

Fees proposal for 2010/11 – Analysis of Registration Fees consultation

For decision

Introduction:

1. The GOC has received some suggestions for changes to the schedule of registration and retention fees, particularly a potential lower retention fee for dispensing opticians relative to optometrists. The Registration department has a project in its work plan for 2009/10 to consult on a range of proposals for changes to the fee schedule and advise Council on recommended options.
2. In July 2009 a consultation document was developed and circulated to Council, Registration Committee and key optical bodies for input. The final document was published on 17 July, with the consultation closing on 9 October 2009.
3. The GOC received a total of 85 responses to the consultation. Six of the responses were from representative organisations: the Association of British Dispensing Opticians (ABDO), the Federation of Ophthalmic and Dispensing Opticians (FODO), the Association of Optometrists (AOP), the College of Optometrists, Optometry Wales and the International Glaucoma Association (IGA). A response was also received from Boots Opticians. The largest group of submissions from GOC registrants were from dispensing opticians (32 of 55 responses to question 1).
4. Detailed analysis has been conducted of those submissions, the results of which are summarised below, followed by comment and recommendations.

Discussion:

5. The consultation paper sought input on a range of issues associated with the GOC's schedule of registration and retention fees. Background, analysis and comment on each issue are set out in the subsections below.

Differential retention fees

6. Unlike the GOC, many other UK health regulatory bodies apply different registration fees to different groups of registrants, rather than a single flat fee. The paper sought input on whether some groups of GOC registrants should pay reduced retention fees. The groups discussed in the paper were dispensing opticians, new registrants, and low income earners.
7. The majority of submissions on this question (55 of 81) were supportive of some form of differential fee structure being established. The most common views were that either dispensing opticians alone should pay a lower retention fee relative to optometrists (30 of 58 submissions on this question, including from Optometry

Wales and IGA), or that dispensing opticians and those on low incomes should pay a lower fee (11 submissions, including ABDO).

8. The primary reasons given for supporting dispensing opticians paying a lower fee were the lower earning potential of dispensing opticians, and the higher costs associated with supporting optometrists than dispensing opticians (particularly in relation to CET). ABDO also noted that the clinical risks associated with dispensing opticians are much lower than for optometrists, and that dispensing is largely deregulated, making a full retention fee in its view disproportionate.
9. Twenty-six submissions, including from FODO, AOP, the College and Boots Opticians, were against the GOC introducing a differential fee structure. This was primarily on the basis that all registrants have the same professional rights, and pose similar levels of risk to the public, so should pay the same fee. Both the AOP and the College argued that retention fees should relate to the costs of administering the register; unless they are markedly different for a group of registrants, the existing flat fee should be retained.
10. There was no clear view among respondents on the level of any potential reduction in fees. Of the 43 responses to this question, 12 supported a fee reduction of at least 50%, 11 supported a reduction of 30-40%, and 7 supported a reduction of 20-30%. These responses generally related to a reduced fee for dispensing opticians. ABDO's response recommended a retention fee split of £150 for dispensing opticians and £200 for contact lens opticians.

Comment and recommendation

Dispensing opticians

11. There are a number of arguments in favour of introducing a lower retention fee for dispensing opticians:
 - Recognition of professional differences – As discussed in the consultation paper, DOs generally earn less and account for proportionately fewer practise cases than optometrists, and receive no CET funding. Some dispensing opticians may choose not to register with the GOC in the context of further increases to retention fees, which would not be in the public interest. A lower fee may mitigate this effect.
 - Low impact – Due to the larger number of registered optometrists, the DO retention fee could be lowered significantly without a correspondingly large increase in optometrist fees (for instance based on 2009/10 figures, a £69 reduction in the current DO fee would have required an approximately £31 increase in the optometrist fee to maintain the GOC's income at the same level).
 - Registrant support – The majority of respondents to the consultation supported a lower fee for DOs, although it should be noted that the number of responses was quite low, and the largest group of respondents were DOs. ABDO, IGA and Optometry Wales supported a lower fee for DOs.
 - Ease of administration – a lower DO fee would be relatively simple to implement, unlike a fee reduction for low income earners.

