computer software and systems development £000
Cost	
Balance at 1 April 2019	924
Additions	285
Balance at 31 March 2020	1,209
Amortisation	
Balance at 1 April 2019	(178)
Amortisation charge for the year	(404)
Balance at 31 March 2020	627

9. Investments

	2020 £000	2019 £000
Cash deposits	12,500	12,500
	12,500	12,500

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

	2020 £000	2019 £000
Trade debtors	25	120
Registrant direct debits to be collected	200	221
Other debtors	145	69
Prepayments and accrued income	1,507	833
Debtors (due in more than one year)		
Trade debtors	5	4
	1,882	1,247

11. Bank and cash

	2020 £000	2019 £000
Current accounts	748	857
Deposit accounts	12,821	11,753
	13,569	12,610

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 maintains 6 months of operating expenditure as an operating liquidity reserve to be held in liquid funds for the day-to-day running of the organisation.

12. Creditors: amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	828	673
Corporation tax	47	40
Other taxation and social security	325	314
Other creditors	18	13
Accruals	883	615
Deferred income	14,180	13,573
	16,281	15,228

Deferred income is made up of the following:

Deferred income from registrants and premises	14,100	13,481
Other deferred income	17	13
Deferred capital grant	63	79
	14,180	13,573

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

	2020 £000	2019 £000
Balance at 1 April	2,462	2,886
Reserve built up during the year		
Rent increase accrual	(22)	29
Reserve released during the year	(453)	(453)
Balance at 31 March	1,987	2,462
Split of rent reserve:		
Reserve reversing in one year	481	481
Current obligations	481	481
Reserve reversing within two to five years	1,501	1,922
Reserve reversing more than five years	5	59
Non-current obligations	1,506	1,981
Total	1,987	2,462

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 £4.4m, 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

	2020 £000	2019 £000
Dilapidation	1,412	1,412
	1,412	1,412

Following review of the lease for 25 Canada Square and after taking professional advice, the GPhC has 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 2020 the GPhC's future minimum operating lease payments are as follows:

	2020 £000	2019 £000
Within one year		
Motor vehicles	85	98
Property	787	778
Equipment	12	12
	884	888
Between one year and five years		
Motor vehicles	117	190
Property	2,459	3,113
Equipment	17	29
	2,593	3,332
Later than five years		
Property	-	97
	-	97

The annual cash lease payments under the operating lease for the property are £1.2m. The commitment shown above takes into account the lease incentive received on entering into the lease which is being amortised on a straight-line basis over the term of the lease at £0.5m per annum.

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 Pension Scheme in respect of 92 employees (2018/19: 94 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 £666,307 (2018/19: £657,487).

The valuation of the scheme liability as at 31 March 2020, is based on valuation data as at 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (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 undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019. The Department of Health and Social Care has laid scheme regulations confirming that the employer contribution rate has increased to 20.6% of pensionable pay from this date. However, the GPhC continues to pay the existing rate of 14.38% as the increase in the rate is currently projected to be met centrally.



The 2016 funding valuation was also expected to test the cost of the scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 the Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

Defined contribution scheme

The GPhC also operates a defined contribution scheme. The total contributions paid into this scheme for the year ended 31 March 2020 were £323,572 (2018/19: £221,540) in respect of 106 employees (2018/19: 120 employees). The increase in pension costs was due to the minimum employer contribution rate increasing from 3% to 5%.

Employees' enrolment is mandatory, although all staff have the option to opt out. Where an employee chooses to be a member, the GPhC will contribute as follows:

Employee contribution	Employer contribution
5%	5%
6%	12%
7%	14% max

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



General Pharmaceutical Council
25 Canada Square, London E14 5LQ
F 020 3713 8000
E info@pharmacyregulation.org

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