

HealthGov, Sydney 15 April 2014

Best value in regulation: know more, do less

Harry Cayton
Chief Executive



Reflective practice

The unexamined life is not worth living. '

Socrates

Quoted in Plato's Apology, 4thC BC

Three purposes of regulation

- Public protection
- Upholding standards
- Maintaining confidence in regulation

Public protection derives from multiple factors; regulatory force is different for each of these

- People
- Places
- Products
- Processes
- Prices

Right touch regulation

Right touch regulation is based on a proper evaluation of risk, is proportionate and outcome focussed; it creates a framework in which professionalism can flourish and organisations can be excellent. Excellence is the consistent performance of good practice combined with continuous improvement. '

Harry Cayton CHRE Review 2009

The first law of right-touch regulation

Use only the regulatory force necessary to achieve the desired effect.

Five agents of quality

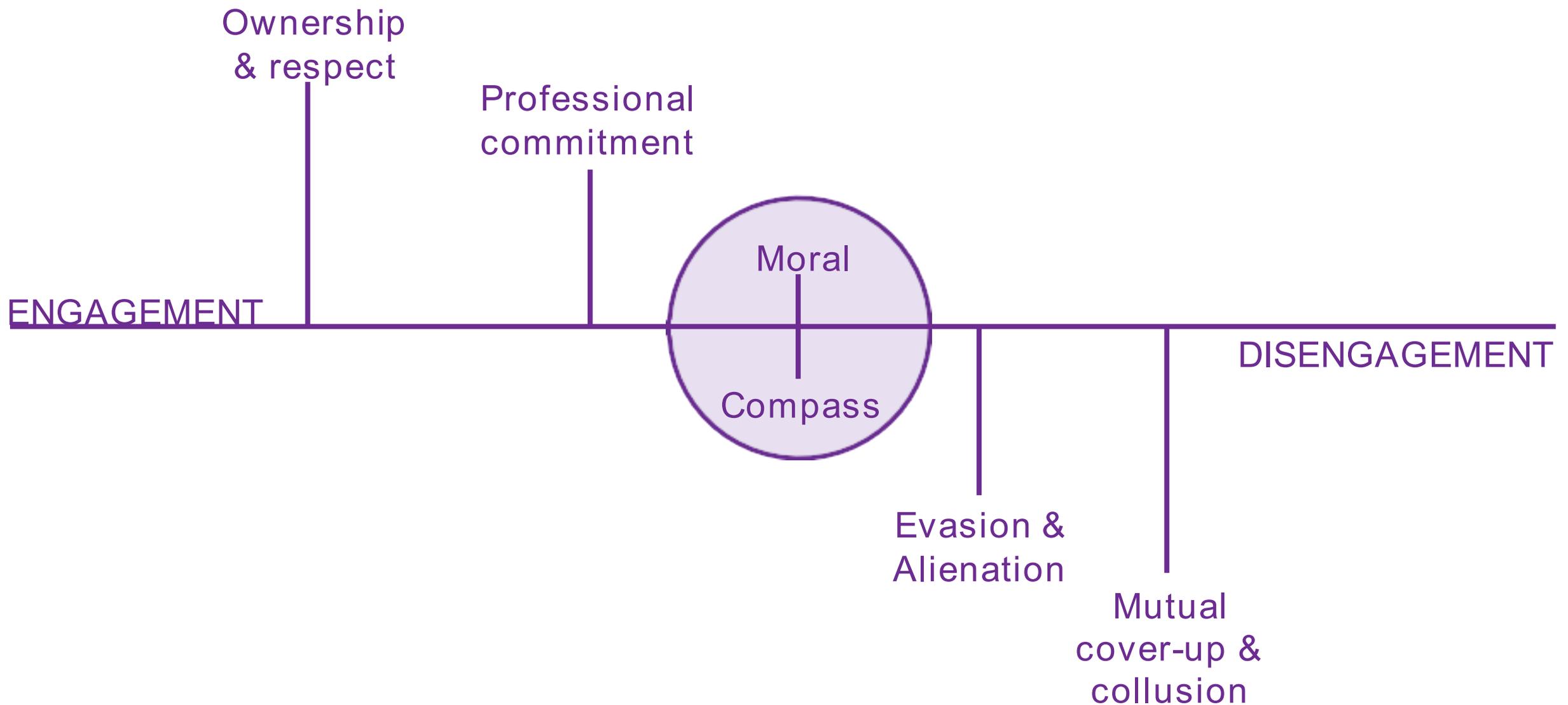


Elements of the right-touch approach

- Identify the problem before the solution
- Quantify the risks
- Get as close to the problem as possible
- Focus on the outcome
- Use regulation only when necessary
- Keep it simple
- Check for unintended consequences
- Review and respond to change



Human factors in regulation





Cost effectiveness

- The nature of the profession and the work setting have significant impact on cost
- Larger regulators have economies of scale
- Complaints processes consume most cost
- Standard setting is most susceptible to savings
- There was wide variation between regulators

Review of the cost effectiveness and efficiency of the health professional regulators November 2012

