



**Royal
Pharmaceutical
Society**
of Great Britain

Questions and answers from the Open Day held on Sunday 20 April 2008

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PROFESSIONAL LEADERSHIP BODY

There appears to be an understanding that the Society should be part of a new body representing pharmacists but that other organisations should be involved and, apparently, become part of this body. I welcome recognition of the importance of the Society but I am unsure as to how other bodies can join in. Surely the answer is to expand the remit of the Society, so as to incorporate these other bodies within its consultation. The Society has always attempted to represent all pharmacists and other bodies were set up principally because their members wanted more or could not belong to the Society.

JEREMY HOLMES (*Chief Executive and Registrar*): I completely agree that the professional leadership body should be an inclusive organisation, there for all pharmacists. The extent to which we can involve other bodies in the creation of the new body is important. It is clear that a lot of other bodies would like to be part of a wider leadership organisation and they have felt in the past that the needs of some of their members have not been served well by the Society, and that was sometimes the origin of those other bodies.

What I have said about pharmacy coming home and coalescing — the word used by the Carter report — to form a new leadership body is important. The Transitional Committee will have a core group of organisations that have put their hands up and said, "We are committed to being part of a new leadership body". It will also have a wider reference group of other organisations that

have a clear interest in the success of that body but will not be part of it themselves. I have been talking with a number of organisations about which group they become part of.

Please can we totally forget the suggestion of a royal college? We do not need anything akin to the medical colleges because most pharmacists are general practitioners, despite working in different fields.

JEREMY HOLMES (*Chief Executive and Registrar*): There is not at this point any commitment to a particular form of words for what the new professional body should be called.

THE SOCIETY'S ASSETS

What is happening to the Society's assets, including the headquarters building, and how will those assets be used? The Government will have to fund the General Pharmaceutical Council but at some stage a decision has to be made as to the Society and its assets. Are there any possible plans to make the current Society bankrupt, sell off its assets and start all over again?

BERNARD KELLY (*Director of Finance and Resources*): I have never worked in an organisation that went bankrupt. I would consider it a personal and professional insult if I ever were in that situation.

No one has any plans to make the Society bankrupt, nor to sell off its assets. If it did sell off its assets, all it would do would be to reinvest the money in the Society.

STAFF PENSIONS

In the financing of the new General Pharmaceutical Council after the split of the Royal Pharmaceutical Society, why is it that the issue of including staff pensions in the membership fee of the Society remains, despite the view of most members?

BERNARD KELLY (*Director of Finance and Resources*): I will try to answer this question on behalf of the General Pharmaceutical Council, even though it is not yet in existence. The GPhC will be funded by the fees of the persons and premises registered with it, in the same way as the Society currently funds much of its activities. The Society has other streams of income, such as publications, that are an extremely important source of revenue and also represent the quality and the science that underpins the profession.

When staff transfer to the GPhC they will do so under a TUPE [Transfer of Undertakings (Protection of Employment) Regulations 2006] arrangement. That arrangement effectively says, because it is enshrined in law, that the

staff will transfer with all their current service, benefits and remuneration predominantly intact.

PRLOG [the Pharmacy Regulation and Leadership Oversight Group, set up by the Department of Health to steer the work of establishing the GPhC] has indicated that the GPhC would wish to see TUPE applied consistently across the board for all staff members who are transferring, which is appropriate and also a legal requirement.

One benefit that will transfer with staff is membership of the pension scheme. As an employer, the Society is required to offer pension membership to its staff. It has at the moment two pension schemes — a defined benefit scheme, which was closed to new employees in 2003, and a defined contribution scheme, which applies to all who have joined the staff since that date.

The issue regarding this question is why the membership should pay for staff pensions. The membership actually pays for more than just the pensions — it pays salaries, indirectly. Pensions are a part of the salary package and inevitably have to be covered through the revenues available to the Society.

The GPhC will not have the benefit of a publishing business or of generating revenue from the headquarters building, so it will seek to cover its costs through the registration fees it charges to pharmacists and pharmacy technicians. There is an inevitability about that.

Can you give an estimate of the current shortfall in the pension scheme?

