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## Strategic Risk Register

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### Executive Summary

The presented Strategic Risk register is the first population of the new Strategic Risks agreed by Council in March 2021.

The format of the register is the same as agreed by the Committee in 2020, it provides detail on

- Risk Score – inherent = if no mitigations were in place, current = the risk score today with the current mitigations in place, target risk = the expected future risk score once planned mitigations (see below) are in place.
- Risk Appetite – linking the risk to our agreed risk appetite and an assessment of if the current risk score is in line with risk appetite.
- Risk influencers – the topical elements that are influencing the risk positively or negatively in the reporting period
- Current mitigations – measures already in place
- Planned mitigations 2021-22 – planned actions in the current financial year to mitigate the risk. Many of these actions form part of our Corporate Plan 2021-22.
- Commentary – this field focuses on changes since the last iteration of the content and so in this version these are not populated as they will be in future iterations.

As this is the first population of the new Strategic Risks a theme for the Committee's discussion has not been agreed and it is suggested that a general overview be provided to the Committee led by each of the assigned SMT leads.

### *Operational Risk*

The Executive has developed a new Operational Risk register, we are currently populating the mitigations with risk owners and this register will be presented to the Committee in September. Operational risks have been categorised under each Strategic Risk heading, as well as by risk owning department.

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Previous consideration	The Committee reviews the Strategic Risk Register at each meeting. The Committee has previously provided feedback on the development of the new Strategic Risks.
Decision	The Committee is invited to question and provide any feedback on the content of the register

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The Committee is asked to agree the theme for discussion of the Strategic Risk Register in September 2021.

**Next steps** The Strategic Risk Register will be included in the Chief Executive's report to Council in July 2021.

**Strategic priority** The proposed strategic risks are relevant to all aspects of the Corporate Strategy 2021-26.

**Financial and resource implications** None as a result of this update.

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






# HCPC Strategic Risks

## Summary of strategic risks

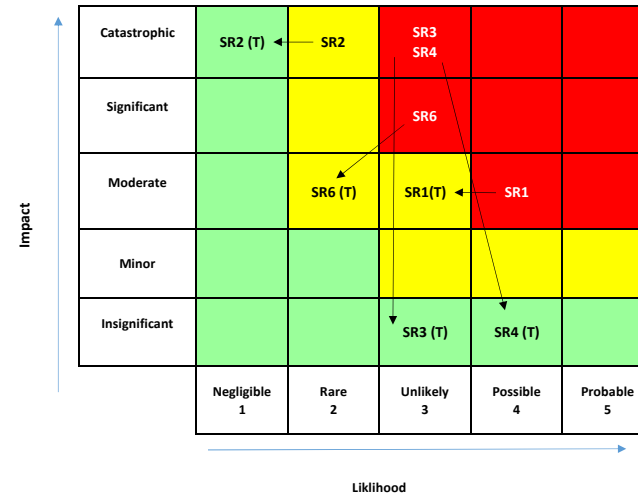
Strategy	Strategic Risks - High Level	Risk Description	May-21	Target Risk*
1 - Continuously improve and innovate - To improve our performance against PSA standards of good regulation and to innovate across all our regulatory functions to provide an enhanced user experience.	1. Our performance does not improve to a standard that enables us to achieve all the PSA standards of good regulation. In seeking to meet these standards we lose focus and lose standards in other areas	This includes our understanding of the PSA's expectations and the gap in our current performance we need to meet. This requires positive and ongoing engagement with the PSA and effective mechanisms for performance improvement and monitoring of our regulatory quality	12	9
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	10	5
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, and professionalism and upstream regulation 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.	15	3
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 stakeholder's needs and so are unable to be the regulator they (the wider system) need	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.	15	5
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.		
6 - Promoting the value of regulation - The public, registrants, students and employers understand the value and importance of regulated health and care professionals.	6. We are unable to demonstrate the value of regulation due to negative experiences of our regulation in practice	This risk includes ensuring a human and compassionate approach in our regulatory processes, our stakeholders experiences of our customer service. It also includes the promotion of the value of regulation and of the value of the professions we regulate. As outdated legislation contributes to bureaucratic processes this risk includes maximising the benefit to the HCPC of upcoming regulatory reform.	12	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 performance does not improve to a standard that enables us to achieve all the PSA standards of good regulation. In seeking to meet these standards we lose focus and lose standards in other areas**

