

# Annual report

Annual fitness to practise report

Annual accounts

2020/21



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2020/21

**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 31 March 2021



**3,459** pharmacists and **2,984** pharmacy technicians **temporarily registered** during the COVID-19 emergency



**2,606 provisionally-registered** pharmacists during the COVID-19 emergency

**276** routine pharmacy inspections and over **4,140**  COVID-19 support calls and visits

**53** action plans agreed with pharmacies



**46** enforcement notices served against pharmacies\*   
\*41 improvement notices, 5 conditions

Over **7.5 million** visits to our website including **34,472** visits to our knowledge hub



**2,998** concerns raised about pharmacy professionals




Took part in **41** virtual engagement events



Responded to over **54,200** calls and emails from registrants and the public



**4** public consultations with over **1,160** responses received 

**190** GPhC office-based staff working remotely





# Foreword

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

This year, our focus has been on responding effectively to the challenges and pressures of the COVID-19 pandemic.

Pharmacy has been at the very forefront of the response to the pandemic, continuing to provide safe and effective care to people in extraordinarily difficult circumstances.

We greatly appreciate the significant contribution pharmacy has made, and is continuing to make, to Great Britain's COVID-19 response. We want to thank the pharmacists, pharmacy technicians, provisionally registered pharmacists, pharmacy trainees and students, pharmacy owners and all members of the pharmacy team who have shown incredible commitment to patients and the public.

We recognise that pharmacy professionals, patients and the public from Black, Asian or other minority ethnic backgrounds have been disproportionately affected by the pandemic. We are supporting a major research programme to understand if, how, and why ethnicity affects COVID-19 clinical outcomes in healthcare workers. The research will also look at the impact of COVID-19 on their physical and mental health, including the impact of 'long COVID'.

And we remember the members of the pharmacy community who have been personally affected by COVID-19. We pay tribute to those that have sadly died during the pandemic, thanking them for their service and

offering our condolences to friends, family and colleagues.

### Responding to the pandemic

At such a difficult time, what has been hugely impressive is the flexibility and innovation shown by pharmacy professionals and pharmacy owners in response to the challenges they have faced. We have seen and shared lots of examples of good and excellent practice during the pandemic.

As an organisation, we have also had to quickly respond to developments and work very differently in the last year. It is remarkable to think that almost all of us have worked remotely for the whole of 2020/21 – something that would have previously seemed impossible.

We changed our approach to inspecting pharmacies. We switched our resources away from routine inspections to focus on supporting registered pharmacies with their arrangements and plans to help manage pressures and challenges during the pandemic. This approach helped us to identify and lessen COVID risks and issues at an early stage and to work with others to respond to any emerging issues. Throughout the pandemic, our Knowledge Hub provided examples of good practice to support the profession. We have also continued to act quickly on any information we receive which suggests a risk to patient safety by carrying out 'intelligence-led' inspections.

We also had to introduce new ways of working in other areas of our work. These included holding remote Fitness to Practise Committee hearings and moving our rescheduled

registration assessment online. We also introduced temporary registration for pharmacy professionals who had recently left our registers, and provisional registration for pharmacist pre-registration trainees waiting to sit the registration assessment. This meant we were able to help support the pharmacy workforce during a very challenging time.

### **Improving the way we work**

Our focus this year has been to respond to the challenges of the pandemic. Some of our previous plans and timescales have inevitably had to change, but we have also kept moving ahead with delivering our key priorities.

Our strategic plan for 2020–25 marks the start of our journey towards delivering our ambitious ten-year Vision 2030, for ‘safe and effective pharmacy care at the heart of healthier communities’. We had to introduce our new strategic approach quickly. This was to help us meet the challenges we were all facing and to help us do what we could to support pharmacy in protecting patients and the public. Both our vision and strategic plan have helped guide our response to COVID-19 and will continue to direct our work in the future.

One of our biggest achievements this year has been to finalise and introduce new standards for the initial education and training of pharmacists. Implementing these standards will transform the education and training of pharmacists for a generation, so they are able to play a much greater role in providing clinical care to patients and the public from their first

day on the register, including by prescribing medicines.

We are grateful to everyone who has been involved in developing the standards and who will play a role in implementing them. Their support and collaboration have been crucial in finalising the standards and will be essential for their successful implementation.

Another key development this year has been our consultation on changing the way we manage concerns about pharmacy professionals. This strategy will help us to further improve how we manage concerns – giving patients and the public better protection while being fair to pharmacy professionals. A key priority for the coming year will be to begin work to deliver the final strategy.

### **Preparing for the future**

As we write this, there is still a lot of uncertainty about what lies ahead, and about the road out of the pandemic. But one thing is certain: things cannot and should not go back entirely to how they were before. We are determined to learn the lessons from the pandemic and to continue to improve the way we work, so we can best support safe and effective pharmacy care for patients and the public.

**Duncan Rudkin**  
Chief Executive

**Nigel Clarke**  
Chair





# 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

Rose Marie Parr, Selina Ullah and Yousaf Ahmad started their terms as Council members on 1 April 2020.

### Our staff

Francesca Okosi, Director of People, left the organisation in October 2020.

Gary Sharp joined as Associate Director of HR in October 2020.

# The register

## The register as at 31 March 2021



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 pharmacists and pharmacy technicians who had left the register in the last three years. This meant they could return to work during the COVID-19 (coronavirus) pandemic.

These temporarily registered pharmacy professionals 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.

As at 31 March 2021, 3459 pharmacists and 2984 pharmacy technicians were temporarily registered with us.

## Provisional registration

In May 2020, we introduced provisional registration for pharmacist pre-registration trainees, because COVID-19 restrictions meant that the registration assessment had to be postponed. You will find more information about provisional registration in the next section, *Responding to the COVID-19 pandemic*.



## **Fees for pharmacy premises**

In March 2021, we launched a consultation on how we set fees for registered pharmacists and pharmacy technicians.

On 1 April 2021, we increased the registered pharmacy entry and renewal fees from £262 to £365, to reflect the cost of regulating pharmacy premises. Our governing council agreed the revised price structure, following a consultation on fees for registered pharmacy premises which ran from January to April 2020. The consultation had proposed that the increase in fees would come into force in October 2020. However, because of the pressures on the pharmacy sector during the COVID-19 pandemic, the Council decided to delay bringing in the fees increase until April 2021.

Fees for individual pharmacists and pharmacy technicians stayed the same in 2020/21.

We are gathering feedback on our draft fees strategy. This is part of our long-term financial strategy to deliver a financially stable organisation that can effectively fund the cost of regulation.

## **Consulting on new options for register applicants in demonstrating English language skills competence**

In September 2020, we launched our consultation. It proposed that people applying to join the register as a pharmacist or pharmacy technician could use a recent pass of the Pharmacy Occupational English Language Test (OET) as evidence of English language competence.

The consultation closed on 6 November, and we received over 400 responses, with 96% of respondents supporting the proposal to accept the OET.

The GPhC's governing council approved the changes following the consultation and in March we published our revised guidance on evidence of English language skills. This now includes the option to accept the Pharmacy Occupational English Language Test (OET) as evidence of English language competence.

# Key developments in 2020/21

## **1 Responding to the COVID-19 pandemic**

This year we had to quickly make changes to all areas of our work, including pharmacy inspections and pharmacy education and training. This was to help us meet the challenges we were all facing and to do what we could to support pharmacy in continuing to protect patients and the public.

## **2 Introducing new standards for the initial education and training of pharmacists**

The new standards will introduce a number of important changes. These will make sure pharmacists are equipped for their future roles and can meet the needs of the health services in each country and those of patients and the public.

## **3 Consulting on our new strategy for managing concerns about pharmacy professionals**

In 2020/21, we held a major public consultation on our strategy for managing concerns about pharmacy professionals. This strategy aims to give patients and the public better protection while being fair to pharmacy professionals.

## **4 Improving the way we work**

Over the last year, we have taken forward work to implement our *Strategic plan 2020–25*, develop our longer-term financial strategy, support and enable our people, and improve our online services.



## Responding to the COVID-19 pandemic

In 2020/21 we had to work very differently as an organisation. We spent the full year working remotely, and introduced new ways of working to make sure we could still be efficient and effective in all areas of our work.

### Changing the way we work

We established our 'Reset and Renewal' project, to help us adjust to organisation-wide remote working. The project made sure our staff had the right equipment, resources and support to work effectively and safely from home. It also helped us to plan how we would work after the pandemic. Protecting patients and the public through safe and effective pharmacy care has remained our main aim.

Throughout the pandemic, we have maintained an effective IT infrastructure and effective IT support. This made sure we communicated effectively and fully delivered our key functions. We have put measures in place to help our managers lead their remote teams. We also adapted our internal communications approach to keep staff informed, engaged and feeling supported with reliable sources of information they could access quickly. Our approach also encouraged an open and communicative environment.

We have recognised the impact of the pandemic and continued working from home on mental health and wellbeing. We provided regular support and resources to our colleagues, and advice to help them find extra support and help. We also allowed staff to come into the office to work once a week if their wellbeing depended on this, following extensive risk assessments and measures to ensure a COVID-secure office.

We set up new processes and systems to help us monitor and review information and intelligence about what was happening in the pandemic, and to respond effectively to issues as they arose.

### Impact of the pandemic on education and training

The COVID-19 pandemic has had a major impact on pharmacist and pharmacy technician education and training.

Pharmacist and pharmacy technician students and pre-registration trainees have had to undertake their education and training in very challenging circumstances. Trainees have played a vital role in providing pharmacy services to patients during this time and we are very grateful for their contribution.

Course providers have adapted quickly and appropriately to make changes to the way teaching, learning and assessment are delivered, while making sure GPhC education and training standards are maintained. We are collecting information on the changes made to course delivery and will report on that later in 2021.

## Accreditation and recognition during the pandemic

Due to teaching sites being closed and travel and social distancing restrictions, face-to-face accreditation and recognition events have not been possible. We have carried out all events remotely during this time. We have also been able to bring in our new requirements for the education and training of pharmacy support staff as planned.

During the pandemic we carried out a further round of recruitment to the accreditation and recognition panel, to refresh the experience and expertise on the panel and increase its diversity. In total, 23 members were appointed, drawn from across the UK and a variety of sectors.

