Audit and Risk Assurance Committee

13 March 2024

Strategic Risk Register – March 2024

Executive Summary

The presented report sets out the HCPC's Strategic Risks as at 1 November 2023.

The Register details:

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

The risks have been mapped to the new risk appetite, live October 2023.

Previous consideration	The Committee reviews the Strategic Risk Register at each meeting.
Decision	• 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 March 2024.
Next steps	The Committee will receive the next report at their meeting in June 2024
Strategic priority	The strategic risks are relevant to all aspects of the Corporate Strategy 2021-26
Financial and resource implications	None
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HCPC Strategic Risks

Summary of strategic risks

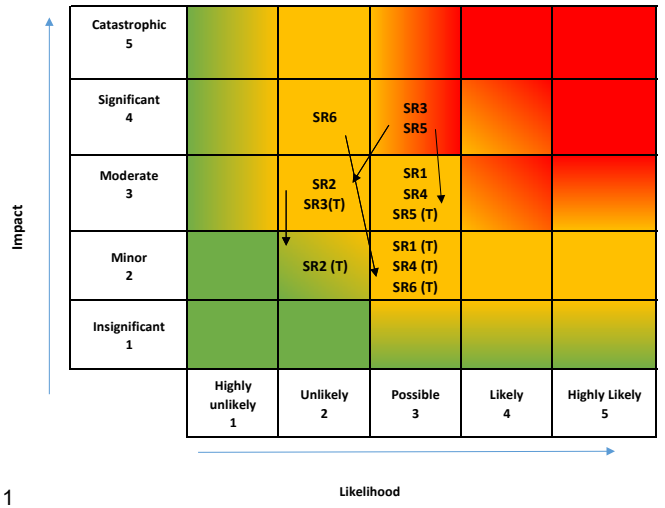
Strategy	Strategic Risks - High Level	Risk Description	Sep-23	Target Risk*
1 - Continuously improve and innovate - To improve our performance against PSA standards of good regulation and to innovate across all our regulatory functions to provide an enhanced user experience.	1. Our regulatory performance 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.	9	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.	9	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.	12	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

Review date	Risk owner
Feb-24	ELT Lead - Executive Director of Education, Registration & Regulatory Standards

	Impact		Likelihood	Risk Score
Inherent risk	5	x	5	25
Current risk	3	x	3	9
Target risk (planned mitigations in place)	2	x	3	6

No Change

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

- The PSA published the HCPC performance report 2022-23 in June 2023. The HCPC met 16 of 18 standards, gaining three more standards then 2021-22, including all Registration standards and three out of five FTP 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.
- 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 significantly.
- Pre engagement from stakeholders on planned international recruitment in 2023-24 increases confidence in forward resource needs.
- The Education team are through the backlog now, and about six months ahead of where the team were this time last year. The team is now focusing on case planning which will ensure greater compliance with KPIs and service levels
- The second tranche of FtP Improvement projects are in delivery, continued focus on embedding of tranche 1 benefits.
- FTP Tone of Voice templates are live from start of October and in use, factsheets are now live publicly on the website, training has been completed for the department. Will monitor and continue to engage with professional bodies to measure impact
- Wider tone of voice work to be scoped in order prioritise for the next phase of the project
- Teams will require additional resource to engage in regulatory reform preparation when commences for HCPC.

Risk Appetite

As of October 2023:
Regulation = Measured
Compliance = Measured.

This risk needs to be rated in the amber range to meet the risk appetite due to the measured appetite for Regulation and Compliance. Reaching the target risk score is dependent on
1. The launch and successful embedding of the new Education QA model. - Delivered - Impact being monitored
2. Registration applications being online, volumes reducing and the review of the international process. - In progress
3. Changes from FTP improvement programme embed and evidence that improvement is lasting in medium – long term. - In progress

Current risk level is within risk appetite

Mitigations in place

- Second line QA plan for 2023-24 to review success of improvements in FtP, Rregistration & 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.
- Centralised PSA coordination. Participation in inter-regulatory working groups to share good practice and discuss common issues, this is also provided though the use of a panel of legal providers for FtP matters with experience of how other regulators have improved processes.
- Monitoring regulatory performance through performance reporting and KPIs.
- Mature feedback and complaints service in place focused on extracting learning when things go wrong.
- Surge support partner in place to process increase in international application volumes and minimise any delay to stakeholders. Online application capability in place for UK & international applications.
- Regular learning and development for Partners and employees.
- Registrant health and wellbeing strategy, registrant support line in place.
- Wide range guidance on HCPC's regulatory processes available on our website.