BERNARD KELLY (*Director of Finance and Resource*): The accounts for 2007 (available on the website) show the FRS17 valuation [an accountancy standard] as being in surplus. However, the trustees of the pension fund have a different view. They say that there is a substantial deficit. My expectation is that the reality falls somewhere between the two. FRS17 is volatile, it is technical and it will provide a different figure next year-end. The trustees of the pension fund say the deficit is probably more than £3m. I hope to make that considerably smaller and we are working towards that aim.

Can you also give an estimate of continued growth in the pension fund shortfall?

BERNARD KELLY (*Director of Finance and Resources*): We are working towards a situation where we do not allow that shortfall to continue. We have been engaged in consultation with staff to limit future benefits, which will enable greater predictability over what that shortfall may rise to. Hopefully, as a result of implementing those consultations — if we implement them once that consultation period is finished — that will enable us to do that.

Are there plans for conversion of the pension scheme to a money purchase rather than a final salary scheme?

BERNARD KELLY (*Director of Finance and Resources*): We have no plans to convert to a money purchase scheme. There are a number of major reasons. Members of the pension fund are generally long-serving members of staff and one thing that we have been concerned to do, and have been urged to do by PRLOG, is to ensure a great degree of continuity so that the regulation of pharmacy should continue uninterrupted and as smoothly as possible. One key to doing that is maintaining staff members, especially those who are long-standing and have experience in the world of pharmacy and the world of regulation. Many members of the Inspectorate, for instance, have been in the pension scheme for a long time and consider it a valuable and important part of their benefits. If we took that away it would lead to disruption among the staff.

However, there are other financial consequences of deciding to close a pension scheme. The liability does not go away when you close the scheme: it merely changes its shape. One thing the pension fund trustees would be anxious to do if they were to hear that the pension scheme was to close, and therefore there was no future stream of income to rely upon, is to say, "We need to ensure that all liabilities for the existing members of the scheme are paid up immediately." That could have a substantial impact on the Society's cash flow and it is not somewhere we want to go to right now.

REGISTRATION FEES

Why the increase in the registration fee? I feel not enough has been done to justify it.

BERNARD KELLY (*Director of Finance and Resources*): I am disappointed that we failed to communicate well enough to prevent this question coming up. The Treasurer [Andrew Gush] spent a lot of time and effort explaining the background to the fee increase last year. As a member of staff, I am grateful to see a Council member take the leadership on this issue and be prepared to justify to the members exactly what has to be done, even though uncomfortable messages sometimes to have to pass across.

Let us go back over the issue again. Coming up to the transition to the General Pharmaceutical Council and the professional membership body, it is important that the true costs of those activities are reflected in how they are paid for. Predominantly, that comes from the member fees and the premises fees. For many years the Society's publications business has contributed a surplus that has been used to subsidise the Society's regulatory and professional leadership activities. In the future, the GPhC will not have that luxury and so the costs associated with regulation need to be reflected in its fee structure. The GPhC will cover its costs through the fees charged to registrants — as do the General Medical Council, the General Dental Council, the General Optical Council and the Health Professions Council.

Secondly, the Society has run deficits for a couple of years. They arose from the increasing cost of regulation. The Pharmacists and Pharmacy Technician Order 2007 was something the Society wanted to see implemented to improve regulation, but with it came costs. At the same time, aware of the burden of membership fees, the Council wanted to restrict the level of increases, so it decided it would want to restrict increases while still expanding the costs, on the basis that those costs would be recovered in the long term.

In addition to the deficits, the Society had a valuation that revealed the deficit in the pension fund. That, too, went into the pot. Taking all those issues into account, the Society was in a situation where its reserves had been depleted.

It is appropriate for any organisation that its level of reserves is sufficient to ensure its continuity in the short to medium term. That is what the Society and the Council voted to do. The harsh reality is that fees had to rise by a substantial amount. No one welcomed the opportunity to impose a large increase on fees and we knew we would be severely criticised for it, but we had to have the courage to stand up and say, "We are sorry, but it is the harsh reality of what we have to live with".

