

UK Medical Regulators and Business Flexibility in 2018 – a discussion paper

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August 2018

Introduction

UK Medical Regulators exist under government statute to regulate a set of protected medical titles. Working with experts, they set the minimum required standards for knowledge, skills and conduct for those listed on their register under one or more protected titles. Those people listed on each regulator's register are known as registrants.

Where an allegation is brought against a registrant that isn't criminal in nature but thought by the alleging party to breach the minimum standard, it is then referred to the relevant regulator for investigation. This may lead to a fitness-to-practice hearing and an action taken by the regulator. For example, the registrant may be required to work under close supervision for a period. Or in extreme cases, the registrant may be struck off the register entirely.

Some examples of UK medical regulators are as follows;

- General Medical Council,
- General Dental Council,
- Nursing and Midwifery Council,
- Health and Care Professions Council,
- General Pharmaceutical Council,
- General Chiropractic Council,
- General Optical Council,
- General Osteopathic Council.

Main Section

Some information was sourced from recent General Medical Council Annual Reports published on its website, to link it to some insights about business flexibility (FL) in this paper. Such regulator-published information is acknowledged by the author as being the copyright of the regulator. A summary is shown in Figure One. It shows free cash reserves first falling, then rising slightly over time.

Figure One

Financial Year Ending	Total Free Cash Reserves (£M's)	No of Registrants at year end	Average no of staff employed
31/12/2016	34.3	237,234	1,115
31/12/2015	34.1	273,700	1,082
31/12/2014	36.3	267,100	945

The author of this discussion paper has developed the concept of a 'flexiscribe'. This term is defined as a mechanism that codes for business flexibility, whether on a continuous or non continuous basis. Organisations develop & manage their flexiscribes, to better manage business risk and improve business impact.

Some generic examples of business flexiscribes are as follows;

1. Free cash reserves. Building up financial reserves creates FL. A prudent organisation can however convert some portion of free cash reserves into other types of FL. For example, if an organisation spends some of its cash reserves explicitly to diversify its 'flexibility portfolio'. Or builds products & services centred on flexibility as a selling feature. In the commercial sector, the swiss army knife is an example.
2. Workload capacity outsourcing.
3. Variable costs (costs that vary directly with demand).
4. Matrix management structures.
5. Process automation.
6. Staff incentives.
7. Linking internal databases to external partner databases.

Using publicly available, online data about each of the above UK medical regulators, it isn't easy to identify trends in the development of most of the flexiscribes listed above. Free cash reserve levels and changes in free cash reserves can essentially be observed over time (from successive balance sheets published), to show how this flexiscribe is changing. If free cash reserves are growing over time, financial flexibility is growing. If dropping, overall FL may also be dropping¹. Or alternatively, it may be some combination of:

- a conversion of one type of FL into others, to explicitly manage uncertainty or enable scalability.
- an investment in improving service quality or unit cost reduction (perhaps at the expense of FL).

There may also be some indications of flexibility portfolio investment noted in an organisation's audited Annual Report. For example, in the mitigations for strategic risks, evidence of significant investment in new technology infrastructure, or evidence of major new services launched such as registrant practises revalidation. An example of the later is the Nursing and Midwifery Council introducing registrant revalidation in the 2015/16 financial year. Another obvious indication is in the number of professions regulated – a regulator's effort to successfully regulate a diverse set of professions is evidence of organisational FL. For example, the Health and Social Care Professions Council regulating some 16 protected titles with a total number of registrants at 361,061 at 31 March 2018.

Regulator indirect and direct issues

In examining regulator flexiscribes, it's worth considering some of the major issues inherited by the UK medical regulators from external changes. Ones that are arguably common to the group of regulators are as follows:

- Population demographic changes and preventative healthcare/healthy lifestyles,
- Education pipeline/Brexit impact (labour force supply),
- Funding per procedure versus the cost per procedure.

For the regulators whose registrants aren't self-employed, a further external issue for the registrant's employer may be employer-trainer mismatches over time (employer needs changing faster than trainers can adapt). Regarding mis-matches, how can various investments in greater FL help? The emphasis of the regulator's Education dept could alter to become a **change management**

¹ What's the best way to monitor whether organisational FL is dropping? Engage a FL consultant to help measure baseline FL and then set up a FL monitoring system for the organisation to track over time.

agent, including seeking common international standards and perhaps providing more student outreach support to boost university enrolments.

Population demographic changes combined with medical professions labour force supply changes

A workforce supply shortage of registrants and perhaps delayed treatments (and medical supplies) caused by Brexit, will threaten regulator overall fee streams which then limit regulator improvements. A shortfall in annual registrations creates reduced work for the regulator's Registration dept too. A shortfall in available registrants relative to an aging population, obesity epidemic etc may reduce the attention given to patients by registrants, potentially leading to more FTP negligence cases arising.

How can various investments by the regulator in greater FL help? Invest in **pace flexibility** to reduce change management pressures. What flexiscibes could be altered? Build up **cash reserves** to smooth out the impact of fee income variations over time. Regulator to ensure suppliers who are legal firms have **capacity to handle more** registrant negligence FTP allegations & cases.