## Pharmacist education and training during the pandemic

### Pre-registration training and the registration assessment

The registration assessment, which all pharmacist trainees must sit and pass before they can register as a pharmacist, is usually held in June and September at assessment centres across Great Britain. The 2020 sittings had to be postponed as it was not possible to hold the assessment in large exam centres while social distancing requirements were in place. There was also continued uncertainty over when these restrictions would be lifted. We also recognised that:

- pre-registration trainees were under significant pressures which would affect their ability to prepare for the assessment, and

- more pharmacists would be needed to help respond to the pandemic and deliver care for patients

One of our key priorities this year was to reschedule the registration assessment for the earliest possible date, so that trainees would have the opportunity to pass the assessment and join the pharmacist register.

We also moved quickly to introduce provisional registration for pharmacist pre-registration trainees. This would allow them to support the pharmacy workforce and help meet the immense challenges and pressures facing the sector during the pandemic, while they were waiting to sit the rescheduled registration assessment.

Throughout this time, we brought together stakeholders in remotely held meetings to get their views on the actions we needed to take in response to the impact of the pandemic on pre-registration education and training. We also communicated with pre-registration trainees and other potential candidates regularly, to update them on developments and answer their questions whenever possible.


### Moving the registration assessment online

After consulting with stakeholders, we decided to move the rescheduled registration assessment online. This meant it could still go ahead even if restrictions on large gatherings were in place at the time of the sitting.

This is the first time we have held an online assessment and it has been a complicated process to move the assessment online.

We have an important responsibility to candidates to make sure they can have a robust and fair assessment of their knowledge and





skills. A key priority was to make sure that the new online platform supports all candidates, including ones who may need adjustments, to complete the assessment to the best of their abilities.

We also have an important responsibility to patients and the public to make sure that only candidates with the necessary knowledge and skills can pass the assessment, register as a pharmacist and take on the significant responsibilities for people's health and wellbeing that this role involves.

We carried out a thorough procurement process to make sure the online assessment could be accessed by several thousand candidates at once, while meeting our rigorous requirements for quality, security and accessibility.

Following this process, we appointed Pearson VUE to hold registration assessment sittings in 2021. Pearson VUE is the global leader in computer-based testing for academic, government and professional testing programmes around the world.

We worked closely with Pearson VUE to set the earliest possible sitting dates, in March 2021. To meet our rigorous requirements, we decided that most candidates would sit the assessment in Pearson VUE's extensive network of smaller, COVID-secure test centres across Great Britain – and ones overseas, for candidates living abroad. It was not possible to hold the registration assessment in larger venues, such as the Excel Centre in London which had been transformed into an NHS Nightingale Hospital.

Due to social distancing requirements, capacity in the test centres was reduced. So we held two sittings on 17 and 18 March to accommodate all

the candidates who wanted to sit. To maintain the integrity of the assessment we prepared two papers, so candidates on each day sat a different paper.

Ahead of these sittings, we gave potential candidates regular updates through emails, social media and a webinar, as well as other virtual events.

During this time, we aimed to respond as quickly as possible to any concerns and issues that had been raised by candidates and the organisations that represent them, and to resolve these issues as far as possible. This included sending statements and regular email updates to overseas candidates, and UK candidates who were not immediately able to book a place to sit the March assessment near their homes. We know that the booking process caused added stress and anxiety for some candidates. **We apologised to affected candidates at the time**, and will be applying what we have learnt, with Pearson VUE, for the sittings in July and November. This will help improve the experience for future candidates.

The two March sittings were delivered successfully, with a total of 2666 candidates sitting the GPhC's first online registration assessments held on the 17th and 18th. Most candidates sat the assessment in Pearson VUE test centres, with only 83 candidates sitting remotely in Great Britain and overseas using Pearson's OnVUE system.

Candidates sat the assessment in 118 centres in England, 11 centres in Scotland, 10 centres in Wales, five centres in Northern Ireland, and seven centres outside the UK. In 2019, candidates sat at seven centres.

We have announced the dates for the summer and autumn sittings in 2021, which will also be held online. We have shared key information with potential candidates for these sittings to help them to apply and prepare for the assessment.

While we achieved the overall objective of holding an online assessment which maintained standards and allowed most of the eligible candidates to sit, there are a number of lessons we can learn from this challenging exercise. We have carried out a review to identify these lessons. Our Council has considered the review, and we are carrying out the actions it proposed.

### **Provisional registration of pharmacists**

Following the postponement of the registration assessment, our Council decided to allow pre-registration trainees to provisionally register as a pharmacist until they were able to take the registration assessment.

This decision meant that pre-registration trainees who met the criteria for provisional registration were able to start working as a pharmacist in August 2020. This is when they would have expected to start work if they had been able to sit and pass the registration assessment in the usual way. In this way we were able to avoid the risk of a significant gap in the workforce at a time of huge pressure on the health service.

The approach was based on the following principles:

- to maintain standards for entry to the register, protecting patient safety and the quality of care given to patients and the public both now and over the long term

- to support the NHS and community pharmacy by strengthening the workforce at this critical time
- to minimise blockages or gaps in the 'pipeline' for qualified new registrants to join the profession in 2020 and in coming years too
- to safeguard the welfare of students and trainees, while also making sure that their hard work, and that of their tutors, over many years is given suitable recognition at this key stage in their professional lives
- to enhance the transition from trainee to pharmacist by strengthening the framework of support in their initial period of work

Trainees have to meet certain criteria to be eligible for provisional registration. These include:


- having been awarded a GPhC-accredited MPharm degree or Overseas Pharmacists' Assessment Programme
- having entered pre-registration training no earlier than July 2019, and
- having successfully completed 52 weeks of pre-registration training

Employers must also put requirements in place – such as carrying out a risk assessment and making sure a senior pharmacist is available to support the trainee – to protect patient safety and the quality of care.

We published guidance for the trainees, for employers and for the tutors completing their declarations, and we kept these under review.

Over 2400 pre-registration trainees successfully registered provisionally from August 2020. Provisional registration will continue until





January 2022. Candidates that were provisionally registered and failed the registration assessment left the provisional register after receiving their results.

### **Surveys of provisionally registered pharmacists**

In the autumn, we carried out two surveys of provisionally registered pharmacists to check that employers had met their obligation to conduct a risk assessment. At the same time, we asked provisionally registered pharmacists:

- about their employment and the pharmacy settings they work in
- whether they have a named senior pharmacist, and
- whether they have access to clinical advice and guidance if they need it

The survey findings were published on our website and were also shared with key stakeholders. Across both surveys, 49% of provisionally registered pharmacists responded. The vast majority of provisionally registered pharmacists said that their employer had completed their risk assessment (90%) and that they had access to clinical advice and guidance when needed (98%).

In March, we invited provisionally registered pharmacists to take part in research we have commissioned, led by Keele University. This research will look at the impact of the COVID-19 pandemic on provisionally registered pharmacists and pre-registration trainees, and the findings will be reported in 2021/22.

### **Pharmacy technician education and training**

In early April we worked with the Association of Pharmacy Technicians UK (APTUK) to send a

joint letter to pre-registration trainee pharmacy technicians and educational supervisors about the impact of the COVID-19 pandemic on training. The letter highlighted that we would take a flexible and proportionate approach to training affected by the pandemic and encouraged educational supervisors and training managers to do the same.

In May, we held a virtual stakeholder meeting with APTUK for colleagues involved in pharmacy technician pre-registration training. This allowed us to further discuss key issues affecting trainees and educational supervisors.

At this meeting, stakeholders told us that the impact of the pandemic meant that trainee pharmacy technicians who had finished their training were having problems in getting the supporting documentation they needed to apply for registration. In response, we worked with pharmacy technician education and training providers to make it easier for trainee pharmacy technicians who had successfully completed their qualification to register with us. For example, we obtained pass lists directly from providers, so trainee pharmacy technicians did not need to get copies of certificates before applying.

### **Changing our approach to inspections during the pandemic**

During the pandemic, we stopped our programme of routine pharmacy inspections. Instead, we focused our resources on supporting registered pharmacies with their arrangements and plans. This helped them manage pressures and challenges during the pandemic and ensure patient and public safety was maintained. We also arranged for our

inspectors to have indemnity insurance, so they were able to help out in pharmacies which had very high workloads during the first wave of the pandemic.

Through these support calls and visits, our inspectors found 165 examples of notable practice by pharmacies, with 154 of these examples showing how pharmacies have responded to the COVID-19 pandemic. These examples of notable practice were shared with the pharmacy community through our online knowledge hub and promoted through our social media channels, e-bulletin and media coverage. The aim was to help other pharmacies to improve their practice and respond effectively to the challenges and issues they had been facing.

In August, our inspectors began revisiting pharmacies that had previously not met all the standards. They focused on pharmacies with published inspection reports where a six-month re-inspection was due. Our inspectors visited these pharmacies to check whether they were meeting all the standards for registered pharmacies.

These inspections were paused once more when national restrictions were reintroduced in Autumn 2020, and started again in April 2021.

We are now looking into what a more risk-based and proportionate routine inspection programme would look like, and are asking stakeholders for their views.

### **Continuing to carry out 'intelligence-led' inspections**

Throughout the pandemic, we have continued to act quickly on any information we receive

which suggests a risk to patient safety, by carrying out 'intelligence-led' inspections.

This has included taking enforcement action against 35 pharmacies supplying inappropriate volumes of codeine linctus. We carried out intelligence-led inspections on these pharmacies because they were selling unusually high volumes of codeine linctus.


We are continuing to work with Local Pharmaceutical Committees (LPCs) and other organisations across pharmacy to raise awareness of our ongoing action on inappropriate supply of codeine linctus from community and online pharmacies.

We have also worked directly with key stakeholders and replied to correspondence we received from current patients and other members of the public about our enforcement action.

### **Supporting pharmacy-led 'designated sites' for COVID-19 vaccinations**

We took an anticipatory approach to assuring the safety of pharmacy-led 'designated sites' for COVID-19 vaccinations. We worked closely with the Department of Health and Social Care (DHSC), NHS England and NHS Improvement (NHSE&I) to make sure regulatory and legal requirements were considered as part of the service specification in England. Our inspectors also worked alongside colleagues in NHSE&I when vaccination sites were being set up, to make sure the pharmacies providing this service would be able to do so safely and effectively.

We also put information on our website to help pharmacy professionals and pharmacy owners who wanted to take part in the vaccination programme to meet our regulatory



requirements. Our knowledge hub also features 21 examples of notable practice that our inspectors found at pharmacy-led vaccination sites. These can be used by other pharmacies setting up vaccination sites to improve their practice.

### **Changing our revalidation requirements during the pandemic**

In March 2020, we announced that we were changing the revalidation requirements for pharmacists and pharmacy technicians because of the pressures that they were facing during the pandemic.

