

COUNCIL

Registration Fees Rules for 2019-20

Meeting: 14 November 2018

Status: for decision

Director responsible: Mark Webster (Director of Resources)

Paper authors: Mark Webster and Michelle Norman (Head of Registration)

Purpose

1. Council are asked to **consider** and **approve** draft fee rules, as set out in **annex one**, which would deliver forecast fee income of £9.32m for 2019-20 compared to (Q2 forecast) 2018-19 of £8.93m an increase of £0.393m [4.4 per cent which also reflects the growth in the number of registrants]. This income is exclusive of any income derived from the GOC's investment portfolio or working capital.

Recommendations

2. Council are asked to **consider** and **approve** the Registration Fees Rules for 2019-2020 in accordance with the summary below and the full tariff set out in **annex one**. The Chair and the Registrar are then asked to **sign** the Registration fee rules for 2019-20.

Registrant Type	2019-20	2018-19
Fully Qualified & Body Corporate	£350	£340
Student	£30	£30
Application for Initial Registration (not on Student Register)	£70	£70
Application for Initial Registration (transfer from Student Register)	£35	£35
Low Income Discount	£100	£100

Strategic objective

3. The strategic objective and legal responsibility of setting the fees is to generate sufficient income to support our staff, Council and committees to deliver all of our organisational responsibilities.

Risks

4. The following risks are associated with the issue:
 - 4.1 we are committed to ensuring financial restraint and careful management continues over the coming periods;
 - 4.2 there is an inherent risk in setting the fee level based on an outline budget as we are only half a year into the current financial year. As the full impact of trends and changes cannot be reflected fully in our financial performance for the year to date;
 - 4.3 there is some risk in assuming investment income will provide a consistent five per cent annual return. This is in line with the remit of the Investment Manager but is based on long-term performance and could fluctuate year on year; and
 - 4.4 if certain legislative reform takes place the requirement for student registration may be removed resulting in a potential loss of income (maximum risk is a loss of £150k of annual income).

Background

5. The fee strategy was debated in detail by Council in November 2016 where it was agreed that the three year fee strategy would be based upon moderate, consistent increases. Accordingly Council are once again being presented with a specific fee proposal in line with this strategy.
6. Council are required to set a budget each year in order to adequately manage the resources to run the business and deliver services in a sustainable way. The full budget reflecting delivery of the 2017-20 strategy and associated business plan will be presented for approval at the Council meeting in February 2019.
7. The outline budget is based on the recent mid-year forecast exercise and the associated work around extending the forecast horizon to 3 years.
8. Details of the past financial performance and fee levels and outline projection is set out in the table below:

	2016 - 17	2017 - 18	2018 - 19	2019 - 20	2020 - 21
	Actual	Actual	Q2 Forecast	Forecast	Forecast
	£	£	£	£	£
Fee Income	7,881	8,337	8,927	9,320	9,792
Investment Income	232	319	314	240	228
Unrealised Investment gains	1,131	(47)	300	240	180
Other	0	46	29	40	40
Total Income	9,244	8,655	9,570	9,840	10,240
Expenditure	9,253	10,014	10,690	10,643	10,643
Surplus/ (deficit)	(9)	(1,359)	(1,120)	(803)	(403)
Fee levels					
OO, DO & CO*	£320	£330	£340	£350	£360 - £365
Student	£25	£30	£30	£30	£30
Low Income discount	£100	£100	£100	£100	£100
% fee change	6.9%	3.1%	3.0%	2.9%	
CPI (12 Months to August 2018 (ONS))				2.7%	

9. The organisation is undergoing significant development, change and modernisation which has the effect of placing high and sustained financial demands on it. This is expected to continue through the strategic plan for 2017-20 with planned, controlled use of reserves to fund major developments.
10. Although there has been significant progress, there is still a need for further work to develop the skills of all budget holders and to understand risk, analyse and quantify the base running costs of the business fully.
11. In summary, the organisation's maturity level continues to develop in terms of its ability to:
 - model, phase and forecast expenditure;
 - deal with the requirement to demonstrate value for money when planning and setting budgets; and
 - utilise reserves confidently in line with Charity Commission guidance to allow for normal fluctuations in expenditure and longer term financial planning.

Analysis

12. In recommending these fees, we have taken account of the following:
 - fees need to reflect inflation (including pay inflation) as a minimum;
 - the PSA's strong steer of ensuring that fees are not unreasonable;
 - an expectation that we continue with planned, controlled use of reserves to fund major developments within the strategic plan for 2017-20;
 - Council's requirement to set fees for registrants for the 2019-20 financial year and an outline for a further year to consider the fee level in a more strategic way. This will help in smoothing the income stream and allow the

Executive to pay attention to the longer-term planning of modernisation and delivery of its strategic plans.

- relevant statutory requirements and wider public law considerations; and
- legal advice in relation to the EU Directive to ensure that we are compliant in setting our fees for applicants wishing to apply from within the EEA or Switzerland.

13. The proposal is to increase the main annual registrant fee from £340 to £350. This is a 2.9 per cent increase; broadly in line with CPI which has been around 2.7- 2.9 per cent (dropped to 2.4 per cent in September).
14. We have begun to review our business plans for 2019-20 and commenced the preparation of a full draft budget which will be presented for consideration in February 2019. The fee income generated by this proposal and anticipated investment returns will be sufficient to cover business as usual expenditure, with judicious use of reserves for explicit, strategic projects.

Impacts

15. There are no impacts in relation to; Equality and Diversity, Human Rights Act and Sustainability.
16. The following impacts have been identified:
 - 16.1 GOC's reserves and budget – to be developed in the budget process;
 - 16.2 Legislation – consideration of legislative requirements have been referenced throughout the paper; and
 - 16.3 Resources – significant internal resources are used in preparing and reviewing the budget.

