| **Title:**<br><br>**A consultation on proposals related to Fees operated by the Pharmaceutical Society NI in 2025/2026** | **Regulatory Impact Assessment (RIA)**<br>**Date: 06 January 2025**<br>**Type of measure:**<br>Subordinate Regualtions |
|---|---|
| **Lead department or agency:**<br><br>**Pharamceutical Society NI** | **Stage:** Drafting<br>**Source of intervention:**Domestic NI |
| **Other departments or agencies:**<br><br>**Department of Health NI** | **Contact details:**<br>emer.hopkins@psni.org.uk<br>07542225889 |

**Summary Intervention and Options**

**What is the problem under consideration? Why is government intervention necessary?** (7 lines maximum)

- The Pharmaceutical Society of NI is consulting on amendments to enable a fee increase which is considered necessary due to the evolving role of pharmacists, increasing the complexity of regulation activities and the need for financial stability for the organisation. Fees can only be altered through amendments to the related Pharmaceutical Society of Northern Ireland (General) Regulations (Northern Ireland) (SR No 202). Department of Health approval is required under Article 25A (2) of the Pharmacy (Northern Ireland) Order,1976.

**What are the objectives and the intended effects?** (7 lines maximum)

1. Upholding high standards in education, training, and professional practice.
2. Supporting financial capability to complete both ongoing and new initiatives, enabling the Society to swiftly respond to changing circumstances and proactively tackle emerging risks.
3. Support for projects: Facilitating vital projects such as those related to pharmacy education, advancements in Fitness to Practice case management software, and enhancements to the Society's website.

**What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)** (10 lines maximum)

Other options considered were no fee increase or a smaller increase. Both were deemed unviable due to the risk of insufficient funding to meet the Society's financial commitments and fulfil its statutory duties.

In 2023/24 the Society recorded a financial deficit for a third consecutive year and is forecasting continued deficits. In 2023/24 the deficit was £225,351 compared to £199,111 in the year 2022/23. Following assessment, no further business efficiencies can be made without impacting upon delivery of vital public protection functions. The level of fee increase is deemed to be affordable and reasonable, noting it is less that would have been had the fee level kept pace with inflation, rather than being held at 2016/17 levels.

| | |
|---|---|
| **Will the policy be reviewed?** Annually | **If applicable, set review date:** October 2025 |

| **Cost of Preferred (or more likely) Option** | | |
|---|---|---|
| **Total outlay cost for business** £ | **Total net cost to business per year** £ | **Annual cost for implementation by Regulator** £ |
| £39,500 estimate | £39,500 estimate | No implementation costs have been assumed |

| | | | | |
|---|---|---|---|---|
| **Does Implementation go beyond minimum EU requirements?** | | **YES** ☐ | | **NO X** |
| **Is this measure likely to impact on trade and investment?** | | **YES** ☐ | | **NO X** |
| Are any of these organisations in scope? | **Micro** Yes ☐ No x | **Small** Yes x No ☐ | **Medium** Yes x No ☐ | **Large** Yes ☐ No x |

**The final RIA supporting legislation must be attached to the Explanatory Memorandum and published with it.**

Stephen Moohan

Approved by Stephen Moohan: 24 01 2024
Interim Director of Business Operations

**Summary: Analysis and Evidence**

Policy Option 1

Description:

The main economic (Business Impact) is identified as that related to a financial impact upon a small number of Pharmacy businesses who pay fees on behalf of registrants.

**ECONOMIC ASSESSMENT (Option 1)**

| **Costs (£m)** | **Total Transitional (Policy)** (constant price) | Years | **Average Annual (recurring)** (excl. transitional) (constant price) | **Total Cost** (Present Value) |
|---|---|---|---|---|
| **Low** | **X** | **Recurrent** | **£39,500** | **£39,500** |
| **High** | **NA** | | **NA** | **£0** |
| **Best Estimate** | **£39,500** | | **NA** | **£39,500** |

**Description and scale of key monetised costs by 'main affected groups'** Maximum 5 lines
£39,500 (£79 x 500) to be paid by employers on behalf of pharmacists each year (estimate)

£197,500 (£79 x 2500) as an additional amount would to be paid by pharmacists who pay their own fee (estimate).

£20,303 (£79 x 257) as an additional amount would be paid by pharmacists each year who will pay their initial registration fee with Pharmaceutical Society NI.

