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## Strategic Risk Register – June 2023

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### Executive Summary

The presented report sets out the HCPC's Strategic Risks as of 7 June 2023.

The Register details:

- Recent actions or events that are reducing or increasing the risk.
- The risk score including the target score the executive is working towards.
- A description of how the risk relates to the HCPC's risk appetite.
- Current mitigations in place.
- Planned mitigations to be implemented in 2023-24 and a progress update on implementation
- A commentary box outlines the changes to the risk since the last iteration (March 2023)

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Previous consideration	The Committee reviews the Strategic Risk Register at each meeting.
Decision	<ul style="list-style-type: none"><li>• The Committee is invited to question and provide feedback on the content of the register.</li><li>• The Committee is asked to agree the theme for discussion of the Strategic Risk Register in September 2023.</li></ul>
Next steps	The Committee will receive the next report at their meeting in September 2023
Strategic priority	The strategic risks are relevant to all aspects of the Corporate Strategy 2021-26
Financial and resource implications	None
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



# HCPC Strategic Risks

## Summary of strategic risks

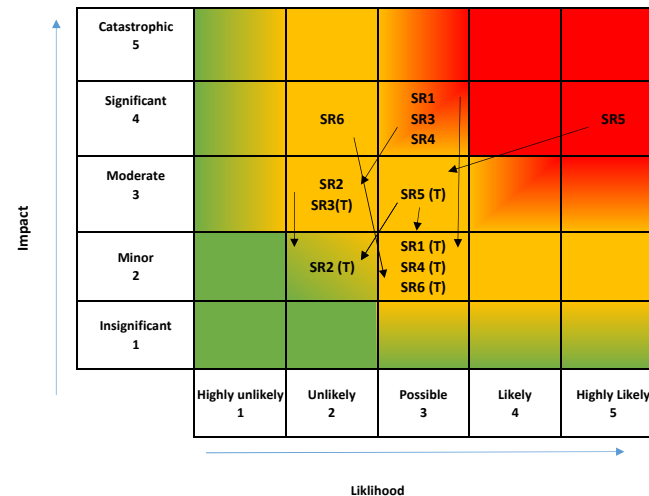
Strategy	Strategic Risks - High Level	Risk Description	Jun-23	Target Risk*
1 - Continuously improve and innovate - To improve our performance against PSA standards of good regulation and to innovate across all our regulatory functions to provide an enhanced user experience.	1. Our regulatory performance does not meet the expectations of our stakeholders and as a result stakeholders have negative experiences of our regulation	This includes the appropriateness of the timeliness and quality performance targets we set ourselves, being in line with the expectations of our stakeholders. This requires awareness of new developments within the regulatory sector and strong stakeholder engagement to ensure expectations are understood. This risk also relates to the experiences of those participating in our regulatory processes, for example registrants, witnesses, professional bodies and education providers.	12	6
2 - Promote high quality professional practice - Enable our professions to meet our standards so they are able to adapt to changes in health and care practice delivery, preventing harm to service users.	2. The HCPC's regulatory expectations are not appropriate or not understood by registrants and other stakeholders	This includes the quality and suitability of our standards and guidance in setting a threshold for safe practice which protects the public. It also includes how effectively we communicate our regulatory expectations, and the effectiveness of our professionalism and upstream regulation work.	6	4
3 - Develop insight and exert influence - Learning from data and research to inform our decision making and share insights to protect, promote and maintain the health, safety and well-being of the public.	3. We are unable to harness the benefits of the wealth of data we hold	This includes our effectiveness in collecting, maintaining, and utilising the data we need to be an intelligence driven regulator. It includes the effectiveness of our insight and intelligence work. It relies heavily on the work of the digital transformation and IT team and includes operational reporting in the Corporate Services team. It also relies on regulatory teams inputting information.	12	6
4 - Be visible, engaged and informed - We regulate, take and communicate decisions which are informed by a deep understanding of the environment within which our registrants, employers and education providers operate.	4. We do not understand our stakeholders needs and so are unable to be as effective a regulator as we can be	This includes how effectively we engage with our stakeholders and our credibility with them and how well we play our part in the wider system. It includes our EDI practice externally, the ability to respond and influence external drivers for change, like the impact of Brexit, devolution or a change in government as well as issues like workforce development.	12	6
5 - Build a resilient, healthy, capable and sustainable organisation - Employees feel valued and supported, and fully able to contribute. The organisation is resilient and able to quickly adapt to changes in the external environment.	5. The resources we require to achieve our strategy are not in place or are not sustainable.	This risk includes not securing the resources we need to be effective and / or not being efficient and effective in our use of our resources (resources include financial, knowledge, skills, culture, infrastructure). It includes the development of our culture, people and physical assets, our continued financial viability and the significant failure of key business processes.	20	9
6 - Promoting the value of regulation - The public, registrants, students and employers understand the value and importance of regulated health and care professionals.	6. HCPC is unable to realise the benefits of regulatory reform, or these benefits are significantly delayed	Regulatory reform is an essential component to helping HCPC realise its strategic ambition to provide a more human and compassionate regulation through the timely and proportionate disposal of fitness to practice cases.. Benefits also include greater flexibility to make process efficiencies, greater control over funding to enable financial sustainability in the long term and modernise governance structures. This risk includes the HCPC's capacity and capability to engage and influence regulatory reform effectively to ensure its benefits are realised, as well as the HCPC being viewed by government as a priority regulator for reform.	8	6

