

# Service Plan 2018



“Assuring trust in pharmacy through effective regulation”

- PSI 2018-2020

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Approved by the PSI Council on 7 December 2017

# 1. Introduction

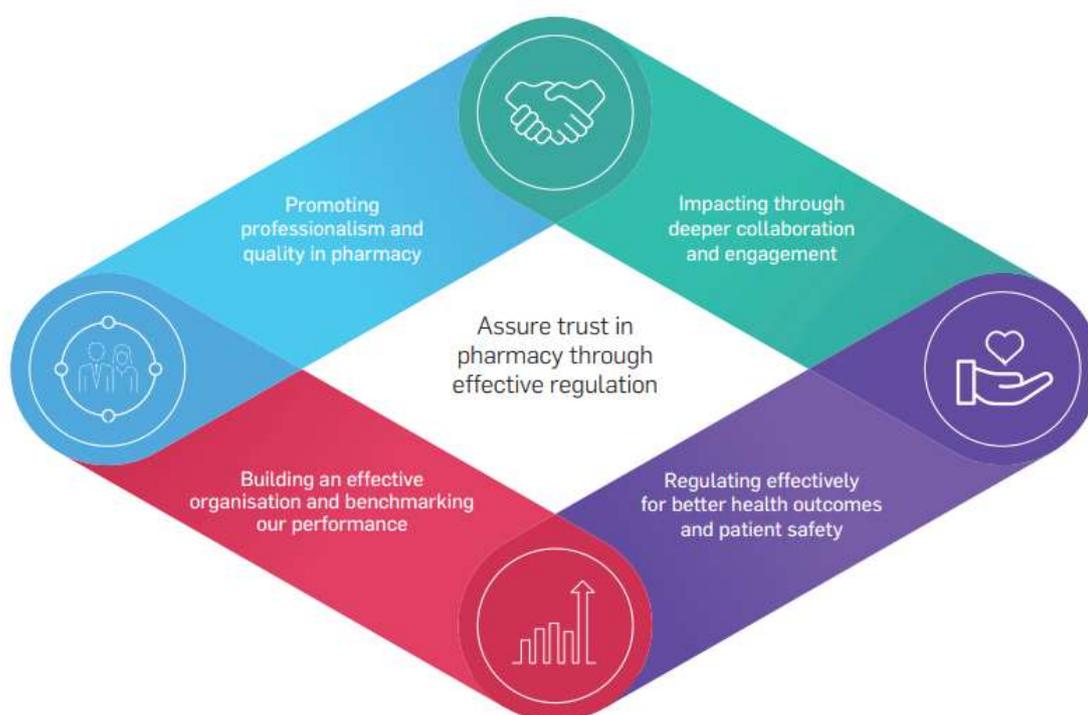
Each year, the PSI sets out its annual work programme and commitments in a Service Plan that is approved and overseen by the PSI Council, and which is made available on the PSI website.

This Service Plan for 2018 provides an overview of the main projects and operational activities that will be carried out by the PSI under the first year of our Corporate Strategy 2018 -2020.

The new three-year Strategy sets out the actions that all those working for, and on behalf of, the PSI will take to ensure our work provides ongoing assurance to the public as to the safety and reliability of both pharmacists’ practice and pharmacy services. Through our implementation of this Strategy, we will enhance public trust in pharmacy by ensuring that our regulatory approaches protect the public and encourage improvement and ongoing quality development within pharmacy practice in Ireland.

The key projects and activities we will undertake in 2018, and the budget allocation, are set out in this document under the four related strategic results areas of our Strategy:

- **Promoting professionalism and quality in pharmacy**
- **Impacting through deeper collaboration and engagement**
- **Regulating effectively for better health outcomes and patient safety**
- **Building an effective organisation and benchmarking our performance**



Our decisions and actions are directed to achieving our central organisational goal, to **“Assure trust in pharmacy through effective regulation”**. It is the key measure against which we will assess ourselves, and against which the public and our stakeholders can hold us accountable.

