

THE ROYAL PHARMACEUTICAL SOCIETY OF GREAT BRITAIN

Transcript of the Public session of the Council meeting held on 1 November 2007

[NB: Decisions in square brackets and narrow type are taken from the unconfirmed minutes of Council and therefore are subject to amendment].

The Transcript of the public meeting of the Council is not the formal record of the meeting. The formal record comprises the papers presented to the meeting and the minutes as subsequently approved. The policy of the RPSGB is actively debated at the meeting. The views expressed in the transcript do not necessarily represent the Society's agreed policy.

The President, Mr Hemant Patel: Council, welcome to the November Council Meeting. We are in public business.

1. Apologies for absence

Are there any apologies for absence?

Ms Averil Ridgway, Head of Secretariat: Professor Mitchell, Ray Jobling, John Hanlon, Steven Churton, David Thomson and Lesley Morgan.

2. Declarations of interest

The President: We have one item on the agenda today. Are there any declarations of interest? All pharmacists have a declaration of interest. Can you show your hands for the record? (Indications made by: Mr S Acres, Mrs M Allan, Mr G Alexander, Mr M Astbury, Mrs C Brown, Mr J Buisson, Mr D Carter, Dr B Curwain, Professor S Denyer, Mrs D Drury, Dr P Entwistle, Mr J Gentle, Mr A Gush, Mr H Patel, Mr J Jolley, Mrs S Kilby, Mr G Phillips, Mr D Simpson). Any other declarations of interest?

Mr Gerald Alexander: I am a member of the Board of management and a director of the NPA.

Mr Graham Phillips: Not only do I pay my own fees, but premises fee and I pay individuals' fees for my pharmacists and technicians.

3. Fees for 2008

The President: I would like to go item 3, fees for 2008.

Chief Executive & Registrar, Mr Jeremy Holmes: We have six recommendations to bring before the Council. The first is that we recommend the headline retention fee for practising pharmacists is set at £395 for 2008, an increase of 39.6 percent as compared with 50 percent originally proposed, and that we make pro rata adjustments to all the other fees with the following exceptions: non-practising pharmacists' fee to be set at £67, an increase of 4.7 percent; non-practising technicians' fee to be set at £67, in line with non-practising pharmacists; overseas members' fees to be set at £118, an increase of inflation only from £112; new members and overseas initial fee to be set at £391, an increase of 39.5 percent; pre-registration fees and pre-registration exam fees to be increased by 4.95 percent, to £160 and £189 respectively. If this is amended, the revised fees would need to be gazetted in accordance with the byelaws.

The President: Thank you. Council, I want to read out a statement before I take comments from Council members.

The Council agreed a practising retention fee for pharmacists of £395 for 2008. In addition the Council has lessened the impact for some groups such as pre registration trainees and non-practising pharmacists.

The decision follows an extensive fees consultation exercise which took place over the summer and was the first of its kind undertaken by the Society. The Council also reviewed the Society's financial position following an extensive expenditure and efficiency analysis led by the Treasurer and the Society's senior staff.

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Through the dedicated work of the Treasurer and the Society's staff, Council have been able to set the 2008 retention fee at a lower level than originally proposed. Once again, I would like to thank the members, groups and organisations that have taken part in the consultation. The Council have listened to the comments that have been made and they have helped with the decisions taken today and will shape our discussions going forward. These are extraordinary and challenging times for the Society and for the pharmacy profession and we must ensure that we have a solid financial base on which to build for a bright future.

I am determined that members understand the reasons for the fee decision and we have a full communications plan in place to help achieve this. Some of the action points include the publishing of the independent review on our website, a news release containing a summary of the decisions on fees, and an updating of the detailed online Q&A. In addition, the Treasurer and I will be briefing the PJ and C+D immediately after this meeting and emails have been prepared for the branches, regions and wider membership.

At the Society we have a strong sense of purpose and vision: to make Britain the safest place to take medicines. We are establishing a sound financial base to create more tangible value to pharmacists, as well as for the wider communities and individual members of the public who look to us with trust and respect.