Devolved nations

17. There are no implications/differences in relation to this area and the devolved nations.

Communications

18. Normal communications regarding fees will take place; including in our 'News from Council' and publication of the fees on the website.

Timeline for future work

19. The detailed budget will come to Council in February 2019 for approval and adoption.
20. Financial reporting will continue to be considered by both ARC and Council quarterly including relevant forecasts.

Attachments

Annex one: Registration Fees Rules 2019-20.

THE REGISTRATION FEES RULES 2019-2020

Note: Clean copies of Fees Rules documents will be available at the meeting for signing.

Each application falling within a category set out in the table below shall be accompanied by the fee shown for the period 1 April 2019 – 31 March 2020:

Applications for annual renewal of registration	17/18 Fee	18/19 Fee	19/20 Fee	20/21
<u>Annual renewal fee</u> Application for annual renewal of registration in the register of: <ul style="list-style-type: none"> • Optometrists • Dispensing opticians • Bodies corporate carrying on business as an optometrist or dispensing optician or both for the year commencing on 1 April 2019 and ending on 31 March 2020 received on or before 31 March 2019. 	£330	£340	£350	£360- £365
<u>Low income earners annual renewal fee</u> Application for annual renewal of registration in the register of: <ul style="list-style-type: none"> • Optometrists • Dispensing opticians for the year commencing 1 April 2019 and ending on 31 March 2020 applications received on or before 31 March 2019.	£230	£240	£250	£260- £265
Application for annual renewal in the register of student optometrists or the register of student dispensing opticians for the year commencing 1 September 2019 and ending on 31 August 2020 received on or before 31 August 2019.	£30	£30	£30	£30
Applications for annual renewal of registration when entering, transferring or restoring to the register	17/18 Fee	18/19 Fee	19/20 Fee	20/21
Annual renewal fee for the period 1 April 2019 and ending on 31 March 2020, pro rata rate based on date of entry to the register of: <ul style="list-style-type: none"> • Optometrists • Dispensing opticians • Bodies corporate carrying on business as an optometrist or dispensing optician or both 	£87.50 per quarter or part thereof	£85 per quarter or part thereof ¹	££87.50 per quarter or part thereof	£90- £91.25 per quarter or part thereof

Annual renewal fee for low income earners for the period 1 April 2019 and ending on 31 March 2020, pro rata rate based on date of entry to the register of: <ul style="list-style-type: none"> • Optometrists • Dispensing opticians 	£57.50 per quarter or part thereof	£60 per quarter or part thereof	£62.50 per quarter or part thereof	£65-£66.25 per quarter or part thereof
--	------------------------------------	---------------------------------	------------------------------------	--

Applications for Registration	17/18 Fee	18/19 Fee	19/20 Fee	20/21
Initial application to be entered on the register of: <ul style="list-style-type: none"> • Optometrists • Dispensing opticians • Bodies corporate carrying on business as an optometrist or dispensing optician or both including low income earners. 	£70	£70	£70	£75 (suggested increase)
Application for registration in the register of student optometrists or the register of student dispensing opticians for all or part of the year commencing 1 September 2019 and ending on 31 August 2020. No annual renewal fee will be charged for the year in which they are applying for registration.	£30	£30	£30	£30
Application for entry of a specialty in the register of optometrists or the register of dispensing opticians.	£35	£35	£35	£40 (suggested increase)

Applications for transfer of registration	17/18 Fee	18/19 Fee	19/20 Fee	20/21
Application for transfer between full registers for all or part of the year commencing on 1 April 2019 and ending on 31 March 2020.	£35	£35	£35	£40 (suggested increase)
Application for transfer from the register of student optometrists to the register of optometrists or from the register of student dispensing opticians upon completion of a GOC accredited route to registration.	£35	£35	£35	£40 (suggested increase)

Applications for restoration of registration	17/18 Fee	18/19 Fee	19/20 Fee	20/21
Initial application to be restored on the register of: <ul style="list-style-type: none"> • Optometrists • Dispensing opticians • Bodies corporate carrying on business as an optometrist or dispensing optician or both including low income earners. 	£70	£70	£70	£75 (suggested increase)
Application for restoration to the register of student optometrists or the register of student dispensing opticians following removal or erasure from the registers for all or part of the year commencing on 1 September 2019 and ending on 31 August 2020. No annual renewal fee will be charged for the year in which they are applying for registration.	£30	£30	£30	£30
Applications for Certificates of Current Professional Status	17/18 Fee	18/19 Fee	19/20 Fee	20/21
Application for a certificate of current professional status.	£15	£15	£15	£25
Applications for assessment of qualifications gained from outside of the UK to gain entry to the register of dispensing opticians or optometrists	17/18 Fee	18/19 Fee	19/20 Fee	20/21
A scrutiny fee for processing documentation for applications for applicants qualified outside of the United Kingdom who wish to join either the register of optometrists or the register of dispensing opticians. A separate fee will be charged for each register applied to.	£120	£110	£115	£125
For those that have passed the scrutiny stage and require an equivalency assessment, a fee will be charged for: Assessment of equivalency of qualifications and experience for applicants qualified outside of the United Kingdom who wish to join either the register of optometrists or the register of dispensing opticians. A separate fee will be charged for each register applied to.	n/a (included in scrutiny fee)	£405	£425	£450
An interview fee for non-EEA applicants (this is the cost of a telephone interview between the applicant and GOC assessors)	n/a	£200	£200	£200