\* Expected risk score post planned actions

### Mitigation key

	Preventative
	Monitoring
	Detective
	Remedial
	Horizon scanning
	Best practice development
	Communication

### Heat map of strategic risks - residual to target (T)



## Strategic risk 1 - Our regulatory performance does not meet the expectations of our stakeholders and as a result stakeholders have negative experiences of our regulation

### Risk summary

This includes the appropriateness of the timeliness and quality performance targets we set ourselves, being in line with the expectations of our stakeholders. This requires awareness of new developments within the regulatory sector and strong stakeholder engagement to ensure expectations are understood. This risk also relates to the experiences of those participating in our regulatory processes, for example registrants, witnesses, professional bodies and education providers.

### Current risk influencers

- HCPC not meeting a number of PSA standards, and lost one registration standard in the 2021-22 review. Remediation of FtP standards is a longer-term effort due to case length.
- We have continued to remain within our service standard of providing a first decision on an international application within 60 working days - we have been within our service standard since Jun 22. Performance has continued to improve and since Nov 22 we have been providing a first decision in under 20 working days.
- Our contact centre has been providing an improved service, we have answered 96% or more of the telephone calls we have received and responded to emails within 2 working days since October 2022.
- Online applications project delivered online Int and UK applications. This has increased reg advisor processing productivity 100%.
- Pre engagement from stakeholders on planned international recruitment in 2023-24 increases confidence in forward resource needs.
- Backlog of cases remain out of the first year of running the Education QA model. Stakeholders have experienced disruption in this period. Some KPIs have not been met over the last 9 months, but we are now seeing an increase in KPI compliance.
- The second tranche of FtP Improvement projects are in delivery, continued focus on embedding of tranche 1 benefits. Registrant support line will launch Q4, lay advocacy service of FTP participants in place.
- Tone of voice template review will not complete in Q4 as dedicated resource joined later than expected. Completion expected Q1 23-24.
- Teams will require additional resource to engage in regulatory reform preparation when commences for HCPC.

### Mitigations in place

- 🔍 Second line QA plan for 2023-24 to review success of improvements in FtP (and registration & education) in addition to first line QA activity in place, such as the FtP DRG and panel member feedback following each hearing.
- 🔍 FtP improvement programme and governance in place, FtP improvement oversight board regularly meeting with attendance of PSA and DHSC. Regular self-assessment against PSA standards reported to Council.
- 🌟 Modern education QA model in place and embedding. Regular feedback sought and acted upon to improve process application and stakeholder experience. Education provider self-service portal in place improving experience of education stakeholders.
- 🔍 Cross organisational working group focused on PSA standards attainment and learning from other regulators good practice. Participation in inter-regulatory working groups to share good practice and discuss common issues, this is also provided through the use of a panel of legal providers for FtP matters with experience of how other regulators have improved processes.
- 🔍 Monitoring regulatory performance through performance reporting and KPIs.
- 🔍 Mature feedback and complaints service in place focused on extracting learning when things go wrong.
- 🔍 Surge support partner in place to process increase in international application volumes and minimise any delay to stakeholders. Online application capability in place for UK & international applications.
- 🔍 Regular learning and development for Partners and employees.
- 🌟 Registrant health and wellbeing strategy, registrant support line in place.
- 🔍 Wide range guidance on HCPC's regulatory processes available on our website.

### Reporting period commentary

**Risk score** – no change. While many positive improvements are being made and performance is improving, we are aware that we continue to not meet a number of PSA standards. Our 2022-23 PSA performance review is currently being finalised. Should the HCPC regain standards the risk score is likely to decrease.  
**Risk Influencers** – Registration service has improved and remained consistently within KPI since the summer 22. Introducing online services has helped in this as well as ringfenced teams dedicated to UK and international processing. Negative influences include the need to meet Education KPIs consistently.  
**Planned mitigations progress** – We launched our first registrant support phoneline at the beginning of Q1.

### Review date

Jun-23

### Risk owner

ELT Lead - Acting Executive Director of Regulation

	Impact	Likelihood	Risk Score	
Inherent risk	5	x	5	25
Current risk	4	x	3	12
Target risk (planned mitigations in place)	2	x	3	6

No change

### Risk Appetite

Our risk appetite for actions to achieve regulatory quality is open, our risk appetite for actions relating to compliance is measured.

This risk needs to be rated in the amber range to meet the risk appetite due to the measured appetite for compliance (PSA standards) we currently are not meeting a number of PSA standards and have a comprehensive improvement programme in place to address this. Reaching the target risk score is dependent on

1. The launch and successful embedding of the new Education QA model.
2. Registration applications being online, volumes reducing and the review of the international process.
3. Changes from FTP improvement programme embed and evidence that improvement is lasting in medium – long term.