**Risk summary**

This includes our understanding of the PSA's expectations and the gap in our current performance we need to meet. This requires positive and ongoing engagement with the PSA and effective mechanisms for performance improvement and monitoring of our regulatory quality

**Current risk influencers**

- ✚ HCPC not meeting a number of PSA standards.
- ✚ Reduced productivity of team during home working without full equipment e.g laptops and screens etc.
- ✚ Pandemic impact progression of cases due to pressures on health sector.
- ✚ Hearings unable to run at full capacity due to remote working.
- ✚ Potential delay to regulatory reform due to change in government approach following the publication of the White Paper setting out legislative proposals for a Health and Care Bill
- ✚ Changes to international application process following Brexit - uncertainty of what is required from the professional regulators.
- ▬ Council approved significant funding for a renewed FtP improvement plan Dec 20. PWC supporting the plan.
- ▬ Pilot for new QA model progressing well aim for ETC decision in September 21.

**Mitigations in place**

- Enhanced QA plan for 2021-22 to review success of improvements in FtP (and registration & education)
- FtP improvement programme and governance in place, FtP improvement oversight board regularly meeting with attendance of PSA and DHSC
- Monitoring regulatory performance through performance report and KPIs (All, ongoing)
- PSA improvement action plans for other PSA standards in place monitored by internal working group & regular self-assessment against PSA standards reported to Council
- Regulatory functions refined to allow remote operation (COVID-19)
- Regular training for Partners and employees
- Learning through review of PSA performance reviews of other regulators and commissioned reviews within the sector

**Reporting period commentary**

This is the first iteration of the new Strategic Risk register there is no commentary on changes in the reporting period.

**Review date**

May-21

**Risk owner**

SMT Lead - Executive Director of Regulation

	Impact	Likelihood	Risk Score	
<b>Inherent risk</b>	5	x	5	<b>25</b>
<b>Current risk</b>	3	x	4	<b>12</b>
<b>Target risk (planned mitigations in place)</b>	3	x	3	<b>9</b>

First scoring

**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.

**Current risk level is outside of risk appetite**

**Planned mitigations 2021-22**

**progress**

- New Education Quality Assurance Model project (Q1-4). On track for September 21 full implementation decision.
- PSA standard improvement action plan (PSA Action Plan Working Group) (Q1-4). Action plan for 2021 produced.
- FtP Improvement Plan (FtP Q1-4). On track (exception CMS as below).
- New FtP Case Management System (improved performance data visibility). (Q1) 7 week delay from initial project timeline due to go live 8 June.
- Registration workplan includes review of international process. (Q4)

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

Review date  
May-21

Risk owner  
SMT Lead - Executive Director of Professional Practice and Insight

**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

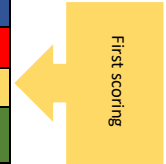
- Current risk influencers**
- Changing expectations of our professions' practice, including as a result of pandemic response, technology or other societal events
  - Budgetary constraints
  - Senior staff turnover (policy team)
  - Professional liaison team in place
  - Public facing materials in place to support registrant understanding
  - Timetable / forward plan for regular review of standards and guidance
  - Reflective practice guidance published

- 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
  - Dedicated Covid Hub covering practice in pandemic
  - Policy enquiries function available to support understanding and application of our standards

**Reporting period commentary**

This is the first iteration of the new Strategic Risk register there is no commentary on changes in the reporting period. It is essential that the appropriateness of our standards is constantly reviewed in response to changes in the professions and external environment. SETs underpin Education function. SOPs underpin registration and FtP. SCPEs underpin all practice for our registrants. Without the appropriate policy framework, effective regulation would not be possible and would lead to failure of PSA targets across the organisation.