The Treasurer, the President and the Council went out of their way to explain those harsh realities to members. I am happy to be given the opportunity to explain the background again.

Why do the registration fees have to be paid online?

BERNARD KELLY (*Director of Finance and Resources*): Paying fees online is not the only way for members to pay their fees, although we have moved towards phasing out payment by cheque because it is an expensive and administratively heavy process.

We are not alone in that. Tesco phased out the acceptance of cheques a long time ago, and if you want to renew insurance you tend to have to do it online, which is a cost-efficient method of transacting business. We all make considerable use of online in our day-to-day lives.

Some members may embrace the internet with less enthusiasm than others, but we do have alternative methods. One preferred method — even above registering online — is direct debit. I pay my council tax, my water tax, etc, by direct debit because it is convenient.

We also take payments over the telephone by credit or debit card.

We are trying to make things as cost effective as possible. I would urge direct debits if you can manage it.

REPRESENTATION OF INDUSTRIAL PHARMACISTS

How will industrial pharmacists relate to the Society in its future regulatory and professional support roles? Industrial pharmacists are a minority in the profession — about 4 per cent of the register — and it is disappointing that the new governance board will not have a representative specifically for industry.

DAVID PRUCE (*Director of Practice and Quality Improvement*): The Society has an Industrial Pharmacists Group that talks to the Council and brings up issues — a recent one being counterfeit medicines. There is also a reserved place on the English Pharmacy Board for industrial pharmacists to make sure that the board gets relevant information from the industry.

The report of the Clarke Inquiry [into the future professional body for pharmacy] suggested that there should only be three sectors as far as voting for Council places goes. One of these is science, the others industry and academia. It also recommended that there should be a committee of special interest groups.

The Society would like to hear what the profession thinks about that. Was it the right way to support industrial pharmacists and all the other special interest groups within pharmacy, or should there be another mechanism?

In its submission to the Clarke Inquiry, the Society recognised that industrial pharmacy is not just about science and research but also about regulation, about sales and marketing. It should be properly represented to the Council and the Board.

The Society is in listening mode and is interested in what people have to say. So have your say and put your case forward. We want to hear it.

SUPPORT FOR INDEPENDENT PRESCRIBERS

How will the professional body support the future of independent prescribers?

DAVID PRUCE (*Director of Practice and Quality Improvement*): Independent prescribers are the pharmacists pushing the boundaries. We are trying to support them with a pharmacist prescribers' pack, which tells people what steps they need to go through to get into prescribing. We also invite all prescribers to join a discussion forum in which they can share good practice and begin to learn from each other.

Pharmacist prescribers are a small group. They number about 1,500, and they need to be able to develop their practice.

There are a number of barriers and enablers to prescribing — things like access to a care record, IT links and the development of the clinical role. We

have been lobbying government hard on all of those and it is good to see them all in the pharmacy White Paper for England. We know England is moving forward and I am sure that Scotland and Wales are as well.

We want to liaise with the current pharmacist prescribers about the support they need now that they have started writing prescriptions.

SUPPORT FOR LOCUM PHARMACISTS

Where does the future of locum pharmacists lie?

DAVID PRUCE (*Director of Practice and Quality Improvement*): Something like 40 per cent of the pharmacy workforce either are full-time locums or do some locum work. Locums tend not to be able to access the same level of support as employees so it is a group that we need to develop support for.

One thing locums say to the Society is that, having been accredited for an enhanced service in one primary care trust, it is a pain on moving to another PCT to have to go through the whole process again. That is one reason why Paul Bennett [chairman of the English Pharmacy Board] mentioned the Harmonisation of Accreditation Group [please see his presentation at <http://www.rpsgb.org/pdfs/openday080420PB.pdf>] What we would like is that you qualify to do a service in one PCT and you can take that around the country with you wherever you go.

To my mind locums should be able to provide the same enhanced clinical service as any other pharmacy professional. That is where we want to get to. Locums cannot access the level of support available to, say, employees in a large company, and we want to provide that support for them, so they get professional support from their professional body.

SUPPORT FOR PHARMACISTS LIVING ABROAD

What support might be available for registered pharmacists living abroad?

