
Strategic Risk Register – March 2023

Executive Summary

The presented report sets out the HCPC's Strategic Risks as of 1 March 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 2022-23 and a progress update on implementation
- A commentary box outlines the changes to the risk since the last iteration (November 22)

Previous consideration	The Committee reviews the Strategic Risk Register at each meeting.
Decision	<ul style="list-style-type: none">• The Committee is invited to question and provide feedback on the content of the register.• The Committee is asked to agree the theme for discussion of the Strategic Risk Register in June 2023.
Next steps	The Committee will receive the next report at their meeting in June 2023
Strategic priority	The strategic risks are relevant to all aspects of the Corporate Strategy 2021-26
Financial and resource implications	None
Author	Claire Amor, Executive Director of Governance Assurance and Planning. claire.amor@hcpc-uk.org







HCPC Strategic Risks

Summary of strategic risks

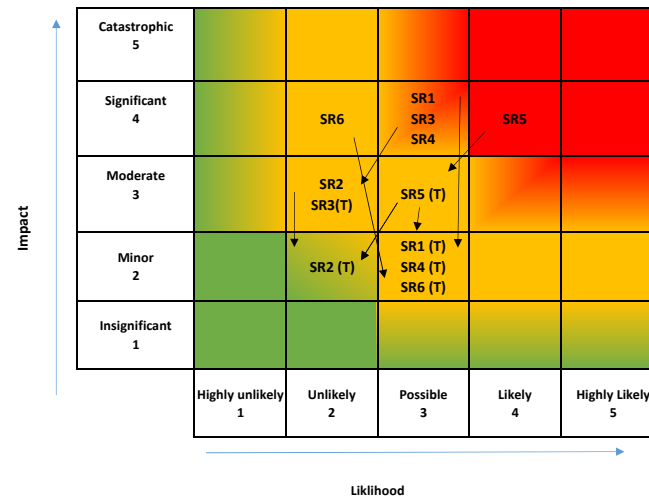
Strategy	Strategic Risks - High Level	Risk Description	Mar-23	Target Risk*
1 - Continuously improve and innovate - To improve our performance against PSA standards of good regulation and to innovate across all our regulatory functions to provide an enhanced user experience.	1. Our regulatory performance 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.	16	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.
- ▢ 2021-22 PSA performance report published, acknowledges progress is being made towards meeting standards.
- ▢ 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%.
- ✚ Government has delayed the closure of the temporary register, ongoing management of the register requires establishing a policy position, development is underway.
- ▢ 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

- 🔍 Enhanced second line QA plan for 2022-23 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 in place.
- 🔍 Wide range guidance on HCPC's regulatory processes available on our website.
- 🔍 Stakeholder perception survey baseline established.

Reporting period commentary

Risk owner – Laura Coffey became the acting Executive Director of Regulation in December 2022 and took on ownership of this risk.

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 underway. 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 – We are on track to launch our first registrant support phonenumber by the end of Q4. Our lay advocacy service launched September 22 / POT review work was deprioritised based on competing demands and will take place in 23-24 / external frontloading has progressed well with proven benefits of this approach, creating in house capability for frontloading will take place in 23-24 / there have been delays to the progress of the tone of voice template letter review. A secondee from GMC joined us in late 2022 and is progressing on higher impact templates. However, this will not be completed in the 22-23 FY as planned and will continue into Q1 23-24.

Review date

Mar-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 2022-23

progress

- ☀️ Transition to frontloading of FtP cases (Q1-4) → External legal provider frontloading live in July. Started work on the operating model to introduce frontloading in house. This transition will occur in 23-24.
- 🏗️ Protection of title review (Q1-3) → Work has commenced and will continue into 23-24.
- 🏗️ Delivery of future Registration Operating Model including international process review (Q1-4) → Dedicated ringfenced teams in place for International and UK applications improvements showing in KPI compliance. Improved call handling arrangements and scripts introduced. Aiming to formally implement new operating model Q1 2023-24.
- 🔍 Expand delivery of online Registration services to include UK and readmission applicants (Q1-3) → UK Online portal launched. The mandatory integrated EDI collection for Registrants implemented. Readmissions process redesign currently on hold and will be implemented in the next release cycle and will now be linked to RTP policy review.
- 🏗️ Delivery of Phase 2 of FtP Case Management System → Work on remaining three sprints are due to conclude by end of Q4.
- ☀️ Increased support available for registrants involved in FtP cases, including development of a registrant support line (Q3-4) → Due to launch before end of Q4 2022-23.
- ☀️ Lay Advocacy support provision for members of the public and witnesses (including registrants) (Q2) → Complete - Service went live in Sept 22.
- 🔍 Review of the HCPC's FtP tone of voice to be more compassionate and accessible. (Q1-3) → A secondee is in place leading the review of template letters. Highest priority templates being prioritised. Progress impacted by delay in appointment. Review will continue into Q1 2023-24.