Pharmacy professionals usually have to submit six revalidation records: four continuing professional development records, a peer discussion and a reflective account. We contacted pharmacy professionals who were due to renew before the end of August to let them know they would only have to submit a reflective account when renewing their registration.

Given the challenges the pandemic continued to present, we have kept this approach for pharmacy professionals due to renew before 30 November 2021.

Later in the year we will review the situation for registrants who are due to submit their revalidation records after 30 November 2021, and send them an update.

We have encouraged pharmacy professionals to consider their experiences during the COVID-19 pandemic when completing their reflective account.

### **Managing concerns during the pandemic**

The pandemic, and how we responded to it, had an impact on how we managed some of the concerns we received. For example, the change to our inspectors' focus had consequences for other work, including how we managed concerns which would usually be looked into by inspectors. We introduced a more flexible and proportionate approach to concluding concerns that didn't present a risk to patient and public safety, and would otherwise have been managed through our network of inspectors.

We developed an approach to support decision-makers who considered concerns which were directly related to COVID-19 and community pharmacies. This included, for example:

- concerns about professionals failing to follow self-isolation advice from PHE when they were suspected to have COVID-19 symptoms, and
- concerns either from members of the public or pharmacy staff over the use and deployment of PPE, including face masks and gloves

We also worked with the Competition and Markets Authority (CMA), publishing a joint letter to pharmacy owners and superintendent pharmacists in Great Britain. This highlighted that both regulators had received reports alleging that a small minority of pharmacies were trying to benefit from the pandemic by charging unjustifiably high prices for essential products. The letter also set out our respective roles and expectations on this issue as regulators.

## Moving to remote hearings during the pandemic

In March 2020, we decided to hold urgent and essential hearings remotely with the agreement of the person concerned and their representative.

As restrictions eased in Summer 2020, we held a limited number of physical hearings alongside the remote ones. The cases we chose as being more suitable for a hearing 'in person' included ones involving particularly complex issues, or those where there were multiple witnesses, as well as cases where the person concerned asked for a physical hearing.

Following the move to tier 4 restrictions and the high level of infections in December 2020, we cancelled all physical hearings until further notice. We offered people affected by the decision the option of a remote hearing. As a result of holding remote hearings, we have a small backlog of seven hearings where the registrant has asked for a physical one. We expect to hold these physical hearings over the next few months.

We've seen that there are increased levels of engagement with our remote hearings compared to physical hearings, with a registrant attendance rate of 85% over the past year, compared to approximately 65% pre-lockdown. We've also received mostly positive feedback from all attendees at our remote hearings. We are preparing to hold some in-person hearings from May 2021 and will also continue to hold remote hearings when this is appropriate.

## Responding to key issues during the pandemic


At the beginning of the pandemic, we put in place new systems and processes to help us continually review what was happening across pharmacy and healthcare and how we may need to respond. This included creating a dedicated team to quickly respond to the queries being raised with us. As at 31 March 2021, the team had received and resolved 343 queries during 2020/21.

Throughout the pandemic, we have also worked closely with stakeholders, including:

- governments and the NHS in England, Scotland and Wales
- other regulators
- representative bodies
- pharmacy and healthcare bodies
- education and training bodies, and
- organisations representing patients and the public

This approach helped us to respond quickly and effectively to emerging issues and queries by releasing statements, publishing information on our website and replying to queries received via email and social media.

We set up a **dedicated COVID-19 web page** on our website, providing up-to-date information and answers to questions we were receiving from pharmacy professionals, pharmacy owners, trainees, students and the public. We also used our communications channels to promote key COVID-19 resources and information from governments, the NHS and other bodies to pharmacy professionals.



We also published detailed information on our position on the supply of COVID-19 tests in pharmacies. This was to help pharmacy professionals and owners to understand our regulatory requirements and to direct them to key resources they could use.

At key points in the pandemic we issued joint letters with the Chief Pharmaceutical Officers for the UK and the Pharmaceutical Society of Northern Ireland, to thank everyone working in pharmacy for their remarkable work to reduce the impact of the COVID-19 crisis on patients and the public and to highlight key information to them.

## **Protecting vulnerable people during the pandemic**

In 2020/21 we worked closely with Hestia, a charity supporting people experiencing domestic abuse, to encourage pharmacies to participate in their 'Safe Spaces' initiative. This initiative highlighted that more people were contacting domestic abuse helplines during lockdown, and that pharmacies were one of the few safe spaces open during this time. We promoted this initiative directly to pharmacy bodies and pharmacy owners across the sector, and we also contacted all superintendent pharmacists via email to encourage them to take part.

Over 5,000 pharmacies in Great Britain are now involved and Safe Spaces have been used on over 3,700 occasions.

We have also supported the government-backed domestic abuse 'Ask for ANI' codeword scheme and encouraged pharmacies to get involved in this scheme as well.

The Ask for ANI scheme allows people at risk of or suffering from abuse to discreetly signal that they need help and to get support. When someone asks for ANI, a trained pharmacy worker will offer a private space where they can find out if the victim needs to speak to the police or would like help to access support services such as a national or local domestic abuse helpline.

This codeword scheme works alongside the charity Hestia's 'UK SAYS NO MORE' Safe Spaces initiative by enabling pharmacy staff to offer immediate and emergency help.

## **Learning from the pandemic**

We are committed to reviewing how we have operated across all areas of our work during the pandemic, and this work has already begun. This will help us decide:

- what has, and has not, worked well
- what needs to be done differently, and

what we can learn, to help us continue to improve the way we work.

## Introducing new standards for the initial education and training of pharmacists

In January 2021, we published new standards for the initial education and training of pharmacists. The implementation of these standards will transform the education and training of pharmacists for a generation, so they are able to play a much greater role in providing clinical care to patients and the public from their first day on the register, including by prescribing medicines.

The standards set out the knowledge, skills, understanding and professional behaviours a student or trainee pharmacist must demonstrate to pass their initial education and training and to join the professional register. The standards also set out the requirements for organisations providing initial education and training.

The new standards will introduce a number of important changes to make sure pharmacists are equipped for their future roles.

These changes include:


- introducing a new set of learning outcomes that cover the full five years of education and training, and which can link to a pharmacist's continued development after registration

- incorporating the skills, knowledge and attributes for prescribing, so that pharmacists can independently prescribe from the point of registration
- emphasising the application of science in clinical practice and including a greater focus on the key skills needed for present and future roles – including professional judgement, management of risk, and diagnostic and consultation skills
- making the fifth year of initial education and training a foundation training year, with:
  - strengthened supervision support for trainees
  - better cross-sector clinical placements, and
  - collaborative working between higher education institutions, statutory education bodies and employers so that all trainees have a consistent experience and everyone gets the same opportunities
- having a greater emphasis on equality, diversity and inclusion to fight discrimination and deal with health inequalities

## Developing and implementing the standards

We worked closely with key stakeholders, including employers, statutory education bodies, higher education institutions and professional bodies, as well as governments and the wider public, to reach this significant milestone. We carefully considered the outcomes of the public consultation we held in 2020 when finalising the standards.





The advisory group of stakeholders which advised our Council on the final standards is continuing to work with us to bring in the standards and oversee their implementation. In particular, we are working closely with the strategic education bodies on the plans for implementing the standards in each country.

Plans are also being developed in each country of the UK to make sure that the current workforce of pharmacists also benefit from greater opportunities to train as independent prescribers, develop enhanced clinical skills and practise using those skills.

## Next steps

Starting from July/August 2021, changes will be made to the MPharm degree and the foundation training year over the next five years to implement the new standards.

The pre-registration training year will be known as the 'foundation training year' from Summer 2021 onwards, and pre-registration trainees will be known as 'trainee pharmacists'.

We will work closely with the statutory education bodies (Health Education England, Health Education and Improvement Wales, and NHS Education for Scotland) to explain to all key audiences, including students and trainees, what will happen and when, as implementation plans for each country are finalised.

## Engagement on our approach to quality-assuring education and training

During 2020/21, we also held engagement events with stakeholders to understand their expectations about our quality assurance (QA) of education and training providers.

These engagement events were held with patients and the public, recent registrants, students and trainees, education and training providers, and other key stakeholders.

The feedback we received through this engagement will help us to develop a proposed model of quality assurance of education and training providers in the future. We are planning to consult on this model in 2021/22.

## Consulting on our new strategy for managing concerns about pharmacy professionals

We launched our major public consultation on our strategy for managing concerns about pharmacy professionals on 29 October 2020. This strategy aims to give patients and the public better protection while being fair to pharmacy professionals.

It builds on key improvements we have already made to the way we manage concerns, as part of our overall aim to protect the public and maintain public confidence in a more effective, fair and proportionate way.

The strategy explains how we will move away from an approach that can, at times, be confrontational and slow, and can often have an unintended adverse impact on the mental health and wellbeing of the people involved. Instead, we are planning to take quick action to protect patients when we need to, while at the same time promoting a culture of learning and reflection that helps pharmacy professionals to remain practising when this is appropriate.

The strategy also sets out how we will take into account all the relevant factors around what went wrong, including looking at whether there are underlying system failures. We also aim to build our understanding of why we receive a higher number of concerns about black, Asian

and minority ethnic (BAME) professionals than should be expected.

This strategy will help us improve how we manage concerns about pharmacy professionals and help us to achieve our Vision 2030.

During the consultation, we heard views from all our key stakeholders in England, Scotland and Wales through meetings and focus groups. We also received 188 written responses to the consultation. We will publish the consultation report and the final strategy in 2021/22.





## Improving the way we work

In May 2020, we published our *Vision 2030* and our *Strategic plan 2020–25*, after our strategic plan had been laid in the UK and Scottish parliaments.

Our Vision 2030 is our ten-year vision for safe and effective pharmacy care at the heart of healthier communities. Our strategic plan and our annual plan were developed before the COVID-19 pandemic began. But they have proved their value and relevance in helping to guide our work and our long-term planning over the last twelve months.

In response to the COVID-19 pandemic and its impact on pharmacy and our work, we completed two exercises to reprioritise our plans and budget over the year. This was so that we could accommodate the extra COVID-19-related work and better organise and re-schedule existing work to give us a more realistic timescale for delivery. These exercises also helped us link related activities and make sure key strategies would be in place to guide our work.

We will continue to review our plans and budget regularly in response to the continuing uncertainty around the pandemic. We will also give more details about how we will achieve our vision and about the outcomes we expect.

## Our longer-term financial strategy

To help us plan and maintain a sustainable financial position, we have continued our work on a longer-term financial strategy. This keeps the appropriate balance between fees, reserves and spending so that we can cover our costs

through to 2030. During the year we also continued to monitor our operating costs. We focused on how these have been affected by the pandemic and our response to it. This has been regularly reported to Council and the Finance and Planning Committee.