Current risk level is one level outside of risk appetite

### Planned mitigations 2023-24

### progress

- 🔍 Move into new FTP Frontloading Operating model (Q1-2) ➡ In progress. Frontloading of case investigations with our providers commenced in July 2022. Work to develop our operating model to support in-house frontloaded investigations is underway.
- 🔍 Complete tone of voice review of FtP templates (Q2) ➡ In progress. The contract with the secondee appointed to progress this work has now ended, and work has been handed back to the FTP colleagues. A project plan is in place to continue the review of templates supported by colleagues in the project management team.
- 🔍 Move into new Registration operating model (Q3) ➡ Trial 12 month ring fenced teams test completed. Review progress and planning to fully roll out in next 2 quarters once any HR requirements have been completed.
- 🔍 Enhance online registration services including mobile compatibility (Q3) ➡ Mobile renewal being carried forward via the backlog sprints. Aiming for July/August timeline. Then incremental steps to increase mobile functionality.

## Strategic risk 2 - The HCPC's regulatory expectations are not appropriate or not understood by registrants and other stakeholders

### Risk summary

This includes the quality and suitability of our standards and guidance in setting a threshold for safe practice which protects the public. It also includes how effectively we communicate our regulatory expectations, and the effectiveness of our professionalism and upstream regulation work.

### Current risk influencers

- 4 country PL resource in place better enabling UK wide prevention engagement.
- Partnership working with HEE on Preceptorship principles (supporting new professionals transition to workplace) approved by Council and published. Implementation guidance in development.
- Revised SOPs implementation underway with new standards published and engagement undertaken.
- ⊕ Changes to SOPs may pose risk to registrant understanding of expectations if implementation plan not effective. Plan under active monitoring to mitigate.
- ⊕ Changing expectations of our professions' practice as a result of pressures on services, tech or societal events.
- Review of SCPEs and supporting guidance consultation live supported by targeted engagement workshops.
- #mystandards 2023-24 events programme has commenced aiming raising awareness of standards requirements.
- Preparedness for practice research has launched.
- ⊕ Pre consultation engagement on English Language requirements has provide more challenging than expected. The launch of the consultation has been put back by 2 months to enable more insight to be gathered. This will not impact the date planned for Council decision.

### Mitigations in place

- 🏗️ Public consultation process in place
- 🗣️ Engagement with key stakeholders/experts for widescale profession specific changes to standards.
- 🗣️ Guidance provided on meeting our standards, 'My Standards' webinar series.
- 🗣️ Dedicated website hubs for registrants, students, employers, members of the public, education providers.
- 🗣️ Policy and Communication teams at full complement.
- 🗣️ Policy enquiries function available to support understanding and application of our standards.
- 🏗️ Regulatory approach to advanced practice defined and agreed by Council.
- 🗣️ Professionalism Liaison service in place influencing employers, using knowledge to effect change through engagement and advice.

### Reporting period commentary

Planned mitigations – Good progress on planned mitigations in Q1. Major review of SCPE's in consultation phase.

### Review date

Jun-23

### Risk owner

ELT Lead - Executive Director of Governance Assurance and Planning

	Impact	Likelihood	Risk Score
Inherent risk	5	x	5
Current risk	3	x	6
Target risk (planned mitigations in place)	4	x	1

No change

### Risk Appetite

Our risk appetite for actions to achieve regulatory quality is open, the appetite for actions related to communication and profile is seeks.

This makes the risk appetite target level within tolerance if below red/amber. We are confident that our standards and guidance are fit for purpose and so this risk is currently within risk appetite.

However, to maintain that control onward reviews are essential to ensure standards are constantly kept under review to maintain relevance to changing practice and the wider health sector.

Current risk level is within risk appetite

### Planned mitigations 2023-24

### progress

- |   |    |  |
|---|----|--|
| 🏗️ Review our English Language Requirements for registration (Q1-4)   | ➡️ | This work is underway with pre consultation engagement.  |
| 🏗️ Preparatory work and scoping of review of SETs (Q4)  | ➡️ | Not yet due to commence.   |
| 🗣️ Undertake preparedness for practice research - Final preparedness for practice research report received & action plan developed (Q3) | ➡️ | Working on with Uni of Plymouth – progressing for now but slight delay due to resource at the university   |
| 🗣️ Advanced practice - take forward development of definition/guiding principles (Q3) (subject to fee increase)                         | ➡️ | Reviewing NMC advance practice research, including the impact of reg reform  |
| 🏗️ Review of SCPE and social media guidance (Q1-3)  | ➡️ | Council agreed to launch the consultation at its meeting in March 2023. The consultation is live until 16 June 2023. A series of workshops to run alongside the consultation are underway. Workshops completed with most stakeholders, tendered contract for service user engagement, in initial discussions |

### Strategic risk 3 - We are unable to harness the benefits of the wealth of data we hold

**Risk summary**  
 (benefits - better regulatory decisions, prevention, workforce planning, influencing the agenda) This includes our effectiveness in collecting, maintaining, and utilising the data we need to be an intelligence driven regulator. It includes the effectiveness of our insight and intelligence work. It relies heavily on the work of the digital transformation and IT team and includes operational reporting in the Corporate Services team. It also relies on regulatory teams inputting information.