As well as setting a new strategic agenda and envisioning new projects and fresh ways of working, we must continue to fulfil our primary statutory functions. The Pharmacy Act 2007 provides for a system of regulation of pharmacists and pharmacies in Ireland and places very clear responsibilities on the PSI in respect of its regulatory role and its involvement in the development of the pharmacy profession in the interests of patient safety. Critical to all of our work, and central to our mission, are ongoing areas of activity which we will continue to deliver upon in 2018:

We will:

- operate fair, transparent and efficient registration procedures for all registrants and robustly maintain the statutory registers,
- evaluate, for accreditation purposes, programmes of education leading to qualifications appropriate for practice as a pharmacist in the State,
- oversee the effective implementation of the mandatory system of continuing professional development (CPD) for pharmacists,
- ensure that we effectively and fairly perform our statutory role in conducting inspections, investigations and in taking enforcement actions where necessary,
- manage the statutory complaints procedure and continue its operation, in accordance with the law, natural justice and fair procedures,
- promote good professional practice by pharmacists by raising standards and sharing information for the benefit of patients and the wider health system,
- comply with our own statutory obligations so that we are acting according to best practice standards in the governance of public bodies,
- operate a prudent financial policy and manage all PSI resources effectively to ensure that the PSI’s statutory functions are performed, and
- effectively communicate and engage with the public and the pharmacy profession, as well as with Government, healthcare organisations and regulators and other stakeholders.

The PSI annual Service Plan is prepared in compliance with the Pharmacy Act 2007 (Schedule 1, paragraph 22) and in line with the provisions of the *Code of Practice for the Governance of State Bodies*, as published by the Department of Public Expenditure and Reform in 2016. This Service Plan has been developed through a process of consultation across the PSI, and has been approved by the PSI Council.

PSI management, under the leadership of the Registrar, keeps the delivery of the Service Plan under regular review. Progress against the three-year Strategy implementation plan

and this annual Service Plan will be reported on regularly to the PSI Council, and published in our Annual Report.

The PSI continues to develop its internal systems and infrastructure so that it can maximise performance, ensure efficiency, and manage risk. The overall performance management process is overseen by the Council and its Advisory Committees. Recognising that risk is a constant in today's world and a critical governance concern, PSI management aims to ensure that we remain responsive to risk by reviewing and appropriately managing our organisational risks throughout the year and, through the PSI Audit and Risk Committee, providing ongoing assurances to the Council in this regard.

## Our Vision

That the public has access to trusted pharmacy services and that the PSI makes a clear and demonstrable contribution to the availability and quality of those services.

## Our Mission

We protect and promote the health, safety and wellbeing of patients and the public by taking timely and effective action to ensure that pharmacists in Ireland are competent and that pharmacies are operating to high standards of safety and reliability.

## Our Values



The infographic consists of five vertical panels on a dark blue background. Each panel features a circular icon on the left, a value title in teal, and a descriptive sentence in white. The values are: 1. 'Serve the public' with a heart and hands icon, stating 'The safety of the public is at the heart of everything we do, and we act to ensure that safety.' 2. 'Everyone Counts' with a group of people icon, stating 'We value, appreciate and respect everyone we engage with.' 3. 'Work Together' with a speech bubble icon, stating 'We work in partnership with our colleagues and all our stakeholders.' 4. 'Lead by example' with a flag icon, stating 'We behave with integrity and objectivity. Our actions are evidence-based and timely.' 5. 'Embrace Change' with a circular arrow icon, stating 'We are innovative and we adapt to achieve results and continuously improve.'

Our values underpin how we deliver on our mission. They guide our behaviour, the expectations we set ourselves, and the experience of others who engage with us. They evidence our commitment to equality and human rights in the way we fulfil our statutory role.

Attachment to our values will ensure that we achieve the objectives we set, in ways that are properly accountable and which meet with the high standards expected of public bodies and of the public servants who work within them.

## 2. Activities 2018

In this first year of a new strategic development programme, we will initiate a new phase of activities and enhance how our regulatory policy and functions can contribute to the wider health and patient safety agenda. This 2018 Service Plan should be read in conjunction with the Corporate Strategy 2018-2020, which is in turn underpinned by a three-year phased implementation plan, created to assist in the effective delivery and oversight of the objectives we have set ourselves.

