

Annual report

Annual fitness to practise report

Annual accounts

2021/22

Annual report

Annual fitness to practise report

Annual accounts

2021/22

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



© General Pharmaceutical Council 2022

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [**nationalarchives.gov.uk/doc/open-government-licence/version/3**](https://nationalarchives.gov.uk/doc/open-government-licence/version/3).

The text of this document (but not the logo and branding) may be reproduced free of charge in any format or medium, as long as it is reproduced accurately and not in a misleading context. This material must be acknowledged as General Pharmaceutical Council copyright and the document title given. If we have quoted third-party material, you must get permission from the copyright holder.

If you have any questions about this document please email [**communications@pharmacyregulation.org**](mailto:communications@pharmacyregulation.org) or phone our customer contact centre on **020 3713 8000**.

You can also read this document on our website at [**www.pharmacyregulation.org/annualreport**](https://www.pharmacyregulation.org/annualreport) and download it from [**www.gov.uk/official-documents**](https://www.gov.uk/official-documents)

Contents

Annual report	3
Our year at a glance.....	6
Foreword.....	7
About us	9
The register.....	10
Our work in 2021/22.....	12
Annual fitness to practise report	29
Our reporting requirements	34
How we govern ourselves	35
Governance statement 2021/22.....	46
Financial statements for the year ended 31 March 2022	50
Statement of the Council's responsibilities for the preparation of financial statements ...	54
Independent auditor's report to the council members of the General Pharmaceutical Council	55
Statement of comprehensive income for the year ending 31 March 2022	59
Statement of financial position as at 31 March 2022	60
Statement of cash flows for the year ended 31 March 2022.....	61
Statement of changes in reserves for the year ended 31 March 2022	62
Notes to the financial statements for the year ended 31 March 2022.....	63
Appendix 1: General Pharmaceutical Council Accounts Determination given by the Privy Council under the Pharmacy Order 2010	79

Our year at a glance

Our work to help ensure safe and effective pharmacy care at the heart of healthier communities, in numbers

The register as at 31 March 2022



3,378 pharmacists and **2,933** pharmacy technicians on our temporary register



639 routine pharmacy inspections and over



750 COVID-19 support calls and visits

861 vaccination site visits carried out

121 action plans agreed with pharmacies



27 enforcement notices served against pharmacies - 5 improvement notices, 22 conditions



Over **7.2 million** visits to our website including **10,788** visits to our knowledge hub



3,080 concerns raised about pharmacy professionals



Took part in **85** engagement events



4 public consultations with over **3,900** responses received



Responded to over **63,300** calls and emails from registrants and the public





Foreword

from our chair, Gisela Abbam, and our chief executive, Duncan Rudkin

It has been another challenging year for pharmacy teams as they have continued to play a vital role in protecting the public against COVID-19. We have heard many stories of amazing efforts and professional dedication in keeping services open and accessible, as well as of the quantities of vaccines administered.

Our Vision 2030 is one of safe and effective pharmacy care at the heart of healthier communities. During the pandemic, pharmacies have shown how they are indeed at the heart of their communities, providing safe and effective care to people in extraordinarily difficult circumstances.

As an organisation we have focused on providing extra support to pharmacists, pharmacy technicians and pharmacy owners during this time, to help them continue to provide safe and effective care. We've had to adapt and respond quickly to changing circumstances and demands, including new ways of working. This has affected the first two years of implementing our five-year strategic plan and our ten-year vision. However, our priority is still to ensure safe and effective pharmacy care for all. We are proud of our staff and the pharmacy teams across Great Britain who have been working tirelessly to achieve this.

Responding to the pandemic

We know that as professionals, the first concern of the people on our register is the care of their

patients and the people who use their services. Throughout the pandemic, we have been impressed by the commitment and passion shown by pharmacy professionals and pharmacy owners in response to the challenges they have faced.

One of our key priorities has been to support pharmacy teams to continue to provide safe and effective care to everyone. For example:

- We continued to relax the revalidation requirements for pharmacy professionals into 2022 (with full revalidation due to be reinstated in October 2022).
- We paused routine inspections of pharmacies during periods of high COVID-19 cases and significant pressures.

Our inspectors focused on supporting pharmacies in rolling out the vaccination programme. We have also continued to share examples of good practice – how pharmacies have successfully managed challenges and effectively delivered services throughout the pandemic – for others to learn from.

Throughout the pandemic, we have continued to act quickly on any information we have received which suggested a risk to patient safety. We have carried out inspections and taken enforcement action when it was appropriate.

Improving the way we work

We have had to be flexible in our approach over the last two years, as have many organisations, and some of our plans and timescales have had to change. But we have also kept up our work

on delivering our strategic plan and vision, because the pressures of the pandemic have powerfully shown why we must achieve these aims.

One of our strategic aims is to deliver improvements in pharmacy care by modernising how we regulate education and training. These major changes will help to achieve ambitious strategies for pharmacy and health across the UK. They will allow newly qualified pharmacists and pharmacy technicians to play a much greater role in providing clinical care to patients and the public.

This year we have continued to make significant progress in implementing our **new standards for the initial education and training** of pharmacists, working closely with key stakeholders across England, Scotland and Wales.

We have also published two key strategies that will help us to meet the aims in our Vision 2030.

Managing concerns about pharmacy professionals: our strategy for change

describes the steps we will take to improve our processes to address the concerns of the public and patients, ensure fairness and meet standards.

Delivering equality, improving diversity and fostering inclusion: our strategy for change has also been published this year. This strategy sets out a framework for how we will build considerations of equality, diversity and inclusion into all aspects of our work.

Preparing for the future

We know there are more changes and challenges ahead as we begin the third year of our five-year strategic plan.

For the GPhC, there will be a significant change with our Chair, Nigel Clarke, leaving this role after eight years. However, we are delighted to welcome Gisela Abbam as our new Chair. Gisela has a wealth of experience in delivering change in the health and life sciences sector, both in the UK and globally.

Our work over the coming year continues to be organised under the five strategic aims. These are to:

- deliver an adaptable standards framework that meets public and professional needs which are changing quickly
- deliver effective, consistent and fair regulation
- drive improvements in pharmacy care by modernising how we regulate education and training
- shift the balance towards more anticipatory, proportionate and tailored approaches to regulating pharmacy
- enhance our capabilities and infrastructure to deliver our vision

Delivering these aims will help us to support pharmacy in continuing to provide safe and effective care in light of:

- rapidly developing roles in pharmacy
- improved clinical services
- an increase in multi-professional working in healthcare
- new models of delivery, and
- higher patient and public expectations

Duncan Rudkin
Chief Executive

Gisela Abbam
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

This year Nigel Clarke finished his term as Chair. The Privy Council have appointed a new Chair, Gisela Abbam, who started her term on 13 March 2022.

Our staff

In 2021 we created a new associate director post. Laura McClintock (previously Chief of Staff) became the Chief of Staff and Associate Director of Corporate Affairs. You can find out more about our senior leadership group in the *Chief executive and registrar and directors* section.

The register

The register as at 31 March 2022



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

Since April 2020, we have kept a 'temporary register', after the Secretary of State for Health and Social Care asked us to use our emergency powers to register pharmacy professionals quickly to help with the national response to the COVID-19 emergency.

As of 31 March 2022, **3,378** pharmacists and **2,933** pharmacy technicians were temporarily registered with us.

Provisional registration

In May 2020, we introduced provisional registration for pharmacist pre-registration trainees. This was because COVID-19 restrictions meant that the registration assessment had to be postponed.

We closed the provisional register on 31 January 2022, as by then there had been several opportunities for provisionally registered pharmacists to sit our registration assessment and join the main register.



Fees for registration

There has been one fee change during 2021/22. We increased the renewal fee for pharmacy premises on 1 April 2021, from £262 to £365. All other fees have stayed the same.

From March to June 2021, **we consulted on proposals to help us develop our fees strategy and our overall approach to fee setting**. This was part of our long-term financial strategy.

We will use **what we heard during the consultation** as we continue to develop the next steps in our fee strategy, as part of our work on long-term financial planning.

Our work in 2021/22

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 Education and training of pharmacy professionals

During 2021/22, we worked closely with education bodies, universities and employers to start to bring in changes to pharmacist education and training. These changes will make sure pharmacists are equipped for their future roles and can meet the needs of the health services and patients in each country in Great Britain.

3 Managing concerns about pharmacy professionals

We have **published our new managing concerns strategy** explaining the steps we will take to improve how we manage concerns about pharmacy professionals. The strategy sets out how we will take action to protect patients when needed, while at the same time promoting and encouraging a learning culture.

4 Delivering equality, improving diversity and fostering inclusion

Our first equality, diversity and inclusion (EDI) strategy was published after extensive engagement with stakeholders both within and outside the GPhC. The strategy sets out how we will build considerations of equality, diversity and inclusion into all aspects of our work as a regulator and as an employer.

5 Improving the way we work

Over the last year, we have continued to bring in new ways of working. At the same time, we have been implementing our Vision 2030 to make sure we are able to anticipate and respond to significant developments affecting pharmacy in the future.



Responding to the COVID-19 pandemic

Over the last year, we have seen pharmacy teams in all settings playing a critical part in the response to COVID-19. This has included having a vital role in the successful delivery of the COVID-19 vaccination programme.

We have focused on supporting pharmacy professionals during this time, making changes that were designed to reduce the pressures on pharmacy staff while they dealt with the job in hand. As such, we have implemented several measures to help pharmacy professionals and pharmacies support NHS services and provide safe and effective patient care during the COVID-19 pandemic.

We have worked with stakeholders in Scotland, Wales and Northern Ireland to share and gather information and intelligence, and to help make sure the measures we brought in are effective. This has strengthened these relationships in the process.

The creation of two new registers during the pandemic

Temporary (emergency) registration

Since April 2020, we have maintained our temporary register, after the Secretary of State for Health and Social Care asked us to use our

emergency powers to register pharmacy professionals quickly to help with the national response to the COVID-19 emergency.

The government has now announced it intends that all the healthcare professions temporary registers, including the GPhC temporary register, are to close on 30 September 2022.