	Impact	Likelihood	Risk Score
Inherent risk	5	x	5
Current risk	5	x	2
Target risk (planned mitigations in place)	5	x	1



**Risk Appetite**  
Our risk appetite for actions to achieve regulatory quality is open, the appetite for actions related to communication and profile is seeks. 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 2021-22	progress
Development of learning materials for education providers and students and international registrants (Q3)	➡
Defining our regulatory approach to advanced practice (Q2)	➡ Due to be presented to Council July 21.
Increase partnership working & support for employers (Q3) & Develop employer hub & e-newsletter (Q4)	➡
Professional liaison service developed and expanded (Q4)	➡
Programme of employer events delivered (Q4)	➡
Review of the SOPs, ODP SET1, returners to practice (Q2-4)	➡ ODP SET 1 consultation to be presented to Council July 21.
Delivery of research programme set out in Policy & Standards workplan (Q1-4)	➡ Professionalism research ongoing, preparation of other research brief in progress.
Review of our regulatory position on aesthetic/cosmetic practice (Q4)	➡
Programme of #MyHCPCstandards events (Q4)	➡ Events underway, positive feedback received.
Toolkits (professionalism, supervision, reflectively practise) delivered Q4	➡

**Strategic risk 3 - We are unable to harness the benefits of the wealth of data we hold (benefits - better regulatory decisions, prevention, workforce planning, influencing the agenda)**

**Risk summary**

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, and professionalism and upstream regulation 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**

- ✘ Low % of registrant and complainant EDI data held; not currently collected
- ✘ Registrant data currently manually collected.
- ✘ Data warehouse not yet in use - data (eg FtP information, case classifications, workforce data and EDI data, risk profile information) not all accessible in a single platform so quality and accessibility issues remain.
- ✘ Budgetary constraints limit our ability to establish systems/platform and the analytical function
- ✔ 2 statistical analysts now in post to create embryonic Insights team. EDI analysis underway.

**Mitigations in place**

- 📢 Publication of FtP, Education and Registration information and datasets through annual reports and FOI requests
- 🌟 Professionalism and prevention framework
- 📊 Limited dedicated resource for Analysis and Intelligence and Professionalism and Upstream Regulation
- 🗨️ Professionalism Liaison service in place influencing employers, using knowledge to effect change through engagement and advice

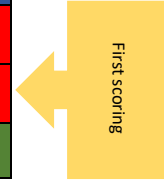
**Reporting period commentary**

This is the first iteration of the new Strategic Risk register there is no commentary on changes in the reporting period. This risk is led by the Executive Director of Professional Practice and Insight with significant levels of engagement needed from across the organisation, in particular on our IT capabilities.

Review date
May-21

Risk owner
SMT lead - Executive Director of Professional Practice and Insight

	Impact	Likelihood	Risk Score
Inherent risk	5	x 4	20
Current risk	5	x 3	15
Target risk (planned mitigations in place)	1	x 3	3



**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 outside of appetite, needs to reach an amber rating to be in line. Our ambition is to reduce this to a green rating. We are at the start of our development in this area.

**Current risk level is outside of risk appetite**

**Planned mitigations 2021-22**

**progress**

- 🌟 Using our research portfolio to establish HCPC as a thought leader (externally commissioned and internal analysis) (ongoing) →
- 🔍 Insight & Intelligence framework development (Q2) → On track to be presented to Council July 21
- 🗨️ Deliver IT systems and operating model that allow HCPC to become more predictive in its use of data (Q4) →

**Strategic risk 4 - We do not understand our stakeholder's needs and so are unable to be the regulator they (the wider system) need**

**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. It recognises that we have numerous and diverse stakeholders across 15+ professional groupings and health provision across the 4 nations.