### An overview of our activities planned for 2018

In addition to our core and ongoing work as a professional regulator, below is a summary of the key activities of a strategic nature which we also intend to pursue during 2018. They are presented as they relate to each of the four strategic results areas in our Corporate Strategy.

#### Promoting professionalism and quality in pharmacy

Objective: We will act to support professionalism within pharmacy and the delivery of safe and reliable pharmacy services

- Publish a new Code of Conduct for pharmacists with extensive stakeholder engagement highlighting the ethical expectations set out in the Code while acknowledging the importance of professional judgement.
- Commence a strategic review of the Irish Institute of Pharmacy.
- Ongoing consideration and review of the processes of recognition and registration, with due consideration to the implications of Brexit, and the suitability of the current third country route of registration.
- Engage with key policy makers to progress the recommendations from the Future Pharmacy Practice Report, share our recommendations and research findings and inform policy development and healthcare reform.
- In line with our statutory obligations to review the Core Competency Framework for pharmacists every five years, this will commence in 2018.
- Develop an accountability framework for pharmacy owners including guidelines on the requirements of supervising and superintendent pharmacists and pharmacy owners.
- Continue to monitor and assess the successful roll out of the recently introduced integrated MPharm and mandatory CPD for pharmacists.

#### Impacting through deeper collaboration and engagement

Objective: Deepen our engagement and communication with stakeholders to ensure our work is making an impact and that we are focused on the key outcome areas

- Expand and develop the PSI's communication channels with a new website and expansion of the PSI's social media presence, as well as looking at new ways of engaging effectively.

- Explore new ways of engaging with the public and diverse stakeholders to ensure we gain broad societal input to our work.
- Collaborate with other regulators and develop new formal relationships with other appropriate bodies on areas of mutual concern.
- Review the outcomes from the fitness to practise and inspection processes to ensure that the wider learnings are impacting on practice.

## Regulating effectively for better health outcomes and patient safety

Objective: Regulate in ways that are proportionate, effective and risk-based, with a focus on the key areas relevant to patient health and safety

- Work with the Department of Health and other stakeholders to pursue a programme of regulatory reform of the Pharmacy Act 2007 and the associated regulatory framework.
- Develop a risk assessment framework of retail pharmacies to assist with the effective deployment of regulatory resources.
- Clarify and exercise our regulatory remit under the Pharmacy Act 2007 in relation to hospital pharmacies.
- Undertake a review of the operation of the Pharmacy Assessment System.
- Design and conduct themed programmes of inspections in key areas of pharmacy practice.
- Explore how behavioural economics could be applied in the context of pharmacy regulation.

## Building an effective organisation and benchmarking our performance

Objective: Build an agile and high-performing organisation, capable of delivering on our mission and have our performance independently assessed

- Analyse business processes and commence the process of business transformation.
- Commence the development of a HR strategy to assist in building organisation agility.
- Review and adapt our organisation and management structures to support the delivery of our strategic objectives.
- Undertake a review of the role and governance remit of all sub-Council structures.
- Work towards making a submission for external assessment against the requirements of the EFQM business excellence model.
- Ensure compliance with the General Data Protection Regulations (GDPR).

We envisage that 2018 will involve us laying significant groundwork by way of review, consultation, policy development and staff recruitment, so that we can realise our objectives effectively in the subsequent years.

As in 2017, we will continue significant work directed to consolidating and developing the organisation internally. This will help prepare the PSI to meet the regulatory challenges of 2018 and beyond.

Communication and engagement has a vital position in all aspects of our work. We will continue to ensure that our work priorities and our decisions are based on wide consultation with PSI registrants, pharmacy students, patients and the general public. We will examine how we can evolve our styles of engagement so that we are learning from a broad community, and gaining from their input, as well as finding different ways of raising awareness about our role and that of pharmacists and pharmacy in Ireland. We will also work closely with other regulators and public bodies to ensure that we share relevant information, achieve ongoing efficiencies in service delivery, support quality improvement within healthcare organisations and safeguard public health and welfare.