We thank everyone who has contributed to providing safe and effective pharmacy care during the pandemic as part of this scheme.

Provisional registration

Nearly 5,000 provisionally registered pharmacists have been on the provisional register since it opened in July 2020.

We introduced provisional registration because the COVID-19 pandemic meant that trainees completing the pharmacist pre-registration scheme could not finish their training as planned and sit the registration assessment. This register allowed people who had finished their training to support NHS services and provide patient care effectively as provisionally registered pharmacists, while they waited to sit the registration assessment.

We closed the register and ended provisional registration status on 31 January 2022, as by then there had been several opportunities for provisionally registered pharmacists to sit our registration assessment and join the main register.

We are grateful to professional leadership and representative bodies, education and training organisations, and employers for everything they have done to support provisionally

registered pharmacists and help them provide safe and effective care to patients. And we particularly want to acknowledge the considerable contribution to health services that provisionally registered pharmacists have made during this time.

Online registration assessment during the pandemic

We have continued holding registration assessments online this year. We also worked successfully with the Pharmaceutical Society of Northern Ireland (PSNI) to hold our first joint, common registration assessment for trainee pharmacists in all four countries of the UK.

We worked closely with the PSNI to make sure all the assessments were carried out at the same time across the United Kingdom to ensure a fair and robust process.

We will also be working with a new provider, BTL Group Ltd, to run the next common registration assessment in June 2022. As well as having a network of test centres across the UK and internationally, BTL has a computer-based testing platform, Surpass. This will allow candidates to take their registration assessment online. BTL has extensive experience of delivering services to a range of clients, including the Royal College of Paediatrics and Child Health, and the Royal College of Ophthalmology.

Changes to inspections during the pandemic

Routine inspections were paused

We paused routine pharmacy inspections during national lockdowns, and most recently in December 2021 to support the vaccine booster

programme. We focused on supporting registered pharmacies with their arrangements and plans to help manage pressures and challenges during the pandemic. We also made inspectors available to help in this effort.

From 31 January 2022, our inspectors began visiting 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 are visiting these pharmacies to check whether they are meeting all the standards for registered pharmacies, and the inspector will produce a report for publication. We are also inspecting newly registered pharmacies that have not yet had an inspection.

Intelligence-led inspections


Throughout the pandemic, we continued to act quickly on any information we received which suggested a risk to patient safety. We carried out 'intelligence-led' inspections of these pharmacies. This meant we could focus our resources in areas which posed a higher risk to patient safety.

Good practice being highlighted

Examples of good practice during the pandemic, as identified by our inspectors, continue to be shared on our [knowledge hub](#).

Revalidation requirements during the pandemic

We continued to relax the revalidation requirements for pharmacy professionals because of the pandemic. Pharmacy professionals must usually submit six revalidation records every year. However, this



changed to a requirement for a 'reflective account' only.

Full revalidation requirements for pharmacists and pharmacy technicians are due to apply again from 1 October 2022. This follows the government's recent announcement that the emergency powers it put in place to help with the response to the COVID-19 pandemic will be removed later this year.

COVID-19 vaccination for pharmacy professionals

Since COVID-19 vaccinations became available, we have strongly reminded all pharmacists and pharmacy technicians across Great Britain that they should get vaccinated as soon as they were able to.

The UK government announced on 31 January 2022 that it would not be requiring vaccination as a condition of deployment for health and care staff providing Care Quality Commission-regulated activities in England. The governments in Scotland and Wales have not said they plan to make vaccination a condition of deployment for health and care staff.

Following the Secretary of State's announcement, the GPhC again stated its position on COVID-19 vaccination for pharmacy professionals in Great Britain.

We issued a statement in February 2022 emphasising that pharmacists and pharmacy technicians working in all settings across Great Britain should be vaccinated against COVID-19 unless they are medically exempt. We stated that getting vaccinated is an important way in which pharmacy professionals can support and maintain public health. Vaccination against COVID-19 protects the individual, their family

and colleagues, as well as patients and the public. As professional and community leaders, pharmacy professionals also demonstrate leadership by encouraging other members of their team, as well as patients and the public, to get vaccinated against COVID-19.

Remote hearings consultation held

When we investigate a concern about a pharmacist or pharmacy technician and decide there is evidence to show that their fitness to practise may be impaired, the case may need to be referred for a hearing before a committee.

During the COVID-19 pandemic, we held some hearings remotely by video link. Following positive feedback from people taking part, we are aiming to make changes so that some hearings can be held remotely in the future.

We held a 12-week consultation which asked for feedback on a proposed permanent change to our procedural rules. This would give us the specific legal power to carry out hearings and meetings by teleconference or video link.

The consultation asked for views on the positive and negative impacts of remote hearings on patients and the public, pharmacy professionals, and individuals or groups sharing protected characteristics. We also asked for views on the advantages and disadvantages of holding remote hearings, and on any circumstances when a hearing should not be held remotely.

We are analysing the results of the consultation and these will be considered by our Council later this year. The Council will then make a decision about holding remote hearings in the future.

Education and training of pharmacy professionals

Initial education and training of pharmacists

One of our strategic aims is to deliver improvements in pharmacy care by modernising how we regulate education and training. The new **standards for the initial education and training of pharmacists**, announced in January 2021, introduce major reforms that will benefit future pharmacists and patients.

The changes will help achieve ambitious strategies for pharmacy and health across the UK. They will allow newly qualified pharmacists and pharmacy technicians to play a much greater role in providing clinical care to patients and the public. These 'next generation' pharmacists will help the NHS in England meet the urgent demand for increased clinical skills in prescribing, preventing ill-health and supporting the best possible outcomes from medicines.

During 2021/22, we continued to work closely with education bodies, universities and employers in England, Scotland and Wales to bring in these changes. The changes will be for the benefit of the health services in each country, the pharmacist profession, students, trainees and patients.

Foundation training programme

The foundation training year replaced the pre-registration training year from July 2021. 'Learning outcomes' have replaced the performance standards. These changes are part of our implementing the **new standards for**

the initial education and training of pharmacists.

We are gradually making changes to the foundation training year, by working with Health Education England (HEE), NHS Education Scotland (NES), and Health Education and Improvement Wales (HEIW), the Pharmacy Schools Council, pharmacy schools and other key organisations.

The fifth (foundation training) year will become a more intensive foundation training year with:

- stronger supervision support for trainees
- more cross-sector clinical placements, and
- more collaborative working between higher education institutions, statutory education bodies and employers.

Trainees will have a consistent experience and the same opportunities to develop their skills and knowledge in different healthcare settings.

The full set of learning outcomes includes ones to allow trainees to be annotated as independent prescribers at the point of registration. We recognise that independent prescribing cannot be introduced immediately.

There is an **interim version of the learning outcomes** under which trainees aren't required to train as independent prescribers during their foundation training year. These outcomes have been applied in all settings and sectors since July 2021. These interim learning outcomes describe the knowledge, skills and attributes a trainee must demonstrate by the end of their foundation training year.



Assurance of the post-registration practice of pharmacists and pharmacy technicians

In Summer 2021, the GPhC Council commissioned a short-life working group chaired by Council member Aamer Safdar. The group was asked to make recommendations on the potential leadership and quality assurance role of the GPhC in education and training for pharmacists and pharmacy technicians after they had joined the register.

After considering the recommendations from the working group, the GPhC Council decided to work with the Pharmaceutical Society of Northern Ireland (PSNI) to set up a formal group focused on the assurance of the post-registration practice of pharmacists and pharmacy technicians.

The GPhC and PSNI brought together key stakeholders on 27 January 2022. This was to ask for views from across England, Scotland, Wales and Northern Ireland on:

- how the group will be made up
- what it will do
- how it will approach its work, and
- the principles it will follow

At the meeting, stakeholders felt that assurance was even more important than ever. This resulted from:

- high expectations of pharmacy professionals among the public, patients and the NHS, and
- the increase in working in multi-disciplined teams, across rapidly developing areas of professional practice

There is also a need for pharmacists and pharmacy technicians to be better supported so they can develop beyond registration to higher levels of practice.

Currently there is a wide range of activity on the subject of post-registration. Governments, statutory education providers, professional bodies and others are already acting on plans to improve and develop post-registration education and training further.

We heard from stakeholders at the meeting that a formal group would help to make sure there was a coordinated approach to the post-registration practice of pharmacists and pharmacy technicians, with a clear focus on patient safety.

The GPhC and PSNI are developing the principles and approach that will guide the group's work. The first meeting of the group will take place in 2022/23.

Accreditation

Online accreditation

Following the success of online accreditation events, we will continue to use the online format for most course types. However, unless restrictions prevent us, we plan to return to on-site, face-to-face events for MPharm degrees and Overseas Pharmacists' Assessment Programme (OSPAP) accreditation events from the 2022/23 academic year.

Teaching is beginning to move back on site for seminars, workshops, and practical sessions. Most practice placements are now on site too. Many course providers plan to keep some of the online elements of their courses, but most are going back to face-to-face assessments.

Reaccreditation

We have changed the way we reaccredit MPharm degrees under our 2021 standards.

The key change is that reaccreditation is in two parts. This recognises the amount of change that the standards present and the impact the redesign of MPharm degrees will have on course providers. In particular there are increased expectations that trainees will learn from other professions and through experience of practice, and that providers will work closely with statutory education bodies.

All current providers of MPharm degrees will have been reaccredited to the new standards before the first students graduate to the new arrangements in Summer 2025. This will fit in with the move to the fully implemented foundation training year, which will start in the 2025/26 academic year.

Pharmacy technician registration

We celebrated the 10-year anniversary of pharmacy technician registration on 1 July 2021. To mark the anniversary, we sent an email from our Chair and Chief Executive, and the Chief Pharmaceutical Officers for England and Scotland, to all pharmacy technicians. This thanked them for the significant contribution they make to providing safe and effective pharmacy care to patients and the public.

First graduates of combined qualification

The first pharmacy technician trainees who completed the new combined competence and knowledge-based qualification have graduated this academic year, 2021/22 (under the standards for the initial education and training of pharmacy technicians 2017). This new, single qualification/course, leading to registration,

replaces the separate knowledge and competence qualifications. These are being phased out by providers.