Council, I would like to go to the paper that you have as 110 and invite the Treasurer to comment and explain the decisions. Then I will invite individual comments from Council members.

The Treasurer, Mr Andrew Gush: Good afternoon, colleagues. I would like to present to you paper 110A, the Resource Management Committee report. The Committee met yesterday at 5.15 and I would like to thank everyone who came to the late evening meeting. I would like to sincerely thank all the staff and my colleagues who have helped prepare the paper.

I would like to give some background to the recommendations made by RMC which the Chief Executive read out to you.

RMC considered the final report of the analysis of the consultation on fees, which had been undertaken by Council from 3rd August 2007 to 3rd October 2007. It was noted that Council received a presentation of the interim results of the consultation on 2nd October 2007. RMC deliberated on the feedback to the consultation on the proposal to increase fees by 50 percent and the proposals, in light of this feedback, to increase the fee for practising pharmacists to 39.6 percent and the corresponding lower increases to other categories of membership.

In discussion, it was noted that since a decision to consult on an increase to the retention fee by 50 percent in July 2007, a number of major changes had occurred which had financial impact. Further work has been done to identify potential budget savings. This has been assisted by a reassessment of the timing of the implementation of certain aspects of the Pharmacists and Pharmacy Technicians Order, which would enable some costs to be delayed.

There has been a successful preliminary discussion with the trustees of the pension fund over the pension deficit, which was expected to result in a reduction of the deficit. The Society was about to consult with staff on reducing future benefits from the pension scheme and thus costs. The Society has been able to agree with the Charity Commission changes to the trust deed of PTECO which allows PTECO to support the work of the Pharmacy Practice Research Trust. This was work that would otherwise have been directly supported by the Society and thus helped to ameliorate the additional tax charges arising from the recent changes to the Gift Aid legislation.

The Government have provided £3 million to PRLOG to assist with the creation of the General Pharmaceutical Council which had reduced the future risk factors affecting the Society.

RMC also noted that Council was seeking to introduce staged payments for 2009.

On the basis of this discussion, the following recommendations were made:

- To set the headline retention fee for practising pharmacists at £395, an increase of 39.6 percent, instead of 50 percent, and make pro rata adjustments to all other fees with the following exceptions:
- Non-practising pharmacist fees to be set at £67, an increase of 4.7 percent. Non-practising technician fees to be set at £67 in line with pharmacists.
- Overseas members' fees to be set at £118, an increase of inflation only from £112.
- New members and overseas initial fee to be set at £191, an increase of 39.9 percent.
- Pre-registration fees and pre-registration exam fees to be increased by 4.95 percent to £160 and 189 respectively. If this is amended, the revised fees would need to be gazetted in accordance with the byelaws.

In addition, I would make one more comment, to agree in principle that staged payments should be pursued as a matter of priority. I could elaborate on that. Staged payments is a complicated process and I am determined that we will do everything possible to put this in place at the earliest possible time. Thank you, colleagues. I would welcome any comments.

The President: Thank you, Treasurer. For Council members, I would invite comment on (i).

Mr John Jolley: While recognising the considerable amount of work that has gone into preparing these revised proposals, I do express disappointment at the failure to recognise the impact that these increases will have on those specialised selected groups within the Society, namely the academic and the industrial pharmacist sector, where these increases are likely to have serious implications, in terms of the numbers of members retained within that group. I would have thought it quite possible that consideration could have been given under the special provisions that have been made for certain categories in these proposals. I would like to have seen some special measures taken in order to safeguard the numbers of members that we retain across the whole breadth of the pharmacy profession. That is because I see there is a very real danger that we will become an area of professional association which has one single area of practice; namely community practice.

Mr Jonathan Buisson: I am pleased to see we have been able to hold down the costs of increase for the preregistration fees. I think that is a step in the right direction. I believe a cut in the headline rate is a step in the right direction. As a Council we have to look at the future and what it means for the whole of the Society and the whole of the membership. But also as a Council we have to be realistic about how much we can do to please all of the people all of the time. I do not think this will please all of the people all of the time, but it has been well thought through.

