

**COUNCIL**

**C(03)10  
25.02.10  
PUBLIC**

**Business priorities and budget for 2010/11 and risk-based reserves**

For decision

**Issue:**

At its November 2009 meeting, the Council considered the draft business priorities and supporting budget to enable Council to agree the Registration Fees for 2010/11. The final versions of these documents are now before the Council for approval ahead of the commencement of the 2010/11 financial year.

The document which outlines the business priorities is the annual expansion of the three strategic priorities contained in the strategic plan. This aligns the strategic plan and the draft budget for 2010/11.

In order to inform its decision, the Council is asked to note the Audit Committee's recommendation that the preferred level of reserves is maintained at its current level for the time being.

The Council is invited to review the GOC Financial Consultant's findings which informed the Audit Committee's recommendations. This is available to download from the GOC Intranet: <<http://ispy.optical.org/en/members-zone/council/audit-committee.cfm>>

The Council will receive a presentation from each of the budget holders on the business priorities and budget for 2010/11.

**Recommendation(s):**

Council is invited to approve the Audit Committee's recommendation on the preferred level of reserves.

Council is invited to approve the Executive's recommendations for the Business priorities and budget 2010/11.

**Annexes:**

The following annex is attached to this paper:

Annex 1: Business priorities and budget 2010/11

**Further information:**

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**C(03)10  
ANNEX 1**

**Draft Business Priorities and Budget for 2010/11**

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## 1. INTRODUCTION

- 1.1 The General Optical Council (GOC) is an independent organisation accountable directly to Parliament for the regulation of optometrists, dispensing opticians, student opticians and registered optical businesses in the UK. The GOC gets its powers from an Act of Parliament - the Opticians Act 1989 (amended 2005).

## 2. OUR PURPOSE

- 2.1 We protect promote and maintain the health and safety of the public by:
- setting standards for optical education, training, performance and behaviour;
  - approving the qualifications that lead to registration with the GOC;
  - publishing a register of opticians, optometrists, students and optical businesses in the UK; and
  - investigating and acting on concerns that a registrant is not fit to: practise, train as an optician, or run a GOC-registered business.

## 3. OUR MISSION

- 3.1 Our Mission is to be recognised as a modern and innovative healthcare regulator.

## 4. THE WAY WE WORK

- 4.1 The way we work is built on principles of:
- *Proportionality*: targeting the issues of greatest risk to public safety.
  - *Accountability*: involving stakeholders and partners.
  - *Consistency*: working with others to make sure our work is fair.
  - *Transparency*: explaining our decisions wherever possible.
  - *Targeted*: focusing our efforts where there is most public benefit.
  - *Well organised*: providing value for money, high standards of customer service and promoting equality and diversity in all our work.

## 5 BACKGROUND

- 5.1 A new, reconstituted Council of 12 fully appointed members took up office on 1 April 2009.
- 5.2 At its inaugural meeting held on 2 April 2009 the Council agreed mechanisms for its three main roles, which are:
  - Establishing the strategic direction for the GOC.
  - Engaging with stakeholders in the formulation and delivery of that strategy; and
  - holding the executive to account for the delivery of the strategy.
- 5.3 To establish its strategic plan for 2010-2015 the Council opened a consultation inviting stakeholders to have their say on the future work of the GOC. In addition throughout April to September 2009, the Council invited key stakeholders to present their vision and aspirations for the delivery of high quality optical care in the future.
- 5.4 In September 2009 the GOC hosted a meeting for Council members and the Senior Management Team. The aim of the meeting was to:
  - Agree a high level strategic statement capturing the Council's role and responsibilities.
  - Agree key issues that should influence the GOC's work into the future.
- 5.5 In November 2009, the Council invited stakeholders to comment on its draft strategic plan for 2010 -15, which was written as a result of its strategic planning process as described above. The Council expects to ratify the final plan at its February 2010 meeting for implementation from 1 April 2010.
- 5.6 This document constitutes the business priorities for the financial year 1 April 2010 to 31 March 2011 for the implementation of the first year of the Council's five-year strategic plan 2010-2015.
- 5.7 Our draft strategic five year plan (2010-15) which is to be presented to Council for ratification in February 2010 has three strategic priorities:
  - to develop the regulatory framework (including appropriate education, training and CET) to support UK eye care in delivering safe, high quality care which meets society's needs and expectations;
  - continue to modernise our core functions and put in place systems for improvement to become more efficient and more effective;
  - promote a wider understanding of our role and engage stakeholders (including the public, patients, registrants, educators and their representatives) in our work.

