

Feasibility analysis – payment by instalments

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Type of business	To note
Issue	To update the Council on the progress of the work to determine the feasibility of introducing a facility for registrants to pay the ARF by instalments.
Recommendation	The Council is asked to note this update

1. Payment by instalments – plan for feasibility analysis

- 1.1 In December 2019 the GDC's executive sought approval from the Council for the release of funds to commission a feasibility analysis of the introduction of a facility for registrants to pay the ARF by instalments. The paper seeking approval set out a summary of information that we had gathered from those regulators who currently offer such a facility. Based on the information available from those regulators, the paper also set out the assumptions made about uptake of the scheme and registrant behaviour and, based thereon, the anticipated financial risk associated with payment by instalments.
- 1.2 The Council approved the release of funds, and work was then undertaken to prepare the relevant tender specification to enable us to commission the work. As we were preparing to publish the tender, the UK went into lockdown due to the pandemic. Shortly after lockdown began the GDC diverted its focus from the development of a permanent scheme to enable payment by instalments to consider the introduction of an emergency scheme to mitigate the impact of COVID 19, particularly for the ARF collection for DCPs in July.
- 1.3 In May, the Council decided not to pursue the introduction of an emergency scheme. In the process of revising the CCP for the remainder of 2020 and 2021, we developed a new timetable for the procurement of the feasibility analysis, and made some changes to the scope of the work required in order to take into account the internal work done to establish the feasibility of the emergency scheme.
- 1.4 The changes were not fundamental, but given the work undertaken to prepare for the emergency scheme, there is now less need to establish what operational changes are required as we have undertaken part of that assessment. The learning from the work on the emergency scheme will be provided to the successful contractor, so as to avoid duplication of effort.

1.5 The revised timetable is set out below:

Stage	Timetable
Drafting and finalisation of tender specification	July/August 2020
Supplier engagement	Late August/early September
Publication of tender	w/c 14 September 2020
Bidding closes/evaluation period begins	w/c 5 October 2020
Evaluation period ends and contract negotiation period begins	w/c 18 October 2020
Contract negotiation period ends and contract awarded	w/c 5 November 2020
Feasibility analysis work commences	w/c November 2020
Interim report provided	w/c 25 January 2021
Final report provided and presentation to Council	March 2021

1.6 Based on this timetable, we anticipate that the work will be completed within 24 weeks of the tender being published. This is of course subject to the received bids being of the appropriate quality. This timetable makes provision for contract negotiations. It is possible that negotiations will be unnecessary or will take less time than has been allowed in the timetable. We have used existing procurement frameworks to tender for this work.

1.7 The planning, timing and costing of implementation will of course depend on the outcome of the feasibility analysis, but the timetable has been designed to enable implementation in time for the July 2021 ARF collection for DCPs.

2. Legal, policy and national considerations

2.1 As set out earlier, the GDC must ensure that it is compliant with relevant procurement rules and procedures. This exercise is therefore being closely managed by the procurement team.

3. Risk considerations

3.1 The risks associated with this relate primarily to the decision that will need to be made once the feasibility analysis has been completed. At that stage, the Council will need to determine the appropriate balance between the risks and benefits identified by the feasibility analysis.

4. Resource considerations and CCP

4.1 The work has been incorporated into the CCP for 2021 within the relevant directorates.

5. Next steps and communications

5.1 We continue to face calls from registrants and professional associations to consider introducing a facility for them to pay by instalments, and there has been a renewed focus on the way we charged fees since the pandemic. Progress on payment by instalments, and particularly the procurement exercise will be communicated so as to align with other communications on the CCPs, budgets and the ARF.

Appendices

None

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11 September 2020