Planned mitigations 2023-24	progress
Move into new FTP Frontloading Operating model (Q4)	In progress. Recruitment continues for final required roles. Working group set up to create new operating model and progress implementation– expected to be in place by end of FY. Criteria already in place for frontloaded cases.
Move into new Registration operating model (Q3-4)	In progress. Continue to work with HR and Finance to move into new operating model for implementation from start of 2024-25
Enhance online registration services including mobile compatibility (Q4)	Completed. All registration and application portals are mobile compatible
Review of Records of Assessment (ROA) for International applications	In progress. *Implemented 8 Jan 2024 - any application sent to RA must be completed to new requirements, QA reviewing at least one decision by every RA.*
Online concerns project	In progress. Requirements gathering underway, new timelines to be confirmed shortly.
NEW: Plagerism Software introduced in december for Registration	New policy and process in place, team trained. Monitoring ongoing as intelligence develops.

Reporting period commentary

Risk score – No Change. We continue to work on meeting PSA standards we do not currently, as well as maintaining the standards we currently meet. The impact of ongoing mitigations must be measured before further decrease in the risk score.

Risk Influencers – The FTP Tone of Voice review has been delivered, including new factsheets which can also be found online to support people through the FTP process. The next stage of the tone of voice review has not yet been scoped, with work happening to identify the next highest priority for delivery. While there has been a delay in recruitment for the frontloading operating model, a working group has been created to ensure this does not impact the delivery of this by the end of the financial year.

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

Review date	Risk owner
Feb-24	ELT Lead - Executive Director of Education, Registration & Regulatory Standards

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.

	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

No change

Current risk influencers

- 4 country PL resource in place better enabling UK wide prevention engagement.
- Partnership working with NHS England on Preceptorship principles (supporting new professionals transition to workplace) approved by Council and published. Implementation guidance published in November.
- Revised SOPs in effect as of 1 September. Detailed guidance and support available on the HCPC website.
- Changes to SCPEs may pose risk to registrant understanding of expectations following implementation. Plan under active monitoring to mitigate.
- Changing expectations of our professions' practice as a result of pressures on services, tech or societal events.
- Revised SCPEs and guidance on social media approved by Council, year long implementation phase will now take place. #mystandards 2023-24 events programme has commenced aiming raising awareness of standards requirements.
- Preparedness for practice research has launched.
- English Language Requirements: Consultation closed, presentation to Council in May with findings and proposal.

Risk Appetite

As of October 2023:
Regulation = Measured
Influence & Leadership = 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

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. recruitment in progress for policy, head of coms coming into post shortly
- 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.

Planned mitigations 2023-24	progress
Review our English Language Requirements for registration (Q1-4)	In progress. Consultation closed, completing analysis - initial discusstion with ETC march, to council in May, to finish in Q3. 2024-25
Preparatory work and scoping of review of SETs (Q4)	Started prep for SETs review, discussion with ETC march
Undertake preparedness for practice research - Final preparedness for practice research report received & action plan developed (Q3-4)	Report being finalised, uni of plymoth gave council prestation on findings in Feb. Taking to March council to note and then will be published
Advanced practice - take forward development of definition/guiding principles (Q3) (subject to fee increase)	Proposal for addintion funding from NHS england, waiting for response. Recruiting Policy lead to support this work.
Review of SCPE and social media guidance (Q1-3)	Implementation working group in place with PM support to take forward implementation. Post consultation actives include workshops exploring each of the Standards.

Reporting period commentary

Planned mitigations – The Revised SCPE and social media guidance has been approved and begins implementation, going live September 2024.