## 6. BUSINESS PRIORITIES IN 2010/11

**Strategic priorities for 2010/11 in addition to delivering the Council's core work.**

### **Strategic Priority 1**

**To develop the regulatory framework (including appropriate education, training and CET) to support UK eye care in delivering safe, high quality care which meets society's needs and expectations;**

A sum of £60,000 has been included in the budget to enable the implementation of the GOC's second strategic priority from 1 April 2010:	
<ul style="list-style-type: none"><li>• Review optical-service-delivery throughout the UK, Europe and internationally to identify key contemporaneous and emerging delivery mechanisms; commission appropriate research and consultation to identify the risks of and benefit to the public safety of these mechanisms.</li><li>• To review, in order to identify the risks of and benefit to the public, the current regulatory regime for dispensing opticians.</li><li>• To review, in order to identify the risks of and benefit to the public, the current regulatory regime for businesses or partnerships providing optical services to the UK public.</li><li>• Promotion of key strategic/campaign objectives.</li></ul>	

### **Strategic Priority 2**

**Continue to modernise our core functions and put in place systems for improvement to become more efficient and more effective;**

*To be achieved in the following areas:*

Support-function modernisation projects:-

Review internal structures, processes and controls through an independent audit and performance review.	£20,000
Development of the GOC's staff organisational structure to ensure its cost effectiveness and appropriateness to the future delivery of the GOC's functions.	£30,000
IT modernisation project.	£25,000 (amortised)

Piloting:-

(a) Piloting of revalidation and investigate fit with CET Scheme	GOC bid for £96,000 DH grant
The GOC has received a grant of £96,000 from the DH to further support its work in revalidation in 2010-11. In addition to the projects being funded by the DH in 2009-10, the proposed work areas relate to the use of patient feedback as part of the evidence for revalidation, remediation, CET interface with revalidation, and advanced piloting. The money is intended to fund the convening of expert groups, the costs of consultation including the hosting of consultation events, and the costs of utilising user groups in piloting.	
(b) Continued development and piloting of Online retention	£91,000
The most significant increase in Registration department expenditure is a budgeted £91k for the continued development of an online retention system. This has been identified as a key modernisation project for the GOC, to address known issues with the retention process, to improve customer service, and to achieve long term efficiencies.	

FTP modernisation projects:-

(a) Publish first FTP annual report	£3,000
This follows on from the project in 2009/2010 to develop a format for the FTP annual report. It relates to production of the first such report in 2010/2011. The costs budgeted for relate to external costs of printing layout and external communications support.	
(b) Improve witness and complainant support	£4,500
This project was deferred from 2009/2010. The GOC is aware that publishing witness/complainant guidance documents is regarded as good practice by other healthcare regulators and that it may assist to some extent in reducing queries and/or complaints from witnesses/complainants during/following any hearing. It is also relevant to CHRE performance Standard 3.1.	
(c) Review policy on criminal prosecutions	£5,500
This project was deferred from 2009/2010. The only costs (over and above staff time) relate to tasks highlighted in the Project Plan and Task list including provision of external communications support, Welsh translation costs and external legal advice.	

(d) Prepare for transfer of FTP Committee to OHPA	Staff time - no specific budget allocation
<p>A substantial amount of the Director's (and potentially the Assistant Director's) time in 2009/2010 and 2010/2011 is likely to be taken up in liaising with the Department of Health/GMC/OHPA in relation to the arrangements for the transfer of the GOC's current Fitness to Practise Committee's adjudication function to OHPA (likely not before 2012). While there are no direct external costs linked to such work, it will have a significant impact on the resources available for both day to day and project work within the FTP Directorate. It is also likely to be necessary to produce guidance documents/other information for registrants, complainants and the public generally, in liaison with the GOC's communications team.</p>	
(e) Develop/implement plans for electronic case management system.	£78,000 (amortised)
<p>Continue from 2009/2010 in order to ensure that the GOC:</p> <ul style="list-style-type: none"> <li>• is able to monitor effectively its investigation and FTP procedures;</li> <li>• is able to generate data for inclusion in the annual FTP report;</li> <li>• is able to comply with the CHRE's performance standard (Standard 3.3vi: "The regulator has a case management system") for all healthcare regulators to have electronic case management systems.</li> </ul>	
<p>(f) Amend the GOC's FTP Rules to:</p> <ol style="list-style-type: none"> <li>1. permit some/all of the following: use of Case Examiners; acceptance of undertakings; voluntary erasure; and at the same time</li> <li>2. address issues/ambiguities in the FTP Rules; and</li> <li>3. update and align the GOC's FTP procedures with those of the GMC prior to transfer of adjudication to OHPA (where desirable).</li> </ol> <p>Develop plans for implementation of the new/ amended procedures</p>	<p>External legal assistance will be needed in order to amend the FTP Rules. It is anticipated that the funding for this will come from the 2009/2010 FTP budget, and therefore no provision for this has been included within the 2010/2011 budget. There will however be an impact on staff time in 2010/2011 (unbudgeted for). There will also be some costs associated with a public consultation on the amended Rules – these costs were not budgeted for in 2010/2011 (it has only recently been established that the Department of Health are willing to facilitate publication of an amended set of FTP Rules in 2010/2011).</p>
<ul style="list-style-type: none"> <li>• Potentially to permit implementation of schemes similar to those of the GMC relating to: the use of Case Examiners to exercise delegated authority to dispose of individual cases (in the GMC scheme, one Case Examiner is a professional and the other is a lawyer); the acceptance of undertakings by the Case Examiners/Investigation Committee when resolving individual cases; a voluntary erasure process.</li> <li>• To take the same opportunity to resolve any currently-known ambiguities in the FTP Rules and address any known issues, in order to minimise unnecessary disputes in individual cases.</li> </ul>	