Funding per procedure versus the cost per procedure

A rising gap between funding and costs may translate into medical employer job cuts and longer working hours for the remaining registrants employed. For the regulator, this may undermine CPD compliance rates by the registrants and cause revalidation problems (revalidation process unaffected, but success rates reduced?).

How can various investments in greater FL help? Achieve **lean process efficiency** by minimising the amount of time the registrant is involved in their practice validation. What flexiscibes could be altered by the regulator? **Database integration** (Regulator to Employer's records) for fast validation. Invest more in **process automation** to reduce process unit costs further.

Seven Regulator Evolving Issues

- (1) **Workload scalability.** Org area impacted: FTP, Registration, Education & standards setting (including Revalidation), Comms/Event dept. Types of flexibility to investigate (flexitypes); Design FL, Resource FL, Process FL, System FL and Channel FL.
- (2) **Outsourcing & key supplier relationship management.** Organisational area impacted: FTP, Software systems, Standards Partners, Education providers, Professional Bodies. Types of flexibility to investigate; Resource FL, Process FL, System FL and Management FL.
- (3) **New services implementation.** Organisational area impacted: Software systems owners, Change Management dept, Project teams. Types of flexibility to investigate; Design FL, Resource FL, Process FL, System FL, Channel FL, Project FL and Management FL.
- (4) **Process automation (including 24/7 operations & partial customer self-service).** Organisational area impacted: Process owners, Change Management dept, Project teams. Types of flexibility to investigate; Design FL, Process FL, System FL, Channel FL, Project FL and Management FL.
- (5) **Uncertainty caused by external factors e.g. NHS funding, Brexit, training provider mismatches to employer needs.** Organisational area impacted: All areas. Types of flexibility to investigate; Design FL, Communications FL, Resource FL, Process FL, System FL, Service FL, Product FL, Channel FL, Project FL, Management FL and Business model FL.
- (6) **Feedback loops (structured & unstructured data).** Organisational area impacted: FTP to Education Dept (standards setting). Registration dept to Education dept (to provide feedback to the relevant professional bodies). Types of flexibility to investigate; Design FL, Process FL, System FL and Management FL.

(7) Data management & business analytics. Organisational area impacted: Software systems owners, Change Management dept, Project teams. Types of flexibility to investigate; Resource FL, Process FL, System FL and Management FL.

A further summary of how the regulator evolving issues are link back to flexiscribes (that code for business flexibility) is given in Figure Two below.

Figure Two

Regulator Evolving issues	Flexiscribes (combination)				
Workload scalability	Cash reserves		FC to VC	Workload outsourcing	DB linking to external partners
Outsourcing & key supplier relationship management	Cash reserves	Process automation			DB linking to external partners
New services implementation	Cash reserves	Process automation	FC to VC		
Process automation (including 24/7 ops & cust self service)	Cash reserves				DB linking to external partners
Uncertainty caused by external factors	Cash reserves	Process automation	FC to VC	Workload outsourcing	DB linking to external partners
Feedback loops (structured & unstructured data)	Cash reserves	Process automation			DB linking to external partners
Data management & business analytics	Cash reserves	Process automation			DB linking to external partners

Figure One Key: FC to VC = converting more fixed costs to variable costs. DB=database.

A further application of business flexibility (refer Figure Three) looks at the implementation speed and pace flexibility opportunity for each high-level plan in each of the four major regulator functions (the columns in Figure Three).

Figure Three

	High Level Plans			
	low vol, high value txns	high vol, low value txns	low vol, high value txns	high vol, low value txns
	Education & Standards	Registration & Register access	Fitness to Practise	Registrant ongoing CPD & validation
Implementation Speed (relative to need)				
Fast	Regulator 2	Regulator 1 & 2	Regulator 2	Regulator 1
Medium			Regulator 1	Regulator 2
Slow	Regulator 1			

	Plan FL (multiple high level plans)			
	Education & Standards	Registration & Register access	Fitness to Practise	Registrant ongoing CPD & validation
Pace FL (thruput relative to need)				
Fast	Principles-orientated standards & legal framework? (design flexitype)	Pre-registration step? (process flexitype)	Multiple legal suppliers each wih scalable capacity to run investigations/hearings (resource flexitype)	Self service with sample testing? Employer audits (resource flexitype) (design flexitype)
Medium	Strong partner input (large pool of experts). Employer outreach to higher education providers? (process flexitype)	Educator audits? (design & process flexitypes)		
Slow				

Regarding Figure Three, some questions for regulators to think about; is achieving a medium speed each high level plan the best goal? Do greater opportunities for process efficiency and machine learning exist in the high volume, low value situations? And from an organisational impact perspective, do we want to preserve the greatest flexibility in the low volume, high value transaction areas (pace FL but not standards FL)?

A final thought. If a UK medical regulator goes through a four-stage journey of development (refer Figure Four below), there are milestones achievable for each major function (FTP, Registration dept, Communications dept and the Education & Standards dept. A question for the regulator - is enough business flexibility present for smooth progress from one stage to the next?

Figure Four