**Current risk influencers**

- Findings of analysis of the attrition rates of the 15 professions published, contributing to wider workforce planning aims. Positive reception from stakeholders.
- Insight and Analytics commenced work on data dictionary. IT team delivered successful first modules of new data platform, supporting EDI reporting, meeting the needs of the HEE data sharing project and improving access to core registration data.
- Data Engineer in place, data standards officer on secondment. A data migration specialist has been recruited on a temporary basis to support the Business Central project.
- Ongoing risk of single point of failure for operational performance data reporting. Capability and capacity challenging, focus on progressing automation in Q1-2
- % of registrant EDI data held has improved with 61% of those renewing opting to provide data. System improvements delivered to make data collection mandatory as part of online registration processes.
- Quality and completeness of underlying data causing delays to analysis as significant cleansing work required. I&I team working with Ops teams to resolve and mitigate against continued imputing of new bad quality data.
- Data priorities have been reviewed and aims for 2023-24 more realistic and grounded in the reality of the current data quality. Priority is to improve data quality before moving to next maturity level.

**Mitigations in place**

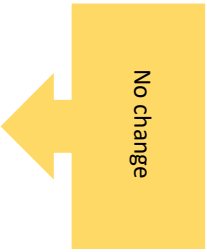
- Publication of FtP, Education and Registration information and datasets through annual reports and FOI requests.
- Insights and Intelligence Framework agreed, setting out priorities and approach for data analysis.
- Dedicated resource for Analysis and Intelligence and Data Engineer in place.
- Publication of in house statistical analysis of EDI data and register attrition rates published.
- Oversight board for Programme for Data Excellence in place.

**Reporting period commentary**

Risk influencers – Streamlined focus for 2023-24 agreed, focused on underlying quality improvement and a smaller number of analyses projects. Data quality remains a negative impact on the score.  
 Planned mitigation progress – good progress on planned mitigations in quarter one.

Review date	Risk owner
Jun-23	ELT lead - Executive Director of Governance Assurance and Planning

	Impact	Likelihood	Risk Score
Inherent risk	5	x 4	20
Current risk	4	x 3	12
Target risk (planned mitigations in place)	3	x 2	6



**Risk Appetite**

Our risk appetite for actions to achieve regulatory quality is open, the appetite for actions related to communication and profile is seeks. These categories are not a direct link however and consideration is needed of the future expectations for data use in regulation and that we are at the start of our development in this area. Therefore, our appetite for this risk is to be within the amber scale rather than a higher appetite.

To reach our target we need to have the data platform in place to enable an analytics environment. We will require a more substantial I&A team, as well as more systematic data collection through online applications to increase the % of registrant characteristics data held.

Current risk level is one level outside of risk appetite

Planned mitigations 2023-24	progress
Statistical analysis of FTP outcomes as impacted by EDI factors (Q2)	Not yet started.
Retention rate publications (Q3)	Not yet started.
Regular supply of Student level Higher Education Statistics Agency (JISC) and NHS Education Scotland (NES) data (Q4)	Not yet started.
Publication of EDI factsheets across professions (Q4)	Rolling programme. First factsheet drafted, to be published from June throughout the year. After renewal window in Q4 will be full register at same point in time. Will then be an annual report.
Renewals data dashboard (Q1)	Difficulties in previous report have been corrected. Agreement on counting methods. now adding more detail which will give us a better understanding of renewal forecasting

## Strategic risk 4 - We do not understand our stakeholders needs and so are unable to be as effective a regulator as we can be

**Risk summary**  
This includes how effectively we engage with our stakeholders and our credibility with them and how well we play our part in the wider system. It includes our EDI practice externally, the ability to respond and influence external drivers for change, like the impact of Brexit, devolution or a change in government as well as issues like workforce development.

**Current risk influencers**

- HCPC fee rise decision has understandably not been popular with stakeholders, significant engagement undertaken to continue productive relationships.
- Collaboration with NHS employers to reach out to attendees of joining the UK workforce upstream events, contributing to the wider workforce agenda. Also, in this area we published our analysis of register retention improving understanding of attrition, preceptorship principles published and preparedness for practice research launched.
- Ops functions not resourced to respond as quickly as other regulators to urgent Government needs in increasingly complex environment or topical issues for stakeholder groups
- Professional liaison consultants in place in each of the 4 UK countries, improving our reach for engagement work.
- Strategic Relationship Lead in place and actively managing and supporting relationship managers' network. Relationship management model reviewed and revised in quarter 1. Engagement management group established to support more targeted forward planning for engagement.
- Business case for a CRM not taken forward in investment prioritisation for 2023-24. Over the year we will better scope our needs to make the case for the following years submission.
- Service user engagement focus groups being established for SCPE review.