12. Against these points are several arguments in favour of retaining the GOC's existing flat fee structure:
- Equality – As noted in the consultation paper, the differences between DOs and optometrists in terms of professional responsibilities and requirements, incomes, cost to the GOC, and risk to the public may not be so significant that a lower fee is justified. There is only anecdotal evidence that DOs are paid significantly less than optometrists, and GOC administration costs are fairly similar across the groups.
 - Potential for division - It was noted by some respondents that differential GOC fees might create a view that DOs are in some way 'second class citizens' within the optical professions, or would create division among registrants.
 - Optometrist perspectives – Many optometrists, who are by far the largest group of GOC registrants, would be unlikely to be supportive of a lower fee for DOs. While the impact would not be great, any reduction in fees for DOs would result in an increase to the optometrist fee. In the context of likely future rises to retention fees, this additional burden on optometrists to reduce the DO fee may be very unpopular with many optometrists. FODO, the AOP, the College and Boots Opticians all opposed the introduction of differential fees.
13. As noted above, ABDO suggested in its response that it might be appropriate for contact lens dispensing opticians to receive a smaller fee reduction than other opticians, creating effectively three tiers of retention fees. This proposal could be considered in the development of fee settings, should a lower fee for dispensing opticians be introduced.
- Low income earners*
14. It is considered that a reduction in retention fees for low income earners has less merit than one for dispensing opticians. The proposal received relatively little support during the consultation. Many respondents noted that a low income reduction would be complex and time-consuming to administer, as it would require an assessment of evidence of low income. The proposal may also create division over the appropriate income threshold for eligibility for a fee reduction. As the GOC does not currently have data regarding the income of its registrants, the take-up for a reduced fee for low income earners is difficult to predict, creating financial risk.
15. It may be possible to reduce the burden of the retention fee on low income earners in other ways. A lower fee could be introduced in the future for non-practising registrants, which would allow those on maternity leave or career breaks to avoid paying the full retention fee during the period they are not practising. The option of a lower non-practising registrant fee is being considered alongside work on revalidation.
16. Council may wish to consider whether further work should be conducted on the feasibility and necessity of a fee reduction for low income and non-practising earners.

New registrants

17. We consider that a lower fee for new registrants also has less merit than one for dispensing opticians. We have no evidence that new registrants receive substantially lower incomes than other registrants, and while it would be relatively simple to administer, this proposal received little support during the consultation. Additionally, new registrants transferring from the student register already benefit from a prorated fee in their first year on the full register.

Recommendation

18. There are compelling arguments both for introducing differential fee levels, particularly for dispensing opticians, and for retaining the GOC's existing flat fee structure. A decision on whether to introduce differential fees will primarily involve weighing the different interests of the GOC's stakeholders. This is a strategic decision that is most appropriately the responsibility of Council.
19. If Council determines that the GOC should introduce differential retention fees, the new fee structure could be incorporated in the Registration Fees Rules for 2010/11. The Rules have currently been drafted on the basis of the existing flat fee structure. If it is decided to introduce a reduced retention fee for one group of registrants, the retention fee for other registrants would be increased by the appropriate amount to maintain the GOC's overall income at the same required level.
20. It is recommended that Council consider whether a lower fee should be introduced for dispensing opticians or any other group of registrants, or whether the existing flat fee structure should be retained.
21. If Council determines that differential fees should be introduced for a group of registrants, Council should determine the level of fee reduction for those registrants.

Staged payments

22. Some other UK health regulators allow registrants the flexibility to spread the payments for their annual retention fee over a number of instalments, using Direct Debit instructions. In order for the GOC to offer staged payments, amendments would be required to the Registration Rules. There would also be other development and administration costs associated with this option.
23. Overall, there was support among respondents for the GOC providing a staged payment facility. The largest group of submissions (37 of 81, including ABDO, AOP and IGA) considered that the introduction of a staged payments option was very or extremely important. These submissions generally considered it important to provide flexibility especially for low income earners, and that it was unreasonable to expect registrants to pay a single fee up front.
24. A smaller number of submissions (24, including the College) considered a staged payments option useful, or quite important for some registrants, but not vital. Another group (20 submissions) considered the option relatively unimportant or impractical. FODO and Optometry Wales were in this group, expressing concerns

about the cost implications of a staged payments system for the GOC and therefore registrants.

25. Most submissions (52 of 70, including ABDO, FODO, the College and Boots Opticians) felt that those taking up the staged payments option should pay any associated administrative costs, rather than the cost being spread across other registrants.