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

Review date	Risk owner
Feb-24	ELT Lead - Executive Director of Education, Registration & Regulatory Standards

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 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.

	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

Current risk influencers

- Findings of analysis of the attrition rates of the 15 professions published, contributing to wider workforce planning aims. Positive reception from stakeholders.
- Insight and Analytics commenced work on data dictionary. IT team delivered successful first modules of new data platform, supporting EDI reporting, meeting the needs of the HEE data sharing project and improving access to core registration data.
- Data Engineer in place, data standards officer on secondment. A data migration specialist has been recruited on a temporary basis to support the Business Central project.
- Ongoing risk of single point of failure for operational performance data reporting. Focus on automating what we can and ensuring colleagues upskilled to avoid single points of failure.
- % of registrant EDI data held has improved with 75% 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&A and QA team working with education, registration and FtP to resolve and mitigate against data quality issues.
- Data priorities have been reviewed and aims for 2023-24 more realistic and grounded in the reality of the current data quality. Priority is to improve data quality before moving to next maturity level.

Risk Appetite

As of October 2023:
Data = Open

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 assurance on the quality of and approach to our data and reporting, including clear definitions.

Current risk level is one level outside of risk appetite

Mitigations in place

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

Planned mitigations 2023-24	progress
Statistical analysis of FTP outcomes as impacted by EDI factors (Q2)	In progress. Further interigation of data needed, to be completed 2024-25
Regular supply of Student level Higher Education Statistics Agency (JISC) and NHS Education Scotland (NES) data (Q4)	We are continuing with supply of HESA data in the current form, through JISC data consultancy. This data is not at the student level but is aggregated based on a data supply arrangement which has been in place for two years. This is in the corporate plan for 2024/25.
Publication of EDI factsheets across professions (Q4)	Rolling programme. 12 factsheets now published. After renewal window in Q4 there will be a full register at same point in time. Will then be an annual report. In summer of 24 (June) refres full reg - *annually thereafter*
Definition and implimentation of Minimum Data Sets accross Regulatory areas (Q4>)	MDS finalised for Registration, and drafted for Education and FTP. Systems development and improvement work has began and will be ongoing into 2024/25. Next steps are to ensure embeading into the teams

Reporting period commentary

Risk influencers – Streamlined focus for 2023-24 agreed, focused on underlying quality improvement and a smaller number of analyses projects. Data quality remains a negative impact on the score.
Mitigations in place - Renewals data dashboard established and in place.
Planned mitigations - Development of MDS accross Regulation areas

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

Review date	Risk owner
Feb-24	ELT Lead - Executive Director of Education, Registration & Regulatory Standards

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.

	Impact		Likelihood	Risk Score
Inherent risk	5	x	5	25
Current risk	3	x	3	9
Target risk (planned mitigations in place)	3	x	2	6

No Change

Current risk influencers

- 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.
- Professional liaison consultants in place in each of the 4 UK countries, improving our reach for engagement work.
- Strategic Relationship Lead in place and actively managing and supporting relationship managers' network. Relationship management model reviewed and revised in quarter 1. Engagement management group established to support more targeted forward planning for engagement.
- Business case for a CRM not taken forward in investment prioritisation for 2023-24. Over the year we will better scope our needs to make the case for the following years submission.
- Service user engagement focus groups undertaken for SCPE review.

Risk Appetite

As of October 2023:
Influence & Leadership = Seeks

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 within risk appetite

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.
- Office of Chair and Chief Executive established and posts filled

Planned mitigations 2023-24	progress
Development of a service user group forum (Q3-4)	Service user work on SCPEs and Eng Lang completed, tendering for an annual contract with a service user body, to begin April 24
English language review consultation (Q3-4)	In progress. Consultation closed, completing analysis - initial discusstion with ETC march, to council in May, to finish in Q3. 2024-25
Welsh language scheme accessibility enhancements (Q3-4)	In progress. Business change support in place for two standards which are to be delivered by Summer 2024. Compliance audit completed on other medium and high risk areas on progress.