**Mitigations in place**

- ELT relationship building and liaison with key stakeholders particularly Government Departments, professional bodies, other regulators, unions.
- Personal engagement plans for Chair & Chief Executive in place. Engagement management group meets regularly to monitor and plan engagement strategically. Operational level relationship manager engagement for key stakeholders in place across HCPC.
- Communications and strategic engagement supported by external communication partner.
- Horizon scanning and intelligence gathering including from relationship building to be aware of external drivers and influencers, early planning, and scenario development.
- EDI strategy and action plan informed by independent audit of EDI practice. EDI stakeholder forum & internal EDI employee forum.
- Policy statement on approach to MOUs in place, a number of MOUs agreed with key stakeholders.
- Analysis and action planning from feedback mechanisms including corporate complaints, FtP stakeholder surveys, stakeholder opinion polling and education provider survey.
- Interim stakeholder CRM in place to improve stakeholder engagement management and insights.

### Reporting period commentary

**Risk score** – as previously reported, while positive work has taken place on mitigation which would otherwise reduce the risk score, the fee rise decision has had a negative impact on stakeholder sentiment and so the risk overall remains unchanged.  
**Risk influencers** - Negative impact on perception due to fees consultation decision. Positive impact from more mature planning to engagement and PL 4 country reach.

**Review date**  
Jun-23

**Risk owner**  
ELT lead - Executive Director of Governance Assurance and Planning

	Impact	Likelihood	Risk Score	
Inherent risk	5	x	5	25
Current risk	4	x	3	12
Target risk (planned mitigations in place)	3	x	2	6

No change

**Risk Appetite**

Our risk appetite for actions related to communication and profile is seeks. Current risk is outside of appetite and needs to be within the amber range to come within appetite.

To meet our target, risk our new engagement approach needs to embed which involved organisation wide relationship managers, a central CRM system is required for this to be truly effective. The target also requires the scaling up of the Liaison service to have UK wide engagement. This risk is also dependent on being able to deliver stakeholder expectations such as more automated processes.

Current risk level is one level outside of risk appetite

Planned mitigations 2023-24	progress
Development of a service user group forum (Q3)	Tender undertaken for support with service user engagement groups for SCPE review.
Office of Chair and CEO established and posts filled (Q2)	Business manager appointed and ways of working development underway.
English language review pre consultation engagement (Q1)	This work is underway with pre consultation engagement.
Welsh language scheme accessibility enhancements (Q3-4)	Expecting final compliance notice for new standards (with Welsh lang commission). Have asked for more time, this compliance notice will give clearer timeline.

## Strategic risk 5 - The resources we require to achieve our strategy are not in place or are not sustainable

### Risk summary

This risk includes not securing the resources we need to be effective and / or not being efficient and effective in our use of our resources (resources include financial, knowledge, skills, culture, infrastructure). It includes the development of our culture, people and physical assets, our continued financial viability and the significant failure of key business processes.

### Current risk influencers

- 23-24 budget and corporate plan approved, balanced budget was achieved. Budget factors in projected future benefits of investments, to be validated at project initial phase and tracked to ensure deliver. This builds on our longer-term approach to business planning, focusing on benefits and sustainability with budget holder challenge and support.
- 2022-23 external audit has commenced with aim of Council approval in Sept 23
- HCPC's proposed fee rise 2023 delayed in parliamentary process, unable now to lay until post recess. Impact on financial sustainability of missing income during delay. HCPC's last fee rise was reduced and delayed resulting in an impact on our medium to long term financial sustainability.
- Finance system replacement (BC) delayed, deferring benefits of from enabling further improvements in financial control, reporting and project accounting. Project now under way, with discovery phase complete and move into design and build. Go live estimate Dec 23
- Internal Audit of Core Financial Controls resulted in a number of high priority recommendations. Follow up audit has taken place has delivered a green/amber rating in light of remedial action taken, to be shared with ARAC March 2023.
- Temp Registers have been extended by Government, continued funding need communicated.
- People strategy in place communicating development priorities to the organisation. Aspiring leaders programme has launched. Sickness absence and turnover reducing. APDR participation was 100%
- Legal position on partners' employment status has crystallised, with probability of legacy and future costs arising for HCPC; being addressed by dedicated Task and Finish Group.
- Project to review the HCPC's approach to working with our Partners (a key resource) has been launched, this will include aspects of efficiency and quality assurance
- Rising inflation increases HCPC energy and other costs and HCPC employees cost of living pressures
- Change and Benefits Forum established, reporting to ELT to strengthen change management and ensure delivery of benefits.
- ISO27001:2013 audit passed without note of non conformance, supports information security approach.
- New CEO due to join HCPC in July 2023.
- Carbon baseline for HCPC now established action plan for improving sustainability being developed with expert input and involvement of ELT and SLG.

### Mitigations in place

- Adherence to budgeting and financial management and reporting processes which are subject to internal and external audit e.g. NAO. Finance business partner challenge and budget setting principles agreed by ELT to challenge the business on efficiency realisation. Business change function provides challenge on benefits outcomes of investment in new areas of work or enhancements to existing processes. Medium-Term Financial Strategy in place incorporating an efficiency action plan.
- All employees are set goals and objectives and undertake annual performance review which includes an assessment against our values (Fair, Compassionate, Inclusive, Enterprising) promoted through all employee performance system and seeks to identify training needs.
- HR includes a central learning and development function, which runs an annual learning and development plan for commonly identified skill and knowledge needs in addition to annual compliance training in areas such as data protection, bribery, EDI.
- Employee Forum acts as a consultation group for organisational change.
- Adherence to HR processes in relation to recruitment, annual performance development review and learning and development for Partners and employees.
- Effective IT system design maintaining confidentiality, integrity and availability of data. Digital transformation strategy provides roadmap for improving our IT systems.
- Maintenance of ISO27001 Information Security standard which is subject to external audit / Regular independent security assessments of key IT infrastructure. Maintenance of business continuity infrastructure and processes.
- ELT monthly monitoring of productivity of all departments through detailed performance reporting. KPIs reported to Committees and Council for oversight of performance and progress in meeting agreed milestones for corporate plan.
- Benefits management approach in place.