Pharmacy technician trainee data collection

In the academic year 2021/22 we piloted a way of collecting anonymous pre-registration data about pharmacy technician trainees undertaking approved training programmes. This involved collecting information on admission, progression, basic EDI characteristics and FtP concerns. This data will be used to improve education quality assurance activities. After evaluating the pilot, we will collect this information every year from pharmacy technician education providers.

Managing concerns

New managing concerns strategy published

Managing concerns about pharmacy professionals: our strategy for change

describes how we will improve the way we manage concerns about pharmacy professionals, to help us to achieve our Vision 2030. Our governing council agreed the final strategy in their meeting in June 2021 following a major public consultation.

The strategy explains how we will take action to protect patients when needed, while promoting and encouraging a learning culture that allows pharmacy professionals to deal with any concerns and go back to practising when this is appropriate.

It describes the steps we will take to improve our processes to address the concerns of the public and patients, ensure fairness and meet standards. We have developed an action plan to help us deliver the strategy and are now putting this into action.

Managing concerns during the pandemic

We had particular challenges during the pandemic in carrying out our fitness to practise work. We:

- received high numbers of concerns during this time
- could not deal with investigations as quickly as usual, and
- soon had to move to having remote hearings

Some of the improvements we had planned to make to how we manage concerns started later than we expected. This was because we needed to respond quickly and effectively to the challenges and pressures of the pandemic.

GPhC performance review February 2022

The Professional Standards Authority for Health and Social Care (PSA) found that the GPhC met 15 out of 18 of its Standards of Good Regulation during 2020/21.

We met all the standards across four PSA categories:

- General standards – these include equality, diversity and inclusion, and the way we:
 - provide information
 - apply policies
 - respond to public inquiries and other independent reports, and
 - work with stakeholders to protect patients and the public
- Guidance and standards
- Education and training
- Registration

Three out of the five standards within the Fitness to Practise category were not met.

The PSA report, which covers 1 March 2020 to 28 February 2021, recognised that we responded and adapted well to the COVID-19 pandemic across the organisation. It acknowledged that we had made efforts to deal with the previous concerns about Fitness to Practise raised in the 2019/20 performance review, and that improvements had been made.

The PSA also recognised that the pandemic had delayed the action plan we had put in place and had adversely affected how quickly we dealt with concerns.

As we highlighted in **our response to the Professional Standards Authority's (PSA) performance review**, making improvements in our fitness to practise processes is a key priority for us, so we are able to act quickly to protect patients when needed.

As well as making these improvements, we are implementing our strategy on managing concerns. This will make sure we also promote a professional culture of openness, learning and improvement.

Like many organisations we had to re-prioritise and adapt our plans during the pandemic. But we have managed to complete almost all the planned improvement actions, and we expect the PSA will see further improvements when they review our performance for 2021/22.

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.



Developing and delivering our equality, diversity and inclusion strategy

In November 2021, we published our first equality, diversity and inclusion strategy: **Delivering equality, improving diversity and fostering inclusion: Our strategy for change 2021-2026.**

We developed the strategy after extensive engagement with stakeholders both within and outside the GPhC.

In April 2021, we launched a twelve-week consultation on our strategy. We received 279 responses to our online consultation survey (including 28 responses from organisations). We also hosted a number of key stakeholder engagement events and meetings. These included a virtual event for patient, pharmacy and equality groups and two virtual patient focus groups.

We also invited the Equality and Human Rights Commission to review our strategy and to tell us what they thought the most important wider issues and challenges were. At our Council meeting in April 2021, the Executive Director of the Equality and Human Rights Commission welcomed the strategy. They also gave us feedback and suggestions for putting it into practice within the wider context of health and social inequalities.

Our strategy sets out our equality, diversity and inclusion (EDI) vision. It also gives a framework for how we will build considerations of equality, diversity and inclusion into all aspects of our work as a regulator and as an employer.

In developing the strategy we considered the value of EDI in delivering safe and effective pharmacy care at the heart of healthier communities. Our strategy has three key themes:

- To make regulatory decisions that are demonstrably fair, lawful, and free from discrimination and bias.
- To use our standards to actively help challenge discrimination and to make sure everyone can access person-centred care – fostering equality of health outcomes.
- To lead by example and demonstrate best practice within our organisation, holding ourselves to account for the same high standards we expect of others.

We also finalised the governance structure, terms of reference and membership of our new EDI Strategic Leadership Group. This will oversee how we implement the strategy and develop the supporting action plan.

Other EDI work

We also made progress in several areas of EDI work as well as developing and publishing our new strategy.

Regulatory activity

Consultation launched on equality guidance for pharmacies

In 2021/22, we started developing our new equality guidance for pharmacies, linked closely to theme 3 of our new strategy. This included hosting a virtual workshop with patient, pharmacy and equality groups, to help shape the first draft guidance before the consultation.

The guidance is designed to help pharmacies tackle discrimination and make sure that everyone can access safe and effective person-centred pharmacy care.

The consultation, launched in April 2022, is asking patients and the public, pharmacy professionals and pharmacy owners for their views.

The draft guidance is designed to support pharmacy owners in:

- demonstrating that they are meeting our standards for registered pharmacies
- meeting their legal and regulatory duties in relation to equality
- helping protect the rights of individuals
- advancing equal opportunities for staff, patients and the wider public
- helping improve the experience and healthcare outcomes of patients and members of the public

Sharing good practice information with the pharmacy sector

We published an EDI-focused article in the July issue of our online bulletin, Regulate. Drawing from best practice recorded in our Knowledge Hub, the piece highlighted examples of ways in which pharmacies have:

- provided person-centred care
- supported a reduction in health inequalities, and
- reflected the diverse needs of the communities they serve

Topics included:

- serving ethnically diverse populations during the COVID-19 pandemic
- working with local leaders to increase take-up of vaccination services, and
- making adjustments to pharmacy practices to support patients with physical disabilities or sensory impairments

Training on antisemitism for decision-makers


As part of our commitment to make regulatory decisions that are demonstrably free from discrimination and bias, we worked with the nationally recognised Antisemitism Policy Trust. The Trust delivered tailored training sessions on antisemitism for decision-makers – including statutory committee members and relevant GPhC staff.

The programme was developed to increase our knowledge and understanding of:

- the Jewish community in the UK
- what antisemitism is, and its scale and reach
- how antisemitism manifests itself in today's society and how to identify this, and
- how antisemitism appears online, and its impact and reach

Inclusive Pharmacy in England - the Joint National Plan for Inclusive Pharmacy Practice

We are a partner organisation for the Joint National Plan for Inclusive Pharmacy Practice. This is led by NHS England, NHS Improvement, the Royal Pharmaceutical Society and the Association of Pharmacy Technicians UK.



In Summer 2021, we took part in a panel discussion on the part we are playing as an organisation to make sure that professional education and training for pharmacists and pharmacy technicians is more inclusive.

We also submitted a case study about our work to make our governing Council more diverse, and the practical steps we took through our Diversity Action Plans to attract a broader range of diverse and qualified candidates in recent recruitment rounds.

Duncan Rudkin, our Chief Executive, became a member of the Inclusive Pharmacy Advisory Board in March 2022.

Internal engagement and being an inclusive employer

EDI learning needs analysis

We developed a comprehensive EDI competency framework. This sets out what is expected of all our workforce, and is linked to our strategy. We used the framework to carry out an organisation-wide Learning Needs Analysis, to assess our EDI learning and development needs and knowledge. Feedback from the Learning Needs Analysis has been used to develop a co-ordinated EDI training plan for directorates across our organisation.

Mandatory inclusive leadership training

From June to September 2021, we ran mandatory inclusive leadership training. This was led by a business psychology consultancy firm, and was designed to give senior leaders and managers the knowledge, skills and insights they need to make sure they lead in an inclusive manner. All participants completed an inclusive leader survey and profile. This included anonymous feedback from direct reports, line

managers and their peers about how well the individual demonstrates inclusivity.

EDI and our corporate induction

We strengthened the EDI aspects of our corporate induction. This makes sure that all new starters are fully briefed on EDI as soon as they join the GPhC and that they understand our expectations in terms of values, culture and behaviours from day one.

Developing our equality networks

We revised the governance framework and terms of reference for our equality networks. This was to improve their capability and capacity, and to help them contribute to decision-making and support the organisation in achieving its strategy.

Taking a more strategic approach to 'diversity dates'

We developed a new approach to EDI communications, which describes how we will use important dates throughout the year to share messages about our wider work, including updates on our strategy.

Here are some of the articles and contributions that featured in our internal EDI communications between 1 April 2021 and 31 March 2022:

Safe Ramadan during the pandemic – a personal piece from one of our pharmacy inspectors of Muslim faith, as well as an information update for other observing staff that vaccination does not count as nutrition and would not invalidate fasting. This included guidance from the British Islamic Medical Association and the Muslim Council of Britain.

Deaf Awareness Week – ‘lived experience’ shared by a member of staff, raising awareness about invisible disabilities and the varying degrees of deafness that people can experience. This included advice to all staff on how to access key resources, to help them in their roles.

The goal is access for all – a contribution to mark Global Accessibility Awareness Day, reminding colleagues about accessibility requirements for public sector bodies. This included advice to staff on how to remove digital and accessibility barriers, and how to make our stakeholders aware of Recite Me. This is an assistive technology tool that has been built into two of our websites.

Nailing our colours to the mast – a blog about Pride with updates on the Equalities Office consultation on a conversion therapy ban in England and Wales. This included an update on a meeting with Stonewall, where we learned more about people’s experiences and how conversion therapy affects the LGBTQ+ community.

Racism in the news – a blog highlighting reports in the pharmacy press about a recent survey. The survey showed that most pharmacy workers from a black or minority ethnic background have experienced racial abuse from patients. The blog also explained how this links to the commitments in our EDI and managing concerns strategies.

‘Proud to Be’ Black History Month 2021 – a virtual event with an external speaker, who discussed the evolution of harmful language and damaging stereotypes. The event then went on to explain how to empower people to speak

up and be an advocate for the black community, using credible knowledge, facts and research.