Reporting period commentary

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

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

Review date	Risk owner
Feb-24	ELT - Executive Director of Resources

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.

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

Decrease

Current risk influencers

- 2022-23 external audit completed with clean audit opinion.
- 23-24 balanced budget achieved. Draft 24-25 balanced budget, medium term financial plan.
- Budget factors in projected future benefits of investments, to be validated at project initial phase and tracked to ensure deliver.
- November 23 fee rise implemented.
- Regular, incremental fee reviews required to maintain HCPC financial sustainability, including in light of increased costs from FtP volumes, need for continued investment and financial risks.
- Business Central finance system go live planned in March 2024 before new financial year, to improve financial control and reporting.
- People strategy in place: BDO audit shows good progress. Performance against KPIs good - sickness absence and turnover reducing. APDR participation for 23-24 was 100%. Aspiring leaders, Beyond Barriers and reverse mentoring L&D programmes launched.
- Legal position on partners' employment status remains open, pending judgement in NMC employment tribunal case. Possibility of legacy and future costs arising for HCPC being addressed by dedicated Task and Finish Group and in budgeting and medium-term financial planning.
- Review of partners operating model identified opportunities for improved quality assurance and efficiency.
- Rising inflation increases HCPC costs and HCPC employees cost of living pressures; impacts mitigated by budgeting, pay review and efficiency plans as part of benefits realisation.
- Change and Benefits Forum established, reporting to ELT to strengthen change management and ensure delivery of benefits.
- Restructure of ELT live from 1 Nov 2023, with maternity cover appropriately planned to mitigate gap.
- Carbon baseline for HCPC now established with action plan for improving sustainability being developed with expert input and involvement of ELT and SLG.

Risk Appetite

As of October 2023:
Financial = Measured
People = Open

Current risk is outside risk appetite, with the benefits of the introduction of increased fees in November 2023 and a positive People Strategy internal audit report partially offset by continued financial pressures and long term risks. To meet our target risk we need regular fee reviews to maintain financial sustainability, in addition to maintaining the rate of progress in other areas. The target also requires our financial reserves to be stronger.

Current risk level is within risk appetite

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 for employees, 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 employees. *All HR policies have been updated in the last 12 months*
- Adherence to Partner processes in relation to recruitment, onboarding and Partner Code of Conduct (updated Jan 2024)
- 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.

Planned mitigations 2023-24	progress
Partners - Review how we work with our Partners to optimise and streamline our processes and quality assurance (Q1-4)	In Progress. Review of quality measures ongoing. Quality statements updated for int reg assessors, in review for CPD with pilot to happen in Q1 2024-25(april - july) with systems update to happen Aug 2024. FTP QS reviews starting Q4 2023-24.
Implement upgrade to e-recruitment site and enhance the recruitmen pages by making them more interactive (Q2-3)	Completed. New careers website which is more approachable, enhanced employer brand,m better engaged customer experience, talent network - already seen people uploading to this within a week of going live.
Implement Business Central and roll out improved management reporting (Q3-4)	Business Central is due to go live by the end of the financial year.
Establish HCPC's carbon baseline & agree action plan and targets (Q1-3)	Environmentally sustainability statement published. Pules survey: working with emp forum on engagement with staff. Carbon calculation for last year of audited accounts has been conducted. Moving towards renewable energy supply for electricity form April 2024
Online registration services – pursuing our Digital Transformation Strategy to enhance our online application and renewal functionality for registrants and applicants (Q3-4)	Completed. Mobile phone capability for all portals, "My Details" now on portal.
Implement change to fees (tbc)	Fee rise in place from November 2023.

Reporting period commentary

Risk score – With Fee rise coming into effect on Thursday 9 November 2023, Likelihood has decreased to Possible (3) which has the overall score as 12 (red/amber)
Planned mitigations - progress in reducing office footprint, overall reduction 50%. Delay to replacement finance system, but continues to progress.

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

Review date	Risk owner
Feb-24	ELT Lead - Executive Director of Education, Registration & Regulatory Standards

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.