**Other key non-monetised costs by 'main affected groups'** Maximum 5 lines
N/A

| **Benefits (£m)** | **Total Transitional (Policy)** (constant price) | Years | **Average Annual (recurring)** (excl. transitional) (constant price) | **Total Benefit** (Present Value) |
|---|---|---|---|---|
| **Low** | **£0** | Recurrent | **£0** | **£0** |
| **High** | **£0** | | **£0** | **£0** |
| **Best Estimate** | **£0** | | **£0** | **£0** |

**Description and scale of key monetised benefits by 'main affected groups'**
Maximum 5 lines

No monetised benefits identified

**Other key non-monetised benefits by 'main affected groups'** Maximum 5 lines

It is in the interests of all pharmacy business owners and independent pharmacists who pay fees to have in place sustainable effective and responsive regulation, to promote and safeguard the quality of pharmacy practice services as part of the range of safeguards which ensure safe services are provided to patients.

The increase in fee, as described in the consultation document, will support the financial stability of the Pharmaceutical Society NI and its ability to deliver on its statutory objectives, contributing to the wider framework of measures that safeguard the delivery of quality care.

| |
|---|
| **Key Assumptions, Sensitivities, Risks** Maximum 5 lines<br><br>It has been assumed that pharmacy business owners pay fees on behalf of around 500 pharmacists. |

**BUSINESS ASSESSMENT (Preferred Option)**

| **Direct Impact on business (Equivalent Annual)** | | | | |
|---|---|---|---|---|
| **Costs: Combined**<br><br>**£39,500** | **Benefits:**<br><br>A sustainable Pharmaceutical Society NI benefits businesses by supporting the quality assurance of pharmacists and pharmacy premises and quality care for patients. | **Net:**<br><br>**£39,500** | | |

**Cross Border Issues (Preferred Option)**

| |
|---|
| **How does this option compare to other UK regions and to other EU Member States (particularly Republic of Ireland)** Maximum 3 lines<br><br>No cross-border issues are identified attributed to the increased in fee, change in payment method to direct debit, or change from postal to email notification. |

**Evidence Base**

There is discretion for departments and organisations as to how to set out the evidence base. It is however desirable that the following points are covered:

- **Problem under consideration and rationale.**

  The Society's primary income is derived from the fees charged to registrants.

  The current financial analysis shows that while the Society has adequate reserves, continued deficits could impact its ability to fulfil statutory duties. The proposed fee increase is essential to maintain financial resilience and support ongoing and future projects.

- **Policy objective.**

  The proposal intends to reduce the level of annual losses incurred by the Society in executing its statutory regulatory and professional leadership functions and restore an acceptable level of strategic reserves in line with the Society's strategic reserves policy.

- **Description of options considered (including do nothing), with reference to the evidence base to support the option selection.**

  Do Nothing: The option to hold the fee at the current (2016/17) rate was evaluated as unacceptable to the level of financial risk this would potentially expose the Society to.

  Preferred Option: It is proposed to establish an increase of £79 annually, per registrant. This was calculated as the minimum amount to restore financial resilience within the current year. It is noted however that there is a requirement to complete an annual review of the fees going forward and a strategic multi-year approach to ensure the costs of operating the statutory functions of the Society are met in full.

- **Monetised and non-monetised costs and benefits of each option (including administrative burden).**
- **Rationale and evidence that justify the level of analysis used in the RIA (proportionality approach).**
- **Risks and assumptions.**

  **Do Nothing:** The benefits, of holding the fee at the 2016/2017 level for a further year were identified as the avoidance of an additional costs pressure to registrants. These benefits were outweighed by the impact upon the Society in assuming an unacceptable level of risk in respect of its reducing financial resilience and ongoing ability to fulfil its core statutory functions.

  **Preferred Option**: Noting the obvious cost burden on registrants, an increase is needed to secure stronger financial resilience.

  An increase in pharmacist registration fee from £398 to £477 is proposed. This increase is necessary to cover the rising costs of regulatory activities and to ensure the Society can continue to provide high-quality services. It is noted that the proposed fee is lower than would otherwise have been if fee had been adjusted annually for inflation since the previous increase.

- **Direct costs and benefits to business**

It is estimated that the combined direct costs to pharmacy businesses in Northern Ireland are likely to be in the region of £39,500 per year. Non-monetary benefits include those associated with maintaining effective and sustainable professional regulation within the framework for quality assurance of pharmacist practice support safe delivery of services.

- **Wider impacts (in the context of other Impact Assessments in Policy Toolkit Workbook 4, economic assessment and NIGEAE)**

No wider impacts are noted at this stage.