## Improving our online services

We have continued with a major programme to improve the online services we provide for our registrants and for the people who are looking to register with us, while also making the changes we needed in support of our response to the pandemic. In July 2020, we launched online applications for provisional registration, including the authorisation of key tutor reports. And, in December 2020, we launched online applications for the registration assessment. We have continued work on our IT cloud strategy to make sure our IT infrastructure supports the delivery of our vision.

We also began a major project to redevelop our corporate website, which will continue into 2022.

Our work is continuing to bring together data we have gathered through our regulatory activities 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

## Supporting and enabling our people

We continued work on planned people initiatives while also focusing on supporting the

organisation through an extended period of working remotely.

Initiatives included:

- welcoming the second group into our Leadership Development Programme
- our latest (and most successful) employee engagement survey, and
- procuring new eLearning arrangements

Employee wellbeing continues to be a priority, and we have delivered a range of support activities. These include raising awareness of our mental health first-aider network and promoting our Employee Assistance Programme and occupational health service. We also provided new management guidance and support to colleagues, as well as revised HR policies.

We held a series of wellbeing webinars and sent a 'wellbeing box' to our colleagues. Feedback included: "It truly meant so much receiving my box in the post yesterday. I feel so incredibly lucky and proud to work for such a caring organisation" and "I may have never met anyone from GPhC yet, but I feel so well supported by you all. Thank you all for making me feel welcome and part of the team".

We continue to monitor and review our progress on these initiatives, including through staff surveys and action plans. Next, our focus will be on the work we are doing to support the new way we want our organisation to work in the future – namely building and implementing a new operating model. This will help us achieve the ambition which was already outlined in our Vision 2030.

## Equality, diversity and inclusion


### Our equality, diversity and inclusion strategy

Over 2020/2021, we have worked with colleagues across the GPhC and key stakeholders to develop our draft equality, diversity and inclusion (EDI) strategy: *Delivering equality, improving diversity, and fostering inclusion: our strategy for change 2021–2026*.

The strategy brings a new focus and energy to our efforts to progress how we deliver equality, improve diversity and foster inclusion. It will give us a framework to deliver this work across our organisation, in support of our *Vision 2030* and *Strategic plan 2020–2025*. The strategy builds on the work we are already doing and recognises, and works alongside, other strategies such as our fitness to practise strategy (which has also been developed in this financial year). The strategy sets out how we will fulfil our statutory responsibilities as a regulator and employer.

We look forward to moving from developing our approach to implementing it, and working with our key internal and external stakeholders and partners to deliver our EDI vision.

Beyond the development of the strategy, there have been several strands of EDI work which took place across the organisation and were also prompted by major external events. These included the COVID-19 pandemic and its disproportionate impact on minority groups, and the reawakening of the Black Lives Matter movement sparked by the death of George Floyd in May 2020.



This EDI work can be broadly described as follows:

## External engagement

We met with a variety of external stakeholders on different equalities topics. For example, we met with Stonewall and other LGBT+ charities, to discuss and explore the barriers that patients face in accessing transition-related care and support, and potential areas of joint work for the future.

We signed the Joint National Plan for Inclusive Pharmacy Practice in England. This has been developed by the Chief Pharmaceutical Officer at NHS England and NHS Improvement, the Royal Pharmaceutical Society and the Association of Pharmacy Technicians UK. The work builds on the Joint National Statement of Principles for Inclusive Pharmacy Professional Practice issued in September 2020.

In June 2020, we marked Pride for the first time on our social media platforms with a rainbowed logo and relevant tweets.

Our Chief Executive and Registrar took part in a panel discussion on 'Is regulation too white?' held by the Professional Standards Authority. We chose to explore the question in the context of standards, and how, for person-centred care standards, they need to be written in terms of the needs and rights of the people and communities using the services delivered by our registrants.

## Other activities

We continued to assess the equality impacts of any new policies and procedures, and published these on our website.

We started a new piece of work to assess the need for equality guidance for pharmacy owners, to help them meet their obligations under the Equality Act and the Human Rights Act. This work is continuing.

We published a statement following the findings of Public Health England's report on **disparities in the risk and outcomes of COVID-19** and the recommendations set out in the second part of that report on **understanding the impact on certain groups**. Our statement included highlighting the responsibilities of pharmacy owners to identify and manage the risks associated with providing pharmacy services and the importance of reviewing existing risk assessments.

We published a *Regulate* article about how pharmacy professionals may feel apprehensive about providing the flu vaccination service this year. This might particularly apply if they could be at higher risk of COVID-19 infection: for example, if they were from a BAME background and/or had long-term health conditions. In writing the article we used responses from stakeholders we targeted, as well as feedback from an individual pharmacy professional who shared their experiences.

We reported to our council on the EDI aspects of our reset and renewal project, including how we were taking account of diverse perspectives and needs.

We published a new policy and approach to managing Council appointments, with a clear emphasis on equality, diversity and inclusion. We also developed a new area on our website, with transparent information about recruitment, selection and recommendations. This is linked to express statements about how

we meet our equality obligations under the law, and how we value diversity in our Council.

## Internal engagement and staff networks activities

We published a series of blogs and other internal communications by several contributors, including senior leadership group members and EDI Sponsors, to:

- raise awareness about key equality issues, including disability rights, racial equality, LGBTQ+ rights, and intersectionality, and
- produce ideas for our strategy development and other work

Our staff networks hosted throughout the year a number of virtual events to keep staff engaged, encourage 'difficult' conversations and keep momentum. In particular:

- Our BAME Network hosted a series of virtual all-staff events on racism following the death of George Floyd in May 2020 and the subsequent global protests against police brutality, leading up to Black History Month in October 2020. During these events, colleagues shared personal experiences and perspectives on racism and discrimination and several resources were recommended to colleagues for self-education and awareness raising. In a panel discussion, black pharmacy professionals shared their lived experience and views on topics including racism, healthcare regulation and thoughts on the way forward in pharmacy.
- We held joint events between the BAME and Women's Networks which included a discussion with the first black woman

President of the Royal College of Veterinary Surgeons, and a conversation with a PCN Senior Clinical Pharmacist and Locum Community Pharmacist on topics such as sexism, assumptions and stereotypes in relation to gender, faith and ethnicity.


- We had a cross-regulatory session with one of our associates and partners, exploring the everyday challenges and gaps in different regulatory settings for LGBTQ+ representation and inclusion.
- On International Women's Day, an all-staff event with some of our female Council members reflected on the progress of gender equality. Council members described the biases and preconceptions they had had to face and challenge in their careers, and the personal success stories of achievements, leadership and progress in asserting the voice of women at the decision-making table.

## Training and capacity building

The senior leadership group held a session on race equality and leadership responsibilities. This is now being developed into a broader piece of work to guide our approach to inclusive leadership, linked to our behavioural framework.

We ran advanced unconscious-bias workshops, led by an outside facilitator, with attendees from across all levels and areas of the organisation. We have also held internal training on the website and mobile app accessibility requirements for public sector bodies.

Workshops with relevant teams and statutory committee members across the GPhC have helped us to prepare for our anonymous



decision-making pilot for investigating committee cases, and develop the wider links to our strategy.

A specific 'EDI in fitness to practise' workshop was held as part of the internal engagement exercise for the consultation on the new Fitness to Practise strategy.

## **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 2020/21, 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.

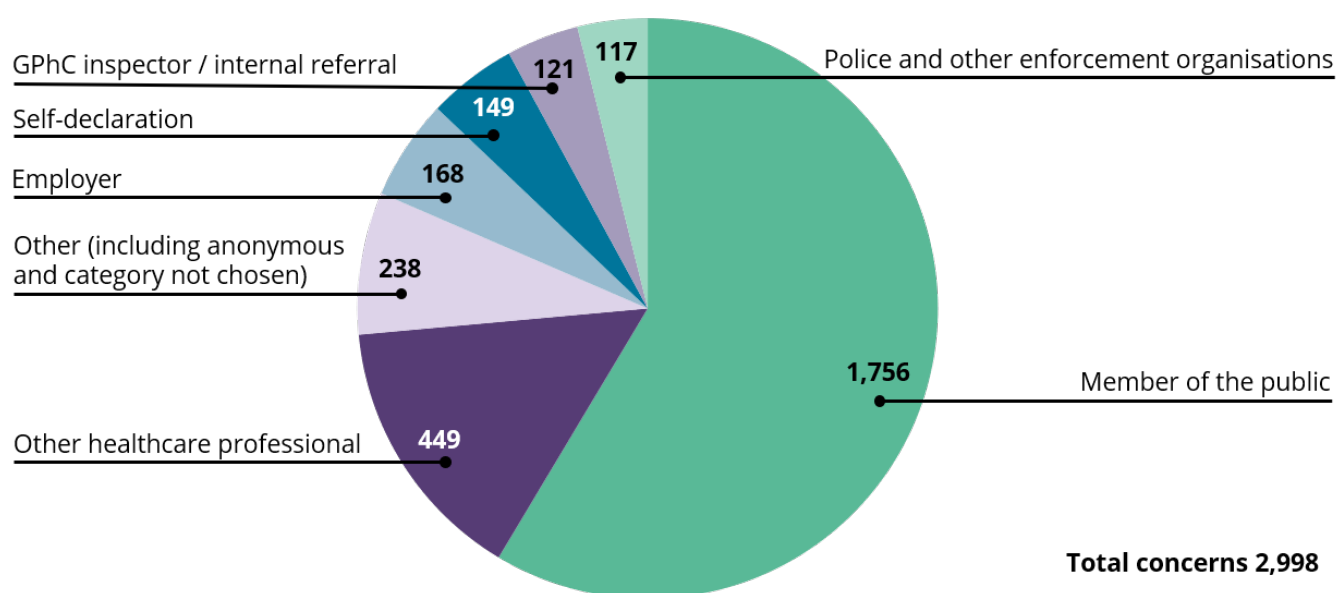
We have posted on social media in Welsh, to help promote this work to the Welsh-speaking public. We have continued to use Recite Me on our website, and our inspections publication website. This is an accessibility tool which includes automated Welsh translation.

### **Welsh language standards**

We await the introduction of the Welsh Language regulations for professional health regulators and have worked with the other regulators and Welsh Government to understand how the standards will apply to us.

# Annual fitness to practise report

## How concerns came to us in 2020/21



### 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, called 'triage', 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.