### Reporting period commentary

Risk score – delays in the Fee rise process outside HCPC's control has postponed delivery of a more sustainable income. Likelihood thus increased to 5 on a temporary basis.

Risk influencers – delay to fee rise noted above.

Planned mitigations - progress in reducing office footprint, overall reduction 50%. Delay to replacement finance system.

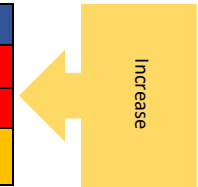
### Review date

Jun-23

### Risk owner

ELT - ED of Resources and Business Performance

	Impact	Likelihood	Risk Score
Inherent risk	5	x	5
Current risk	4	x	20
Target risk (planned mitigations in place)	3	x	9



### Risk Appetite

Financial and Value for Money - how will we use our resources? – Measured  
People - how will we lead our workforce? – Seeks

Current risk is outside risk appetite, the risk needs to be within the amber range.

To meet our target risk we need to have in place a robust finance and registration interface, a stable budget and forward planning process with a 2-3 year forward planning timeframe and we need to have enacted our People Strategy and have confidence it is effective. The target also requires our financial reserves to be in a better position and the resources avoid deficit budgets.

Current risk level outside of risk appetite

### Planned mitigations 2023-24

### progress

- Partners - Review how we work with our Partners to optimise and streamline our processes and quality assurance (Q1-4) → PWC review is nearing its conclusion. The other side of this development work is the actions needed in response to the partner worker status case that may have implications for the HCPC.
- Implement upgrade to e-recruitment site and enhance the recruitment pages by making them more interactive (Q1-2) → Demo received from suppliers. Awaiting scoping meeting with Acct Mgr, to produce timelines in next few weeks.
- Relaunch beyond barriers mentees and mentors (Q3) → Not due.
- Implement Business Central and roll out improved management reporting (Q3-4) → Delayed, but going live Dec 2023. This is likely to impact on other projects.
- Establish HCPC's carbon baseline & agree action plan and targets (Q1-2) → Reducing footprint increases both financial and environmental sustainability. 50% reduction of estates rationalisation. Focus is now on reshaping the estates towards further improving the financial and environmental sustainability of our operations. Draft roadmap developed along with sustainability statement.
- Online registration services – pursuing our Digital Transformation Strategy to enhance our online application and renewal functionality for registrants and applicants (Q3) → Mobile apps being included in sprint cycles rather than a big bang approach. July / August potential mobile renewal.
- Implement change to fees (tbc) → Delayed due to parliamentary timetable. Delayed implementation will lower overall income in the immediate future.

## Strategic risk 6 - HCPC is unable to realise the benefits of regulatory reform, or these benefits are significantly delayed

Review date  
Jun-23

Risk owner  
ELT lead - Interim Deputy Chief Executive

**Risk summary**

Regulatory reform is an essential component to helping HCPC realise its strategic ambition to provide a more human and compassionate regulation through the timely and proportionate disposal of fitness to practice cases. Benefits also include greater flexibility to make process efficiencies, greater control over funding to enable financial sustainability in the long term and modernise governance structures. This risk includes the HCPC's capacity and capability to engage and influence regulatory reform effectively to ensure its benefits are realised, as well as the HCPC being viewed by government as a priority regulator for reform.

**Current risk influencers**

- In its response to its consultation on regulatory reform, DHSC has confirmed that the HCPC and NMC will be the priority regulators for reform following the GMC.
- Regulatory reform included in 2023-24 corporate planning prioritisation and decision making process to ensure delivery remains achievable.
- Funding needed to progress regulatory reform internally not included in 2023-24 budget and will be funded by ringfencing any surplus in 22-23 and contingency in 2023-24 budget. Fee rise achievement required to make this affordable.
- HCPC funding challenges risk being unable to scale up to meet needs of regulatory reform due to parliamentary approval of fees and associated long process to achieve this.
- While HCPC has now been named as the next regulator to undergo reform there is not clarity at this stage on the timescales for this. We expect this clarity once DHSC has run its consultation on the GMC legislation. Lack of timescale challenges planning and scaling up of resources within HCPC dedicated to reform.
- HCPC provided feedback on, and participated in cross regulatory round table discussions, regarding the development of the GMC s.60 order. HCPC has responded to this consultation.
- HCPC has engaged with DHSC on how the recommendations of KPMG on the future regulatory landscape may be taken forward. DHSC have indicated that this will not be progressed as a priority, with the S.60 taking priority.
- Government leadership changes, and challenges in the health landscape could impact on the progression of regulatory reform due to other priorities.
- Collaboration with stakeholders such as HEE provides organisational experience for greater cross organisational collaboration on workforce as aimed for in regulatory reform. Positive and wide-reaching engagement with HCPC stakeholders on regulatory reform.