## 3. Financial Position and Budget 2018

### Financial Position 2018

#### Strategic Direction

The PSI will continue to operate in a prudent manner to ensure its resources are fully and properly utilised to meet its statutory functions and the regulation of the delivery of pharmacy services in Ireland. We will strive to implement the objectives of the new Corporate Strategy 2018-2020 while continuing to adhere to Government policies for healthcare regulation and the healthcare sector.

The PSI will continue to manage its resources carefully and will ensure it has the funding and reserves available to meet its expenditure commitments. Reserve funds will also be managed and invested appropriately and in line with Council policy to ensure that future liabilities are funded as they arise.

#### Operational Expenditure Plan 2018

The operational expenditure plan is impacted by the constraints of resources available and the operating deficits agreed by the Council.

Details of the proposed expenditure are outlined in the Service Plan. The 2018 Service Plan includes a budget drafted on the following basis:

- Activities for 2018, as outlined in this Service Plan
- A number of operational expenditure items deferred from 2017 totalling €45k
- Exceptional expenditure deferred from 2017 in relation to APPEL seed-funding of €189k and Code of Conduct €36k.
- Professional Registration Examination funding payable to RCSI for the next academic year of the contracted service of €34k.
- The roll-out of the Business Transformation Office and a number of other development initiatives as outlined in the Service Plan based on the Corporate Strategy 2018-2020.
- Full-year effect of all approved and appointed staff by year end 2017 and the effect of all workforce matters as approved by Council on 21<sup>st</sup> September 2017.
- Payroll costs include the effect of unwinding the Haddington Road Agreement through the Lansdowne Road Agreement and its extension and the associated public sector pay restoration implications.
- Provision for contingency funding of €73.5k for Irish Institute of Pharmacy costs as we transition to a new contract in early 2018.

- Implementation of the Corporate Procurement Plan with annual procurement activity mapped out for 2018 and incorporating the impact of concomitant efficiencies.

The total operational expenditure for 2018 is budgeted at €8,216,921. This includes expenditure on projects amounting to €338,586k which are classified as exceptional expenditure items and agreed by Council to be funded from PSI Reserves (accumulated surpluses) as provided for in paragraph 12(2) of Schedule 1 of the Pharmacy Act 2007. This results in an adjusted budgeted operating deficit of €328,592 for the year.

## PSI Budget for 2018

The 2018 budget is based on meeting, to the optimum level, the statutory obligations of the PSI within the constraints of resources available.

The financial position of the organisation must be such that it supports the legislative requirements placed on the PSI, and that, in applying these requirements, the PSI performs its functions in accordance with best practice in the governance of all its duties, including the management of its financial affairs.

Following the development of the budgetary process for the 2017 budget by implementing aspects of Activity Based Budgeting (ABB) and moving away from the previous historical cost budgeting approach, the PSI Executive has continued with this approach for 2018.

The PSI budget for 2018 is based on the activities outlined in the Service Plan and is framed within the context of the new Corporate Strategy 2018-2020. In summary, the income budget is €7.550m and the total proposed operational expenditure for 2018 is €8.217m of which €338.6k has agreed to be funded from reserves, thereby projecting a deficit arising from operating activities of €0.329m.

## Overview of 2017 Budget Main Components

### 1. Income (€7.550m)

For the 2018 income budget, we have budgeted a small increase in the registration numbers for both retail pharmacy businesses (RPBs) and pharmacists. In addition, we anticipate that we will continue to see significant activity for new first-time retail pharmacy businesses registrations due to group restructuring, change in shareholding of corporate bodies and change in ownership of Sole Trader or Partnership held RPBs. The total income from registration fees and other related administration fees is expected to be €6.940m, an increase of €203k on 2017. Other income will remain relatively static with projected interest

income dropping to a new all-time low at just €9k. The Department of Health will continue to fund the operations and further development of the Irish Institute of Pharmacy's operations in 2018 up to an amount of €600k and this makes up the remaining income bringing the total to €7.550m.