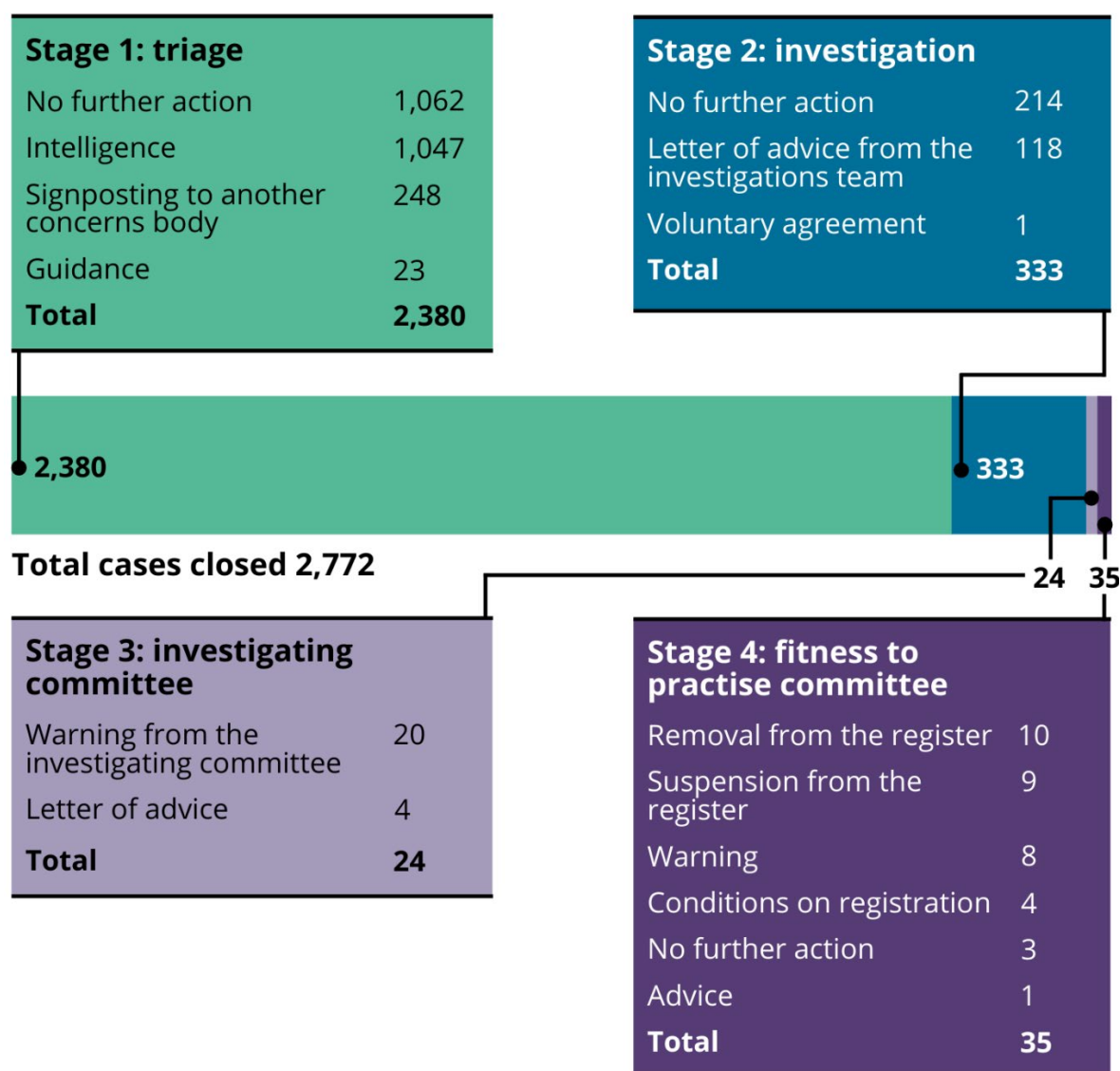
The FtPC, which usually holds hearings in public, decides if a pharmacy professional is fit to practise.

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 2020/21



## Dealing with concerns in 2020/21

### The number of concerns we received

This year the overall number of concerns raised with us increased. In 2020/21 we received 2,998 concerns, 13 more than in 2019/20 and 324 more than in 2018/19.

It is difficult to give reasons for the increase because there are many possible causes and there were no notable increases in any individual type of concern received.





## The source of 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 received, and that number has slightly increased from last year. Concerns from employers, other healthcare professionals and GPhC inspector/internal referrals have decreased. All other sources have increased, with the most notable increase in concerns being those from police and other enforcement organisations which have more than doubled.

## Triage outcomes

Overall, there were 2,380 concerns closed at this stage in 2020/2021 (79% of all concerns raised). This compares with 1,405 in 2019/20 (47% of all concerns raised) and 1,027 in 2018/19 (39% of all concerns raised). During the early part of the pandemic, as our inspectors focused on providing support for frontline services, we introduced a new approach to managing some concerns. We had to be more flexible and proportionate in our approach to concluding concerns that didn't present a risk to patient and public safety, and would otherwise have been managed through our network of inspectors.

We took a risk-based approach in cases where patient safety was not an issue. We either treated these concerns as intelligence we could use in our inspection work, or we resolved them through our network of inspectors when this was appropriate. We have recorded these concerns as 'intelligence' under the 'First stage' section in the graphic above. We received 1,047 concerns of this nature and this accounts for the larger number of concerns closed at this stage. The number of concerns closed with no

further action increased from 1,003 to just over 1,062, and the concerns we closed with guidance at this stage decreased from 81 to 23. The number of concerns closed by 'signposting' the person raising the concern to another organisation decreased from 321 to 248.

Even though we are closing a large number of concerns with no further action, these concerns are not about risks to patient safety, so they don't raise issues that have to be dealt with through fitness to practise processes. However, we do keep a record of the information we receive. 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 pharmacy premises.

We will continue to analyse our data to look for trends and understand the nature of the concerns we close 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

Following an investigation we closed 118 cases with guidance, 214 with no further action and we reached a voluntary agreement with one professional in this reporting year. This is compared with 705 cases closed with guidance and 761 closed with no further action in 2019/20.

This decrease is explained by the different way, as we have described above, that we have managed and reported concerns that would have been managed through our network of inspectors. Usually we would report all concerns managed through our inspectors under 'investigation outcomes'. However, since the

early stages of the pandemic, we have recorded these concerns as having been closed at triage.

### **Investigating committee and fitness to practise committee outcomes**

We have seen fewer concerns referred to the investigating committee and fitness to practise committee stages. In total, 59 concerns were referred to the committees in 2020/21 – a decrease on the 76 referred in 2019/20. The total number of concerns concluded at an investigating committee fell from 34 in 2019/20 to 24 in 2020/21. The number of concerns where an investigating committee issued advice or a warning is roughly similar to the previous year. There were no undertakings issued by the investigating committee this reporting year.

The total number of hearings fell from 40 in 2019/20 to 35 in 2020/21. The number of cases where fitness to practise committees issued conditions was similar to the previous year. Three concerns were concluded with no further action. There were no hearings concluded with advice this reporting year. The number of warnings has increased from three in 2019/20 to eight in 2020/21. We have seen a fall in the number of cases concluded by way of a suspension or removal from the register from 17 in 2019/20 to nine in 2020/21 and from 16 in 2019/20 to ten in 2020/21 respectively.

Moving hearings online has not significantly affected the number of case outcomes in 2020/21.

### **Improving the way we work**

As well as our wider work on our strategy for managing concerns about pharmacy professionals, we continue to focus our improvement programme on the principal weaknesses and risks identified in the Professional Standards Authority's 2018/19 and 2019/20 performance reviews. These were:

- closures at the initial assessment stage, as this is where the most significant changes in approach are being piloted, and where there has been the greatest increase in closures
- the efficiency and effectiveness of investigation case-handling, including:
  - dealing promptly with cases at each stage
  - the frequency and quality of our risk assessment
  - the quality of customer care (such as how often we engaged with stakeholders, empathy in communications, and use of plain English), and
  - the effectiveness of our revised case review arrangements in helping us make progress with investigations
- the reasoning for our decisions – at the triage investigation closure or referral stages



### 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, Rose Marie Parr, Selina Ullah and Yousaf Ahmad started their terms as Council members on 1 April 2020.

## Council members' pay and attendance

### April 2020 to March 2021

This table records council members' attendance at regular formal meetings only. This was a very unusual year, with all Council meetings held remotely. The Council also held extra, more informal, meetings designed to keep members informed on COVID-related developments and to run workshop sessions. Most members attended the majority of these sessions as well as the formal meetings.

Council members also took part in other meetings and events. This included working on assurance and advisory groups and working with our stakeholders by attending remote engagement events.

**Table 1: Council members' pay and attendance April 2020 to March 2021**

Name	Registrant or lay member	Pay <sup>1</sup> £	Council meetings attended <sup>2</sup>	Committee meetings held or attended
Nigel Clarke <sup>3</sup>	Lay	56,000	11 out of 11	FPC* 6 out of 6
Aamer Safdar	Pharmacist	12,500	11 out of 11	ARC** 3 out of 4
Ann Jacklin	Pharmacist	12,500	10 out of 11	ARC 4 out of 4
Arun Midha	Lay	12,500	9 out of 11	RemCo*** 4 out of 4
Elizabeth Mailey <sup>4</sup>	Pharmacist	15,000	10 out of 11	RemCo 4 out of 4
Jayne Salt	Lay	12,500	10 out of 11	ARC 1 out of 4
Joanne Kember	Pharmacist	12,500	11 out of 11	RemCo 2 out of 4
Mark Hammond <sup>5</sup>	Lay	15,000	11 out of 11	FPC 6 out of 6
Neil Buckley <sup>6</sup>	Lay	15,000	9 out of 11	ARC 4 out of 4
Rima Makarem	Lay	12,500	8 out of 11	FPC 5 out of 6
Rose Marie Parr	Pharmacist	12,500	11 out of 11	FPC 6 out of 6
Penny Hopkins	Pharmacy technician	12,500	9 out of 11	FPC 6 out of 6
Selina Ullah	Lay	12,500	10 out of 11	RemCo 3 out of 4
Yousaf Ahmad	Pharmacist	12,500	11 out of 11	ARC 4 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 2020 to March 2021

As Council members worked from home during this year, they did not claim any expenses.

## 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 five council members including the chair of the committee, Neil Buckley. Neil's appointment began on 1 April 2021.

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 2020/21, having been re-appointed to the committee on 1 April 2020.

The Audit and Risk Committee met four times in the year: in June, October and December 2020, and in February 2021.

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 to replace 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, and continued in this role this year.


The committee met six times in the year: in April, May, September, November and December 2020, and in January 2021.