Hope has not left the building – a blog on how people celebrate Diwali, to support an inclusive workplace environment.

Not just cricket – an article about islamophobia, and the importance of language and tackling all forms of racism and discrimination, as set out in our new EDI strategy.


Planets of all sorts exist – an article to mark International Day of People with Disabilities. It reminded all staff about the resources available, including peer-to-peer support through our equality network as well as advice and guidance through our membership of the Business Disability Forum.

International Holocaust Remembrance Day – an article about the interplay between antisemitism and misogyny. It described how we are using our regulatory powers and our influence to tackle discrimination, and how we use external resources to support us when dealing with different forms of racism and prejudice.

International Women’s Day – a virtual session with the Chief Executive of the **International Pharmaceutical Federation**. This shared experiences on gender equity and the progress in pharmaceutical practice towards greater equality of health outcomes. It included insights into pharmacy’s international response to the pandemic and the health inequalities that emerged from it.

Our strategic approach to positive action

We developed a new organisational approach and comprehensive guide to positive action in



support of our EDI strategy and our obligations under the Equality Act 2010. This work will support us in making a more strategic and effective use of positive action, to reduce disadvantage or under-representation within our workforce, where appropriate.

EDI legal insights

We developed a new, quarterly EDI Legal Insights Report. This raises awareness about significant legal cases involving EDI and human rights issues that have relevance for the GPhC. Topics included gender fluid and non-binary discrimination, race discrimination, sexual harassment in the workplace, compulsory vaccination policies and conscientious objection.

Communicating with the Welsh-speaking public

During 2021/22 we have continued to publish our key documents in Welsh, including standards, guidance and our consultation documents. We have continued to use Recite Me on our website, and on 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. We are also working with Y Coleg Cymraeg Cenedlaethol on a Welsh language awareness online course for all GPhC staff members.

Improving the way we work

The COVID-19 pandemic has clearly demonstrated why the health professions regulators need to be able to act quickly and effectively in response to external changes. It is vital that we support the health professionals we regulate so they can continue to provide good care in the face of significant challenges.

Overall, we have shown during the pandemic that we can be agile and responsive (for example by introducing temporary and provisional registration). We have also moved quickly to bring in new ways of working – both in terms of how we carry out our job as a regulator and the way staff work as individuals and together.

This has been happening while we have been implementing our Vision 2030, something that has become even more important following the pandemic.

A more anticipatory, proportionate and tailored approach to regulating pharmacy

We want more of our regulatory work to be about getting ahead of issues before they happen or become a bigger issue. We are using data, intelligence and insights to help us achieve that.

For example, our series of online pharmacy inspections in 2021 were part of a programme of risk-based and intelligence-led inspections. These were aimed at pharmacies about which concerns had been raised, as well as those that were selling or prescribing higher-risk medicines or working with overseas prescribers.

By carrying out targeted inspections in higher-risk areas, we are focusing our efforts on prioritising patient safety. We have taken enforcement action against online pharmacies found to be not following our guidance and meeting our standards when supplying high-risk medicines. In most of these cases we have imposed conditions preventing these pharmacies from selling or supplying opioids and other controlled drugs. We have referred a number of individual pharmacy professionals involved in prescribing or supplying medicines to our fitness to practise process.

Intelligence-led inspections


Codeine linctus is a pharmacy medicine which can be used for a dry cough. It is an example of a high-risk medicine because of well-known problems associated with its misuse, abuse or overuse.

We worked closely with the Medicines and Healthcare Products Regulatory Agency (MHRA) to identify pharmacies selling unusually high volumes of codeine linctus.

We then carried out intelligence-led inspections of these pharmacies. This led us to our taking enforcement action against over 40 pharmacies, as well as individual pharmacy professionals.

Our unannounced inspections found that appropriate safeguards were not always in place to make sure sales were managed safely and appropriately.

Following these inspections, the pharmacies had conditions put on their registration that they must not sell or supply any codeine linctus preparations to anyone without an NHS prescription.



We have worked directly with pharmacy owners and professionals to raise awareness about these issues. We asked them to continue to be aware of people looking to misuse codeine linctus and to make sure they had controls in place to prevent repeat sales and to spot suspicious trends in requests.

Providing guidance for online pharmacies

Demand for online pharmacy services is increasing, a trend which may have been accelerated by the pandemic. But there are challenges in regulating these services. The ways services are delivered are changing quickly. Our inspectors have seen that online pharmacies have working methods and prescribing practices that are relatively new and unproven when compared to other types of provider. Online pharmacies also have under-developed clinical-governance structures.

Therefore we have focused on updating guidance and communications for online pharmacies as well as carrying out targeted inspections.

In August 2021, we wrote to pharmacy organisations to highlight the serious patient-safety concerns we had identified involving online prescribing services.

This year we have also issued **updated guidance for pharmacies providing services at a distance, including on the internet**. The guidance explains what pharmacy owners should consider before deciding whether any parts of their pharmacy service can be provided safely and effectively at a distance, rather than in the traditional face-to-face way.

We are continuing to consider what other steps we should take to strengthen online pharmacy regulation, to help us to achieve our ten-year vision of safe and effective pharmacy care at the heart of healthier communities. This is a fast-changing area, and it is important that we respond quickly and effectively to developments.

Our new ways of working

The pandemic has changed the way we work. There are new ways of working, new ways of thinking, and new ways of collaborating, managing, learning and recruiting.

During the pandemic, we set up a 'Reset and Renewal Programme' which focused on our response to the situation. The 'renewal' stage of the programme is now about new ways of working.

The long-term and sustainable changes we are making are based on the following principles:

1. Focusing strategically on delivering good-quality outcomes
2. Being inclusive by design
3. Locating together for a reason
4. Working 'virtually' by default

Our approach allows us to balance the benefits of more virtual working, while recognising the importance of coming together in person for our work and for us as a community. It also recognises that a number of our activities currently can't be delivered virtually.

This approach improves our capabilities and infrastructure so we can deliver our vision of 'operating as a professional and lean organisation' that can:

- act quickly and work in collaboration
- have a highly skilled specialist and flexible workforce
- deliver efficient services in a variety of ways using enhanced technology
- make the best use of our resources

In line with the government's **Living with COVID plan**, we have replaced our COVID-19 office protocols. We now have simple guidance to help support face-to-face working, including coming into the office.

Supporting staff

Our staff are vital to our future success. We take staff wellbeing very seriously, particularly in the light of the different experiences and difficulties people have had during the COVID-19 pandemic. That's why we've signed up to a **workplace wellbeing index** run by the mental health charity MIND.

The index is a measure of best policy and practice for employee wellbeing. As part of the index, we are examining how well we are doing and where we could improve our approach to mental health in the workplace.

By taking part in the index, we are hoping to better understand what helps our colleagues stay well at work. We can then make sure we are offering the support that's needed, and are nurturing the right culture for everyone to thrive.

Future developments

Looking ahead, we can see some significant developments which will have a big impact on what pharmacy is expected to do and on how we regulate pharmacy.

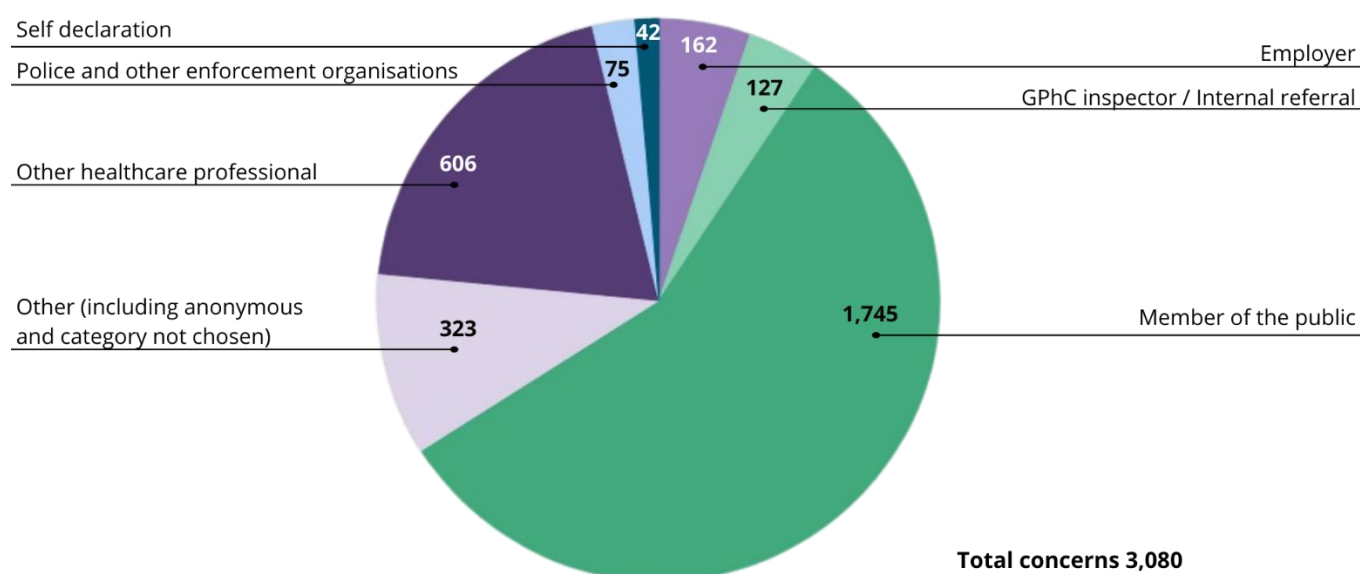
These include:

- the short-term and longer-term effects of the COVID-19 pandemic on health and social care, and on wider society – including the need to tackle health inequalities that have been further exposed by the pandemic
- pharmacy professionals and pharmacies playing a much greater role in providing clinical care and providing a wider range of clinical services, including independent prescribing
- the effects of new technologies and advances in science on medicines and clinical care
- patients and the public having high expectations of evolving 'person-centred' care
- changes as a result of governments' regulatory reforms

We are continuing to implement our new ways of working, and to put in place improved structures, systems and processes. Through these we will be able to respond quickly and effectively to these developments as they happen, work flexibly and successfully achieve our aims.