**Current risk influencers**

- Numerous and at times conflicting stakeholder wants and needs across 15+ professional groupings, including trades union, professional bodies, government, NHS employers and national health bodies.
- Increasing divergence in political direction across 4 nations.
- Low % of registrant EDI data held, HCPC did not meet PSA EDI standard due to registrant and complainant data limitations. Challenges in filling dedicated EDI expertise resource.
- Lack of CRM system limits our ability to align and engagement across the organisation.
- Operational functions not resourced to respond as quickly as other regulators to immediate/urgent Government needs.
- Covid impacts have reduced our stakeholders' ability to engage with us effectively.
- Positive results of the independent audit of our EDI practice provides confidence.
- Ongoing support from consultants Luther Pendragon on public affairs has improved our confidence in external horizon scanning and ability to respond through communications.
- Professional Liaison function in place improving stakeholder engagement and learning from them.

**Mitigations in place**

- 🔧 SMT relationship building and liaison with key stakeholders particularly Government Departments, professional bodies, other regulators, unions.
- 🔧 Operational level engagement with key stakeholders in place across HCPC, including re Education, FtP with stakeholders such as Chief AHPs, CODH.
- 🔧 Communications and strategic engagement supported by Luther Pendragon.
- 🔍 Horizon scanning and intelligence gathering including from relationship building to be aware of external drivers and influencers, early planning and scenario development as pandemic response changes within UK and globally.
- 💡 EDI strategy based on 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.

**Reporting period commentary**

This is the first iteration of the new Strategic Risk register there is no commentary on changes in the reporting period. The risk score is high due to HCPC not meeting PSA standard 3 relating to EDI which is part of this risk.

Review date
May-21

Risk owner
SMT lead - Executive Director of Professional Practice and Insight

	Impact	Likelihood	Risk Score
Inherent risk	5	x 5	25
Current risk	5	x 3	15
Target risk (planned mitigations in place)	5	x 1	5

← First scoring

**Risk Appetite**

Our risk appetite for actions related to communication and profile is seeks. Current risk is outside of appetite due to our not meeting the PSA EDI standard and needs to be within the amber range to come within appetite.

Current risk level is outside risk appetite

**Planned mitigations 2021-22**

**progress**

- 🔧 Personal engagement plans for Chair & Chief Executive implemented. (Q1) ➔ Developed and embedding
- 🔧 Stakeholder perceptions survey. (Q2) ➔ Planning in progress
- 🔧 Increase partnership working & support for employers. (Q3) ➔
- 🔧 Analysis of data from second annual diversity data & publishing our 2021 Diversity report. (Q2) ➔ Analysis will be presented to Council July 2021
- 💡 Development and implementation of EDI action plan. (Q2-4) ➔ To commence when EDI resource in place.
- 🔧 Project to capture diversity data at initial point of registration and renewal. (Q4) ➔
- 🔧 Quarterly meetings with professional bodies to ensure 2-way dialogue on areas of mutual interest. (Q1) ➔

## 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

- ✚ Full budget for 2021-22 not yet developed, interim budget for first 3 months in place.
- ✚ Need to identify further cost savings to enable a zero deficit budget.
- ✚ Head of IT and Head of Finance posts vacant, recruitment underway.
- ✚ Some HR policies have not been reviewed for several years and are not supportive of new ways of working. Review underway.
  - All organisation remote working increases risk of silo working.
- ✔ Grant funding for Covid response secured.
- ✔ Proposed fee rise progressing through parliamentary process expected to come into force 1 July 21.
- ✔ Permanent ED of Corporate Services in place and leading work on financial sustainability.
- ✔ Our work on establishing our new normal ways of working and estates requirements is progressing.

### Mitigations in place

-  Adherence to budgeting and financial management and reporting processes which are subject to internal and external audit e.g. NAO.
-  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.
-  SMT monthly monitoring of productivity of all departments through detailed performance reporting.

### Reporting period commentary

### Review date

May-21

### Risk owner

SMT - Executive Director of Corporate Services

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

Score of previous similar strategic risk 4, new scoring to be confirmed















### Risk Appetite

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

Risk appetite assesment to be confirmed.