The committee reports 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, both of whom joined the committee on 1 October 2016 and were re-appointed on 1 October 2020.

The committee met four times in the year: in April, May and September 2020 and in February 2021. Following discussion in September 2020, 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 December 2020.

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

### Senior leadership group

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 were five directors until October 2020, 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

The People Directorate was re-organised after Francesca Okosi left the GPhC in October 2020 and the post of Director of People was removed.

### 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 38 complaints about our services in 2020/21, a significant reduction from 82 in 2019/20 and 80 in 2018/19. 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. This year we simplified the way that we categorise complaints. Detailed information about complaints is reported to the Council through regular performance monitoring.

## Complaints received in 2020/21

Table 2: Complaints received in 2020/21

Issue	Total 2020/21
Conduct and behaviour	2
Data and information use	3
GPhC processes and procedures	14
Outcome of a decision	15
Other	4
<b>Total</b>	<b>38</b>

## 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 follows 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. Our employees and associates took part in annual training on data protection and information security.

We reported six personal data incidents to the Information Commissioner's Office in the year. The Commissioner took no further action in any of these cases, but we have taken steps to improve our processes and controls so that similar incidents do not happen in future.

In 2020/21, we received 182 information requests under the Freedom of Information and

Data Protection Acts (we received 241 in 2019/20). We responded to all requests apart from five within statutory deadlines. The delays were for reasons related to the pandemic. We also received 13 requests relating to other rights of data subjects in data protection law, including requests for erasure (we received three in 2019/20).

**Table 3: Number and type of information requests**

Information request type	Number in 2020/21
FOI	115
DPA*	34
Subject access**	33

\* 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.

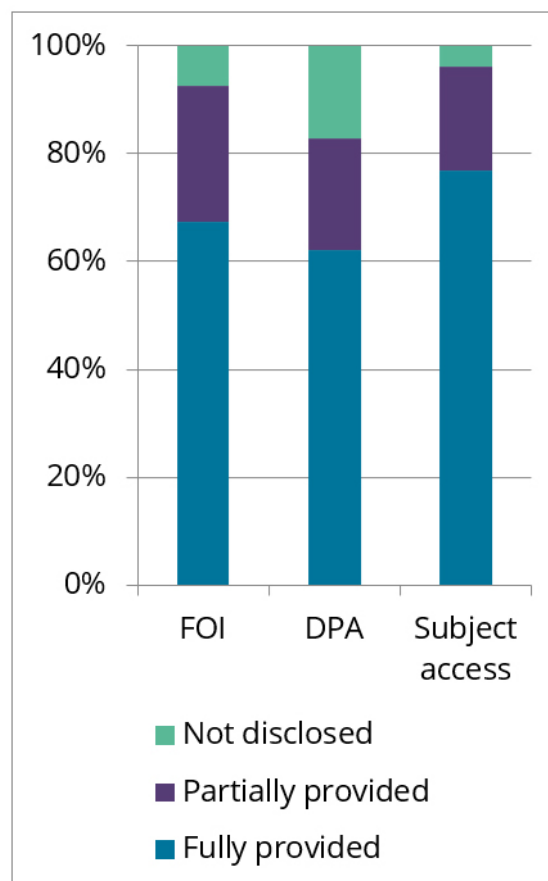
\*\*Subject access requests are when someone asks us to disclose to them the information we hold about them. We aim to be as transparent as possible in these cases, but may not be able to provide all the information they ask for. For example, we may 'redact' (edit or remove) information that contains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

In 22 cases we did not hold the information requested. Ten cases were closed because the requester either withdrew the request or did not respond to our request for proof of identity or other clarification. When we held the information, we disclosed it, either in full or in

part, in 91% of our responses to requests. In most cases where we did not disclose information, it concerned the personal data of other people.

We received three requests to review a decision we had made about disclosure and in one case overturned our original decision and gave the requested information. The **Information Commissioner's Office** assessed one complaint about our response to a request made in January 2020. The Commissioner took no further action.

### Disclosure rates 2020/21





## 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 raise the confidence of people raising concerns 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 2020 and ending on 31 March 2021.

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 direct 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 2020 to 31 March 2021 we received five qualifying disclosures of information.

Of these, we concluded our enquiries on three with a further two still under review. We also concluded three 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.

Three concerns were investigated and two were concluded with no further action. The remaining case was concluded with guidance from education colleagues.

Of the three concerns from the previous reporting period, one was concluded with guidance from fitness to practise colleagues and two were concluded with no further action. One further concern from the previous reporting period remains under investigation.

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.

We have noted that the number of qualifying disclosures of information we have received during this reporting period is lower than last year (from 22 down to 5). We have not been able to identify a specific reason for this or established whether it is linked to the pandemic.

# Governance statement 2020/21

## 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 the 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 2021 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', as well as two five-year strategic plans, along with supporting strategies and business plans. Throughout 2020/21, the COVID-19 pandemic has caused us to think carefully about these plans. We have needed to reprioritise aspects of the plans, but we have also been able to bring forward a number of items that had previously been earmarked for later in the strategy. However, the framework has remained the same.

Our business plan, and the exercise we carried out to reprioritise our plans, have given our senior leadership and staff a clear focus and understanding in what has otherwise been a time filled with uncertainty. We still have the framework we set up to monitor what we are



doing to achieve our priorities, so 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 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 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.

Although a three-year internal audit plan was agreed for 2020–22, the plan for 2021/22 was updated in March 2021 to make sure that both

present 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 have 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 the future.

Overall, eight assignments were carried out by our internal auditors and reviewed by the committee during the year, one of which was following up previous recommendations. The other seven reports and the ratings given were:

- Professional Standards Authority (PSA) action plan – Substantial
- Vehicle fleet management – Limited
- Accreditation methodology – Substantial
- Core finance – Substantial
- Integrity of the register – Substantial
- HR succession planning – Substantial
- Hearings – Substantial

## Explanation of the ratings

**Substantial Assurance:** There is a robust system of internal controls operating effectively to ensure that risks are managed, and that the process objectives are 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 that the process objectives are 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 that the process objectives are achieved.

**No Assurance:** There is a 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 the 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.

While 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 that 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 management of our vehicle fleet


**Mitigating/proposed action:** We are reviewing our approach to ensuring that the staff who need it have access to a fit-for-purpose vehicle. We identified as part of the audit that we relied too heavily on a single member of staff to organise our vehicle fleet and make sure that robust procedures were in place to manage associated risks. The findings have given us further cause to evaluate areas where we may have a single point of failure.

### Governance issue: delays in fitness to practise cases

**Mitigating/proposed action:** We recognised during regular review of our operational risks, that the risk of delays in fitness to practise cases had increased to a level we were not prepared to accept. A plan has been developed and presented to Council on how we propose managing this risk, with particular emphasis on targeting older cases. We will continue to monitor this particular issue and provide updates to Council on the effectiveness of our mitigation action.

### Governance issue: manual processes

**Mitigating/proposed action:** This followed the investigation of a serious incident when the



registration of a pharmacy premises lapsed when it should not have done. We have committed to undertaking a review of our processes, with particular emphasis on where we rely on manual controls and how we might benefit from the greater use of automated controls. We will be working to develop a plan in 2021/22 to deal with this area of concern, with advice from our internal audit team to ensure transparency and rigour in our approach.

## 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. The PSA found that the GPhC met 15 out of 18 of the Standards of Good Regulation in 2019/20, including all five of the new general standards and those relating to guidance and standards, education and training and registration. The three standards not met related to fitness to practise.

The report recognised the work being carried out to deal with the concerns in the 2018/19 assessment and how a number of positive actions have been taken across a number of areas in fitness to practise. It noted however, that due to the timing of the steps set out in our action plan and the period covered by the 2019/20 report, this has had a limited impact on overall performance during the period under review. The report covers the period from 1 March 2019 to 28 February 2020, so it does not comment on our regulatory response to the COVID-19 pandemic.

We have made significant efforts to respond positively to the feedback from the PSA. We

have regularly reviewed our progress against our action plan, reported on this at each Audit and Risk Committee meeting and commissioned an internal audit report in 2020/21.

## 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 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**  
**10 June 2021**

# Financial statements for the year ended 31 March 2021

## Review of business activities

We entered the year 2020/21 placing more emphasis on responding effectively to the emerging pressures that arose due to the COVID-19 pandemic. This enabled us to ensure we could adapt our approach and flexibly respond to the challenges faced during the year, whilst still maintaining our regulatory responsibilities.

## Income

Income is predominantly derived from renewal fees paid by pharmacists, pharmacy technicians and registered pharmacies, which is recognised in the accounts over the length of the registration year in accordance 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	2020/21 income (£m)	2020/21 registrant numbers	2019/20 income (£m)	2019/20 registrant numbers
Pharmacists	15.1	56,851	15.1	57,651
Pharmacy technicians	3.1	24,439	3.0	23,705
Registered pharmacies	3.8	13,977	3.7	14,181