Annual fitness to practise report

How concerns came to us in 2021/22



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.

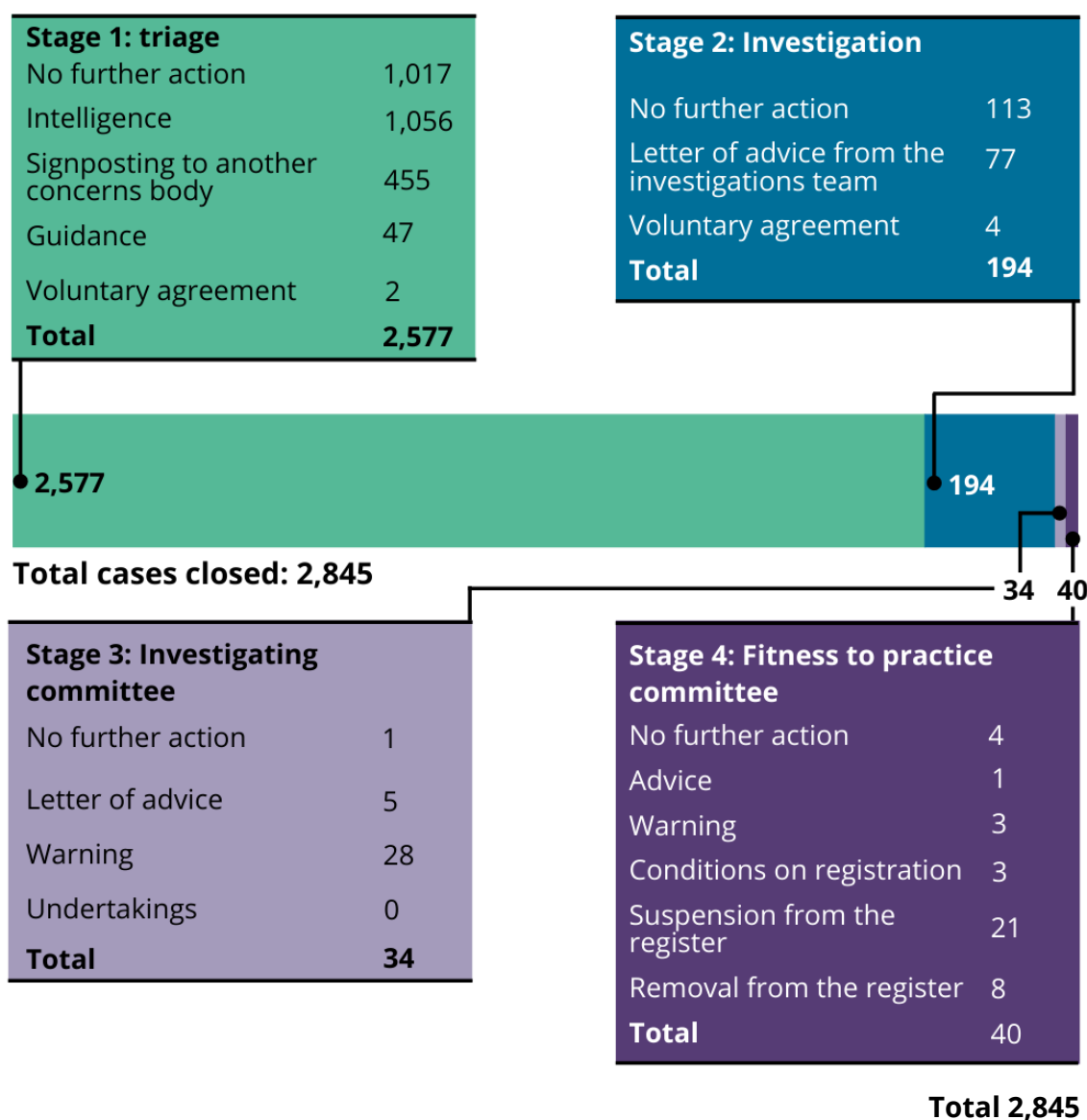
The FtPC, which usually holds hearings in public, decides if a pharmacy professional is fit to practise.

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 2021/22



Dealing with concerns in 2021/22

The number of concerns we received

This year the overall number of concerns raised with us increased. In 2021/22 we received 3,080 concerns, compared with 2,998 in 2020/21 and 2,985 in 2019/20.

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 where concerns come from. Members of the public continued to raise more than half the concerns we received, and that number is slightly down on last year's. Concerns from employers, police and other enforcement organisations, and from self-declarations, have decreased. The numbers from all other sources have increased, with the most notable increase in concerns being those from other healthcare professionals.

Triage outcomes

Overall, there were 2,577 concerns closed at this stage in 2021/2022 (84% of all concerns raised). This compares with 2,380 in 2020/21 (79% of all concerns raised) and 1,405 in 2019/20 (47% of all concerns raised).

Throughout the pandemic 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 ended 1,056 concerns by sharing the intelligence with our inspection colleagues in 2021/22 and we concluded a similar number, 1,047, in 2020/21.

We closed 1,017 concerns with no further action in 2021/22. This is a decrease on the 1,062 cases closed in 2020/21. The number of concerns that we suggested another organisation could handle went up significantly – 455 in 2021/22 compared with 248 in 2020/21. We ended 47 concerns with guidance and two concerns with a voluntary agreement – in 2020/21 we closed 23 cases with guidance and there were no voluntary agreements.

We will continue to analyse our data to look for trends and to 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 investigations we closed 77 cases with guidance, and 113 with no further action, and we reached a voluntary agreement with five professionals in this reporting year. This is compared with 118 cases closed with guidance and 214 closed with no further action in 2020/21.

This decrease is because the types of cases we refer for investigation are becoming more complex and are taking longer to investigate. These cases include those that involve new and emerging areas of pharmacy – such as independent prescribing and online pharmacies. We are using specialist advice to help manage these cases. As a result, we are starting to see an impact on the number of cases being referred to our investigating committee and fitness to practise committee.

Investigating committee and fitness to practise committee outcomes

We have seen more concerns referred to the investigating committee and fitness to practise committee in the last year. In total, 79 concerns were referred to the committees in 2021/22 – an increase on the 59 referred in 2020/21.

The total number of concerns going to an investigating committee increased from 24 in 2020/21 to 38 in 2021/22. The number of concerns where an investigating committee issued advice was five compared with four the



previous year. The number of warnings went up from 20 in 2020/21 to 32 in 2021/22. There were no undertakings issued by the investigating committee this reporting year.

The total number of hearings increased from 35 in 2020/21 to 41 in 2021/22. The number of cases where fitness to practise committees issued conditions was three, compared with four in the previous year. Four concerns were closed with no further action. There was one hearing concluded with advice this reporting year. The number of warnings has decreased from eight in 2020/21 to three in 2021/22. We have seen an increase in the number of cases concluded by way of a suspension from nine in 2020/21 to 22 in 2021/22, and a decrease in the number of concerns concluded by removal from the register from ten in 2020/21 to eight in 2021/22.

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 we have appointed a new Chair, Gisela Abbam, who started her term on 14 March 2022.

Council members' pay and attendance

April 2021 to March 2022

This table records council members' attendance at regular formal meetings only. This was another unusual year with most Council meetings held remotely, but there were two in-person meetings in March and April 2022 as COVID-19 restrictions were lifted. There was an additional meeting in June 2021. Council members also took part in other meetings and events. This included working on assurance and short-life groups and working with our stakeholders through remote engagement events.

Table 1: Council members' pay and attendance April 2021 to March 2022

Name	Registrant or lay member	Pay ¹ £	Council meetings attended ²	Committee meetings held or attended
Gisela Abbam ³	Lay	5,000	n/a	n/a
Nigel Clarke ⁴	Lay	56,000	11 out of 11	FPC* 4 out of 4
Aamer Safdar	Pharmacist	12,500	10 out of 11	ARC** 5 out of 5
Ann Jacklin	Pharmacist	12,500	10 out of 11	ARC 4 out of 5
Arun Midha ⁵	Lay	15,000	10 out of 11	WfC*** 4 out of 4
Elizabeth Mailey ⁶	Pharmacist	15,000	8 out of 11	WfC 4 out of 4
Jayne Salt	Lay	12,500	9 out of 11	ARC 2 out of 5****
Joanne Kember	Pharmacist	12,500	11 out of 11	WfC 4 out of 4
Mark Hammond ⁷	Lay	15,000	10 out of 11	FPC 4 out of 4
Neil Buckley ⁸	Lay	15,000	10 out of 11	ARC 5 out of 5
Rima Makarem	Lay	12,500	11 out of 11	FPC 4 out of 4
Rose Marie Parr ⁹	Pharmacist	15,000	11 out of 11	FPC 4 out of 4
Penny Hopkins	Pharmacy technician	12,500	10 out of 11	FPC 4 out of 4
Selina Ullah	Lay	12,500	9 out of 11	WfC 3 out of 4
Yousaf Ahmad	Pharmacist	12,500	9 out of 11	ARC 4 out of 5



Notes to the Council members' pay and attendance table

- * Finance and Planning Committee
- ** Audit and Risk Committee
- *** Remuneration Committee
- **** Some ARC meetings had to be re-arranged, affecting this member's ability to attend

1. Council members' pay is given as a gross figure.
2. The attendance figures cover both Council meetings and committee attendance. One Council meeting was called at short notice which affected some members' ability to attend. Some pre-planned and agreed ARC meetings had to be re-arranged at relatively short notice which also affected one member's ability to attend. 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 Council whose term of office started on 13 March 2022.
4. Chair of Council whose term of office ended on 12 March 2022.
5. Includes £2,500 for co-chairing the advisory group on Initial Education and Training Standards for Pharmacists.
6. Includes £2,500 for chairing the Workforce Committee (formerly the Remuneration Committee).
7. Includes £2,500 for chairing the Finance and Planning Committee.
8. Includes £2,500 for chairing the Audit and Risk Committee.
9. Includes £2,500 for co-chairing the advisory group on Initial Education and Training Standards for Pharmacists.

Council members' expenses: April 2021 to March 2022

In 2021/22 most meetings were held online. An in-person meeting was held in March 2022.