<ul style="list-style-type: none"> <li>•To update some of the GOC's procedures to reflect amendments made to other healthcare regulators' FTP Rules since the date the GOC's FTP Rules were made.</li> <li>•To align some of the GOC's procedures with those of the GMC, prior to transfer of both organisations' adjudication functions to OHPA</li> </ul>	
(g) Review and redevelop FTP investigations processes	Staff time and increased number of Investigation Committee meetings - no specific budget allocation in 2010/11

### **Strategic Priority 3**

**Promote a wider understanding of our role and engage stakeholders (including the public, patients, registrants, educators and their representatives) in our work.**

(a) Public awareness	£11,000 (project)
Includes recurrent annual costs of £6,000 for media relations work and £5,000 market research to build on work done in 2009-10.	
(b) Bulletin audit and redesign	£8,000 (project)
This includes audience research and evaluation (£5,000) and design costs (£3,000).	
(c) Promoting understanding of standards and guidance	£6,000 (project)
(d) Arrangements for stakeholder engagement (detailed proposals to February 2010 Council)	£45,000

The expenditure budget to support the business priorities 2010/11 is given below.

## **7. DRAFT BUDGET 2010/11**

The objective set by Council was to achieve a break-even budget after providing for a £9 per registrant contingency, (total £166,500).

The full registration fee for 2010/11 was agreed by Council at its meeting in November 2009 at £325 for full optometrist registrants and £280 for full dispensing optician registrants.

As well as income from full registrant fees (based on the November 2009 agreed fees) the budget includes income from other sources (£188,612) i.e. income from student fees, late retention fees, rental income and income from investments.

### **Key assumptions on income level**

- An average of 18,500 full registrants throughout the financial year: comprising:
  - 12,500 optometrists and bodies corporate
  - 6,000 dispensing opticians including 1,200 contact lens opticians.

**DRAFT BUDGET 2010/11**

	<b>2010/11 DRAFT BUDGET</b>	<b>FORECAST OUTCOME 2009/10 (FEB 2010)</b>	<b>2008/09 ACTUAL</b>	<b>2007/8 ACTUAL</b>
<b>Income</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fees	5,837,280	4,380,955	3,355,442	3,282,119
Other Income	13,832	18,832	12,375	13,100
Interest	80,000	65,847	217,134	236,903
<b>Total Income</b>	<b>5,931,112</b>	<b>4,465,634</b>	<b>3,584,951</b>	<b>3,532,122</b>
<b>Expenditure</b>				
Human Resources	561,932	606,680	644,845	401,489
Office Overheads	655,330	595,134	494,223	502,214
Registration	576,670	363,540	310,848	217,160
Finance	253,772	197,794	203,999	190,477
Education	707,134	642,733	638,683	700,986
Legal Services	1,200,649	961,184	617,473	476,342
Communications	317,467	294,314	210,811	197,647
Information	5,202	3,000	2,000	1,000
FTP Hearings	400,754	340,668	354,705	224,163
IT Services	222,215	204,444	38,327	41,109
Registrar Department	214,610	193,623	154,729	145,153
Council Members & Meeting Costs	421,926	307,257	155,544	165,884
Standards	210,951	156,556	192,586	190,745
<b>Total Expenditure pre-contingency</b>	<b>5,748,612</b>	<b>4,866,926</b>	<b>4,018,773</b>	<b>3,454,368</b>

Contingency (18,500 x £9)		166,500	-	-	-
<b>Total Expenditure</b>		<b>5,915,112</b>	<b>4,866,926</b>	<b>4,018,773</b>	<b>3,454,368</b>
Surplus/(Deficit) pre-Taxation		16,000	(401,292)	(433,822)	77,754
Corporation Tax:		16,000	16,000	44,394	51,371
Surplus/(Deficit) after Taxation		-	(417,292)	(478,216)	26,383
Transfer from change management		-	(255,00)	-	-
Transfer from Reserves		-	-	470,000	-
<b>Retained Surplus/(Deficit) for the Year</b>		<b>-</b>	<b>(162,292)</b>	<b>(8,216)</b>	<b>26,383</b>