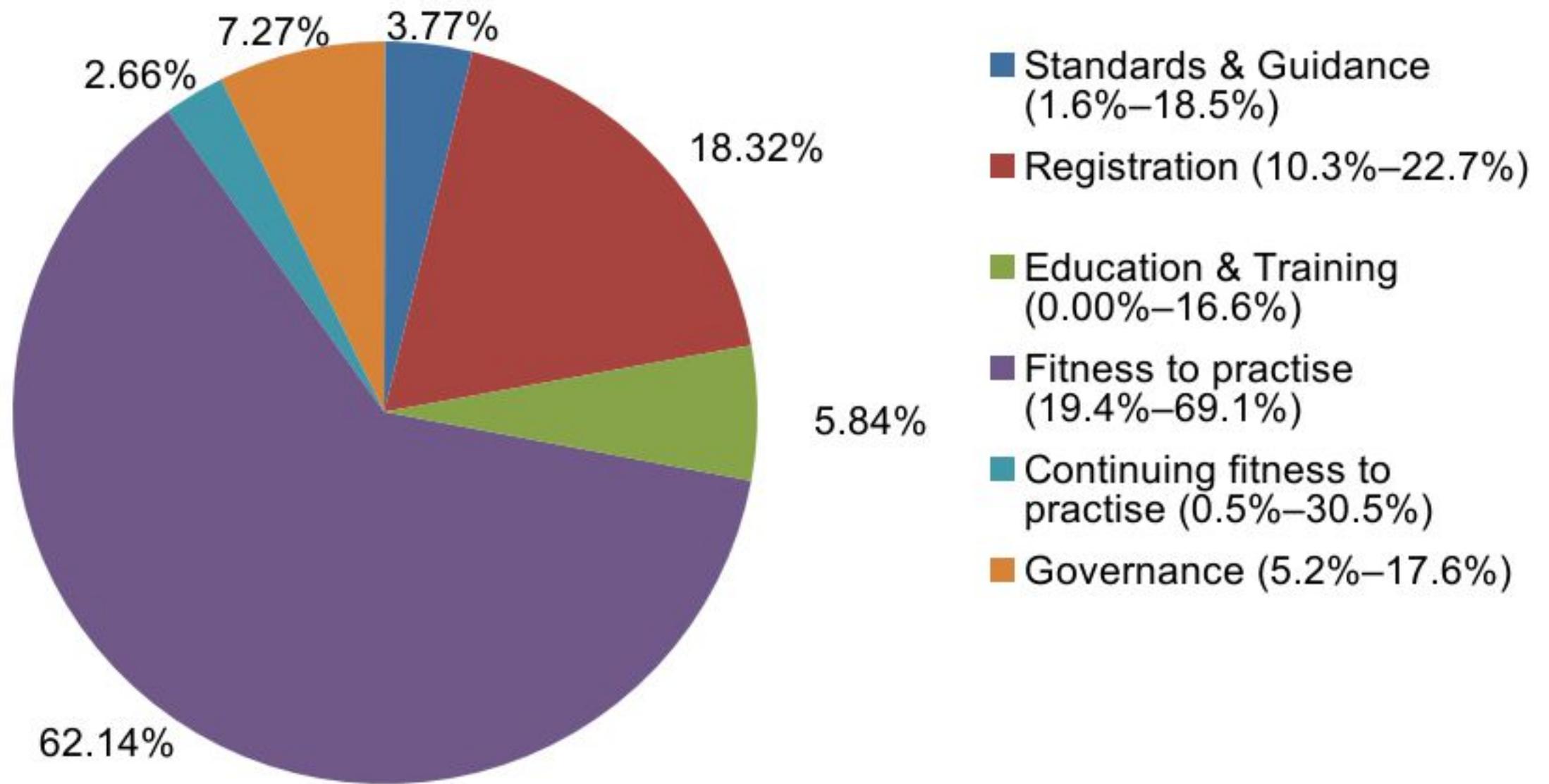
UK professional regulators unit operating costs by core function*

Regulator	Standards & Guidance	Registration	Education & Training	Fitness to practise	Continuing FtP	Governance	Overall
GCC	£25.18	£104.07	£0.00	£409.75	£73.63	£108.37	£721.00
GDC	£6.09	£63.06	£12.60	£179.10	£2.91	£14.61	£278.36
GMC	£5.82	£64.48	£20.28	£244.37	£11.50	£21.93	£368.39
GOC	£9.77	£31.81	£24.11	£73.30	£19.36	£33.87	£192.22
GOsC	£131.65	£141.60	£52.52	£205.53	£75.14	£104.83	£711.28
GPhC	£6.39	£33.55	£21.53	£73.43	£10.20	£19.52	£164.62
HPC	£2.94	£15.68	£6.87	£45.25	£0.41	£4.43	£75.58
NMC	£5.30	£11.18	£2.66	£41.83	£0.54	£5.99	£67.50
PSNI	£23.49	£47.16	£56.60	£65.90	£103.78	£43.15	£340.07
Overall	£5.68	£27.58	£8.79	£92.97	£4.01	£10.95	£149.98

*adjusted for exceptional and/or non-core expenditure

UK professional regulators share of expenditure by function

Function	Average share of expenditure	Range of share of expenditure
Standards & Guidance	3.77%	1.6% –18.5%
Registration	18.32%	10.3% –22.7%
Education & Training	5.84%	0.00% –16.6%
Fitness to practise	62.14%	19.4% –69.1%
Continuing fitness to practise	2.66%	0.5% –30.5%
Governance	7.27%	5.2% –17.6%



Effective public governance

- Responsibility and accountability
- Personal behaviours
- Roles and relationships
- Dealing with disagreement
- Conflicts of interest
- Transparent decision-making
- Understanding performance
- Acting on organisational complaints
- From representativeness to credibility

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