Table 2: Council members' expenses: April 2021 to March 2022

Name	Travel	Accommodation	Subsistence	Total (£)
Gisela Abbam ³	Nil	Nil	Nil	Nil
Nigel Clarke	£164.56	Nil	Nil	£164.56
Aamer Safdar	£12.20	Nil	Nil	£12.20
Ann Jacklin	Nil	Nil	Nil	Nil
Arun Midha	£277.35	£150	Nil	£427.35
Elizabeth Mailey	£44.30	Nil	Nil	£43.30
Jayne Salt	£109.40	£238.00	Nil	£347.40
Joanne Kember	£137.25	£185.49	Nil	£322.74
Mark Hammond	£95.60	Nil	Nil	£95.60
Neil Buckley	£92.60	Nil	Nil	£92.60
Rima Makarem	Nil	Nil	Nil	Nil
Rose Marie Parr	Nil	Nil	Nil	Nil
Penny Hopkins	£260.15	£149.00	Nil	£409.15
Selina Ullah	£127.45	£244.00	£21.48	£392.93
Yousaf Ahmad	Nil	Nil	Nil	Nil



Non-statutory committees

The GPhC has four non-statutory committees: audit and risk, assurance and appointments, finance and planning, and workforce (previously known as remuneration). There is also an advisory group on the initial education and training of pharmacists. The membership of the 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.

The committee also has an independent member, Helen Dearden. Helen took up the appointment in 2017 and continues to serve as an independent member, having been re-appointed in 2020.

The Audit and Risk Committee met five times in the year: in May, August, October and December 2021, and in February 2022.

The committee's minutes are reviewed by the Council after each meeting and the committee presents a full report to Council once a year. You can see these reports on the GPhC website.

Finance and Planning Committee

The Finance and Planning Committee has oversight of strategic and financial planning. It 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.

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 the role this year.

The committee met four times in the year: in May, September and November 2021, and in January 2022.

The committee's minutes are reviewed by the Council after each meeting, and the committee presents a full report to Council once a year. You can see these reports on the GPhC website.

Workforce Committee (formerly Remuneration Committee)

In 2021 the Remuneration Committee adopted new terms of reference (approved by the Council) and changed its name to the Workforce Committee to reflect its wider role.

Like the Remuneration Committee before it, the Workforce Committee has the power to approve or reject the pay framework for GPhC employees and the packages for the chief executive and directors. This power is delegated from the GPhC's governing council. The

committee advises the Council on the remuneration (pay) policy for council members and on the expenses policy for council members, staff and associates. The new name better reflects the wider range of issues which the committee also covers, including:

- organisational development
- health and wellbeing
- employer aspects of equality, diversity and inclusion, and
- monitoring our work on the gender and ethnicity pay gaps, our culture and staff surveys

The committee is made up of four council members, including the chair of the committee, Elizabeth Mailey. The committee also has two independent members, Rob Goward and Janet Rubin. They both joined the committee in 2016 and continue to serve as independent members, having been re-appointed in 2020.

The committee met four times in the year: in April, June and September 2021, and in January 2022.

The committee's minutes are reviewed by the Council after each meeting, and the committee presents a full report to Council once a year. 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.

The committee is made up of five members, including its chair. It met four times in the year: in July, September and December 2021, and in February 2022.

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

Advisory group on the initial education and training of pharmacists

In September 2020 the Council agreed that the working group on the initial education and training of pharmacists should become a formal advisory group to the Council. A number of key organisations sit on the group, which provides:

- advice to the Council on the development of the new standards which were published in January 2021, and
- assurance to the Council on the implementation of the standards (which is now underway)

The group is co-chaired by one lay member of the Council, Arun Midha, and one registrant member, Rose Marie Parr. It met seven times in the year: in April, June, July, September, October and November 2021, and in February 2022.



Chief executive and registrar and directors

Senior leadership group (SLG)

The GPhC's staff is headed by the chief executive and registrar. All senior leaders and directors are involved in aspects of strategy, policy operations and regulatory development. This strengthens integrated working and improves our regulatory effectiveness.

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

- Education and Standards, led by Mark Voce
- Fitness to Practise, led by Carole Auchterlonie
- Insight, Intelligence and Inspection, led by Claire Bryce-Smith
- Adjudication and Financial Services, led by Jonathan Bennetts

There are also two associate directors: Laura McClintock, Chief of Staff and Associate Director of Corporate Affairs, and Gary Sharp, Associate Director of Human Resources.

The SLG was set up by the chief executive and registrar as a way of carrying out a number of key executive governance responsibilities. The group is made up of the chief executive and registrar, the directors and the associate directors. 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 corporate complaints

We received 28 complaints about our services in 2021/22, down from 38 in 2020/21. 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. Detailed information about complaints is reported to the Council quarterly through regular performance monitoring.

Corporate complaints received in 2021/22

Table 3: Complaints received in 2021/22

Issue	Received	Upheld
Conduct and behaviour	4	0
Data and information use	0	-
GPhC processes and procedures	14	6
Outcome of a decision	10	0
Other	0	-
Total	28	6

Six complaints were upheld. From all complaints – whether they are upheld or not – we look for anything that could help us to learn and improve, and we share it with the relevant teams. We also report it to our Council as part of the regular performance monitoring.

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.

During the year we continued to update our policies and practice to keep to data protection legislation. Our employees took part in annual training on data protection and information security.

We reported one personal data incident to the Information Commissioner’s Office in the year. The Commissioner took no further action, but

we have taken steps to improve our processes and controls so that similar incidents do not happen in future.

In 2021/22, we received 192 information requests under the Freedom of Information and Data Protection Acts (we received 182 in 2020/21). We responded to all requests apart from one within statutory deadlines. We also received 10 requests relating to other rights of data subjects in data protection law, including requests for erasure (we received 13 in 2020/21).

Table 4: Number and type of information requests

Information request type	Number in 2021/22
FOI	129
DPA*	29
Subject access**	34

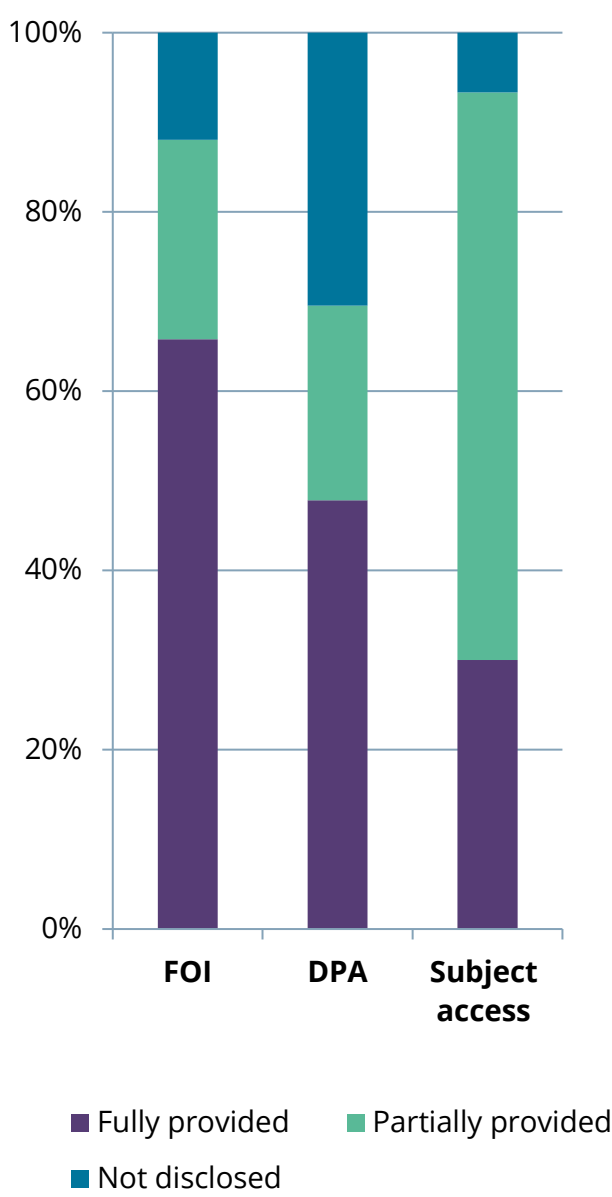
* DPA cases are ones when a third-party organisation makes a request for the personal data of an individual and we consider disclosure under the provisions in the Data Protection Act.

**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 18 cases we did not hold the information requested and three 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 86% of our responses to requests. In most cases where we did not disclose information, it concerned the personal data of other people.

We received eight requests to review a decision we had made about disclosure and in one case overturned our original decision and gave the requested information. We also partly amended our response in six other reviews. The **Information Commissioner's Office** assessed one complaint about our response to a request made in March 2021 relating to the registration assessment. We disclosed the relevant information in response to the Commissioner's Decision Notice of December 2021.

Disclosure rates 2021/22





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 the people raising concerns that their disclosures are taken seriously.

The GPhC is a 'prescribed person' under the Act. As a prescribed person we have to report in writing every year on the protected disclosures made to us. This is the report for the period 1 April 2021 to 31 March 2022.

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 in a position 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.

Between 1 April 2021 and 31 March 2022 we received 25 qualifying disclosures of information.

We concluded our enquiries on 20 of these disclosures, with five still under review. We also concluded our enquiries on two 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 unannounced inspection.

Ten concerns were investigated and concluded with no further action. Three were signposted to another organisation. The remaining seven cases were concluded by sharing information with inspection colleagues for follow-up action.

Of the two concerns from the previous reporting period, one was concluded with no further action and the other remains under investigation.

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

Governance statement 2021/22

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 2022 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. As in 2020/21, throughout 2021/22 the opportunities and challenges presented by the COVID-19 pandemic caused us to reprioritise our business plans and most specifically our accommodation 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. And we



enhanced this by introducing an interactive tracking tool in 2021/22 to give senior leadership a greater understanding of our progress and performance in implementing the strategic plan. The tool has also given the staff team a greater understanding of the key areas where different projects and programmes are dependent on each other for success.

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 an 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. The plan has been updated in February 2022 for the work to be carried out in 2022/23.