I have expressed the concern that obviously the income forecast is based not only on the fee, but the number of members who pay each individual fee. Clearly we have to wait to see how many people do pay each individual fee and what happens after that. I would like to thank the *PJ* in its leading article last week for making some positive suggestions. We have had a lot of people saying how much they did not like it, but it was nice to see some positive things we can and have considered.

Mrs Sue Kilby: Thank you for this paper. Obviously it is very difficult to please everybody, but, Andrew, you spent a lot of time over the summer trying to solve this particular problem. I still have concerns about pharmacists when they first come on the register, especially those working in hospital, primary care and academia, because of the relatively low level of remuneration that they are actually receiving. I wonder whether this is an area where we are actually looking to see what we can do for new entrants to the Register

Mr Andrew Gush: Sue, I welcome the question and I would like to give an answer. The Council recognise that in addition to preregistration trainees and non-practising pharmacists and technicians, there are other groups for whom a case can be made for lessening the impact of this increase. This much is clear from the consultation responses. The Council will continue to take into account these people and look at the time scale which we need to make these changes. I think that there is a strong desire, and what we must try to ensure is that the time is available to investigate and hopefully make these changes. So yes, there is certainly strong sympathy and I welcome the comment.

Mr Gerald Alexander: I am pleased to think that the non-practising fees have only been increased by relatively small amounts, as the new members and overseas initial fees. I still raise a concern in relation to the practising pharmacist fee, in that potentially large numbers of pharmacists may resign --

we do not know what the numbers are -- and that would have an impact on our budget going forward. I am sure we would have to recalibrate and recalculate. But the concern I raise is that going forward, I would have preferred to have seen increases take place perhaps over a longer period. Nevertheless, this is the decision that the Council has made. As a member of Council, I feel duty-bound to abide by corporate governance and go forward with the decision.

The President: Gerald, that is the decision we are making now.

Mr Gerald Alexander: You have already read it out, President. What I am trying to say is that I would have preferred to have seen a staged arrangement. I am concerned as the organisation does split in 2009 to 2010 what the reaction of pharmacists at that time will be to the proposed fees. I am sure they will store some of this in their memory and I hope, as we move forward, we can retain a high proportion of membership into any new Royal College organisation. That is my sincere hope. I am sad to think that there are pharmacists who will be resigning from the register as a result of this.

Mrs Dorothy Drury: Thank you, President and Andrew. I want to see a sustainable professional body in the future, but I have worries that a large increase in members' fees might push part-time members and those in certain non-clinical sectors to come off the register. We may also have changes from the practising register to the non-practising register, which may reduce the total level of fees. The problem is highlighted by having a large increase next year before staged payments can be brought in later. When it is not mandatory to join a professional body, we will be in a competitive market so we need to listen to our current members.

Mrs Margaret Allan: Whilst recognising that we are in a very difficult position and we have tough decisions to make with regard to our finances for the on-going future of the Society, I would like to express concerns that I would have liked the RMC to have revisited our agreed financial strategy from earlier in the year, post consultation that we had with our members, and looking at the strength of the views of our members, actually revisiting the feasibility of staged payments over possibly three years of 30 percent, 15 and 15 percent, which we considered in the past. I do believe that may have been more acceptable to our members.

Mr Graham Phillips: Whilst I share the concerns of my colleagues, as a member of RMC. I have been close to all this and I support the recommendations. I particularly applaud the work of the Treasurer and Bernard [Kelly, Director of Finance & Resources] and his team for the very detailed work that has been done to achieve at least some improvement in the situation. I would like to make some general points. The first is that I believe we simply cannot have jam tomorrow. From the perspective of members, they will look to see some improvements and some changes and the right culture and that needs to start immediately. That cannot start too soon.