	Impact	Likelihood	Risk Score	
Inherent risk	4	x	5	20
Current risk	4	x	2	8
Target risk (planned mitigations in place)	2	x	3	6

No change

**Risk Appetite**

Our risk appetite for actions to achieve regulatory quality is open, the appetite for actions related to communication and profile is seeks.

Current risk is within appetite.

The target risk will be reached if the outcome of regulatory reform and the longer-term regulatory landscape review compliments and endorses the multi profession regulation model. This requires successful HCPC engagement and effective messaging. Risk reduction also required greater clarity on timing of HCPC's reform and confidence that funding and resources in place realise the opportunity of reform.

**Current risk level is within risk appetite**

**Mitigations in place**

- Communications and strategic engagement, including parliamentarians and cross-party engagement, on regulatory reform supported by Luther Pendragon.
- HCPC engagement on Health and Social Care Bill led to positive change.
- Some dedicated policy resource in place.
- Participation in cross regulator analysis of draft legislation and other regulatory themes, HCPC's comments on draft legislation have been provided.
- Funding and resource required for progression of regulatory reform quantified within budget as a financial risk. Assessment of de-prioritisation of other development work undertaken to create capacity for regulatory reform.
- HCPC medium term financial plan in place to seek to make provision for regulatory reform. Consultation expected to launch Sept 22.

Planned mitigations 2023-24	progress
Engagement with DHSC on regulatory reform as they develop GMC's legislation as a blueprint for our own. (ongoing)	Monthly meetings with DHSC and regular catch ups with GMC & NMC. Anticipate there will be workshops in several areas following the close of the consultation
Fee rise coming into force 2023 required to fund resources needed for reg reform.	Delayed due to parliamentary schedule
HCPC response to the consultation on regulation of physicians' associates (Q1)	Response finalised and submitted May 2023 and has now been published on our website.
Detailed business case for resources needed for HCPC's regulatory reform go live (Q3)	In development.

**Reporting period commentary**

Risk influencers - DHSC have announced that the HCPC and NMC will be the next regulators to be prioritised for reform. This reduces the risk of significant delay to the HCPCs reforms. However, the financial risk posed has increased due to needing to scale up our internal resource and delay to fee rise parliamentary laying.

Planned mitigations - HCPC response to the consultation on regulation of physicians' associates submitted May 2023.



## Risk Likelihood scoring

	Strategic	Programme/Project	Operational
<b>Highly likely 5</b>	"Clear and present danger" represented by this risk - will probably impact on this initiative - sooner rather than later.	Likely to occur in the life-cycle of the project, probably early on and perhaps more than once.	The threat is likely to happen almost every day.
<b>Likely 4</b>	Likely to happen at some point during the next one or two years.	Likely to happen in the life-cycle of the programme or project.	May well happen on a weekly basis.
<b>Possible 3</b>	May well occur during the lifetime of the strategy.	May occur during the life of the programme or project.	May well happen on a monthly basis.
<b>Unlikely 2</b>	Only small chance of occurring in the lifetime of the strategy.	Not likely to occur during the lifecycle of the programme of project.	Does not happen often - once every six months.
<b>Highly unlikely 1</b>	Extremely infrequent – unlikely to happen in a strategic environment or occur during a project or programmes lifecycle. May occur once a year or so in an operational environment.	Extremely infrequent – unlikely to happen in a strategic environment or occur during a project or programmes lifecycle. May occur once a year or so in an operational environment.	Extremely infrequent – unlikely to happen in a strategic environment or occur during a project or programmes lifecycle. May occur once a year or so in an operational environment.

## Risk impact scoring

	Public Protection	Finance	Reputation	Operations	Strategy	Information Security
<b>Catastrophic 5</b>	A systematic failure for which HCPC is ultimately responsible.  Exposes the public to serious harm in cases where mitigation was expected.	Unfunded pressures greater than £1 million.	Incompetence/ maladministration or other event that will destroy public trust or a key relationship.	Services to stakeholders are unavailable for an extended period of time (days)	Strategy rendered invalid	Significant breach of confidential information involving extensive quantities of data.  Regulatory investigation required
<b>Significant 4</b>	A systematic failure for which HCPC is ultimately responsible.  Exposes more than 10 people to harm in cases where mitigation was expected.	Unfunded pressures £250k - £1 million.	Incompetence/ maladministration that will undermine public trust or a key relationship for a sustained period or at a critical moment.	Services to stakeholders are unavailable for a significant period of time (hours)	Progress on multiple strategic objectives is stopped.	Significant breach of confidential information involving limited quantities of data.  Regulatory investigation required.
<b>Moderate 3</b>	A systemic failure for which HCPC is ultimately responsible.  Exposes more than 2 people to harm in cases when mitigation was expected.	Unfunded pressures £50,000 - £250,000.	Incompetence/ maladministration that will undermine public trust or a key relationship for a short period. Example Policy U-turn.	Services to stakeholders are significantly disrupted.  Services are degraded or responses are slow for an extended period of time (days).	Progress on 1 strategic objective is stopped.	Limited breach of confidential information  No regulatory investigation required
<b>Minor 2</b>	A systemic failure which results in inadequate protection for individuals/individual communities, including failure to resolve celebrity cases.	Unfunded pressures between £20,000-£50,000.	Event that will lead to widespread public criticism.	Services to stakeholders are disrupted.  Services are degraded or responses are slow for a significant period of time (hours)	Progress on multiple strategic objectives is slowed.	Significant or widespread non-compliance to information security policy by employees.  No breach of confidential information
<b>Insignificant 1</b>	A systemic failure which fails to address an operational requirement	Unfunded pressures under £20,000.	Event that will lead to public criticism by external stakeholders as anticipated.	Services to stakeholders are disrupted for a short period of time (minutes).	Progress on 1 strategic objective is slowed.	Minor or one-off non-compliance to information security policy by employees.  No breach of confidential information