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.
- ⚠ High volume of consultation activity in Q3-4 may risk stakeholder fatigue and lower quality engagement. Mitigated by targeted pre consultation engagement.
- Review of SCPEs and supporting guidance pre consultation engagement undertaken, to be presented to Council March 2023 for consultation launch.
- #mystandards 2022-23 events programme completed raising awareness of standards requirements.
- Preparedness for practice research has launched.

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

Risk owner – Claire Amor (ED GAP) is responsible for the PPI directorate in the interim period while a substantive post holder is recruited.

Risk score – impact reduced. Significant standard reviews well progressed or completed, SCPE review ready for consultation to ensure current realities of practice are reflected, extensive engagement to inform development.

Risk influencers – increased professional liaison resource with consultants based in all 4 countries of UK enables greater reach to promote awareness of our standards expectations. Research on preparedness for practice has launched, engagement with registrants underway. Partnership working with HEE on Preceptorship principles (supporting new professionals transition to workplace) approved by Council and published. Implementation guidance in development.

Planned mitigations – Programme of PL events for 2022-23 completed / SETs review will not commence in 2022-23 due to lack of resource (given additional workstreams requiring policy focus, e.g. preceptorship and fees) / SCPE consultation will be launched before end 22-23 but delayed from expected September launch/ preceptorship principles developed, consulted on and approved by Council.

Review date

Mar-23

Risk owner

ELT Lead - Executive Director of Governance
Assurance and Planning

	Impact	Likelihood	Risk Score
Inherent risk	5	x 5	25
Current risk	3	x 2	6
Target risk (planned mitigations in place)	4	x 1	4

Risk reduced

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 2022-23

progress

- 🔊 Publication and implementation of revised Standards of Proficiency (SoPs)(Q1) → Implementation plan underway, with dedicated engagement, will continue until in force Sep 23.
- 🔧 Review of Standards of Conduct, Performance and Ethics (SCPE) and launch consultation on any proposed revisions. (Q2-3) → To be presented to Council March 2023 for approval to launch consultation.
- 🔧 Initiate review of Standards of Education and Training (Q4) → This will not be initiated in 2022-23 due to resource demands. Included in the 2023-24 Corporate Plan draft.
- 🔊 High quality programme of #myhpcstandards events to promote excellence in professional practice, eg duty of candour, sexual misconduct, reflective practice, supervision and professionalism, and some profession specific events based on evidence of risk (Q4) → Complete - Programme of #myhpcstandards webinars for 2022-23 completed.
- 🔧 Carry out preparedness for practice research (Q2-4) Engagement and consultation on the development of preceptorship guidance (Q3-4) → Research launched. Preceptorship principles consulted on and approved by Council.
- 🔧 Review social media guidance and develop and consult on revised approach as required (Q3) → Will be presented to Council March 23 for approval to launch a public consultation.
- 🔊 Expanded Professional Liaison Service, achieving presence in each UK nation. (Q3) → Complete – 4 country PL consultants in place.
- 🔊 Increased number of 'Joining the UK workforce' events (Q1-4) → Completed and evaluated.
- 🔊 Development of employer hub and increase in subscriptions to Insights for employers (e-newsletter) (Q3)Partner with identified employers and deliver a programme of employer events (Q4) → Completed and evaluated.

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

Review date
Mar-23

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

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.
- Programme for data excellence commenced with 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.
- While operational performance data reporting remains a manual process by and large, prototypes for some automated FTP reporting are in test.
- ⊕ Our priorities for what we want data to do requires refinement to ensure this is realistic and achievable. The Insight and Intelligence framework is under review to ensure it better fits our priorities. A more achievable workplan for 2023-24 has been agreed.
- ⊕ Ongoing risk of single point of failure for operational performance data reporting. Capability and capacity challenging and underutilisation of Power BI functionality.
- % 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.
- ⊕ Policy development work not able to be supported with data due to data either not being held, being only partially held or being held in an unstructured way requiring cleansing.

