

Pharmaceutical Press Governance

Background

In order to rectify a number of inconsistencies, clarify a number of inherent historical ambiguities and areas of potential confusion between Pharmaceutical Press and Pharmaceutical Press Ltd within the existing document, a number of amendments to the Regulations, outlined below, are required.

1.0 PhP/PhP Ltd

a) Pharmaceutical Press (PhP)

Pharmaceutical Press (PhP) is a wholly owned business division of the RPS. The governing documents for the activities of PhP are the RPS Regulations.

PhP is not a legal entity capable of contracting in its own name. The income and expenditure for PhP goes in/comes out of RPS bank accounts and all contracts are managed by the RPS.

However, both PhP and the PhP Board (see 2.0 below) have a certain degree of autonomy in a number of areas, within the overall framework of ultimate accountability to Assembly, as outlined in the Regulations.

b) Pharmaceutical Press Ltd (PhP Ltd)

RPS is also the exclusive shareholder in a dormant limited company called Pharmaceutical Press Limited (PhP Ltd), incorporated in England under company number 07165037. The governing documents for this dormant company are the 2010 Articles of Association registered with Companies House. This company does not trade and files dormant accounts. Its Articles of Association are not relevant to the day to day running of Pharmaceutical Press as a business entity of RPS.

The dormant company dates back to the 2010 de-merger of RPS as a professional membership organisation from the regulatory function now held by the General Pharmaceutical Council. Our understanding is that during this time, the possibility of charitable registration for RPS was considered and Pharmaceutical Press Limited was set up specifically to allow that charity to run a profit making trading subsidiary for its publishing activities (in line with charity law). However, this route was not pursued and Pharmaceutical Press continued purely as an in-house business division of RPS. Maintaining PhP Ltd as a dormant company allows RPS to preserve and protect the trading name 'Pharmaceutical Press' on the Companies House register.

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APPENDIX A

Amendments to Regulations re PhP/PhP Ltd

16 PHARMACEUTICAL PRESS (PhP)

Pharmaceutical Press is a business division of the Royal Pharmaceutical Society. It has no legal standing of its own and conducts its business as a department of the RPS.

Its aims are:

- to publish and promote journals, books and digital information and educational services and associated events for pharmacists and other healthcare professionals in the UK and internationally;
- to produce a positive financial contribution to the Society over the long-term;
- to support the objectives of the Society, consistent with the commercial appeal and success of its publications and services.

RPS expects PhP to fulfil its aims as the PhP Board members reasonably determine, using all reasonable care and skill. The Publishing Executive Team will develop a publishing strategy that supports the overall aims of PhP and is aligned with the RPS's Strategy.

16.2 Pharmaceutical Press (PhP) Board

Assembly shall determine the establishment and composition of a Pharmaceutical Press Board to provide guidance and advice to Assembly and PhP Managing Director on the running of a commercial publishing entity.

The PhP Board shall have 10 members:

- three RPS Executive members (Chief Executive, Director of Operations and PhP Managing Director)
- one non-Executive member being the Chair of PhP
- four 'publishing' non-Executive members comprising people with skills and experience gained in the publishing, information, media and digital markets
- two 'pharmacy' non-Executive members (the RPS President and one other Assembly member), representing the pharmacy profession, who are members (but not employees) of the RPS.

All non-Executive members will be appointed by the RPS Appointments Committee, with input from the PhP Managing Director and PhP Board Chair as appropriate, ratified by Assembly.

The PhP Managing Director (MD) is appointed by and reports to the RPS Chief Executive but it is also recognised that the appointment and aspects of operational delivery and the performance appraisal of the MD should incorporate input from the PhP Board Chair

16.3 PhP Board powers and functions

RPS undertakes to respect the PhP Board's independence, and to respect PhP's editorial policy and publishing independence as communicated and discussed from time to time with the Assembly.

The PhP Board shall have the following powers and functions:

- Providing input to, reviewing, and ultimately recommending the annual business plan and budget developed in response to the PhP's strategy

- Reviewing, advising on, and approving PhP business investment decisions within the authority limits and/or parameters of the annual PhP business plan/budget approved by Assembly
- Holding the MD to account for ensuring the delivery of the business plan objectives
- Reporting to the Assembly at each meeting via the submission of Board meeting minutes

16.4 PhP Board Finances

The Publishing Board will have the authority, through the Assembly-approved Business Plan/Budget process, to approve PhP business investments, including agreements with third parties and the purchase of goods and services. A separate approval of joint ventures, equity-stake arrangements or use of the Society's intellectual property in exchange for equity shall be required by the Assembly. PhP shall ensure it operates at all times in accordance with the policy and process requirements of the RPS.

The Assembly will have the final responsibility for the approval of the PhP Business Plan/Budget recommended by the PhP Board, including the capital investment budget, within the context of the annual RPS Business Plan/Budget approval process each year.

16.5 Accountability

The PhP Board Chair shall, when invited, attend Assembly to provide an update on the work of the Board or any other associated matter of importance.

The following PhP matters must be **approved** by the Assembly:

- PhP Business Plan/Budget as part of the overall RPS Budget each year
- any proposal for PhP to become a shareholder or sole owner of another company
- incurring any expenditure or liability outside the overall approved PhP Budget which exceeds £250,000
- a proposed sale or disposal of an asset or business outside the overall approved PhP Budget for a price in excess of £250,000
- entering into any contract or commitment outside the overall approved PhP Budget which is for a value in excess of £250,000 or a term in excess of 5 years
- any major change in the scope or format of The Pharmaceutical Journal (PJ)
- any proposed decision to discontinue or materially change access to PJ for RPS members

The following PhP matters must be **ratified** by Assembly:

- appointment of the Chair and all non-executive members of the Publishing Board upon the recommendation of the Appointments Committee
- remuneration of the Chair of the Publishing Board and other non-executive Board members on recommendation of the Society's CEO

In addition, the following decisions will explicitly fall outside the authority of the PhP Board and will be reserved to the Assembly:

- strategic relationship with the General Pharmaceutical Council
- disposal or closure or any change in the ownership arrangements of *The Pharmaceutical Journal*
- change of official status of *The Pharmaceutical Journal*, or any change affecting the official status of *The Pharmaceutical Journal*
- changes to the governance framework of Pharmaceutical Press

The following matters require advance notification to the Assembly before action can be taken:

- any matters likely to materially affect the reputation or viability of the PJ
- any major change in the style, appearance or scope of the PJ
- any proposed investment participation by PhP in a company registered outside the UK
- any major change in PhP activities/ products / services that is thought likely to adversely affect the company's overall profitability
- any incident, activity or development likely to cause substantial reputational and/or financial risk to PhP and/or RPS

16.6 Pharmaceutical Journal

The Pharmaceutical Journal (PJ) is recognized as the editorially independent professional journal of the RPS. Its views are, therefore, sensitive to the Society's public image and policymaking. It is recognized that PhP's management of the Pharmaceutical Journal is distinct from other publications in its portfolio and is not published solely for commercial reasons. It shall be treated by PhP as a journal published on behalf of the RPS. It is recognized that editorial independence is required and essential, though editorial coverage should recognize, understand and when reasonably possible broadly sympathize with the RPS viewpoint (where this is unequivocal) on major issues of news and professional politics. Such views should be presented in a balanced way for the benefit of readers.

17 Pharmaceutical Press Ltd (PhP Ltd)

Pharmaceutical Press Ltd is a dormant, non-trading company whose shares are wholly owned and controlled by the Society. It is a separate and distinct entity from Pharmaceutical Press (PhP).