

70 St Mary Axe
London
EC3A 8BE
Telephone: 020 3102 4030
Facsimile: 020 3102 4476
www.thehearingaidcouncil.org.uk

Date: 27th February 2009

Dear Registrant

Next steps forward: Council's last year

It has been an eventful year for the Council. Legislation has been passed to set up the transfer of our register of dispensers to the Health Professions Council (HPC) and our subsequent abolition. The second piece of legislation, which finalises the transfer, is scheduled for consultation in March this year so the transfer can take place at the end of March 2010. This second piece of legislation is known as a Section 60 Order and it is the standard tool used to change statutory regulation for healthcare professionals. Following the transfer, there will be a short period for the Council to finalise its accounts and affairs. Such transition periods are common to all public bodies when being dissolved. The Council will not have any regulatory powers during that time.

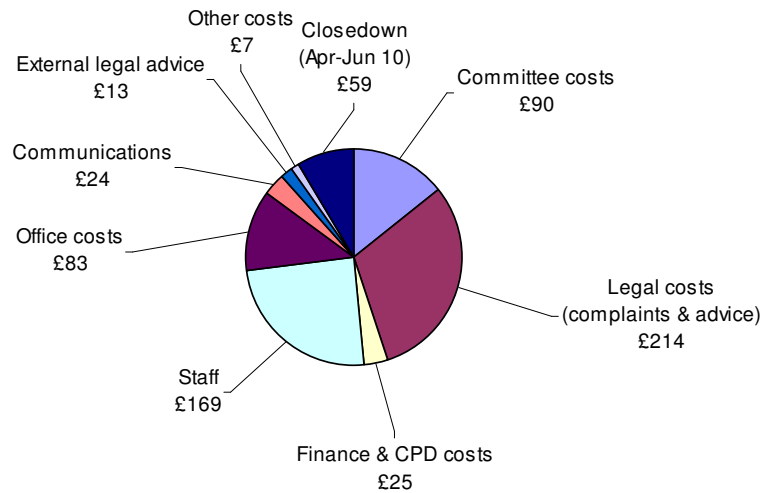
While we have pushed for an earlier transfer, we understand we have a clear duty to do all we can to protect the public and uphold confidence in the regulation of the profession until the HPC takes over. The Government's revised timetable means the Council must seek retention fees from registrants to cover the costs of its activities from April 2009 until July 2010.

In this letter I would like to breakdown where the retention fee will be spent, update you on the transfer and explain how an unsuccessful judicial review launched by a registered employer (Hidden Hearing Ltd) has affected our finances and your retention fee.

The retention fee and how it will be spent

As with all healthcare professional regulators, the Council is entirely funded by registrants. No Government money is available to subsidise our activities or the cost of the transfer to the HPC. In our final year we must be particularly prudent as we cannot leave a deficit or raise any further income. In agreeing what the fee should be, the Council considered in detail over several months its current financial position, all likely expenditure and income plus the impact of the fee on registrants' cost and consumer prices. At its January meeting, Council members voted to set the fee for 2009-10 at £695. A breakdown of how the fee will be spent is given below:

Breakdown of how £695 will be spent



Our priorities this year are to ensure a smooth handover to the HPC whilst upholding our responsibility to protect the public. We will be investing in communications work along with the HPC to help consumers understand the changes and the importance of using an HPC registered dispenser. If, as seems likely, a criminal offence is carried over making it illegal to carry out dispensing activities in the private sector unless registered with the HPC then we will invest in educating potential new entrants to the market, Trading Standards authorities, the Office of Fair Trading and consumers.

Will the HAC still investigate complaints in its final year?

The Council exists to protect the public and we will continue to do this until the day of the transfer. We have a number of statutory duties, which include receiving and investigating complaints. We will consider every complaint we receive and investigate them as appropriate. We will do everything we can to resolve as many complaints as possible before the transfer date. We have already halved the length of time it takes to resolve complaints and we will seek to shorten the process even further. In addition, we are scheduling extra disciplinary committee meetings should they be required. Any complaints which we have not resolved before the transfer date will be passed to the HPC to conclude. We are already working the HPC on how to make the handover as smooth as possible for complainants and registrants. For example, we have now appointed the same law firms as the HPC to handle our disciplinary cases and give us legal advice.

Why are you being asked to fund transfer costs?

The Government does not provide public money to fund changes in regulation or regulators. After the transfer the HAC will run for a four month closedown period, shutting the organisation down, filing our final accounts to Parliament and working alongside the HPC. You may remember that a portion of the 2008-9 fee was set aside to cover the transfer period. That money was not spent last year and has been carried forward in to this year's

budget. Unfortunately the predicted costs of the transfer have risen meaning part of this year's fee is needed in addition to the sum carried over from last year.

What is a judicial review, what happened and how did it affect your fee?

As with any other Government body, those affected by our decisions and actions can ask a judge to review them to determine whether we have acted unlawfully. In February 2008, we issued a guidance note clarifying the implications of some recent changes to how we regulate the supervision of notified trainees. A registered employer, Hidden Hearing Ltd, objected that the guidance included a list of activities (such as fitting and post fitting rehabilitation) that could count as dispensing thereby requiring whoever carries them out to register with the Council.

Hidden Hearing applied for a judicial review of the guidance note, focusing in particular on whether someone carrying out fitting and rehabilitation could be required to register with the Council. Defending a judicial review is always costly but we did everything we could to minimise the impact on our finances. The judge dismissed Hidden Hearing's case and we estimate the review will ultimately cost us £122,000. Although the judge ordered Hidden Hearing to pay our costs we will only recover a portion of what we were forced to spend. We may be required to attend a further hearing to determine the precise amount Hidden Hearing will pay. The outstanding amount must be funded from HAC reserves. The Council also expended a considerable amount of its administrative resource responding to the case but it is not possible to claim those costs.

The case was a serious threat to RHAD's professional standing and public safety. Had Hidden Hearing's claim been upheld then dispensing activities, such as fitting, could have been carried out by unregistered and unqualified staff who would not be covered by the Council's standards of education or conduct. Defending the case was time consuming and expensive but worthwhile given the risks to the public and the profession. Had Hidden Hearing not brought their unsuccessful case then I estimate that we would have been in a position to have reduced your fee this year by £67 per registrant.

How will we keep you informed about the transfer and when will you pay your HPC fees?

I have written to you frequently to keep you updated on the transfer and I will continue to do so in the year ahead, often jointly with the HPC. We will write to you to explain the Standards you will have to meet at HPC, how you will be transferred, when you will need to pay your HPC fees and how we will resolve any outstanding complaints. Our team will make a considerable effort to attend as many events as possible, make ourselves available to industry and external media, and work with professional bodies and employers.

We will be making a particular effort to help our stakeholders respond to the upcoming Department of Health consultation on the legislation which finalises our transfer to the HPC, the Section 60 order. We have written to professional bodies, major employers and others to offer to meet their members and staff and answer any questions they may have. We will also hold events across the UK which we will advertise on our website and you are welcome to attend. If you have any questions about the consultation then please contact our office.

If you think there is more we could be doing to keep you informed then please do get in touch and let us know. Our details are at the head of this letter. You can always contact our office staff with any queries you may have and they will be happy to help as much as they can.

The year ahead promises to be an historic one for the hearing aid sector. The transfer to the HPC will be the culmination of all the work we have done together to raise standards, protect consumers and improve the standing of the profession. As health professionals in a modern regulatory framework, hearing aid dispensers will have the ideal platform to provide a better and better service to the public for years to come.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Chris Hughes', written in a cursive style.

Chris Hughes OBE
Chairman