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 1st in house statistical analysis of EDI data and FtP outcomes.
- 👤 Oversight board for Programme for Data Excellence in place.

Reporting period commentary

Risk owner – Claire Amor (ED GAP) is responsible for the PPI directorate in the interim period while a substantive post holder is recruited.

Risk influencers - 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. We have also published a significant piece of analysis work in the reporting period, regarding register retention rates, this has been positively received by stakeholders in particular HEE and professional bodies. Ongoing issues with data quality and completeness continue to add to this risk. The data standards officer joined the team at the end of 2022 and is making good progress in developing cataloguing and defining data sets held. The ongoing issue of quality and completeness will be addressed in 2023, in corporate planning an active decision has been made to scale back some of the analysis work (though key pieces will continue) to enable limited resource to focus on getting our data to the strength it needs to be at for the future.

Planned mitigation – A number of planned mitigations are reporting as amber. This can be attributed to the resource limitations within the I&A team and the delay to a data standards officer joining to take forward the work on data quality and completeness. However, it should be noted that significant work undertaken connected to the HEE partnership on preceptorship was not in the corporate plan and the register retention analysis published received positive stakeholder reception.

	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

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. 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 2022-23

progress

- 📊 Agreed and assured official data set(s) incorporating all aspects of HCPC business. (Q3) → Data standards officer has commenced this work but did not join the team until late 2022. Will complete in 2023-24.
- 📊 Agreed definitions, standards, processes and procedures for data. (Q3) → While work commenced in Q4 this remains ongoing and will complete in 2023-24. Dashboards on profession demographics and renewals have been produced, extending this into other areas will not be achieved this year. It is included in next year's corporate plan.
- 📊 Production of public facing dashboards and reports using assured data and agreed standards (Q4) → While some initial analysis has been undertaken and discussed with Council, work has been delayed due to the quality of the underlying data, the team are working with the Ops teams to cleanse this data. It is included in the 2023-24 team workplan.
- 📊 Analysis of fitness to practise outcomes by diversity characteristics, focusing on age and sex, where data is available (Q1-2) → This builds on initial analysis, It is included in the 23-24 team workplan.
- 📊 Use fitness to practise and other data to explore risks and establish characteristics of 'high-risk' registrants (Q1-4) → Complete.
- 📊 Introduction of mandatory EDI data collection at renewal using online portal. (Q2-3) ✓

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 work is underway to support continued productive relationships.
- We have successfully delivered a partnership project with a key stakeholder (HEE) resulting in strong working relationship.
- 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. 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.

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 owner - Claire Amor (ED GAP) is responsible for the PPI directorate in the interim period while a substantive post holder is recruited.
Risk influencers - Negative impact on perception due to fees consultation decision. Positive impact from more mature planning to engagement and PL 4 country reach.
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.
Planned mitigation - All planned mitigations have completed or will within target except for the service user engagement work. While commenced the majority of this work will now take place in 2023-24 and it is included in the 2023-24 corporate plan as a commitment.

Review date	Risk owner
Mar-23	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 2022-23	progress
Internal audit of our organisation-wide approach to EDI, with action to address any recommendations (Q4)	Complete, a number of low to medium recommendations made and responded to.
Introduce analysis of our Staff Survey results by protected characteristics (Q3)	Complete.
Introduce formal consideration of impact on our EDI objectives for all relevant ELT and Council decision (Q2)	All relevant papers include commentary on EDI issues.
Expansion of devolved relationships management model to cover a wider range of stakeholders and 4 country relationship management (Q2)	Complete – 4 country PL presence now in place.
Complete evaluation of initial year of devolved relationship management model (Q4)	Review completed and will inform development work in 2023-24.
Planning/scoping for service user engagement project (Q3)	Planning commenced; however, this will not complete in 22-23 it is included in the 23-24 corporate plan.
Dedicated communications plan to support fees consultation in planning (Q3-4)	Underway. Fees decision has been made, communication plan has moved into parliamentary phase.

