# Fee Policy Framework: Draft Policy Consultation

<table>
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<tr>
<th>Purpose of paper</th>
<th>This paper provides an update on the development of a new policy on fee-setting.</th>
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<tr>
<td>Action</td>
<td>For noting</td>
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<tr>
<td>Status</td>
<td>Public session</td>
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| Corporate Strategy 2016-19 | **Performance Objective 2**: To improve our management of resources so that we become a more efficient regulator.  
                               **Performance Objective 3**: To be transparent about our performance so that the public, patients, professionals and our partners can have confidence in our approach. |
| Business Plan 2017     | **Priority 1**: Continue to build a cost effective and efficient organisation. |
| Decision Trail         | A commitment to consulting on a new fee-setting policy in 2017 was made in *Shifting the balance*, which was published in January of the same year.  
                               An executive proposal on the development of a new fee policy framework was discussed at the September meeting of the Council, and the development of a policy and associated consultation document was approved.  
                               A draft policy and associated consultation document have been considered by the Council in its closed session and are will be finalised prior to publication. |
| Next stage             | The policy and associated consultation will be published early in 2018 and will run for a period of 12 weeks. |
| Recommendations        | The Council is asked to:  
                               • Note this update |
| Authorship of paper and further information | Rebecca Cooper, Head of Corporate Policy  
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                                      Matthew Hill, Executive Director, Strategy  
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1. **Introduction and background**

1.1. The GDC’s approach to fee-setting needs to be revised. A commitment to doing so was made in *Shifting the balance*, which was published in January 2017. Focus on the delivery of other priorities, including those set out in *Shifting the balance*, has meant that the original commitment to consult in 2017 could not be met. Significant work has, however, been undertaken over the course of the year, leading to the development of policy proposals, which were outlined in a paper to the Council, at its closed session, in September 2017.

1.2. At that meeting, and based on the outline proposals, the Council approved the development of a draft policy and associated consultation document.

1.3. This paper provides an update on the development and approval of the policy and consultation paper.

**Legal framework and previous consultation**

1.4. The GDC’s power to charge fees to dentists arises from s.19 of the Dentists Act 1984 (“the Act”), and permits the charging of fees for entry on to, restoration to, and retention on the register. The same powers in relation to the charging of fees for dental care professionals (DCPs) arise from s.36F of the Act. Sections 19 and 36F also contain, since 2015, a regulation-making power to prescribe a fee “to be charged otherwise in connection with an application for registration”.

1.5. The GDC currently has in place a two-band fee structure, which sets a fee for dentists, and a fee for all DCPs, irrespective of professional title. Separate fees are charged for entry onto and retention on any of the 13 specialty lists under regulations made under s.26 (4A) of the Act.

1.6. The policy on fee setting was last revised and consulted on in 2014. That consultation related specifically to the annual retention fee (ARF), and followed a review of the fee policy.

1.7. That consultation did not cover fee levels, which were the subject of a later consultation, but sought to establish principles in relation to how the fee was set and how income was used. The consultation specifically excluded the question of introducing the facility for registrants to pay by instalments.

1.8. The consultation on the fee setting policy also included a specific commitment to consult registrants on any changes to the level of the ARF and to provide reasons for those cost increases.

1.9. Following the consultation, the GDC issued a statement setting out the Council’s decision as to how it was going to proceed on the question of the fee setting policy. That response reiterated the intention to charge registrants only what it costs to regulate them and issue a right to practise, and that income levels would not be taken into account when setting fees. It also stated that the ARF would continue to distinguish between dentists and dental care professionals (DCPs), and that the costs for the two groups would be related to the costs of regulating that group. The response also restated the commitment to consult on any changes to the fee levels.

1.10. The current policy has been in place since 2014. Our improved understanding of the complexity of the landscape in dentistry and the factors that influence the cost of regulation, coupled with the drive to improve our efficiency, mean that the framework requires review.

2. **Plans for consultation on a new policy framework**

2.1. The GDC set out its vision for a better, fairer system of regulation in dentistry in *Shifting the balance*. Alongside the proposals articulated in the discussion document, the GDC undertook to develop a new policy framework in relation to fee-setting. That policy is needed to underpin a sustainable and fair regulatory system.

2.2. In order to ensure the development of a robust, fair and transparent policy, the GDC has sought to learn from previous consultations and from our interactions with registrants over the
past two years. We have also carried out detailed financial analysis to support the
development of our proposals. Information on this will be included in the consultation
document.

2.3. Following approval of the outline proposals at the closed session of the Council in September
2017, a draft policy and an associated consultation document were prepared. These were
considered by the Council, again at it’s closed session, in December 2017.

2.4. The draft policy will seek to:

- Address the operational challenges that arise from our current policy on fee setting.
- Set out a robust framework that supports a proportionate model of regulation and
  articulates clearly the principles we will use as a basis for setting fees.
- Learn from previous consultations, by offering improved engagement with the profession
  and others about the choices to be made in the amount of resource generated by the fee
  and how that resource is deployed.

2.5. Subject to amendments required as a result of the consideration in the closed session, and
the addition of additional contextual information to increase clarity for registrants and
stakeholders, the proposed policy will be published for a 12-week consultation period early in
2018.

3. Risks and consideration

3.1. Given the GDC’s history and the challenges it has faced from registrants, particularly dentists,
in relation to fee-setting, it is important that the proposals and the consultation process are
clear, logical and robust in order to provide assurance to our registrants that we are using the
income we collect from charging fees to regulate effectively. Given the importance of
transparency in our decisions relating to fee-setting and the associated policies that affect it, it
is essential that consultation and engagement with the professions in relation to this policy is
meaningful, and that parties are given adequate opportunity to provide their views.

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<tr>
<th>Communications</th>
<th>A communications plan is being developed alongside the draft policy and consultation</th>
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<tr>
<td>Equality and Diversity</td>
<td>An equality impact assessment on the proposed policy will be carried out</td>
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<tr>
<td>Legal</td>
<td>There are no legal issues associated with this paper</td>
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| Policy | This paper relates to a key element of GDC policy making. The development and approval
  of the new policy framework will have implications for the development of the GDC’s
  position on:
  ○ Corporate and business planning
  ○ Budgeting and resource allocation |
| Resources | The policy framework will have a direct impact on the fee level and GDC income |
National
- There is no differential impact on the four nations of the UK, and the consultation will be UK wide

Risks on registers
- These proposals do not relate to risks already on strategic or operational risk registers. A risk register for the project has been established and mitigating actions are being taken

4. Recommendations
4.1. The Council is asked to:
- Note this update

5. Internal Consultation
5.1. The development of the proposal in relation to fees is the result of collaboration between various teams/directorates, but particularly Policy, Finance, Registration and the Project Management Office.

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<tr>
<th>Department</th>
<th>Date and consultee name</th>
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<tbody>
<tr>
<td>Finance</td>
<td>Melanie Stewart – ongoing since February 2017</td>
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<tr>
<td>Registration</td>
<td>Jag Sahota – ongoing since February 2017</td>
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<tr>
<td>PMO</td>
<td>Michael Huntley – ongoing since June 2017</td>
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<tr>
<td>Communications</td>
<td>Lisa Cunningham – ongoing since April 2017</td>
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