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

No change

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. Reviewed for 2024-25 budget, but not included.
- Funding needed to progress regulatory reform internally not included in 2023-24 budget and will be funded by ringfencing any surplus in 22-23 and contingency in 2023-24 budget.
- HCPC funding challenges risk being unable to scale up to meet needs of regulatory reform due to parliamentary approval of fees and associated long process to achieve this.
- While HCPC has now been named as the next regulator to undergo reform there is not clarity at this stage on the timescales for this. We expect this clarity once DHSC has run its consultation on the GMC legislation. Lack of timescale challenges planning and scaling up of resources within HCPC dedicated to reform.
- HCPC provided feedback on, and participated in cross regulatory round table discussions, regarding the development of the GMC s.60 order. HCPC has responded to this consultation.
- HCPC has engaged with DHSC on how the recommendations of KPMG on the future regulatory landscape may be taken forward. DHSC have indicated that this will not be progressed as a priority, with the S.60 taking priority.
- Government leadership changes, and challenges in the health landscape could impact on the progression of regulatory reform due to other priorities.
- Collaboration with stakeholders such as NHS England 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.

Risk Appetite

As of October 2023:
Reform = Open

Current risk is within appetite.

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

Current risk level is within risk appetite

Mitigations in place

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

Planned mitigations 2023-24		progress
Engagement with DHSC on regulatory reform as they develop GMC's legislation as a blueprint for our own. (ongoing)	→	Monthly meetings with DHSC still ongoing and regular catch ups with GMC & NMC. Scoping meeting with DHSC meeting with officials for lessions searned and requirements for HCPC with a view to put together a timeline. We have had the opportunity to review both the GMCs rules and the NMCs planned rules.
Fee rise coming into force 2023 required to fund resources needed for reg reform.	→	Fee rise in place from November 2023.
Detailed business case for resources needed for HCPC's regulatory reform go live (Q3)	→	In development.

Reporting period commentary

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

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 October 2023

Regulation – Measured (Registration, Education, FTP, Policy & Standards)	Our focus is on long term and lasting quality in our regulatory delivery. We prefer safer delivery options for meeting our requirements as a regulator, accepting a measured degree of residual risk and choosing the option most likely to result in successful delivery in order to continue as an effective regulator. It is **essential** that mitigations to ensure ongoing public protection are in place as a foundation of taking risks to delivering regulatory requirements.
Influence/Leadership - Seeks (Engagement, comms, profile, reputation, influence)	We are willing to take decisions which are likely to bring additional scrutiny of the organisation. We outwardly promote new ideas and innovations where potential benefits outweigh the risks. It is **essential** that the HCPC's voice is not perceived to be party political. The HCPC is neutral as a public body.
Compliance - Measured (PSA, ISO, ICO, Environmental, H&S, etc)	We have a preference for safe delivery options with little residual risk. We want to be reasonably sure we would win any challenge. Data protection, IT and cyber security are covered by this risk type. It is **essential** that the long-term achievement of PSA standards is assured.
Financial - Measured (Finance, VFM, Estates)	We will pursue safe delivery options, accepting small residual financial risk only if that could yield upside opportunities. Value for money, affordability and long-term financial sustainability are our primary financial concerns in fulfilling our regulatory responsibilities, but we are open to considering other benefits and constraints in evaluating financial plans. 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.
People - Open (Employees & Partners)	We aim to invest in our people to create innovative mix of skills environment. We are prepared to accept risk as long as there is the potential for improved culture, recruitment and retention. 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.
Data - Open (Quality, analysis, sharing)	We accept need for operational effectiveness in distribution and information sharing. We support innovation and new approaches, as long as there is the potential for improved data quality. (Please note data protection is covered by the Compliance risk type) It is **essential** that we understand our data when sharing and publishing analysis.
Reform - Open (Regulatory Reform)	We support innovation, with demonstration of benefit or improvement in service delivery. We are receptive to taking difficult decisions when benefits outweigh risks. Processes, oversight and monitoring arrangements enable considered risk taking. It is **essential** that the opportunities taken with regulatory reform are fully evidenced and cross organisational impact is considered and documented