Comment and recommendation

26. Based on the results of the consultation, our stakeholders are generally supportive of a staged payments facility being made available, despite the relatively low level of the current GOC retention fee. In comments, a number of registrants stated that the fee being taken in one lump sum is a significant burden. As the retention fee rises over time, this will become more of an issue for these registrants.
27. There would be significant costs associated with implementing and administering a staged payments system, and it would be a lengthy process to put it in place. Amending the Registration Rules to allow for staged payments would be complex, time-consuming and expensive. There would also be additional administrative and processing costs for the GOC, particularly in following up missed instalments. Introducing staged payments would also require additional software development to incorporate the functionality within the proposed online retention system. Costs for introducing staged payments are estimated to be at least £30,000, plus any additional ongoing administrative and staffing costs, for which we do not currently have any estimates.
28. It is recommended that the GOC carry out a full impact assessment in respect of the introduction of a staged payments facility for registrants, to provide a sound basis for a decision to be made in respect of moving forward with this option.
29. Although an impact assessment can be carried out this year, work to introduce staged payments is currently unbudgeted. Therefore, there would be limited opportunity to progress this in 2010/11 if a decision was made to go ahead. Given the legislative and other work required, it would not be possible for this option to be considered before the 2012/13 financial year, at the earliest.

Online retention

30. The consultation document asked whether the GOC should continue to retain a paper-based retention option once a proposed online retention system is in place, or whether all registrants should be required to apply online.
31. There was very strong support for the GOC introducing an online retention system as soon as possible. A slight majority of respondents supported retaining the current paper-based retention option for the foreseeable future alongside the proposed online system (36 of 64 submissions, including ABDO, AOP, FODO and IGA). These submissions argued that it is important to retain a paper-based option to provide for those unable to access an online system.
32. A large group of submissions, however, felt that the paper-based option should be phased out (23 submissions, including the College, ABDO, Optometry Wales and Boots Opticians). These responses argued that all registrants should now have

the ability to access the internet to fill out their application. Many of these respondents also noted that CET points are already required to be filed online, so making the retention process online-only should not be a burden. Of those supporting phasing out the paper system, most felt that five years was an appropriate transitional period. There was little support for the immediate replacement of the paper system with an online system, with no transition.

33. The document also sought views on whether an additional charge should be applied to those using a paper form, once the online system was operational. The majority of responses (54 of 79 responses, including ABDO, FODO, AOP, the College and Boots Opticians) felt that there should be an additional charge for those using paper-based retention, principally as an incentive to registrants to adopt the online retention system. Those against (25 responses) felt that an additional charge for paper retention would be unfair or impractical.

Comment and recommendation

34. The clear view of those responding to the consultation was that an online system should be introduced as soon as possible, but that the paper-based system should be retained for some time at least. While many acknowledged that the CET scheme currently requires registrants to have online access to enter their points, it was generally considered important that provision be made in the retention process for those registrants that do not have regular internet access.
35. Retaining the paper system alongside an online system would impose some costs on the GOC, in printing and posting forms on request and staff time in processing paper applications. There would also be a risk that the existence of the paper option might discourage some registrants from using the online system.
36. Retaining the paper option alongside an online system would, however, allow the online system to 'bed in' for a period before the paper system was removed. Removing the paper option immediately upon implementing the online system would be unwise, due to the potential for teething problems in any new IT system. Uptake and accessibility of the online system could be monitored, and a decision taken at a later date as to when it would be appropriate to require all registrants to use the online system.
37. It is recommended that the GOC retain the paper retention system alongside an online retention system, with a view to phasing out the paper forms once the online system is shown to be operating smoothly, for example in four to five years' time.
38. It is recommended that, if the paper system is retained, those registrants wishing to complete their retention by paper be required to pay an additional fee (of £20 to £30), to be introduced after the first successful year of online retention being in place. This would serve as an incentive for registrants to adopt the online system and would cover some of the extra administration required to process paper forms.

Non-EEA qualified practitioners

39. The consultation sought views on whether the GOC should charge non-EEA qualified practitioners a one-off £20 administration fee, for registration during the time that they are sitting the UK qualifying exam.
40. Most submissions on this question (43 of 60, including ABDO and FODO) were in favour of the proposed £20 administration fee, on the basis that the cost of processing the applications justified the fee. Those against the proposal (17 submissions, including AOP and the College) considered that the fee seemed unfair or impractical to administer, or did not accept that the fee was justified by the processing required.

Comment and recommendation

41. Under the approach set out in the consultation document, non-EEA qualified practitioners will only be entered on the student register for the brief period that they sit the exam, after which they will be automatically removed. At present these practitioners should contact the GOC following the exam to either transfer to the full registers or to be removed.
42. The proposed approach will remove the opportunity for non-EEA qualified practitioners to remain on the student register simply as a result of failing to contact the GOC, despite having failed their UK qualifying exam. The £20 fee, which is the same as these practitioners currently pay for regular student registration, would cover the costs of entering and removing them from the registers.
43. It is recommended that the GOC formally introduce the £20 administration fee for non-EEA qualified practitioners sitting their UK qualifying exam. This would have no resource implications, as these practitioners already pay a £20 student retention fee.