## 2. Total Expenditure (€8.217m)

The projected expenditure in the 2018 budget provides for the continuation of the core functions and services as in previous budgets, any continued cost of projects commenced in prior periods, as well as newly planned activities for the year 2018.

### a) Pay Budget (€3.879m)

The total pay budget for 2018 is €3.879m being an increase of €0.466m or 12% on the 2017 pay budget. The staffing and pay levels are in line with Public Sector Pay Policy and include all workforce matters approved by Council at its 21 September meeting, based on the additional new posts coming on stream on 1 April and 1 June 2018. Staffing levels should be 55 by year-end plus additional seasonal resources associated with the peak continued registration period of mid-November to year-end. The budget for pay in 2018 incorporates the unwinding of the Haddington Road Agreement through the Lansdowne Road Agreement and its extension and the associated public sector pay restoration implications.

### b) Non-pay Budget (€4.338m)

The non-pay budget covers the costs of all goods and services expected to be incurred by the PSI during the year. It includes the regular contracted services and scheduled development projects.

#### (i) Operational Costs (€3.096m)

- Organisational costs:

The 2018 budget for organisational costs is €267k and includes staff travel and subsistence; printing, postage and stationery; telephone and fax; membership fees; general consultancy fees; and sundry costs.

- Facilities costs:

The 2018 budget for facilities costs is €246k and is an increase of €23k from the projected 2017 outturn due to increased costs in planned preventative maintenance in relation to PSI House and reflects the fact that after five years occupancy, we are no longer enjoying the benefits of a brand-new building. Facilities costs include energy, security, cleaning and catering support, facilities management resources, as well as repairs and maintenance.

- ICT costs:

The budget for ICT costs is €443k, and is an increase of €26k from the projected 2017 outturn. Expenditure includes costs for hosting and support services, annual software license fees, ICT operational costs, enhanced disaster recovery and security costs, print management costs and infrastructure upgrades. Hosting and support costs have increased due to the inclusion of AWS (Amazon Web Services) fees for cloud data storage following this move in 2017. There are increased annual license fees and infrastructure upgrade costs due to additional staff. Disaster recovery and security costs have increased with the requirement for regular ICT cybersecurity testing.

- Corporate governance costs:

The budget for Corporate Governance costs is €310k, an increase of €4k from the projected 2017 outturn. Corporate Governance costs include all Council and Committee fees, Council and Committee expenses (travel and subsistence) and corporate governance projects totalling €20k.

- Fitness to Practise Costs:

The budget for FTP costs is €675k, an increase of €26k from the projected 2017 outturn. Expenditure includes training costs for disciplinary committees, Inquiry solicitors' fees, Inquiry counsel fees, fees payable to witnesses and legal and medical assessors. The budgets are based on best estimates that consider variables including level of complexity, expected number of inquiry days per hearing and the different types of expert reports anticipated in 2018.

- Professional Development and Learning costs:

The budget allocated to our Professional Development and Learning function is €293k, a decrease of €135k due to reduced accreditation costs, while Affiliation for Pharmacy Practice Experiential Learning (APPEL) costs are anticipated to be €199k for 2018. This APPEL seed funding is a deferred cost from 2017 due to later than anticipated drawdown. The 2018 budget also includes a €34k allocation for NPIP Professional Registration Examination (PRE) costs as approved by Council in 2017 as additional expenditure.

## (ii) Irish Institute of Pharmacy (IIOOP) and outsourced CPD management costs (€1.173m)

The ongoing implementation and development of the PSI's CPD model through the Irish Institute of Pharmacy (IIOOP) will continue into 2018 which should also see a new contract in place for the continued outsourcing of this arrangement. The Department of Health will continue to fund the operations and further development of the IIOOP in 2018 up to an amount of €600k. The total cost of funding the IIOOP is €1.173m for 2018.

### (iii) Organisation-wide projects (€0.068m)

The budget for organisation-wide projects is €68k. These costs include our ongoing work towards assessment against the criteria underpinning the European Foundation for Quality Management (EFQM) award, strategy implementation, policy development, organisational structure review, and work on potential reform of the Pharmacy Act.