My second point is around the effects of the transition period that we are currently in, moving towards two separate bodies. I am thinking of the costs and the difficulties that we went through as an organisation supporting the Carter process, the current investment we are making in PRLOG and the fact that the pension fund position has had to be coalesced, because of Government's action in splitting the organisation and the cost of section 60.

My point is this. I believe the Government has a moral imperative to support this organisation and support the profession. It is demanding from us a high level of practice and a level of input which is certainly our professional ambition. It has a moral imperative therefore to provide the resources to the profession and to support this organisation in doing so. I would like see us negotiating much harder with Government to achieve those aims.

Mr Steve Acres: I am pleased to see there has been some recognition of the differential between the non-practising fee for pharmacy technicians and pharmacists, resulting in a reduction in fees for technicians. I am grateful for that. It is with very mixed feelings that I support the paper that has been put before us today on the basis of financial reality.

Dr Brian Curwain: I think the paper represents a sensible compromise in an extremely difficult situation that we have found ourselves in. Various costs have increased dramatically, but fortunately since the consultation was begun, a number of things have worked in our favour. I will not detail these, but I think it is helpful that we are planning to put some of these financial and negotiating

positions, which have changed to the favour of the Society during the consultation process, on the website so members can see it. This is actually how and why we were able to move in the direction we all really wanted to move in, but did not feel able to.

Mr Andrew Gush: Brian, you are right and that the information will be available hopefully today on the website.

The President: Any comment before I put the motion of RMC to the Council? If not, I want to make a comment before we take item 1. I think members will recognise that a large proportion of our expenditure is directed towards regulatory activity, so that is not negotiable because that is very clearly a fact. The only area which is vulnerable to change is the professional and membership services side. That needs to be funded and developed in the future.

In December we will be bringing an ambitious plan to the Council to develop the profession for the future, which serves the interests of all the sectors within the pharmacy profession. I think I can understand members' feelings about a 50 percent increase in fees. Nobody likes to pay a fee, but increases of this kind, I am sure, would be seen as a disappointment.

However, I think members are responsible and they will recognise the work put in by Council to listen to what they have said; also not only to listen, but to take action which supports them in the future. We must not compromise the future in order to deal with short-term objectives. I think the responsible decision is to support this compromise which has come to us from RMC.

Council, I urge you, for the sake of the long-term future of the profession, to support the proposals which have come from RMC.

Going to recommendation (i) in your papers, can I ask Council members to show all those in favour? **(Vote taken: carried)** The recommendation is carried. Recommendation (ii), the non-practising pharmacist fee to be set at £67, an increase of 4.7 percent. Please show. **(Vote taken: carried)**. Recommendation (iii), non-practising technicians' fee to be set at £67 in line with pharmacists. **(Vote taken: carried)** Recommendation (iv), overseas fee to be set at £118, an increase of inflation from £112. **(Vote taken: carried)** Recommendation (v), new members' and overseas' initial fee to be set at £191, an increase of 39.5 percent. **(Vote taken: carried)**. Recommendation (vi) pre-registration fees and pre-registration exam fees to be increased by 4.95 percent to £160 and £189 respectively. **(Vote taken: carried)** Finally, Council, can you agree in principle that staged payments will be pursued as a matter of priority? **(Vote taken: carried)**

Thank you for your input, Council. A press release will be made available for members and those interested in the matter.

[Council agreed (i) to set the headline retention fee for practising pharmacists at £395, an increase of 39.6% instead of 50% and make pro-rata adjustments to all other fees with the following exceptions, (ii) non Practising Pharmacist fee to be set at £67 an increase of 4.7%; (iii) non Practising Technicians fee to be set at £67 in line with Pharmacists; (iv) overseas members fee to be set at £118, an increase of inflation only from £112, new members and overseas initial fee to be set at £191 an increase of 39.5%; and preregistration fees and preregistration exam fees to be increased by 4.95% to £160 and £189 respectively. If amended, these revised fees would need to be gazetted in accordance with the byelaws.]

4. Any other business

Is there any other business? **(None)** In that case, we will close the public session and go to confidential business.

The President closed the public business of the Council.