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

- PRC has recommended to Council a fully developed 23-24 budget that delivers a balanced position and prioritise set of investments, in accordance with budget principles earlier presented to Council. Greater integration of development of corporate and budget increases confidence in sustainability and affordability of ambitions.
- Council has approved fee rise with mitigations following consultation now seeking parliamentary approval.
- HCPC's last fee rise was reduced and delayed resulting in an impact on our medium to long term financial sustainability. Stakeholder lobbying against fee rise could lead to delay or reduction in amount. Risk being mitigated through active stakeholder engagement programme at senior level.
- Legal position on partners' employment status has crystallised, being addressed by dedicated Task and Finish Group. provision established subject to auditors' review.
- 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.
- Launch of online registration applications and process changes from outsourced service learning have seen significant productivity gains.
- Competitive jobs market and financial constraints limit our ability to match market rate increases, impacting ability to secure the right skills/experience. Vacancies in some teams create some risks to delivery of planned priorities, including further improvements in financial planning.
- Sickness absence and turnover reducing. APDR participation made mandatory for pay award consideration. Employee pay policy and structure has been modernised, enables HCPC to be more competitive and greater clarity for employees.
- Senior leadership changes have the potential for cultural impact. Being mitigated by Interim leadership arrangements in place. Recruitment of replacement roles is underway with Employee involvement.
- Carbon baseline for HCPC now established action plan for improving sustainability being developed with expert input.
- 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.
- Follow up audit of Core Financial Controls has taken place has delivered a green/amber rating in light of remedial action taken.
- Preparation for 22-23 external audit has commenced with early auditor engagement to mitigate system limitations, including interim audit of expenditure up to end-Dec.
- Change and Benefits Forum being established, reporting to ELT to strengthen change management and ensure delivery of benefits.
- Rising inflation increases HCPC energy and other costs and HCPC employees cost of living pressures.
- Digital Transformation Strategy has been updated for relevance and changes approved by Council. Now being communicated to organisation.

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 influencers - PRC has recommended to Council a fully developed 23-24 budget that delivers a balanced position and prioritise set of investments, in accordance with budget principles earlier presented to Council. Greater integration of development of corporate and budget increases confidence in sustainability and affordability of ambitions. 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 / fee rise proposals have been consulted on and approved by Council now in parliamentary stage. This can be a lengthy process and uncertainty still remains.

Planned mitigations - expanding on our update on Environmental Sustainability Strategy we have engaged with consultants and across the organisation to develop our initial environmental emission calculations (covering a number of years) established a baseline position from which to measure future enhancements. A number of sessions have been held internally to update awareness and understanding including at Council Seminar, ELT and SLG meetings. Plans for further developments and prioritisation are progressing.

	Review date	Risk owner		
	Mar-23	ELT - ED of Resources and Business Performance		
	Impact	Likelihood	Risk Score	
Inherent risk	5	x	5	25
Current risk	4	x	4	16
Target risk (planned mitigations in place)	3	x	3	9

No change

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 is one level outside of risk appetite

Planned mitigations 2022-23	progress
Develop a comprehensive, strategic workforce plan (Q3)	HRBP's have commenced departmental workforce meetings with Heads. Discussions and planning are ongoing and will involve Finance Business Partners. Corporate induction has been revamped and has received positive feedback.
Review and relaunch our recruitment processes and induction programme to streamline onboarding (Q2-4)	Recruitment processes review underway with an emphasis to recruit directly with less reliance on agencies.
Introduce Aspiring Leaders programme to develop our future leaders to ready them for management roles. (Q3)	Complete - programme introduced and went live February 2023.
Review and update the Digital Transformation Strategy (Q3)	Complete. Council approved updated strategy in December 2022.
Modernisation of our IT infrastructure (Q3-4)	Ongoing – while this will never be complete due to the pace of change in this area, we have completed our aims for 2023-24.
Implement an upgrade to our financial system (Q4)	Initiation delayed but has now completed moving into build. Will complete in 2023-24.
Consult on increasing our fees (Q3-4)	Decision made on future registration fee levels following consultation. Now at parliamentary approval stage.
Establish a framework for change and benefits management (Q2)	New Change and Benefits Forum being established, reporting to ELT to strengthen change management and ensure delivery of benefits.
Develop an Environmental Sustainability Strategy and implement baseline analysis (Q3-4)	On track for completion by end of Q4.