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 Audit and Risk Committee during the year. One of these was following up previous recommendations and another was an advisory audit into our risk management policy and procedures. The other six reports and the ratings given were:

- | | |
|--|-------------|
| • Cloud migration programme | Substantial |
| • Treasury management | Substantial |
| • Integrity of the register | Substantial |
| • Core finance | Substantial |
| • New enforcement rules | Substantial |
| • Online registration assessment lessons learned | 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 there is substantial assurance for the areas reviewed during the year, 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 risk.

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


Significant governance issues

Business systems and how we want business processes to flow in future

In the 2020/21 governance statement we said that we wanted to review the use of manual and automated processes in key regulatory functions, following a serious incident involving the lapse of an interim order. 2021/22 brought about similar challenges. There was one serious incident that highlighted problems with processes when different business teams have to interact to update and maintain the register, using a combination of automated and manual processes. The specific issue has been put right and we are satisfied that the risk of recurrence is low. However, we recognise that there is work to be done to make sure there is a consistent understanding and application of the steps, checks and balances in our manual and automated processes. We have carried out detailed capacity work in our customer services and fitness to practise teams to help deal with this. We will also make sure that further development of online digital services for registrants considers this need as a central part of the design, testing and implementation work.

Meeting the PSA Standards of Good Regulation

In addition to our system of internal control, every year the PSA scrutinises our performance against its Standards of Good Regulation. The most recent PSA report covering the period



from 1 March 2020 to 28 February 2021 recognises that the GPhC responded and adapted well to the COVID-19 pandemic across the organisation. In connection with the GPhC's response to the pandemic, the PSA report noted that up-to-date information was frequently published online for registrants (pharmacists and pharmacy technicians) as well as for members of the public. It also highlighted the fact that we set up two additional registers and that work was carried out remotely where possible.

We met all the standards across four PSA categories:

- General standards – these include equality, diversity and inclusion, and the way we:
 - provide information
 - apply policies
 - respond to public inquiries and other independent reports, and
 - work with stakeholders to protect patients and the public
- Guidance and standards
- Education and training
- Registration

However, three out of the five standards within the Fitness to Practise category were not met.

The PSA report acknowledged there had been efforts to address the previous concerns raised in the 2019/20 performance review, and that improvements had been made. The PSA also recognised that the pandemic had delayed the action plan put in place by the GPhC and had adversely affected how quickly concerns were progressed. We will continue to monitor these issues and provide updates to the Council on

the effectiveness of the action we are taking to put them right.

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
9 June 2022

Financial statements for the year ended 31 March 2022

Review of business activities

The COVID-19 pandemic continued to provide challenges for longer than expected, particularly during the early part of the year due to the extended lockdown and the delayed resumption of some expected activities.

We made significant progress towards delivering key strategic priorities such as implementing education standards and developing the managing concerns and EDI strategies. Our attention was also focused on improving how we work by using a more flexible approach.

During the year we carried out a comprehensive assessment of the strategic plan and longer-term vision. This allowed us to reprioritise and align our activities more effectively to ensure efficient delivery. In some cases, this meant resources had to be refocused or pushed forward to future years. This also helped with the further development of the medium-term to long-term financial strategy. This aims to ensure a sustainable financial position, with the ability to fund longer-term plans and maintain an appropriate level of reserves.

Income

Renewal fees paid by pharmacists, pharmacy technicians and pharmacy premises provide the main source of income for the organisation. Fees are paid annually in advance and are recognised over the span of the registration year in line with the relevant 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	2021/22 income (£m)	2021/22 registrant numbers	2020/21 income (£m)	2020/21 registrant numbers
Pharmacists	16.4	61,137	15.1	56,851
Pharmacy technicians	3.2	24,928	3.1	24,439
Registered pharmacies	4.3	13,844	3.8	13,977

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

Total income of £25.2m was generated for the year 2021/22 (2020/21: £23.1m), an increase of 9% from the previous year. There was a growth in income across all registrant groups after the disruption from the previous year due to the pandemic.

Moving the registration assessment online in 2021 led to a higher-than-usual number of pharmacists joining the register this year. There was also an increase in overseas applications with the occupation being added to the Home Office shortage list.

The number of pharmacy technician professionals increased by around 2%, which is similar to the growth we have seen in previous years.

Income from pharmacy premises was up by 13% despite the slight reduction in the overall number of premises. This was because of the fee increase implemented in April 2021.

Pre-registration income – which consists of registration assessment fees and pre-registration applications – was £1.1m for the year (2020/21: £0.9m). 3,870 students sat the exam during the 2021/22 financial year (2020/21: 2,670). Numbers were significantly higher this year, mainly due to only one exam sitting taking place in the previous financial year.

The provisional register was closed in January 2022 and the temporary register will remain open until September 2022. No fees have been charged for joining either register since they were opened.

Actual Expenditure 2021/22



Expenditure

The 2021/22 financial year saw a continuation of the effective response to managing the impact of the pandemic.

Our focus also moved more towards developing and implementing the workstreams as detailed in the strategic plan and 2030 vision and updating our priorities.

We also continued our work to update our IT infrastructure by moving more services to the cloud, updating the website and digitising services.

Expenditure for the financial year was £23.1m (2020/21: £22.9m). This is broadly in line with previous years after the disruption caused by the pandemic in 2020 and the substantial changes in how we carry out our work in many areas.

Employee costs amounted to £13.6m (2020/21: £13.0m), an increase of 5% from the previous year. The chief reason behind the increased cost was an increase in staff numbers. Roles have been introduced to:

- help deliver regulatory effectiveness (having the right skills to keep up with the changing complexity of the profession, and the increasing emphasis on clinical skills)
- improve service delivery, and
- make sure we have the capacity to continue to support effective operational delivery


This is an area where we expect to see a continued increase in spending, with many roles starting in the latter part of the year or due to start in the next financial year.

Expenditure on professional costs including legal costs stood at £2.3m for the year (2020/21: £2.4m). There was a reduction in costs for panel firms, with extra investment in internal resources to manage the incoming concerns and existing caseloads. Also, there were no costs for exam venues as the previous year included cancellation charges for pre-booked venues. This has been offset by the higher costs in introducing the online registration assessment.

Legal costs were £0.8m for the year (2020/21: £0.9m). Costs are down compared with the previous year but up against budget expectations. This was due to our needing continued external support to:

- manage the changing volumes
- provide cover while additional internal resources were recruited, and
- maintain timeline targets

Specific investment was also agreed to provide specialist advice on growing areas such as clinical services.



Occupancy expenditure was £2.1m (2020/21: £2.3m), a decrease of 8.7% from the previous year. Last year included a comprehensive update to the valuation of the dilapidation provision. This year there has been a slight reduction in value to account for the increase in the rate of inflation.

Depreciation and amortisation costs for the year were £0.9m (2020/21: £1.0m), which is a slight reduction compared with the previous year. We expect costs to increase in this area with a number of development projects reaching completion in 2022, including the website and other system and IT infrastructure projects.

Investments

At the end of the 2021/22 financial year, the value of investments had increased by a further £0.48m, net of costs (2020/21: £0.74m increase). This followed the original phased investment of £15m that started in 2020. This has resulted in a current rate of return for the period of 3%, which is down 2% when compared to last year but remains in line with the target rate. The favourable movement is mainly attributed to the performance of equities. There are a wide range of external factors that continue to affect the market and cause a lot of volatility around returns. More than a third of our portfolio is made up of equities, and overall the investment continues to perform well.

Surplus/deficit for the year

Overall, the actual result for the financial year was a surplus position of £2.5m (2020/21: £0.9m). The original budget expectation agreed by our Council for the year was a surplus of £0.8m.

The higher-than-expected surplus is largely due to the:

- continued impact of the pandemic
- adjustments to timelines after reprioritising our plans, and
- delays to recruitment with the challenges presented by the very competitive market

As we move forward to the next year and beyond, we expect expenditure to increase as our activities go back to expected levels and we enter the implementation phase of work on a number of key priorities.

Development will continue against the strategic plan and vision. We will continue to invest in updating our technology and systems, and we will continue to embed the new ways of working. This will include appropriately resourcing work and bringing in people with new skill sets to support the changing scale and scope of pharmacy regulation.

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

Gisela Abbam
Chair
9 June 2022



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 2022 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 2022 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 Financial Reporting Council'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. 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 the General Data Protection Regulation (GDPR), taxation legislation, and 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.

Crowe U.K. LLP
Statutory Auditor
London
10 June 2022

Statement of comprehensive income for the year ending 31 March 2022

	Note	2022 £000	2021 £000
Income	2	25,154	23,135
Expenditure	3	(23,143)	(22,942)
Operating surplus		2,011	193
Investment income	4	306	208
Surplus on ordinary activities	5	2,317	401
Gain on investments	9	287	628
Taxation	6	(139)	(143)
Total comprehensive income for the year		2,465	886

Statement of financial position as at 31 March 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Fixed assets					
Tangible assets	7		1,270		1,872
Intangible assets	8		402		369
Investments	9		16,221		15,743
			<u>17,893</u>		<u>17,984</u>
Current assets					
Debtors	10	1,944		2,005	
Bank and cash	11	<u>16,006</u>		<u>13,035</u>	
		17,950		15,040	
Creditors: amounts falling due within one year	12	(18,211)		(17,433)	
Net current liabilities			<u>(261)</u>		<u>(2,393)</u>
Total assets less current liabilities			17,632		15,591
Creditors: amounts falling due after more than one year	13		(1,024)		(1,506)
Provision for liabilities	14		(1,851)		(1,793)
Net assets			<u>14,757</u>		<u>12,292</u>
Funds employed					
Accumulated surplus					
- General Reserve			13,085		10,051
- Fixed Asset Reserve			1,672		2,241
Total funds employed			<u>14,757</u>		<u>12,292</u>

The financial statements were approved, authorised for issue and signed on behalf of the Council by Gisela Abbam, Chair, on 9 June 2022.