Specialty registrations

44. At present, the GOC does not require an additional fee to be paid for entry of a specialty on the registers. This means that costs associated with processing applications and maintaining specialty entries are currently borne by all registrants. The consultation document sought feedback on whether registrants applying for registration of a specialty should pay a separate fee.
45. In most cases this fee would be a one-off fee. However, in the case of an independent prescribing specialty, practitioners will be required to provide additional information as part of the annual retention process to renew their specialty. The document requested feedback as to whether practitioners registering this specialty should be required to pay an annual retention fee, in light of this ongoing administrative requirement.
46. A small majority (40 of 72 submissions, including ABDO, FODO, IGA, Optometry Wales and Boots Opticians) felt that a one-off fee seemed reasonable and justified by the processing required. A large group, however (32 submissions, including the College), did not accept that the specialty registration would require additional processing, or argued that the proposed fee seemed petty.

47. The majority of submissions (40 of 68, including AOP, the College, and Optometry Wales) were opposed to the proposed annual fee for an independent prescribing specialty. Reasons given included that the fee was not necessary (particularly if online retention were introduced), that those with the specialty did not necessarily receive much benefit from it, and that the GOC should not discourage registrants from pursuing a specialty.
48. 28 submissions considered the proposal for an annual fee reasonable, including FODO, IGA and Boots Opticians.

Comment and recommendation

49. As noted in the consultation document, most other relevant regulators charge a fee for the entry of a specialty on the professional registers, of about 10% of the annual retention fee. There was general acceptance among most respondents that a one-off fee was reasonable, but an annual fee for the independent prescribing specialty was very unpopular.
50. We consider that the approach recommended by the majority of those responding to the consultation strikes a reasonable balance. We consider that a fee of £30 would be reasonable to cover the administration required to enter the specialty. This level of fee would be consistent with the fees charged by other regulators for entering a specialty, as a proportion of the standard retention fee.
51. While we consider that a fee for specialty registration would be reasonable based on current fee settings, it should be noted that a specialty registration fee would impact on contact lens opticians. Council may wish to consider the appropriateness of a specialty registration administration fee in the context of any decisions made on introducing differential fee levels.
52. It is recommended that the GOC introduce a one-off fee for entering a speciality on the GOC registers, depending on decisions made around differential fee
53. It is not recommended that the GOC introduce an annual fee for the independent prescribing specialty.

Recommendations:

54. Council are invited to consider the analysis and recommendations set out above, and determine:
 - (i) Whether a differential fee structure should be introduced, providing a reduced retention fee for dispensing opticians, new registrants and/or low income earners, and
 - a. If it is decided to introduce differential retention fees, what the level of the fee reduction should be;
 - (ii) Whether the GOC should conduct a full impact assessment of the effect of introducing a staged payments facility for registrants;
 - (iii) Whether the GOC should retain a paper-based retention system alongside any future online retention system on a transitional basis, and

- a. If the paper-based retention system is retained alongside the proposed online system, whether those registrants wishing to use the paper system should be charged an additional administration fee following the first year of operation of the online system;
- (iv) Whether the GOC should formally introduce the £20 administration fee for non-EEA qualified practitioners sitting their UK qualifying exam; and
- (v) Whether the GOC should introduce a fee for entering a speciality on the GOC registers, and
 - a. Whether this should be a one-off fee for all specialties or whether those registering an independent prescribing specialty should be required to pay an annual fee.

Resource implications:

55. As outlined in the paper.

Equality and diversity implications:

Has an Equality and Diversity Impact Assessment been carried out?

56. An impact assessment has been carried out. None of the proposals discriminate unlawfully or raise difficulties for persons on the grounds of age, disability, gender, marital status, race/ethnicity, religion and belief, sexual orientation, or socio-economic status.

Stakeholder engagement:

Has the Consultation Checklist been completed?

57. The consultation checklist has been completed. A public consultation was held on these proposals, by means of a consultation document made available on the GOC website for three months. We produced communications material and liaised with the optical bodies to promote the consultation. Council, Registration Committee and key optical bodies were consulted on the draft consultation document. Registration Committee and Companies Committee were briefed on the interim progress of the consultation. The issues outlined in the paper were also discussed at consultation events on the content of the GOC registers held in Cardiff, Birmingham and Belfast in September 2009.

58. A summary of responses document will be published in November. Publicity of any changes to the retention fees will follow Council decisions.