DAVID PRUCE (*Director of Practice and Quality Improvement*): We are providing more and more support online, where it is accessible from anywhere in the world. We publish a lot of information for pharmacists and about pharmacy. Much of it is related to how pharmacy works in the UK, but most is applicable wherever one is in the world. We know that because a lot of other countries want to use our website material or base some of their own work on it. That is great. It is a real recognition of where we are in pharmacy in the UK.

We intend to put out much more via the web. Because pharmacists resident abroad cannot normally get to British conferences, we are looking at how we can deliver the learning from conferences to them via the web. The British Pharmaceutical Conference is developing films and video clips that will be put

on the web, so that members in Britain and abroad who cannot get to Manchester in September can access the same learning. That is something that we will begin to develop much more, so that you do not have to turn up at a conference to benefit from it. That is a key development for pharmacists who are working abroad.

RESTRICTIONS ON PHARMACISTS FROM OTHER EU COUNTRIES

What is the rationale behind non-UK graduated pharmacists not being able to be in charge of new pharmacy premises, regardless of current and extensive experience as practising pharmacists in the UK? Apparently pharmacists with a qualification from the EU are not able to be in personal control of premises that are registered for less than three years.

DAVID PRUCE (*Director of practice and quality improvement*): Apparently pharmacists who are registered with a qualification from the EU are not able to be in personal control of premises that are registered for less than three years. How many of you knew that? Not a lot of people know that. When you look for a rationale for it, it is part of the Medicines Act.

We did look for a rationale and we actually went back to the transcript of the debate in the House of Commons. We had to go that far back. It is one of the vagaries of the Medicines Act. I know that Gordon (Appelbe) will probably be able to tell me. It is there; it probably is not that rational but it is unfortunately something that would require primary legislation to change.

GORDON APPELBE (*retired head of the Society's former Law Department*) The decision was made because the UK, among other EU countries, was frightened about a possible flood of pharmacists coming from elsewhere in the EU to open pharmacies.

ELECTRONIC TRANSMISSION OF PRESCRIPTIONS

What is happening with electronic transmission of prescriptions?

DAVID PRUCE (*director of practice and quality improvement*): It is beginning to happen, but it seems slow for what should be a rapid process. The uptake seems to be slow, but it is getting there. The Society is trying to work with Connecting for Health to make sure it happens.

Some interesting issues are coming out of ETP. It is actually changing the way we work. It is changing some standards that we have developed over time, such as whether you should be able to check a prescription from a physical prescription. Currently, we say you should never check a prescription from labels, but if you have an electronic prescription you do not have that physical prescription to check against. So how do you do it? That is one of the debates we are beginning to have in the English Pharmacy Board. Things are

moving on, but we are impatient and would like to see much quicker movement.

ROLE OF PHARMACY TECHNICIANS

What is the role of pharmacy technicians in supporting the enhancement of the pharmacy profession?

DAVID PRUCE (*director of practice and quality improvement*): Anyone who has worked with pharmacy technicians will recognise their value. They enable pharmacists to carry out new clinical roles. We really cannot do our clinical role without having support. Technicians are vital to pharmacists being professionals and doing their professional role.

COMMUNICATION

All that the Society has been doing, particularly over the past year, has cost a lot of money, and members do not know what has been spent on what and do not know everything regarding the pension scheme. A little more understanding of what is going on would help.

JEREMY HOLMES (*Chief Executive and Registrar*): We intend to place a question and answer document on the website, including the questions asked today and the answers given. One thing I would say, though, is that Bernard Kelly is a tough financial manager. We are constantly seeking efficiencies and we have managed to achieve a number, so we are not using your fees profligately — quite the reverse. Bernard Kelly has that under control.

HEMANT PATEL (*President*): I do not want people to walk away with the impression that information is not made available to the members. All the Society's activities have been regularly covered. There are no hidden activities.

As far as costs are concerned, costs become apparent after the activity and we have a process by which we account to the membership. In due course the finances of all the activities will be revealed in the Council's annual review. It is not appropriate to give a blow-by-blow account of the finances right through the year.

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