### Planned mitigations 2021-22

### progress

-  Organisational Culture is defined and agreed. (Q1)  As part of the people strategy we will set out our culture.
-  Organisational behaviours and values integrated into performance management system & all employee customer focus workshops delivered. (Q1-2)  Workshops underway with positive feedback received.
-  All HR policies reviewed and modernised & succession planning and career development plans agreed. (Q2)  Review underway beginning with high priority policies.
-  Medium-Term Financial Strategy incorporating an efficiency action plan. (Q1)  To be presented to PRC in June 21 and Council in July 21.
-  Fee Income Strategy. (Q4)  Planning approach to be discussed with PRC in June 21 and Council in July 21.
-  People strategy developed.  Draft to be presented to PRC June 2021.
-  Estates Strategy review to ensure we have the physical space to support our culture and new ways of working.  ED Corporate Services is project lead, planning in progress.



## Strategic risk 6 - We are unable to demonstrate the value of regulation due to negative experiences of our regulation in practice

### Risk summary

This risk includes ensuring a human and compassionate approach in our regulatory processes, our stakeholders experiences of our customer service. It also includes the promotion of the value of regulation and of the value of the professions we regulate. As outdated legislation contributes to bureaucratic processes this risk includes maximising the benefit to the HCPC of upcoming regulatory reform.

### Current risk influencers

- ⚠️ Potential delay to regulatory reform due to government focus on changes to the GMCs legislation to enable the regulation of MAPs.
- ⚠️ Review of the number of regulators which will inform the use of the proposed s60 powers under the Health and Social Care Bill impacts on the future of HCPC and multi profession regulatory model.
- ⚠️ Performance against PSA standards could increase organisational vulnerability during a time of regulatory reform.
- ✅ Evidence submitted to the health committee inquiry on the DHSC White Paper.
- ✅ Proven model of multi profession model of regulation.

### Mitigations in place

- 🔧 Registant health and wellbeing strategy in place .Resourcing of action plan being prioritised.
- 🔧 Research conducted into experiences of FTP and action plan in place.
- 🔧 FtP representatives forum - regular mechanism for formal engagement with unions and others involved in representing our registrants in FtP.
- 🔧 Organisational values 'Fair, Compassionate, Inclusive, Enterprising' promoted through performance system.
- 🔧 Feedback and Complaints system with SLAs reporting to SMT & ARAC learning from complaints fed into system, you said we did examples published on website.
- 🔧 Communications and strategic engagement, including parliamentarians, on regulatory reform supported by Luther Pendragon.

### Reporting period commentary

This is the first iteration of the new Strategic Risk register there is no commentary on changes in the reporting period.

### Review date

May-21

### Risk owner

SMT lead - Chief Executive

	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

First scoring

### 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 outside of appetite and needs to be within the amber range to come within appetite.

Current risk level is within risk appetite

### Planned mitigations 2021-22

### progress

🔧 Online registration functionality project (improved registrant experience) (Q3)	➡️
🔧 FTP improvement project	➡️ Minor delays to CMS otherwise on track
🔧 Engage key stakeholders to understand key misconceptions about our regulation and action plan (Q2)	➡️
🔧 Tone of voice review project (Q2)	➡️ Postponed from Q1 to Q2
🔧 Incorporate our research on registrants' experiences into employee learning and development and inductions (Q2-4)	➡️
🔧 Engaging stakeholders on the provision of mental health support for registrants (Q1-4)	➡️ underway
🔧 Messaging and dedicated engagement for the Future of Health and Care White Paper & Bill (Q1-4)	➡️ Underway
🔧 Influence the policy on how consolidation of regulators should align with regulatory reform (Q2 -4)	➡️ Underway

## Risk Likelihood scoring

	Strategic	Programme/Project	Operational
<b>Probable 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>Possible 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>Unlikely 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>Rare 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>Negligible 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 we 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>