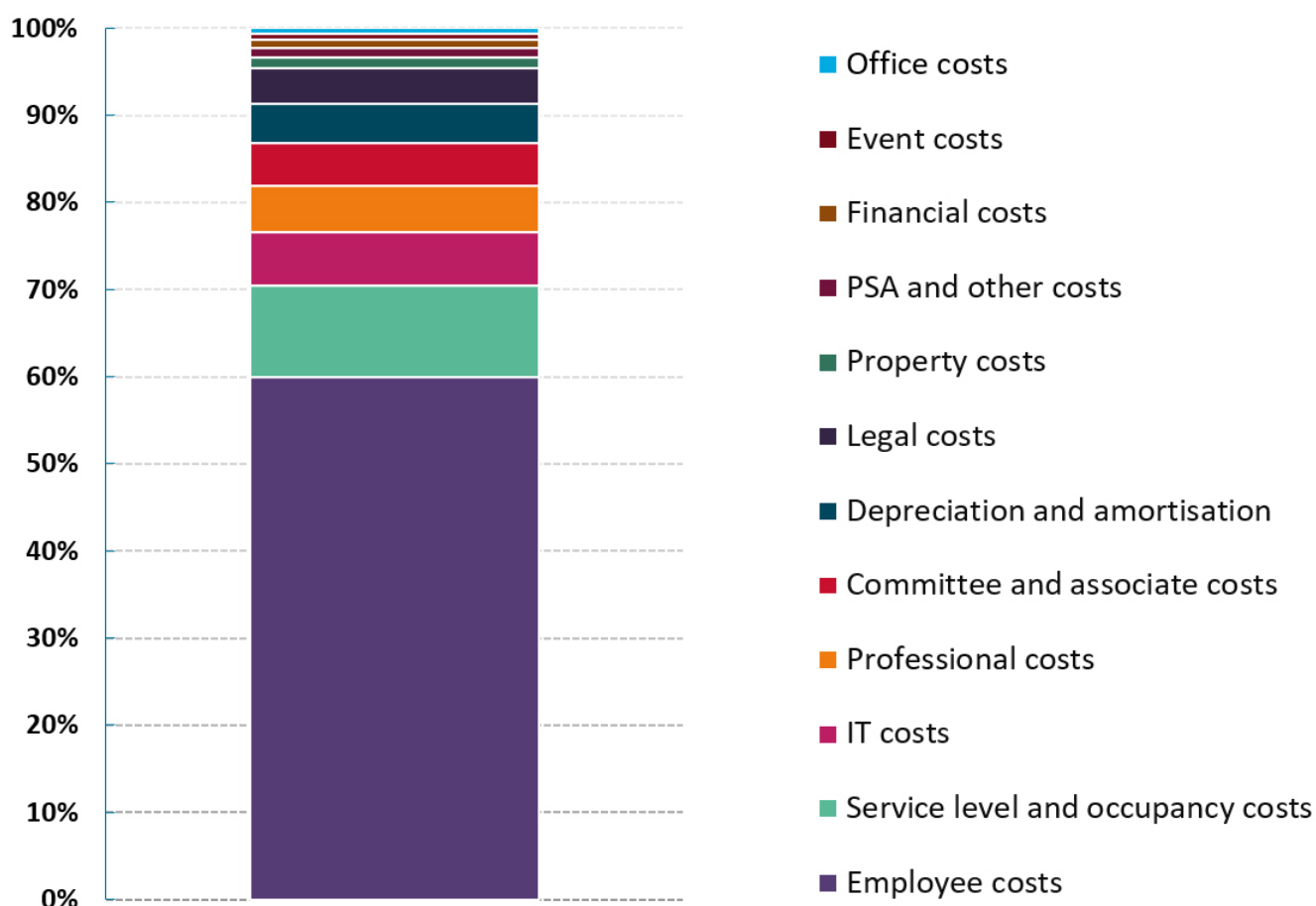
The figures above include annual renewal fees, initial registration and application fees.

Our total income for the year was £23.1m (2019/20: £23.2m), a decline of 0.4% from the previous year. Income across all registrant groups remained fairly consistent in comparison to the previous year with changes to overall numbers being offset by the remaining impact of the 2019 fee increase. However, there was a notable decrease in the total number of pharmacist registrants with a slight reduction in the normal number of leavers during the year, but a significant drop in new pharmacists joining the register. This is largely due to the delay to the registration assessment.

Pre-registration income, which consists of registration assessment fees and pre-registration applications, was £0.9m for the year (2019/20: £1.1m). 2,670 students sat the exam in March 2021 (2019/20: 4,016), a reduction of 33.5% from the previous year. Due to the challenges of the pandemic and moving the assessment to an online platform, there was only one exam sitting, whereas in previous years there have been two.

In the interest of supporting public healthcare needs during the pandemic, no fees were charged to the pharmacists and pharmacy technicians who were placed on the temporary register or the trainees who joined the provisional register.

## Actual Expenditure 2020/21



## Expenditure

During the year we had to swiftly change the way we work across a number of different workstreams, to ensure delivery of our statutory commitments during a period of uncertainty. We also began to implement initiatives as laid out in the 2030 vision and our 2020-25 strategic plan.

Key developments over the year include: 1) Introducing new standards for the initial education and training of pharmacists 2) Consulting on our new strategy for managing concerns about pharmacy professionals 3) Introducing improvements in the way we work.

Expenditure for the financial year was £22.9m (2019/20: £23.1m), a decrease of 0.9% from the previous year.

Employee costs amounted to £13.0m (2019/20: £12.7m), an increase of 2.4% from the previous year. One of the main factors for the increase was a higher number of staff not being able to fully utilise annual leave during the year. Other employee costs were £1.9m (2019/20: £2.4m). The contributing influences include a lower number of accreditation visits, associates' training events and Fitness to Practise hearings. Many of these were moved to being delivered virtually, generating savings in accommodation and travel costs.

Expenditure on professional fees stood at £1.2m for the year (2019/20: £1.0m). The increase of 20% was driven by the movement from a paper-based to an online delivery of the registration assessment. This has been mitigated by a reduction in exam venue costs of £0.2m.

Legal costs were £0.9m for the year (2019/20: £0.5m). The 2020/21 budget did anticipate an increase in costs for this area, but due to the challenges faced during the pandemic there was an increase in the level of external legal support and specialist advice to ensure that cases progressed within the appropriate timeframes.


Occupancy costs totalled £2.3m (2019/20: £2.1m), an increase of 9.5% from the previous year. A large proportion of the increase is driven by the recent review of the dilapidation provision which updated the costs based on more current price indices. A small amount of this has been offset by the reductions in service charges and building insurance for the year, due to the review of charges from the previous year.

## Investments

At the end of the 2020/21 financial year, in the organisation's first year of holding a managed portfolio, the value of investments had increased by £0.74m (net of costs) following the £15.0m phased investment made during the second quarter period. This has resulted in a rate of return for the period of 5.0% compared to a target rate of 2.0-3.0%. The favourable movement was mainly due to the performance of equities which at the end of the year made up 36.3% of the total portfolio. Factors such as the rollout of the COVID vaccine and results of the US elections had given the financial markets impetus helping to increase the value of the portfolio.

## Surplus/deficit for the year

Overall the actual result for the financial year is a surplus position of £0.9m (2019/20: £0.3m). £0.5m of the increase is due to the inclusion of the favourable movement of the investment portfolio (net of tax) as a result of the change in our investment strategy. Surplus on ordinary



activities was £0.4m, which is more a result of a reduction in expenditure than an increase in income. The budget expectation was for a cost-neutral position which was approved by Council.

## COVID-19

The ongoing pandemic created a challenging environment to work in, meaning that we had to make changes in order to carry out our regulatory responsibilities.

As a result we incurred unplanned costs of £0.2m for the year. We provided the necessary equipment to ensure staff were able to work effectively from home. Where tasks were not able to be performed remotely, we ensured that those impacted could carry out their duties as safely as possible.

Many of our statutory functions were conducted remotely for most of the year providing us with £0.3m of savings, particularly around accommodation and travel.

Going forward we are determined to continue to use the current methods of working where possible to build on efficiencies and improve the quality of our work.

## 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**  
**10 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 2021 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 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).

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 2021 and of its income and expenditure, for the year then ended;
- 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

In auditing the financial statements, we have concluded that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the General Pharmaceutical Council's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Council members with respect to going concern are described in the relevant sections of this report.

### Other information

The Council members are responsible for the other information contained within the annual report. 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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 Council members**

As explained more fully in the Council members' responsibilities set out in the *How we govern ourselves* section 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 trustees either intend to liquidate the charitable company 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations, are set out below.

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

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks,



including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the General Pharmaceutical Council operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Pharmacy Order 2010. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the General Pharmaceutical Council's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the General Pharmaceutical Council for fraud. The laws and regulations we considered in this context for the UK operations were:

- General Data Protection Regulation (GDPR)
- Taxation legislation
- Employment legislation

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management including

estimates and judgements made in preparing the financial statements. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

## Use of our report

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.

Tim Redwood  
Crowe U.K. LLP  
Statutory Auditor  
London, 10 June 2021

## Statement of comprehensive income for the year ending 31 March 2021

	Note	2021 £000	2020 £000
Income	2	23,135	23,187
Expenditure	3	(22,942)	(23,116)
<b>Operating surplus</b>		<u>193</u>	<u>71</u>
Investment income	4	208	249
<b>Surplus on ordinary activities</b>	5	<u>401</u>	<u>320</u>
Gain on investments	9	628	-
Taxation	6	(143)	(47)
<b>Total comprehensive income for the year</b>		<u>886</u>	<u>273</u>

## Statement of financial position as at 31 March 2021

	Note	2021 £000	2021 £000	2020 £000	2020 £000
<b>Fixed assets</b>					
Tangible assets	7		1,872		2,508
Intangible assets	8		369		627
Investments	9		15,743		12,500
			17,984		15,635
<b>Current assets</b>					
Debtors	10	2,005		1,882	
Bank and cash	11	13,035		13,569	
		15,040		15,451	
Creditors: amounts falling due within one year	12	(17,433)		(16,281)	
<b>Net current liabilities</b>			(2,393)		(830)
Total assets less current liabilities			15,591		14,805
Creditors: amounts falling due after more than one year	13		(1,506)		(1,987)
Provision for liabilities	14		(1,793)		(1,412)
<b>Net assets</b>			12,292		11,406
<b>Funds employed</b>					
Accumulated surplus					
- General Reserve			10,051		8,271
- Fixed Asset Reserve			2,241		3,135
Total funds employed			12,292		11,406

The financial statements were approved, authorised for issue and signed on behalf of the Council by Nigel Clarke, Chair, on 10 June 2021.

## Statement of cash flows for the year ended 31 March 2021

	Note	2021 £000	2020 £000
<b>Cash flows from operating activities</b>			
Surplus for the financial year		193	71
Adjustments for:			
Depreciation and amortisation	3	1,046	1,060
Release of lease incentive	13	(453)	(453)
Increase in provision for dilapidation	14	267	-
Deferred tax	14	114	-
Investment portfolio management fees	9	37	-
Dividends and fixed interest securities	9	(152)	-
Increase in trade and other debtors		(123)	(635)
Increase in trade and other creditors		1,029	1,024
<b>Net cash provided by operating activities</b>		<b>1,958</b>	<b>1,067</b>
<b>Cash flows from investing activities</b>			
Purchases of investments		(2,500)	-
Purchases of tangible fixed assets	7	(27)	(32)
Purchases of intangible fixed assets	8	(125)	(285)
Investment income	4	208	249
Taxation		(48)	(40)
<b>Net cash (used in) investing activities</b>		<b>(2,492)</b>	<b>(108)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(534)</b>	<b>959</b>
Cash and cash equivalents at the beginning of the period		13,569	12,610
Cash and cash equivalents at the end of the reporting period		<b>13,035</b>	<b>13,569</b>
		<b>£000</b>	<b>£000</b>
Cash in hand		249	748
Notice Deposits (less than 3 months)		12,786	12,821
<b>Total cash and cash equivalents</b>		<b>13,035</b>	<b>13,569</b>



## Statement of changes in reserves for the year ended 31 March 2021

	Note	General Reserve	Fixed Asset Reserve	Total
		£000	£000	£000
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
Total comprehensive income		1,932	(1,046)	886
Transfers between reserves		(152)	152	-
At 31 March 2021		<b>10,051</b>	<b>2,241</b>	<b>12,292</b>

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



## Notes to the financial statements for the year ended 31 March 2021

### 1.1. 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.

### 1.2. 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 2021, the 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 (£).

