

COUNCIL

Chief Executive and Registrar Report

Meeting: 11 November 2015

Status: for noting

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Introduction

1. The Chief Executive and Registrar's report is presented to Council on a quarterly basis. This report covers the period since the **29 July 2015** Council meeting. Council is asked to **note** the contents of this report.

Our External Environment

2. We have maintained our engagement with the **Department of Health (DoH)** regarding the draft '*Professional Accountability*' Bill (produced by the **Law Commission**). We are working closely with the department and other health care professional regulators to see implementation if at all possible.
3. We continue to work with the **DoH** and the **Department of Business, Innovation and Skills (BIS)** on the revised European Union Directive on the recognition of professional qualifications (EUPQD), through our membership of the **Alliance of UK Health Regulators on Europe (AURE)**. We are anticipating a consultation on the transposition of the directive into domestic legislation shortly.
4. Since the last Council meeting, the **Professional Standards Authority (PSA)** has published two important papers on regulation. On **6 August 2015**, it published '*Rethinking Regulation*', a paper which sets out its thinking about the future, concluding that radical changes to health and care regulation may be needed and arguing for a more nuanced and sophisticated use of professional and system regulation working in concert. I publically welcomed its potential to stimulate debate.
5. On **23 October 2015**, the **PSA** published a revised statement on 'right-touch' regulation, reaffirming its commitment to the concept and confirming that it expected the approach to be debated and improved upon over time. We fed into their consultation on how right touch regulation is working in practice. In doing so, we identified 'focus on the outcome' as the principle which appears to

create most challenge for the sector, and encouraged the **PSA** to facilitate this through a more outcome focussed approach in its own work with regulators.

6. Normally at this time of year, we would update Council on our response to the **PSA's** annual performance review. This year however, following the **PSA's** review of its process for assessing the performance of regulators, we will be operating to a later timetable. The **PSA** has now completed its review of the performance review process and we anticipate seeing the outcome of its consultation on this shortly. We are still to understand how the new process will operate in practise or what the impact of the transition will be. Though we do not have exact timescales, we understand that data collection will start before Christmas and that the first assessments will take place in the New Year. We will brief Council when we have further clarity.

Our Strategy and Performance

7. Our performance against the **2015/16 budget** is presented in a separate paper **C52(15)**. In summary, the figures for the first quarter show a surplus of **£4,175k** against a budget of **£3,869k**. This is an overall positive variance of **£307k** for the period ended **30 September 2015**. Our performance indicators for finance are green for income (with income under budget by **one per cent**) and red for expenditure (with expenditure under budget by **12 per cent**). To date income is **£7.3m** compared to the budget of **£7.5m** (a negative variance of **£108k**), and expenditure is **£3.2m** compared to a budget of **£3.6m**, which is a positive variance of **£415k**.
8. Our performance against the **2015/16 business plan** is presented in a separate paper **C51(15)**. We met **five** out of the **eight** indicators for programme activity in the last quarter. **One** other indicator is within **three per cent** of our target. There are a couple of specific performance indicators I would like to highlight:
 - 8.1. Employee turnover appears to be reducing, at **23 per cent** for the year to this quarter, due to the departure of **two** employees, compared to **33 per cent** for the year to the last quarter. In the year to this quarter last year turnover was **40 per cent**.
 - 8.2. Our fitness to practise targets remain challenging. In this quarter however we closed **22 per cent** of cases within **52 weeks**, against a target of **20 per cent**. This is the first time we reached this target, since it was set in **April 2014**, a positive development for the organisation. Our progress on obtaining Interim Orders remained stable at three weeks; exceeding our target of four weeks. Our progress on median time from receipt of complaint to hearing determination is down on the last quarter; **97 weeks** against a target of **78 weeks**, compared to **79 weeks** last quarter. Trends in either direction should be treated with some caution due to the low number

of cases (nine). However, we will shortly be moving to an annual rolling cycle which will reduce the volatility.