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

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.
- 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 which has now been launched for public consultation. HCPC will respond to the consultation formally.
- 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.
- Though tone of recent PSA performance reports positive and acknowledge improvement efforts, PSA standards attainment could increase organisational vulnerability during a time of regulatory reform. PSA is currently undertaking a case audit to support its determination for the 2022-23 review.

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.
- Internal steering group meeting regularly.
- 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.

Reporting period commentary

Risk owner – now Andy Smith, Interim Deputy Chief Executive following departure of Chief Executive.

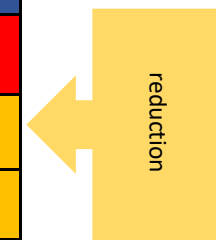
Risk score – DHSC have announced that the HCPC and NMC will be the next regulators to be prioritised for reform. This reduces the risk of significant delay to the HCPCs reforms. However, the financial risk posed has increased due to needing to scale up our internal resource to undertake the work required to capitalise on the opportunity of reform. Overall, a small reduction to the risk from 9 to 8.

Risk influencers – Positive impact of being officially named by DHSC as the next regulator to undergo reform. This provides more confidence that the changes we require to our legislation will not be significantly delayed. However negative impact as discussed above in risk score. There could be a need for a potentially significant level of additional resource. We are proactively seeking to mitigate this risk through active engagement with other regulators and DHSC, as well as through preparatory work being carried out within BAU resources. The budget includes a £300k contingency (approximately 1% of operating expenditure).

Review date
Mar-23

Risk owner
ELT lead - Interim Deputy Chief Executive

	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



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

Planned mitigations 2022-23	progress
Engagement with DHSC on regulatory reform as they develop GMC's legislation as a blueprint for our own. (Q2)	Responded to DHSC consultation, maintaining engagement with stakeholders.
Develop a Financial Sustainability Strategy (Q2)	Council has agreed to pursue a fee increase, which is now at parliamentary approval stage.
HCPC response to the consultation on regulation of physicians' associates (Q3)	Consultation was launched Feb 23 and will close May 23, response in development.
Detailed business case for resources needed for HCPC's regulatory reform go live (Q3)	Developed.

Risk Likelihood scoring

	Strategic	Programme/Project	Operational
Highly likely 5	"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.
Likely 4	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.
Possible 3	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.
Unlikely 2	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.
Highly unlikely 1	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
Catastrophic 5	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
Significant 4	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.
Moderate 3	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
Minor 2	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
Insignificant 1	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>Regulatory Quality - Open How will we deliver effective regulatory functions?</p>	<ul style="list-style-type: none"> • 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. • We are open to risks that will further us in our aim of delivering excellent regulatory functions. • 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. • We proactively seek to reduce public protection risk through the promotion of professionalism and prevention. • 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. • It is essential that mitigations to ensure ongoing public protection are in place as a foundation of taking risks to improve our regulatory quality.
<p>Compliance – Measured How will we comply with our statutory, regulatory and policy requirements?</p>	<ul style="list-style-type: none"> • We have a preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward. • 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. • 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. • It is essential that the long-term achievement of PSA standards is assured.
<p>Communication and Profile – Seeks How will we be viewed by our stakeholders?</p>	<ul style="list-style-type: none"> • We are eager to be innovative in content and method in order to communicate more effectively, despite greater inherent risk. • 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. • 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. • 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. • We seek meaningful two-way dialogue with our stakeholders, even where this may pose a risk to our profile due to uncomfortable feedback. • It is essential that the HCPC's voice is not perceived to be party political. The HCPC is neutral as a public body.
<p>People – Seeks How will we lead our workforce?</p>	<ul style="list-style-type: none"> • We are eager to be innovative and to choose options that increase our effectiveness as an organisation despite greater inherent risk. • We are prepared to accept risk as long as there is the potential for improving culture, recruitment and retention. • We want to innovate to improve our culture and working environment. • 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. • It is essential 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.
<p>Financial and Value for Money – Measured How will we use our resources?</p>	<ul style="list-style-type: none"> • We are prepared to accept the possibility of limited financial loss where it does not have the potential to impact on our going concern. • Value for money is our primary concern in financial expenditure but we are willing to consider other benefits or constraints. • We are funded through registrant fees and we have a responsibility to ensure we invest cautiously to minimise loss while maximising benefit. • 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. • It is essential we remain a financially viable organisation to ensure continued public protection through continued operation. Significant financial risks are not compatible with this requirement.