### 3. Projects funded from Reserves (€0.339m)

There are three projects which are classified as exceptional expenditure items and agreed by Council to be funded from PSI Reserves (accumulated surpluses) as provided for in paragraph 12(2) of Schedule 1 of the Pharmacy Act 2007.

#### i. APPEL (Affiliation for Pharmacy Practice Experiential Learning)

In 2014, the PSI Council unanimously approved to seed-fund the establishment of the shared service facility for practice placement provision across the three academic institutions (APPEL) and in December 2015, the Council approved that the seed funding be taken from reserves. The costs are anticipated to be €199k for 2018 of which €189k is a deferred cost from 2017 due to later than anticipated drawdown.

#### ii. Code of Conduct

In December 2016, the PSI Council approved to fund the Code of Conduct review for Pharmacists project from the PSI General Reserve in compliance with the PSI General Reserve Policy. The total budget for the project is €44k of which €36k is anticipated to be spent in 2018.

#### iii. Business Transformation office

In September 2017, the PSI Council approved to fund the business transformation office posts from PSI General Reserve in compliance with the PSI General Reserve Policy. The total budget for the project is anticipated to be €104k in 2018.

## Management of 2018 Budget

- Procurement planning

The PSI will continue to search for efficiencies, value for money and use ICT solutions and Office of Government Procurement (OGP) frameworks where feasible.

The PSI will ensure that its procurement policies and procedures are implemented and that competitive tendering is undertaken for goods and services procured. The PSI will carry out its annual procurement activity in line with the corporate procurement plan.

- **Financial Management**

Each Department/Unit will be responsible for managing its own budget. Regular reports will be issued to the Heads of Departments and Unit Managers. Monthly meetings will take place with each budget-holder and a PSI accountant to discuss progress and any resulting variances. All variances will be considered by the Senior Management Team and remedial actions taken as required.

The Administration and Finance Committee will review quarterly financial reports and will in turn report to Council. The quarterly reports will also be reviewed by the Audit & Risk Committee.

- **Investment Management**

The PSI invests its funding as per its approved Investment Management Policy. The PSI will continue to manage its funding and cash flows to ensure availability and access to funding in order to service its requirements placed on it in legislation and any future developments that may so arise. PSI funds are currently invested with Ulster Bank, AIB Bank, Bank of Ireland and KBC bank. Bank interest rates continue to remain very low and this trend is expected to continue for the medium term.

The contributions collected and held for the Pharmaceutical Society Superannuation Scheme 2016 are currently held on fixed-term deposit. Interest rate quotes for re-investment will be sought as these monies mature.

- **Property/Facilities Management**

In 2018, the PSI will be entering its sixth year of residency in PSI House. The premises continues to provide efficiency of resources with the ability to hold all meetings, fitness to practise inquiries, and events in-house, as well as the ability to support regulatory colleagues and other stakeholders in the provision of modern meeting facilities. We will continue to work closely with the facilities management service provider to maintain the property to a high standard and deal promptly with maintenance issues as they arise.

## Summary Budget 2018

	€M	€M
<b>INCOME 2018</b>		
Registration of Pharmacists	2.468	
Registration of Retail Pharmacy Business (RPB)	4.355	
Administration charges and other registration costs	0.118	
Bank Interest Received	0.009	
Department of Health Funding to the IIOF	0.600	
<b>Total Income</b>	<u>7.550</u>	<b>7.550</b>
<b>EXPENDITURE 2018</b>		
Pay Costs	3.879	
Operational costs	3.096	
Irish Institute of Pharmacy (IIOF)	1.173	
Organisation-wide projects	0.068	
<b>Total Expenditure</b>	<u>8.217</u>	<b>8.217</b>
<b>Operating Surplus/(Deficit)</b>		<b>( 0.667 )</b>
<b>Add Back - Projects Funded From Reserves</b>		<b>0.339</b>
<b>Adjusted Surplus/(Deficit) for the Year</b>		<b><u>( 0.329 )</u></b>