9. This year's business plan has twelve key projects which contribute to our plans for regulatory reform and organisational modernisation. There are **five** major regulatory reform projects underway; **reviews of student registration, business regulation and standards** (the first two currently on hold) as well as the development of **strategies for illegal practice** and **delivering complaints quickly and effectively**. There are **two** major cross-organisational projects underway to enhance operational effectiveness; **relocation** to a more modern, fit-for-purpose building and the development of a **Customer Relationship Management (CRM)** system.
10. We have passed a number of significant project milestones since the last Council meeting. We published our revised Accreditation Handbook on **1 September 2015**. We completed our consultation on the draft voluntary code of practice for online contact lenses supply on **12 October 2015**. The results are due for consideration at this Council meeting (see paper **C44(15)**). We published our new Standards on **29 October 2015** (see paper **C45(15)**). Our plans to move into our new offices at 10 Old Bailey were delayed but we expect to confirm a moving date shortly. Our Customer Relationship System has completed the bulk of its Phase One roll out with hearings scheduled to go live by **6 November 2015**. Functions scheduled to go live after we relocate are communications, corporate complaints, and education and standards.
11. We have drafted the **business plan** and **budget** for **2016/17**. These are the subject of separate papers **C51(15)** and **C52(15)**. We are currently undertaking a sizeable program of regulatory reform and organisational development. The scale of this has been challenging, so to enable us to prepare better for the next strategic plan (**2017/2020**) we intend to re-asses our capacity constraints and requirements. This will help us improve our ability to prioritise and achieve an appropriate balance between the resources needed for day to day activities and available for new projects and initiatives. Until that assessment is complete, we are phasing projects as realistically as we can for **2016/17** and capturing any new initiatives in readiness for consideration as part of the **2017/2020** strategic plan (see paper **C51(15)**).

Our Stakeholder Engagement

12. In terms of our public profile, topics of press interest since the last Council meeting have included: the standards review, the PSA performance review, erasures from the register, equality and diversity and relocation to new offices.
13. In line with our new research framework, we commissioned consumer research

into contact lens wearers in **July 2015** as part of our illegal practice strategy. Following a call for tenders, we received four submissions. We interviewed three agencies and decided to appoint BMG Research. We received authorisation from the Chair of Council to issue the contract in **August 2015**, which is at a value of **£36,000**. Further information about the purpose of the research can be found in **C44(15)**. We will report the findings of the research to Council in **February 2016**.

14. We continue to meet stakeholders, and have regular and sustained contact with professional bodies and other regulators on a wide range of issues. Since the last Council meeting, I addressed a Westminster Health Forum seminar on the subject of regulating the optical sector in the context of rapid innovation and an ageing, diversifying population, and spoke at the 8th Annual Regulation Conference in Glasgow on the subject of our public perceptions of opticians, as well as standards of care. As usual, I attended meetings of the optical bodies chief executives, and had one to ones with my counterparts at the **College of Optometrists (COO)**, the **Association of Optometrists** and the **Optometrists, and Dispensing Opticians Board of New Zealand**. In conjunction with the chair, I met our counterparts at the **COO** and the new chair of the **National Optometric Advisers Association (NOAA)**, Richard Booth. My other external engagements included the Association of British Dispensing Opticians (ABDO) annual conference dinner, a seminar on patient leaders and professional regulators, hosted by the General Medical Council (GMC) and Action against Medical Accidents (AvMA), and a Vision Care for Homeless People reception at the House of Lords.

Our People and Values

15. Our rolling programme of Council, committee and panel appointments continues. In the last quarter, we appointed a new lay Chair for Investigation Committee, Carolyn Corby, and completed the process of recruiting a new Council member. We are currently waiting for with Privy Council approval. Recruitment of **three** registrant members for Investigation Committee is well underway, with **67** applications received by the deadline (**15 September 2015**) and interviews set to take place on **3 and 4 November 2015**.
16. Committee management and support continued as usual throughout the quarter. In this cycle, there was one Council meeting and four statutory advisory committee meetings. In addition, to ensure Council is engaged early in identifying and discussing emerging strategic issues, as well as creating the next strategic plan, we organised the annual Council Strategy day on **30 September 2015** to consider issues such as risk and education, as well as a specific seminar on the subject of legislative reform on **4 October 2015**.

17. Since the last Council meeting, our annual cycle of employee appraisals has been completed (using the new system for appraisals and policy on performance related pay). Under performance related pay progression, which took effect from **1 April 2015**, progression through the pay ranges is now on the basis of performance. Our pay policy has now been updated to reflect this change. We will also be consulting employees shortly on flexible working arrangements, as part of our rolling cycle of human resources policies review.
18. Our first staff survey under the new research framework was carried out in **July 2015**. This survey will be carried out on a regular six monthly basis so that we can see how trends change over time. The results will be presented to Council in November 2015. We appear to be outperforming a large number of external benchmarks and showing marked and substantial progress since the last survey in 2013. This survey took place prior to our office move and **2015/6** performance related pay award payments, but the next one, taking place in **January 2016**, should be able to show any impact from these.
19. We continue to develop (and embed) new policies and procedures across the organisation. In particular, in the last quarter, we created a draft policy on whistleblowing (external) for consultation, and a final policy gifts and hospitality for approval, following a trial of an interim version. We also finalised the Scheme of Delegation (from Council) and this should be ready shortly, subject to legal advice on one change that Council requested. In addition we reviewed the current list of council policies and procedures, and a draft Memorandum of Understanding with NHS Protect.