Statement of cash flows for the year ended 31 March 2022

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Surplus for the financial year		2,011	193
Adjustments for:			
Depreciation and amortisation	3	878	1,046
Release of lease incentive	13	(453)	(453)
Increase/(decrease) in provision for dilapidation	14	(27)	267
Deferred tax	14	85	114
Investment portfolio management fees	9	85	37
Dividends and fixed interest securities	9	(276)	(152)
(Increase)/decrease in trade and other debtors		61	(123)
Increase in trade and other creditors		637	1,029
Net cash provided by operating activities		3,001	1,958
Cash flows from investing activities			
Purchases of investments		-	(2,500)
Purchases of tangible fixed assets	7	(49)	(27)
Purchases of intangible fixed assets	8	(260)	(125)
Investment income	4	306	208
Taxation		(27)	(48)
Net cash (used in) investing activities		(30)	(2,492)
Change in cash and cash equivalents in the reporting period		2,971	(534)
Cash and cash equivalents at the beginning of the period		13,035	13,569
Cash and cash equivalents at the end of the reporting period		16,006	13,035
		£000	£000
Cash in hand		19	249
Notice Deposits (less than 3 months)		15,987	12,786
Total cash and cash equivalents		16,006	13,035

Statement of changes in reserves for the year ended 31 March 2022

	Note	General Reserve	Fixed Asset Reserve	Total
		£000	£000	£000
At 1 April 2020		8,271	3,135	11,406
Total comprehensive income		1,932	(1,046)	886
Transfers between reserves		(152)	152	-
At 31 March 2021		10,051	2,241	12,292
Total comprehensive income		3,343	(878)	2,465
Transfers between reserves		(309)	309	-
At 31 March 2022		<u>13,085</u>	<u>1,672</u>	<u>14,757</u>

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 2022

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 2022, 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 three 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

	2022 £000	2021 £000
Pharmacists	16,402	15,142
Premises	4,297	3,889
Pharmacy technicians	3,193	3,121
Pre-registration	1,083	883
Grant income	16	16
Other income	163	84
Total income	25,154	23,135

3. Expenditure

	2022 £000	2021 £000
Employee costs: payroll	13,580	12,999
Other employee costs	1,906	1,855
Property costs	235	274
Office costs	140	150
Professional costs	2,271	2,353
Event costs	12	28
Marketing costs	11	12
Depreciation and amortisation	878	1,046
Financial costs	248	214
Research costs	11	21
IT costs	1,503	1,407
Other costs	249	255
Occupancy costs	2,099	2,328
Total expenditure	23,143	22,942

3. Expenditure (continued)

Employee costs

Employee costs including directors were made up as follows:

	2022 £000	2021 £000
Wages and salaries	11,167	10,573
Employer's National Insurance	1,280	1,245
Pension costs	1,133	1,047
Redundancy	-	134
	13,580	12,999

The average number of staff employed during the year ended 31 March 2022 was 237 (228 at 31 March 2021).

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

	2022 £000	2021 £000
£60,001 – £70,000	20	20
£70,001 – £80,000	12	12
£80,001 – £90,000	5	3
£90,001 – £100,000	2	0
£100,001 – £110,000	2	2
£110,001 – £120,000	1	2
£120,001 – £130,000	3	1
£130,001 – £140,000	0	0
£140,001 – £150,000	0	1
£150,001 – £160,000	0	0
£160,001 – £170,000	0	0
£170,001 – £180,000	1	1
	46	42

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 2022 was £1,085,920 (£978,771 at 31 March 2021). 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	£120,000 - £130,000	-
Jonathan Bennetts	Director of Adjudication and Financial Services	£120,000 - £130,000	£600
Mark Voce	Director of Education and Standards	£110,000 - £120,000	-
Gary Sharp	Associate Director of Human Resources	£100,000 - £110,000	-
Laura McClintock	Chief of Staff and Associate Director of Corporate Affairs	£90,000 - £100,000	£700

*Benefits in kind include private healthcare.

Expenses for key management personnel are as follows:

Name	Travel	Accommodation	Subsistence	Total
Duncan Rudkin	158	238	28	424
Claire Bryce-Smith	64	-	-	64
Carol Auchterlonie	-	-	-	-
Jonathan Bennetts	-	-	-	-
Mark Voce	249	-	-	249
Gary Sharp	-	-	-	-
Laura McClintock	180	297	-	477

3. Expenditure (continued)

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

	2022 £	2021 £
Mid-point of band of highest-paid director's total remuneration	175,000	175,000
Median total remuneration	44,097	42,576
Remuneration ratio	1:4	1:4

Council members' pay and expenses:

	2022 £000	2021 £000
Total pay of council members	236	226
Total expenses paid to council members	2	-
	238	226

4. Investment income

	2022 £000	2021 £000
Dividends	56	30
Fixed interest securities	220	122
Interest receivable – cash deposits	30	56
	306	208

Investment income relates to interest and dividends from the investment portfolio. Investment totalling £15m was made into a managed portfolio during 2020/21.

5. Total comprehensive income

This is stated after charging:

	2022 £000	2021 £000
Operating lease rentals: motor vehicles	79	89
Operating lease rentals: photocopiers	10	12
Operating lease rentals: buildings	1,240	1,240
Depreciation of tangible fixed assets	651	663
Amortisation of intangible fixed assets	227	383
Auditor's remuneration: audit services – Crowe	23	23

6. Taxation

	2022 £000	2021 £000
UK corporation tax at 19% in the year	55	28
Under provision in respect of prior year	(1)	1
Current tax charge	54	29
Deferred tax charge at 25% in the year	85	114
	139	143

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 has been substantively enacted. Following the substantive enactment of the new rate the deferred tax liability is measured accordingly.

7. Tangible fixed assets

	Short leasehold improvements £000	Office equipment £000	Total £000
Cost			
As at 31 March 2021	5,607	2,184	7,791
Additions	-	49	49
Disposals	-	(4)	(4)
As at 31 March 2022	5,607	2,229	7,836
Depreciation			
As at 31 March 2021	3,822	2,097	5,919
Charge for the year	580	71	651
Disposals	-	(4)	(4)
As at 31 March 2022	4,402	2,164	6,566
Net book value			
As at 31 March 2022	1,205	65	1,270
As at 31 March 2021	1,785	87	1,872

8. Intangible fixed assets

	Computer software and systems development £000
Cost	
Balance at 1 April 2021	1,334
Additions	260
Balance at 31 March 2022	1,594
Amortisation	
Balance at 1 April 2021	(965)
Amortisation charge for the year	(227)
Balance at 31 March 2022	402

9. Investments

	2022 £000	2021 £000
Market value at 1 April 2021	15,743	-
Additions at cost	-	15,000
Disposals	-	-
Dividends and fixed interest securities	276	152
Investment manager fees charged to fund	(85)	(37)
Gain on investments	287	628
Market value as at 31 March 2022	16,221	15,743

Portfolio asset allocation:

	Investments in 2022			Investments in 2021		
	UK £000	Overseas £000	Total £000	UK £000	Overseas £000	Total £000
Corporate fixed income	6,146	-	6,146	6,018	-	6,018
Sovereign / agency fixed income	4,112	-	4,112	4,002	-	4,002
Equities	858	5,022	5,880	721	4,990	5,711
Cash	83	-	83	12	-	12
	11,199	5,022	16,221	10,753	4,990	15,743

During 2020/21, 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

	2022 £000	2021 £000
Trade debtors	30	10
Registrant direct debits to be collected	182	196
Other debtors	34	71
Prepayments and accrued income	1,698	1,727
Debtors (due in more than one year)		
Trade debtors	-	1
	1,944	2,005

11. Bank and cash

	2022 £000	2021 £000
Current accounts	19	249
Deposit accounts	15,987	12,786
	16,006	13,035

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

	2022 £000	2021 £000
Trade creditors	846	1,540
Corporation tax	56	28
Other taxation and social security	348	328
Other creditors	29	73
Accruals	920	1,347
Deferred income	16,012	14,117
	18,211	17,433

Deferred income is made up of the following:

Deferred income from registrants and premises	15,916	14,049
Other deferred income	65	21
Deferred capital grant	31	47
	16,012	14,117

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

	2022 £000	2021 £000
Balance at 1 April	1,506	1,987
Reserve built up during the year		
Rent increase accrual	(29)	(28)
Reserve released during the year	(453)	(453)
Balance at 31 March	1,024	1,506
Split of rent reserve:		
Reserve reversing in one year	482	482
Current obligations	482	482
Reserve reversing within two to five years	542	1,024
Reserve reversing more than five years	-	-
Non-current obligations	542	1,024
Total	1,024	1,506

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

	2022 £000	2021 £000
Dilapidation	1,652	1,679
Deferred tax liability	199	114
	1,851	1,793

Following review of the lease for 25 Canada Square and after taking professional advice, the GPhC has a provision for dilapidation. 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 2022 the GPhC's future minimum operating lease payments are as follows:

	2022 £000	2021 £000
Within one year		
Motor vehicles	43	83
Property	787	787
Equipment	6	12
	836	882
Between one year and five years		
Motor vehicles	6	49
Property	886	1,673
Equipment	-	6
	892	1,728
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 (2020/21: 87 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 £668,915 (2020/21: £665,106).

The valuation of the scheme liability as at 31 March 2022 is based on valuation data as at 31 March 2021, updated to 31 March 2022 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 2021. 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 also tested the cost of the scheme relative to the employer cost cap that was set following the 2012 valuation. There was initially 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.

HMT published valuation directions dated 7 October 2021 that set out the technical detail of how the costs of remedy are included in the 2016 valuation process. Following these directions, the scheme actuary has completed the cost control element of the 2016 valuation for the NHS Pension Scheme, which concludes no changes to benefits or member contributions are required. The 2016 valuation reports can be found on the NHS Pensions website at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>.

Defined contribution scheme

The GPhC also operates a defined contribution scheme. The total contributions paid into this scheme for the year ended 31 March 2022 were £463,637 (2020/21: £383,674) in respect of 144 employees (2020/21: 115 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



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

 [@TheGPHC](https://twitter.com/TheGPHC)
 [TheGPHC](https://www.facebook.com/TheGPHC)
 [/company/general-pharmaceutical-council](https://www.linkedin.com/company/general-pharmaceutical-council)
www.pharmacyregulation.org