HCPC Risk Appetite - agreed February 2021

<p><b>Regulatory Quality - Open</b> How will we deliver effective regulatory functions?</p>	<ul style="list-style-type: none"> <li>• Our focus is on long term and lasting quality in our regulatory delivery. We have to take risk and challenge ourselves to achieve positive change. Sticking with a low-risk status quo will limit our progress.</li> <li>• We are open to risks that will further us in our aim of delivering excellent regulatory functions.</li> <li>• We are prepared to try new approaches that do not have a guarantee of success where the potential benefits of success outweigh the consequences of failure.</li> <li>• We proactively seek to reduce public protection risk through the promotion of professionalism and prevention.</li> <li>• The risks we are willing to take do not have a significant chance of long-term negative impacts on our regulatory quality. We accept that in striving for excellence and trying new approaches, short term issues may arise which we will seek to mitigate as best we can.</li> <li>• It is <b>essential</b> that mitigations to ensure ongoing public protection are in place as a foundation of taking risks to improve our regulatory quality.</li> </ul>
<p><b>Compliance – Measured</b> How will we comply with our statutory, regulatory and policy requirements?</p>	<ul style="list-style-type: none"> <li>• We have a preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.</li> <li>• We are willing to take decisions that could be challenged only where we are confident we would be successful in defending against such challenge, and the adverse consequences of being unsuccessful are minimal.</li> <li>• We are willing to take low level risks of negative PSA performance impact given the appropriate controls are in place and we consider the potential benefits are required to maintain or improve our PSA standard performance.</li> <li>• It is <b>essential</b> that the long-term achievement of PSA standards is assured.</li> </ul>
<p><b>Communication and Profile – Seeks</b> How will we be viewed by our stakeholders?</p>	<ul style="list-style-type: none"> <li>• We are eager to be innovative in content and method in order to communicate more effectively, despite greater inherent risk.</li> <li>• We are willing to express our views and communicate on issues where stakeholder opinion is divided, but where the HCPC has a legitimate voice and the Council has an agreed policy position.</li> <li>• In communicating our views, we are willing to accept the possibility of manageable reputational risk or a negative, but not irreversible, impact on a stakeholder relationship.</li> <li>• We acknowledge that being bold in communicating our position may lead to increased scrutiny from stakeholders. We accept this risk as being necessary to enable the HCPC to assert its voice and shape debate in the furtherance of excellence in regulation.</li> <li>• We seek meaningful two-way dialogue with our stakeholders, even where this may pose a risk to our profile due to uncomfortable feedback.</li> <li>• It is <b>essential</b> that the HCPC's voice is not perceived to be party political. The HCPC is neutral as a public body.</li> </ul>
<p><b>People – Seeks</b> How will we lead our workforce?</p>	<ul style="list-style-type: none"> <li>• We are eager to be innovative and to choose options that increase our effectiveness as an organisation despite greater inherent risk.</li> <li>• We are prepared to accept risk as long as there is the potential for improving culture, recruitment and retention.</li> <li>• We want to innovate to improve our culture and working environment.</li> <li>• We are willing to review and restructure where this is needed, accepting the potential for short term disruption in order for the HCPC to benefit from better ways of working.</li> <li>• It is <b>essential</b> that risk taking in this area is consistent with the HCPC's values and culture. As an employer are committed to upholding and promoting Equality, Diversity and Inclusion.</li> </ul>
<p><b>Financial and Value for Money – Measured</b> How will we use our resources?</p>	<ul style="list-style-type: none"> <li>• We are prepared to accept the possibility of limited financial loss where it does not have the potential to impact on our going concern.</li> <li>• Value for money is our primary concern in financial expenditure but we are willing to consider other benefits or constraints.</li> <li>• We are funded through registrant fees and we have a responsibility to ensure we invest cautiously to minimise loss while maximising benefit.</li> <li>• We accept that investments may be long term and take time to deliver rewards, appropriate benefit realisation monitoring is required to mitigate risk in investments.</li> <li>• It is <b>essential</b> we remain a financially viable organisation to ensure continued public protection through continued operation. Significant financial risks are not compatible with this requirement.</li> </ul>