### 1.3. 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. During the

current year, the GPhC has made an adjustment to the provision to reflect an updated valuation carried out by an independent qualified organisation.

#### **1.4. 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

#### **1.5. Intangible fixed assets**

Intangible fixed assets comprise 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.

#### **1.6. 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.

#### **1.7. 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.

#### **1.8. 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.


Investment income is presented in the statement of comprehensive income. Income from fixed interest securities accrues over time whereas dividend income is recognised when the dividend is declared. 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.

#### **1.9. 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.

### **1.10. 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.

### **1.11. 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.

### **1.12. 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 is recorded within investments. Investments are included in the financial statements at fair value at the balance sheet date. The movement on the value of the investments in the year has been included in the general reserve.

### **1.13. Financial instruments**

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

### **1.14. Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or less tax in the future have occurred at the balance sheet date. Timing differences are differences between the GPhC's taxable profits, and the results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted, or substantially enacted, by the balance sheet date. Deferred tax is measured on a non-discounted basis.

## 2. Income

	2021 £000	2020 £000
Pharmacists	15,142	15,120
Premises	3,889	3,716
Pharmacy technicians	3,121	3,017
Pre-registration	883	1,112
Grant income	16	16
Other income	84	206
<b>Total income</b>	<b>23,135</b>	<b>23,187</b>

## 3. Expenditure

	2021 £000	2020 £000
Employee costs: payroll	12,999	12,732
Other employee costs	1,855	2,384
Property costs	274	331
Office costs	150	317
Professional costs	2,353	2,039
Event costs	28	47
Marketing costs	12	27
Depreciation and amortisation	1,046	1,060
Financial costs	214	221
Research costs	21	19
IT costs	1,407	1,578
Other costs	255	256
Occupancy costs	2,328	2,105
<b>Total expenditure</b>	<b>22,942</b>	<b>23,116</b>

### 3. Expenditure (continued)

#### Employee costs

Employee costs including directors were made up as follows:

	2021 £000	2020 £000
Wages and salaries	10,573	10,352
Employer's National Insurance	1,245	1,184
Pension costs	1,047	992
Redundancy	134	204
	<b>12,999</b>	<b>12,732</b>

The average number of staff employed during the year ended 31 March 2021 was 228 (231 at 31 March 2020).

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

	2021 £000	2020 £000
£60,001 – £70,000	20	11
£70,001 – £80,000	12	10
£80,001 – £90,000	3	3
£90,001 – £100,000	0	2
£100,001 – £110,000	2	1
£110,001 – £120,000	2	4
£120,001 – £130,000	1	0
£130,001 – £140,000	0	0
£140,001 – £150,000	1	0
£150,001 – £160,000	0	0
£160,001 – £170,000	0	0
£170,001 – £180,000	1	1
	<b>42</b>	<b>32</b>

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 2021 was £978,771 (£903,603 at 31 March 2020). 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	£120,000 - £130,000	-
Carole Auchterlonie	Director of Fitness to Practise	£110,000 - £120,000	-
Jonathan Bennetts	Director of Finance	£110,000 - £120,000	£600
Mark Voce	Director of Education and Standards	£100,000 - £110,000	-
Francesca Okosi	Director of People	£60,000 - £70,000	-
Gary Sharp	Associate Director of Human Resources	£40,000 - £50,000	-
Laura McClintock	Chief of Staff and Associate Director of Corporate Affairs	£30,000 - £40,000	£300

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

Francesca Okosi claimed travel expenses totalling £200. All other key management personnel did not claim any expenses during the year.

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

	2021 £	2020 £
Mid-point of band of highest-paid director's total remuneration	175,000	175,000
Median total remuneration	42,576	40,760
Remuneration ratio	1:4	1:4



### 3. Expenditure (continued)

Council members' pay and expenses:

	2021 £000	2020 £000
Total pay of council members	226	226
Total expenses paid to council members	-	20
	<b>226</b>	<b>246</b>

### 4. Investment income

	2021 £000	2020 £000
Dividends	30	-
Fixed interest securities	122	-
Interest receivable – cash deposits	56	249
	<b>208</b>	<b>249</b>

### 5. Total comprehensive income

This is stated after charging:

	2021 £000	2021 £000
Operating lease rentals: motor vehicles	89	99
Operating lease rentals: photocopiers	12	12
Operating lease rentals: buildings	1,240	1,238
Depreciation of tangible fixed assets	663	656
Amortisation of intangible fixed assets	383	404
Auditor's remuneration: audit services – Crowe	23	22

## 6. Taxation

	2021 £000	2020 £000
UK corporation tax at 19% in the year	28	47
Under provision in respect of prior year	1	-
Current tax charge	29	47
Deferred tax charge at 19% in the year	114	-
	<b>143</b>	<b>47</b>

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

The UK government has proposed an increase in the main corporation tax rate of 6% to 25% from 1 April 2023, which is not yet substantively enacted. Following the substantive enactment of the new rate the deferred tax liability will be re-measured accordingly.

## 7. Tangible fixed assets

	Short leasehold improvements £000	Office equipment £000	Total £000
<b>Cost</b>			
As at 31 March 2020	5,607	2,157	7,764
Additions	-	27	27
Disposals	-	-	-
<b>As at 31 March 2021</b>	<b>5,607</b>	<b>2,184</b>	<b>7,791</b>
<b>Depreciation</b>			
As at 31 March 2020	3,242	2,014	5,256
Charge for the year	580	83	663
Disposals	-	-	-
<b>As at 31 March 2021</b>	<b>3,822</b>	<b>2,097</b>	<b>5,919</b>
<b>Net book value</b>			
<b>As at 31 March 2021</b>	<b>1,785</b>	<b>87</b>	<b>1,872</b>
As at 31 March 2020	2,365	143	2,508

## 8. Intangible fixed assets

	Computer software and systems development £000
Cost	
Balance at 1 April 2020	1,209
Additions	125
<b>Balance at 31 March 2021</b>	<b>1,334</b>
Amortisation	
Balance at 1 April 2020	(582)
Amortisation charge for the year	(383)
<b>Balance at 31 March 2021</b>	<b>369</b>

## 9. Investments

	2021 £000
Market value at 1 April 2020	-
Additions at cost	15,000
Disposals	-
Dividends and fixed interest securities	152
Investment manager fees charged to fund	(37)
Gain on investments	628
<b>Market value as at 31 March 2021</b>	<b>15,743</b>

## Portfolio asset allocation in 2021:

	UK investments £000	Overseas investments £000	Total £000
Corporate fixed income	6,018	-	6,018
Sovereign / agency fixed income	4,002	-	4,002
Equities	721	4,990	5,711
Cash	12	-	12
	<u>10,753</u>	<u>4,990</u>	<u>15,743</u>

During the year, surplus cash totalling £15 million was invested with Goldman Sachs in an investment portfolio following a formal tender process. The Council agreed an investment strategy which governs the portfolio and regular reports on the performance are being made to the Finance and Planning Committee. Prior to this, surplus cash was invested in cash deposits.

## 10. Debtors

	2021 £000	2020 £000
Trade debtors	10	25
Registrant direct debits to be collected	196	200
Other debtors	71	145
Prepayments and accrued income	1,727	1,507
Debtors (due in more than one year)		
Trade debtors	1	5
	<u>2,005</u>	<u>1,882</u>

## 11. Bank and cash

	2021 £000	2020 £000
Current accounts	249	748
Deposit accounts	12,786	12,821
	<b>13,035</b>	<b>13,569</b>

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

	2021 £000	2020 £000
Trade creditors	1,540	828
Corporation tax	28	47
Other taxation and social security	328	325
Other creditors	73	18
Accruals	1,347	883
Deferred income	14,117	14,180
	<b>17,433</b>	<b>16,281</b>

Deferred income is made up of the following:

Deferred income from registrants and premises	14,049	14,100
Other deferred income	21	17
Deferred capital grant	47	63
	<b>14,117</b>	<b>14,180</b>

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

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

	2021 £000	2020 £000
Balance at 1 April	1,987	2,462
Reserve built up during the year		
Rent increase accrual	(28)	(22)
Reserve released during the year	(453)	(453)
<b>Balance at 31 March</b>	<b>1,506</b>	<b>1,987</b>
Split of rent reserve:		
Reserve reversing in one year	482	481
<b>Current obligations</b>	<b>482</b>	<b>481</b>
Reserve reversing within two to five years	1,024	1,501
Reserve reversing more than five years	-	5
<b>Non-current obligations</b>	<b>1,024</b>	<b>1,506</b>
<b>Total</b>	<b>1,506</b>	<b>1,987</b>

The lease on 25 Canada Square in Canary Wharf is for 15 years with a lessee-only break-clause after 10 years. The GPhC has benefitted from a capital contribution of £4.4m, 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

	2021 £000	2020 £000
Dilapidation	1,679	1,412
Deferred tax liability	114	-
	<b>1,793</b>	<b>1,412</b>

Following review of the lease for 25 Canada Square and after taking professional advice, the GPhC has increased its provision for dilapidations by £267k. The potential liability has arisen as a result of the original fit-out of the office in 2014.

The deferred tax liability comprises potential capital gains tax on investments.



## 15. Commitments

As at 31 March 2021 the GPhC's future minimum operating lease payments are as follows:

	2021 £000	2020 £000
Within one year		
Motor vehicles	83	85
Property	787	787
Equipment	12	12
	<b>882</b>	<b>884</b>
Between one year and five years		
Motor vehicles	49	117
Property	1,673	2,459
Equipment	6	17
	<b>1,728</b>	<b>2,593</b>
Later than five years		
Property	-	-
	-	-

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 87 employees (2019/20: 92 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 £665,106 (2019/20: £666,307).

The valuation of the scheme liability as at 31 March 2021 is based on valuation data as at 31 March 2020, updated to 31 March 2021 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 2020. 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. In January 2019, the Government announced a

pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review assessed whether the cost control mechanism is working in line with original government objectives and reported to the Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

### Defined contribution scheme

The GPhC also operates a defined contribution scheme. The total contributions paid into this scheme for the year ended 31 March 2021 were £383,674 (2019/20: £323,572) in respect of 115 employees (2019/20: 106 employees).

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





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